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SENATE BILL 15-012

BY SENATOR(S) Kefalas, Todd, Aguilar, Carroll, Donovan, Guzman, Heath, Hill, Hodge, Johnston, Kerr, Martinez Humenik, Merrifield, Newell, Steadman, Ulibarri;
also REPRESENTATIVE(S) Pettersen, Becker K., Hamner, Kraft-Tharp, Mitsch Bush, Moreno, Primavera, Ryden, Tyler, Williams, Young, Hullinghorst.

CONCERNING THE TREATMENT OF CHILD SUPPORT FOR PURPOSES OF THE
COLORADO WORKS PROGRAM, AND, IN CONNECTION THEREWITH,
MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 26-2-108, **amend** (1) (b) as follows:

26-2-108. Granting of assistance payments and social services.

(1) (b) (I) In determining the amount of assistance payments to be granted, due account shall be taken of any income or property available to the applicant and any support, either in cash or in kind, that the applicant may receive from other sources, pursuant to rules of the state department. Effective July 1, 2000, THROUGH DECEMBER 31, 2016, a county may pay families that are eligible for temporary assistance for needy families

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(TANF), as defined in section 26-2-703 (19), an amount that is equal to the state and county share of child support collections as described in section 26-13-108 (1). Such payments shall not be considered income for the purpose of grant calculation. However, such income shall be considered income for purposes of determining eligibility. If a county chooses to pay child support collections directly to a family that is eligible for temporary assistance for needy families (TANF), as defined in section 26-2-703 (19), the county shall report such payments to the state department for the month in which they occur and indicate the choice of this option in its performance contract for Colorado works. For the purposes of determining eligibility for public assistance or the amount of assistance payments, compensation received by the applicant pursuant to the "Colorado Crime Victim Compensation Act", part 1 of article 4.1 of title 24, C.R.S., shall not be considered as income, property, or support available to such applicant.

(II) (A) EFFECTIVE JANUARY 1, 2017, AND UPON THE STATE DEPARTMENT'S NOTIFICATION TO COUNTIES THAT THE RELEVANT HUMAN SERVICES CASE MANAGEMENT SYSTEMS, INCLUDING THE AUTOMATED CHILD SUPPORT ENFORCEMENT SYSTEM AND THE COLORADO BENEFITS MANAGEMENT SYSTEM, ARE CAPABLE OF DIRECTLY AND EFFICIENTLY MANAGING THE DISTRIBUTION PROCESS FOR THE CHILD SUPPORT PASS-THROUGH, A COUNTY SHALL PAY FAMILIES THAT ARE ELIGIBLE FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF), AS DEFINED IN SECTION 26-2-703 (19), AN AMOUNT THAT IS EQUAL TO THE AMOUNT OF CURRENT CHILD SUPPORT COLLECTIONS AS DESCRIBED IN SECTION 26-13-108 (1). SUCH PAYMENTS SHALL NOT BE CONSIDERED INCOME FOR PURPOSES OF CALCULATING A RECIPIENT'S BASIC CASH ASSISTANCE GRANT PURSUANT TO PART 7 OF THIS ARTICLE. HOWEVER, SUCH PAYMENTS, WITH APPLICABLE DISREGARDS, SHALL BE CONSIDERED INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY. THE COUNTY SHALL REPORT THE AMOUNT OF THE CHILD SUPPORT PAYMENTS TO THE STATE DEPARTMENT FOR THE MONTH IN WHICH THEY OCCUR. FOR THE PURPOSES OF DETERMINING ELIGIBILITY FOR PUBLIC ASSISTANCE OR THE AMOUNT OF ASSISTANCE PAYMENTS, COMPENSATION RECEIVED BY THE APPLICANT PURSUANT TO THE "COLORADO CRIME VICTIM COMPENSATION ACT", PART 1 OF ARTICLE 4.1 OF TITLE 24, C.R.S., SHALL NOT BE CONSIDERED AS INCOME, PROPERTY, OR SUPPORT AVAILABLE TO SUCH APPLICANT.

(B) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE MONEYS TO THE STATE DEPARTMENT IN A SEPARATE LINE ITEM TO

REIMBURSE THE COUNTIES FOR FIFTY PERCENT OF CHILD SUPPORT COLLECTIONS AND THE FEDERAL GOVERNMENT FOR ITS SHARE OF CHILD SUPPORT COLLECTIONS THAT ARE PASSED THROUGH TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) RECIPIENTS PURSUANT TO THIS SUBPARAGRAPH (II). THE STATE DEPARTMENT SHALL ALLOCATE AND DISTRIBUTE THE MONEYS TO THE COUNTIES. NOTWITHSTANDING THE PROVISIONS OF THIS SUBPARAGRAPH (II) TO THE CONTRARY, IN ANY STATE FISCAL YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT APPROPRIATE AN AMOUNT OF MONEYS EQUAL TO A FULL FISCAL YEAR REIMBURSEMENT TO COUNTIES PURSUANT TO THE PROVISIONS OF THIS SUB-SUBPARAGRAPH (B), THE STATE DEPARTMENT SHALL MAKE ALL NECESSARY CHANGES TO THE RELEVANT HUMAN SERVICES AUTOMATED SYSTEMS SO THAT CHILD SUPPORT PAYMENTS ARE NOT PASSED THROUGH TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) RECIPIENTS AND A COUNTY IS NOT REQUIRED TO, BUT MAY, IMPLEMENT THE CHILD SUPPORT PASS THROUGH TO TANF RECIPIENTS. SHOULD A COUNTY ELECT TO IMPLEMENT A CHILD SUPPORT PASS THROUGH IN A FISCAL YEAR IN WHICH THE FULL AMOUNT OF MONEYS IS NOT APPROPRIATED, IT MUST UTILIZE ITS OWN RESOURCES AND THE STATE AUTOMATED SYSTEMS ARE NOT REQUIRED TO SUPPORT THEIR IMPLEMENTATION.

SECTION 2. In Colorado Revised Statutes, 26-2-111, **amend** (3) (b); and **add** (3) (a.5) as follows:

26-2-111. Eligibility for public assistance - rules - repeal.
(3) Colorado works program. (a.5) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3), AND EXCEPT AS PROVIDED IN SECTION 26-2-108 (1) (b) (II), EFFECTIVE JANUARY 1, 2017, THE STATE DEPARTMENT SHALL PAY TO THE RECIPIENT THE CURRENT CHILD SUPPORT COLLECTED PURSUANT TO THE ASSIGNMENT. THE STATE DEPARTMENT SHALL DISREGARD THE AMOUNT OF CHILD SUPPORT PAID TO THE RECIPIENT PURSUANT TO THIS PARAGRAPH (a.5) IN CALCULATING THE AMOUNT OF THE RECIPIENT'S BASIC CASH ASSISTANCE GRANT PURSUANT TO PART 7 OF THIS ARTICLE. HOWEVER, SUCH PAYMENTS, WITH APPLICABLE DISREGARDS, SHALL BE CONSIDERED INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY.

(b) The application shall contain a statement explaining this assignment AND THE PAYMENT TO THE RECIPIENT OF CHILD SUPPORT PURSUANT TO PARAGRAPH (a.5) OF THIS SUBSECTION (3).

SECTION 3. In Colorado Revised Statutes, 26-2-709, **amend** (1) (a) (II) and (1) (a) (III); and **add** (1) (a) (IV) as follows:

26-2-709. Benefits - cash assistance - programs - rules.

(1) **Standard of need - basic cash assistance grant.** (a) The state department shall promulgate rules determining the standard of need for eligibility for a basic cash assistance grant, whether an applicant or participant meets the standard of need, and the amount of the basic cash assistance grant. In addition to any other rules necessary for the implementation of this part 7, the state department's rules shall:

(II) Establish criteria for determining whether an applicant or participant meets the standard of need, including but not limited to what constitutes countable and excludable income for the purposes of eligibility for a basic cash assistance grant; ~~and~~

(III) Establish the calculation for determining the amount of an eligible applicant's or participant's basic cash assistance grant, which calculation shall include an earned income disregard which shall be applied to the gross countable earned income of an applicant or participant who is employed. The earned income disregard shall promote work and self-sufficiency and shall benefit the applicant or participant by reducing the unintended economic consequences of becoming employed. The rules promulgated by the state department pursuant to this subparagraph (III) shall not establish an earned income disregard that results in an applicant or participant having fewer financial resources available to him or her than a similarly situated applicant or participant would have had under the earned income disregard pursuant to section 26-2-709 as it existed on July 1, 2009; AND

(IV) ESTABLISH THE CALCULATION FOR DETERMINING THE AMOUNT OF THE BASIC CASH ASSISTANCE GRANT, WHICH CALCULATION SHALL DISREGARD CURRENT CHILD SUPPORT PAYMENTS MADE TO A PARTICIPANT PURSUANT TO SECTION 26-2-111 (3) (a.5). HOWEVER, SUCH PAYMENTS, WITH APPLICABLE DISREGARDS, SHALL BE CONSIDERED INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY FOR THE GRANT.

SECTION 4. In Colorado Revised Statutes, 26-13-108, **amend** (3) as follows:

26-13-108. Recovery of public assistance paid for child support and maintenance - interest collected on support obligations - designation in annual general appropriations act. (3) (a) Effective July 1, 2000, THROUGH DECEMBER 31, 2016, a county may pay families that are eligible for temporary assistance for needy families, pursuant to part 7 of article 2 of this title, an amount that is equal to the state and county share of child support collections as described in subsection (1) of this section. Such payments shall not be considered income for the purpose of grant calculation. However, such income shall be considered income for purposes of determining eligibility. If a county chooses to pay child support collections directly to a family that is eligible for temporary assistance for needy families, pursuant to part 7 of article 2 of this title, the county shall report such payments to the state department for the month in which the payments are made and shall indicate the choice of this option in its performance contract for Colorado works.

(b) (I) EXCEPT AS PROVIDED IN SECTION 26-2-108 (1) (b) (II) (B), EFFECTIVE JANUARY 1, 2017, A COUNTY SHALL PAY FAMILIES THAT ARE ELIGIBLE FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, PURSUANT TO PART 7 OF ARTICLE 2 OF THIS TITLE, AN AMOUNT THAT IS EQUAL TO THE AMOUNT OF CURRENT CHILD SUPPORT COLLECTIONS AS DESCRIBED IN SUBSECTION (1) OF THIS SECTION. SUCH PAYMENTS SHALL NOT BE CONSIDERED INCOME FOR PURPOSES OF CALCULATING THE BASIC CASH ASSISTANCE GRANT PURSUANT TO PART 7 OF ARTICLE 2 OF THIS TITLE. HOWEVER, SUCH PAYMENTS, WITH APPLICABLE DISREGARDS, SHALL BE CONSIDERED INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY. THE COUNTY SHALL REPORT TO THE STATE DEPARTMENT THE AMOUNT OF THE CHILD SUPPORT PAYMENTS FOR THE MONTH IN WHICH THE PAYMENTS ARE MADE.

(II) THE STATE DEPARTMENT SHALL ANNUALLY REPORT TO THE JOINT BUDGET COMMITTEE THE AMOUNT OF CHILD SUPPORT COLLECTED AND PAID BY THE COUNTIES TO FAMILIES THAT ARE ELIGIBLE FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, PURSUANT TO PART 7 OF ARTICLE 2 OF THIS TITLE.

SECTION 5. Appropriation. (1) For the 2015-16 state fiscal year, \$315,509 is appropriated to the department of human services for use by the office of self sufficiency. This appropriation is from the general fund, and is subject to the "(M)" notation as defined in the general appropriation

act for the same fiscal year. To implement this act, the office may use this appropriation as follows:

(a) \$277,522 for changes to the automated child support enforcement system; and

(b) \$37,987 for implementation contractor costs.

(2) For the 2015-16 state fiscal year, the general assembly anticipates that the department of human services will receive \$553,386 in federal funds from title IV-D of the social security act for use by the office of self sufficiency. The appropriation in subsection (1) of this section is based on the assumption that the office will receive this amount of federal funds to be used as follows:

(a) \$515,399 for changes to the automated child support enforcement system; and

(b) \$37,987 for implementation contractor costs.

SECTION 6. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Bill L. Cadman
PRESIDENT OF
THE SENATE

Dickey Lee Hulinghorst
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO