FY 2027-28 Budget Briefing Summary

Human Services

Office of Children, Youth and Families

The Office of Children, Youth and Families includes the Divisions of Child Welfare and Youth Services. The Division of Child Welfare oversees county programs to reduce child abuse and neglect. The Division of Youth Services is responsible for the care and supervision of youth in commitment, detention, and parole. The Office's FY 2026-27 appropriation represents approximately 1.8 percent of statewide operating appropriations and 3.2 percent of statewide General Fund appropriations.

Summary of Request

Office of Children, Youth and Families

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Appropriation						
HB 26-1410 (Long Bill)	$918,658,129	$560,518,366	$133,058,255	$19,623,870	$205,457,638	1,379.2
Other legislation	-2,325,404	-905,290	-407,295	0	-1,012,819	15.0
Total	$916,332,725	$559,613,076	$132,650,960	$19,623,870	$204,444,819	1,394.2
FY 2027-28 Requested Appropriation						
FY 2026-27 Appropriation	$916,332,725	$559,613,076	$132,650,960	$19,623,870	$204,444,819	1,394.2
R2 Restore non-certified kinship	6,111,111	5,500,000	611,111	0	0	0.0
R4 Federal Fostering the Future	354,555	354,555	0	0	0	4.0
R5 ABA background checks	340,945	122,808	177,224	0	40,913	5.0
R7 DV spending authority	250,000	0	250,000	0	0	0.0
R8 Licensing spending authority	250,000	0	250,000	0	0	0.0
R11 Eliminate IMPACT funding	-1,136,688	-1,096,630	0	-40,058	0	0.0
R13 CMP reduction	0	-400,000	400,000	0	0	0.0
R16 DYS Admin reduction	-1,000,000	-1,000,000	0	0	0	0.0
Operating common policies	65,294	0	-1,691	418	66,567	0.0
Technical adjustments	669,259	469,923	82,975	110	116,251	0.0
Prior year actions	-16,700,096	1,201,072	-1,657,855	-14,336,721	-1,906,592	1.0
Total	$905,537,105	$564,764,804	$132,762,724	$5,247,619	$202,761,958	1,404.2
Increase/-Decrease	-$10,795,620	$5,151,728	$111,764	-$14,376,251	-$1,682,861	10.0
Percentage Change	-1.2%	0.9%	0.1%	-73.3%	-0.8%	0.7%

Changes are assumed to be ongoing unless otherwise noted.

R2 Restore non-certified kinship [legislation]: The Department requests funding and legislation to reinstate payments to families for non-certified kinship care at 30.0 percent of foster care rates.

- FY 2027-28: $6.1 million total funds, including $5.5 million General Fund and $0.6 million local funds.

Payments for non-certified kinship foster care were created by SB 24-008 (Kinship Foster Care Homes). Prior to the bill, families were required to complete a certification process to receive payments for foster care. Non-certified payments were statutorily required to increase from 30.0 to 50.0 percent of foster care rates, and transition from TANF reserves to the General Fund in FY 2026-27 under the bill.

The Committee sponsored HB 26-1374 (Kinship Care Funding Provisions) to eliminate non-certified kinship payments due to increasing General Fund costs. The request asks the Committee to sponsor legislation to restore payments with an ongoing General Fund appropriation. Costs are calculated based on FY 2025-26 expenditures and a 90.0 percent General Fund, 10.0 percent county funds share.

R4 Federal Fostering the Future [legislation]: The Department requests funding and legislation to manage federal Fostering the Future (FTF) accounts.

- FY 2027-28: $449,269 General Fund and 4.0 FTE.
- FY 2028-29: $427,729 General Fund and 4.0 FTE.

FTF accounts are federally authorized Individual Retirement Accounts (IRAs) that receive a one-time federal contribution of $1,000 for children born between January 2025 and December 2028. According to the request, the State may serve as the responsible party to manage accounts for eligible children in foster care.

The request indicates that the Department does not currently have the statutory authority or staffing resources to manage accounts. The requested FTE are expected to develop rules, verify eligibility, and conduct federal reporting. The positions will also support counties and families with account management and transfers when children leave foster care.

R5 Applied Behavior Analysis (ABA) background checks: The Department requests additional staff to support background checks for the implementation of HB 26-1425 (ABA licensing).

- FY 2027-28: $460,134 total funds and 5.0 FTE. Amounts include $165,592 General Fund, $238,957 from the Child Welfare Licensing cash fund, and $55,585 federal funds.
- FY 2028-29: $436,794 total funds and 5.0 FTE.

ABA is a treatment option for Autism Spectrum Disorder (ASD). The Department expects additional resources are necessary to prevent an application backlog for ABA licensing. The Background Check Unit currently has 3.0 FTE that manage an average of 3,570 checks per month. If an additional 5.0 FTE were approved, the monthly average number of checks per FTE is still expected to increase from 1,190 to 1,518.

R7 Domestic violence spending authority: The Department requests a four-year spending authority increase to spend down cash fund reserves.

- FY 2027-28 through FY 2030-31: $250,000 from the Domestic Abuse Program Fund.

R8 Licensing spending authority: The Department requests a spending authority increase to reflect increased revenues.

- FY 2027-28: $250,000 from the Child Welfare Licensing cash fund.

R11 Eliminate IMPACT funding: The Department requests elimination of state funding for the Boulder County IMPACT program.

- FY 2027-28: -$1.1 million total funds, including $1.1 million General Fund and $40,058 reappropriated Medicaid funds.

The IMPACT program is a system of care for juvenile justice and child welfare involved youth in Boulder County. The Executive Branch submitted requests to eliminate funding in FY 2021-22 and FY 2025-26. The General Assembly retained funding in FY 2021-22, and reduced funding by $500,000 in FY 2025-26.

R13 Collaborative Management Program reduction [legislation]: The Department requests an ongoing decrease for Collaborative Management Programs with legislation to change program requirements.

- FY 2027-28: Net-zero change, including a decrease of $400,000 General Fund offset by an equal increase in cash funds.
- FY 2028-29: -$400,000 General Fund.

The Collaborative Management Program (CMP) provides funding to counties to encourage resource and information sharing across county departments of human services, school districts, judicial districts, law enforcement, and other entities. Programs are intended to reduce child welfare and juvenile justice involvement while reducing duplicative costs.

The General Assembly approved a three-year spend down of an outstanding fund balance last year that results in an ongoing decrease of $700,000 General Fund. This request accellarates spend-down of the reserve, and results in an ongoing decrease of $1.1 million starting in FY 2028-29 compared to FY 2025-26 appropriations.

R16 DYS Admin decrease: The Department requests a two-year decrease to reflect delayed hiring from HB 25-1146 (Detention Bed Cap). Appropriations to the Department from the bill total $6.5 million General Fund and 56.1 FTE for FY 2026-27.

- FY 2027-28: -$1.0 million General Fund.
- FY 2028-29: -$0.5 million General Fund.

Technical adjustments: The request includes an increase of $0.7 million total funds, including $0.5 million General Fund, for leap year adjustments in the Office of Children, Youth and Families.

Prior year actions: The request includes a net decrease of $16.7 million for the impact of prior year budget decisions and legislation in the Office of Children, Youth and Families.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 26-27 Step Plan	$1,502,061	$1,340,272	$2,036	$46,509	$113,244	0.0
HB 25-1271 Youth federal benefits	1,303,730	1,303,730	$0	$0	$0	0.0
SB 26-080 Cradle to career grant	1,020,201	0	1,020,201	0	0	1.0
HB 26-1347 Federal disability benefits	22,247	14,683	0	0	7,564	0.0
FY 26-27 R1 DYS radios	9,600	9,600	0	0	0	0.0
FY 26-27 TGYS refinance	0	1,000,000	-1,000,000	0	0	0.0
SB 26-188 CW Medicaid	-14,383,230	0	0	-14,383,230	0	0.0
HB 26-1373 Adoption subsidy limits	-5,669,705	-3,074,813	-580,092	0	-2,014,800	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 26-27 R13 CMP decrease	-300,000	700,000	-1,000,000	0	0	0.0
HB 26-1425 ABA licensing	-105,000	-92,400	0	0	-12,600	0.0
FY 26-27 BA7 DYS training CF	-100,000	0	-100,000	0	0	0.0
Total	-$16,700,096	$1,201,072	-$1,657,855	-$14,336,721	-$1,906,592	1.0

Issues Presented

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

Child Welfare Funding: Funding for child welfare capped allocations is projected to be $28.1 million General Fund below statutorily required reimbursements for county expenditures in FY 2026-27. This issue brief provides an overview of cost drivers, including workforce, out-of-home-placements, and recent legislative changes.

Youth Detention Caseload: The General Assembly has considered significant legislation related to youth detention every other year since 2019. Staff assumes caseload adjustments will not be necessary in 2027 based on the most recent forecasts and statutory reports.

Budget Reduction Options: The Executive budget request includes reductions of $2.5 million General Fund for the Office of Children, Youth and Families. This issue brief reviews these proposals and additional options identified by staff.

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 2026.