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

A BILL FOR AN ACT

CONCERNING THE TREATMENT OF CHILD SUPPORT FOR PURPOSES OF
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/billsummaries.)

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.

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, 2015, a county may 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 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) **Effective January 1, 2016,** 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. 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.

**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), 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.
ASSISTANCE GRANT PURSUANT TO PART 7 OF THIS ARTICLE.

(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) (II) and (1) (a) (III); and add (1) (a) (IV) as follows:


(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).

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, 2015, 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) EFFECTIVE JANUARY 1, 2016, 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. 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. Act subject to petition - effective date. (1) This
act takes effect January 1, 2016; 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 the ninety-day period
after final adjournment of the general assembly, 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 January 1, 2016, or on the date of the official declaration of the
vote thereon by the governor, whichever is later.