



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

SB 20-029

FINAL FISCAL NOTE

Drafting Number:	LLS 20-0401	Date:	August 13, 2020
Prime Sponsors:	Sen. Fields; Moreno Rep. Coleman; Duran	Bill Status:	Signed into Law
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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 this bill, each household in the Colorado Works program will receive a one-time supplemental payment of \$500. 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 and includes an appropriation of \$8.4 million to the Department of Human Services.

Fiscal Note Status: This fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under SB 20-029**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Federal Funds	\$8,424,500	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

Under this bill, each household in the Colorado Works program will receive a one-time supplemental payment of \$500. The appropriation for this bill is limited to a maximum of \$10 million, and the bill will be repealed as of July 1, 2021. 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 \$8.4 million in FY 2020-21 to implement the one-time supplemental \$500 payment. As of May 2020, there were 16,849 households 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. In the event of increased demand, expenditures are limited to \$10.0 million and the one-time payments will be proportionally adjusted to stay within this cap.

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

This bill was signed into law by the Governor and took effect on July 2, 2020.

State Appropriations

For FY 2020-21, the bill requires and includes an appropriation of \$8,424,500 to the Department of Human Services from the Colorado Long-Term Works Reserve Cash Fund.

State and Local Government Contacts

Counties
Information Technology

Human Services
Law