



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

SB 20-029

REVISED FISCAL NOTE

(replaces fiscal note dated March 5, 2020)

Drafting Number: LLS 20-0401
Prime Sponsors: Sen. Fields; Moreno
Rep. Coleman; Duran

Date: June 5, 2020
Bill Status: House Education
Fiscal Analyst: Jeff Stupak | 303-866-5834
Jeff.Stupak@state.co.us

Bill Topic: **COST OF LIVING ADJUSTMENT FOR COLORADO WORKS PROGRAM**

Summary of Fiscal Impact:

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

Under the bill, current Colorado Works recipients would receive a one-time \$500 cash assistance payment. Additionally, the Joint Budget Committee must review the sustainability of the Colorado Long-Term Works Reserve. In FY 2020-21 only, this bill increases state expenditures.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$22.2 million to the Department of Human Services.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under SB 20-029

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Federal Funds	\$22,233,000	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

Under the bill, current Colorado Works recipients would receive a one-time \$500 cash assistance payment. Additionally, beginning in FY 2021-22, and each year thereafter, the bill directs the Joint Budget Committee to review the sustainability of the Colorado Long-Term Works Reserve.

Background

The federal government provides Temporary Assistance to Needy Families (TANF) block grants to states. The Department of Human Services (CDHS), in connection with county governments, administers Colorado Works, the state's TANF program. The funds may be used for cash benefits and services designed to help low-income families become self-sufficient. Colorado receives a TANF block grant of \$136.1 million per year. Of this amount, approximately \$128 million is passed through to counties to administer Colorado Works. In FY 2018-19, counties spent \$81.6 million on basic cash assistance. The remainder was used for training and administration by the state.

Federal law allows states to deposit any unexpended TANF funds in a reserve account, without a time limit. This money may also be spent on benefits that meet the definition of federal assistance, as well as to support related programs such as child welfare and child care assistance. At the beginning of FY 2018-19, Colorado's TANF Long-Term Works Reserve was \$91 million. Expenditures associated with the \$500 supplemental payment will be appropriated from the state's TANF Long-Term Works Reserve.

State Expenditures

The bill increases expenditures of federal funds in the Department of Human Services by \$22.2 million in FY 2020-21 to implement the one-time \$500 cash assistance payment. As of May 2020, there were 44,466 participants in the Colorado Works program; however, given the current economic climate the number of participants may increase causing expenditures associated with this bill to increase as well.

The bill will also increase workload in CDHS to make system modifications to the Colorado Benefits Management System (CBMS). This work will require 893 contractor hours billed at \$130 per hour, which can be accomplished within existing appropriations for CBMS modifications.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2020-21, the bill requires an appropriation of \$22,233,000 to the Department of Human Services from the Colorado Long-Term Works Reserve Cash Fund.

State and Local Government Contacts

Counties Human Services Information Technology Law