

HB 25-1159: CHILD SUPPORT COMMISSION RECOMMENDATIONS

Prime Sponsors: Fiscal Analyst:

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Published for: House Health & Human Services **Version:** Initial Fiscal Note

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill implements the Child Support Commission's recommendations, including making changes to payment guidelines and parenting time adjustments for calculating child support payments.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

State Expenditures

Appropriations. For FY 2025-26, the bill requires total appropriations of \$634,330 to multiple state agencies.

Table 1 State Fiscal Impacts

	Budget Year	Out Year
Type of Impact	FY 2025-26	FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$634,330	\$228,760
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Table 1A State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$543,745	\$228,760
Cash Funds	\$0	\$0
Federal Funds	\$90,585	\$0
Centrally Appropriated	\$0	\$0
Total Expenditures	\$634,330	\$228,760
Total FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill makes changes to the child support system that were recommended by the Colorado Child Support Commission, including:

- changing eligibility for the low-income adjustment from below the current monthly income level of \$1,500 to an amount that is based on the state minimum wage (self-support reserve);
- permitting low-income obligors to retain income up to the self-support reserve threshold and allocate 80 to 95 percent of the remaining income towards child support (based upon the number of children). If the calculated amount falls below the reduced low-income adjustment amount or above the basic schedule amount, the corresponding amount will apply;
- updating the basic child support obligation schedule;
- modifying the parenting time adjustment to account for all overnights a parent has with a child and implementing the corresponding parenting time adjustment table;
- requiring courts to enter child support orders for every dissolution of marriage proceeding
 and allowing courts to appoint Child Family Investigators (CFI) in juvenile proceedings that
 involve the allocation of parental responsibilities; and
- making other changes that clarify requirements for independent contractor reporting, extraordinary medical expenses for children, and factors considered for retroactive child support and income tax dependency.

State Expenditures

The bill increases state expenditures by \$634,000 in FY 2025-26 and \$229,000 in FY 2026-27. These costs will be incurred in the Judicial Department and the Department of Human Services as shown in Table 2 and described in the sections below. Costs are paid from the General Fund and federal funds.

Table 2
State Expenditures
All Departments

	Budget Year	Out Year
Department	FY 2025-26	FY 2026-27
Judicial Department	\$497,080	\$228,760
Department of Human Services	\$137,250	\$0
Total Costs	\$634,330	\$228,760

Judicial Department

Costs will increase in the Judicial Department for additional CFIs and system updates, as well as increased workload to incorporate the new changes in the child support system.

Additional Child Family Investigators

Costs will increase by approximately \$229,000 annually beginning in FY 2025-26 for new CFI appointments in juvenile cases involving the allocation of parental responsibilities, including dependency and neglect cases. Currently, CFIs are only appointed in domestic relations matters. Expanding their role to juvenile cases is expected to increase the number of appointments, which are typically funded by the Judicial Department.

The Judicial Department paid for CFI appointments in about 3 percent of domestic relations cases. Assuming a similar rate for juvenile cases, an estimated 133 additional CFI appointments would be made each year (3 percent x an average of 4,428 juvenile cases annually). Each CFI appointment is estimated to cost an average of \$1,720.

System Update

The Judicial Department will have one-time costs of \$268,000 to contract for updates to its system for managing court-appointed counsel. Specifically, this work will require about three months of contractor time to update billing forms and related information tracking.

Updated Child Support Processes

The trial courts in the Judicial Department will have a minimal increase in workload to apply the new guideline schedules and calculations, as well as incorporate changes related to tax dependency considerations, extraordinary medical expenses for disabled children, and retroactive child support. Workload will also increase to enter a child support order in all legal separation cases involving children, which currently may not always have an order due to agreements or net zero calculations. This additional workload is expected to be minimal and manageable within current resources.

Table 2A State Expenditures Judicial Department

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Additional CFI Appointments	\$228,760	\$228,760
System Updates	\$268,320	\$0
Total Costs	\$497,080	\$228,760

Department of Human Services

In FY 2025-26, the Department requires one-time costs of \$137,000 to update the Automated Child Support Enforcement System with new child support schedules, payment adjustments, and income calculations. Costs include all development and system testing, and will be completed by the Office of Information Technology. Federal funds will cover 35 percent of the costs.

Table 2B State Expenditures Department of Human Services

	Budget Year	Out Year
Cost Component	FY 2025-26	FY 2026-27
System Updates	\$137,250	\$0
Total Costs	\$137,250	\$0

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature; except that Section 7 and 12 take effect on February 1, 2026, and certain parts of Section 2 take effect on March 1, 2026.

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State Appropriations

For FY 2025-26, the bill requires total appropriations of \$634,330, including:

- \$497,080 to the Judicial Department from the General Fund; and
- \$137,250 to the Department of Human Services, with \$46,665 from the General Fund and \$90,585 from federal funds. Funds will be reappropriated to the Office of Information Technology.

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Counties	Judicial

Human Services