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An Act

HOUSE BILL 22-1259

BY REPRESENTATIVE(S) Duran and Jodeh, Froelich, Lontine, Amabile, Bacon, Bennett, Bird, Boesenecker, Esgar, Exum, Gonzales-Gutierrez, Herod, Kipp, Lindsay, McCluskie, Michaelson Jenet, Mullica, Sirota, Titone, Valdez A., Benavidez, Hooton;
also SENATOR(S) Moreno, Story, Fields, Gonzales, Hansen, Lee, Pettersen, Rodriguez, Winter.

CONCERNING MODIFICATIONS TO THE COLORADO WORKS PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) "Temporary Assistance for Needy Families" (TANF), known as the "Colorado Works Program" (works program), provides financial assistance and work supports to families living far below the federal poverty level. The works program should promote family safety, stability, and self-sufficiency by assisting with job preparation and supporting career goals and employment. As of fiscal year 2021-22, a parent with two children must make less than \$421 per month in income to qualify for a

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basic cash assistance grant under the works program. The COVID-19 pandemic brought unprecedented hardships and changes to both families and the works program. Even before the COVID-19 pandemic, families enrolled in the works program were facing the greatest barriers to financial security and well-being.

(b) Families enrolled in the works program are eligible to receive cash assistance to help meet the family's ongoing basic needs, such as diapers, food, bus passes, and school supplies. Cash assistance payments were not adequate at the start of the works program in 1996 and since payments have not adjusted for inflation, cash assistance has eroded even further and failed to keep up with the cost of living in Colorado. In 1996, the amount of Colorado's cash assistance was 32.9% of the federal poverty level, but by 2021 it had fallen to 27.8% with the maximum amount of cash assistance for a parent with two children at \$508 per month.

(c) Families can often face a "cliff effect" when the family receives more income through employment or a raise and then abruptly has its public assistance reduced or discontinued. Too often families are left without supports right when they begin to get their feet underneath them. Reducing the "cliff effect" will incentivize work, help parents stay employed, and create a smoother off-ramp toward employment, self-sufficiency, and economic security.

(d) Families can be better supported in the works program by reducing punitive sanctions and overly burdensome work requirements. While sanctions and work requirements are required by the federal government, states have some discretion on how to administer those requirements. Colorado has made some strides in easing these requirements and can do more to be responsive to families' circumstances and needs. Sanctions, or financial penalties that are issued when a participant does not meet the work requirements of the works program, are disproportionately applied to certain families, including families of color, do not achieve the intended outcome of connecting families to sustainable employment, and increase the administrative burden on case managers and counties. Moreover, families who receive sanctions face the most significant barriers to employment and economic security, such as a child being hospitalized, domestic violence, lack of a vehicle, or less work experience.

(e) Colorado receives federal TANF funds each year and the state

is permitted to retain a certain amount of unexpended funds for future use in the event of an economic downturn or caseload growth. Colorado has two sets of TANF reserves: A state TANF long-term reserve and a TANF reserve in each county. Although there was severe economic downturn, including historic unemployment, during the COVID-19 pandemic, the amount of money in the reserves actually increased in Colorado. The beginning fiscal year 2021-22 balance of all county TANF reserves was \$61.2 million and the balance in the state TANF long-term reserve, which has a mandatory floor of \$33 million, was \$76.2 million. In total, there was more than \$137 million in TANF reserves in Colorado at the end of the 2020-21 fiscal year.

(f) To support the economic recovery from the COVID-19 pandemic, the department of human services may receive additional money to support subsidized training and employment. The money may be used to support current Colorado works participants and individuals who are eligible for short-term non-recurrent assistance and other assistance, as defined by the state board of human services, whose income does not exceed 200% of the federal poverty level.

(2) Therefore, the general assembly declares that Colorado must prioritize strategies and investments to remove barriers to employment and economic security for families and children experiencing extreme poverty in the state. Colorado should ensure a basic cash assistance amount sufficient enough to lift families out of extreme poverty and ensure that it keeps with the rising cost of living; make improvements in the way the works program serves families, including reducing the "cliff effect"; elevate family voices in the works program; and improve outreach and communication about the works program.

(3) The general assembly further finds and declares that the increase in basic cash assistance grants and funding for subsidized employment established in this act are critical government services.

SECTION 2. In Colorado Revised Statutes, 26-2-705, **amend** (2)(a) and (2)(e) as follows:

26-2-705. Works program - purposes. (2) The purposes of the works program are to:

(a) Assist participants ~~to terminate their dependence on government benefits~~ TOWARD SELF-SUFFICIENCY, ECONOMIC MOBILITY, AND FAMILY SAFETY AND STABILITY by promoting job preparation, work, and marriage;

(e) Develop strategies and policies that focus on SUPPORTING PARTICIPANTS IN THE PARTICIPANTS' EMPLOYMENT AND CAREER GOALS, REMOVING BARRIERS TO EMPLOYMENT FOR PARTICIPANTS, AND ensuring that ~~participants are in work activities as soon as possible so that~~ the state is able to meet ~~or exceed~~ work participation rates specified in the federal law; and

SECTION 3. In Colorado Revised Statutes, 26-2-706, **amend** (3) and (4); and **add** (2)(c) as follows:

26-2-706. Target populations. (2) (c) IN DETERMINING THE INCOME REQUIREMENTS PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION, THE STATE DEPARTMENT SHALL USE AN INCOME CONVERSION RATIO FOR CONVERTING WEEKLY AND BIWEEKLY INCOME TO A MONTHLY AMOUNT USING THE LOWEST RATIO OR METHODOLOGY THAT RESULTS IN THE LOWEST MONTHLY INCOME AMOUNT ALLOWABLE UNDER FEDERAL LAW.

(3) A person convicted of a drug-related felony offense under the laws of this state, any other state, or the federal government on or after June 3, 1997, ~~shall not be~~ IS eligible for assistance under the works program. ~~unless such person is determined by the county department to have taken action toward rehabilitation such as, but not limited to, participation in a drug treatment program.~~

(4) The state board shall promulgate rules to simplify the requirements relating to determination and verification of eligibility criteria. ELIGIBILITY PROCESSES FROM OTHER PUBLIC ASSISTANCE OR ENTITLEMENT PROGRAMS MAY BE USED WHEN REDETERMINING AND VERIFYING ELIGIBILITY. WHEN POSSIBLE, THE STATE BOARD IS STRONGLY ENCOURAGED TO ALIGN REDETERMINATION AND VERIFICATION TIMELINES WITH OTHER PUBLIC ASSISTANCE OR ENTITLEMENT PROGRAMS. Nothing in this subsection (4) ~~shall authorize~~ AUTHORIZES the state board to amend or delete eligibility criteria for participation in the works program that the board is not otherwise authorized to amend or delete.

SECTION 4. In Colorado Revised Statutes, 26-2-706.5, **add** (4) as follows:

26-2-706.5. Restrictions on length of participation - rules. (4) NO LATER THAN JULY 1, 2023, THE STATE BOARD SHALL PROMULGATE RULES:

(a) ESTABLISHING STATEWIDE STANDARDS AND PROCEDURES THAT REQUIRE COUNTIES TO OFFER EXTENSIONS BEYOND THE SIXTY-MONTH LIFETIME MAXIMUM FOR ALL HOUSEHOLDS THAT DEMONSTRATE GOOD CAUSE, WHICH INCLUDES, BUT IS NOT LIMITED TO, AN APPLICANT OR PARTICIPANT WHO IS:

(I) A CHILD-ONLY CASE;

(II) THE HEAD OF A SINGLE PARENT HOUSEHOLD UNIT AND HAS A CHILD UNDER ONE YEAR OF AGE; OR

(III) EXPERIENCING HARDSHIP, AS DEFINED IN RULES PROMULGATED BY THE STATE BOARD; AND

(b) TO ADDRESS HOW THE STATE WILL MONITOR EXTENSIONS IN RELATION TO REQUIREMENTS UNDER THE FEDERAL LAW.

SECTION 5. In Colorado Revised Statutes, 26-2-708, **add** (5.3) as follows:

26-2-708. Assistance - assessment - individual responsibility contract - waivers for domestic violence - rules. (5.3) (a) NO LATER THAN JULY 1, 2023, THE STATE BOARD SHALL PROMULGATE RULES:

(I) ESTABLISHING STATEWIDE STANDARDS AND PROCEDURES THAT REQUIRE COUNTIES TO INFORM AND NOT PENALIZE ANY APPLICANT OR HOUSEHOLD THAT DEMONSTRATES GOOD CAUSE FOR AN EXEMPTION FROM WORK REQUIREMENTS, WHICH INCLUDES, BUT IS NOT LIMITED TO, AN APPLICANT OR PARTICIPANT WHO IS:

(A) THE HEAD OF A SINGLE-PARENT HOUSEHOLD UNIT AND HAS A CHILD UNDER ONE YEAR OF AGE; OR

(B) EXPERIENCING HARDSHIP, AS DEFINED IN RULES PROMULGATED BY THE STATE BOARD; AND

(II) ENSURING EQUAL ACCESS TO TANF SERVICES FOR THOSE

EXEMPTED WHO WISH TO PARTICIPATE ON A VOLUNTARY BASIS.

(b) WHEN PROMULGATING RULES PURSUANT TO THIS SUBSECTION (5.3), THE STATE BOARD SHALL CONSIDER COMPLIANCE WITH THE FEDERAL LAW IN RELATION TO THE CALCULATION OF THE STATE'S WORK PARTICIPATION RATES SPECIFIED IN THE FEDERAL LAW.

SECTION 6. In Colorado Revised Statutes, 26-2-709, **amend** (1)(a) introductory portion, (1)(a)(III), (1)(b), and (1.3); and **add** (1)(f) as follows:

26-2-709. Benefits - cash assistance - programs - rules - repeal.

(1) **Standard of need - basic cash assistance grant.** (a) The state department shall promulgate rules determining the standard of need for eligibility for a basic cash assistance grant, whether an applicant or participant meets the standard of need, and the amount of the basic cash assistance grant. THE STATE DEPARTMENT SHALL ANNUALLY REVIEW AND PROMULGATE RULES AS NECESSARY TO UPDATE THE STANDARD OF NEED TO ENSURE THE STANDARD OF NEED IS EQUITABLE, PROMOTES ECONOMIC MOBILITY AND SELF-SUFFICIENCY, AND REFLECTS THE CURRENT ECONOMIC SITUATIONS IN THE STATE. In addition to any other rules necessary for the implementation of this part 7, the state department's rules shall:

(III) NO LATER THAN JULY 1, 2023, establish the calculation for determining the amount of an eligible applicant's or participant's basic cash assistance grant, which calculation ~~shall~~ MUST include an earned income disregard ~~which shall be~~ THAT IS applied to the gross countable earned income of an applicant or participant who is employed AND A GRADUAL STEP DOWN OF THE AMOUNT OF INCOME DISREGARDED FOLLOWING THE INITIAL EARNED INCOME DISREGARD. The INITIAL earned income disregard ~~shall~~ AND GRADUAL STEP DOWN MUST promote work and self-sufficiency, BE RESPONSIVE TO FAMILY CIRCUMSTANCES AND NEED, and ~~shall~~ benefit the applicant or participant by reducing the unintended economic consequences of becoming employed. The rules promulgated by the state department pursuant to this ~~subparagraph (III) shall~~ SUBSECTION (1)(a)(III) MUST not establish an earned income disregard that results in an applicant or participant having fewer financial resources available to ~~him or her~~ THE APPLICANT OR PARTICIPANT than a similarly situated applicant or participant would have had under the earned income disregard pursuant to section 26-2-709 as it existed on July 1, 2009; and

(b) (I) In establishing the calculation for determining the amount of an eligible applicant's or participant's basic cash assistance grant, the state department shall ensure that the amount of the basic cash assistance grant that a participant or applicant receives FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2022, is equal to or exceeds ~~one hundred two percent of the need standard for a participant in a similarly sized household on January 1, 2008. The state department is encouraged to establish a calculation for determining the amount of a basic cash assistance grant that results in a basic cash assistance grant that is equal to or exceeds one hundred twelve percent of the need standard for a participant in a similarly sized household on January 1, 2008,~~ ONE HUNDRED PERCENT OF THE AMOUNT OF BASIC CASH ASSISTANCE IN 2021, PLUS TEN PERCENT. FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2024, AND EACH STATE FISCAL YEAR THEREAFTER, THE AMOUNT OF BASIC CASH ASSISTANCE MUST BE EQUAL TO OR EXCEED THE AMOUNT OF BASIC CASH ASSISTANCE FOR THE PREVIOUS STATE FISCAL YEAR PLUS A TWO PERCENT COST OF LIVING ADJUSTMENT OR A COST OF LIVING ADJUSTMENT THAT IS EQUAL TO THE AVERAGE OF THE FEDERAL SOCIAL SECURITY ADMINISTRATION'S COST OF LIVING ADJUSTMENT FOR THAT FISCAL YEAR PLUS THE PREVIOUS TWO FISCAL YEARS, WHICHEVER IS GREATER.

(II) (A) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER TWENTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND, CREATED IN SECTION 24-75-228, TO THE COLORADO LONG-TERM WORKS RESERVE TO COVER ANY INCREASE IN BASIC CASH ASSISTANCE PURSUANT TO THIS SECTION ABOVE THE AMOUNT OF BASIC CASH ASSISTANCE IN STATE FISCAL YEAR 2021-22.

(B) THE MONEY TRANSFERRED PURSUANT TO SUBSECTION (1)(b)(II)(A) OF THIS SECTION MUST BE EXPENDED NO LATER THAN DECEMBER 30, 2026.

(C) THIS SUBSECTION (1)(b)(II) IS REPEALED, EFFECTIVE JULY 1, 2027.

(III) (A) BEGINNING STATE FISCAL YEAR 2023-24, AND EACH STATE FISCAL YEAR THEREAFTER, TO COVER ANY INCREASE IN BASIC CASH ASSISTANCE PURSUANT TO THIS SECTION ABOVE THE TOTAL SPENDING OF BASIC CASH ASSISTANCE IN STATE FISCAL YEAR 2021-22, THE STATE DEPARTMENT SHALL FIRST EXPEND ANY MONEY REMAINING THAT IS

TRANSFERRED TO THE COLORADO LONG-TERM WORKS RESERVE PURSUANT TO SUBSECTION (1)(b)(II) OF THIS SECTION. THE STATE DEPARTMENT SHALL THEN EXPEND MONEY IN AN AMOUNT EQUAL TO ONE-THIRD OF THE AMOUNT NECESSARY TO COVER ANY SUCH INCREASE IN BASIC CASH ASSISTANCE FROM AVAILABLE TANF FUNDS, WHICH MUST INCLUDE FUNDS IN THE COLORADO LONG-TERM WORKS RESERVE AND THE TOTAL STATEWIDE COUNTY TANF RESERVE, AND AN AMOUNT EQUAL TO TWO-THIRDS OF THE AMOUNT NECESSARY TO COVER ANY SUCH INCREASE IN BASIC CASH ASSISTANCE THAT THE GENERAL ASSEMBLY APPROPRIATES TO THE STATE DEPARTMENT FROM THE STATE GENERAL FUND OR ANY OTHER AVAILABLE FUND, INCLUDING THE COLORADO LONG-TERM WORKS RESERVE, IN ACCORDANCE WITH SECTION 26-2-721 (5). THE STATE DEPARTMENT AND COUNTIES SHALL IDENTIFY AN EQUITABLE PORTION OF THE COLORADO LONG-TERM WORKS RESERVE AND TOTAL STATEWIDE COUNTY TANF RESERVE FOR THE IMPLEMENTATION OF THIS SUBSECTION (1)(b)(III)(A). THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY TO THE STATE DEPARTMENT FOR THE IMPLEMENTATION OF THIS SUBSECTION (1)(b)(III)(A).

(B) IF THE TOTAL STATEWIDE COUNTY TANF RESERVE FALLS BELOW FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT, THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM THE COLORADO LONG-TERM WORKS RESERVE TO THE COUNTY BLOCK GRANT UNTIL THE BALANCE OF THE TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT OR UNTIL THE COLORADO LONG-TERM WORKS RESERVE FALLS BELOW TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT.

(C) IF THE COLORADO LONG-TERM WORKS RESERVE FALLS BELOW TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT AND THE TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT, THE COUNTIES SHALL FUND THE TANF PROGRAM FROM AVAILABLE TANF FUNDS UNTIL THE TOTAL STATEWIDE COUNTY TANF RESERVE FALLS BELOW FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT. COUNTIES ARE ONLY REQUIRED TO SPEND AVAILABLE TANF MONEY, INCLUDING COUNTY TANF RESERVES AND THE MAINTENANCE OF EFFORT, FOR THE COLORADO WORKS PROGRAM.

(IV) BEGINNING JANUARY 2023, AND EACH JANUARY THEREAFTER, THE JOINT BUDGET COMMITTEE SHALL AT LEAST ANNUALLY REVIEW THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE AND THE TOTAL

STATEWIDE COUNTY TANF RESERVE, AND, IF THE JOINT BUDGET COMMITTEE DETERMINES THAT THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE WILL FALL BELOW TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT AND THE BALANCE OF THE TOTAL STATEWIDE COUNTY TANF RESERVE WILL FALL BELOW FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT IN THE CURRENT OR NEXT STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM THE STATE GENERAL FUND OR THE UNCLAIMED PROPERTY TRUST FUND TO COVER ANY INCREASE IN BASIC CASH ASSISTANCE ABOVE THE AMOUNT OF BASIC CASH ASSISTANCE IN STATE FISCAL YEAR 2021-22 UNTIL THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE EXCEEDS TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT AND THE TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT.

(V) THE STATE DEPARTMENT AND A COUNTY DEPARTMENT THAT RECEIVES MONEY FROM THE STATE DEPARTMENT PURSUANT TO THIS SECTION SHALL COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

(1.3) Redetermination of eligibility for persons receiving cash assistance. The STATE BOARD SHALL PROMULGATE RULES THAT REQUIRE county ~~department shall~~ DEPARTMENTS TO perform ~~an annual~~ A redetermination of eligibility for all assistance units receiving cash assistance. ELIGIBILITY PROCESSES FROM OTHER PUBLIC ASSISTANCE OR ENTITLEMENT PROGRAMS MAY BE USED WHEN REDETERMINING ELIGIBILITY. WHEN POSSIBLE, THE STATE BOARD IS STRONGLY ENCOURAGED TO ALIGN REDETERMINATION TIMELINES WITH OTHER PUBLIC ASSISTANCE OR ENTITLEMENT PROGRAMS.

SECTION 7. In Colorado Revised Statutes, **amend 26-2-709.5** as follows:

26-2-709.5. Exit interviews and follow-up interviews of participants. (1) In order to follow the legislative intent declared in section 26-2-702 (1)(a), a county department is strongly encouraged to CONTACT EACH PARTICIPANT USING EACH METHOD OF COMMUNICATION PROVIDED BY THE PARTICIPANT IN ORDER TO conduct exit and follow-up interviews upon

case closure, either in person or by telephone, ~~with all participants of the Colorado works program~~, including participants who are or have been receiving short-term assistance payments pursuant to section 26-2-706.6. The interviews shall be CONDUCTED IN ACCORDANCE WITH STATE DEPARTMENT GUIDANCE for the purpose of:

(a) EVALUATING THE PARTICIPANT'S EXPERIENCE WITH THE WORKS PROGRAM;

(b) EVALUATING HOW WELL THE WORKS PROGRAM MET THE PARTICIPANT'S NEEDS AND ASSISTED THE PARTICIPANT IN MEETING THE PARTICIPANT'S GOALS;

(c) INFORMING THE STATE DEPARTMENT OF ANY CHANGES TO RULES THAT ARE NEEDED TO IMPROVE THE PARTICIPANT'S EXPERIENCE; AND

(d) Providing information to the participant and offering assistance with applications for or continuance of assistance under medicaid, food stamps, the Colorado child care assistance program, the earned income tax credit, or other programs such as welfare-to-work or other county benefits or services.

(2) ~~Repealed~~: IF THE STATE DEPARTMENT, IN CONSULTATION WITH COUNTIES, IDENTIFIES ADDITIONAL NEED FOR FUNDING TO ADMINISTER THE WORKS PROGRAM, THE STATE DEPARTMENT IS STRONGLY ENCOURAGED TO REQUEST STATE GENERAL FUND MONEY OR, IF THE BALANCE OF THE STATE TANF RESERVE IS GREATER THAN THE MANDATORY FLOOR, APPROPRIATE ADDITIONAL STATE TANF MONEY TO FUND COUNTIES' ADMINISTRATION OF THE WORKS PROGRAM.

(3) BEGINNING JANUARY 2023, AND EACH JANUARY THEREAFTER, THE STATE DEPARTMENT SHALL SUBMIT A REPORT TO THE HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AS PART OF ITS "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" PRESENTATION REQUIRED BY SECTION 2-7-203, ON THE EFFECTIVENESS OF THE WORKS PROGRAM. TO THE EXTENT PRACTICABLE, THE STATE DEPARTMENT MAY REQUEST A COUNTY DEPARTMENT TO PROVIDE ANY INFORMATION AND DATA THAT MAY BE NECESSARY TO DEVELOP THE

REPORT, INCLUDING INFORMATION AND DATA FROM EXIT INTERVIEWS CONDUCTED BY THE COUNTY DEPARTMENTS PURSUANT TO SUBSECTION (1) OF THIS SECTION. ANY DATA USED MUST PROTECT PERSONAL IDENTIFYING INFORMATION OF THE PARTICIPANTS AND THE PARTICIPANTS' FAMILY MEMBERS. AT A MINIMUM, THE REPORT MUST INCLUDE:

(a) THE TOTAL NUMBER OF PARTICIPANTS ENROLLED IN THE WORKS PROGRAM IN THE PREVIOUS FISCAL YEAR, DISAGGREGATED BY CASE TYPE, RACE, AND ETHNICITY;

(b) THE TOTAL NUMBER OF PARTICIPANTS WHO EXITED AND RE-ENROLLED IN THE WORKS PROGRAM ONE OR MORE TIMES IN THE PREVIOUS FISCAL YEAR, DISAGGREGATED BY CASE TYPE, RACE, AND ETHNICITY;

(c) THE TOTAL NUMBER OF INSTANCES A PARTICIPANT EXITED AND RE-ENROLLED IN THE WORKS PROGRAM ONE OR MORE TIMES IN THE PREVIOUS FISCAL YEAR, DISAGGREGATED BY CASE TYPE, RACE, AND ETHNICITY;

(d) THE TOTAL NUMBER OF MONTHS EACH PARTICIPANT REMAINED ENROLLED IN THE WORKS PROGRAM IN THE PREVIOUS FISCAL YEAR, DISAGGREGATED BY CASE TYPE, RACE, AND ETHNICITY; AND

(e) TO THE EXTENT PRACTICABLE, DATA GATHERED THROUGH SURVEYS AND EXIT INTERVIEWS WITH PARTICIPANTS IN THE WORKS PROGRAM REGARDING PARTICIPANTS' EXPERIENCE WITH THE PROGRAM, BELIEFS ABOUT THE GOALS OF THE PROGRAM, PERCEPTIONS OF HOW PARTICIPATION IN THE PROGRAM CONTRIBUTED TO THE FAMILY GOALS, REASONS FOR LEAVING THE PROGRAM, CURRENT EMPLOYMENT STATUS AND WAGE RATE, AND SUPPORTIVE SERVICES PROVIDED AND WHETHER THOSE SERVICES HAVE BEEN IMPACTED BY INCREASES IN BASIC CASH ASSISTANCE.

(4) THE STATE DEPARTMENT MAY REVIEW AND CONSIDER INFORMATION TECHNOLOGY SOLUTIONS FOR THE IMPLEMENTATION OF THIS SECTION.

SECTION 8. In Colorado Revised Statutes, 26-2-711, **amend** (1)(a) introductory portion, (1)(a)(II), and (1)(a)(III) as follows:

26-2-711. Works program - sanctions against participants - rules. (1) (a) The state board shall promulgate rules for the imposition of sanctions affecting the basic cash assistance grant as described in section 26-2-709 (1). The rules ~~shall~~ MUST require:

(II) A ~~percentage~~ reduction in the basic CASH assistance grant upon the first imposition of a sanction affecting ~~such~~ A basic CASH assistance grant, with the ~~percentage~~ AMOUNT to be specified in the rules but not ~~less than twenty-five percent~~ TO EXCEED ONE DOLLAR;

(III) Specific reductions in the basic CASH assistance grant for second and subsequent sanctions affecting the basic CASH assistance grant;

SECTION 9. In Colorado Revised Statutes, 26-2-714, **amend** (2); and **add** (11) as follows:

26-2-714. County block grants formula - use of moneys - rules. (2) Subject to available appropriations, in state fiscal year 2009-10 and in each fiscal year thereafter, the state department, with input from the works allocation committee, shall set the amount of the county block grants based on demographic and economic factors within the counties, INCLUDING THE AMOUNT A COUNTY SPENDS ON BASIC CASH ASSISTANCE GRANTS AND THE COUNTY'S TANF RESERVE BALANCE.

(11) THE WORKS ALLOCATION COMMITTEE SHALL:

(a) REVIEW, AT LEAST QUARTERLY, THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE, THE BALANCE OF THE TOTAL STATEWIDE COUNTY TANF RESERVE, AND THE AMOUNT OF BASIC CASH ASSISTANCE GRANTS PROVIDED TO PARTICIPANTS TO MONITOR WHETHER THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE WILL FALL BELOW TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT, AND WHETHER THE BALANCE OF THE TOTAL STATEWIDE COUNTY TANF RESERVE WILL FALL BELOW FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT;

(b) SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE DETAILING THE CURRENT COLORADO LONG-TERM WORKS RESERVE LEVEL, THE TOTAL STATEWIDE COUNTY TANF RESERVE LEVEL AS A WHOLE AND BY COUNTY, AND ANY PROJECTIONS REGARDING DEFICITS IN THE RESERVES; AND

(c) ESTABLISH A MITIGATION FUND FOR COUNTIES WHOSE TANF RESERVES FALL BELOW FIFTEEN PERCENT OF THE COUNTY'S BLOCK GRANT AMOUNT.

SECTION 10. In Colorado Revised Statutes, 26-2-720.5, **amend** (3) as follows:

26-2-720.5. County block grant support fund - created. (3) (a) A county that meets the criteria established by the state department and the works allocation committee pursuant to subsection (2) of this section may request ~~moneys~~ MONEY from the county block grant support fund. Priority shall be given to any county that exhausts all ~~moneys~~ MONEY available in the county's block grant for the Colorado works program for that fiscal year.

(b) A COUNTY THAT IS PROJECTED TO EXHAUST ALL MONEY AVAILABLE IN THE COUNTY'S TANF RESERVE AND FACES A LOCAL OR STATEWIDE NATURAL DISASTER OR OTHER EMERGENCY MAY REQUEST MONEY FROM THE COUNTY BLOCK GRANT SUPPORT FUND. THE STATE DEPARTMENT, WITH INPUT FROM THE WORKS ALLOCATION COMMITTEE, SHALL DEVELOP CRITERIA AND PROCEDURES TO INCLUDE USE OF THE FUND IN CIRCUMSTANCES OF A NATURAL DISASTER OR OTHER EMERGENCY.

SECTION 11. In Colorado Revised Statutes, 26-2-721, **amend** (1) and (3); and **add** (5) as follows:

26-2-721. Colorado long-term works reserve - creation - use. (1) There is hereby created the Colorado long-term works reserve, referred to in this section as the "reserve", that ~~shall consist~~ CONSISTS of unappropriated TANF block grant ~~moneys~~ MONEY, state general fund ~~moneys~~ MONEY appropriated thereto by the general assembly, INCLUDING AMOUNTS APPROPRIATED PURSUANT TO SUBSECTION (5) OF THIS SECTION, and ~~moneys~~ MONEY transferred thereto pursuant to sections 26-2-714 (5)(a), 26-2-716 (4)(b), 26-2-720.5 (1), and 26-2-721.3 (1). A county's excess unspent TANF reserves that are transferred to another county pursuant to section 26-2-714 (5)(a)(I)(B) or (5)(a)(I)(C) shall not be considered unappropriated TANF block grant moneys for purposes of this section. Any excess unspent TANF reserves for state fiscal year 2009-10 ~~shall be~~ IS excluded from the Colorado long-term works reserve and ~~shall be~~ IS available for transfer to a county pursuant to section 26-2-714 (5)(a)(I)(B).

(3) Prior to requesting any appropriations from the reserve PURSUANT TO SUBSECTION (2) OF THIS SECTION for the purpose of making transfers, the state department shall consult with counties and provide information to the joint budget committee for the purposes of ensuring that all transfers of TANF funds do not exceed the federal limits for transfers and ensuring that the needs of counties to make transfers authorized pursuant to section 26-2-714 (7) and (9) are considered.

(5) (a) NOTWITHSTANDING ANY PROVISION OF SECTION 38-13-801, BEGINNING STATE FISCAL YEAR 2023-24, THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE UNCLAIMED PROPERTY TRUST FUND, CREATED IN SECTION 38-13-801, TO THE RESERVE IF, BASED ON THE MOST RECENT FORECAST, THE STATE IS NOT PROJECTED TO EXCEED THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION FOR THE STATE FISCAL YEAR. THE AMOUNT APPROPRIATED FOR A STATE FISCAL YEAR SHALL NOT EXCEED THE AMOUNT NECESSARY TO COVER TWO-THIRDS OF THE AMOUNT NECESSARY TO COVER THE INCREASE IN BASIC CASH ASSISTANCE SPECIFIED IN SECTION 26-2-709 (1)(b)(III)(A). THE MONEY APPROPRIATED TO THE RESERVE UNDER THIS SUBSECTION (5)(a) SHALL NOT BE APPROPRIATED FOR THE PURPOSES SET FORTH IN SUBSECTION (2) OF THIS SECTION.

(b) NOTWITHSTANDING SUBSECTION (2) OF THE SECTION, THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE RESERVE THAT WAS APPROPRIATED THERETO UNDER SUBSECTION (5)(a) OF THIS SECTION TO THE STATE DEPARTMENT FOR THE PURPOSE OF COVERING TWO-THIRDS OF THE AMOUNT OF THE INCREASE IN BASIC CASH ASSISTANCE SPECIFIED IN SECTION 26-2-709 (1)(b)(III)(A).

(c) ON MARCH 1, 2024, AND MARCH 1 OF EACH YEAR THEREAFTER, THE STATE TREASURER SHALL NOTIFY THE JOINT BUDGET COMMITTEE OF THE AMOUNT AVAILABLE IN THE UNCLAIMED PROPERTY TRUST FUND THAT IS PROJECTED TO BE AVAILABLE IN THE NEXT STATE FISCAL YEAR.

(d) AS USED IN SUBSECTION (5)(a) OF THIS SECTION, "MOST RECENT FORECAST" MEANS THE MOST RECENT ECONOMIC AND REVENUE FORECAST PREPARED BY LEGISLATIVE COUNCIL STAFF AS OF THE DATE OF THE INTRODUCTION OF A BILL THAT APPROPRIATES MONEY TO THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO THIS SECTION FROM THE UNCLAIMED PROPERTY TRUST FUND CREATED IN SECTION 38-13-801.

SECTION 12. In Colorado Revised Statutes, **add 26-2-725** as follows:

26-2-725. Outreach and engagement plan - family voice participation. (1) NO LATER THAN SEPTEMBER 30, 2022, THE STATE DEPARTMENT SHALL DEVELOP AN OUTREACH AND ENGAGEMENT PLAN TO PROMOTE ACCESS TO THE COLORADO WORKS PROGRAM FOR ELIGIBLE PERSONS.

(2) THE STATE DEPARTMENT SHALL PARTNER WITH COUNTIES AND NONPROFIT ORGANIZATIONS WHEN DEVELOPING AND IMPLEMENTING THE OUTREACH AND ENGAGEMENT PLAN AND SHALL INCORPORATE FEEDBACK FROM CURRENT AND FORMER PARTICIPANTS TO ENSURE PARTICIPANTS ARE INFLUENTIAL STAKEHOLDERS IN THE PROCESS.

(3) AT A MINIMUM, THE OUTREACH AND ENGAGEMENT PLAN MUST INCLUDE SPECIFIC STRATEGIES FOR:

(a) OUTREACH TO MONOLINGUAL, NON-ENGLISH SPEAKING COMMUNITIES AND FAMILIES, INCLUDING A LINGUISTICALLY DIVERSE WEBSITE AND TRANSLATION OF OTHER MATERIALS THAT INCLUDE INFORMATION ABOUT THE WORKS PROGRAM IN THE SEVEN MOST COMMON LANGUAGES SPOKEN IN EACH COUNTY OF THE STATE;

(b) DEVELOPING CULTURALLY APPROPRIATE MESSAGING;

(c) SHARING INFORMATION ABOUT THE SERVICES AND SUPPORTS AVAILABLE AND PARTICIPANTS' RIGHTS AND RESPONSIBILITIES UNDER THE WORKS PROGRAM;

(d) HOW TO APPEAL IF REDETERMINATION IS DENIED;

(e) CONFIDENTIALITY PROTECTIONS FOR APPLICANTS AND PARTICIPANTS; AND

(f) OUTREACH THROUGH A VARIETY OF SETTINGS, INCLUDING BUT NOT LIMITED TO SOCIAL MEDIA, SCHOOLS, CHILD CARE CENTERS, FOOD BANKS, LIBRARIES, FEDERALLY QUALIFIED HEALTH CENTERS, HOME VISITING PROGRAMS, MOBILE HOME PARKS, HEAD START AND EARLY HEAD START CENTERS, AND MOBILE SITES.

(4) THE STATE DEPARTMENT SHALL:

(a) REQUIRE THAT COUNTY STAFF WORKING WITH APPLICANTS AND PARTICIPANTS RECEIVE COMPREHENSIVE TRAINING REGARDING THE WORKS PROGRAM. THE TRAINING MUST INCLUDE TRAUMA-INFORMED APPROACHES TO INTERACTING WITH PARTICIPANTS, CONSISTENCY IN COMMUNICATING INFORMATION ABOUT CHILD CARE ACCESS AND ASSISTANCE, THE ALIGNMENT OF A PARTICIPANT'S WORK REQUIREMENTS WITH CHILD CARE ACCESS AND FAMILY MEDICAL NEEDS, THE FULL SCOPE OF OPTIONS FOR THE PARTICIPANT TO MEET WORK AND EDUCATION REQUIREMENTS IN ALIGNMENT WITH THE PARTICIPANT'S GOALS, AND THE AVAILABILITY OF SUPPORT SERVICES FOR FAMILIES.

(b) DEVELOP TOOLKITS, MANUALS, AND OTHER MATERIALS FOR COUNTY STAFF, APPLICANTS, AND PARTICIPANTS THAT INCLUDE INFORMATION ABOUT CHILD CARE ACCESS AND ASSISTANCE, THE ALIGNMENT OF A PARTICIPANT'S WORK REQUIREMENTS WITH CHILD CARE ACCESS, THE FULL SCOPE OF OPTIONS FOR THE PARTICIPANT TO MEET WORK AND EDUCATION REQUIREMENTS IN ALIGNMENT WITH THE PARTICIPANT'S GOALS, AND THE AVAILABILITY OF SUPPORT SERVICES FOR FAMILIES;

(c) PARTNER WITH COUNTIES, NONPROFIT ORGANIZATIONS, AND PARTICIPANTS TO DEVELOP CULTURALLY AND LINGUISTICALLY APPROPRIATE MESSAGING AND ENSURE THAT APPLICANTS AND PARTICIPANTS HAVE ACCESS TO SUFFICIENT SUPPORTS AND COMMUNICATION IN THE SEVEN MOST COMMON LANGUAGES SPOKEN IN EACH COUNTY OF THE STATE, OR, IN THE INSTANCE OF A MONOLINGUAL SPEAKER OF A LANGUAGE OTHER THAN THE SEVEN MOST COMMON LANGUAGES, USE BEST EFFORTS TO PROVIDE SUPPORTS AND COMMUNICATION IN THE LANGUAGE SPOKEN BY THE INDIVIDUAL;

(d) ENSURE ADEQUATE AND MEANINGFUL REPRESENTATION BY, FEEDBACK FROM, OR ENGAGEMENT WITH CURRENT AND FORMER PARTICIPANTS WHEN MAKING DECISIONS AND RECOMMENDATIONS REGARDING THE WORKS PROGRAM, INCLUDING DURING ANY RULE-MAKING OR REGULATORY PROCESS AND OTHER POLICY CHANGES THAT IMPACT RECIPIENTS. TO THE EXTENT POSSIBLE, THE STATE DEPARTMENT SHALL ENSURE THAT PARTICIPANTS INVOLVED PURSUANT TO THIS SUBSECTION (4)(d) ARE DIVERSE WITH REGARD TO RACE, ETHNICITY, AGE, ABILITY, SEXUAL ORIENTATION, GENDER IDENTITY, AND GEOGRAPHY AND THAT

PARTICIPANT FEEDBACK HAS A GENUINE OPPORTUNITY TO INFLUENCE SUBSTANTIAL CHANGES TO THE WORKS PROGRAM. THE STATE DEPARTMENT MAY UTILIZE ANY ESTABLISHED COUNCILS AT THE STATE AND LOCAL LEVEL THAT HAVE CURRENT AND FORMER PARTICIPANTS REPRESENTED OR APPOINTED TO COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (4)(d). TO THE EXTENT POSSIBLE, THE STATE DEPARTMENT SHALL CONSIDER REIMBURSING PARTICIPANTS INVOLVED PURSUANT TO THIS SUBSECTION (4)(d) FOR TRAVEL EXPENSES AND ATTENDANT AND DEPENDENT CARE.

(5) BEGINNING JANUARY 2023, AND EACH JANUARY THEREAFTER, THE STATE DEPARTMENT SHALL INCLUDE INFORMATION ON THE IMPLEMENTATION OF THE REQUIREMENTS IN THIS SECTION IN ITS REPORT TO THE HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AS PART OF ITS "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" PRESENTATION REQUIRED BY SECTION 2-7-203.

(6) THE STATE DEPARTMENT MAY REVIEW AND CONSIDER INFORMATION TECHNOLOGY SOLUTIONS FOR THE IMPLEMENTATION OF THIS SECTION.

SECTION 13. In Colorado Revised Statutes, 38-13-801, **amend** (2)(d)(III) and (2)(d)(IV); and **add** (2)(d)(V) as follows:

38-13-801. Unclaimed property trust fund - creation - payments - interest - appropriations - records - rules. (2) (d) The following amounts constitute fiscal year spending for purposes of section 20 of article X of the state constitution:

(III) Any money that is credited to the housing development grant fund created in section 24-32-721 (1) as required by subsection (3.5) of this section; **and**

(IV) Any money that is transferred to the general fund as required by subsection (5) of this section; **AND**

(V) ANY MONEY APPROPRIATED TO THE COLORADO LONG-TERM WORKS RESERVE CREATED IN SECTION 26-2-721 IN ACCORDANCE WITH

SUBSECTION (5) OF THE SECTION.

SECTION 14. Appropriation. For the 2022-23 state fiscal year, \$3,500,000 is appropriated to the department of human services for use by the office of economic security. This appropriation is from the economic recovery and relief cash fund created in section 24-75-228, C.R.S., and is of money the state received from the federal coronavirus state fiscal recovery fund. To implement this act, the office may use this appropriation for the employment opportunities with wages program. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to the office from July 1, 2023, through December 30, 2024, for the same purpose.

SECTION 15. Appropriation. (1) For the 2022-23 state fiscal year, \$9,849,303 is appropriated to the department of human services. This appropriation is from the Colorado long-term works reserve created in section 26-2-721 (1), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$382,903 for use by the office of economic security for administration related to the employment and benefits division, which amount is based on an assumption that the division will require an additional 5.0 FTE;

(b) \$8,400,000 for use by the office of economic security for county block grants; and

(c) \$1,066,400 for use by the office of economic security for operating and contract expenses related to the Colorado benefits management system.

(2) For the 2022-23 state fiscal year, \$1,066,400 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of human services under subsection (1)(c) of this section. To implement this act, the office may use this appropriation to provide information technology services for the department of human services.

SECTION 16. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO