

NOTE: The governor signed this measure on 6/1/2016.

An Act

SENATE BILL 16-190

BY SENATOR(S) Steadman, Grantham, Lambert, Aguilar, Baumgardner, Carroll, Guzman, Heath, Hodge, Jahn, Jones, Kefalas, Martinez Humenik, Merrifield, Newell, Todd, Ulibarri;
also REPRESENTATIVE(S) Rankin, Hamner, Young, Becker K., Brown, Duran, Moreno, Pabon, Pettersen, Priola, Ryden, Singer, Winter, Hullinghorst.

CONCERNING IMPROVING THE PROCESS FOR COUNTY ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING APPROPRIATIONS.

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

SECTION 1. In Colorado Revised Statutes, **add** 26-2-301.5 as follows:

26-2-301.5. Performance standards - incentives - sanctions.

(1) (a) IN IMPLEMENTING THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, THE STATE DEPARTMENT AND COUNTY DEPARTMENTS SHALL ENDEAVOR TO EXCEED FEDERAL PERFORMANCE MEASURES IN THE FOLLOWING AREAS:

(I) APPLICATION PROCESSING TIMELINESS;

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(II) PAYMENT ERROR RATE; AND

(III) CASE AND PROCEDURAL ERROR RATE.

(b) IF THE STATE DEPARTMENT RECEIVES FEDERAL PERFORMANCE BONUS MONEY AS A RESULT OF MEETING THE FEDERAL PERFORMANCE MEASURES SET FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (1), THE STATE DEPARTMENT SHALL PASS THE FEDERAL PERFORMANCE BONUS MONEY THROUGH TO THE COUNTY DEPARTMENTS; EXCEPT THAT A COUNTY DEPARTMENT SHALL ONLY RECEIVE THAT PORTION OF FEDERAL PERFORMANCE BONUS MONEY ATTRIBUTABLE TO THE COUNTY DEPARTMENT'S PERFORMANCE.

(c) IN ADDITION TO FEDERAL PERFORMANCE BONUS MONEY, SUBJECT TO AVAILABLE APPROPRIATIONS FOR PURPOSES OF THIS PARAGRAPH (c), THE STATE MAY AWARD STATE-FUNDED ADMINISTRATION PERFORMANCE BONUSES TO COUNTY DEPARTMENTS.

(d) THE STATE DEPARTMENT, COUNTY DEPARTMENTS, AND ANY ADDITIONAL PARTIES IDENTIFIED BY THE STATE DEPARTMENT AND COUNTY DEPARTMENTS, SHALL MUTUALLY AGREE UPON A METHOD AND FORMULA FOR DISTRIBUTING TO COUNTY DEPARTMENTS ANY FEDERAL PERFORMANCE BONUS MONEY PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (1) AND ANY STATE-FUNDED ADMINISTRATION PERFORMANCE BONUSES PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (1). PERFORMANCE BONUSES MAY BE USED BY COUNTY DEPARTMENTS FOR THE ADMINISTRATION OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM UPON RECEIPT OF FEDERAL APPROVAL OF THE COUNTY DEPARTMENTS' PLANS.

(2) (a) THE STATE DEPARTMENT SHALL PASS THROUGH TO THE COUNTY DEPARTMENTS ANY MONETARY SANCTIONS IMPOSED BY THE FEDERAL GOVERNMENT FOR FAILING TO MEET FEDERAL PERFORMANCE MEASURES IN ANY OF THE FOLLOWING AREAS:

(I) APPLICATION PROCESSING TIMELINESS;

(II) PAYMENT ERROR RATE; AND

(III) UNRESOLVED COMPLIANCE ISSUES OVER WHICH THE COUNTY

DEPARTMENT HAS CONTROL, AS MUTUALLY DETERMINED BY THE STATE DEPARTMENT AND COUNTY DEPARTMENTS BASED UPON ANALYSIS OF VALIDATED DATA, SPECIFIC TO A COUNTY DEPARTMENT'S RESPONSIBILITIES IN ADMINISTERING THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, INCLUDING CLAIM DISCREPANCIES.

(b) THE STATE DEPARTMENT, COUNTY DEPARTMENTS, AND ANY ADDITIONAL PARTIES IDENTIFIED BY THE STATE DEPARTMENT AND COUNTY DEPARTMENTS, SHALL MUTUALLY AGREE UPON A METHOD AND FORMULA FOR CHARGING TO COUNTY DEPARTMENTS ANY FEDERAL MONETARY SANCTION FOR FAILING TO MEET PERFORMANCE MEASURES PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2); EXCEPT THAT A COUNTY DEPARTMENT SHALL ONLY BE RESPONSIBLE FOR THE PORTION OF A FEDERAL MONETARY SANCTION ATTRIBUTABLE TO THE COUNTY DEPARTMENT'S PERFORMANCE RELATING TO ACTIVITIES WITHIN THE COUNTY DEPARTMENT'S CONTROL, AS MUTUALLY DETERMINED BY THE STATE DEPARTMENT AND COUNTY DEPARTMENTS BASED UPON ANALYSIS OF VALIDATED DATA.

SECTION 2. In Colorado Revised Statutes, **add** 26-1-122.3 as follows:

26-1-122.3. Public assistance programs - county administration - data collection and analysis - vendor contract. (1) (a) THE STATE DEPARTMENT SHALL CONTRACT WITH AN EXTERNAL VENDOR TO COLLECT AND ANALYZE DATA RELATING TO COUNTY DEPARTMENT COSTS AND PERFORMANCE ASSOCIATED WITH ADMINISTERING PUBLIC ASSISTANCE PROGRAMS, INCLUDING:

(I) THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, ESTABLISHED IN PART 3 OF ARTICLE 2 OF THIS TITLE;

(II) THE MEDICAL ASSISTANCE PROGRAM, ESTABLISHED IN ARTICLES 4, 5, AND 6 OF TITLE 25.5, C.R.S.;

(III) THE CHILDREN'S BASIC HEALTH PLAN, ESTABLISHED IN ARTICLE 8 OF TITLE 25.5, C.R.S.;

(IV) THE COLORADO WORKS PROGRAM, ESTABLISHED IN PART 7 OF ARTICLE 2 OF THIS TITLE;

(V) THE PROGRAM FOR AID TO THE NEEDY DISABLED, PURSUANT TO ARTICLE 2 OF THIS TITLE;

(VI) THE OLD AGE PENSION PROGRAM, PURSUANT TO PART 1 OF ARTICLE 2 OF THIS TITLE; AND

(VII) LONG-TERM CARE SERVICES, PURSUANT TO ARTICLE 6 OF TITLE 25.5, C.R.S.

(b) THE CONTRACTED VENDOR'S DATA COLLECTION AND DATA ANALYSIS SHALL PROVIDE THE GENERAL ASSEMBLY, EXECUTIVE AGENCIES, COUNTY DEPARTMENTS, AND PUBLIC ASSISTANCE PROGRAM STAKEHOLDERS WITH THE FOLLOWING INFORMATION THAT MAY BE USED TO MAKE TARGETED PROGRAM IMPROVEMENTS:

(I) THE STATUS OF EACH COUNTY DEPARTMENT IN MEETING PERFORMANCE MEASURES FOR ADMINISTERING PUBLIC ASSISTANCE PROGRAMS;

(II) AN INVENTORY OF RELEVANT COUNTY DEPARTMENT ACTIVITIES, INCLUDING, AMONG OTHERS, APPLICATION INITIATION, INTERACTIVE INTERVIEWS, AND CASE REVIEWS, AND THE PURPOSE OF THE ACTIVITIES, WHICH MAY INCLUDE COMPLIANCE WITH FEDERAL OR STATE LAW;

(III) AN ASSESSMENT OF ADMINISTRATIVE WORK NOT YET COMPLETED BY EACH COUNTY DEPARTMENT AND THE CAUSE OF ANY DELAY IN COMPLETING THE WORK;

(IV) THE AMOUNT OF TIME SPENT BY EACH COUNTY DEPARTMENT ON EACH ACTIVITY;

(V) THE COST INCURRED BY EACH COUNTY DEPARTMENT, INCLUDING STAFF AND OPERATING COSTS, RELATING TO EACH ACTIVITY AND EACH CLIENT;

(VI) ANY VARIANCES AMONG COUNTY DEPARTMENTS WITH RESPECT TO THE COST INCURRED, TIME ASSOCIATED WITH EACH ACTIVITY, AND RETURN ON INVESTMENT, AND THE SOURCE OF THOSE VARIANCES;

(VII) THE RELATIONSHIP, IF ANY, BETWEEN THE TIME AND COST

ASSOCIATED WITH EACH ACTIVITY AND THE COUNTY DEPARTMENT'S PERFORMANCE WITH RESPECT TO THE PERFORMANCE STANDARDS FOR THE PUBLIC ASSISTANCE PROGRAM;

(VIII) THE LEVEL OF TOTAL COUNTY DEPARTMENT FUNDING NEEDED TO MEET THE COUNTY DEPARTMENT'S REQUIRED WORKLOAD RELATING TO THE ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS FOR WHICH DATA IS COLLECTED AND ANALYZED PURSUANT TO THIS SECTION. THIS INFORMATION MUST INCLUDE THE TOTAL COUNTY DEPARTMENT FUNDING NEEDED FOR CURRENT BUSINESS PROCESSES AND THE TOTAL COUNTY DEPARTMENT FUNDING NEEDED IF ALL COUNTY DEPARTMENTS IMPLEMENT BEST PRACTICES AND BUSINESS REENGINEERING CONCEPTS ADOPTED BY PEER COUNTIES FOUND TO OPERATE IN THE MOST COST-EFFECTIVE MANNER WHILE MEETING PERFORMANCE MEASURES.

(IX) BUSINESS PROCESS IMPROVEMENTS THAT CONTRIBUTE TO A COUNTY DEPARTMENT'S DECREASED TIME OR COSTS ASSOCIATED WITH EACH ACTIVITY AND TO A COUNTY DEPARTMENT'S ABILITY TO MEET OR EXCEED THE PERFORMANCE STANDARDS FOR THE PUBLIC ASSISTANCE PROGRAM, INCLUDING IMPROVEMENTS ASSOCIATED WITH PREVIOUS STATE-FUNDED BUSINESS PROCESS REENGINEERING INITIATIVES; AND

(X) OPTIONS FOR A COST ALLOCATION MODEL FOR THE DISTRIBUTION OF STATE FUNDING TO COUNTY DEPARTMENTS FOR ADMINISTERING PUBLIC ASSISTANCE PROGRAMS IDENTIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (1).

(2) IN ORDER TO ENSURE THAT THE DATA COLLECTION AND ANALYSIS CONTRACTED FOR PURSUANT TO SUBSECTION (1) OF THIS SECTION YIELDS INFORMATION THAT IS BENEFICIAL FOR ITS INTENDED USES, PRIOR TO CONTRACTING WITH AN EXTERNAL VENDOR FOR DATA COLLECTION AND ANALYSIS, THE STATE DEPARTMENT SHALL CONTRACT WITH AN EXTERNAL CONSULTANT TO WORK WITH PROGRAM ADMINISTRATORS, FISCAL AGENTS, AND PROGRAM STAKEHOLDERS TO IDENTIFY THE SCOPE OF THE DATA COLLECTION AND ANALYSIS TO BE PERFORMED PURSUANT TO THIS SECTION.

(3) IN COLLABORATION WITH THE COUNTY DEPARTMENTS, THE STATE DEPARTMENT SHALL DESIGN A CONTINUOUS QUALITY IMPROVEMENT PROGRAM THAT, AT A MINIMUM, SOLICITS FEEDBACK FROM THE EMPLOYEES OF THE COUNTY DEPARTMENTS TO IDENTIFY INCREMENTAL AND

BREAKTHROUGH CONTINUOUS IMPROVEMENTS THAT SHOULD BE IMPLEMENTED TO IMPROVE THE PRODUCTS, SERVICES, AND PROCESSES ASSOCIATED WITH THE ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS. THE STATE DEPARTMENT SHALL PROVIDE A DESCRIPTION OF THE PROGRAM TO THE JOINT BUDGET COMMITTEE BY FEBRUARY 1, 2017.

SECTION 3. Appropriation - adjustments to 2016 long bill.

(1) To implement this act, the general fund appropriation made in the annual general appropriation act for the 2016-17 state fiscal year to the department of human services for use by the division of child welfare for child welfare services is decreased by \$550,000.

(2) For the 2016-17 state fiscal year, \$1,100,000 is appropriated to the department of human services. This appropriation consists of \$550,000 from the general fund and \$550,000 federal funds from the temporary assistance for needy families block grant. To implement this act, the department may use this appropriation as follows:

(a) \$450,000 from the general fund for the collection and analysis of data on county costs and county performance associated with the administration of public assistance programs;

(b) \$50,000 from the general fund for the development of the scope of the data collection and analysis project funded under paragraph (a) of this subsection (2) prior to commencing the project;

(c) \$50,000 from the general fund for the initial phase of a quality improvement project associated with the county administration of public assistance programs; and

(d) \$550,000 from the federal temporary assistance for needy families block grant for use by the division of child welfare for child welfare services.

(3) If the state department receives additional federal funds for the implementation of this act, the state department shall expend those federal funds in lieu of general fund money appropriated pursuant to paragraphs (a), (b), and (c) of subsection (2) of this section, and any unspent general fund money shall be transferred to the Colorado long-term works reserve created in section 26-2-721 (1), C.R.S.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Bill L. Cadman
PRESIDENT OF
THE SENATE

Dickey Lee Hullinghorst
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO