



**Colorado
Legislative
Council
Staff**

HB16-1227

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0754 **Date:** June 23, 2016
Prime Sponsor(s): Rep. Kagan; DelGrosso **Bill Status:** Signed into Law
 Sen. Hill; Crowder **Fiscal Analyst:** Chris Creighton (303-866-5834)

BILL TOPIC: EXEMPTIONS CHILD SUPPORT REQUIREMENTS CHILD CARE ASSIST

| Fiscal Impact Summary | FY 2016-2017 | FY 2017-2018 |
|---|-------------------------|--------------|
| State Revenue | | |
| State Expenditures | <u>\$268,562</u> | |
| Federal Funds | 268,562 | |
| Appropriation Required: \$268,562 - Department of Human Services (FY 2016-17). | | |
| Future Year Impacts: Ongoing minimal workload impact. | | |

Summary of Legislation

Under current law, counties may require a person applying for support under the Colorado Child Care Assistance Program (CCCAP) to also apply for and cooperate with child support establishment and enforcement. This bill specifies that a teen parent is not required to submit an application for child support establishment as a condition of receiving child care assistance. However, the county can require the parent to submit an application for child support establishment in order to receive child care assistance once they no longer qualify as a teen parent. Once the teen parent is determined to be eligible for child care assistance, a county may also require them to regularly attend informational sessions on the benefits of child support establishment and the benefits of two-parent engagement in the child's life. These sessions are to be provided by county child support staff at no cost to the teen parent.

This bill also states that a county cannot require an application for child support establishment as a condition of receiving child care assistance if the applicant submits a statement indicating that he or she has been the victim of domestic violence, a sexual offense, harassment, or stalking. The information and evidence that are required to be submitted with the statement are also specified.

Counties are permitted to provide information on the importance of establishing child support to anyone who chooses not to engage in child support establishment. The State Board of Human Services to revise its rules regarding cooperation with child support establishment.

Beginning July 1, 2017, and each year thereafter until 2025, each county must submit data related to teen parents in the CCCAP program to the Department of Human Services (DHS). DHS must establish rules and criteria to be reported and ensure that case management systems are capable of accommodating the provisions of this bill.

Background

Establishing child support is a legal process that results in an order setting a monthly amount to be paid by the non-custodial parent for the support of the child. Currently, counties can require a parent to apply for child support assistance as a condition of receiving child care assistance under CCCAP.

State Expenditures

This bill increases state expenditures by **\$268,562 in FY 2016-17** and impacts agency workload as discussed below.

Office of Information Technology. For FY 2016-17, this bill increases costs in the Office of Information Technology (OIT) on behalf of the DHS. Several changes must be made to the Child Care Automatic Tracking System (CHATS) which will require 2,623 hours of contract work and cost \$268,562. These costs, paid from the federal funds, will be reappropriated to OIT.

Department of Human Services. In addition to the computer costs above, decreased child support collections are expected due to some parents no longer having to apply for child support establishment. Federal child support enforcement funds are provided to the state based on child support collections and a reduction in child support collections could reduce the amount of federal funding the state receives. It is assumed that most parents will still apply for child support establishment, therefore any reduction in federal child support enforcement funds will be minimal.

A minimal increase in child care assistance caseload may occur. This bill removes the ability for counties to require a parent to apply for child support establishment as a condition of getting child care assistance which may increase the number of parents applying for child care assistance. It is assumed that any caseload increase under CCCAP will be accomplished by counties within existing appropriations.

Lastly, DHS workload increases to establish rules and criteria for the reporting of teen parent data and to ensure that case management systems are capable of accommodating this data. This workload increase can be accomplished within existing appropriations.

Judicial Department. This bill may reduce workload in the Judicial Department by reducing the number of people who are required to apply for child support enforcement, resulting in fewer child support filings. Any workload reduction is expected to be minimal and will not require a reduction in appropriations.

Local Government Impact

This bill may increase county workload and costs in several ways. Staff time is needed to update processes and procedures to reflect the changes concerning the submittal of an application for the establishment of child support for teens and victims of domestic violence, a sexual offense, stalking, or harassment. Staff time is also needed to compile teen parent data and submit it annually to DHS and to hold informational sessions on the benefits of child support establishment and the benefits of two-parent engagement in the child's life. County costs may also increase if a county chooses to provide information on importance of establishing child support. It is unknown how this information would be provided, but cost increases could be incurred to develop and distribute materials.

Effective Date

The bill was signed into law by the Governor and took effect on May 19, 2016.

State Appropriations

Consistent with this fiscal note, for FY 2016-17, this bill appropriates \$268,562 federal funds to the Department of Human Services. This amount is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Counties
Judicial

Human Services
Law

Information Technology