

JBC Staff Fiscal Analysis

House Appropriations Committee

Concerning collecting state-level data for the Colorado works program.

Prime Sponsors:

Representative Stewart R.
Senator Jodeh

Date Prepared:

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Fiscal Impacts

Appropriation Required, Amendments in Packet

Fiscal Note Status

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/28/25.

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

The Health and Human Services Committee Report (03/04/25) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet

J.001 Staff-prepared appropriation amendment

L.005/J.002 Bill Sponsor amendment - changes fiscal impact and appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) appropriates \$301,645 federal Temporary Assistance for Needy Families (TANF) funds to the Department of Human Services for FY 2025-26. The appropriation reflects 0.8 FTE.

L.005 and J.002

Bill Sponsor amendment **L.005** (attached) removes the requirement to report on full pass-through for child support payments, as enacted in S.B. 15-012. The removal of this requirement reduces the necessary appropriation from federal TANF funds to \$151,645 for FY 2025-26 and \$180,893 for FY 2026-27 and ongoing. Legislative Council Staff and JBC Staff agree on the fiscal impact of this amendment.

Amendment **J.002** (attached) appropriates \$151,645 federal Temporary Assistance for Needy Families funds to the Department of Human Services for FY 2025-26. The appropriation reflects 0.8 FTE.

If the Committee adopts **L.005** (and **J.002**), it should not adopt **J.001**.

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.