

FY 2026-27 Budget Briefing Summary

Human Services

The Department of Human Services is charged with the administration and supervision of most non-medical public assistance and welfare programs in the state. The Department's FY 2025-26 appropriation represents approximately 7.8 percent of statewide General Fund appropriations.

The divisions included in this document are the Office of Economic Security and the Office of Adults, Aging, and Disability Services. Other divisions are addressed in separate staff briefings.

Summary of Request

Department of Human Services - Office of Economic Security and Office of Adults, Aging, and Disability Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 (Long Bill)	\$805,710,205	\$137,165,179	\$217,539,447	\$88,173,461	\$362,832,118	1,764.8
Other legislation	-3,259,703	0	0	-3,413,703	154,000	0.0
Total	\$802,450,502	\$137,165,179	\$217,539,447	\$84,759,758	\$362,986,118	1,764.8
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$802,450,502	\$137,165,179	\$217,539,447	\$84,759,758	\$362,986,118	1,764.8
R3 SNAP federal policy changes [1]	12,453,035	36,846,852	0	0	-24,393,817	0.0
R5 TANF state policy changes	-19,180,663	0	-19,180,663	0	0	0.0
R6 County Block Grant Support Fund	0	0	0	0	0	0.0
R7 Reduce HCA case management	-531,629	-531,629	0	0	0	0.0
R8 Modify county funding study	-400,000	-100,000	0	-160,000	-140,000	0.0
R9 Reduce department admin	-390,967	-390,967	0	0	0	0.0
R10 Reduce Reg Center record system	-290,000	0	0	-290,000	0	0.0
R17 Reduce Summer EBT	-360,066	-180,033	0	0	-180,033	0.0
R18 Reduce SNAP outreach	-1,250,000	-500,000	0	0	-750,000	0.0
Impacts driven by other agencies	2,455,447	1,149,629	105,337	0	1,200,481	0.0
Operating common policies	-6,566,143	0	235,571	-2,735,718	-4,065,996	0.0
Prior year actions	1,847,738	-403,651	8,931	1,414,246	828,212	0.5
Total	\$790,237,254	\$173,055,380	\$198,708,623	\$82,988,286	\$335,484,965	1,765.3
Increase/-Decrease	-\$12,213,248	\$35,890,201	-\$18,830,824	-\$1,771,472	-\$27,501,153	0.5
Percentage Change	-1.5%	26.2%	-8.7%	-2.1%	-7.6%	0.0%

[1] Includes impacts in Executive Director's Office and Administration and Finance budgetary sections.

R3 SNAP federal policy changes: The Department ask for an increase in General Fund to offset lost federal funds for the administration of the Supplemental Nutrition Assistance Program (SNAP).

Year 1: The total cost is \$12.5 million. This includes an increase of \$36.8 million General Fund and a decrease of \$24.4 million federal funds.

Year 2 and ongoing: The total cost is \$14.8 million. This includes an increase of \$48.9 million General Fund and a decrease of \$34.1 million federal funds.

The request addresses the fiscal impact of changes to federal policies made through federal H.R. 1. The request was submitted before the November 2025 election occurred, the results of which will alleviate the General Fund impact for at least FY 2026-27. The Department identifies this request as Evidence-informed.

An issue brief has been provided later in this document.

R5 TANF state policy changes [legislation]: The Department asks the Committee to sponsor legislation to make substantive changes to state policies for implementing federal Temporary Assistance of Needy Families (TANF) programs.

Year 1 and ongoing: The total reduction is \$19.2 million cash funds. The cash funds are from counties and are shown for informational purposes only.

The Department is proposing significant policy and structural changes to appropriations for Colorado Works, which is the State's implementation of the federal Temporary Assistance for Needy Families (TANF) program. The Department identifies this request as Promising.

An issue brief has been provided later in this document.

R6 County Block Grant Support Fund: The Department asks to shift federal TANF funds from state administration to the County Block Grant Support Fund.

Year 1 and ongoing: The cost is a net-neutral shift of funding between line items.

The Department seeks to bolster financial support for counties that have low TANF reserves and face a natural disaster or emergency.

R7 Reduce HCA case management: The Departments asks to reduce funding for Home Care Allowance (HCA) case management.

Year 1 and ongoing: The total reduction is \$0.5 million General Fund.

The Department proposes reducing HCA case management funding by 55.6 percent to align appropriations with reduced program caseload. Effective April 2022, the State Board of Human Services approved a rule change that makes the Home Care Allowance program a program of last resort for people with disabilities seeking home care services in order to divert them to more robust benefits available through other home care programs. The new rule requires SEPs to evaluate clients for Home and Community Based Services (HCBS) functional eligibility before considering HCA eligibility. If the client is determined functionally eligible for HCBS (as determined through completion of a Long-term Care assessment), they are not eligible for HCA.

R8 Modify county funding study [legislation]: The Department asks the Committee to sponsor legislation to adjust the timing of a statutorily required study assessing county administration funding.

Year 1 and ongoing: The total reduction is \$0.4 million. This includes a reduction of \$100,000 General Fund, \$160,000 reappropriated funds, and \$140,000 federal funds. The reappropriated funds are transferred from the Department of Health Care Policy and Financing and are an equal mixture of General Fund and federal Medicaid funds.

The request proposes changing the timing for the completion of the three primary elements of the funding study authorized by S.B. 22-235 (County Administration of Public Assistance Programs): a time study, a county

salary survey, and a complete funding model. Currently, the completion of these three elements and delivery of the study is conducted on an annual cycle. The request seeks to change the study to a triennial cycle, with one element being completed each year and the full study delivered in the third year.

R9 Reduce department admin: The Department asks to reduce administration costs in the Office of Adults, Aging, and Disability Services (OAADS).

Year 1 and ongoing: The total reduction is \$0.4 million General Fund.

The Department seeks to reduce operating expenses in the OAADS by eliminating a vacant accountant position that is not needed and to reduce travel expenses, training, and official OAADS functions. This request will not directly impact populations served.

R10 Reduction Regional Centers record system: The Department asks to reduce funding for the Regional Centers electronic health records system.

Year 1 and ongoing: The total reduction is \$0.3 million reappropriated funds. The reappropriated funds are transferred from the Department of Health Care Policy and Financing and are an equal mixture of General Fund and federal Medicaid funds.

The request anticipates that the operational costs for the electronic health records system will be lower than the base appropriation. The system is well beyond its development phase and is currently in operations and maintenance.

R17 Reduce Summer EBT: The Department asks to reduce funding for the Summer Electronic Benefits Transfer (EBT) program.

Year 1 and ongoing: The total reduction is \$0.4 million. This includes a reduction of \$180,033 General Fund and an equal amount of federal funds.

The request proposes a 10.0 percent reduction in administration appropriations for the Summer EBT program. The majority of the savings will come from adjustments to the call center contract and are not anticipated to impact program benefits.

R18 Reduce SNAP outreach: The Department asks to reduce funding for outreach activities related to SNAP.

Year 1: The total reduction is \$1.3 million. This includes a reduction of \$0.5 million General Fund and \$0.8 million federal funds.

Year 2 and ongoing: The total reduction is \$2.3 million. This includes a reduction of \$0.9 million General Fund and \$1.4 million federal funds.

The request acknowledges that outreach activities are optional and that non-profits and philanthropic organizations conduct a significant amount of these efforts. These partners can receive federal matching funds from investing their own resources. The step-down approach proposed by the Department will enable outreach partners to identify alternative funding sources in order to create a self-sustaining SNAP outreach program.

Impacts driven by other agencies: The request includes an increase of \$2.5 million total funds, including \$1.1 million General Fund, for a request originating in the Department of Health Care Policy and Financing for the centralization of some activities associated with county administration of public and medical assistance programs. This is also called a “non-prioritized request.”

Operating common policies: The request includes a net decrease of \$6.6 million total funds for adjustments to indirect cost assessments to the Office of Economic Security and Office of Adults, Aging, and Disability Services.

Prior year actions: The request includes a net increase of \$1.8 million for the impact of prior year budget decisions and legislation.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 Salary survey	\$3,007,286	\$182,183	\$162,347	\$1,155,912	\$1,506,844	0.0
FY 25-26 Step Plan	382,803	29,057	18,996	217,407	117,343	0.0
SB 25-169 Restaurant meals	242,613	121,307	0	0	121,306	0.5
FY 25-26 HCPF convert to FTE	92,016	43,695	0	0	48,321	0.0
FY 25-26 fed fee increase	64,963	10,394	0	40,927	13,642	0.0
FY 25-26 HCPF county admin/CBMS	-1,687,943	-790,287	-72,412	0	-825,244	0.0
HB 25-1279 TANF state data	-154,000	0	0	0	-154,000	0.0
FY 25-26 NSL CF true-up	-100,000	0	-100,000	0	0	0.0
Total	\$1,847,738	-\$403,651	\$8,931	\$1,414,246	\$828,212	0.5

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive budget request includes reductions of \$13.8 million General Fund for the Department of Human Services, representing 1.0 percent of the current General Fund appropriations in this section of the budget. This issue brief reviews these proposals and additional options identified by staff.

Impact of Federal Policy Changes to SNAP: This issue brief reviews and assesses the fiscal impact of federal policy changes to SNAP as implemented through H.R. 1. These fiscal impacts begin in FY 2026-27 and substantially increase in FY 2027-28.

R5 TANF State Policy Changes: This issue brief discusses the financial sustainability of the Colorado Works program and the federal TANF funds that support it. The Department is proposing several changes to the management of TANF funds in an attempt to delay the need for significant General Fund support for the Colorado Works program. The proposal requires legislation.

For More Information

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To read the entire briefing: Go to content.leg.colorado.gov/content/budget#budget-documents-section to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2025.