



Legislative
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Nonpartisan Services for Colorado's Legislature

HB 20-1100

FINAL FISCAL NOTE

Drafting Number: LLS 20-0706
Prime Sponsors: Rep. Froelich
Sen. Crowder

Date: August 13, 2020
Bill Status: Signed into law
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Bill Topic: **PASS-THROUGH CHILD SUPPORT PAYMENTS**

**Summary of
Fiscal Impact:**

- | | |
|---|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input checked="" type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill alters appropriation requirements regarding the pass-through of child support payments to recipients of Temporary Assistance for Needy Families, and creates a new cash fund. This bill increases state expenditures and workload in FY 2020-21, and may increase local government expenditures.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the enacted bill.

Summary of Legislation

Under current law, recipients of Temporary Assistance for Needy Families (TANF) under the Colorado Works Program receive a full pass-through of child support payments collected by the state if the General Assembly appropriates the full fiscal year reimbursement amount to counties. In any year where appropriations from the General Assembly for the pass-through of child support payments program do not meet or exceed the full reimbursement amount to counties and the federal government, the pass-through of child support collections to TANF recipients must cease for that year. The bill reduces this threshold so that if the General Assembly appropriates less than 90 percent of the reimbursement amount to counties, the pass-through of child support payments must cease for that year.

The bill also creates the Child Support Collection Fund (fund). Any unexpended and unencumbered money that was appropriated to the Department of Human Services (DHS) for the implementation of the child support pass-through program will be credited to the fund at the end of the fiscal year.

Background

The Colorado Works Program, Colorado's TANF program, is operated by county departments of human services and overseen by the DHS. The program provides financial, and other forms of assistance, to aid eligible families in reaching economic self-sufficiency. Beyond meeting basic

program guidelines, all 64 counties have discretion in designing their TANF programs. Adults need to reapply for benefits every 6 months and, with limited exceptions, may receive up to 60 months of benefits in their lifetime.

Under federal law, TANF recipients must assign their rights to child support payments to the state. The state is permitted to retain any child support collected on behalf of TANF recipients in order to reimburse the state, counties, and federal government for the cost of providing TANF benefits. As part of Senate Bill 15-012, Colorado elected to pass through the full amount of child support payments to TANF recipients rather than retaining them. The General Assembly may appropriate funds each year to reimburse counties and the federal government for their share of child support collections that are now passed through to TANF recipients.

State Transfer

The bill potentially creates a new transfer of funds from the General Fund to the newly created Child Support Collection Fund. Under current law, any unexpended funds appropriated to the child support pass-through program would revert to the General Fund. Under the bill, it will instead be credited to the fund. At this time it is unknown how often a transfer will occur and in what amount.

State Expenditures

The bill increases workload in DHS to verify that appropriations meet the 90 percent threshold to maintain the pass-through program. This increase in workload can be accomplished within existing resources.

Local Government

Under current law, if appropriations for the pass-through program do not meet or exceed 100 percent of the county and federal government reimbursement amounts for a given fiscal year, the pass-through of child support collections to TANF recipients is required to stop and counties may elect to retain their share of child support collections for TANF recipients. This bill reduces the appropriations threshold to 90 percent of county reimbursements. Depending on actual appropriation levels, this may result in counties bearing a greater share of the costs of administering the Colorado Works Program than under current law.

Effective Date

The bill was signed into law by the Governor on March 24, 2020, and takes effect on September 14, 2020, assuming no referendum petition is filed

State and Local Government Contacts

Counties
Personnel

Human Services
Treasury

Information Technology