

Drafting Number: LLS 12-0215 **Date:** February 14, 2012 **Prime Sponsor(s):** Rep. Kefalas **Bill Status:** House SVMA

Sen. Hudak **Fiscal Analyst:** Chris Ward (303-866-5834)

TITLE: CONCERNING THE REQUEST OF POVERTY IMPACT STATEMENTS REGARDING

LEGISLATIVE MEASURES INTRODUCED BY THE GENERAL ASSEMBLY.

to 250,000	* #0 150.00
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.0 230,000	* \$0 to 150,00
o 3.0 FTE	* 0.0 to 3.0 FTI
on May 9, 2	2012, as scheduled, and

Appropriation Summary for FY 2012-2013: None required.

Local Government Impact: None.

Summary of Legislation

This bill requires that a "poverty impact statement" be prepared by Legislative Council Staff upon request of a member for a limited number of legislative measures introduced after January 1, 2013. Requests may be submitted for any legislative measure that may potentially impact child, individual, or family poverty in relation to individual or community asset development domains such as:

- household income, assets, and financial security;
- early childhood development and preschool through postsecondary education development;
- employment or workforce development;
- taxes or tax credits;
- child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

^{*} No new state expenditures are required by the bill. These figures show the maximum range of possible costs if additional resources were made available in the future.

The statements must be prepared within existing resources and may include a brief description of the analysis and information about the data sources used to prepare the statement. Work on the statements must coincide with work on the fiscal note. The bill declares that statements are intended to be a brief narrative included in the fiscal note, but the analysis may also be quantitative in nature. Any quantitative analysis may include the following:

- the federal poverty line, as defined in Section 2-2-1403 (2), C.R.S.;
- the self-sufficiency standard, as defined in Section 2-2-1403 (2), C.R.S.;
- a supplemental poverty index or other measures including a capability approach index;
 or
- a ranking of other Colorado social determinants.

State Expenditures

Requiring the Legislative Council Staff to prepare up to six poverty impact statements per year will affect the workload of the staff, but would not necessarily affect expenditures. The bill sets forth several types of poverty impact statements, but the only one that can be accomplished within existing resources is a qualitative description of the impact. Since the bill requires that the statements be prepared within existing resources, this fiscal note assumes that the staff will prepare a qualitative, or narrative, description of the potential impact upon request, and that no new appropriations are necessary.

It should be noted that there are a number of uncertainties regarding how this bill would be implemented, including the amount of research required to complete a poverty impact statement, the data available to perform the relevant analysis, and the level of detail required for the analysis. It should also be noted that if additional resources become available in the future, either through access to reliable and consistent outside data sources or new appropriations, a more detailed quantitative analysis could be provided. For example, developing a supplemental poverty measure unique to Colorado would require about \$250,000 in the first year and about \$150,000 per year thereafter. These costs would be incurred if the supplemental poverty measure were used for 6 bills, but the model would be available for use on as many as 25 or 50 bills per year. Up to 3.0 FTE might be necessary to develop and maintain a supplemental poverty measure.

This bill may also increase the workload of departments responding to requests for information to complete the poverty impact statement. Assuming that departments will only provide data and not analysis, this fiscal note assumes that additional workload required by the bill can be met within current appropriations.

Departments Contacted

All Departments