



House Bill 21-1270 Overview

Colorado's Supplemental Nutrition Assistance Program (SNAP) provides food assistance benefits to eligible individuals and households who are experiencing food insecurity. One feature of SNAP is an Employment and Training (E&T) program designed to prepare SNAP recipients for meaningful employment through work-related education, training activities, and work-based learning opportunities. In Colorado, this program is called Employment First (EF). EF is administered in 28 counties at local county human/social services offices and through organizations around the State, known as Third-Party Partners (TPPs). Local county human/social services offices and TPPs will be referred to as program operators throughout this report.

On June 17, 2021, Governor Jared Polis signed House Bill (HB) 21-1270 as part of the Colorado Recovery Plan. HB 21-1270 directly contributes \$3 million in State General Fund to EF. Furthermore, this \$3 million State investment draws down an additional three million dollars in federal SNAP E&T funding, totaling \$6 million invested into the EF program from July 1, 2021 - June 30, 2022. However, the investment did not reach program operators until October 1, 2021 since the EF program operates on a federal fiscal year. HB 22-1380 extended the time for program operators to administer EF with HB 21-1270 funding through the next fiscal year, ending June 30, 2023.

Program Impacts

The purpose of HB 21-1270 is to support Coloradans who became unemployed as a result of the COVID-19 pandemic, many of whom have had to rely on publicly funded workforce development services such as SNAP E&T. Additionally, the State's investment into employment support and job retention services such as transportation, licensure or certification fees, emergency child care, books, and other critical, low-dollar investments, was historically lacking for SNAP E&T clients. As a result, many rural and under-resourced areas were unable to offer the program because they lacked the capacity and funding to do so.

In May and June 2022, the State E&T team, responsible for allocating EF funding and tracking program performance, interviewed each EF program operator to identify how HB 21-1270 funding impacted program performance from October 1, 2021 - July 31, 2022. During the interviews, all program operators expressed gratitude for the increase in General Fund and identified three main areas that were impacted the most: program expansion, case management, and client supports.

Program Expansion

Federal SNAP E&T funding is a 50 percent reimbursement funding model, which requires program operators to cover program costs, mainly supportive services, before requesting reimbursement for half of the costs. For instance, when a program operator spends \$100.00 to purchase tools for an EF client, federal funding will cover \$50.00 of the cost for tools. Funds eligible for reimbursements can include State or local funds or non-federal funding provided by TPPs. This 50 percent reimbursement funding model has created

challenges for local county human/social services offices to operate EF, especially in smaller counties that cannot dedicate local funding for the program. However, two county human/social services offices that were interviewed shared that they were able to continue to operate EF this year because of HB 21-1270 funding. One county human/social services office started the EF program because they were able to leverage HB 21-1270 funding for start-up and supportive services costs.

HB 21-1270 funding also enabled Colorado to expand TPPs across the State, including in rural counties. Throughout the year, the State E&T team procured seven new TPPs, expanding the program from 18 to 28 counties.

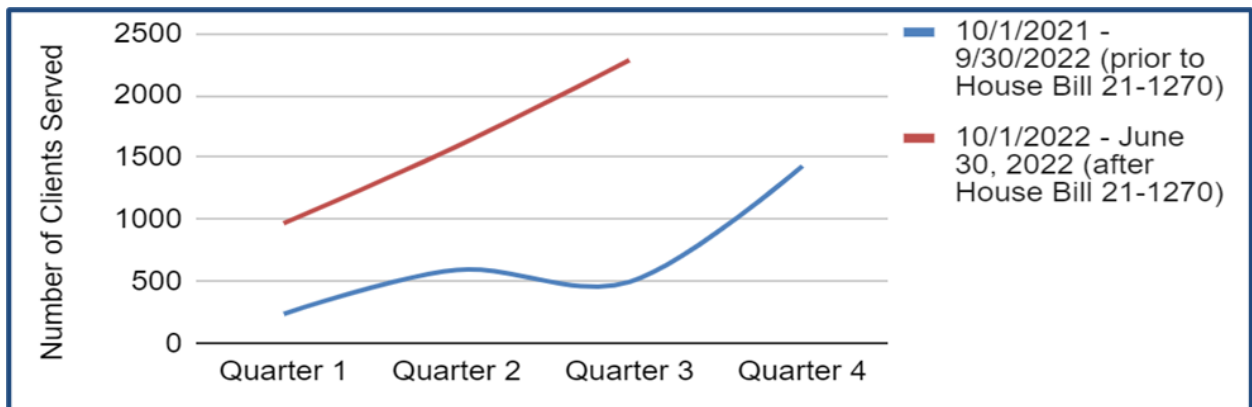
The counties highlighted blue in the map below demonstrate rural counties that did not have an EF program in the year prior to HB 21-1270.

EF Case Management

HB 21-1270's impact on program case management activities was apparent during each program operator interview. Program operators were able to restructure their EF teams to better support clients and seven program operators hired additional case managers to provide more robust program services. Other program operators implemented soft skills training techniques (e.g. crucial conversations, customer service, teamwork, etc.) among their teams to better support local employers who shared those soft skills were critical in finding the right candidate for employment.

Furthermore, the number of clients served with HB 21-1270 funding far exceeded program expectations, serving more than 2,200 clients in nine months. Program operators have served more clients in just three quarters of the year than the total number of clients served the previous year (see the chart below).

HB 21-1270: Impact on Number of Clients Served



Enhanced Client Support

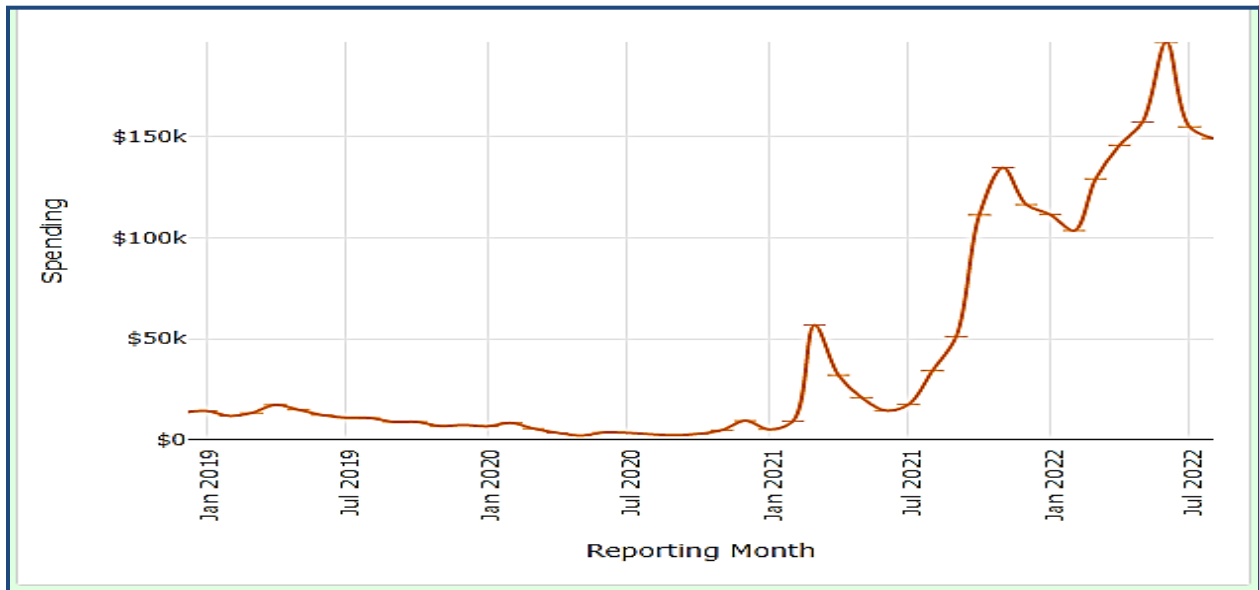
EF program operators are federally required to offer supportive services that assist clients to engage in the program and/or find employment. Due to minimal funding in previous years, many EF program operators offered clients basic and low-cost services such as transportation assistance (bus passes and gas cards), GED classes, and/or clothing for employment. However, increased funding through HB 21-1270 enabled program operators to expand the types and costs of supportive services offered.

Program operators also reported that the additional funding enabled them to expand services to priority populations such as single parents, students, individuals experiencing homelessness, individuals who have been involved in the justice system, and those who are underemployed. Program operators were able to fund services to support these priority populations to overcome challenges of finding employment (childcare, housing assistance, bonding services, credentialing/training classes).

Supportive services provided with HB 21-1270 funding included:

- Tools for training and/or employment opportunities.
- Computers, cellphones, and other technology that assists clients in job searching.
- Dental work and tattoo removal services.
- In-depth background checks, fingerprinting, and drug test fees (when required by a client’s prospective employer).
- Tuition for vocational education, test fees, training materials, and other costs for a client to successfully attach to and complete secondary or post-secondary education programs.

All program operators that were interviewed shared that HB 21-1270 funding expanded their ability to assist clients with supportive services that helped them become job ready, as well as training costs that lead to certifications, licenses, and degrees. The chart below demonstrates the immediate impact HB 21-1270 had on client supportive services. Please note, even though HB 21-1270 funds were available in July 2021, EF program operators were not able to begin spending those dollars until October 2021 (to align with the federal fiscal year).



Lessons Learned

During program operator interviews, one primary challenge regarding the timeframe of HB 21-1270 funding surfaced.

- Program operators expressed the timeframe to spend HB 21-1270 funding was too short. The funding was appropriated for the State Fiscal Year (July 1 - June 30) and the EF

program operates on a Federal Fiscal Year (October 1 - September 30). The program received roll-forward authority to continue to spend the funding through June 2023. This was helpful; however, program operators shared that funding for client supports decreased as they awaited approval to continue to spend the funds.

- Local county human/social services offices expressed concern that local funding could not continue to support priority populations with high-cost supportive services needed to assist clients become job-ready. As a result, they anticipate a decrease in both caseload and supportive services after HB 21-1270 funding expires.
- Program operators increased employer engagement efforts with the help of HB 21-1270 funding and focused on connecting clients with the training (technical or soft skills) needed to meet the needs of employers in their communities. Program operators shared that employer relationships will likely be impacted once HB 21-1270 funding ends.

Summary and Next Steps

The data demonstrate that HB 21-1270 funding positively impacted the EF program on multiple levels, including case management, client experience, and program expansion efforts. As this funding expires, the State E&T team will work closely with program operators to develop additional strategies and identify funding sources that may be used in place of HB 21-1270. However, during the interviews, program operators shared that available funding available to their communities will likely be substantially lower without the additional State funds.