

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 22-0927.01 Shelby Ross x4510

HOUSE BILL 22-1360

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A BILL FOR AN ACT

101 **CONCERNING AUTHORIZING THE DEPARTMENT OF HUMAN SERVICES TO**
102 **RETAIN A PERCENTAGE OF THE FEDERAL CHILD SUPPORT**
103 **INCENTIVE PAYMENTS THE STATE RECEIVES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Technology Committee. Current law requires the department of human services (state department) to pass through 100% of the federal child support incentive payments received by the state to county departments of human or social services. Beginning in federal fiscal year 2024, the bill allows the state department to retain a percentage

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
2nd Reading Unamended
April 28, 2022

HOUSE
3rd Reading Unamended
April 25, 2022

HOUSE
Amended 2nd Reading
April 22, 2022

of the federal incentives the state receives.

Beginning July 1, 2024, the bill requires the state department to report on each project funded by the federal incentive money the state retained to the joint technology committee of the general assembly.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) The Colorado child support services program works with
5 parents and caretakers to ensure all Colorado children get the financial
6 support they need to thrive;

7 (b) Counties, in partnership with the state, employ a number of
8 strategies to help secure consistent child support payments for families.
9 These efforts result in the federal government providing incentive
10 payments to the counties to reinvest in the efficient administration of the
11 child support services program.

12 (c) It is Colorado's obligation to invest in and improve
13 technological systems that county departments of human or social
14 services rely on to ensure timely, accurate, and consistent benefits for
15 Coloradans in need. The system, known as the automated child support
16 enforcement system (ACSES), supports child support workers in
17 efficiently administering the child support services program on behalf of
18 the state and is in need of technological enhancements and upgrades.

19 (2) Therefore, the general assembly declares that, without
20 supplanting state financial resources for ACSES, this act creates an
21 option, but not a requirement, to invest county incentive payments to
22 support minor improvements to ACSES if agreed to by the counties. This
23 act is not meant to replace a future significant investment in any

1 overhauls of the ACSES that may need to occur nor is it meant to create
2 a precedent that funding otherwise designated for counties be used to
3 improve the technology system for the child support services program or
4 any other programs.

5 **SECTION 2.** In Colorado Revised Statutes, **amend with**
6 **relocated provisions** 26-13-112.5 as follows:

7 **26-13-112.5. Child support incentive payments - report -**
8 **repeal.** (1) ~~In~~ FROM federal fiscal year 2000 ~~and each federal fiscal year~~
9 ~~thereafter~~ THROUGH FEDERAL FISCAL YEAR 2023, one hundred percent of
10 the federal incentives received by the state shall be passed through to the
11 county departments. ~~The state board shall promulgate rules specifying~~
12 ~~performance measures pursuant to which incentives shall be distributed~~
13 ~~to the county departments.~~

14 (2) BEGINNING IN FEDERAL FISCAL YEAR 2024, AND EACH FEDERAL
15 FISCAL YEAR THEREAFTER, THE DECISION ABOUT WHETHER THE STATE
16 MAY RETAIN A PERCENTAGE OF THE FEDERAL INCENTIVES THE STATE
17 RECEIVES FOR THE PURPOSES OF INFORMATION TECHNOLOGY
18 ENHANCEMENTS TO THE AUTOMATED CHILD SUPPORT ENFORCEMENT
19 SYSTEM AND HOW TO USE THE RETAINED AMOUNT SHALL BE DETERMINED
20 IN ACCORDANCE WITH THE RULES PROMULGATED PURSUANT TO
21 SUBSECTION (3) OF THIS SECTION. THE PERCENTAGE IS CALCULATED BY
22 DETERMINING THE INCREASE IN INCENTIVES RECEIVED IN FEDERAL FISCAL
23 YEAR 2024 OVER AND ABOVE THE BASE AMOUNT. THE BASE AMOUNT IS
24 EQUAL TO THE AVERAGE OF THE INCENTIVES RECEIVED IN FEDERAL FISCAL
25 YEARS 2018 THROUGH 2022. ANY FEDERAL INCENTIVES NOT RETAINED BY
26 THE STATE SHALL BE PASSED THROUGH TO THE COUNTY DEPARTMENTS.

27 (3) THE STATE BOARD SHALL PROMULGATE RULES:

1 (a) SPECIFYING PERFORMANCE MEASURES IN WHICH INCENTIVES
2 SHALL BE DISTRIBUTED TO THE COUNTY DEPARTMENTS; AND

3 (b) IMPLEMENTING A PROCESS BY WHICH A STATEWIDE
4 ASSOCIATION OF COUNTY HUMAN SERVICE DIRECTORS AND THE STATE
5 DEPARTMENT DETERMINE WHETHER TO RETAIN A PERCENTAGE OF THE
6 FEDERAL INCENTIVES AND DETERMINE HOW THE INCENTIVES ARE
7 INVESTED. ■

8 ~~(2)~~ (4) A county DEPARTMENT to which a payment is made
9 pursuant to this section shall expend the full amount of the payment to
10 supplement, and not supplant, other funds used by the county department
11 for any of the following purposes:

12 (a) To carry out the approved state plan; or

13 (b) For any activity, including cost-effective contracts, approved
14 by the state division of child support enforcement, whether or not the
15 expenditures for the activity are eligible for federal reimbursement, that
16 may contribute to improving the effectiveness or efficiency of the child
17 support program.

18 ~~(3)~~ (5) If federal incentives paid to any county department are
19 greater than ~~its~~ THE COUNTY DEPARTMENT'S share of child support
20 administrative costs, then that county department shall demonstrate how
21 the federal incentive money is expended and contributes to the program
22 as defined in ~~paragraph (b) of subsection (2)~~ SUBSECTION (4)(b) of this
23 section.

24 ~~(4)~~ (6) All federal and state incentives paid to ~~counties~~ COUNTY
25 DEPARTMENTS pursuant to section 26-13-108 shall be divided and
26 distributed to the county departments according to the distribution
27 formula as promulgated in state rule by the state board. ~~to be promulgated~~

1 ~~no later than January 1, 2000.~~

2 ~~(5)~~ (7) The state department shall pay incentives to county
3 departments on a quarterly basis.

4 (8) BEGINNING JULY 1, 2025, AND EACH YEAR THEREAFTER, THE
5 STATE DEPARTMENT SHALL REPORT ON EACH PROJECT FUNDED BY THE
6 FEDERAL INCENTIVE MONEY THE STATE RETAINED PURSUANT TO
7 SUBSECTION (2) OF THIS SECTION TO THE JOINT TECHNOLOGY COMMITTEE
8 OF THE GENERAL ASSEMBLY.

9 ~~(6) This section shall take effect January 1, 2000.~~

10 **SECTION 3. Act subject to petition - effective date.** This act
11 takes effect at 12:01 a.m. on the day following the expiration of the
12 ninety-day period after final adjournment of the general assembly; except
13 that, if a referendum petition is filed pursuant to section 1 (3) of article V
14 of the state constitution against this act or an item, section, or part of this
15 act within such period, then the act, item, section, or part will not take
16 effect unless approved by the people at the general election to be held in
17 November 2022 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.