


Colorado Legislative Council Staff
STATE
FISCAL IMPACT
No State General Fund Impact

Drafting Number: LLS 04-0075
Prime Sponsor(s): Rep. Frangas
 Sen. Hanna

Date: January 5, 2004
Bill Status: House HEWI
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING THE EVALUATION OF THE COLORADO WORKS PROGRAM, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2004/2005	FY 2005/2006
State Revenues		
Federal Funds		
State Expenditures		
Federal Funds — TANF Block Grant Moneys		
Department of Human Services (maintains appropriation)	\$ 500,000	\$ 500,000
Cash Funds Exempt — Transfer		
State Auditor's Office (transfer appropriation eliminated)	(500,000)	(500,000)
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: None		
Effective Date: July 1, 2004		
Appropriation Summary for FY 2004/2005:		
Department of Human Services	\$500,000	FF - TANF Block Grant Moneys
Legislative Department - State Auditor's Office	(500,000)	CFE Transfer
Local Government Impact: None		

Summary of Legislation

The bill repeals and reenacts Section 26-2-723, C.R.S., which concerns evaluation of the Colorado Works Program. Most notably, the bill eliminates all current responsibilities for evaluation of the program by the State Auditor's Office (SAO), and requires the Department of Human Services (DHS) to oversee the administration of an annual independent evaluation of the program through July 1, 2009. Additionally, the bill establishes an independent advisory committee as part of the evaluation process.

State Expenditures

Background. The SAO has been responsible for overseeing evaluation of the Colorado Works Program since 1998. Moneys for the evaluation are appropriated directly to the DHS and

transferred to the SAO. To date, only federal funds from the Temporary Assistance to Needy Families (TANF) Block Grant have been appropriated for evaluation activities. Over the past five fiscal years, the SAO has contracted with Berkeley Policy Associates for the evaluation. The current contract expires January 2004. Annual evaluation costs since FY 1999-00 are noted in the table below.

History of Colorado Works Program Evaluation Costs	
Fiscal Year	Actual Expenditures*
1999-00	\$ 1,536,462
2000-01	947,511
2001-02	832,786
2002-03	366,675
2003-04	500,000

* FY 2003-04 is current appropriation.

FY 2004-05 — \$500,000 FF. Actual evaluation costs of the Colorado Works Program are contingent, in large part, upon the request for proposal (RFP). These costs will not be known until the RFP is issued and evaluated. In addition to the contract costs for the independent evaluation, DHS will incur costs to develop the initial RFP and establish the advisory committee. Based on a similar evaluation done by the State of Ohio, the fiscal note assumes a first-year cost no greater than \$500,000, the amount currently appropriated for evaluation of Colorado Works.

FY 2005-06 — \$500,000 FF. At this time, the fiscal note assumes a continuing cost of \$500,000. Depending upon bids received, the actual amount may be lower or greater. Actual contract costs will be addressed through the annual budget process.

State Appropriations

For FY 2004-05, the Department of Human Services should receive an appropriation of \$500,000 federal funds. The source of the federal funds is TANF Block Grant moneys which the General Assembly has appropriation authority over. The State Auditor's Office will no longer receive a cash funds exempt transfer from the Department of Human Services.

Departments Contacted

Human Services State Auditor's Office