



Colorado Legislative Council Staff
NO FISCAL IMPACT

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Prime Sponsor(s): Rep. Boyd
Sen. Hagedorn

Bill Status: House HEWI

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TITLE: CONCERNING AUTHORIZATION FOR COUNTIES TO INCREASE PARTICIPATION IN VOCATIONAL EDUCATION BY COLORADO WORKS PARTICIPANTS.

Summary of Assessment

The bill requires the Department of Human Services (DHS) to notify each county, within 30 days after the beginning of the state fiscal year, of the department's projection regarding the county's adjusted work participation rate for that fiscal year. Additionally, each county is authorized to use 75 percent of the county's adjusted work participation rate for the purpose of placing participants in vocational education for longer than 12 months in order to meet critical skills shortages in the labor market. The bill is effective 90 days following final adjournment unless a referendum petition is filed (August 4, 2004).

Background — Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193, established the Temporary Assistance for Needy Families (TANF) program. The TANF block grant program was authorized through 2002. Currently, federal funding for TANF is available to the states through continuing resolutions through March 2004.

Presently, the DHS does not project county-level work participation rates. It does, however, maintain ongoing communications with counties to ensure that the federally-required statewide work participation rate is met. The DHS indicates that the bill's requirement to project county-level work participation rates can be met within existing resources. Staff time dedicated to current practice will simply be redirected.

Under current law, counties have no limit to their authority regarding placement of participants in vocational education programs. However, federal law limits the amount of time vocational education can count towards work participation. States are notified retroactively as to whether they've met their work participation rate in prior years. The DHS indicates that should these limitations be exceeded, the state could face fiscal sanctions if it fails to meet its federally-required work participation rate. States that meet the federal requirements receive rebates from the federal government. In Colorado, these rebates are passed on to the counties. The most recent rebate received totaled \$5.5 million and is appropriated in the FY 2003-04 Long Bill.

In 1998 the federally-required work participation rate was 30 percent and has increased annually to 50 percent in 2002. Because the program was not federally reauthorized and continues through interim measures, the DHS has expressed reservations regarding the authorization of using 75 percent of a county's adjusted work participation rate for the purpose of placing participants in vocational education for longer than 12 months in order to meet critical skills shortages in the labor market.

At this time the fiscal notes assumes the bill has no fiscal impact and no federal fiscal sanctions will result. It is in the counties' best financial interest to continue to meet the 50 percent statewide work participation rate. Should Congress reauthorize the program with significant new requirements, the fiscal note assumes that any substantive changes required in Colorado law resulting from federal reauthorization will be addressed in separate legislation.

Departments Contacted

Human Services