



2017 Legislative Wrap-up: CCLP's Family Economic Security Program

This year, CCLP's Family Economic Security team focused its attention on proposals intended to ease common problems that low-income tenants in Colorado encounter. We successfully pushed for renewal of a child care tax credit for workers earning less than \$25,000 a year. We continued efforts to give people with criminal records a chance to compete in the job market. We also worked on legislation to make private occupational schools more transparent for students hoping an investment in education and training will lead to a better-paying job. In addition, we supported our partners' efforts to help Coloradans achieve financial security.

Here's a brief recap of CCLP's family economic security work during the 2017 legislative session:

Good News

Notice to Quit – With rents at an all-time high, and rising at record rates, many Colorado renters do not have the security of a lease. Long-time renters in rapidly changing neighborhoods often occupy their home under month-to-month tenancies, and are only entitled to seven days' notice of an unaffordable jump in rent or a termination of the agreement, which requires the tenants to move on very short notice. CCLP developed **Senate Bill 245**, which extends that seven-day notice period for these potentially vulnerable renters to 21 days, providing more time to move, or get assistance so they do not end up homeless or in a nursing home. The legislation was approved by the House and Senate with bipartisan support and has been sent to the Governor for his signature.

Colorado Child Care Tax Credit – In 2014, CCLP championed a successful bill that created a tax credit for workers earning less than \$25,000 a year who pay child care expenses but don't qualify for the federal Child and Dependent Care Tax Credit. Since the passage of the bill, over 32,000 families per year have claimed the credit, providing a total of \$4.9 million every year to help defray child care costs for low-income working parents. The bill included a "sunset" provision that ended the tax credit after the 2016 tax year. **House Bill 1002** ensures that low-income parents can continue to enjoy the established tax credit for another three years.

A broad-based coalition, including Colorado Children's Campaign, the Women's Foundation of Colorado, Mile High United Way and others helped this bill cross the finish line. A last-minute budget glitch forced us to eliminate the tax credit for tax year 2017 if revenues for the 2016-17 fiscal year are not sufficient to fund the amount of tax credits that would accrue during the first six months of 2017. If revenues are insufficient to fund payment for tax year 2017, then the credit will extend through the 2020 tax year without interruption. We're pleased that the bill was approved in both chambers with bipartisan support and is heading to the desk of Gov. John Hickenlooper for final approval. *(Update: The June Economic Report from Legislative Council unfortunately showed that the trigger was not met as the state revenue fell short of replenishing the required 6% reserve level. Hence they determined there was not the needed 2016-2017 year "general fund surplus")*

Mobile home tax liens -- CCLP also strongly supported **HB 1354**, concerning the collection of delinquent property taxes on mobile homes. In recent years, a number of mobile homeowners have been legally removed from their homes by investors who have purchased the tax liens on the homes for as little as \$40. **HB 1354** eliminates the statutory requirement that county treasurers sell the tax liens when taxes have not been paid. The measure gives county treasurers the authority to prioritize which delinquent mobile-home taxes they should collect. This much-needed authority would allow county treasurers to protect Colorado's most-vulnerable mobile homeowners from losing their homes because of a small unpaid tax bill. HB 1354 was sent to Governor's desk after passing through both chambers unanimously.

Housing – CCLP actively supported the Governor's request to use \$16 million in marijuana revenues for housing for people coming out of state institutions and others facing chronic homelessness. The final budget included \$15.3 million of this request.

Forcible entry and detainer – With help from our community partners, CCLP was able to head off **HB 1159**, a proposal to allow landlords to circumvent normal eviction process.

Disappointments

Chance to Compete -- **HB 1305** would have provided people with an opportunity to pursue a job without having to disclose criminal history on an initial application. Unfortunately, while the bill passed out of the House, it met its demise in the Senate State, Military and Veterans Affairs (the infamous "kill committee") on party lines, despite endorsements from faith-based groups, nonprofit organizations, business owners, Colorado Department of Corrections and The Denver Post. Though we are disappointed with the loss, the basic premise of HB 1305 — that everyone should have the opportunity to compete for a job despite their past mistakes — seems to be taking root in Colorado and nationwide. After all, giving people a chance to work is one of the surest ways to build financial security for them and their families and to reduce the probability those with criminal records will reoffend. We will continue to seek support for this commonsense idea that could make a difference in the lives of hundreds of thousands of Coloradans.

Copy of lease and rent receipt – CCLP is perplexed that **HB 1312** went down on party lines in the Senate Committee on State, Veterans & Military Affairs near the end of the session. HB 1312 would have enacted a basic, common practice in the tenant-landlord relationship into law. In short, the bill would have required landlords to provide a copy of a signed lease so that tenants could understand the terms of their living arrangement. It also required landlords to provide a receipt for rent payments made by cash or money order upon request. Because it is common for low-income renters to pay rent with cash or money order, there is no record of a transaction unless a landlord provides a receipt of payment. As a result, many Colorado renters have been vulnerable to eviction or late charges because they were not able to prove that they had already paid rent – creating greater instability for those who are struggling to make ends meet. HB 1312 had no opposition.

Consumer Information about private occupational schools - Ideally, for-profit occupational schools provide students with an opportunity to obtain skills needed to compete in the workforce and find a good-paying job. However, such programs tend to cost more than tuition at community colleges. Furthermore, completion from these schools may not lead to gainful employment and frequently result in high debt loads and student-loan defaults. Nationally, the surge in student loan defaults in the last decade was largely concentrated among relatively older, low-income students who attended for-profit colleges. Given this context, it's important that these schools make information available so that

prospective students can make informed decisions about what types of training to pursue and what programs will prepare them for gainful employment. **SB 118** would have required private occupational schools to provide information about educational outcomes (such as completion rates, total costs, estimated debt load and average starting salaries), before students sign a contract. The legislation also called for the state to include such information on a website to help students make informed decisions when investing in a secondary education. Developed by the Skills2Compete Colorado Coalition, which CCLP coordinates, the bill met an early demise this session after it was assigned to the Senate Committee on State, Veterans & Military Affairs and killed on party lines.

Housing application fees - Colorado's growing population and booming economy have created an ideal market for landlords – often, at the expense of low- and middle-income renters. In recent years, the percentage of Coloradans who rent rather than own has increased. Many tenants struggle to find and maintain housing because rents are too high relative to income – leading to a rise in homelessness in many parts of the state. Part of a package that was considered by Colorado legislators to remove some of the problems that renters encounter **HB 1310** would have limited the fee landlords charge prospective tenants to the actual costs for a personal reference check, consumer credit report or tenant-screening report. Current fees often far exceed the actual cost of screening applicants and are collected even when units aren't available. In addition, HB 1310 would have required landlords to provide an itemized receipt of actual expenses incurred and required landlords to return unused portions of such fees to the applicants. The Senate Committee on State, Veterans & Military Affairs killed HB 1310 on party lines.

Manufactured housing – CCLP strongly supported **SB 98**, which would have allowed residents to have an opportunity to purchase the manufactured housing community in which they live, while giving landowners tax incentives for selling to a resident or nonprofit organization. Regardless of this defeat, CCLP will continue to explore policy remedies to preserve manufactured-housing communities.

Challenges and Opportunities

- The lack of affordable housing has grown into a genuine crisis over the last five years. While CCLP for many years did not have the capacity to tackle such a huge issue, we found we could not really address issues related to economic stability without addressing housing costs. With crucial community partners including 9to5 Colorado, Colorado Coalition for the Homeless, Colorado Coalition Against Domestic Violence, Colorado Cross Disabilities Coalition, and many others, we have offered proposals to formalize good practices into law, protecting tenants and landlords. We have also weighed in on funding mechanisms to create and protect affordable housing, particularly for those living at or below 30 percent of Area Median Income (e.g. those below \$20,000 for a family of two in the Denver area). We expect to continue our work in this area in the months and years to come.
- As we consider what contributes to a family's economic security, we need to do more than preserve and improve critical safety net programs and work supports. In particular, through the Skills2Compete Colorado Coalition, we'll work to ensure that all Coloradans can take advantage of the many economic opportunities in our state. We will develop public policies that promote a more diverse workforce — e.g. paid training, workplace learning and support services like child care and affordable transportation, family-friendly workplace policies. We'll also target policies that effectively discourage people from working.

- Child support from noncustodial parents can and should play an important role in a family's economic stability. As child-support collection moves from an enforcement approach to a services approach, CCLP is considering policies that encourage consistent payments vs. discouraging payments and/or overwhelming debt.
- We are also taking a three-generation approach to family economic stability. Older adults are often the economic backbone upon which others depend, while some seniors need help from their families or their government. CCLP will be exploring policies that support intergenerational living and financial support.
- Over the next few months, we expect to see how federal decisions might burden low-income Coloradans. CCLP will work with state and national coalitions to help shape or defeat changes in federal services, policies and programs.