DENVER
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WORKING HARDER, FEELING POORER

Conclusion of 2008 Legislative Session

Work is not enough. About one in five Colorado households is not earning enough to meet their basic needs without private or government help. They live below the point of self-sufficiency. One in ten Colorado families lives below the Federal Poverty Level (FPL) – about $20,000 for a family of four.

Expenses are increasing dramatically – food, child care, energy, transportation and housing. Even middle-class families are tightening their belts. In recognition of hard economic times, the U.S. Congress approved an economic stimulus package in record time. While we are enjoying our rebate checks, we should remember that low-wage families (those who earn too little to have an income tax liability) are receiving $300 less per adult than other families in their federal rebate checks, despite their greater challenges meeting rising costs. Too bad the government never "rebates" based on payroll taxes paid.

What has the 2008 Colorado Legislature done to help struggling families?

Legislation passed and signed by the Governor in this legislative session include:

-SB 177- As amended, this State Department of Human Services bill includes a 20% **increase in the monthly TANF cash grant**, effective January 2009, with the authority to go higher delegated to the State Board of Human Services. This would raise the grant from $356 per month for a family of three to about $420 per month,and provide the first cost of living adjustment in over 20 years. Even if the Board raises the grant by 30%, a family's income would still be below 33% of FPL. Half of Colorado's TANF caseload – about 5,000 families are "child-only". In the absence of a biological parent, caregivers receive $99 per month per child. This would increase to $120. per month. Over the last few years, counties have spent on average about 70-75% of their TANF block grants. County and state TANF reserves have now exceeded $160 million – or more than 100% of the annual federal TANF block grant. Increasing the TANF monthly grant was the #1 suggestion by Colorado Counties on how to spend down their reserves.

-SB 123 – This bill would eliminate to 40 cent co-pay for **reduced price school lunch** for children in kindergarten through second grade using funding from the State Education Fund. Families earning between 135% and 185% of FPL currently qualify for a reduced price, but not free, school lunch. This bill would provide these lunches for about 12,000 children.

-SB 3 – This State Department of Health Care Policy and Financing bill would authorize application for a Federal Medicaid waiver for an increase in the income ceiling for **reproductive health care services.** Currently the income ceiling is at 150% of FPL. Federal law requires "budget neutrality" when granting waivers. Money is saved when unplanned or unwanted pregnancies are delayed or avoided. So the income ceiling could only increase to the extent that money would be saved. **This bill has been signed into law.**

-HB 1227 **-**This bill reauthorizing the Public Utilities Commission includes a provision to standardize the definition of low-income groups the PUC can assist. Generally the definition is 185% of FPL. The bill specifically expands the **Low Income Telephone Assistance Program** by 25% with a priority given to those on State public assistance programs.

-HB 1388- This Public Schools Funding Bill adds $39 million to funding of full day kindergarten, and about $1 million for **additional preschool slots.** About 6000 new pre-school slots should be available in the coming year, due to funding shifts and previously authorized increases. The Colorado Pre-school Program serves children under 185% of federal poverty level, or with other risk factors. School districts will have financial incentives to move to full day kindergarten. Perhaps 15,000 children will be newly served with **full day kindergarten.**

-HB 1387- Renews for three years the diversion of $12-$13 million per year from the Severance Tax Trust Fund. About half would be used as **utility payments** for those with incomes under 185% of Federal Poverty Level. About half the money would be used for **weatherization** of homes for people with income under 100% of the area median income (ballpark example is $75,000 for the Denver Area). This is a dramatic increase in eligibility as the previous income ceiling was the 185% of FPL- same as Low Income Energy Assistance Program.

-SB 160 & 161 – SB 161 streamlines application for **Medicaid and Child Health Plan** by allowing income to be verified through the Department of Labor database, rather than requiring parents to document income. As amended, SB 160 proposes expanding Eligibility for Child Health Plan from 205% of FPL up to 225% of Federal Poverty Level, with the authority to expand to 250% of FPL if funding is sufficient upon approval of the State Board of Human Services. This would add about 9000 children to Child Health Plan.

-HB 1265- This State Department of Human Services Bill allows counties to **subsidize child care** for families up to 85% of state median income. It raises the current income ceiling from 225% of FPL to 309% of FPL. Many of these families have faced the loss of hundreds of dollars per month in Child Care subsidies with a 10 cent per hour raise. In many counties the "break-even" point at which earnings can cover the full cost of basic needs is above 225% of FPL. **This bill was signed into law.**

-HB 1356- **Tenants** would have a right to "habitable" space in exchange for their rent under this bill. Landlords and tenants would have responsibilities to keep rental housing stock habitable. Elements of this **"warrant of habitability**" include the right to heat, electricity and running hot and cold water, extermination of rodents and vermin.

What opportunities to help low wage families did the Legislature miss this year?

-HB 1362 – This bill would have paid the **State Earned Income Tax Credit-** up to $471 to 264,000 low wage Coloradans for two years. It would have diverted about $50 million from the Federal TANF (Temporary Assistance for Needy Families) Block Grant and about $5 million from the Unemployment Insurance Fund. Counties have been using only about 70-75% of their TANF funds, and have built up reserves of more than $136 million – or more than a year's worth of TANF funding. The State also has a Long Term TANF Reserve of $30 million. TANF caseloads have fallen below 10,000 households statewide. **The bill was killed in House Finance.**

-HB 1310- As approved by the House, this bill would cap interest on **pay day loans** at 45% APR and allow people 30 days to pay off their loans. Currently the AVERAGE APR on Colorado pay day loans paid is 353%. It would also limit the fees which could be charged. Currently the AVERAGE borrower takes out a loan of $343 and pays $544 in fees in addition to the repayment. The AVERAGE borrower took out nine loans per year. **After passing the House, this bill was gutted, then killed, in the Senate.**