



Providing *Direct Support for Children* **(Senate Bill 15-012)**

- In April 2017, Colorado implemented a groundbreaking policy that will change the way some child support payments are disbursed, putting money in the pockets of some of Colorado's poorest families.
- *Direct Support for Children* was created by Senate Bill 15-012.
- Colorado is the only state in the nation to pass through all current monthly child support collected to Colorado Works (i.e. Temporary Aid for Needy Families or TANF) customers without it affecting their benefits.
- Without this legislation, government agencies used child support payments to administer programs; now, Colorado families will receive more income.

Colorado Works Basic Cash Assistance + any current Child Support payment

- *Direct Support for Children* provides more economic support for vulnerable children and strengthens relationships between children and their parents. Evidence indicates it will:
 - Increase paternity establishments (*because custodial parents are more likely to cooperate with the program*)ⁱ
 - Increase non-custodial parents' willingness to pay (*when they know that the payments are going directly to their child*)ⁱⁱ
 - Reduce the risk of entering the Child Welfare system (*approximately 10% fewer referrals for neglect and maltreatment*)ⁱⁱⁱ
 - Improve parent/child relationships (*leads to more visits and involvement in the child's life*)^{iv}
 - Improve child's educational attainment (*less absenteeism and higher scholastic achievement*)^v
 - Reduce reliance on other public assistance programs, especially food assistance and housing (*up to \$0.13 for every child support dollar paid and received by the family.*)^{vi}
- To minimize confusion among families, Colorado elected to fully automate the processes to pass the child support directly to families. Expansive changes to the Automated Child Support Enforcement System (ACSES) and the Colorado Benefits Management System (CBMS) were required to implement the changes.

- *Direct Support for Children* will have no effect on a family’s Colorado Works eligibility or monthly cash grant. At redetermination, inconsistent child support payments to a family during a certification period will not be counted when determining continued eligibility. Consistent payments over a certain threshold will affect Colorado Works eligibility and grant amount.
- According to the federal Office of Child Support Enforcement, child support income accounts for 40% of income among poor families who receive child support. *Direct Support for Children* will ensure that some of Colorado’s poorest families will receive those dollars; \$4.2 million of child support is estimated to be passed to more than 7,400 families.
- Meanwhile, General Fund has been appropriated to backfill county funds, previously allocated by child support collections for program operation, now being passed to families.
- The Colorado Department of Human Services has partnered with Federal, State, County, private vendors, and community stakeholders to address the various requirements to implement this policy change. The Department will evaluate *Direct Support for Children’s* impact on Colorado families and will report annually on the amount of money collected that will go directly to families.

For more information, please contact Amber Athey, CDHS/Child Support Services Policy and Communication Lead at (303) 866-2928 or Amber.Athey@state.co.us.

ⁱ W-2 (Wisconsin): Tested Difference Between Full and Partial Pass-through from 1997-2007
ⁱⁱ From Gunter, Samara (2011) using longitudinal data tracking several families over many years
ⁱⁱⁱ Cancian and Slack (2010) using Wisconsin data
^{iv} Non-Financial Outcomes: Various studies, mostly from the 1990’s (e.g., Knox, Pirog-Good)
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^{vi} Urban Institute, W-2 Cost Savings