

Economic Opportunity Poverty Reduction Task Force

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Economic Opportunity Poverty Reduction Task Force Report to Legislative Council

Committee Charge

Pursuant to House Bill 09-1064, the Economic Opportunity Poverty Reduction Task Force is required to:

- assess current state policies and practices that promote economic opportunity and poverty reduction with regard to:
 - building family assets and financial stability;
 - increasing educational opportunities;
 - expanding the work force;
 - using targeted tax policies to make work pay; and
 - addressing work-support issues;
- study and evaluate federally supported and state-supported programs that serve persons living in poverty, with the goal of recommending improvements for the nutrition and employment programs;
- examine factors that contribute to poverty and its economic impact; and
- develop a comprehensive plan, by December 31, 2010, for reducing poverty by at least 50 percent in Colorado by 2019.

The task force must meet at least four times each year, and continues through July 1, 2014.

Subcommittees. The task force appointed four subcommittees that included representatives of executive branch agencies, local governments, business and labor organizations, educational institutions, advocates, and other individuals directly impacted by the work of the task force. Each subcommittee was chaired by a member of the task force and was required to advise the task force in completing its duties. Subcommittees were appointed in the following subject areas:

- early childhood development and education;
- effective use of public/private resources;
- housing continuum; and
- workforce development and readiness.

Members of the subcommittees did not receive compensation for their services or reimbursement of their expenses. The subcommittees were not staffed by legislative staff.

Committee Activities

The full task force met six times during the 2013 interim, and each subcommittee met multiple times. The task force discussed changes to poverty rates since 2009, which was the last time the task force met formally; heard presentations on the impact of poverty on different populations within the state; discussed the Property Tax, Rent, and Heat Rebate program; learned about the different measures of poverty and economic well-being; and toured a transitional housing facility for young mothers. The subcommittees updated the full task force on their progress at the beginning of each task force meeting.

Task force activities since 2009. The Economic Opportunity Poverty Reduction Task Force met formally during the 2009 interim and met informally during the 2011 and 2012 interim sessions. At the first meeting during the 2013 interim, the task force was updated on the work that was completed during the 2009, 2011, and 2012 legislative interims. Legislative Council Staff provided the overview of the task force's activities during the 2009 interim, which included a synopsis of the bills recommended by the task force to Legislative Council, and the topics studied by the subcommittees. Stakeholders provided an update of the informal subcommittee meetings that took place during the 2011 and 2012 interims.

Subcommittees. The four subcommittees were chaired by members of the full task force and included stakeholders from the public, executive branch agencies, and local governments. Each subcommittee met multiple times during the interim and provided updates to the full task force. Many of the bill proposals discussed by the task force were a result of the work done by the subcommittees.

The Early Childhood Development and Education Subcommittee had presentations on the affordability of child care, limitations of the Colorado Child Care Assistance Program, and the interaction between the federal and state child care tax credits. The Early Childhood Development and Education Subcommittee coordinated with the Early Childhood and School Readiness Legislative Commission so that the two groups did not duplicate legislative proposals. Bill F and Bill G were brought to the full Economic Opportunity Poverty Reduction Task Force from the Early Childhood Development and Education Subcommittee. Bill F creates an individual income tax credit for childcare expenses that is calculated independently of the federal child care tax credit. Bill G expands an existing pilot program to give counties more flexibility in designing the Colorado Childcare Assistance Program to meet needs within the county.

The Effective Use of Public/Private Resources Subcommittee studied resources that were available from the private and nonprofit sectors and how those resources can be coordinated with state programs. The subcommittee heard presentations on the specific needs of the elderly, the aging population, and the resources that are available for the disabled. The committee heard that these groups are less likely to have identification cards, which are required to receive some private and public benefits. The Effective Use of Public/Private Resources Subcommittee brought Bill B and Bill C to the full task force. Bill B relaxes the documentation required for legal residents over the age of 70 and veterans over the age of 50 to receive an identification card. Bill C ties the Aid to the Needy Disabled payments to a percentage of the federal poverty guidelines.

The Housing Continuum Subcommittee heard presentations on different types of affordable housing and some of the constraints on providing more affordable housing units. The subcommittee discussed the impact on mobile home owners when a mobile home park is sold, and some of the challenges faced from aging infrastructure in mobile home parks. Bill E allows public funds to be invested in general obligations bonds issued by community development financial institutions. This bill is in response to statements from multiple stakeholders that the recession reduced the financing options for low-income housing development.

The Workforce Readiness and Development Subcommittee studied some of the challenges faced by people who drop out of school or the labor force. They heard presentations on the skills gap, how community colleges and technical training may be able to help people who have dropped out of the labor force, and from the business community about regulations. The Workforce Readiness and Development Subcommittee brought Bill D to the full task force. Bill D creates the Adult Literary Grant Program, which would provide state money to programs that provide adult literacy and numeracy skills courses.

The impact of poverty on different populations. The task force heard presentations on the impact of poverty on different populations in Colorado. The task force heard about the challenges faced by minorities and seniors in poverty, and why poverty rates are higher among women and children than the general population.

Property Tax, Rent, and Heat Rebate program. The task force learned about the Property Tax, Rent, and Heat Rebate (PTC) program, which is designed to help low-income seniors pay for property taxes, rent, and heat for their homes. The number of people receiving rebates has declined in recent years, even though the number of seniors who qualify for the program has increased. The Office of the State Auditor (OSA) presented its audit findings on the PTC program, and the task force heard a panel discussion on the PTC program that included representatives from OSA, the Department of Revenue, and the Department of Human Services. The task force recommends Bill A, which modifies the PTC rebate program by increasing the grant amount and changing the income eligibility limits.

Measures of poverty. The task force heard presentations on different measures of poverty and the work being done by state agencies and nonprofit organizations to measure economic well-being. One presentation focused on the differences and distinctions between the official poverty measure, the supplemental poverty measure, and the self-sufficiency index. In addition, the task force learned about the requirements needed to develop a state-level economic well-being or economic opportunity index, and about the work currently being done by the Department of Human Services to measure economic well-being in Colorado.

Tour of Warren Village. Task force members toured Warren Village, a transitional housing facility for young mothers and their children. Staff members from Warren Village briefed the task force members on the mission and history of Warren Village, and three current and former residents of the facility told the task force members about their experiences with the program. The staff members and residents responded to questions from the task force and took the members on a tour of the Warren Village facilities, including the learning center, family services center, resident community room, and an apartment in which a resident family lives.

Committee Recommendations

Bill A – Property Tax Rent Heat Fuel Grants For Low Income. Bill A modifies the PTC rebate program by:

- increasing the grant amount from \$600 to \$700;
- increasing the income eligibility limits from \$12,639 to \$14,937 for individuals and from \$16,935 to \$20,163 for married couples; and
- establishing flat minimum grant amounts for eligible individuals or married couples of \$227 for the real property tax expense assistance grant and \$73 for the heat or fuel expenses assistance grant.

The bill also requires the Department of Revenue to replace the quarterly assistance payments with a single payment, and allows the department to do outreach programs instead of mailing grant forms each year. Additionally, the department must waive the reimbursement and interest penalties for overpayments to recipients that are caused by a departmental error.

Bill B – Identification Card Issuance Standards. Bill B requires the Department of Revenue to issue identification cards using U.S. government documents to prove lawful presence, and creates a simplified process for a person to change his or her name if the person is at least 70 years old or at least 50 years old and a veteran of the armed forces. This identification card would be available for Colorado residents who cannot produce a birth certificate or other documents required to receive existing forms of state identification.

Bill C – Aid to the Needy Disabled Program. Bill C ties the assistance payment under the Aid to the Needy Disabled program to an amount equal to a certain percentage of monthly income under the federal poverty guidelines.

Bill D – Adult Education and Literacy Programs. Bill D designates an office within the Department of Education as the administrator of the Adult Education and Literacy Grant Program, which provides state money to fund programs that provide adult literacy and numeracy skills courses. The adult literacy program in the bill would replace the Family Education Grant Program, effective July 1, 2014.

Bill E – Community Development Financial Institutions. Bill E allows public funds to be invested in general obligation bonds issued by community development financial institutions registered to operate and in good standing with the Secretary of the State. The bill also broadens the definition of a “qualified holder” to include more entities, and allows those entities to present a request for full or partial release of collateral pledged without presentation of the original promissory note.

Bill F – Income Tax Credit for Child Care Expenses. Bill F creates a refundable child care tax credit that is independent of any tax credit received on the federal level. A resident taxpayer with a federal adjusted gross income of \$25,000 or less may claim this credit for the care of any dependent child under the age of 13 as long as the taxpayer falls under the proper expenses and tax liability to claim the credit on the federal level. The maximum credit is \$500 for a single dependent or \$1,000 for two or more dependents. Child care expenses used as the basis to claim the credit may not exceed the resident's earned income for the year and the claimant must provide the tax identification number for the child and child care provider.

Bill G – Colorado Child Care Assistance Program. Bill G makes changes to an existing Child Care Assistance Program (CCAP) cliff effect pilot program. The "cliff effect" occurs when a working parent enrolled in CCAP receives a minor increase in his or her income that makes the parent no longer eligible for child care assistance, but the increase in income is not enough to cover child care expenses without the assistance. The bill extends the length of the pilot program, allows counties to limit participation in the program, creates more flexibility in designing the program, and clarifies the data collection and reporting responsibilities of the Departments of Human Services and county departments of human services. The bill also creates a grant program in the Department of Human Services to encourage counties to undertake activities that promote access to child care and increase the quality of child care providers who accept CCAP. The bill specifies how the grant money may be used.