

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

March 29, 2012
Date

Committee on Health and Human Services.

After consideration on the merits, the Committee recommends the following:

SB12-139 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **add** 26-2-138 as
4 follows:

5 **26-2-138. Colorado job support act - pilot program -**
6 **legislative declaration - definitions - fund - notice of funding through**
7 **gifts, grants, and donations - repeal.** (1) **Short title.** THIS SECTION
8 SHALL BE KNOWN AND MAY BE CITED AS THE "COLORADO JOB SUPPORT
9 ACT".

10 (2) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY
11 FINDS AND DECLARES THAT:

12 (a) A PARADOX EXISTS FOR COLORADO'S LOW-WAGE WORKERS
13 WHO SEEK SERVICES FROM THE STATE'S SAFETY NET PROGRAMS IN THAT,
14 WHILE THEY MAY INITIALLY QUALIFY FOR PUBLIC ASSISTANCE OR "WORK
15 SUPPORT" BENEFITS THROUGH TEMPORARY ASSISTANCE FOR NEEDY
16 FAMILIES, THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM,
17 MEDICAID, OR THE COLORADO CHILD CARE ASSISTANCE PROGRAM TO HELP
18 COVER THE COST OF BASIC NECESSITIES, AS THEY INCREASE THEIR
19 EARNINGS THEY BEGIN TO LOSE THESE SUBSIDIES. THE LOSS OF A SUBSIDY
20 IS GENERALLY MORE OF A FINANCIAL SETBACK THAN THE VALUE
21 OBTAINED FROM AN INCREASE IN PAY. UNDER THESE CIRCUMSTANCES,
22 WORKERS CAN EARN MORE WHILE SEEING THEIR FINANCIAL SITUATION
23 DETERIORATE. THIS PHENOMENON IS CHARACTERIZED AS THE "CLIFF

1 EFFECT", AND IT IS A BARRIER TO ECONOMIC SELF-SUFFICIENCY AS WELL
2 AS A PERVERSE INCENTIVE TO MAINTAIN EMPLOYMENT AT AN ECONOMIC
3 LEVEL OF POVERTY.

4 (b) IT IS IN THE PUBLIC INTEREST FOR LOW-WAGE WORKERS TO
5 PURSUE ECONOMIC OPPORTUNITY, WHICH BENEFITS THE INDIVIDUAL, THE
6 FAMILY, THE COMMUNITY, AND THE STATE.

7 (c) IT IS IMPORTANT FOR THE DEPARTMENT OF HUMAN SERVICES TO
8 CREATE FOR THE STATE-SUPERVISED, COUNTY ADMINISTERED COLORADO
9 WORKS PROGRAM A PERFORMANCE MEASUREMENT SYSTEM OF DESIRED
10 GOALS, SPECIFIC MEASURES, PERFORMANCE TARGETS, REVIEW
11 PROCEDURES, IDENTIFIABLE OUTCOMES, AND, WHEN AVAILABLE,
12 INCENTIVES.

13 (d) CURRENTLY, THE COLORADO WORKS PROGRAM LISTS THE
14 FEDERAL WORK PARTICIPATION AS THE PRIMARY PERFORMANCE MEASURE,
15 SO THERE IS A NEED TO ADD OTHER PERFORMANCE MEASURES BASED UPON
16 CULTURALLY RELEVANT, LOCALLY GENERATED, PROMISING PRACTICES
17 THAT LEAD TO PARTICIPANT SUCCESS IN THE LABOR MARKET, IN FAMILY
18 STABILIZATION, IN THE INTERRUPTION OF THE CYCLE OF POVERTY, AND IN
19 OTHER EVIDENCE-BASED RESULTS STEMMING FROM THE USE OF
20 GOVERNMENTAL DOLLARS OR SERVICES.

21 (e) THE PROVISIONS OF THIS SECTION ARE DESIGNED TO SUPPORT
22 LOW-WAGE WORKERS AS THEY MOVE FROM THE NEED FOR WORK SUPPORT
23 TOWARD ECONOMIC SELF-SUFFICIENCY, WHICH IS THE AMOUNT OF INCOME
24 REQUIRED FOR FAMILIES AND INDIVIDUALS TO MEET THEIR BASIC NEEDS.
25 THE PILOT PROGRAM ESTABLISHED PURSUANT TO THIS SECTION WILL
26 PREPARE THESE WORKERS AS THEY MAKE THE TRANSITION AWAY FROM
27 PUBLIC ASSISTANCE AND WILL CREATE OPPORTUNITIES FOR THEM TO PLAN
28 AND IMPLEMENT THEIR INDIVIDUAL PATHS TO ECONOMIC
29 SELF-SUFFICIENCY.

30 (3) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
31 OTHERWISE REQUIRES:

32 (a) "CLIFF EFFECT" MEANS THE PARADOX THAT DISCOURAGES
33 PERSONS WHO ARE RECEIVING PUBLIC ASSISTANCE OR SERVICES FROM
34 ACCEPTING INCREASES IN WAGES OR INCOME BECAUSE THEY MAY LOSE
35 CONSIDERABLY MORE IN PUBLIC ASSISTANCE OR SERVICES THAN THE
36 INCREASE IN WAGES OR INCOME.

37 (b) "COMMITTEE" MEANS THE COLORADO JOB SUPPORT ACT
38 COMMITTEE ESTABLISHED PURSUANT TO SUBSECTION (5) OF THIS SECTION.

39 (c) "FUND" MEANS THE COLORADO JOB SUPPORT PROGRAM FUND
40 ESTABLISHED PURSUANT TO SUBSECTION (7) OF THIS SECTION.

41 (d) "PILOT PROGRAM" MEANS THE COLORADO JOB SUPPORT PILOT
42 PROGRAM ESTABLISHED PURSUANT TO SUBSECTION (4) OF THIS SECTION.

1 (4) **Pilot program.** SUBJECT TO THE RECEIPT OF SUFFICIENT GIFTS,
2 GRANTS, OR DONATIONS, THERE IS HEREBY ESTABLISHED IN THE STATE
3 DEPARTMENT THE COLORADO JOB SUPPORT PILOT PROGRAM TO PROVIDE
4 GRANTS TO COUNTIES, NONPROFIT ENTITIES, OR OTHER
5 COMMUNITY-BASED ORGANIZATIONS TO ESTABLISH PILOT PROGRAMS TO
6 ADDRESS ONE OR BOTH OF THE FOLLOWING:

7 (a) POST-EMPLOYMENT TRANSITION PROGRAMS THAT ADDRESS
8 THE CLIFF EFFECT AS A SIGNIFICANT BARRIER FOR LOW-WAGE WORKERS
9 MAKING A TRANSITION AWAY FROM THE COLORADO WORKS PROGRAM; OR

10 (b) SUBSIDIZED JOB-TRAINING PROGRAMS DESIGNED TO ASSIST
11 UNEMPLOYED AND LOW-SKILLED AND MIDDLE-SKILLED WORKERS TO GAIN
12 NECESSARY JOB SKILLS THROUGH ON-THE-JOB TRAINING AND WORK
13 EXPERIENCE.

14 (5) **Committee.** (a) THERE IS HEREBY CREATED IN THE STATE
15 DEPARTMENT THE COLORADO JOB SUPPORT PROGRAM COMMITTEE THAT
16 SHALL CONSIST OF THE FOLLOWING NINE MEMBERS:

17 (I) THE EXECUTIVE DIRECTOR OF THE STATE DEPARTMENT, OR HIS
18 OR HER DESIGNEE, WHO SHALL SERVE AS THE CHAIR OF THE COMMITTEE,
19 AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND
20 EMPLOYMENT, OR HIS OR HER DESIGNEE. THE EXECUTIVE DIRECTORS
21 SHALL SERVE AS EX OFFICIO AND NONVOTING MEMBERS OF THE
22 COMMITTEE.

23 (II) SEVEN MEMBERS APPOINTED, PURSUANT TO PARAGRAPH (b)
24 OF THIS SUBSECTION (5), BY THE STATE BOARD AS FOLLOWS:

25 (A) THREE MEMBERS WHO REPRESENT COUNTIES, AT LEAST ONE OF
26 WHOM IS A COUNTY COMMISSIONER; AND

27 (B) FOUR MEMBERS WHO REPRESENT PARTICIPANT ADVOCATES,
28 PARTICIPANTS, OR FORMER PARTICIPANTS OF THE COLORADO WORKS
29 PROGRAM, AT LEAST ONE OF WHOM IS A CURRENT OR FORMER PARTICIPANT
30 OF THE COLORADO WORKS PROGRAM.

31 (b) IN MAKING APPOINTMENTS TO THE COMMITTEE, THE STATE
32 BOARD SHALL SOLICIT APPLICATIONS FROM COUNTY DEPARTMENTS,
33 ADVOCACY AGENCIES, AND OTHER INTERESTED PERSONS THROUGHOUT
34 THE STATE. THE STATE DEPARTMENT SHALL ASSIST THE STATE BOARD IN
35 REVIEWING THE APPLICATIONS RECEIVED AND IN SELECTING APPOINTEES.
36 THE STATE BOARD SHALL ALSO SEEK APPOINTMENT RECOMMENDATIONS
37 FROM A STATEWIDE ASSOCIATION THAT REPRESENTS COUNTIES IN
38 COLORADO AND FROM PARTICIPANT ADVOCATES OF THE COLORADO
39 WORKS PROGRAM. THE STATE BOARD SHALL, TO THE EXTENT
40 PRACTICABLE, ENSURE THAT THE PERSONS APPOINTED TO THE COMMITTEE
41 ARE SELECTED FROM AREAS THROUGHOUT THE STATE AND REPRESENT THE
42 STATE'S RACIAL, ETHNIC, AND GENDER DIVERSITY. THE STATE BOARD MAY

1 PROMULGATE RULES AS NECESSARY FOR THE IMPLEMENTATION OF THIS
2 SECTION.

3 (c) (I) THE APPOINTED MEMBERS OF THE COMMITTEE SHALL SERVE
4 FIVE-YEAR TERMS. THE STATE BOARD MAY APPOINT THE SAME PERSON TO
5 SERVE MULTIPLE CONSECUTIVE TERMS.

6 (II) THE COMMITTEE SHALL MEET AS OFTEN AS NECESSARY TO
7 COMPLETE ITS DUTIES AND SHALL ADOPT SUCH OPERATIONAL PROCEDURES
8 AS MAY BE NECESSARY.

9 (III) THE MEMBERS OF THE COMMITTEE SHALL SERVE WITHOUT
10 COMPENSATION AND WITHOUT REIMBURSEMENT FOR EXPENSES; EXCEPT
11 THAT THE COMMITTEE MEMBERS WHO ARE NOT PUBLIC EMPLOYEES MAY
12 RECEIVE REIMBURSEMENT FOR REASONABLE AND NECESSARY EXPENSES
13 INCURRED IN SERVING AS MEMBERS OF THE COMMITTEE.

14 (IV) THE APPOINTED MEMBERS OF THE COMMITTEE MAY BE
15 REMOVED BY THE STATE BOARD FOR CAUSE. IF A VACANCY ARISES AMONG
16 THE APPOINTED MEMBERS OF THE COMMITTEE, THE STATE BOARD SHALL
17 FILL THE VACANCY BY APPOINTMENT FOR THE REMAINDER OF THE TERM.

18 (d) THE COMMITTEE SHALL ADVISE THE STATE DEPARTMENT
19 REGARDING THE PROCESS AND PROCEDURES FOR AWARDING GRANTS FROM
20 THE FUND. THE COMMITTEE SHALL ALSO RECOMMEND ENTITIES TO
21 RECEIVE GRANTS AND THE AMOUNT OF THE GRANTS.

22 (e) (I) THIS SUBSECTION (5) IS REPEALED, EFFECTIVE JULY 1, 2018.

23 (II) PRIOR TO THE REPEAL OF THIS SUBSECTION (5), THE
24 COMMITTEE SHALL BE REVIEWED AS PROVIDED FOR IN SECTION 2-3-1203,
25 C.R.S.

26 (6) **Process.** (a) AFTER RECEIVING RECOMMENDATIONS FROM THE
27 COMMITTEE, THE STATE DEPARTMENT SHALL DEVELOP AN APPLICATION
28 PROCESS FOR COUNTIES, NONPROFIT ENTITIES, OR OTHER COMMUNITY
29 ORGANIZATIONS INTERESTED IN PARTICIPATING IN THE PILOT PROGRAM
30 AND THE CRITERIA TO BE USED TO SELECT WHICH ENTITIES RECEIVE
31 GRANTS. THE CRITERIA SHALL GIVE PREFERENCE TO AN APPLICATION
32 THAT:

33 (I) MEETS AT LEAST ONE OF THE PURPOSES OF THE COLORADO
34 WORKS PROGRAM SPECIFIED IN SECTION 26-2-705;

35 (II) UTILIZES EVIDENCE-BASED STRATEGIES THAT HAVE
36 DEMONSTRATED EFFECTIVENESS IN ACHIEVING ONE OF MORE OF THE
37 FOLLOWING GOALS:

38 (A) JOB ACQUISITION, RETENTION, AND ADVANCEMENT;

39 (B) MITIGATION OR AVOIDANCE OF THE CLIFF EFFECT;

40 (C) FINANCIAL LITERACY; OR

41 (D) EFFECTIVE CASE MANAGEMENT;

1 (III) SUPPORTS STRATEGIC ALLIANCES BETWEEN COUNTIES,
2 NONPROFIT SERVICE PROVIDERS, ENGAGED EMPLOYERS, JOB TRAINING
3 ORGANIZATIONS, THE DEPARTMENT OF LABOR AND EMPLOYMENT, AND
4 THE COLORADO WORK FORCE INVESTMENT PROGRAM; AND

5 (IV) CONTAINS A SYSTEM TO MEASURE AND DEMONSTRATE
6 PERFORMANCE IN ADDITION TO THE FEDERAL WORK PARTICIPATION RATE.

7 (b) THE COMMITTEE SHALL REVIEW ALL APPLICATIONS RECEIVED
8 AND SHALL MAKE RECOMMENDATIONS TO THE EXECUTIVE DIRECTOR FOR
9 AWARDS OF GRANTS FROM THE FUND. THE COMMITTEE SHALL
10 RECOMMEND ONLY THOSE APPLICATIONS THAT HAVE BEEN APPROVED BY
11 AT LEAST FIVE MEMBERS OF THE COMMITTEE.

12 (c) AFTER RECEIVING THE RECOMMENDATIONS OF THE
13 COMMITTEE, THE EXECUTIVE DIRECTOR SHALL AWARD GRANTS TO
14 RECIPIENTS.

15 (7) **Fund.** (a) (I) THE STATE DEPARTMENT IS AUTHORIZED TO SEEK
16 AND ACCEPT GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC
17 SOURCES FOR THE PURPOSES OF THIS SECTION; EXCEPT THAT THE STATE
18 DEPARTMENT MAY NOT ACCEPT A GIFT, GRANT, OR DONATION THAT IS
19 SUBJECT TO CONDITIONS THAT ARE INCONSISTENT WITH THIS SECTION OR
20 ANY OTHER LAW OF THE STATE. THE STATE DEPARTMENT SHALL TRANSMIT
21 ALL PRIVATE AND PUBLIC MONEYS RECEIVED THROUGH GIFTS, GRANTS, OR
22 DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO
23 THE COLORADO JOB SUPPORT FUND, WHICH FUND IS HEREBY CREATED.
24 THE MONEYS IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE
25 STATE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS ASSOCIATED
26 WITH IMPLEMENTING THIS SECTION.

27 (II) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE FUND
28 NOT EXPENDED FOR THE PURPOSE OF THIS SECTION AS PROVIDED BY LAW.
29 THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
30 FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND TO THE
31 FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN
32 THE FUND AT THE END OF A FISCAL YEAR REMAIN IN THE FUND AND SHALL
33 NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER
34 FUND.

35 (b) (I) IN SEEKING OR ACCEPTING A GIFT, GRANT, OR DONATION,
36 THE STATE DEPARTMENT SHALL NOTIFY THE LEGISLATIVE COUNCIL STAFF
37 WHEN IT HAS RECEIVED ADEQUATE FUNDING THROUGH GIFTS, GRANTS, OR
38 DONATIONS FOR THE PILOT PROGRAM AND SHALL INCLUDE IN THE
39 NOTIFICATION THE INFORMATION SPECIFIED IN SECTION 24-75-1303 (3),
40 C.R.S.

41 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2015.

1 **SECTION 2.** In Colorado Revised Statutes, 2-3-1203, **add** (3)
2 (ee) (V) as follows:

3 **2-3-1203. Sunset review of advisory committees.** (3) The
4 following dates are the dates for which the statutory authorization for the
5 designated advisory committees is scheduled for repeal:

6 (ee) July 1, 2018:

7 (V) THE COLORADO JOB SUPPORT ACT COMMITTEE CREATED
8 PURSUANT TO SECTION 26-2-138 (5), C.R.S.

9 **SECTION 2. Accountability.** Five years after this act becomes
10 law and in accordance with section 2-2-1201, Colorado Revised Statutes,
11 the legislative service agencies of the Colorado General Assembly shall
12 conduct a post-enactment review of the implementation of this act
13 utilizing the information contained in the legislative declaration set forth
14 in section 1 of this act.

15 **SECTION 3. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety."

18 Page 1, line 101, strike "ACT"." and substitute "ACT", AND, IN
19 CONNECTION THEREWITH, REQUIRING A POST-ENACTMENT REVIEW OF
20 THE IMPLEMENTATION OF THIS ACT."

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