



**Report to the
Colorado General Assembly**

**Economic Opportunity
Poverty Reduction
Task Force**

Prepared by

*The Colorado Legislative Council
Research Publication No. 632
December 2013*

Economic Opportunity Poverty Reduction Task Force

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December 2013

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December 2013

To Members of the Sixty-ninth General Assembly:

Submitted herewith is the final report of the Economic Opportunity Poverty Reduction Task Force. This task force was created pursuant to Section 2-2-1404, Colorado Revised Statutes. The primary purpose of this task force is to assess current state policies and practices that promote economic opportunity and poverty reduction and, by 2019, reduce by at least 50 percent the number of Coloradans, including children and families, living in poverty.

At its meeting on November 14, 2013, the Legislative Council reviewed the report of this task force. A motion to forward this report and the bills therein for consideration in the 2014 session was approved.

Sincerely,

/s/ Senator Lucia Guzman
Chairman

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This report is also available on line at:

www.state.co.us/gov_dir/leg_dir/lcsstaff/2013/Poverty

Task Force 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. During the first meeting, the task force discussed topics of interest and grouped them into larger subject areas that could be studied by smaller 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.

Task Force 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; determined what topics to study within each subcommittee; 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 set their own agendas and heard presentations from community groups, executive



branch agencies, and federal agencies on their assigned topics. The subcommittees updated the full task force on their work at each meeting, and many of the proposed bills were brought to the task force through the subcommittees.

Task force activities since 2009. The Economic Opportunity Poverty Reduction Task Force met formally during the 2009 interim and met informally during the 2010, 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, 2010, 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 2010, 2011, and 2012 interims.

The following subsections discuss the task force's activities during the 2013 interim.

Task Force Subcommittees

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.

Early childhood development and education. This 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. The subcommittee learned that many residents do not qualify for the state child care tax credit because they do not earn enough to file federal income taxes and cannot claim the federal child care tax credit.

Task force recommendations. 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.

Effective use of public/private resources. This subcommittee studied resources that are available from the private and nonprofit sectors and how to coordinate these resources with state programs. The subcommittee heard presentations on the specific needs of the elderly and aging populations, and the resources that are available for the disabled. The subcommittee learned that these groups are less likely to have identification cards, which are required to receive some private and public benefits.

Task force recommendations. The Effective Use of Public/Private Resources Subcommittee brought Bill B and Bill C to the full task force. The task force recommends Bill B, which relaxes the documentation required for legal residents over the age of 70 and veterans over the age of 50 to receive an identification card. It also recommends Bill C, which ties Aid to the Needy Disabled payments to a percentage of the federal poverty guidelines.

Housing continuum. This subcommittee heard presentations on different types of affordable housing and about the constraints on providing more affordable housing units. In addition, the subcommittee learned about the state housing investment fund that resulted from the national settlement with the five largest mortgage service companies and explored the idea of the Colorado Housing Trust Fund. The subcommittee discussed the impact on mobile home owners when a mobile home park is sold, and some of the challenges due to the aging infrastructure in mobile home parks.

Task force recommendation. The task force recommends Bill E, which allows public funds to be invested in general obligation 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 affordable housing development.

Workforce readiness and development. This subcommittee studied the challenges faced by people who drop out of school or the labor force. The members 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 regulations on business.

Task force recommendations. The Workforce Readiness and Development Subcommittee brought Bill D to the full task force. The task force recommends Bill D, which creates the Adult Literacy Grant Program, which provides state money to programs that provide adult literacy and numeracy skills courses.

Impact of Poverty on Different Populations

The task force heard presentations on the impact of poverty on different populations in Colorado, the challenges faced by minorities and seniors in poverty, and why poverty rates are higher among women and children than the general population. The State Demographer's Office made a presentation to the task force on the effects of Colorado's growing senior population, and the changes in the state's population by region and household type and how these changes impact public assistance needs. The task force learned that changes to the Baby Boomer population, or those born between 1946 and 1964, will be the most significant population change in the next decade.

The Women's Foundation of Colorado briefed the task force on its Status of Women and Girls in Colorado report, and its work to bring women out of poverty and make them more financially secure. The task force heard about the impact of poverty on households that are headed by single mothers, and about how the differences in educational attainment and employment between men and women affect self-sufficiency standards. The task force discussed policy changes and program initiatives to provide more opportunities to women and girls in Colorado, and the need to ensure access to affordable child care.



The task force heard from the Colorado Center on Law and Policy about its report entitled *The State of Working Colorado 2013*. The report discusses the differences in employment rates by race and income discrepancies by race, and shows that income inequality in Colorado has grown steadily in recent years. The task force learned that, according to the report, Colorado's poverty rate has increased since 2000.

The Cliff Effect

The task force learned about the "cliff effect," which happens when even a modest rise in family income leads to termination of a government benefit, such as subsidized child care, causing the family to suffer a net financial loss by earning more. The task force watched a video produced by I-News at Rocky Mountain PBS called "Losing Ground: The Cliff Effect," which examines the impact of the cliff effect on several families in Colorado. The task force learned that Colorado is unique in that it allows counties to determine income level eligibility for work support programs such as the Child Care Assistance Program (CCAP), and this has created inequities in what families can earn before losing child care benefits.

Because the cliff effect can be multiplied by becoming ineligible for a variety of benefits at once, the subcommittees were each tasked with identifying instances where the cliff effect occurred. Two areas that were identified were in CCAP and affordable housing.

Task force recommendation. The task force recommends Bill G, which expands an existing pilot program for CCAP and makes it available to all counties to lessen the cliff effect by phasing out CCAP eligibility and making more spots available so that rising income does not make a family ineligible for CCAP.

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. OSA found that the Department of Revenue (DOR) did not calculate the PTC rebate correctly for some people, resulting in overpayments and underpayments of the rebate amount. In addition, the audit found that DOR, the Department of Human Services (DHS), and county governments were not performing the required outreach and education activities as required by statute.

The task force heard a panel discussion on the PTC program that included representatives from OSA, DOR, and DHS. The panel discussion was an opportunity for the agencies to respond to the audit findings and to tell the task force that the issues identified in the performance audit are being addressed. The DOR testified that the rebate calculation errors occurred because the calculations were moved to a new tax processing software. The state agencies and counties were unaware of the outreach requirement in statute, and are in the process of making sure that it occurs in the future.

Task force recommendation. The task force recommends Bill A, which modifies the PTC rebate program by increasing the grant amount and changing the income eligibility limits. Bill A also allows the Executive Director of DOR to forgive the repayment of PTC rebates when the overpayment was due to a DOR error.

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. The task force heard about the difficulties in measuring poverty, and that there is not a single definition of poverty. One presentation focused on the differences and distinctions among the official poverty measure, the supplemental poverty measure, and the self-sufficiency index.

The task force learned that the official poverty measure is the most widely used standard for poverty and is used to define eligibility for many federal anti-poverty programs, but that there is concern that it is not an accurate measure of poverty. The official poverty measure is based on the average food budget of a household in the 1950s, and this amount has been adjusted for inflation to set the official poverty line. If a household's income is below this line, the family is considered to be in poverty. The federal poverty line does not take into account the cost of living in different areas of the country and it has not been reexamined to account for differences in a family budget between the 1950's and today.

The two other measures discussed, the supplemental poverty measure and the self-sufficiency standard, attempt to remedy some of the shortcomings of the official poverty measure, but they have not replaced the official poverty measure. The supplemental poverty measure is based on recommendations from the National Academy of Sciences (NAS) and uses median household expenditures for various categories to determine the supplemental poverty measure. It takes into account the cost of living and is more representative of current spending patterns.

The self-sufficiency standard defines the income families require in order to meet their basic necessities without public or private assistance. It was first calculated in 1996 and has since been calculated for 152 different family types in each of Colorado's counties. The self-sufficiency standard takes into account the cost of living, but does not include public benefits that are available to families. Table 1 shows the comparison between the basic needs threshold and resources used in calculating the different poverty measures described above. Table 2 shows the thresholds needed to reach each measure of poverty.



Table 1
Comparing Measures: Definitions of Basic Need and Family Resources

Poverty Measure	Basic Needs Threshold	Resources for Obtaining Basic Needs
FPL	<i>Poverty threshold (or poverty line):</i> Annual cost of food in 1955 multiplied by three, adjusted by inflation each year.	<i>Money income before taxes.</i>
NAS Poverty Measure	<i>Poverty threshold (or poverty line):</i> Cost of food, clothing, shelter, utilities, medical care costs*, and miscellaneous needs.	<i>Disposable income:</i> After-tax money income plus specific tax credits, plus near-cash value of assistance programs (such as food stamps), minus work-related expenses (such as child care and transportation).
Self-Sufficiency Standard	<i>Self-sufficiency standard:</i> Cost of food, housing, transportation, child care, health care, and miscellaneous necessities, taxes and tax credits, and adjustments in cost based on participation in assistance programs.	<i>Self-sufficiency wage:</i> Total family wages.

Source: Legislative Council Staff

*Medical costs were originally excluded but have been included in the calculation of the measure in other studies.

Table 2
Colorado Basic Needs Thresholds
(Family of Two Adults and Two Children)

FPL, 2011*	NAS Measure Threshold, 2011**	Self-Sufficiency Standard, 2011***
\$22,350	\$24,170	Low: \$38,224 (Kit Carson County) High: \$72,408 (Pitkin County) 64 County Average: \$52,088

Sources: * U.S. Census Bureau; ** Legislative Council Staff; and *** Diana Pierce (2011); *Self-Sufficiency Standard for a family with two adults, one pre-schooler, one school age child.*

After learning about the different measures of poverty, the task force heard about the requirements needed to develop a state-level economic well-being or economic opportunity index. To develop its own measure of poverty or economic well-being, the state would need to decide how to weight various measures of well-being while determining what to measure against, like a point in time or a statewide average. The Department of Human Services looked into how to measure economic well-being in Colorado, but decided that the programs that they administer are more appropriate to measure the resources available to a single family rather than the state as a whole.

Warren Village Tour

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.



Summary of Recommendations

As a result of the task force deliberations, the following bills are recommended to the Colorado General Assembly.

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 allows the Department of Revenue to do outreach programs instead of mailing grant forms each year. Additionally, the bill clarifies the authority of the executive director of the Department of Revenue to waive overpayment amounts, penalties, and interest when the overpayments to recipients 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 if the person is at least 70 years old or at least 50 years old and a veteran of the U.S. 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. The bill also creates a simplified process for a person in either of those same categories to seek a name change to settle any name discrepancy necessary to be issued an identification card.

Bill C — Aid to the Needy Disabled Program

Bill C requires the Department of Human Services, by rule, to tie 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 at 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 at 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 an 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 Department 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.

Resource Materials

Meeting summaries are prepared for each meeting of the committee and contain all handouts provided to the committee. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303-866-2055). The listing below contains the dates of committee meetings and the topics discussed at those meetings. Meeting summaries are also available on our website at:

www.colorado.gov/lcs/Poverty

Meeting Date and Topics Discussed

July 9, 2013

- ◆ Overview of the duties and responsibilities of the task force
- ◆ Summary of the work of the task force in 2009
- ◆ Status of the task force since 2009
- ◆ Discussion of task force study topics
- ◆ Vote on proposed subcommittees and subcommittee co-chairs

July 29, 2013

- ◆ Update from subcommittees
- ◆ Public comment in response to update from subcommittees
- ◆ Report from the Office of the State Demographer
- ◆ The cliff effect and the Status of Women and Girls in Colorado report
- ◆ The State of Working Colorado 2013 report

August 21, 2013

- ◆ Update from subcommittees
- ◆ Public comment in response to update from subcommittees
- ◆ The cliff effect
- ◆ Property Tax/Rent/Heat (PTC) Rebate Program
- ◆ Poverty metrics
- ◆ Genuine progress indicator

September 4, 2013

- ◆ PTC Rebate Program audit findings
- ◆ Measuring economic well-being
- ◆ Update from subcommittees



September 18, 2013

- ◆ Census estimates of income, poverty, and insurance
- ◆ Panel discussion on PTC Rebate audit
- ◆ Bill drafting time line and procedures
- ◆ Discussion of bill requests presented by subcommittees

October 16, 2013

- ◆ Discussion of bill prioritization
- ◆ Consideration of proposed legislation
- ◆ Final action on proposed legislation

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

BILL A

LLS NO. 14-0152.02 Ed DeCecco x4216

SENATE BILL

SENATE SPONSORSHIP

Kefalas, Ulibarri

HOUSE SPONSORSHIP

Pettersen, Exum, Fields

Senate Committees

House Committees

A BILL FOR AN ACT

101 CONCERNING THE PROPERTY-RELATED EXPENSE ASSISTANCE GRANTS
102 FOR LOW-INCOME SENIORS AND INDIVIDUALS WITH
103 DISABILITIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. Beginning with grants claimed for 2014, the bill modifies the real property tax assistance grants, which includes grants for property tax, specific ownership tax, or tax equivalent payments, (**Section 1** of the bill)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.

DRAFT *Dashes through the words indicate deletions from existing statute.*

13

and heat or fuel expenses assistance grants (**Section 4**) for low-income seniors and individuals with disabilities as follows:

- Increases the maximum real tax property expense assistance grant from \$600 to \$700;
- For claims made for 2014, increases the income limits for grant eligibility from approximately \$12,639 to \$14,937 for individuals and from approximately \$16,935 to \$20,163 for married couples; and
- Establishes flat minimum grant amounts for any eligible individual or married couple of \$227 for the real property tax expense assistance grant and \$73 for the heat or fuel expenses assistance grant, assuming that the actual expenses exceed these amounts.

Section 2 clarifies the executive director of the department of revenue's responsibilities for preparing grant application forms and related instructions, and it permits the executive director to develop an electronic form to supplement the paper forms.

Section 3 repeals the requirement that the department of revenue mail copies of the grant forms to county departments of social services and public and private pensions. This mailing is replaced with a requirement that the department of human services conduct specific types of outreach related to the grant. On or before July 1, 2015, the department of human services is required to report about the outreach to the public health care and human services committee of the house of representatives and the health and human services committee of the senate. The department of human services outreach efforts do not affect the department of revenue's responsibility to create the grant forms and pay the grants. The departments are required to share information.

If the department of revenue incorrectly pays a grant as a result of a departmental mistake, **section 5** permits the executive director of the department to waive the reimbursement of the grant and any interest or penalties that accrue.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds that:

4 (a) There is a property tax, rent, and heat assistance grant program
5 administered by the department of revenue, which is commonly referred
6 to as the PTC rebate program;

7 (b) The PTC rebate program was started in 1972 to provide

1 property tax and rent assistance through grants to low-income seniors,
2 and the program was expanded to include assistance for heating expenses
3 in 1980 and to include individuals with disabilities in 1989;

4 (c) The department of revenue administers the program, including
5 application controls and program outreach, and there is a need to improve
6 the department's application, eligibility, and payment controls and the
7 program outreach and administration;

8 (d) Grants are made from the income tax refund reserve without
9 further appropriation;

10 (e) In fiscal year 2012-13 about 21,000 households participated
11 in the program and received a total of \$6.9 million in rebates, which is an
12 average of \$329 for each participating household;

13 (f) The PTC rebate program applies to thousands of low-income
14 Coloradans over age 65, surviving spouses over age 58, or individuals
15 with disabilities who have lived in the state for the entire tax year and
16 have paid property tax, rent, or heating expenses during the year;

17 (g) Qualifying seniors and individuals with disabilities, including
18 veterans, who live in their homes on fixed or low-incomes face greater
19 financial hardships and encounter difficulties in maintaining their homes
20 and living independently with limited resources, and the rebate helps
21 these people stay in their homes;

22 (h) The PTC rebate program helps seniors and individuals with
23 disabilities live independently in their homes and serves as a lifeline for
24 thousands of Coloradans who spend the grants on basic necessities,
25 including home repairs; and

26 (i) Spending grants in local communities is good for business and
27 creates jobs, it allows people to stay in their homes and live with greater
28 dignity as contributing members of society, and it saves taxpayer dollars.

1 (2) Therefore, the general assembly declares the PTC rebate
2 program offers a rational, fiscally prudent, and targeted approach for
3 assisting seniors and individuals with disabilities with essential living
4 expenses, and that it is in the public interest to improve the
5 administration, delivery, and outreach of this program to ensure
6 efficiencies and effectiveness in terms of serving those individuals most
7 in need. Furthermore, it is in the public interest to encourage
8 collaboration between the department of revenue, the department of
9 human services, and community-based organizations to achieve
10 continuous quality improvement of the program.

11 **SECTION 2.** In Colorado Revised Statutes, 39-31-101, **amend**
12 (1) (c) and (2); and **add** (2.3) as follows:

13 **39-31-101. Real property tax assistance - eligibility -**
14 **applicability - definitions.** (1) (c) (I) The grant authorized by this
15 section shall also be allowed to individuals having resided in this state for
16 the entire taxable year and coming within the limitations imposed by
17 subsection (3) of this section who, regardless of age, ~~were disabled~~ HAVE
18 A DISABILITY during the entire taxable year to a degree sufficient to
19 qualify for the payment to them of full benefits from any bona fide public
20 or private plan or source based solely upon such disability.

21 (II) An individual ~~is disabled~~ HAS A DISABILITY for the purposes
22 of subparagraph (I) of this paragraph (c) if such individual is unable to
23 engage in any substantial gainful activity by reason of any medically
24 determinable physical or mental impairment ~~which~~ THAT can be expected
25 to result in death or ~~which~~ THAT has lasted for a continuous period of not
26 less than twelve months.

27 (2) ~~Such~~ A grant ~~shall be~~ IS the amount of the general property
28 taxes actually paid on the residence or the amount of taxes actually paid

1 on a mobile home, plus any tax-equivalent payments computed pursuant
2 to subsection (4) of this section, with respect to the rent of a trailer space
3 during the year for which ~~such~~ THE grant is claimed, the amount of the
4 specific ownership tax actually paid on a trailer coach, or the amount of
5 the tax-equivalent payments, computed pursuant to subsection (4) of this
6 section, actually made during the year for which such grant is claimed,
7 but in no event may it exceed:

8 (a) In the case of an individual:

9 (I) ~~For grants claimed for years commencing prior to January 1,~~
10 ~~1999, five hundred dollars reduced by twenty percent of the amount by~~
11 ~~which the individual's income exceeds five thousand dollars;~~

12 (II) ~~For grants claimed for years commencing on or after January~~
13 ~~1, 1999, but prior to January 1, 2008, six hundred dollars reduced by ten~~
14 ~~percent of the amount by which the individual's income exceeds five~~
15 ~~thousand dollars; and~~

16 (III) For grants claimed for years commencing on or after January
17 1, 2008, BUT BEFORE JANUARY 1, 2014, six hundred dollars reduced by
18 ten percent of the amount by which the individual's income exceeds six
19 thousand dollars in 2008, and, each year thereafter, the amount for the
20 prior year adjusted for inflation; AND

21 (IV) EXCEPT AS SET FORTH IN SUBSECTION (2.3) OF THIS SECTION,
22 FOR GRANTS CLAIMED FOR YEARS COMMENCING ON OR AFTER JANUARY
23 1, 2014:

24 (A) FOR AN INDIVIDUAL WHOSE INCOME IS LESS THAN OR EQUAL
25 TO ELEVEN THOUSAND THREE HUNDRED SIXTY-NINE DOLLARS, SEVEN
26 HUNDRED DOLLARS REDUCED BY TEN PERCENT OF THE AMOUNT BY WHICH
27 THE INDIVIDUAL'S INCOME EXCEEDS SIX THOUSAND SIX HUNDRED
28 THIRTY-NINE DOLLARS; OR

1 (B) FOR AN INDIVIDUAL WHOSE INCOME IS MORE THAN ELEVEN
2 THOUSAND THREE HUNDRED SIXTY-NINE DOLLARS BUT LESS THAN OR
3 EQUAL TO FOURTEEN THOUSAND NINE HUNDRED THIRTY-SEVEN DOLLARS,
4 TWO HUNDRED TWENTY-SEVEN DOLLARS.

5 (b) In the case of a husband and wife:

6 (I) ~~For grants claimed for years commencing prior to January 1,~~
7 ~~1999, five hundred dollars reduced by twenty percent of their income~~
8 ~~over eight thousand seven hundred dollars;~~

9 (II) ~~For grants claimed for years commencing on or after January~~
10 ~~1, 1999, but prior to January 1, 2008, six hundred dollars reduced by ten~~
11 ~~percent of their income over eight thousand seven hundred dollars; and~~

12 (III) For grants claimed for years commencing on or after January
13 1, 2008, BUT BEFORE JANUARY 1, 2014, six hundred dollars reduced by
14 ten percent of their income over nine thousand seven hundred dollars in
15 2008, and, each year thereafter, the amount for the prior year adjusted for
16 inflation; AND

17 (IV) EXCEPT AS SET FORTH IN SUBSECTION (2.3) OF THIS SECTION,
18 FOR GRANTS CLAIMED FOR YEARS COMMENCING ON OR AFTER JANUARY
19 1, 2014:

20 (A) FOR A HUSBAND AND WIFE WHOSE INCOME IS LESS THAN OR
21 EQUAL TO FIFTEEN THOUSAND FOUR HUNDRED SIXTY-ONE DOLLARS,
22 SEVEN HUNDRED DOLLARS REDUCED BY TEN PERCENT OF THEIR INCOME
23 OVER TEN THOUSAND SEVEN HUNDRED THIRTY-ONE DOLLARS; OR

24 (B) FOR A HUSBAND AND WIFE WHOSE INCOME IS MORE THAN
25 FIFTEEN THOUSAND FOUR HUNDRED SIXTY-ONE DOLLARS BUT LESS THAN
26 OR EQUAL TO TWENTY THOUSAND ONE HUNDRED SIXTY-THREE DOLLARS,
27 TWO HUNDRED TWENTY-SEVEN DOLLARS.

28 (2.3) FOR GRANTS CLAIMED FOR YEARS COMMENCING ON OR

1 AFTER JANUARY 1, 2015, THE INCOME THRESHOLDS USED TO DETERMINE
2 THE ELIGIBILITY FOR AND AMOUNT OF A GRANT PURSUANT TO SUBSECTION
3 (2) OF THIS SECTION ARE EQUAL TO THE INCOME THRESHOLDS FOR THE
4 PRIOR YEAR ADJUSTED FOR INFLATION.

5 **SECTION 3.** In Colorado Revised Statutes, 39-31-102, **amend**
6 (1) and (2) as follows:

7 **39-31-102. Procedures to obtain grant - department of revenue**
8 **- responsibilities.** (1) (a) A grant authorized by section 39-31-101 or
9 39-31-104 shall be paid from the reserve for refunds created by section
10 39-22-622. Payments shall be made on a quarterly basis, with the amount
11 of each payment equal to the total amount of the grant divided by the
12 number of quarters remaining in the calendar year in which the grant is
13 awarded, with the calculation including the quarter in which the grant is
14 awarded. Claimants meeting all qualification requirements for an entire
15 taxable year shall be entitled to a grant allowable pursuant to section
16 39-31-101 or 39-31-104. Grants paid pursuant to this subsection (1) shall
17 be included for informational purposes in the general appropriation bill
18 or in supplemental appropriation bills for the purpose of complying with
19 the limitation on state fiscal year spending imposed by section 20 of
20 article X of the state constitution and section 24-77-103, C.R.S.

21 (b) THE DEPARTMENT OF REVENUE SHALL UPDATE ITS DATABASE
22 ON A PERIODIC BASIS AS NECESSARY TO ENSURE THAT ALL ELIGIBLE
23 CLAIMANTS ARE RECEIVING THE GRANTS.

24 (2) ~~A grant~~ THE EXECUTIVE DIRECTOR SHALL PRESCRIBE THE
25 FORMS TO BE USED FOR THE GRANTS authorized by section 39-31-101 or
26 39-31-104 ~~shall be claimed on such forms as prescribed by the executive~~
27 ~~director~~ AND PREPARE ANY INSTRUCTIONS RELATED TO THE FORMS. THE
28 EXECUTIVE DIRECTOR MAY CREATE AN ELECTRONIC FORM TO BE USED IN

1 ADDITION TO THE PAPER FORM. If a sales tax refund is allowed for any
2 given income tax year in accordance with section ~~39-22-120~~ or
3 39-22-2002, ~~such forms~~ THE EXECUTIVE DIRECTOR shall include
4 provisions ~~allowing~~ ON THE FORMS TO ALLOW qualified individuals to
5 apply for the refund pursuant to section ~~39-22-120 (5) (c)~~ or 39-22-2003
6 (5) (c). TO RECEIVE A GRANT, AN INDIVIDUAL MUST CLAIM THE GRANT ON
7 THE EXECUTIVE DIRECTOR'S FORM.

8 **SECTION 4.** In Colorado Revised Statutes, **repeal and reenact,**
9 **with amendments,** 39-31-103 as follows:

10 **39-31-103. Department of human services - outreach -**
11 **departmental information sharing.** (1) THE DEPARTMENT OF HUMAN

12 SERVICES SHALL CONDUCT OUTREACH FOR THE GRANTS AVAILABLE
13 UNDER THIS ARTICLE. AS PART OF THIS DUTY, THE DEPARTMENT SHALL:

14 (a) TARGET THE OUTREACH TO PARTICIPANTS IN OTHER STATE
15 BENEFIT PROGRAMS;

16 (b) INCORPORATE THE OUTREACH INTO EXISTING MEDIA
17 CAMPAIGNS;

18 (c) WORK WITH COUNTY DEPARTMENTS OF HUMAN OR SOCIAL
19 SERVICES;

20 (d) COLLABORATE WITH INTERESTED COMMUNITY-BASED
21 ORGANIZATIONS, INCLUDING SHARING OF OUTREACH EXPENSES; AND

22 (e) UNDERTAKE ANY OTHER MEASURES THAT IT DEEMS
23 NECESSARY TO ENSURE COLLABORATION AND COST-EFFECTIVE OUTREACH
24 THAT IMPROVES PROGRAM PARTICIPATION.

25 (2) THE DEPARTMENT OF HUMAN SERVICES MAY SOLICIT, RECEIVE,
26 AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM ANY PERSON,
27 INCLUDING COMMUNITY-BASED ORGANIZATIONS, FOR THE PURPOSE OF
28 PAYING ANY PART OF THE OUTREACH.

1 (3) (a) ON OR BEFORE JULY 1, 2015, AND JULY 1 OF EVERY
2 ODD-NUMBERED YEAR THEREAFTER, THE DEPARTMENT OF HUMAN
3 SERVICES SHALL REPORT TO THE PUBLIC HEALTH CARE AND HUMAN
4 SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE
5 HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR ANY
6 SUCCESSOR COMMITTEES, ABOUT ITS OUTREACH CONDUCTED PURSUANT
7 TO THIS SECTION. IN THE REPORT, THE DEPARTMENT SHALL INCLUDE A
8 DESCRIPTION OF:

9 (I) THE TYPES OF OUTREACH UNDERTAKEN BY THE DEPARTMENT;

10 (II) THE SUCCESS OF THE OUTREACH AS MEASURED BY PUBLIC
11 PARTICIPATION, INCLUDING THE PARTICIPATION BY ELIGIBLE MEMBERS OF
12 RACIAL AND ETHNIC MINORITY POPULATIONS, OR OTHER INDICATORS
13 THAT THE DEPARTMENT CAN EVALUATE;

14 (III) ANY RECOMMENDATIONS FOR STATUTORY CHANGES THAT
15 WOULD HELP IMPROVE PROGRAM PARTICIPATION; AND

16 (IV) ANY OTHER RECOMMENDATIONS RELATED TO THE GRANTS
17 MADE UNDER THIS ARTICLE.

18 (b) THIS SUBSECTION (3) IS EXEMPT FROM THE PROVISIONS OF
19 SECTION 24-1-136 (11), C.R.S., AND THE PERIODIC REPORTING
20 REQUIREMENTS OF THIS SECTION ARE EFFECTIVE UNTIL CHANGED BY THE
21 GENERAL ASSEMBLY ACTING BY BILL.

22 (4) NOTHING IN THIS SECTION CHANGES THE DEPARTMENT OF
23 REVENUE'S RESPONSIBILITY TO CREATE THE GRANT FORMS AND TO PAY
24 THE GRANTS UNDER THIS ARTICLE.

25 (5) THE DEPARTMENT OF REVENUE AND THE DEPARTMENT OF
26 HUMAN SERVICES SHALL SHARE INFORMATION AND COLLABORATE AS IS
27 NECESSARY FOR EACH DEPARTMENT TO EFFICIENTLY ADMINISTER THIS
28 ARTICLE.

1 **SECTION 5.** In Colorado Revised Statutes, 39-31-104, **amend**
2 (1) (c) and (2); and **add** (2.3) as follows:

3 **39-31-104. Heat or fuel expenses assistance - eligibility -**
4 **applicability - definitions.** (1) (c) (I) The grant authorized by this
5 section shall also be allowed to individuals having resided in this state for
6 the entire taxable year and coming within the limitations imposed by
7 subsection (3) of this section who, regardless of age, ~~were disabled~~ HAVE
8 A DISABILITY during the entire taxable year to a degree sufficient to
9 qualify for the payment to them of full benefits from any bona fide public
10 or private plan or source based solely upon such disability.

11 (II) An individual ~~is disabled~~ HAS A DISABILITY for the purposes
12 of subparagraph (I) of this paragraph (c) if such individual is unable to
13 engage in any substantial gainful activity by reason of any medically
14 determinable physical or mental impairment ~~which~~ THAT can be expected
15 to result in death or ~~which~~ THAT has lasted for a continuous period of not
16 less than twelve months.

17 (2) ~~Such~~ THE grant shall be as follows:

18 (a) In the case of an individual:

19 (I) ~~For grants claimed for years commencing prior to January 1,~~
20 ~~1999, one hundred sixty dollars reduced by six and four-tenths percent of~~
21 ~~the amount by which the individual's income exceeds five thousand~~
22 ~~dollars;~~

23 (II) ~~For grants claimed for years commencing on or after January~~
24 ~~1, 1999, but prior to January 1, 2008, one hundred ninety-two dollars~~
25 ~~reduced by three and two-tenths percent of the amount by which the~~
26 ~~individual's income exceeds five thousand dollars; and~~

27 (III) For grants claimed for years commencing on or after January
28 1, 2008, BUT BEFORE JANUARY 1, 2014, one hundred ninety-two dollars

1 reduced by three and two-tenths percent of the amount by which the
2 individual's income exceeds six thousand dollars in 2008, and, each year
3 thereafter, the amount for the prior year adjusted for inflation; AND

4 (IV) EXCEPT AS SET FORTH IN SUBSECTION (2.3) OF THIS SECTION,
5 FOR GRANTS CLAIMED FOR YEARS COMMENCING ON OR AFTER JANUARY
6 1, 2014:

7 (A) FOR AN INDIVIDUAL WHOSE INCOME IS LESS THAN OR EQUAL
8 TO ELEVEN THOUSAND THREE HUNDRED SIXTY-NINE DOLLARS, ONE
9 HUNDRED NINETY-TWO DOLLARS REDUCED BY TEN PERCENT OF THE
10 AMOUNT BY WHICH THE INDIVIDUAL'S INCOME EXCEEDS SIX THOUSAND
11 SIX HUNDRED THIRTY-NINE DOLLARS; OR

12 (B) FOR AN INDIVIDUAL WHOSE INCOME IS MORE THAN ELEVEN
13 THOUSAND THREE HUNDRED SIXTY-NINE DOLLARS BUT LESS THAN OR
14 EQUAL TO FOURTEEN THOUSAND NINE HUNDRED THIRTY-SEVEN DOLLARS,
15 SEVENTY-THREE DOLLARS.

16 (b) In the case of a husband and wife:

17 ~~(I) For grants claimed for years commencing prior to January 1,~~
18 ~~1999, one hundred sixty dollars reduced by six and four-tenths percent of~~
19 ~~their income over eight thousand seven hundred dollars;~~

20 ~~(II) For grants claimed for years commencing on or after January~~
21 ~~1, 1999, but prior to January 1, 2008, one hundred ninety-two dollars~~
22 ~~reduced by three and two-tenths percent of their income over eight~~
23 ~~thousand seven hundred dollars; and~~

24 (III) For grants claimed for years commencing on or after January
25 1, 2008, BUT BEFORE JANUARY 1, 2014, one hundred ninety-two dollars
26 reduced by three and two-tenths percent of their income over nine
27 thousand seven hundred dollars in 2008, and, each year thereafter, the
28 amount for the prior year adjusted for inflation; AND

1 (IV) EXCEPT AS SET FORTH IN SUBSECTION (2.3) OF THIS SECTION,
2 FOR GRANTS CLAIMED FOR YEARS COMMENCING ON OR AFTER JANUARY
3 1, 2014:

4 (A) FOR A HUSBAND AND WIFE WHOSE INCOME IS LESS THAN OR
5 EQUAL TO FIFTEEN THOUSAND FOUR HUNDRED SIXTY-ONE DOLLARS, ONE
6 HUNDRED NINETY-TWO DOLLARS REDUCED BY TEN PERCENT OF THEIR
7 INCOME OVER TEN THOUSAND SEVEN HUNDRED THIRTY-ONE DOLLARS; OR

8 (B) FOR A HUSBAND AND WIFE WHOSE INCOME IS MORE THAN
9 FIFTEEN THOUSAND FOUR HUNDRED SIXTY-ONE DOLLARS BUT LESS THAN
10 OR EQUAL TO TWENTY THOUSAND ONE HUNDRED SIXTY-THREE DOLLARS,
11 SEVENTY-THREE DOLLARS.

12 (2.3) FOR GRANTS CLAIMED FOR YEARS COMMENCING ON OR
13 AFTER JANUARY 1, 2015, THE INCOME THRESHOLDS USED TO DETERMINE
14 THE ELIGIBILITY FOR AND AMOUNT OF A GRANT PURSUANT TO SUBSECTION
15 (2) OF THIS SECTION ARE EQUAL TO THE INCOME THRESHOLDS FOR THE
16 PRIOR YEAR ADJUSTED FOR INFLATION.

17 **SECTION 6.** In Colorado Revised Statutes, **amend** 39-31-105 as
18 follows:

19 **39-31-105. Executive director - rule-making - collection of**
20 **erroneous payments - waiver.** (1) The executive director of the
21 department of revenue may promulgate rules necessary for the
22 administration of this article. Such rules shall be promulgated in
23 accordance with article 4 of title 24, C.R.S.

24 (2) IF THE DEPARTMENT OF REVENUE INCORRECTLY PAYS A GRANT
25 UNDER SECTION 39-31-101 OR 39-31-104 AS A RESULT OF A
26 DEPARTMENTAL ERROR, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT
27 MAY WAIVE THE REIMBURSEMENT OF THE GRANT AND ANY RELATED
28 INTEREST OR PENALTIES THAT ACCRUE.

1 **SECTION 7. Effective date.** This act takes effect July 1, 2014.

2 **SECTION 8. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety.

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

BILL B

LLS NO. 14-0154.01 Jery Payne x2157

SENATE BILL

SENATE SPONSORSHIP

Ulibarri, Hudak, Kefalas

HOUSE SPONSORSHIP

Fields, Exum, Pettersen

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING ISSUANCE OF IDENTIFICATION CARDS TO PEOPLE WHO**
102 **ARE LAWFULLY PRESENT IN THE UNITED STATES BUT MAY HAVE**
103 **DIFFICULTY WITH CERTAIN DOCUMENTARY EVIDENCE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. Section 1 of the bill requires the department of revenue to offer exceptions processing at each of its offices that issue driver's licenses or identification cards. **Section 2** requires the department to issue an

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.

DRAFT *Dashes through the words indicate deletions from existing statute.*

27

identification card using certain documents issued by the United States government to prove lawful presence if the person applying for the card is:

- At least 70 years old; or
- At least 50 years old and a veteran of the armed forces.

The department is also required to promulgate rules to clear up minor spelling discrepancies and to accept alternate documents showing lawful presence.

Sections 3 and 4 create a simplified process for a person to change his or her name to settle name discrepancies if the person is:

- At least 70 years old; or
- At least 50 years old and a veteran of the armed forces.

The person need not publish the name change and may get a name-based instead of a fingerprint-based criminal history check. The person must sign an affidavit saying the change is to get an identification card and will not harm other people.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 42-1-229 as
3 follows:

4 **42-1-229. Exceptions processing.** THE DEPARTMENT OF REVENUE
5 SHALL PROVIDE THE OPPORTUNITY FOR EXCEPTIONS PROCESSING IN
6 PERSON AT EVERY OFFICE THAT IS ACTUALLY OPERATED BY THE
7 DEPARTMENT OF REVENUE AND THAT ISSUES DRIVER'S LICENSES OR
8 IDENTIFICATION CARDS UNDER PART 3 OF ARTICLE 2 OF THIS TITLE. EACH
9 OF THESE OFFICES SHALL ISSUE IDENTIFICATION CARDS USING THE
10 PROCESS ESTABLISHED BY SECTION 42-2-302 (8).

11 **SECTION 2.** In Colorado Revised Statutes, 42-2-302, **add** (8) as
12 follows:

13 **42-2-302. Department may or shall issue - limitations - rules.**

14 (8) (a) THE DEPARTMENT SHALL ISSUE AN IDENTIFICATION CARD TO A
15 COLORADO RESIDENT WHO:

16 (I) IS AT LEAST SEVENTY YEARS OF AGE;

1 (II) PAYS THE FEES REQUIRED UNDER THIS PART 3;
2 (III) IS QUALIFIED FOR AN IDENTIFICATION CARD UNDER THIS
3 SECTION; EXCEPT THAT THIS SUBSECTION (8) SUPERSEDES ANY
4 CONFLICTING PROVISION OF THIS SECTION; AND
5 (IV) PROVIDES DOCUMENTS ESTABLISHING THE PERSON'S NAME,
6 AGE, IDENTITY, AND LAWFUL PRESENCE.

7 (b) THE DEPARTMENT SHALL ISSUE AN IDENTIFICATION CARD TO
8 A COLORADO RESIDENT WHO:

9 (I) IS AT LEAST FIFTY YEARS OF AGE;
10 (II) IS AN HONORABLY DISCHARGED OR RETIRED MEMBER OF THE
11 UNITED STATES ARMED FORCES;

12 (III) PAYS THE FEES REQUIRED UNDER THIS PART 3;
13 (IV) IS QUALIFIED FOR AN IDENTIFICATION CARD UNDER THIS
14 SECTION; EXCEPT THAT THIS SUBSECTION (8) SUPERSEDES ANY
15 CONFLICTING PROVISION OF THIS SECTION; AND

16 (V) PROVIDES DOCUMENTS ESTABLISHING THE PERSON'S NAME,
17 AGE, IDENTITY, AND LAWFUL PRESENCE.

18 (c) ANY OF THE FOLLOWING RECORDS IS SUFFICIENT EVIDENCE OF
19 LAWFUL PRESENCE TO BE ISSUED AN IDENTIFICATION CARD UNDER THIS
20 SUBSECTION (8):

21 (I) A NUMERICAL IDENTIFICATION SYSTEM RECORD ISSUED BY THE
22 SOCIAL SECURITY ADMINISTRATION THAT SHOWS BIRTH IN THE UNITED
23 STATES; OR

24 (II) A DD214 ISSUED BY THE UNITED STATES ARMED FORCES.

25 (d) THE DEPARTMENT SHALL PROMULGATE RULES FOR
26 IMPLEMENTING THIS SUBSECTION (8), INCLUDING PROCEDURES FOR
27 RESOLVING MINOR SPELLING INCONSISTENCIES AND ACCEPTING
28 ALTERNATIVE DOCUMENTS TO BIRTH CERTIFICATES TO ESTABLISH LAWFUL

1 PRESENCE.

2 **SECTION 3.** In Colorado Revised Statutes, 13-15-101, **add** (5)
3 as follows:

4 **13-15-101. Petition - proceedings.** (5) (a) IF A PETITIONER IS
5 SEEKING A NAME CHANGE TO HARMONIZE NAME DISCREPANCIES
6 NECESSARY TO BE ISSUED AN IDENTIFICATION CARD, THE PETITIONER:

7 (I) MAY SUBMIT, IN LIEU OF A FINGERPRINT-BASED CRIMINAL
8 HISTORY RECORD CHECK, A NAME-BASED CRIMINAL HISTORY RECORD
9 CHECK WITH ALL PREVIOUSLY USED NAMES USING THE RECORDS OF BOTH
10 THE FEDERAL AND COLORADO BUREAUS OF INVESTIGATION AND AN
11 ATTESTATION UNDER PENALTY OF PERJURY THAT THE PETITIONER HAS
12 NOT BEEN CONVICTED OF A FELONY; AND

13 (II) NEED NOT PUBLISH THE NAME CHANGE UNDER SECTION
14 13-15-102.

15 (b) TO QUALIFY FOR THE SIMPLIFIED NAME CHANGE PROCESS IN
16 THIS SUBSECTION (5), THE PETITIONER MUST:

17 (I) SIGN AN AFFIDAVIT THAT THE PURPOSE OF THE NAME CHANGE
18 IS TO OBTAIN AN IDENTIFICATION CARD ISSUED BY THE DEPARTMENT OF
19 REVENUE AND THAT THE DESIRED NAME CHANGE WOULD BE PROPER AND
20 NOT DETRIMENTAL TO THE INTERESTS OF ANY OTHER PERSON; AND

21 (II) (A) BE AT LEAST SEVENTY YEARS OF AGE; OR

22 (B) BE AT LEAST FIFTY YEARS OF AGE AND AN HONORABLY
23 DISCHARGED OR RETIRED MEMBER OF THE UNITED STATES ARMED
24 FORCES.

25 **SECTION 4.** In Colorado Revised Statutes, 13-15-102, **add** (3)
26 as follows:

27 **13-15-102. Publication of change.** (3) A PETITIONER NEED NOT
28 GIVE PUBLIC NOTICE OF A NAME CHANGE AS REQUIRED BY SUBSECTION (1)

1 OF THIS SECTION IF THE PETITIONER QUALIFIES FOR THE SIMPLIFIED
2 PROCESS UNDER SECTION 13-15-101 (5).

3 **SECTION 5. Act subject to petition - effective date -**
4 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
5 the expiration of the ninety-day period after final adjournment of the
6 general assembly (August 6, 2014, if adjournment sine die is on May 7,
7 2014); except that, if a referendum petition is filed pursuant to section 1
8 (3) of article V of the state constitution against this act or an item, section,
9 or part of this act within such period, then the act, item, section, or part
10 will not take effect unless approved by the people at the general election
11 to be held in November 2014 and, in such case, will take effect on the
12 date of the official declaration of the vote thereon by the governor.

13 (2) This act applies to applications or petitions filed on or after the
14 applicable effective date of this act.

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

BILL C

LLS NO. 14-0155.01 Brita Darling x2241

SENATE BILL

SENATE SPONSORSHIP

Kefalas, Hudak, Ulibarri

HOUSE SPONSORSHIP

Exum, Fields, Pettersen

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROGRAM FOR AID TO THE NEEDY DISABLED.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. The bill requires the department of human services, by rule, to tie the assistance payment under the program for aid to the needy disabled to an amount equal to a certain percentage of monthly income under the federal poverty guidelines.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.

DRAFT *Dashes through the words indicate deletions from existing statute.*

33

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The Aid to the Needy Disabled (AND) program was
5 established in 1953 as an “interim assistance program” for qualifying
6 people waiting for their federal Supplemental Security Income (SSI)
7 benefit to begin;

8 (b) The majority of people receiving AND support ultimately
9 receive SSI, and the state receives reimbursement for all of the state's
10 AND payments to program participants, retroactively from the date of
11 application;

12 (c) The AND program provides basic financial assistance to
13 people who meet the requirements of need and disability between the
14 ages of 18 and 59, and a physician must medically certify their disability
15 status and their inability to work for at least six months;

16 (d) The AND program serves some of our most vulnerable
17 Colorado residents: Individuals who are poor, disabled, unable to work
18 and awaiting SSI and ineligible for other state assistance programs, and
19 many who are also homeless; and

20 (e) State funding for the AND program has not kept up with
21 increased caseloads in recent years due to the recession and other factors,
22 resulting in lower monthly financial assistance amounts that fall far short
23 of meeting the basic needs of any Coloradan.

24 (2) Therefore, the general assembly declares that the State of
25 Colorado places a high priority on caring for our most vulnerable
26 residents, and that it is in the public interest to restore funding to the AND
27 program at the FY 2007 level, including an adjustment for the increased

1 cost of living.

2 (3) Furthermore, the general assembly declares that it is in the
3 public interest to encourage greater efficiencies and collaboration
4 between departments, other public-sector agencies and private-sector
5 community-based organizations to effectively administer the AND
6 program and achieve savings from more timely SSI reimbursements to the
7 state.

8 **SECTION 2.** In Colorado Revised Statutes, 26-2-119, **amend** (1)
9 as follows:

10 **26-2-119. Amount of assistance payments - aid to the needy**
11 **disabled.** (1) (a) The amount of assistance payments that shall be granted
12 to a recipient under the program for aid to the needy disabled shall be on
13 the basis of budgetary need, as determined by the county department with
14 due regard to any income, property, or other resources available to the
15 recipient, within available appropriations, and in accordance with rules
16 of the state department.

17 (b) The rules of the state department:

18 (I) SHALL ESTABLISH THE ASSISTANCE PAYMENT UNDER THE
19 PROGRAM FOR AID TO THE NEEDY DISABLED, WHICH ASSISTANCE
20 PAYMENT MUST NOT BE LESS THAN AN AMOUNT EQUAL TO TWENTY-EIGHT
21 PERCENT OF THE MONTHLY INCOME FOR A HOUSEHOLD OF ONE AT ONE
22 HUNDRED PERCENT OF THE FEDERAL POVERTY GUIDELINES, AS UPDATED
23 ANNUALLY; AND

24 (II) ~~May~~ SHALL require an applicant or recipient who may be
25 eligible for benefits under another federal or state program or who may
26 have a right to receive or recover other income or resources to take
27 reasonable steps to apply for, otherwise pursue, and accept such benefits,
28 income, or resources.

1 **SECTION 3. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly
4 (August 6, 2014, if adjournment sine die is on May 7, 2014); except that,
5 if a referendum petition is filed pursuant to section 1 (3) of article V of
6 the state constitution against this act or an item, section, or part of this act
7 within such period, then the act, item, section, or part will not take effect
8 unless approved by the people at the general election to be held in
9 November 2014 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

BILL D

LLS NO. 14-0156.01 Julie Pelegrin x2700

HOUSE BILL

HOUSE SPONSORSHIP

Fields, Exum, Pettersen

SENATE SPONSORSHIP

Hudak, Kefalas, Ulibarri

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING ADULT EDUCATION, AND, IN CONNECTION THEREWITH,**
102 **CREATING THE ADULT EDUCATION AND LITERACY GRANT**
103 **PROGRAM TO PROVIDE STATE MONEYS FOR ADULT EDUCATION**
104 **PROGRAMS THAT PARTICIPATE IN WORKFORCE DEVELOPMENT**
105 **PARTNERSHIPS AND MAKING AN APPROPRIATION THEREFOR.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. The bill

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Capital letters indicate new material to be added to existing statute.

DRAFT *Dashes through the words indicate deletions from existing statute.*

37

creates the "Adult Education and Literacy Act of 2014". Under this new act, the office within the department of education that is responsible for adult education (office) will administer the adult education and literacy grant program to provide state moneys to adult education and literacy programs that provide basic literacy and numeracy skills programs and that are members of workforce development partnerships that provide additional education to enable students to achieve a postsecondary credential and employment.

A local education provider, which includes public education providers, postsecondary institutions, and local, nonprofit workforce development providers, may apply for a grant by submitting an application to the office. At a minimum, the application must demonstrate that the local education provider is a member of a workforce development partnership that provides training leading to employment opportunities for students after they attain basic skills. The application must also specify the measurable goals that the local education provider expects to achieve with the grant moneys. The state board of education (state board) will adopt rules to establish the requirements for the grant program.

The office will review each application and recommend grant recipients to the state board. Based on the office's recommendations, the state board will award grants. The office must annually evaluate the effectiveness of the programs that receive grants and prepare a report concerning the grant program for the governor, the state board, and the general assembly. The report must include an analysis of student outcomes and of the continuing unmet need for adult education in the state.

The office must periodically convene meetings of representatives from the state agencies and institutions and community-based programs that are involved with adult education and workforce development. The meetings are intended to increase communication and collaboration among these entities.

The bill creates the adult education and literacy grant fund, to consist of any gifts, grants, or donations the department of education may receive for adult education and literacy and any state moneys the general assembly may appropriate to the fund. The department is authorized to use a percentage of the moneys appropriated from the fund to offset the costs of administering the grants, evaluating the grant recipients and preparing the report, and convening the adult education and workforce development agencies and programs. The department is not required to implement any portion of the bill if the general assembly does not appropriate sufficient state moneys to offset the implementation costs.

The bill repeals the family literacy education grant program, effective July 1, 2014.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **recreate and**
3 **reenact, with amendments,** article 10 of title 22 as follows:

4 **ARTICLE 10**
5 **Adult Education and Literacy**

6 **22-10-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY
7 BE CITED AS THE "ADULT EDUCATION AND LITERACY ACT OF 2014".

8 **22-10-102. Legislative declaration.** (1) THE GENERAL ASSEMBLY
9 FINDS THAT:

10 (a) INCREASED EDUCATIONAL ATTAINMENT IS A PROVEN PATHWAY
11 OUT OF POVERTY. IN GENERAL, RESEARCH SHOWS THAT AVERAGE ANNUAL
12 EARNINGS INCREASE AND UNEMPLOYMENT RATES DECREASE WITH EACH
13 SUCCESSIVE LEVEL OF EDUCATION OR TRAINING THAT A PERSON
14 ACHIEVES.

15 (b) POSTSECONDARY EDUCATION AND CREDENTIAL ATTAINMENT
16 ARE INCREASINGLY CENTRAL TO A PERSON'S ABILITY TO EARN
17 FAMILY-SUSTAINING WAGES, PARTICIPATE MORE FULLY IN COLORADO'S
18 TWENTY-FIRST-CENTURY WORKFORCE, AND CONTRIBUTE TO THE STATE'S
19 ECONOMIC HEALTH AND VITALITY;

20 (c) BOTH NATIONALLY AND IN COLORADO, PROJECTIONS INDICATE
21 THAT BY 2025, TWO-THIRDS OF ALL JOBS WILL REQUIRE SOME LEVEL OF
22 POSTSECONDARY EDUCATION OR TECHNICAL SKILL TRAINING;

23 (d) COLORADO HAS A SUBSTANTIAL "MIDDLE-SKILL GAP" IN ITS
24 WORKFORCE. MIDDLE-SKILL JOBS REQUIRE SOME POSTSECONDARY
25 EDUCATION OR TRAINING BUT LESS THAN A FOUR-YEAR DEGREE. THESE
26 POSITIONS MAKE UP APPROXIMATELY FORTY-SEVEN PERCENT OF THE
27 STATE'S JOBS, BUT ONLY THIRTY-SIX PERCENT OF COLORADO WORKERS
28 HAVE THE TRAINING NECESSARY TO FILL THEM.

1 (e) BEFORE COLORADO CAN MEET ITS WORKFORCE, EDUCATIONAL
2 ATTAINMENT, AND POVERTY-REDUCTION GOALS, THE STATE MUST
3 ADDRESS THE NEED FOR ADULT EDUCATION. A SIGNIFICANT PERCENTAGE
4 OF THE STATE'S WORKING-AGE POPULATION LACKS A HIGH SCHOOL
5 DIPLOMA OR ITS EQUIVALENT. MANY OF THESE INDIVIDUALS DO NOT HAVE
6 BASIC LITERACY OR NUMERACY SKILLS AND ARE UNPREPARED FOR
7 PARTICIPATION IN POSTSECONDARY EDUCATION AND FOR PARTICIPATION
8 IN THE TWENTY-FIRST-CENTURY WORKFORCE.

9 (f) EFFECTIVELY ADDRESSING THE NEED FOR ADULT EDUCATION
10 REQUIRES THE APPROPRIATION OF STATE MONEYS TO FUND ADULT
11 EDUCATION AND LITERACY PROGRAMS THAT PARTICIPATE IN WORKFORCE
12 DEVELOPMENT PARTNERSHIPS. ALTHOUGH THERE ARE SEVERAL
13 POSTSECONDARY PROGRAMS THAT FOCUS ON WORKFORCE DEVELOPMENT
14 AND SKILLS ACQUISITION, THESE PROGRAMS TYPICALLY ASSUME THAT
15 PARTICIPANTS ARE OR HAVE BEEN IN THE WORKFORCE IN SOME CAPACITY
16 AND HAVE ALREADY ATTAINED A BASE LEVEL OF LITERACY AND
17 NUMERACY. ADULT EDUCATION AND LITERACY PROGRAMS, HOWEVER,
18 ARE TYPICALLY DESIGNED FOR ADULTS WHO HAVE BEEN UNABLE TO
19 ENTER THE WORKFORCE IN A MEANINGFUL CAPACITY DUE TO A LACK OF
20 BASIC LITERACY AND NUMERACY SKILLS.

21 (g) IN RETURN FOR STATE INVESTMENT IN ADULT EDUCATION AND
22 LITERACY PROGRAMS, THESE PROGRAMS MUST REFOCUS THEIR MISSION TO
23 ENSURE THAT MORE LOW-SKILLED, LOW-INCOME ADULTS NOT ONLY
24 ATTAIN THE BASIC LITERACY AND NUMERACY SKILLS THAT THEY LACK,
25 BUT THAT THEY MOVE AS QUICKLY AS POSSIBLE FROM SKILL ACQUISITION
26 TO POSTSECONDARY CREDENTIAL ATTAINMENT TO EMPLOYMENT; AND

27 (h) SUCCESSFULLY REFOCUSING THE MISSION OF ADULT
28 EDUCATION AND LITERACY PROGRAMS REQUIRES THE ACTIVE

1 COLLABORATION AND COORDINATION OF A VARIETY OF STATE AGENCIES
2 AND ORGANIZATIONS THAT ARE INVOLVED IN ADULT EDUCATION AND
3 LITERACY, POSTSECONDARY EDUCATION, TRAINING AND CREDENTIAL
4 ATTAINMENT, WORKFORCE DEVELOPMENT, ECONOMIC DEVELOPMENT,
5 AND HUMAN SERVICES.

6 (2) THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS IN THE
7 BEST INTERESTS OF THE STATE TO ESTABLISH AN ADULT EDUCATION AND
8 LITERACY GRANT PROGRAM TO PROVIDE STATE FUNDING FOR PUBLIC AND
9 PRIVATE NONPROFIT ADULT EDUCATION AND LITERACY PROGRAMS.
10 INVESTING IN THESE PROGRAMS WILL ENABLE THEM TO SERVE A LARGER
11 SHARE OF THE STATE'S ELIGIBLE ADULT POPULATION AND ENSURE THAT
12 MORE ADULTS CAN REACH AND COMPLETE THE NEXT LEVEL OF
13 EDUCATION AND TRAINING, THEREBY LEADING TO BETTER EMPLOYMENT
14 OUTCOMES THAT ENABLE MORE LOW-INCOME, LOW-LITERACY ADULTS TO
15 ULTIMATELY ACHIEVE ECONOMIC SELF-SUFFICIENCY.

16 **22-10-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
17 CONTEXT OTHERWISE REQUIRES:

18 (1) "ADULT EDUCATION AND LITERACY PROGRAMS" MEANS
19 PROGRAMS THAT PROVIDE ADULT BASIC EDUCATION, ADULT EDUCATION
20 LEADING TO A HIGH SCHOOL EQUIVALENCY CREDENTIAL, ENGLISH AS A
21 SECOND LANGUAGE INSTRUCTION, OR INTEGRATED BASIC EDUCATION AND
22 SKILLS TRAINING.

23 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION
24 CREATED AND EXISTING PURSUANT TO SECTION 24-1-115, C.R.S.

25 (3) "ELIGIBLE ADULT" MEANS A PERSON WHO:

26 (a) IS AT LEAST SEVENTEEN YEARS OF AGE;

27 (b) IS NOT ENROLLED IN A PUBLIC OR PRIVATE SECONDARY
28 SCHOOL; AND

1 (c) (I) LACKS A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT; OR
2 (II) IS IN NEED OF ENGLISH LANGUAGE INSTRUCTION; OR
3 (III) LACKS SUFFICIENT MASTERY OF THE BASIC LITERACY AND
4 NUMERACY SKILLS NECESSARY TO ENABLE THE PERSON TO FUNCTION
5 EFFECTIVELY IN THE WORKPLACE.

6 (4) "ENGLISH LANGUAGE INSTRUCTION" MEANS INSTRUCTION
7 THAT IS DESIGNED TO ASSIST A PERSON WITH LIMITED ENGLISH
8 PROFICIENCY TO ACHIEVE COMPETENCE IN THE ENGLISH LANGUAGE, THUS
9 ALLOWING THE PERSON TO UNDERSTAND AND NAVIGATE GOVERNMENTAL,
10 EDUCATIONAL, AND WORKPLACE SYSTEMS.

11 (5) "GRANT PROGRAM" MEANS THE ADULT EDUCATION AND
12 LITERACY GRANT PROGRAM CREATED IN SECTION 22-10-104.

13 (6) "LITERACY" MEANS A PERSON'S ABILITY TO READ, WRITE, AND
14 SPEAK ENGLISH AT LEVELS OF PROFICIENCY THAT ARE NECESSARY TO
15 FUNCTION ON THE JOB AND IN SOCIETY, ACHIEVE THE PERSON'S GOALS,
16 AND DEVELOP THE PERSON'S KNOWLEDGE AND POTENTIAL.

17 (7) "LOCAL EDUCATION PROVIDER" MEANS ONE OF THE
18 FOLLOWING ENTITIES THAT THE DEPARTMENT RECOGNIZES AS PROVIDING
19 APPROPRIATE AND EFFECTIVE ADULT EDUCATION AND LITERACY
20 PROGRAMS:

21 (a) A SECONDARY OR POSTSECONDARY, PUBLIC OR PRIVATE,
22 NONPROFIT EDUCATIONAL ENTITY, INCLUDING BUT NOT LIMITED TO A
23 SCHOOL DISTRICT, CHARTER SCHOOL, BOARD OF COOPERATIVE SERVICES,
24 STATE INSTITUTION OF HIGHER EDUCATION, JUNIOR COLLEGE, AND AREA
25 VOCATIONAL SCHOOL;

26 (b) A COMMUNITY-BASED, NONPROFIT AGENCY OR ORGANIZATION;

27 (c) A LIBRARY;

28 (d) A LITERACY COUNCIL OR OTHER LITERACY INSTITUTE;

1 (e) A BUSINESS OR BUSINESS ASSOCIATION THAT PROVIDES ADULT
2 EDUCATION AND LITERACY PROGRAMS EITHER ON-SITE OR OFF-SITE;

3 (f) A VOLUNTEER LITERACY ORGANIZATION;

4 (g) A WORK FORCE BOARD, AS DEFINED IN SECTION 8-83-203,
5 C.R.S., THAT OVERSEES A WORK FORCE INVESTMENT PROGRAM
6 DESCRIBED IN THE "COLORADO WORK FORCE INVESTMENT ACT", PART 2
7 OF ARTICLE 83 OF TITLE 8, C.R.S.;

8 (h) A ONE-STOP PARTNER, AS DESCRIBED IN SECTION 8-83-216,
9 C.R.S., UNDER THE "COLORADO WORK FORCE INVESTMENT ACT", PART
10 2 OF ARTICLE 83 OF TITLE 8, C.R.S.; OR

11 (i) A CONSORTIA OF ENTITIES DESCRIBED IN THIS SUBSECTION (7).

12 (8) "NUMERACY" MEANS A PERSON'S ABILITY TO COMPUTE AND
13 SOLVE MATHEMATICAL PROBLEMS AT LEVELS OF PROFICIENCY THAT ARE
14 NECESSARY TO FUNCTION ON THE JOB AND IN SOCIETY, ACHIEVE THE
15 PERSON'S GOALS, AND DEVELOP THE PERSON'S KNOWLEDGE AND
16 POTENTIAL.

17 (9) "OFFICE" MEANS THE OFFICE WITHIN THE DEPARTMENT THAT
18 IS RESPONSIBLE FOR ADULT EDUCATION.

19 (10) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION
20 CREATED IN SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.

21 (11) (a) "WORKFORCE DEVELOPMENT PARTNERSHIP" MEANS A
22 COLLABORATION THAT ASSISTS ADULTS IN ATTAINING BASIC LITERACY
23 AND NUMERACY SKILLS LEADING TO ADDITIONAL SKILL ACQUISITION,
24 POSTSECONDARY CREDENTIALS, AND EMPLOYMENT. AT A MINIMUM, A
25 WORKFORCE DEVELOPMENT PARTNERSHIP MUST INCLUDE AT LEAST ONE
26 LOCAL EDUCATION PROVIDER, AT LEAST ONE POSTSECONDARY
27 EDUCATION OR TRAINING PROVIDER, AND AT LEAST ONE WORKFORCE
28 DEVELOPMENT PROVIDER.

1 (b) FOR PURPOSES OF THIS SUBSECTION (11), A POSTSECONDARY
2 EDUCATION OR TRAINING PROVIDER INCLUDES, BUT NEED NOT BE LIMITED
3 TO:

4 (I) A STATE INSTITUTION OF HIGHER EDUCATION, JUNIOR COLLEGE,
5 OR AREA VOCATIONAL SCHOOL;

6 (II) AN APPRENTICESHIP PROGRAM;

7 (III) AN ENTITY THAT PROVIDES ACCELERATED EDUCATION AND
8 SKILLS TRAINING CERTIFICATE PROGRAMS CREATED PURSUANT TO PART
9 OF ARTICLE 60 OF TITLE 23, C.R.S.;

10 (IV) AN ENTITY THAT OPERATES PROGRAMS THROUGH THE
11 MANUFACTURING CAREER PATHWAY ESTABLISHED BY THE STATE BOARD
12 FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION AS
13 PROVIDED IN PART 10 OF ARTICLE 60 OF TITLE 23, C.R.S.; AND

14 (V) A COMMUNITY-BASED WORKFORCE DEVELOPMENT PROGRAM
15 THAT IS OPERATED THROUGH THE COLORADO CUSTOMIZED TRAINING
16 PROGRAM CREATED IN SECTION 23-60-306, C.R.S.

17 (c) FOR PURPOSES OF THIS SUBSECTION (11), A WORKFORCE
18 DEVELOPMENT PROVIDER INCLUDES, BUT NEED NOT BE LIMITED TO:

19 (I) A WORK FORCE INVESTMENT PROGRAM DESCRIBED IN THE
20 "COLORADO WORK FORCE INVESTMENT ACT", PART 2 OF ARTICLE 83 OF
21 TITLE 8, C.R.S.; AND

22 (II) A PROGRAM THAT IS SUPPORTED BY THE STATE WORK FORCE
23 DEVELOPMENT COUNCIL CREATED IN ARTICLE 46.3 OF TITLE 24, C.R.S.

24 **22-10-104. Adult education and literacy grant program -**
25 **created - rules.** (1) (a) THERE IS CREATED IN THE OFFICE THE ADULT
26 EDUCATION AND LITERACY GRANT PROGRAM TO PROVIDE FUNDING FOR
27 LOCAL EDUCATION PROVIDERS THAT ARE MEMBERS OF WORKFORCE
28 DEVELOPMENT PARTNERSHIPS THROUGH WHICH ELIGIBLE ADULTS

1 RECEIVE BASIC EDUCATION IN LITERACY AND NUMERACY THAT LEADS TO
2 ADDITIONAL SKILLS ACQUISITION, POSTSECONDARY CREDENTIAL
3 ATTAINMENT, AND EMPLOYMENT.

4 (b) A LOCAL EDUCATION PROVIDER MAY APPLY TO THE OFFICE TO
5 RECEIVE A GRANT PURSUANT TO THIS ARTICLE IN ACCORDANCE WITH THE
6 RULES, PROCEDURES, FORMS, AND TIMELINES ADOPTED BY THE STATE
7 BOARD. THE OFFICE SHALL REVIEW EACH APPLICATION AND RECOMMEND
8 APPROPRIATE GRANT RECIPIENTS TO THE STATE BOARD.

9 (c) SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE BOARD,
10 TAKING INTO CONSIDERATION THE RECOMMENDATIONS OF THE OFFICE,
11 SHALL AWARD ADULT EDUCATION AND LITERACY GRANTS TO LOCAL
12 EDUCATION PROVIDERS. THE GRANTS AWARDED ARE PAYABLE FROM THE
13 ADULT EDUCATION AND LITERACY GRANT FUND CREATED IN SECTION
14 22-10-107. THE STATE BOARD SHALL ESTABLISH THE AMOUNT AND
15 DURATION OF EACH GRANT AWARDED AND MAY AWARD A GRANT FOR
16 MULTIPLE FISCAL YEARS, SUBJECT TO ANNUAL RENEWAL. A GRANT
17 RECIPIENT THAT RECEIVES A MULTI-YEAR GRANT MUST ANNUALLY
18 SUBMIT TO THE OFFICE THE NECESSARY INFORMATION TO DETERMINE
19 WHETHER THE GRANT RECIPIENT IS MAKING SUFFICIENT PROGRESS
20 TOWARD ACHIEVING THE GOALS OF THE ADULT EDUCATION AND LITERACY
21 PROGRAM THAT WERE SPECIFIED IN THE GRANT APPLICATION. IF THE
22 OFFICE FINDS THAT A GRANT RECIPIENT IS NOT MAKING SUFFICIENT
23 PROGRESS TOWARD ACHIEVING THE GOALS, THE STATE BOARD SHALL NOT
24 RENEW THE GRANT FOR SUBSEQUENT FISCAL YEARS.

25 (d) A LOCAL EDUCATION PROVIDER MAY USE GRANT MONEYS
26 RECEIVED PURSUANT TO THIS ARTICLE IN COMBINATION WITH ANY
27 MONEYS RECEIVED FROM OTHER PUBLIC OR PRIVATE SOURCES. A LOCAL
28 EDUCATION PROVIDER MAY USE GRANT MONEYS RECEIVED PURSUANT TO

1 THIS ARTICLE ON BEHALF OF A STUDENT WHO IS ENROLLED IN OR HAS
2 COMPLETED THE ADULT EDUCATION AND LITERACY PROGRAM AND IS
3 RECEIVING TRAINING FROM A POSTSECONDARY EDUCATION OR TRAINING
4 PROVIDER OR FROM A WORKFORCE DEVELOPMENT PROVIDER THAT
5 PARTICIPATES IN THE WORKFORCE DEVELOPMENT PARTNERSHIP WITH THE
6 LOCAL EDUCATION PROVIDER.

7 (2) THE STATE BOARD, IN ACCORDANCE WITH THE "STATE
8 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S.,
9 SHALL PROMULGATE RULES TO IMPLEMENT THE GRANT PROGRAM, WHICH
10 RULES MUST INCLUDE:

11 (a) THE TIME FRAMES FOR SUBMITTING APPLICATIONS, REVIEWING
12 APPLICATIONS, AND AWARDING GRANTS;

13 (b) THE GRANT APPLICATION REQUIREMENTS. AT A MINIMUM:

14 (I) EACH APPLICANT MUST DEMONSTRATE THAT IT IS AN ACTIVE
15 MEMBER OF A WORKFORCE DEVELOPMENT PARTNERSHIP THROUGH WHICH
16 STUDENTS RECEIVE BASIC EDUCATION IN LITERACY AND NUMERACY THAT
17 LEADS TO ADDITIONAL SKILLS ACQUISITION, POSTSECONDARY
18 CREDENTIAL ATTAINMENT, AND EMPLOYMENT; AND

19 (II) EACH APPLICATION MUST SPECIFY THE MEASURABLE GOALS
20 OF THE ADULT EDUCATION AND LITERACY PROGRAM THAT THE APPLYING
21 LOCAL EDUCATION PROVIDER EXPECTS TO ACHIEVE USING THE GRANT
22 MONEYS;

23 (c) ANY FACTORS IN ADDITION TO THOSE LISTED IN SUBSECTION
24 (3) OF THIS SECTION THAT THE OFFICE MAY CONSIDER IN RECOMMENDING
25 GRANT RECIPIENTS TO THE STATE BOARD AND THAT THE STATE BOARD
26 MAY CONSIDER IN AWARDING GRANTS;

27 (d) THE BASIS FOR ESTABLISHING THE AMOUNT AND DURATION OF
28 EACH GRANT;

1 (e) THE INFORMATION THAT EACH GRANT RECIPIENT MUST SUBMIT
2 TO THE OFFICE TO EVALUATE THE RECIPIENT'S USE OF THE GRANT AND TO
3 PREPARE THE REPORT REQUIRED IN SECTION 22-10-105; AND

4 (f) ANY ADDITIONAL RULES THAT THE STATE BOARD FINDS ARE
5 NECESSARY TO IMPLEMENT THE GRANT PROGRAM.

6 (3) THE OFFICE, IN EVALUATING GRANT APPLICATIONS, AND THE
7 STATE BOARD, IN AWARDING GRANTS, MAY CONSIDER, AT A MINIMUM, THE
8 FOLLOWING FACTORS:

9 (a) THE PERCENTAGE OF ELIGIBLE ADULTS EXPECTED TO BE
10 ENROLLED IN THE ADULT EDUCATION AND LITERACY PROGRAMS FUNDED
11 BY THE GRANT WHO ARE MEMBERS OF MINORITY GROUPS;

12 (b) THE PERCENTAGE OF ELIGIBLE ADULTS IN THE AREA TO BE
13 SERVED USING GRANT MONEYS WHO DO NOT HAVE HIGH SCHOOL
14 DIPLOMAS OR THE EQUIVALENT AND WHO ARE NOT CURRENTLY ENROLLED
15 IN ADULT EDUCATION AND LITERACY PROGRAMS;

16 (c) (I) THE PERCENTAGE OF ELIGIBLE ADULTS EXPECTED TO BE
17 ENROLLED IN THE ADULT EDUCATION AND LITERACY PROGRAMS FUNDED
18 BY THE GRANT WHO ARE RECEIVING EITHER STATE OR FEDERAL PUBLIC
19 ASSISTANCE; OR

20 (II) THE PERCENTAGE OF ELIGIBLE ADULTS IN THE AREA TO BE
21 SERVED WHO ARE UNEMPLOYED WORKERS; AND

22 (d) THE DEMONSTRATED SUCCESS OF THE LOCAL EDUCATION
23 PROVIDER IN ENABLING ADULTS TO ATTAIN BASIC LITERACY AND
24 NUMERACY SKILLS AND IN ASSISTING THEM, THROUGH COLLABORATION
25 WITH POSTSECONDARY EDUCATION OR TRAINING PROVIDERS AND
26 WORKFORCE DEVELOPMENT PROVIDERS, TO ACHIEVE ADDITIONAL SKILLS
27 ATTAINMENT, POSTSECONDARY CREDENTIAL ATTAINMENT, AND
28 EMPLOYMENT.

1 **22-10-105. Evaluation of grants - report.** (1) (a) THE OFFICE
2 SHALL ANNUALLY REVIEW THE INFORMATION RECEIVED FROM ADULT
3 EDUCATION AND LITERACY GRANT RECIPIENTS TO EVALUATE THE
4 EFFECTIVENESS OF THE PROGRAMS THAT RECEIVE GRANTS IN MEETING THE
5 GOALS SET FOR THE PROGRAMS IN THE GRANT APPLICATIONS. THE OFFICE
6 SHALL REPORT ITS CONCLUSIONS TO THE STATE BOARD FOR PURPOSES OF
7 EVALUATING ONGOING GRANTS.

8 (b) THE DEPARTMENT MAY AUDIT THE RECORDS AND ACCOUNTS
9 OF GRANT RECIPIENTS RELATING TO GRANTS AWARDED PURSUANT TO THIS
10 ARTICLE. A LOCAL EDUCATION PROVIDER SHALL MAKE THE RECORDS AND
11 ACCOUNTS AVAILABLE TO THE DEPARTMENT UPON REQUEST.

12 (c) UPON COMPLETING AN ADULT EDUCATION AND LITERACY
13 PROGRAM FUNDED, IN WHOLE OR IN PART, BY A GRANT AWARDED
14 PURSUANT TO THIS ARTICLE, A LOCAL EDUCATION PROVIDER SHALL
15 REPORT TO THE DEPARTMENT THE SAME INFORMATION CONCERNING THE
16 STATE-FUNDED PROGRAM AS IS REQUIRED BY TITLE II OF THE FEDERAL
17 "WORKFORCE INVESTMENT ACT OF 1998", AS AMENDED, 20 U.S.C. SEC.
18 9201 ET SEQ., FOR FEDERALLY FUNDED PROGRAMS. THE DEPARTMENT
19 MAY REQUEST SUCH ADDITIONAL INFORMATION AS MAY BE REQUIRED BY
20 RULE OF THE STATE BOARD.

21 (2) (a) THE OFFICE SHALL PREPARE AN ANNUAL REPORT
22 CONCERNING THE GRANT PROGRAM THAT, AT A MINIMUM, ADDRESSES THE
23 USE, ALLOCATION, AND OUTCOMES OF THE GRANT MONEYS, INCLUDING
24 THE EFFECTIVENESS OF EACH PROGRAM THAT RECEIVES A GRANT AND THE
25 CONTINUING LEVEL OF UNMET NEED FOR ADULT EDUCATION WITHIN THE
26 STATE. IN EVALUATING PROGRAM OUTCOMES, THE OFFICE MAY CONSIDER,
27 BUT NEED NOT BE LIMITED TO CONSIDERING, STUDENT PARTICIPATION,
28 COMPLETION, EDUCATIONAL ATTAINMENT, EMPLOYMENT, AND

1 POVERTY-REDUCTION DATA AND ANALYSIS. THE REPORT MUST ALSO
2 INCLUDE AN OVERVIEW OF THE COLLABORATION EFFORTS OF THE OFFICE,
3 THE DEPARTMENT OF HIGHER EDUCATION, THE DEPARTMENT OF LABOR
4 AND EMPLOYMENT, THE COMMUNITY COLLEGE SYSTEM, OTHER LOCAL
5 EDUCATION PROVIDERS, OTHER POSTSECONDARY EDUCATION OR
6 TRAINING PROVIDERS, AND OTHER WORKFORCE DEVELOPMENT PROVIDERS
7 IN MEETING THE STATE'S NEED FOR ADULT EDUCATION AND LITERACY
8 PROGRAMS AND WORKFORCE DEVELOPMENT.

9 (b) THE OFFICE SHALL SUBMIT THE REPORT TO THE GOVERNOR'S
10 OFFICE; THE STATE BOARD; THE JOINT BUDGET COMMITTEE OF THE
11 GENERAL ASSEMBLY; THE EDUCATION COMMITTEES OF THE SENATE AND
12 THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES; THE
13 BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR ANY
14 SUCCESSOR COMMITTEE; AND THE BUSINESS, LABOR, ECONOMIC, AND
15 WORKFORCE DEVELOPMENT COMMITTEE OF THE HOUSE OF
16 REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEE. THE OFFICE SHALL
17 ALSO POST THE REPORT ON THE DEPARTMENT'S WEB SITE FOR PUBLIC
18 VIEWING.

19 **22-10-106. Adult education and literacy - workforce**
20 **development - meetings.** (1) THE OFFICE SHALL CONVENE PERIODIC
21 MEETINGS OF REPRESENTATIVES OF, AT A MINIMUM, THE DEPARTMENT OF
22 HIGHER EDUCATION, THE DEPARTMENT OF LABOR AND EMPLOYMENT, THE
23 COMMUNITY COLLEGE SYSTEM, OTHER LOCAL EDUCATION PROVIDERS,
24 OTHER POSTSECONDARY EDUCATION OR TRAINING PROVIDERS, AND OTHER
25 WORKFORCE DEVELOPMENT PROVIDERS TO DISCUSS, AT A MINIMUM:

26 (a) WAYS TO INCREASE THE COMMUNICATION AND
27 COLLABORATION AMONG ADULT EDUCATION AND LITERACY PROGRAMS,
28 POSTSECONDARY EDUCATION OR TRAINING PROGRAMS, AND WORKFORCE

1 DEVELOPMENT PROGRAMS WITHIN THE STATE; AND

2 (b) THE STATE'S WORKFORCE DEVELOPMENT NEEDS AND THE
3 LEVELS OF UNMET NEED FOR ADULT EDUCATION WITHIN THE STATE,
4 INCLUDING IDENTIFYING PARTICULAR AREAS OF THE STATE WITH
5 SIGNIFICANT UNMET ADULT EDUCATION NEEDS.

6 **22-10-107. Adult education and literacy grant fund - created.**

7 (1) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE ADULT
8 EDUCATION AND LITERACY GRANT FUND, REFERRED TO IN THIS SECTION
9 AS THE "FUND", CONSISTING OF:

10 (I) ANY MONEYS RECEIVED BY THE DEPARTMENT PURSUANT TO
11 SUBSECTION (2) OF THIS SECTION;

12 (II) ANY MONEYS TRANSFERRED TO THE FUND PURSUANT TO
13 SECTION 22-2-124 (10), AS IT EXISTED BEFORE JULY 1, 2014; AND

14 (III) ANY MONEYS THAT THE GENERAL ASSEMBLY MAY
15 APPROPRIATE TO THE FUND.

16 (b) THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL
17 APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT FOR
18 THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH IMPLEMENTING THIS
19 ARTICLE.

20 (c) THE DEPARTMENT MAY EXPEND UP TO SEVENTEEN PERCENT OF
21 THE MONEYS ANNUALLY APPROPRIATED FROM THE FUND, BUT NOT MORE
22 THAN TWO HUNDRED THOUSAND DOLLARS IN ANY FISCAL YEAR, TO
23 OFFSET THE ACTUAL COSTS INCURRED IN IMPLEMENTING THE GRANT
24 PROGRAM. THE DEPARTMENT MAY EXPEND NO MORE THAN HALF OF THE
25 AMOUNT EXPENDED PURSUANT TO THIS PARAGRAPH (c) IN ANY FISCAL
26 YEAR TO ADMINISTER THE GRANT PROGRAM AND COLLABORATE WITH THE
27 ENTITIES IDENTIFIED IN SECTION 22-10-106. THE DEPARTMENT MUST
28 EXPEND AT LEAST HALF OF THE AMOUNT EXPENDED PURSUANT TO THIS

1 PARAGRAPH (c) IN ANY FISCAL YEAR TO EVALUATE THE GRANT
2 RECIPIENTS AND OUTCOMES AND PREPARE THE REPORT REQUIRED IN
3 SECTION 22-10-105.

4 (d) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE
5 CONTRARY, THE DEPARTMENT, THE OFFICE, AND THE STATE BOARD ARE
6 NOT REQUIRED TO IMPLEMENT THE PROVISIONS OF THIS ARTICLE UNLESS
7 THE GENERAL ASSEMBLY APPROPRIATES SUFFICIENT STATE MONEYS TO
8 THE FUND TO OFFSET THE COSTS OF IMPLEMENTING THE ARTICLE.

9 (e) THE STATE TREASURER MAY INVEST, AS PROVIDED BY LAW,
10 ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS
11 ARTICLE. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
12 INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE
13 FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS
14 REMAINING IN THE FUND AT THE END OF A FISCAL YEAR MUST REMAIN IN
15 THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE
16 GENERAL FUND OR ANOTHER FUND.

17 (2) THE DEPARTMENT MAY RECEIVE AND EXPEND GIFTS,
18 DONATIONS, OR GRANTS OF ANY KIND FROM ANY PUBLIC OR PRIVATE
19 ENTITY TO CARRY OUT THE PURPOSES OF THIS ARTICLE, SUBJECT TO THE
20 TERMS AND CONDITIONS UNDER WHICH GIVEN; EXCEPT THAT THE
21 DEPARTMENT SHALL NOT ACCEPT A GIFT, DONATION, OR GRANT IF THE
22 CONDITIONS ATTACHED TO THE GIFT, DONATION, OR GRANT REQUIRE THE
23 USE OR EXPENDITURE OF THE GIFT, DONATION, OR GRANT IN A MANNER
24 CONTRARY TO LAW. THE DEPARTMENT SHALL TRANSMIT TO THE STATE
25 TREASURER ANY GIFTS, DONATIONS, OR GRANTS RECEIVED PURSUANT TO
26 THIS SUBSECTION (2), AND THE STATE TREASURER SHALL CREDIT THESE
27 AMOUNTS TO THE FUND. IMPLEMENTATION OF THE GRANT PROGRAM IS
28 NOT CONDITIONED ON THE RECEIPT OF GIFTS, DONATIONS, OR GRANTS

1 PURSUANT TO THIS SUBSECTION (2).

2 **SECTION 2.** In Colorado Revised Statutes, 22-2-124, **add** (10)
3 as follows:

4 **22-2-124. Family literacy education grant program - rules -**
5 **repeal.** (10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2014.
6 NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (b) OF SUBSECTION
7 (8) OF THIS SECTION, ANY MONEYS REMAINING IN THE FAMILY LITERACY
8 EDUCATION FUND AS OF JULY 1, 2014, ARE TRANSFERRED ON THAT DATE
9 TO THE ADULT EDUCATION AND LITERACY GRANT FUND CREATED IN
10 SECTION 22-10-107.

11 **SECTION 3. Appropriation.** (1) In addition to any other
12 appropriation, there is hereby appropriated, out of any moneys in the
13 general fund not otherwise appropriated, to the adult education and
14 literacy grant fund created in section 22-10-107, Colorado Revised
15 Statutes, for the fiscal year beginning July 1, 2014, the sum of \$1,200,000
16 and 1.0 FTE, or so much thereof as may be necessary for the
17 implementation of this act.

18 (2) In addition to any other appropriation, there is hereby
19 appropriated, out of any moneys in the adult education and literacy grant
20 fund created in section 22-10-107, Colorado Revised Statutes, not
21 otherwise appropriated, to the department of education, for the fiscal year
22 beginning July 1, 2014, the sum of \$1,200,000 and 1.0 FTE, or so much
23 thereof as may be necessary, for allocation to the office within the
24 department of education that is responsible for adult education for the
25 implementation of this act.

26 **SECTION 4. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

BILL E

LLS NO. 14-0159.01 Bob Lackner x4350

SENATE BILL

SENATE SPONSORSHIP

Kefalas, Ulibarri

HOUSE SPONSORSHIP

Fields, Exum, Pettersen

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL**
102 **INSTITUTIONS, AND, IN CONNECTION THEREWITH, AUTHORIZING**
103 **THE INVESTMENT OF PUBLIC FUNDS IN SUCH INSTITUTIONS AND**
104 **ALLOWING THE INSTITUTIONS TO PRESENT A REQUEST FOR FULL**
105 **OR PARTIAL RELEASE OF COLLATERAL PLEDGED WITHOUT**
106 **PRESENTATION OF THE ORIGINAL PROMISSORY NOTE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. Section

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.

DRAFT *Dashes through the words indicate deletions from existing statute.*

1 of the bill authorizes public funds to be invested in any security that is a general obligation of a community development financial institution (CDFI) as long as the institution is registered to operate and in good standing with the office of the Colorado secretary of state. Section 1 of the bill also specifies the conditions under which a security issued by a CDFI may be purchased using public funds.

Section 2 of the bill amends the definition of "qualified holder" in connection with statutory provisions governing foreclosure sales to include any entity with active certification under the United States department of the treasury certified community development financial institutions fund that originates, insures, guarantees, or purchases loans or a person acting on behalf of such an entity to enforce an evidence of debt or the deed of trust securing an evidence of debt.

Section 3 of the bill further allows the entities covered in section 2 of the bill to present a request for full or partial release of collateral pledged without presentation of the original promissory note.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 25-75-601.1, **add** (1)
3 (o) as follows:

4 **24-75-601.1. Legal investments of public funds.** (1) It is lawful
5 to invest public funds in any of the following securities:

6 (o) (I) ANY SECURITY THAT IS A GENERAL OBLIGATION OF A
7 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION AS LONG AS THE
8 INSTITUTION IS REGISTERED TO OPERATE AND IN GOOD STANDING WITH
9 THE OFFICE OF THE COLORADO SECRETARY OF STATE. FOR PURPOSES OF
10 THIS PARAGRAPH (o), A COMMUNITY DEVELOPMENT FINANCIAL
11 INSTITUTION IS REFERRED TO AS A "CDFI".

12 (II) NO SECURITY ISSUED BY A CDFI MAY BE PURCHASED
13 PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (o) UNLESS:

14 (A) AT THE TIME OF PURCHASE OF THE SECURITY, THE CDFI
15 HOLDS CERTIFICATION FROM THE CDFI FUND OPERATED BY THE UNITED
16 STATES DEPARTMENT OF THE TREASURY THAT IS CURRENT;

1 (B) AT THE TIME OF THE PURCHASE OF THE SECURITY, THE CDFI
2 HAS BEEN RATED IN ONE OF THE TWO HIGHEST RATING CATEGORIES BY
3 ONE OR MORE NATIONALLY RECOGNIZED ORGANIZATIONS THAT RATE
4 CDFIS; AND

5 (C) THE PERIOD FROM THE DATE OF PURCHASE OF THE TYPE OF
6 SECURITY AT ISSUE TO THE MATURITY DATE OF THE SECURITY DOES NOT
7 EXCEED FIVE YEARS UNLESS THE GOVERNING BODY OF THE PUBLIC ENTITY
8 AUTHORIZES INVESTMENT IN THE SECURITY FOR A PERIOD IN EXCESS OF
9 FIVE YEARS.

10 **SECTION 2.** In Colorado Revised Statutes, 38-38-100.3, **amend**
11 (20) (i) and (20) (j); and **add** (20) (k) as follows:

12 **38-38-100.3. Definitions.** As used in articles 37 to 39 of this title,
13 unless the context otherwise requires:

14 (20) "Qualified holder" means a holder of an evidence of debt,
15 certificate of purchase, certificate of redemption, or confirmation deed
16 that is also one of the following:

17 (i) An entity created or sponsored by the federal or state
18 government that originates, insures, guarantees, or purchases loans or a
19 person acting on behalf of such an entity to enforce an evidence of debt
20 or the deed of trust securing an evidence of debt; ~~or~~

21 ~~(j) Any entity listed in paragraphs (a) to (i) of this subsection (20)~~
22 ~~acting in the capacity of agent, nominee except as otherwise specified in~~
23 ~~subsection (10) of this section, or trustee for another person~~ WITH ACTIVE
24 CERTIFICATION UNDER THE UNITED STATES DEPARTMENT OF THE
25 TREASURY CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL
26 INSTITUTIONS FUND THAT ORIGINATES, INSURES, GUARANTEES, OR
27 PURCHASES LOANS OR A PERSON ACTING ON BEHALF OF SUCH AN ENTITY
28 TO ENFORCE AN EVIDENCE OF DEBT OR THE DEED OF TRUST SECURING AN

1 EVIDENCE OF DEBT; OR

2 (k) ANY ENTITY LISTED IN PARAGRAPHS (a) TO (j) OF THIS
3 SUBSECTION (20) ACTING IN THE CAPACITY OF AGENT, NOMINEE EXCEPT
4 AS OTHERWISE SPECIFIED IN SUBSECTION (10) OF THIS SECTION, OR
5 TRUSTEE FOR ANOTHER PERSON.

6 **SECTION 3.** In Colorado Revised Statutes, 38-38-101, **amend**
7 (2) (a) as follows:

8 **38-38-101. Holder of evidence of debt may elect to foreclose.**

9 **(2) Foreclosure by qualified holder without original evidence of debt,**
10 **original or certified copy of deed of trust, or proper indorsement.**

11 (a) A qualified holder, whether acting for itself or as agent, nominee, or
12 trustee under ~~section 38-38-100.3(20)(j)~~ SECTION 38-38-100.3 (20), that
13 elects to foreclose without the original evidence of debt pursuant to
14 subparagraph (II) of paragraph (b) of subsection (1) of this section, or
15 without the original recorded deed of trust or a certified copy thereof
16 pursuant to subparagraph (II) of paragraph (c) of subsection (1) of this
17 section, or without the proper indorsement or assignment of an evidence
18 of debt under paragraph (b) of subsection (1) of this section shall, by
19 operation of law, be deemed to have agreed to indemnify and defend any
20 person liable for repayment of any portion of the original evidence of debt
21 in the event that the original evidence of debt is presented for payment to
22 the extent of any amount, other than the amount of a deficiency remaining
23 under the evidence of debt after deducting the amount bid at sale, and any
24 person who sustains a loss due to any title defect that results from reliance
25 upon a sale at which the original evidence of debt was not presented. The
26 indemnity granted by this subsection (2) shall be limited to actual
27 economic loss suffered together with any court costs and reasonable
28 attorney fees and costs incurred in defending a claim brought as a direct

1 and proximate cause of the failure to produce the original evidence of
2 debt, but such indemnity shall not include, and no claimant shall be
3 entitled to, any special, incidental, consequential, reliance, expectation,
4 or punitive damages of any kind. A qualified holder acting as agent,
5 nominee, or trustee shall be liable for the indemnity pursuant to this
6 subsection (2).

7 **SECTION 4. Act subject to petition - effective date.** This act
8 takes effect at 12:01 a.m. on the day following the expiration of the
9 ninety-day period after final adjournment of the general assembly
10 (August 6, 2014, if adjournment sine die is on May 7, 2014); except that,
11 if a referendum petition is filed pursuant to section 1 (3) of article V of
12 the state constitution against this act or an item, section, or part of this act
13 within such period, then the act, item, section, or part will not take effect
14 unless approved by the people at the general election to be held in
15 November 2014 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

BILL F

LLS NO. 14-0161.01 Ed DeCecco x4216

HOUSE BILL

HOUSE SPONSORSHIP

Pettersen, Exum, Fields

SENATE SPONSORSHIP

Hudak, Kefalas, Ulibarri

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN INCOME TAX CREDIT FOR CHILD CARE EXPENSES PAID**
102 **BY A RESIDENT INDIVIDUAL WITH A FEDERAL ADJUSTED GROSS**
103 **INCOME OF TWENTY-FIVE THOUSAND DOLLARS OR LESS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. Currently, if a resident individual is allowed a federal income tax credit for his or her child care expenses, the individual may claim a state income tax credit for the same expenses. The amount of the state credit is a

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Capital letters indicate new material to be added to existing statute.

DRAFT Dashes through the words indicate deletions from existing statute.

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percentage of the federal credit claimed. Because the federal credit is not refundable, the amount of an individual's federal tax liability may limit the amount of an individual's state tax credit.

The bill creates a new state child care expenses tax credit (state credit) for a resident individual who has a federal adjusted gross income of \$25,000 or less. The amount of the state credit is equal to 25% of the child care expenses that the individual incurred during the taxable year if:

- The expenses are for the care of a dependent of the taxpayer who is less than 13 years old; and
- The individual would be allowed a federal credit for the expenses if he or she had sufficient tax liability to claim the credit.

The state credit is not based on the amount of any federal credit claimed, but its maximum amount is \$500 for a single dependent or \$1,000 for 2 or more dependents. Like the existing state credit, this tax credit is refundable, which means that the credit amount that exceeds the resident individual's income taxes due is refunded to the individual.

Similar to the federal credit, the amount of the state credit may not exceed a resident individual's earned income for the year. Also like the federal credit, an individual is not permitted a state credit unless he or she provides the tax identification number for the child and child care provider. The latter requirement does not apply if the individual is able to show that he or she exercised due diligence in trying to provide the identification number.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-119, **amend**
3 (1) (a) (I) and (1) (b) as follows:

4 **39-22-119. Expenses related to child care - credits against state**
5 **tax - repeal.** (1) (a) For income tax years beginning on and after January
6 1, 1996, if a resident individual claims a credit for child care expenses on
7 the individual's federal tax return, the individual shall be allowed a child
8 care expenses credit against the income taxes due on the individual's
9 income under this article calculated as follows:

10 (I) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION
11 (1), if the resident individual's federal adjusted gross income is

1 twenty-five thousand dollars or less, the credit shall be in an amount
2 equal to fifty percent of the credit for child care expenses claimed on the
3 resident individual's federal tax return. THIS SUBPARAGRAPH (I) IS
4 REPEALED, EFFECTIVE JANUARY 1, 2015.

5 (b) If the resident individual's federal adjusted gross income is
6 sixty thousand one dollars or more, the resident individual ~~shall not be~~ IS
7 NOT allowed a credit under this subsection (1). FOR INCOME TAX YEARS
8 COMMENCING ON OR AFTER JANUARY 1, 2014, A RESIDENT INDIVIDUAL
9 WHOSE FEDERAL ADJUSTED GROSS INCOME IS TWENTY-FIVE THOUSAND
10 DOLLARS OR LESS IS NOT ALLOWED A CREDIT UNDER THIS SUBSECTION (1).

11 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-119.5 as
12 follows:

13 **39-22-119.5. Child care expenses tax credit - legislative**
14 **declaration - definitions.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS
15 AND DECLARES THAT:

16 (I) COLORADO FAMILIES AND THE STATE ECONOMY THRIVE WHEN
17 PARENTS ARE ABLE TO WORK;

18 (II) WHILE RESEARCH SHOWS THAT HIGH-QUALITY CHILD CARE
19 CONTRIBUTES TO ECONOMIC MOBILITY, CHILD CARE CAN BE COST
20 PROHIBITIVE FOR LOW-INCOME WORKING PARENTS;

21 (III) THE GENERAL ASSEMBLY CREATED THE CHILD CARE
22 EXPENSES TAX CREDIT IN SECTION 39-22-119 IN 1996 TO MAKE CHILD
23 CARE MORE AFFORDABLE FOR WORKING FAMILIES;

24 (IV) THE CREDIT IN SECTION 39-22-119 IS CURRENTLY BASED ON
25 THE AMOUNT CLAIMED FOR A SIMILAR FEDERAL CREDIT;

26 (V) AS A RESULT, SOME LOW-INCOME FAMILIES ARE NOT
27 RECEIVING THE STATE CHILD CARE EXPENSES TAX CREDIT BECAUSE THEY
28 FAIL TO FILE A FEDERAL RETURN OR, BASED ON THEIR INCOME TAXES

1 OWED, ARE INELGIBLE FOR A FEDERAL CREDIT; AND

2 (VI) AS A RESULT, THE STATE TAX CREDIT IS UNINTENTIONALLY
3 UNFAIR AND REGRESSIVE.

4 (b) NOW, THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
5 THE INTENDED PURPOSE OF THE TAX EXPENDITURE IN THIS SECTION IS TO
6 FIX THE COLORADO CHILD CARE EXPENSES INCOME TAX CREDIT SO THAT
7 ALL LOW-INCOME WORKING FAMILIES ARE ABLE TO CLAIM THE CREDIT
8 REGARDLESS OF THE AMOUNT OF THEIR FEDERAL CHILD CARE EXPENSES
9 CREDIT.

10 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
11 REQUIRES:

12 (a) "CREDIT" MEANS THE CHILD CARE EXPENSES TAX CREDIT
13 CREATED IN THIS SECTION.

14 (b) "DEPENDENT" HAS THE SAME MEANING AS IN SECTION 152 (a)
15 (1) OF THE INTERNAL REVENUE CODE, OR ANY SUCCESSOR SECTION.

16 (3) (a) FOR INCOME TAX YEARS BEGINNING ON AND AFTER
17 JANUARY 1, 2014, A RESIDENT INDIVIDUAL IS ALLOWED A CREDIT AGAINST
18 THE TAXES DUE UNDER THIS ARTICLE FOR CHILD CARE EXPENSES THAT THE
19 INDIVIDUAL INCURRED DURING THE TAXABLE YEAR IF:

20 (I) THE INDIVIDUAL HAS AN ADJUSTED GROSS INCOME OF
21 TWENTY-FIVE THOUSAND DOLLARS OR LESS;

22 (II) THE EXPENSES ARE FOR THE CARE OF A DEPENDENT OF THE
23 TAXPAYER WHO IS LESS THAN THIRTEEN YEARS OLD; AND

24 (III) THE INDIVIDUAL WOULD BE ALLOWED A CREDIT FOR THE
25 EXPENSES UNDER SECTION 21 OF THE INTERNAL REVENUE CODE, OR ANY
26 SUCCESSOR SECTION, IF HE OR SHE HAD SUFFICIENT TAX LIABILITY TO
27 CLAIM THE CREDIT.

28 (b) THE CREDIT IS EQUAL TO TWENTY-FIVE PERCENT OF THE

1 RESIDENT INDIVIDUAL'S CHILD CARE EXPENSES; EXCEPT THAT THE
2 MAXIMUM AMOUNT OF A CREDIT THAT A RESIDENT INDIVIDUAL IS
3 ALLOWED UNDER THIS SECTION IS:

4 (I) FIVE HUNDRED DOLLARS FOR A SINGLE DEPENDENT; OR

5 (II) ONE THOUSAND DOLLARS FOR TWO OR MORE DEPENDENTS.

6 (c) THE AMOUNT OF THE CREDIT THAT EXCEEDS THE RESIDENT
7 INDIVIDUAL'S INCOME TAXES DUE IS REFUNDED TO THE INDIVIDUAL.

8 (4) THE AMOUNT OF AN INDIVIDUAL'S CHILD CARE EXPENSES
9 INCURRED DURING A TAXABLE YEAR THAT MAY BE THE BASIS OF THE
10 CREDIT SHALL NOT EXCEED:

11 (a) IN THE CASE OF AN INDIVIDUAL WHO FILES A SINGLE RETURN,
12 THE INDIVIDUAL'S EARNED INCOME FOR THE YEAR; OR

13 (b) IN THE CASE OF TWO INDIVIDUALS WHO FILE A JOINT RETURN,
14 THE LESSER OF EITHER INDIVIDUAL'S EARNED INCOME FOR THE YEAR.

15 (5) (a) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF THIS
16 SUBSECTION (5), A RESIDENT INDIVIDUAL IS NOT ALLOWED A CREDIT FOR
17 ANY AMOUNT PAID TO ANY PERSON WHO PROVIDES CHILD CARE UNLESS:

18 (I) THE NAME, ADDRESS, AND TAXPAYER IDENTIFICATION NUMBER
19 OF THE PERSON ARE INCLUDED ON THE RESIDENT INDIVIDUAL'S RETURN;
20 OR

21 (II) IF THE PERSON IS AN ORGANIZATION DESCRIBED IN SECTION
22 501 (c) (3) OF THE INTERNAL REVENUE CODE, OR ANY SUCCESSOR
23 SECTION, AND EXEMPT FROM TAX UNDER SECTION 501 (a) OF THE
24 INTERNAL REVENUE CODE, OR ANY SUCCESSOR SECTION, THE NAME AND
25 ADDRESS OF THE PERSON ARE INCLUDED ON THE RESIDENT INDIVIDUAL'S
26 RETURN.

27 (b) IF THE RESIDENT INDIVIDUAL DOES NOT PROVIDE THE
28 TAXPAYER IDENTIFICATION NUMBER BUT IS ABLE TO SHOW THAT HE OR

1 SHE EXERCISED DUE DILIGENCE IN ATTEMPTING TO PROVIDE THE
2 REQUIRED INFORMATION, THE INDIVIDUAL MAY CLAIM THE CREDIT.

3 (c) A RESIDENT INDIVIDUAL MAY NOT CLAIM A CREDIT WITH
4 RESPECT TO A DEPENDENT UNLESS THE RESIDENT INDIVIDUAL INCLUDES
5 THE DEPENDENT'S NAME AND TAXPAYER IDENTIFICATION NUMBER ON THE
6 INDIVIDUAL'S RETURN.

7 (6) IN THE CASE OF A PART-YEAR RESIDENT, THE CREDIT IS
8 APPORTIONED IN THE RATIO DETERMINED UNDER SECTION 39-22-110 (1).

9 **SECTION 3. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly
12 (August 6, 2014, if adjournment sine die is on May 7, 2014); except that,
13 if a referendum petition is filed pursuant to section 1 (3) of article V of
14 the state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2014 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

BILL G

LLS NO. 14-0162.01 Debbie Haskins x2045

SENATE BILL

SENATE SPONSORSHIP

Hudak, Kefalas, Ulibarri

HOUSE SPONSORSHIP

Pettersen, Fields, Exum

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING CHILD CARE ASSISTANCE FOR WORKING FAMILIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. The bill makes several changes to the statute that created a pilot program to address the cliff effect that occurs when working parents in the Colorado child care assistance program (CCCAP) receive a minor increase in their income that makes them ineligible for child care assistance and the increase in wages is not enough to cover the costs for child care without

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the child care assistance. The cliff effect pilot program was designed to allow families to remain in the CCCAP program notwithstanding the increase in income. The changes to the statute governing the pilot program include:

- Extending the duration of the cliff effect pilot program;
- Allowing counties to limit participation in the pilot program to a reasonable percentage of their CCCAP caseload instead of having to cover all of their CCCAP caseload;
- Allowing counties to limit participation in the pilot program to families who enter CCCAP with children who are 36 months of age or younger;
- Allowing counties to have more flexibility in designing a pilot program that best addresses their specific community needs;
- Clarifying the data collection and reporting responsibilities of the county departments of human services and the department of human services (department) about the pilot program.

The bill creates a grant program in the department for the purpose of encouraging counties to undertake activities or strategies that promote access to child care or increase the quality of child care in CCCAP. A county may apply to the department for a grant to fund any of these purposes:

- To pay the county's administrative expenses to participate in a cliff effect pilot program and to provide additional benefits to CCCAP parents in the cliff effect pilot program; or
- To expand access to child care in CCCAP by providing a full or partial subsidy for child care without a county contribution for more families than those currently served in the county; or
- To pay all or a portion of the county's expenses to engage in more than one activity or strategy to promote quality child care in CCCAP in that county.

The state department awards grants from a CCCAP enhancement fund created in the state treasury. To the extent possible and subject to available appropriations, the state department must manage the amount of funds in the enhancement fund and allocate the grants awarded to counties for the purposes or strategies allowed for distributions from the fund with at least 25% of the moneys in the enhancement fund spent on each of the specified purposes. When awarding grants to increase the number of children served in CCCAP, the state department shall distribute the moneys in the enhancement fund among the counties that are awarded grants in a manner that increases the number of children

served statewide by an amount that does not exceed 15% more children than the unduplicated count of the number of children who were served statewide in state fiscal year 2013-14. The bill specifies the types of activities or strategies that may be used to qualify for a grant for activities that promote quality child care.

Grant moneys awarded to a county out of the enhancement fund do not affect the county's block grant for CCCAP and do not affect the county's maintenance of effort for CCCAP. A county is not required to provide local funds to qualify for a grant from the enhancement fund.

Counties are highly encouraged to collaborate with early childhood councils and other community partners as necessary in the development of a grant application.

The executive director of the department or his or her designee must enter into a memorandum of understanding with each county that receives a grant from the CCCAP enhancement fund. The state department may adopt rules as necessary concerning the application process and the administration of the grant program.

The cliff effect program and authority to make grants from the CCCAP enhancement fund for a cliff effect program are repealed, effective July 1, 2020.

The department is directed to report annually about CCCAP and the results of the CCCAP enhancement fund grant program to the house public health care and human services committee and to the senate health and human services committee, or any successor committees. The bill lists the items that should be included in the annual report.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 26-2-802.5 as
3 follows:

4 **26-2-802.5. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
5 CONTEXT OTHERWISE REQUIRES:

6 (1) "COLORADO CHILD CARE ASSISTANCE PROGRAM" OR "CCCAP"
7 MEANS THE COLORADO CHILD CARE ASSISTANCE PROGRAM IN THE STATE
8 DEPARTMENT.

9 (2) "EARLY CHILDHOOD COUNCIL" MEANS AN EARLY CHILDHOOD
10 COUNCIL ESTABLISHED PURSUANT TO PART 1 OF ARTICLE 6.5 OF THIS
11 TITLE.

1 (3) "HIGH-QUALITY EARLY CHILDHOOD PROGRAM" MEANS A
2 PROGRAM THAT IS OPERATED BY A PROVIDER WITH A CONTRACT THROUGH
3 THE COLORADO CHILD CARE ASSISTANCE PROGRAM AND THAT IS IN THE
4 TOP TWO RATINGS OF THE STATE'S QUALITY RATING AND IMPROVEMENT
5 SYSTEM, OR IS ACCREDITED BY A STATE DEPARTMENT-APPROVED
6 ACCREDITING BODY, OR IS AN EARLY HEAD START PROGRAM THAT MEETS
7 FEDERAL STANDARDS.

8 (4) "TIERED QUALITY REIMBURSEMENT" MEANS A PAY STRUCTURE
9 THAT REFLECTS AN INCREASED RATE OF REIMBURSEMENT FOR HIGH-
10 QUALITY EARLY CHILDHOOD PROGRAMS THAT RECEIVE MONEYS THROUGH
11 CCCAP.

12 **SECTION 2.** In Colorado Revised Statutes, 26-2-808, **amend** (2),
13 (3), (6), (7), and (8); and **add** (2.5) as follows:

14 **26-2-808. Pilot program to continue child care assistance with**
15 **modifications - legislative declaration - county participation - report**
16 **- repeal.** (2) Beginning on April 13, 2012, the state department is
17 authorized to develop and oversee a pilot program in which the Colorado
18 child care assistance program as outlined in section 26-2-805 is modified
19 to mitigate the cliff effect for low-income families that are working and
20 receiving child care assistance, referred to in this section as the "pilot
21 program". County departments of social services may apply to the
22 executive director or his or her designee to participate in the pilot
23 program. COUNTIES ARE HIGHLY ENCOURAGED TO COLLABORATE WITH
24 EARLY CHILDHOOD COUNCILS AND OTHER COMMUNITY PARTNERS AS
25 NECESSARY IN THE DEVELOPMENT OF THE APPLICATION. The executive
26 director or his or her designee may select up to ten counties that will
27 participate in the pilot program as described in this section. In selecting
28 the counties, the executive director or his or her designee shall seek

1 diversity in the size of population, regional location, and demographic
2 composition AND SHOULD CONSIDER WHETHER THERE WILL BE ENOUGH
3 PARTICIPANTS IN EACH PILOT PROGRAM TO ENABLE RESEARCHERS TO
4 EVALUATE WHETHER THE STRATEGIES USED IN THE PILOT PROGRAM HAVE
5 ADDRESSED THE CLIFF EFFECT. THE EXECUTIVE DIRECTOR OR HIS OR HER
6 DESIGNEE SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH
7 EACH COUNTY DEPARTMENT SELECTED TO PARTICIPATE IN THE PILOT
8 PROGRAM. THE MEMORANDUM OF UNDERSTANDING GOVERNS THE
9 IMPLEMENTATION OF THE PILOT PROGRAM IN THAT COUNTY, INCLUDING
10 BUT NOT LIMITED TO HOW THE COUNTY DECIDES WHICH AND HOW MANY
11 FAMILIES CAN PARTICIPATE IN THE PILOT PROGRAM.

12 (2.5) A COUNTY DEPARTMENT SELECTED TO PARTICIPATE IN THE
13 PILOT PROGRAM MAY APPLY TO THE STATE DEPARTMENT FOR A GRANT
14 FROM THE COLORADO CHILD CARE ASSISTANCE PROGRAM ENHANCEMENT
15 FUND, CREATED IN SECTION 26-2-809, TO COVER THE ADMINISTRATIVE
16 COSTS OF PARTICIPATING IN THE PILOT PROGRAM AND THE COSTS OF
17 PROVIDING CONTINUED BENEFITS TO THE FAMILIES WHO ARE
18 PARTICIPATING IN THE PILOT PROGRAM.

19 (3) A COUNTY HAS THE FLEXIBILITY TO DESIGN THE PILOT
20 PROGRAM IN A MANNER THAT BEST ADDRESSES THE COUNTY'S SPECIFIC
21 COMMUNITY NEEDS. IN DEVELOPING THE PILOT PROGRAM FOR THE
22 COUNTY, A COUNTY MAY LIMIT PARTICIPATION IN THE PILOT PROGRAM TO
23 A REASONABLE PERCENTAGE OF THE COUNTY'S CASELOAD FOR THE
24 COLORADO CHILD CARE ASSISTANCE PROGRAM. A COUNTY MAY ALSO
25 LIMIT PARTICIPATION IN THE PILOT PROGRAM TO FAMILIES WHO ENTER THE
26 COLORADO CHILD CARE ASSISTANCE PROGRAM WITH CHILDREN WHO ARE
27 THIRTY-SIX MONTHS OF AGE OR YOUNGER. Subject to available
28 appropriations, a county that is participating in the pilot program shall

1 continue to provide child care assistance for a period of up to two years
2 for ~~any person who has~~ A GROUP OF PARTICIPANTS WHO HAVE been
3 receiving child care assistance from the county and whose income
4 exceeds the county-adopted income eligibility limit for the county's child
5 care assistance program. The county shall require a parent who is
6 receiving extended child care assistance to pay a series of incremental
7 increases in the portion of the parental share of the child care costs on a
8 scheduled basis based upon a formula established by the county; except
9 that assistance shall not be provided if said income exceeds the maximum
10 level for eligibility for services set by federal law for a family of the same
11 size. The county shall work with the person to provide a gradual transition
12 off of the child care assistance over a two-year period. Each county
13 department shall set its own parental fee schedule and may consult with
14 the state department on setting the parental fee schedule.

15 (6) A county may participate in the pilot program on and after July
16 1, 2012, and through ~~July 1, 2016~~ JUNE 30, 2019. A county shall operate
17 the pilot program for at least two years. A county may apply to participate
18 in the pilot program on or before January 1, ~~2014~~ 2017. Each
19 participating county SHALL IDENTIFY THE FAMILIES PARTICIPATING IN THE
20 PILOT PROGRAM IN THAT COUNTY. THE STATE DEPARTMENT shall collect
21 ALL data on the pilot program. ~~and shall work with~~ The state department
22 ~~to~~ SHALL evaluate and report on the pilot program using measurable
23 outcomes.

24 (7) The state department shall compile the data submitted by the
25 counties pursuant to subsection (6) of this section and submit a report on
26 the pilot program with the state department's findings and
27 recommendations to the house PUBLIC health and ~~environment~~ HUMAN
28 SERVICES committee and to the senate health and human services

1 committee, or any successor committees. THE STATE DEPARTMENT SHALL
2 MAKE ITS REPORT ON THE PILOT PROGRAM AVAILABLE TO THE PUBLIC ON
3 ITS WEB SITE AND THROUGH OTHER ELECTRONIC MEANS. The state
4 department shall submit its report TO THE COMMITTEES on or before
5 October 1, ~~2015~~ 2019.

6 (8) This section is repealed, effective July 1, ~~2016~~ 2020.

7 **SECTION 3.** In Colorado Revised Statutes, **add** 26-2-809 and
8 26-2-810 as follows:

9 **26-2-809. Colorado child care assistance program**
10 **enhancement fund - creation - legislative declaration - grants - rules**

11 **- repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS THAT ONE OF THE MOST
12 EFFECTIVE WAYS TO ALLEVIATE POVERTY IS TO ADDRESS THE NEEDS OF
13 THE PARENTS AND THE CHILD TOGETHER. RESEARCH SHOWS THAT THESE
14 TWO-GENERATION POVERTY-REDUCTION STRATEGIES ARE THE MOST
15 EFFECTIVE WAY TO COMBAT POVERTY. THE COLORADO CHILD CARE
16 ASSISTANCE PROGRAM SHOULD MEET THE DUAL GOALS OF ALLOWING THE
17 PARENTS TO PARTICIPATE IN THE WORKFORCE OR ENGAGE IN EDUCATION
18 AND TRAINING ACTIVITIES TO BETTER PREPARE FOR THE WORKFORCE
19 WHILE ALSO PROVIDING THE CHILDREN WITH CARE IN A HIGH-QUALITY
20 LEARNING ENVIRONMENT THAT RESULTS IN THE CHILDREN BEING READY
21 FOR SCHOOL.

22 (b) THE GENERAL ASSEMBLY FURTHER FINDS THAT THE COLORADO
23 CHILD CARE ASSISTANCE PROGRAM SHOULD EXPAND ACCESS TO MORE
24 LOW-INCOME FAMILIES WITH PARENTS WHO ARE EITHER WORKING OR WHO
25 ARE ENGAGED IN ACTIVITIES TO BETTER PREPARE FOR THE WORKFORCE.

26 (c) THE GENERAL ASSEMBLY FURTHER FINDS THAT, IN MEETING
27 THE GOALS OF EXPANDING ACCESS TO CHILD CARE AND PROMOTING
28 QUALITY CHILD CARE, THERE NEEDS TO BE A BALANCE BETWEEN THE

1 ROLES OF THE STATE DEPARTMENT OF HUMAN SERVICES AND THE
2 COUNTIES. IN STRIKING THAT BALANCE, WHERE POSSIBLE, COUNTIES
3 SHOULD HAVE THE FLEXIBILITY TO IMPLEMENT LOCAL SOLUTIONS THAT
4 MEET THE UNIQUE NEEDS OF THEIR COMMUNITIES.

5 (2) THERE IS CREATED IN THE STATE TREASURY THE COLORADO
6 CHILD CARE ASSISTANCE PROGRAM ENHANCEMENT FUND, REFERRED TO IN
7 THIS SECTION AS THE "ENHANCEMENT FUND", CONSISTING OF ANY MONEYS
8 THAT MAY BE APPROPRIATED TO THE ENHANCEMENT FUND BY THE
9 GENERAL ASSEMBLY. THE MONEYS IN THE ENHANCEMENT FUND ARE
10 SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE
11 DEPARTMENT OF HUMAN SERVICES TO PROVIDE GRANTS TO COUNTY
12 DEPARTMENTS FOR ANY OF THE PURPOSES OR STRATEGIES STATED IN
13 SUBSECTION (4) OF THIS SECTION. THE STATE TREASURER MAY INVEST ANY
14 MONEYS IN THE ENHANCEMENT FUND NOT EXPENDED FOR THE PURPOSE OF
15 THIS SECTION AS PROVIDED BY LAW. THE STATE TREASURER SHALL CREDIT
16 ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT
17 OF MONEYS IN THE ENHANCEMENT FUND TO THE FUND. ANY UNEXPENDED
18 AND UNENCUMBERED MONEYS REMAINING IN THE ENHANCEMENT FUND AT
19 THE END OF A FISCAL YEAR REMAIN IN THE FUND AND SHALL NOT BE
20 CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

21 (3) THE STATE DEPARTMENT SHALL DEVELOP A GRANT PROGRAM
22 AND AN APPLICATION PROCESS FOR COUNTY DEPARTMENTS TO APPLY FOR
23 GRANTS FROM THE ENHANCEMENT FUND. THE STATE DEPARTMENT MAY
24 ADOPT RULES AS NECESSARY CONCERNING THE APPLICATION PROCESS AND
25 THE ADMINISTRATION OF THE GRANT PROGRAM. COUNTIES ARE HIGHLY
26 ENCOURAGED TO COLLABORATE WITH EARLY CHILDHOOD COUNCILS AND
27 OTHER COMMUNITY PARTNERS AS NECESSARY IN THE DEVELOPMENT OF
28 THE APPLICATION. GRANTS MAY BE AWARDED TO COUNTIES FOR

1 UNDERTAKING ACTIVITIES THAT IMPROVE ACCESS TO OR IMPROVE THE
2 QUALITY OF CHILD CARE THROUGH ONE OF THE PURPOSES OR STRATEGIES
3 STATED IN SUBSECTION (4) OF THIS SECTION. THE STATE DEPARTMENT
4 REVIEWS APPLICATIONS AND DETERMINES WHICH APPLICATIONS WILL
5 RECEIVE GRANTS AND THE AMOUNT OF EACH GRANT. THE GENERAL
6 ASSEMBLY ENCOURAGES THE STATE DEPARTMENT TO DISTRIBUTE THE
7 GRANT MONEYS AMONG THE COUNTIES IN A WAY THAT FAIRLY
8 DISTRIBUTES THE MONEYS AMONG THE COUNTIES WITH VARYING
9 POPULATIONS AND AMONG COUNTIES IN DIFFERENT REGIONS OF THE
10 STATE. TO THE EXTENT POSSIBLE AND SUBJECT TO AVAILABLE
11 APPROPRIATIONS, THE STATE DEPARTMENT MUST MANAGE THE AMOUNT
12 OF FUNDS IN THE ENHANCEMENT FUND AND ALLOCATE THE GRANTS
13 AWARDED TO COUNTIES FOR THE PURPOSES OR STRATEGIES STATED IN
14 SUBSECTION (4) OF THIS SECTION. AT LEAST TWENTY-FIVE PERCENT OF
15 THE MONEYS IN THE ENHANCEMENT FUND MUST BE SPENT ON EACH OF THE
16 PURPOSES STATED IN SUBSECTION (4) OF THIS SECTION. THE EXECUTIVE
17 DIRECTOR OR HIS OR HER DESIGNEE SHALL ENTER INTO A MEMORANDUM
18 OF UNDERSTANDING WITH EACH COUNTY AWARDED A GRANT GOVERNING
19 HOW THE COUNTY WILL IMPLEMENT THE PROGRAM OR STRATEGY FUNDED
20 BY THE GRANT AND HOW THE COUNTY WILL RECEIVE FUNDING TO
21 UNDERTAKE THE PROGRAM OR STRATEGY. THE MEMORANDUM OF
22 UNDERSTANDING MAY ALSO INDICATE IF THERE ARE RULES OF THE STATE
23 DEPARTMENT THAT ARE WAIVED IN ORDER TO CARRY OUT THE PROGRAM
24 OR STRATEGY.

25 (4) THE STATE DEPARTMENT MAY AWARD A GRANT FROM THE
26 ENHANCEMENT FUND TO A COUNTY FOR ANY OF THE FOLLOWING PURPOSES
27 OR STRATEGIES:

28 (a) (I) TO PAY THE EXPENSES OF THE COUNTY FOR THE

1 ADMINISTRATIVE COSTS OF PARTICIPATING IN A CLIFF EFFECT PILOT
2 PROGRAM UNDER SECTION 26-2-808 AND THE EXPENSES OF PROVIDING
3 CONTINUED BENEFITS UNDER THE COLORADO CHILD CARE ASSISTANCE
4 PROGRAM AS PART OF A CLIFF EFFECT PILOT PROGRAM.

5 (II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE JULY 1, 2020,
6 UNLESS THE CLIFF EFFECT PILOT PROGRAM IN SECTION 26-2-808 IS
7 EXTENDED.

8 (b) TO EXPAND ACCESS TO CHILD CARE UNDER THE COLORADO
9 CHILD CARE ASSISTANCE PROGRAM BY PROVIDING A FULL OR PARTIAL
10 SUBSIDY FOR CHILD CARE WITHOUT A COUNTY CONTRIBUTION FOR AN
11 ADDITIONAL NUMBER OF FAMILIES OVER THOSE SERVED IN THE COUNTY'S
12 CCCAP AS DESCRIBED IN SUBSECTION (6) OF THIS SECTION; OR

13 (c) TO PAY ALL OR A PORTION OF THE COUNTY'S EXPENSES FOR
14 UNDERTAKING MORE THAN ONE ACTIVITY OR STRATEGY TO PROMOTE
15 QUALITY CHILD CARE AS DESCRIBED IN SUBSECTION (7) OF THIS SECTION.

16 (5) GRANT MONEYS AWARDED TO A COUNTY OUT OF THE
17 ENHANCEMENT FUND DO NOT AFFECT THE COUNTY'S BLOCK GRANT FOR
18 THE COLORADO CHILD CARE ASSISTANCE PROGRAM AND DO NOT AFFECT
19 THE COUNTY'S MAINTENANCE OF EFFORT FOR THE COLORADO CHILD CARE
20 ASSISTANCE PROGRAM. A COUNTY IS NOT REQUIRED TO PROVIDE LOCAL
21 FUNDS TO QUALIFY FOR A GRANT FROM THE ENHANCEMENT FUND.

22 (6) A COUNTY MAY APPLY TO THE STATE DEPARTMENT FOR A
23 GRANT FROM THE ENHANCEMENT FUND FOR THE PURPOSE OF INCREASING
24 THE NUMBER OF FAMILIES PARTICIPATING IN THE COLORADO CHILD CARE
25 ASSISTANCE PROGRAM IN THAT COUNTY. THE STATE DEPARTMENT SHALL
26 DISTRIBUTE THE MONEYS IN THE ENHANCEMENT FUND AMONG THE
27 COUNTIES THAT ARE AWARDED GRANTS FOR THIS PURPOSE IN A MANNER
28 THAT INCREASES THE NUMBER OF CHILDREN SERVED STATEWIDE BY AN

1 AMOUNT THAT DOES NOT EXCEED FIFTEEN PERCENT MORE CHILDREN THAN
2 THE UNDUPLICATED COUNT OF THE NUMBER OF CHILDREN WHO WERE
3 SERVED STATEWIDE IN FISCAL YEAR 2013-14. THE AMOUNT OF THE GRANT
4 WILL PROVIDE FUNDING TO COVER THE FULL COSTS OF PROVIDING CHILD
5 CARE ASSISTANCE TO THE NEW POPULATION AND TO AN INDIVIDUAL
6 FAMILY NEWLY SERVED UNDER THE GRANT FOR AS LONG AS THAT FAMILY
7 REMAINS ELIGIBLE FOR CCCAP. THE COUNTY IS NOT REQUIRED TO
8 PROVIDE ANY COUNTY CONTRIBUTION FOR THE CHILD CARE ASSISTANCE
9 PROVIDED TO THE NEW POPULATION.

10 (7) A COUNTY MAY APPLY TO THE STATE DEPARTMENT FOR A
11 GRANT FROM THE ENHANCEMENT FUND TO PAY ALL OR A PORTION OF THE
12 COUNTY'S EXPENSES FOR ENGAGING IN MORE THAN ONE ACTIVITY OR
13 STRATEGY TO PROMOTE QUALITY CHILD CARE, INCLUDING THE
14 FOLLOWING:

15 (a) DEVELOPING AND IMPLEMENTING A TIERED QUALITY
16 REIMBURSEMENT FOR PROVIDERS IN THE COUNTY'S CCCAP TIED TO THE
17 STATE'S TIERED QUALITY RATING AND IMPROVEMENT SYSTEM FOR
18 HIGH-QUALITY EARLY CHILDHOOD PROGRAMS;

19 (b) SUPPORTING CARE FOR INFANTS AND TODDLERS BY
20 SUPPLEMENTING FUNDS RECEIVED FROM A GRANT THROUGH THE
21 COLORADO INFANT AND TODDLER QUALITY AND AVAILABILITY GRANT
22 PROGRAM ESTABLISHED IN ARTICLE 6.7 OF THIS TITLE;

23 (c) SUPPORTING PROVIDERS IN CCCAP IN SEEKING
24 ACCREDITATION THROUGH A NATIONAL ACCREDITING BODY;

25 (d) WAIVING OR SUBSTANTIALLY DECREASING CO-PAYMENTS PAID
26 BY PARENTS IN CCCAP IF THE PARENTS ENROLL THEIR CHILDREN IN
27 HIGH-QUALITY CHILD CARE;

28 (e) REDUCING WORK REQUIREMENTS, JOB SEARCH REQUIREMENTS,

1 OR OTHER ELIGIBILITY REQUIREMENTS, OR LOWERING CO-PAYMENTS IN
2 CCCAP IF PARENTS ENROLL THEIR CHILDREN IN HIGH-QUALITY CHILD
3 CARE;

4 (f) EXTENDING CHILD CARE ASSISTANCE IN CCCAP FOR A
5 MINIMUM OF TWO YEARS TO PARENTS ENGAGED IN POST-SECONDARY
6 EDUCATION OR OTHER WORKFORCE TRAINING AND DEVELOPMENT
7 PROGRAMS;

8 (g) PROMOTING STABILITY IN PROVIDER AND COUNTY BUDGETS
9 FOR CCCAP THROUGH CONTRACTING FOR A CERTAIN NUMBER OF
10 AUTHORIZED REIMBURSEMENTS AND PRIORITIZING THE NUMBER OF
11 CONTRACTS FOR CARE FOR INFANTS AND TODDLERS;

12 (h) IMPLEMENTING A REIMBURSEMENT SYSTEM FOR PROVIDERS IN
13 CCCAP THAT ACCOUNTS FOR OPERATING COSTS FOR AN ENROLLED
14 CHILD'S ABSENCE OR ILLNESS AND FOR HOLIDAYS;

15 (i) MITIGATING THE CLIFF EFFECT THROUGH OTHER STRATEGIES
16 OUTSIDE OF THE PILOT PROGRAM SO THAT CHILDREN DO NOT EXPERIENCE
17 A DISRUPTION IN THE CONTINUITY OF CARE;

18 (j) INCREASING REIMBURSEMENT RATES FOR CHILD CARE
19 PROVIDERS TO AT LEAST SEVENTY-FIVE PERCENT OF THE LOCAL MARKET
20 RATE AS DETERMINED BY THE STATE DEPARTMENT'S MARKET RATE
21 SURVEY; AND

22 (k) OTHER ACTIVITIES DETERMINED BY THE STATE DEPARTMENT
23 TO IMPROVE QUALITY WITH MEASURABLE OUTCOMES TIED TO SCHOOL
24 READINESS AND TO CHILD AND FAMILY WELL-BEING.

25 **26-2-810. Colorado child care assistance program - annual**
26 **report to the general assembly.** (1) ON OR BEFORE JANUARY 1, 2015,
27 AND ON OR BEFORE EVERY JANUARY 1 THEREAFTER, THE STATE
28 DEPARTMENT SHALL REPORT TO THE HOUSE PUBLIC HEALTH CARE AND

1 HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN
2 SERVICES COMMITTEE, OR ANY SUCCESSOR COMMITTEES, ON THE
3 COLORADO CHILD CARE ASSISTANCE PROGRAM. THE STATE DEPARTMENT
4 SHALL ALSO MAKE THIS REPORT AVAILABLE TO THE PUBLIC THROUGH ITS
5 WEB SITE OR THROUGH OTHER ELECTRONIC MEANS.

6 (2) THE ANNUAL REPORT MUST INCLUDE, BUT NEED NOT BE
7 LIMITED TO, THE FOLLOWING:

8 (a) THE NUMBER OF CHILDREN AND FAMILIES SERVED THROUGH
9 CCCAP STATEWIDE AND BY COUNTY, THE GEOGRAPHIC AND
10 DEMOGRAPHIC DETAILS OF THE PARTICIPANTS AND INCOME LEVELS OF THE
11 FAMILIES BASED ON THE FEDERAL POVERTY LEVEL, AND THE NUMBER OF
12 FAMILIES SERVED BY AND THE LENGTH OF TIME SERVED THROUGH THE
13 CLIFF EFFECT PILOT PROGRAM CREATED IN SECTION 26-2-808;

14 (b) THE NUMBER OF GRANTS AWARDED FROM THE COLORADO
15 CHILD CARE ASSISTANCE PROGRAM ENHANCEMENT FUND CREATED IN
16 SECTION 26-2-809, THE AMOUNT AND PURPOSE OF EACH GRANT, AND THE
17 IMPACT OF EACH GRANT ON IMPROVING ACCESS TO CHILD CARE OR
18 IMPROVING THE QUALITY OF CHILD CARE;

19 (c) THE NUMBER OF CHILDREN AUTHORIZED FOR A FULL- OR
20 PART-DAY REIMBURSEMENT IN CCCAP IN EACH COUNTY;

21 (d) THE POPULATION OF ELIGIBLE CHILDREN WHO ARE NOT SERVED
22 BY CCCAP BOTH STATEWIDE AND BY COUNTY;

23 (e) THE CONTINUITY OF CARE AND ATTACHMENT TO THE
24 WORKFORCE SUPPORTED BY CCCAP AS MEASURED BY THE CONTINUOUS
25 NUMBER OF MONTHS A CHILD IS IN CARE AND THE INSTANCES OF
26 DISRUPTIONS IN WORKFORCE ATTACHMENT BY PARENTS;

27 (f) THE NUMBER OF PROVIDERS SERVING CHILDREN ENROLLED IN
28 CCCAP BY COUNTY AND HOW MANY NEW PROVIDERS ACCEPT CHILDREN

1 THROUGH CCCAP AFTER THE PASSAGE OF SENATE BILL 14-____, AS
2 ENACTED IN 2014;

3 (g) THE NUMBER OF CHILDREN IN CCCAP SERVED IN EACH TIER OF
4 THE STATE'S NEW TIERED QUALITY RATING AND IMPROVEMENT SYSTEM;

5 (h) THE PERCENTAGE OF AUTHORIZATIONS FOR REIMBURSEMENT
6 IN CCCAP FOR WHICH THERE ARE CONTRACTS WITH PROVIDERS,
7 INCLUDING HOW MANY ARE FOR INFANTS, TODDLERS, OR CHILDREN, AND
8 THE NUMBER OF PROVIDERS PER CATEGORY;

9 (i) THE AVERAGE LENGTH OF TIME A FAMILY IS AUTHORIZED FOR
10 A SUBSIDY UNDER CCCAP INSTEAD OF BEING ELIGIBLE FOR FULL
11 ASSISTANCE AND THE STANDARD DEVIATION OF THAT DATA;

12 (j) THE NUMBER AND PERCENTAGE OF FAMILIES WHO EXPERIENCE
13 THE CLIFF EFFECT AND ARE NO LONGER ELIGIBLE FOR CHILD CARE
14 ASSISTANCE AFTER A REDETERMINATION;

15 (k) THE NUMBER AND PERCENTAGE OF FAMILIES WHO DO NOT
16 RETURN FOR A REDETERMINATION; AND

17 (l) A COMPARISON BY COUNTY OF THE REIMBURSEMENT RATES FOR
18 CCCAP PROVIDERS COMPARED TO THE LOCAL MARKET RATE FOR CHILD
19 CARE IN EACH COUNTY.

20 **SECTION 4. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.