
Direct Support for Children

— Colorado's Child Support
Pass-Through —
Senate Bill 15-012



Investing in Families - Presentation Outline



What is it?
How did we get here?
How did we get it done?
Early results



What is it? Colorado's Model

100

All funds go directly to families



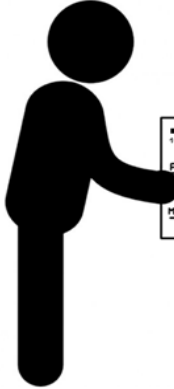
Fully Automated



Contingent on continued legislative funding

Pass Through

Parent
Pays Support



MY Bank 100 Somehere Rd	DATE 01/01/2017
PAY TO Parent of Same Child	\$120.00
One Hundred twenty dollars 00/100	
MEMO Child	<i>John Brown</i>
1234 5678 910 99220	



**Department of
Human Services**
Receives the Money



MY Bank 100 Somehere Rd	DATE 01/01/2017
PAY TO Parent of Same Child	\$120.00
One Hundred twenty dollars 00/100	
MEMO Child	<i>John Brown</i>
1234 5678 910 99220	

Parent of Same Child
Receives Child Support and
COWorks BCA Grant



How did we get here?

Prior to 2012 - On the shoulders of others...
Wisconsin

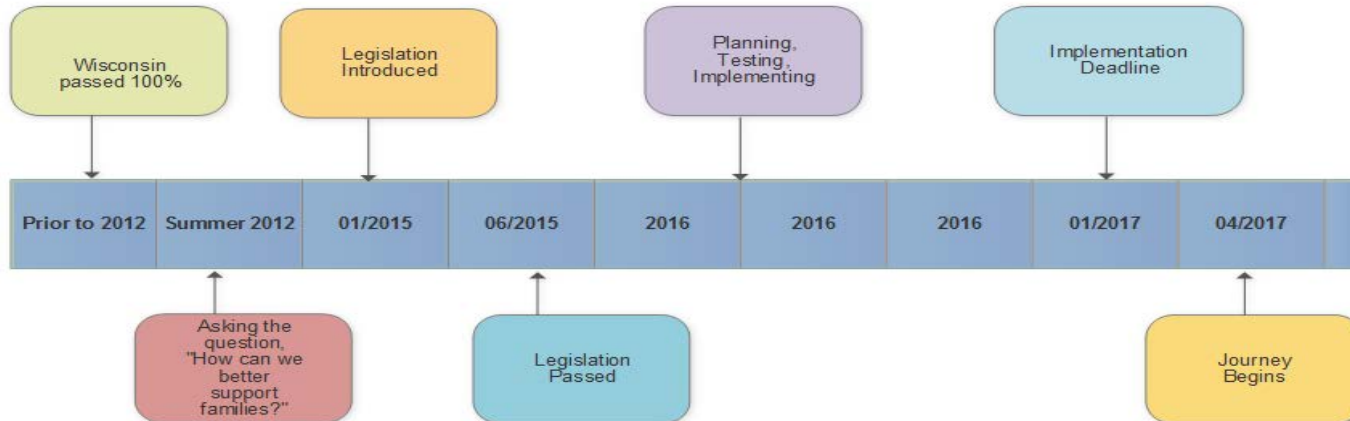
Summer 2012 - Colorado advocacy groups, Executive leadership and the Governor's office asked how the state could better support families economically. This was one of the ideas that surfaced.

January 2015 - Legislation introduced

May/June 2015 - Passed by the legislature and signed by the governor

January 2017 or when *the systems are capable* - Implementation deadline

April 1, 2017 - Actual start date



How Did We Get Here? The Pitch

1. Reduces child poverty
2. Strengthens relationships between children and their parents
3. Increases the amount and frequency of child support payments and income for families
4. Increases paternity establishment and overall parental cooperation

How Did We Get Here - Policy Choices

Full versus Partial Pass-Through?

- Increases the number of parents that pay and the amount they pay
- Easy to explain and understand, reduced customer service calls
- Complements employment programs aimed at helping nonresidential parents improve earnings to pay child support
- Integrates child support services into other public assistance programs
- Not as costly as feared

Current payments, arrears, or both?



COLORADO
Office of Economic Security
Department of Human Services

Distribution of Funds and the Impact to Counties



50.02% Federal Share



29.98% State Share



20% County Share

BEFORE PASS THROUGH

Counties receive funds from retained Child Support collections in **two** ways:

1) Direct- 20%

- Portion of collections sent to county where TANF benefit is paid.
- Paid through the monthly settlement process.

2) State Incentive Payment (~30% in FY 2016-17)

- Portion of collections distributed to counties as State Incentives.
- Paid through the quarterly settlement process.

3) Federal share (~50% in FFY 2017)

- Not to counties, to the Federal Government

PASS THROUGH PROCESS

Unchanged:

- 1) County payment amounts
- 2) Payment timing and process

Changed:

Funding source = General Fund from the legislature

How Did We Get it Done? Key Implementation Components:



Partnership

Child Support

- Process and culture changes
- Intense system changes

Both Programs

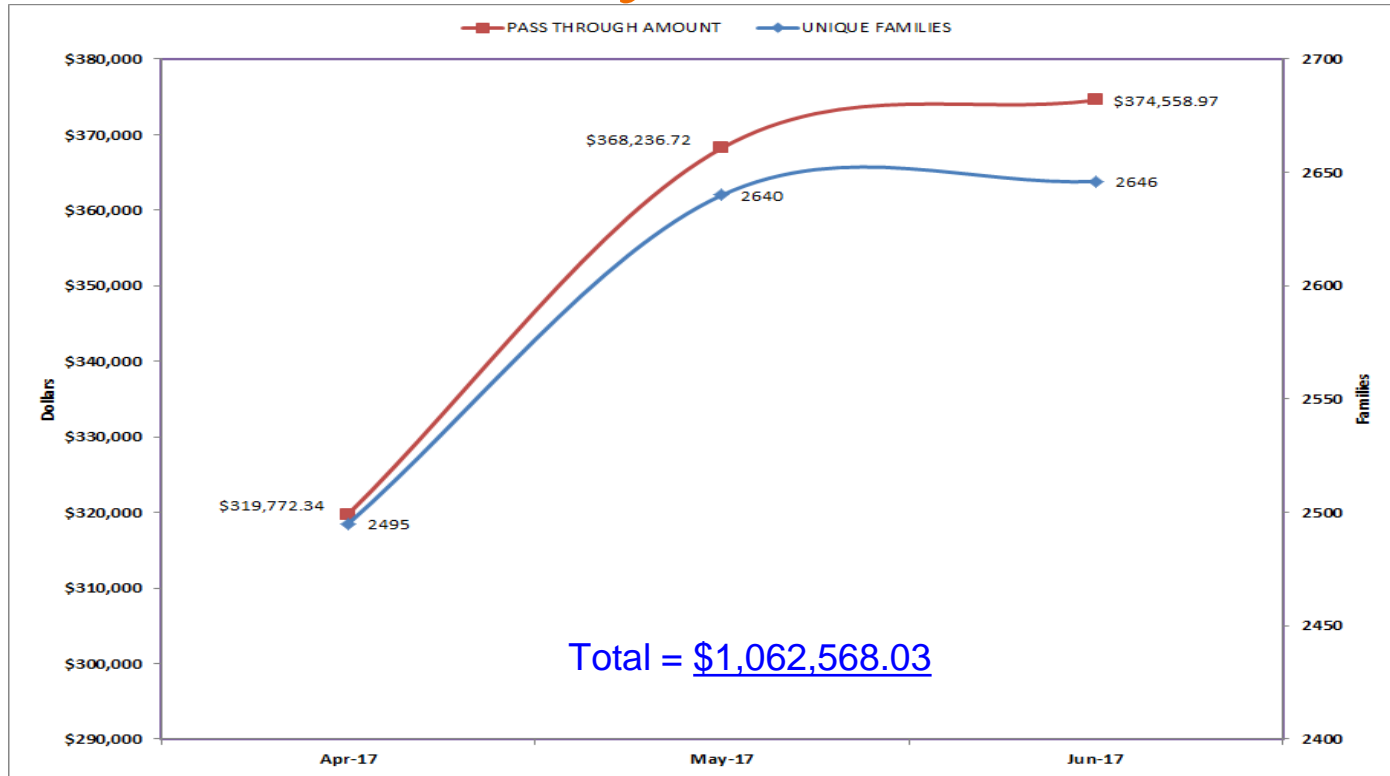
- Strong communications plan

Colorado Works/TANF

- Rule changes intended to mitigate Cliff Effect: Parent must receive an average of \$3000 (\$500 monthly) consistently over a six month period for the income to be countable for eligibility determination



Early Results



Ongoing

Annual projected costs: about \$2.8 million.

- \$800,000 to federal government (with the waiver, this could drop to \$400,000)
- \$2 million to counties

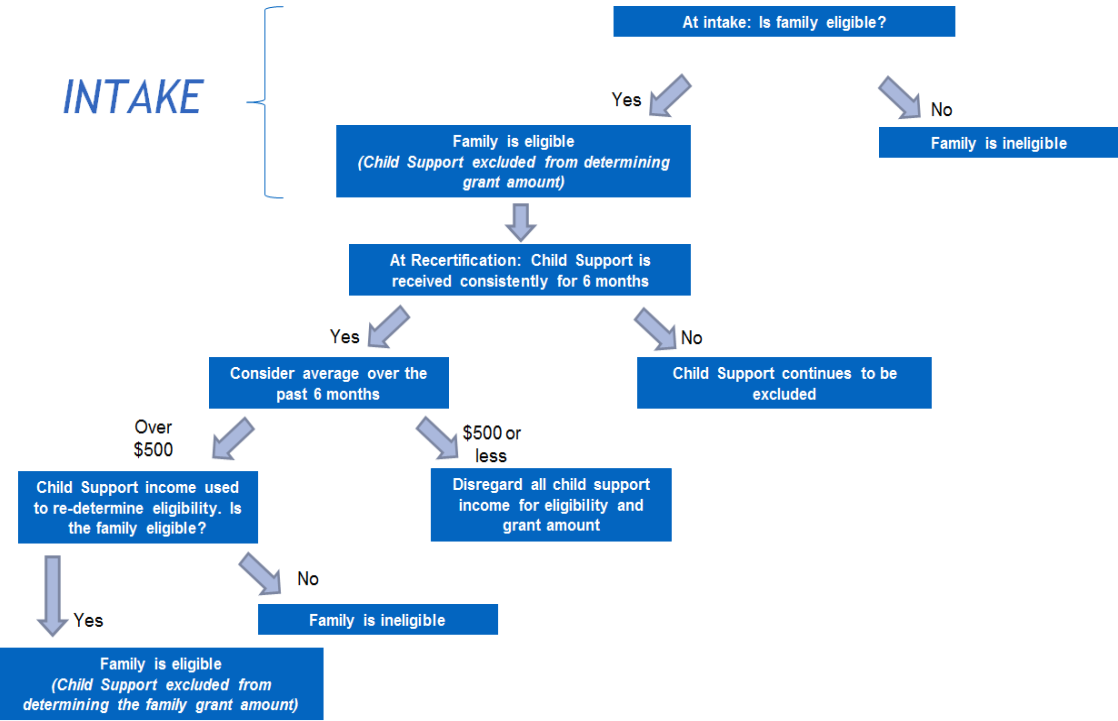
Annual projected support provided to families:
about \$4 million.

Evaluation: Impact, Implementation, Benefit-Cost



Pass-Through in Context with Colorado Works

Colorado Works/TANF



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Q&A