



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1100

FISCAL NOTE

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

Date: January 24, 2020
Bill Status: House Public Health
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Bill Topic: **PASS-THROUGH CHILD SUPPORT PAYMENTS**

**Summary of
Fiscal Impact:** State Revenue
 State Expenditure
 State Transfer TABOR Refund
 Local Government
 Statutory Public Entity

The bill grants additional rulemaking authority to the Department of Human Services 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 costs and workload in FY 2020-21, and may increase local government costs.

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

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

Summary of Legislation

The bill grants additional rulemaking authority to the Department of Human Services (DHS) regarding the pass-through of child support payments collected by the state to recipients of Temporary Assistance for Needy Families (TANF) under the Colorado Works Program. Under current law, in any year where appropriations from the General Assembly for the pass-through 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. Instead, this bill gives the State Board of Human Services authority to determine if the General Assembly has appropriated sufficient funds to maintain the pass-through of child support funds each fiscal year.

The bill also creates the Child Support Collection Fund (fund). Any unexpended and unencumbered money that was appropriated to 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 and the 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 the DHS to conduct rulemaking, to monitor the pass-through of child support payments, and to make determinations of whether appropriations are sufficient to maintain the pass-through program. This increase in workload can be accomplished within existing resources. To the extent that money accumulates in the fund, additional funding may be provided by the General Assembly to support the pass-through program in future years.

The bill creates a new cash fund which generates additional costs and workload for the Department of Personnel and Administration beginning in FY 2020-21. The additional costs and workload to create this single cash fund can be accomplished with existing resources; however, if several cash funds are created throughout the session additional appropriations may be required.

Local Government

Under current law, if reimbursements to the county and federal government exceed appropriations 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 would transfer the authority to stop the pass-through of child support collections to the State Board of Human Services, and potentially require counties to continue the pass-through of child support collections even after the appropriation from the General Assembly has been exhausted. If this happens, counties would likely bear a greater share of the costs of administering the Colorado Works Program than under current law.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Personnel

Human Services
Treasury

Information Technology