

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning collecting state-level data for the Colorado works program, and, in connection therewith, making an appropriation.

Prime Sponsors:

Representative Stewart R.
Senator Jodeh

Date Prepared:

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JBC Analyst:

Tom Dermody
303-866-4963

Fiscal Impacts

Appropriation Already Added to Bill, Amendment in Packet

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/09/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

The Health and Human Services Committee Report (04/16/25) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree these amendments do not change the fiscal impact of the bill.

Amendments in This Packet

J.003 Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriations clause that provides \$151,645 federal Temporary Assistance for Needy Families funds to the Department of Human Services for FY 2025-26, which reflects 0.8 FTE. However, the revised fiscal note indicates the reporting requirements in the bill will be conducted by a contractor at a one-time cost of \$154,000 federal funds in FY 2025-26.

Description of Amendments in This Packet

J.003

Staff amendment **J.003** (attached) changes the existing clause to appropriate \$154,00 federal Temporary Assistance for Needy Families (TANF) funds to the Department of Human Services for FY 2025-26

Points to Consider

Related Budget Information and Future Fiscal Impact

Additional expenditures of federal Temporary Assistance for Needy Families funds accelerate the drawdown of state and county TANF reserves. As assessed by JBC staff, the availability of TANF funds is very limited and current expenditure trends are leading to an unsustainable drawdown of reserves. Based on current expenditures, staff anticipates that by the end of FY 2026-27 counties will fall below their reserve minimum requirements, requiring the state reserve to backfill. This backfill will draw down the state reserve to a balance of approximately \$11.0 million above its minimum. By the end of FY 2027-28, after again backfilling the counties' reserve, the state reserve will be below its own minimum by approximately \$1.7 million. The General Fund will need to backfill the state TANF reserve by an equal amount, presuming state revenue exceeds the TABOR cap.

Projected County and State TANF Reserves (millions), FY Ending Balance				
Fiscal Year	County Reserves Above Min. (\$19.2 million)	State Reserves Above Min. (\$33.9 million)	Backfill from State	Adjusted State Reserve
2023-24	\$35,595,768	\$53,642,085	\$0	\$53,642,085
2024-25	15,781,386	48,114,708	0	48,114,708
2025-26	3,693,728	31,455,053	0	31,455,053
2026-27	-8,393,930	19,356,401	-8,393,930	10,962,471
2027-28	-12,087,658	10,406,812	-12,087,658	-1,680,846

The Colorado Long-term Works Reserve, created in Section 26-2-721 (1), C.R.S., consists of unappropriated Temporary Assistance for Needy Families Block Grant funds, state General Fund, and other money transferred to the Reserve pursuant to statute. Section 26-2-709 (1)(b)(III and IV), C.R.S., establishes a minimum reserve for the Colorado Long-term Works Reserve of 25.0 percent of the annual TANF Block Grant award, which equals \$33.9 million for FY 2025-26. Statute also establishes a minimum reserve for all county reserves in total of 15.0 percent of full amount allocated to counties, which equals \$19.2 million for FY 2025-26. If either the state or the county reserves fall below their respective minimum, the other reserve must backfill up to the statutory minimum. If neither reserve has sufficient balance above their minimum to backfill, then the state General Fund is used to cover the balance of the backfill.