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STATE OF COLORADO

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BILL 1

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LLS NO. 15-0101.01 Brita Darling x2241

INTERIM COMMITTEE BILL

Early Childhood and School Readiness Commission

BILL TOPIC: "Colorado Works Pass-through Child Support Payment"

A BILL FOR AN ACT

101 **CONCERNING THE TREATMENT OF CHILD SUPPORT FOR PURPOSES OF**
102 **THE COLORADO WORKS PROGRAM.**

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://www.leg.state.co.us/bills/summaries>.)

Early Childhood and School Readiness Commission. Pursuant to the Colorado works program, while a recipient is receiving assistance, the recipient must assign to the department of human services (state department) his or her right to receive child support for purposes of reimbursing the state for the assistance paid to the recipient. The bill

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

requires the state department to pass through to the recipient current child support collected by the state department pursuant to the assignment. The state department shall annually report to the joint budget committee the amount of child support passed through to recipients. Further, the amount of the child support pass-through will not be included in income for purposes of calculating the amount of the applicant's or participant's basic cash assistance payment.

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

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

4 **26-2-108. Granting of assistance payments and social services.**

5 (1) (b) (I) In determining the amount of assistance payments to be
6 granted, due account shall be taken of any income or property available
7 to the applicant and any support, either in cash or in kind, that the
8 applicant may receive from other sources, pursuant to rules of the state
9 department. Effective July 1, 2000, THROUGH DECEMBER 31, 2015, a
10 county may pay families that are eligible for temporary assistance for
11 needy families (TANF), as defined in section 26-2-703 (19), an amount
12 that is equal to the state and county share of child support collections as
13 described in section 26-13-108 (1). Such payments shall not be
14 considered income for the purpose of grant calculation. However, such
15 income shall be considered income for purposes of determining
16 eligibility. If a county chooses to pay child support collections directly to
17 a family that is eligible for temporary assistance for needy families
18 (TANF), as defined in section 26-2-703 (19), the county shall report such
19 payments to the state department for the month in which they occur and
20 indicate the choice of this option in its performance contract for Colorado
21 works. For the purposes of determining eligibility for public assistance or
22 the amount of assistance payments, compensation received by the

1 applicant pursuant to the "Colorado Crime Victim Compensation Act",
2 part 1 of article 4.1 of title 24, C.R.S., shall not be considered as income,
3 property, or support available to such applicant.

4 (II) EFFECTIVE JANUARY 1, 2016, A COUNTY SHALL PAY FAMILIES
5 THAT ARE ELIGIBLE FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
6 (TANF), AS DEFINED IN SECTION 26-2-703 (19), AN AMOUNT THAT IS
7 EQUAL TO THE AMOUNT OF CURRENT CHILD SUPPORT COLLECTIONS AS
8 DESCRIBED IN SECTION 26-13-108 (1). SUCH PAYMENTS SHALL NOT BE
9 CONSIDERED INCOME FOR PURPOSES OF CALCULATING A RECIPIENT'S BASIC
10 CASH ASSISTANCE GRANT PURSUANT TO PART 7 OF THIS ARTICLE. THE
11 COUNTY SHALL REPORT THE AMOUNT OF THE CHILD SUPPORT PAYMENTS
12 TO THE STATE DEPARTMENT FOR THE MONTH IN WHICH THEY OCCUR. FOR
13 THE PURPOSES OF DETERMINING ELIGIBILITY FOR PUBLIC ASSISTANCE OR
14 THE AMOUNT OF ASSISTANCE PAYMENTS, COMPENSATION RECEIVED BY
15 THE APPLICANT PURSUANT TO THE "COLORADO CRIME VICTIM
16 COMPENSATION ACT", PART 1 OF ARTICLE 4.1 OF TITLE 24, C.R.S., SHALL
17 NOT BE CONSIDERED AS INCOME, PROPERTY, OR SUPPORT AVAILABLE TO
18 SUCH APPLICANT.

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

21 **26-2-111. Eligibility for public assistance - rules - repeal.**
22 (3) **Colorado works program.** (a.5) NOTWITHSTANDING ANY PROVISION
23 OF THIS SUBSECTION (3), THE STATE DEPARTMENT SHALL PAY TO THE
24 RECIPIENT THE CURRENT CHILD SUPPORT COLLECTED PURSUANT TO THE
25 ASSIGNMENT. THE STATE DEPARTMENT SHALL DISREGARD THE AMOUNT
26 OF CHILD SUPPORT PAID TO THE RECIPIENT PURSUANT TO THIS PARAGRAPH
27 (a.5) IN CALCULATING THE AMOUNT OF THE RECIPIENT'S BASIC CASH

1 ASSISTANCE GRANT PURSUANT TO PART 7 OF THIS ARTICLE.

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

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

7 **26-2-709. Benefits - cash assistance - programs - rules.**

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

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

18 (III) Establish the calculation for determining the amount of an
19 eligible applicant's or participant's basic cash assistance grant, which
20 calculation shall include an earned income disregard which shall be
21 applied to the gross countable earned income of an applicant or
22 participant who is employed. The earned income disregard shall promote
23 work and self-sufficiency and shall benefit the applicant or participant by
24 reducing the unintended economic consequences of becoming employed.
25 The rules promulgated by the state department pursuant to this
26 subparagraph (III) shall not establish an earned income disregard that
27 results in an applicant or participant having fewer financial resources

1 available to him or her than a similarly situated applicant or participant
2 would have had under the earned income disregard pursuant to section
3 26-2-709 as it existed on July 1, 2009; AND

4 (IV) ESTABLISH THE CALCULATION FOR DETERMINING THE
5 AMOUNT OF THE BASIC CASH ASSISTANCE GRANT, WHICH CALCULATION
6 SHALL DISREGARD CURRENT CHILD SUPPORT PAYMENTS MADE TO A
7 PARTICIPANT PURSUANT TO SECTION 26-2-111 (3) (a.5).

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

10 **26-13-108. Recovery of public assistance paid for child**
11 **support and maintenance - interest collected on support obligations**
12 **- designation in annual general appropriations act.** (3) (a) Effective
13 July 1, 2000, THROUGH DECEMBER 31, 2015, a county may pay families
14 that are eligible for temporary assistance for needy families, pursuant to
15 part 7 of article 2 of this title, an amount that is equal to the state and
16 county share of child support collections as described in subsection (1) of
17 this section. Such payments shall not be considered income for the
18 purpose of grant calculation. However, such income shall be considered
19 income for purposes of determining eligibility. If a county chooses to pay
20 child support collections directly to a family that is eligible for temporary
21 assistance for needy families, pursuant to part 7 of article 2 of this title,
22 the county shall report such payments to the state department for the
23 month in which the payments are made and shall indicate the choice of
24 this option in its performance contract for Colorado works.

25 (b) (I) EFFECTIVE JANUARY 1, 2016, A COUNTY SHALL PAY
26 FAMILIES THAT ARE ELIGIBLE FOR TEMPORARY ASSISTANCE FOR NEEDY
27 FAMILIES, PURSUANT TO PART 7 OF ARTICLE 2 OF THIS TITLE, AN AMOUNT

1 THAT IS EQUAL TO THE AMOUNT OF CURRENT CHILD SUPPORT COLLECTIONS
2 AS DESCRIBED IN SUBSECTION (1) OF THIS SECTION. SUCH PAYMENTS
3 SHALL NOT BE CONSIDERED INCOME FOR PURPOSES OF CALCULATING THE
4 BASIC CASH ASSISTANCE GRANT PURSUANT TO PART 7 OF ARTICLE 2 OF
5 THIS TITLE. THE COUNTY SHALL REPORT TO THE STATE DEPARTMENT THE
6 AMOUNT OF THE CHILD SUPPORT PAYMENTS FOR THE MONTH IN WHICH THE
7 PAYMENTS ARE MADE.

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

13 **SECTION 5. Act subject to petition - effective date.** (1) This
14 act takes effect January 1, 2016; except that, if a referendum petition is
15 filed pursuant to section 1 (3) of article V of the state constitution against
16 this act or an item, section, or part of this act within the ninety-day period
17 after final adjournment of the general assembly, then the act, item,
18 section, or part will not take effect unless approved by the people at the
19 general election to be held in November 2016 and, in such case, will take
20 effect on January 1, 2016, or on the date of the official declaration of the
21 vote thereon by the governor, whichever is later.

22 <{*Does committee want a different effective date? Applicability*
23 *clause?*}>