Joint Budget Committee

Staff Budget Briefing
FY 2026-27

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

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To find the online version of the briefing document search the General Assembly's website for budget documents (https://content.leg.colorado.gov/content/budget#budget-documents-section).

Overview of Office of Economic Security and Office of Adults, Aging, and Disability Services

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. This document includes discussion of **two** of the Department's seven Long Bill divisions: the Office of Economic Security and the Office of Adults, Aging, and Disability Services.

The **Office of Economic Security** provides income, nutritional, and support services to assist families and individuals in need. The programs administered by this unit include Colorado Works, the Colorado implementation of the federal Temporary Assistance for Needy Families (TANF) program, the federal Supplemental Nutrition Assistance Program (SNAP), child support services and enforcement, Low Income Energy Assistance Program (LEAP), and services for refugees.

This office also provides the 64 county departments of human services with money to administer the Supplemental Nutrition Assistance Program and a variety of smaller programs, including child support services. Additionally, this section funds the County Tax Base Relief initiative to assist counties with the highest social services needs and lowest property tax values to meet the obligation of the local match required by the state for certain public assistance programs. The Office is responsible for the Colorado Benefits Management System (CBMS), which is the computer system used to determine a citizen's eligibility for public assistance programs like Medicaid, SNAP, TANF, and several others. CBMS is developed and maintained by the state for use by county social services departments and various medical assistance sites.

The **Office of Adults, Aging, and Disability Services** includes Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Brain Injury Trust Fund, and Veterans Community Living Centers. Regional Centers are state operated facilities for individuals with intellectual and developmental disabilities and are the provider of last resort. They provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. The Work Therapy Program provides sheltered training and employment workshops for individuals receiving services at the Colorado Mental Health Institute at Fort Logan and the Regional Centers at Grand Junction and Wheat Ridge. The Colorado Brain Injury Program provides funding for direct services for individuals with a brain injury, research related to brain injuries, and education related to brain injuries. Veterans Community Living Centers provide skilled nursing care to honorably discharged veterans, spouses of veterans, and parents of deceased veterans who were killed in action.

This office also provides funding for assistance and support for needy elderly and disabled adult populations in Colorado. This section funds several programs, including the Old Age Pension (OAP) program, which provides cash assistance to eligible individuals age 60 and older, and the Aid to the Needy Disabled and Home Care Allowance programs, which provide cash assistance for low-income disabled adults. This section also funds the State Ombudsman Program, Adult Protective Services (APS) programs, and Older Americans Act services, such as home-delivered meals and transportation to medical appointments that are offered to older Coloradans across the state through the 16 regional Area Agencies on Aging (AAA).

Recent Appropriations

Office of Economic Security: Recent Appropriations

Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 [1]
General Fund	$93,788,028	$99,439,892	$98,196,190	$132,975,303
Cash Funds	156,346,633	150,144,316	150,923,493	131,762,974
Reappropriated Funds	7,706,970	7,632,613	8,815,951	7,693,500
Federal Funds	295,557,813	297,481,923	292,622,020	264,383,842
Total Funds	$553,399,444	$554,698,744	$550,557,654	$536,815,619
Full Time Equivalent Staff	178.1	184.0	174.2	174.7

[1] Requested appropriation.

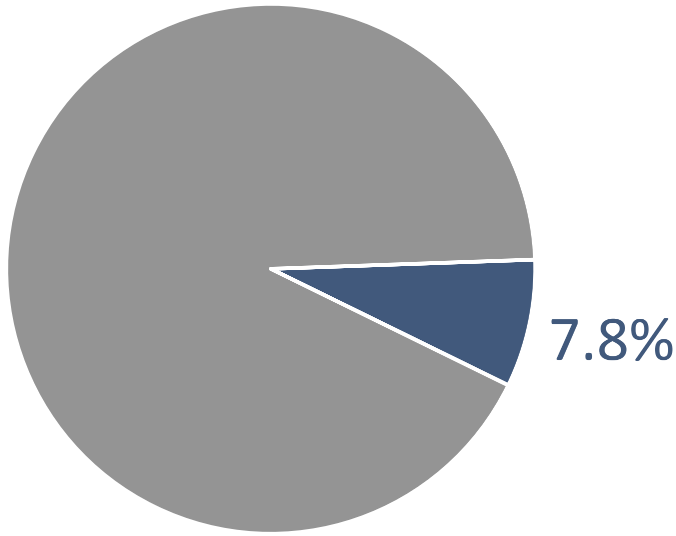
Office of Adults, Aging, and Disability Services: Recent Appropriations

Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 [1]
General Fund	$39,027,548	$41,805,012	$38,968,989	$38,654,379
Cash Funds	69,977,858	70,140,310	66,615,954	66,945,649
Reappropriated Funds	77,016,467	77,154,956	75,943,807	75,294,786
Federal Funds	67,705,612	69,062,171	70,364,098	71,361,437
Total Funds	$253,727,485	$258,162,449	$251,892,848	$252,256,251
Full Time Equivalent Staff	1,590.4	1,590.6	1,590.6	1,590.6

[1] Requested appropriation.

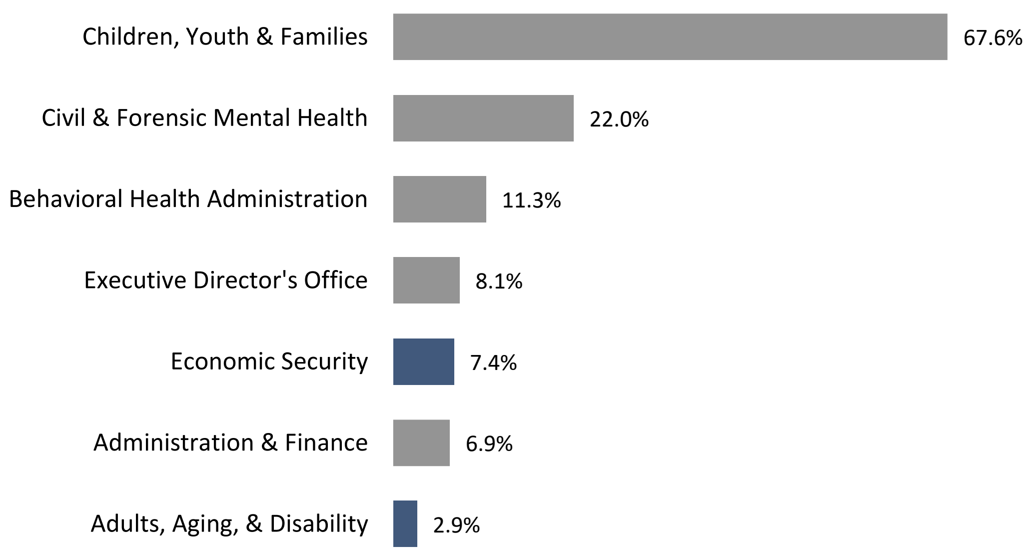
Graphic Overview

Department's Share of Statewide General Fund



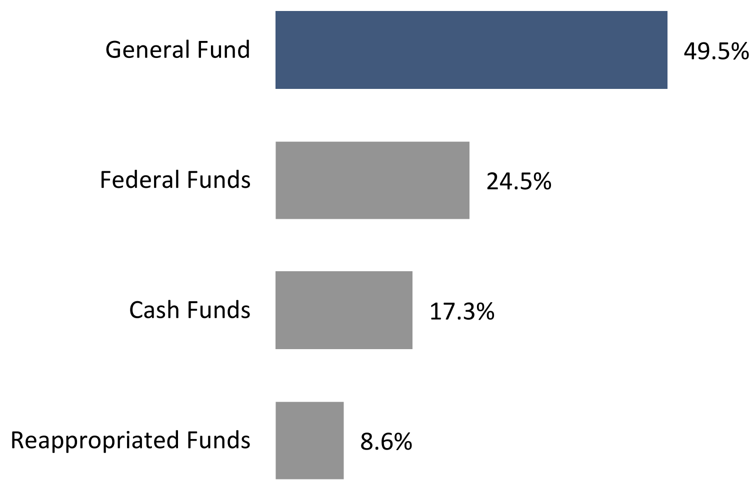
Based on the FY 2025-26 appropriation.

Distribution of General Fund by Division



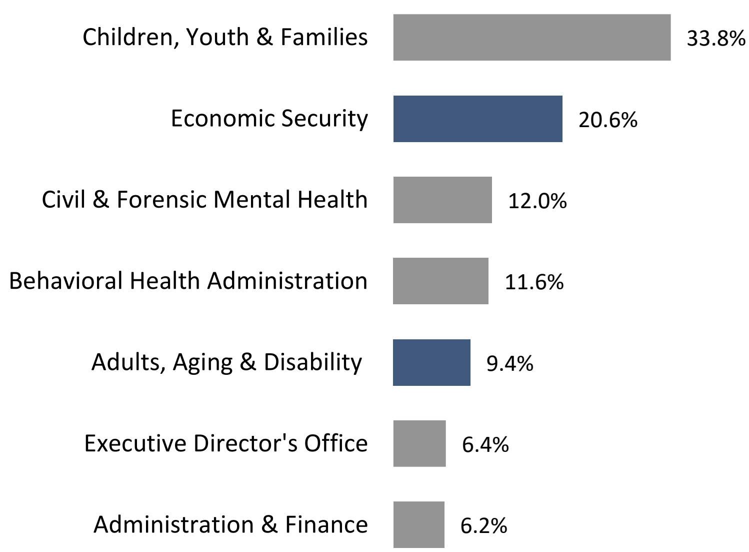
Based on the FY 2025-26 Appropriation

Department Funding Sources



Based on the FY 2025-26 appropriation.

Distribution of Total Funds by Division



Based on the FY 2025-26 Appropriation

Cash Funds Detail

Department of Human Services (OES and OAADS) Cash Funds Appropriations Detail

Fund Name or Group	FY 2025-26 Approp.		Primary Sources of Fund Revenue	Primary Uses
Old Age Pension Fund	$84,311,891	[1]	Article XXIV of the Colorado Constitution requires 85.0 percent of excise and state sales taxes be deposited into the Fund.	Provides cash assistance to low-income individuals ages 60 and over. This fund is continuously appropriated.
Local funds	57,899,400		These are informational cash funds representative of counties' share of funding for various federal and state programs.	Local funds primarily support TANF, SNAP, Older Americans Act programs, Aid to the Needy Disabled Programs, and Adult Protective Services.
Central Fund for Veterans Community Living Centers	34,966,503	[1]	Payments by residents of VCLCs and General Fund appropriated to the Central Fund by the General Assembly.	To support the direct and indirect costs of operating the State's VCLCs. Direct costs are continuously appropriated, while indirect costs are annually appropriated. The Central Fund is continuously appropriated for the direct costs of the VCLCs, which are an enterprise and exempt from TABOR.
Older Coloradans Cash Fund	11,409,158	[1]	A statutory transfer of $10.0 million annually from sales and use taxes, pursuant to Section 39-26-123 (3), C.R.S.	Provides money to Area Agencies on Aging for grants for community-based services to individuals ages 60 and older, including meals, transportation, in-home assistance, and legal services.
Recoveries, refunds, and reimbursements	9,233,258	[1]	Recoveries from overpayments, fraud, or reimbursements from public assistance programs and child support services.	Supports appropriations to public assistance programs (e.g., TANF, SNAP, AND) and child support services.
Disability services (Colorado Brain Injury Trust Fund; Work Therapy Fund; and Regional Centers client cash revenue)	6,886,402		Revenue in the Colorado Brain Injury Trust Fund are from surcharges for DUI and related convictions and a surcharge for helmet convictions, as well as appropriated General Fund. Revenue in the Work Therapy Fund are from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients. Cash fund revenue for Regional Centers are from client cash revenue.	Supports the provision of services and support programs for individuals with brain injuries and those with intellectual and developmental disabilities. The Colorado Brain Injury Trust Fund also supports research related to treatment of brain injuries.
Various	6,562,528		Various sources, including revenue from non-state agencies, rent, and gifts/grants/donations	Supports departmental operations, including indirect costs, employee compensation, and facilities maintenance.

Fund Name or Group	FY 2025-26 Approp.		Primary Sources of Fund Revenue	Primary Uses
Colorado Long-term Works Reserve	5,484,157	[1]	Unappropriated and unexpended TANF block grant money and General Fund appropriated to by the General Assembly.	To support the Colorado Works program, including funding up to two-thirds of the increase in basic cash assistance resulting from the implementation of H.B. 22-1259.
At-risk adult services (Records and Reports Fund and Crimes Against At-Risk Persons Surcharge Fund)	786,150		Revenue in the Records and Reports Fund are from fees paid to conduct background checks on people working with children or older adults. Revenue in the Crimes Against At-Risk Persons Surcharge Fund are from surcharges on persons convicted of crimes against at-risk persons	The Records and Reports Fund supports screening of applicants for a confirmed history of older adult abuse. The Crimes Against At-Risk Persons Surcharge Fund supports respite services for caregivers of at risk adults.
Total	$217,539,447			

[1] TABOR exempt.

Additional detail for select funds

Old Age Pension Fund: Additional information about the revenue sources and expenditures trends are provided in the General Factors Driving the Budget section below.

Central Fund for Veterans Community Living Centers: The Veterans Community Living Centers are designated as enterprises as long as they comply with statutory requirements.[1] The Central Fund is continuously appropriated and are shown in the Long Bill for informational purposes only.

Colorado Long-term Works Reserve: Additional information about this fund and the Temporary Assistance for Needy Families block grant is provided in the later in this document in the General Factors Driving the Budget section, an issue brief, and Request for Information #24 at the end of this document.

[1] Section 26-12-110, C.R.S.

General Factors Driving the Budget

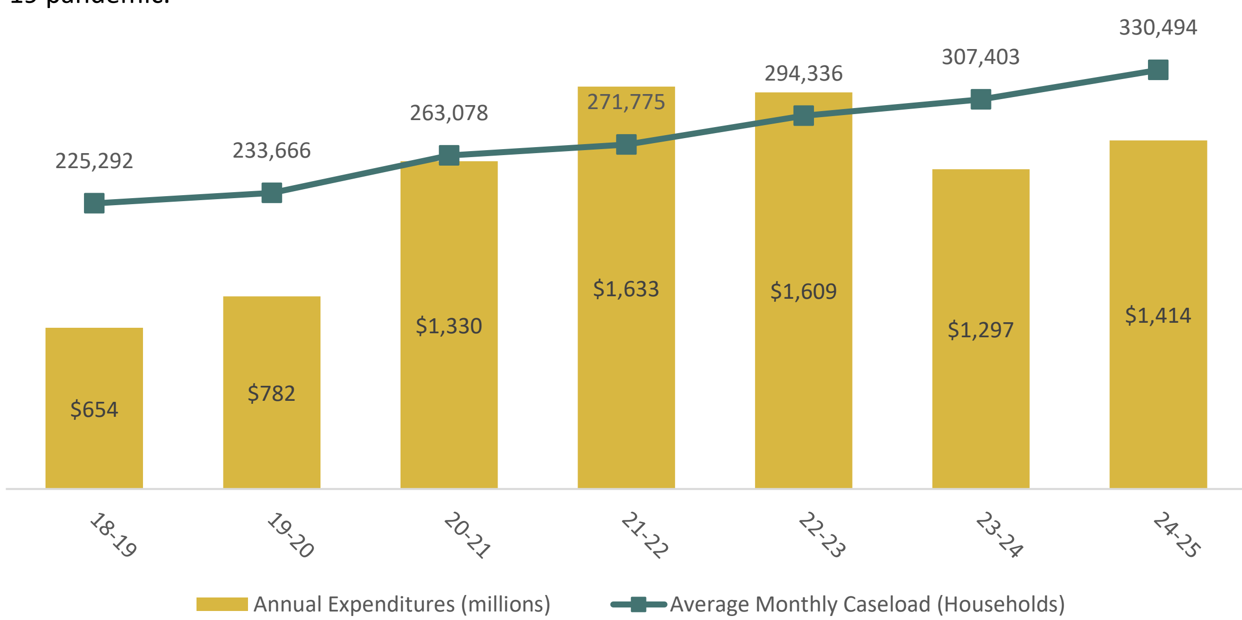
Public Assistance Programs

Public assistance programs in Colorado operate under a state-supervised, county-administered model. Under this decentralized model, the federal government provides a portion (or all) of the funding for a program (including administrative costs) to the state, which in-turn provides block grant transfers to counties to administer the program in accordance with federal and state laws, regulations, and rules.

Supplemental Nutrition Assistance Program

The federal Supplemental Nutrition Assistance Program (SNAP), formerly referred to as food stamps, provides money to low-income households on an electronic benefit transfer (EBT) card that can be used to purchase food at authorized retailers. SNAP caseload has steadily increased over the last seven fiscal years, increasing in FY 2024-25 to 330,494 households. SNAP benefit expenditures have waxed and waned over the same period, from a low of $653.8 million in FY 2018-19, to a high of $1.6 billion in FY 2021-22 during the COVID-19 pandemic, then receding to $1.4 billion in FY 2024-25. Federal SNAP benefits provided via EBT cards are not presented in the Long Bill; items in the Long Bill are for the administration of the SNAP program. The Department appropriations for administrative purposes reflect a shared responsibility of approximately 20.0 percent county/local funds, 30.0 percent state funds, and 50.0 percent federal funds. However, this cost sharing methodology, as well as several other provisions of SNAP, will be changing in the coming years as a result of the enactment of federal H.R. 1. Please see the staff issue brief on this subject to for further details.

Caseload for the federal Supplemental Nutrition Assistance Program (SNAP) has risen steadily for the last seven years; federal benefits payments spiked during the COVID-19 pandemic.



Update on October Interim Supplemental Funding

On October 30, 2025, the Committee approved a $10.0 million General Fund overexpenditure for the Community Food Assistance Providers Grant Program to mitigate the impact of the federal government shutdown on food security in Colorado communities. A total of $7.0 million of the approved funding received through the interim supplemental has been expended. Those funds were disbursed by the state in two issuances: first issuance on November 1st of $5.0 million and a second issuance on November 15th of $2.0 million. The Department disbursed these funds to the Trailhead Institute through an amendment to an existing contract.

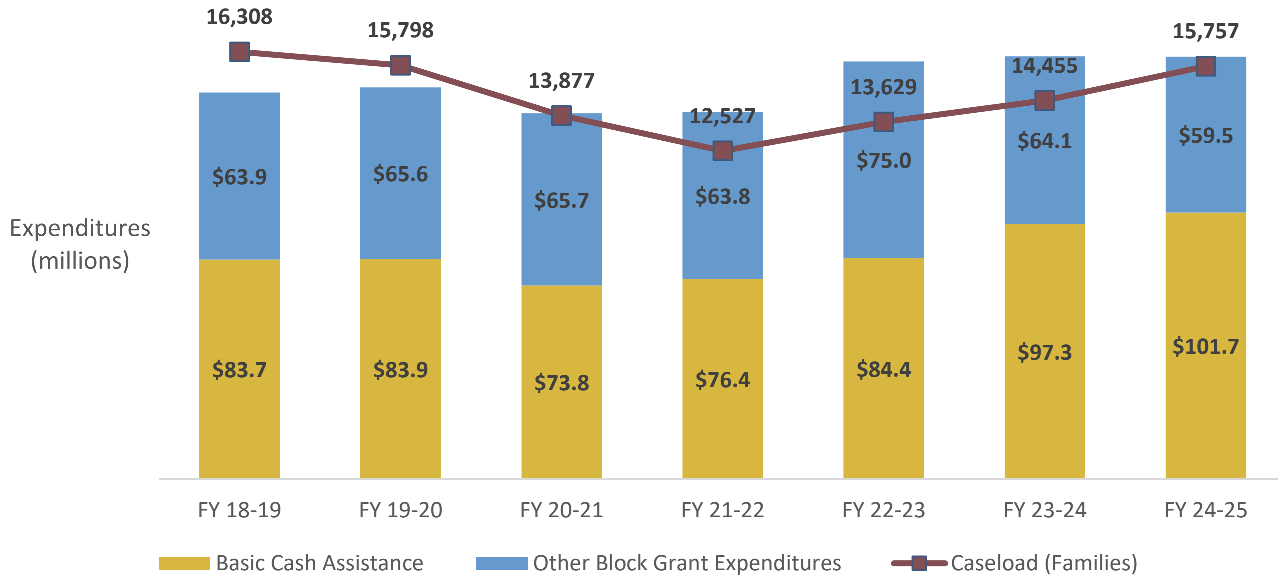
All areas of Colorado received assistance from these funds. The dollars were disbursed to Feeding Colorado, the umbrella organization of Colorado's five large food banks with a statewide footprint. In turn, those food banks support approximately 1,300 food pantries serving communities in all 64 counties. Specifically, the interim supplemental funds were distributed based on SNAP data, provided by the Department, to target areas with the highest level of need per the SNAP benefits disruption.

To date, at least $4.4 million worth of food has been purchased across Feeding Colorado's five food banks partners and their associated network of pantries. Feeding Colorado's agreement with Trailhead Institute (the Department's contractor for these funds) specifies that any funds not spent by December 30, 2025 shall revert to the state.

Colorado Works

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant created in the 1996 welfare reform law. The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. Pursuant to federal law, the State receives a fixed amount of $136.1 million per year in federal TANF block grant funds. The majority of the TANF funds received are allocated as block grants to counties for the provision of basic cash assistance payments and to support related programs that assist families, including employment and training opportunities and child care assistance.

Absent policy interventions in a resource contrained environment, TANF basic cash assistance payments will continue to grow and reduce available funding for supportive services.



In FY 2024-25, TANF expenditures total $161.2 million and include $129.8 million in federal funds for County Block Grants. As seen in the previous chart, TANF caseload has rebounded from a low in FY 2021-22 to 15,757 in FY 2024-25. Basic cash assistance (BCA) expenditures were $101.7 million in FY 2024-25, while other block grant expenditures decreased to $59.5 million.

Federal law allows states to retain any unexpended TANF funds for future use in the event of an economic downturn or caseload growth. The Department of Human Services is allowed to maintain a Long-term Works Reserve (LTR) fund[2]. The FY 2025-26 beginning balance in the LTR totaled $50.2 million, with a minimum required balance of $33.9 million. State statute also allows county departments of human/social services to maintain a reserve fund,[3] up to 40.0 percent of its annual TANF block grant or $100,000, whichever is greater. The FY 2025-26 beginning balance of all county TANF reserves totaled $29.3 million.

House Bill 22-1259 (Modifications to CO Works)

House Bill 22-1259 made several changes to the Colorado Works program to increase benefit amounts, expand eligibility for specific populations, and alter program rules and operations. The primary policy changes driven by this bill are:

- BCA changes including a 10.0 percent increase to BCA benefits,
- application of a COLA beginning in FY 2024-25,
- Colorado Works eligibility changes, and
- the creation of a funding mechanism to cover the increased costs of these changes.

[2] Section 26-2-721, C.R.S.
[3] Section 26-2-714 (5)(a)(I)(A)

The bill also transferred $21.5 million from the Economic Recovery and Relief Cash Fund, created in Section 24-75-228 C.R.S., originating from federal American Rescue Plan Act (ARPA) funds to the Colorado Long-term Works Reserve. These funds may only be used to pay for the increases in the basic cash assistance payments resulting from the legislation.

Two-thirds of costs of the policy changes driven by H.B. 22-1259 are covered with General Fund or other state funds and one-third of the costs are covered by a combination of available state and county TANF funds.[4] In FY 2025-26, the General Assembly appropriated $14.9 million General Fund to cover increases in basic cash assistance payments. The Department requests the same amount in FY 2026-27.

Senate Bill 24-008 (Kinship Foster Care Homes)

Beginning September 1, 2024, the bill creates several measures for kinship foster care homes. The bill establishes in statute the certification process for a kinship foster care home by a county department or child placement agency, including the process to obtain a provisional certification for six months. The bill also allows non-certified kinship care homes to be eligible for financial assistance at 30.0 percent of the foster care rate as established by the state, and requires the Department reimburse county departments for 90.0 percent of the amounts expended for kinship foster care. The bill appropriated $5.5 million from the Colorado Long-term Works Reserve in FY 2024-25 and anticipates an additional $4.6 million in FY 2025-26, reducing the Reserve balance by $10.0 million over a two-year period.

House Bill 24-1431 (Stable Housing for Survivors of Abuse Program)

The bill creates the Stable Housing for Survivors of Domestic and Sexual Violence Program in the Office of Economic Security. Recipients must also be eligible for assistance provided by Colorado Works. The bill appropriates $2.0 million annually for the program from the Colorado Long-Term Works Reserve from FY 2024-25 to FY 2028-29. The Department reports only $45,240 of expenditure in FY 2024-25, so the assumed impact to the LTR is $8.0 million through the end of the program.

Old Age Pension Program

The Old Age Pension (OAP) Program, authorized by the State Constitution,[5] provides cash assistance to low-income individuals ages 60 and over. It is funded through excise and state sales taxes that are deposited into the OAP cash fund in lieu of the General Fund. The movement of revenue in the OAP is as follows:

1. 85.0 percent of net revenue from all excise taxes are deposited in the Old Age Pension Fund, which supports the basic minimum awards given through the pension program.
2. After basic minimum awards are funded, any remaining balance in the OAP Fund is transferred to the Stabilization Fund, which is required to maintain a $5.0 million balance.
3. Once the Stabilization Fund is fully funded, the balance of the revenue is transferred to the Health and Medical Care Fund, which is require to maintain a balance of $10.0 million.
4. The remaining revenue is transferred to the General Fund.

[4] Section 26-2-709 (1)(b)(III)(A), C.R.S.

[5] Section 1 of Article XXIV of the Colorado Constitution

Program costs are driven by the size of the benefit (i.e., grant standard) and the number of qualified individuals. The General Assembly has limited control over OAP expenditures, as the state constitution guarantees the benefit, and grant amounts are set by the State Board of Human Services. The Long Bill appropriation, $78.9 million cash funds in FY 2025-26, reflects anticipated expenditures and is shown for informational purposes only. Expenditures for the OAP Program are driven by cost-of-living (COLA) increases approved by the State Board of Human Services, caseload, and the grant standard. The Stabilization Fund, authorized by Section 7 of Article XXIV of the State Constitution, is utilized to ensure the stability of basic minimum awards.

The Health and Medical Care Fund is managed by the Department of Health Care Policy and Financing. The Fund supports the provision of limited health care benefits to Coloradans who receive assistance through the OAP program, are not patients in an institution for tuberculosis or mental disease, and are not eligible for Medicaid or select other programs. Benefits provided through the Health and Medical Care Fund include:

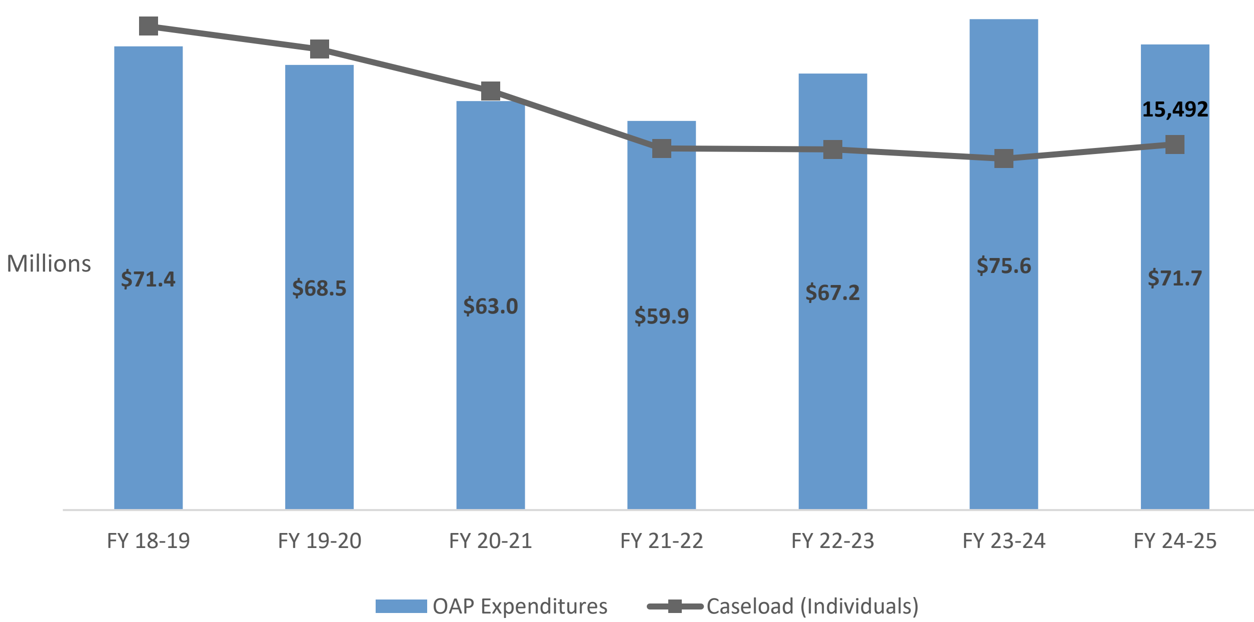
- physician and practitioner services;
- inpatient and outpatient services;
- emergency transportation and services;
- dental care;
- home health services and supplies; and
- Medicare cost sharing.

Of the $10.0 million deposited in the Health and Medical Care Fund, approximately $1.0 million is expended annually on qualifying services. The remaining balance of the Fund is used to offset General Fund for medical services premiums for people who are dually eligible for Medicaid and the Old Age Pension Health and Medical Program.

The OAP Program total caseload was 15,492 in FY 2024-25 and actual expenditures were $71.7 million due to federal expenditure requirements. The Maintenance of Effort (MOE) agreement between the Social Security Administration (SSA) and the State of Colorado[6] requires the State to spend at least the same amount in non-federal benefits to SSA-eligible individuals in the current year as the prior year. In Colorado, this includes recipients of Adult Financial assistance (i.e., Old Age Pension (OAP), Aid to the Needy Disabled-Colorado Supplement (AND-CS), and Home Care Allowance (HCA)) who receive Supplemental Security Income. Failure to comply with the terms of the MOE could jeopardize Medicaid Federal Financial Participation funds. Passing along the SSA cost of living adjustments to OAP benefits annually in January is an important component of meeting the MOE threshold. However, decreasing caseloads among Adult Financial programs typically requires the State to issue additional payments to OAP, AND, and/or HCA cases in order to meet the MOE obligation. The significant decrease in the HCA caseload and expenditures has widened the MOE gap and shifts more of the MOE burden to OAP.

[6] 20 CFR 416 et seq.

Old Age Pension caseload continues to decline, though federal requirements have resulted in a recent increaes in expenditures.

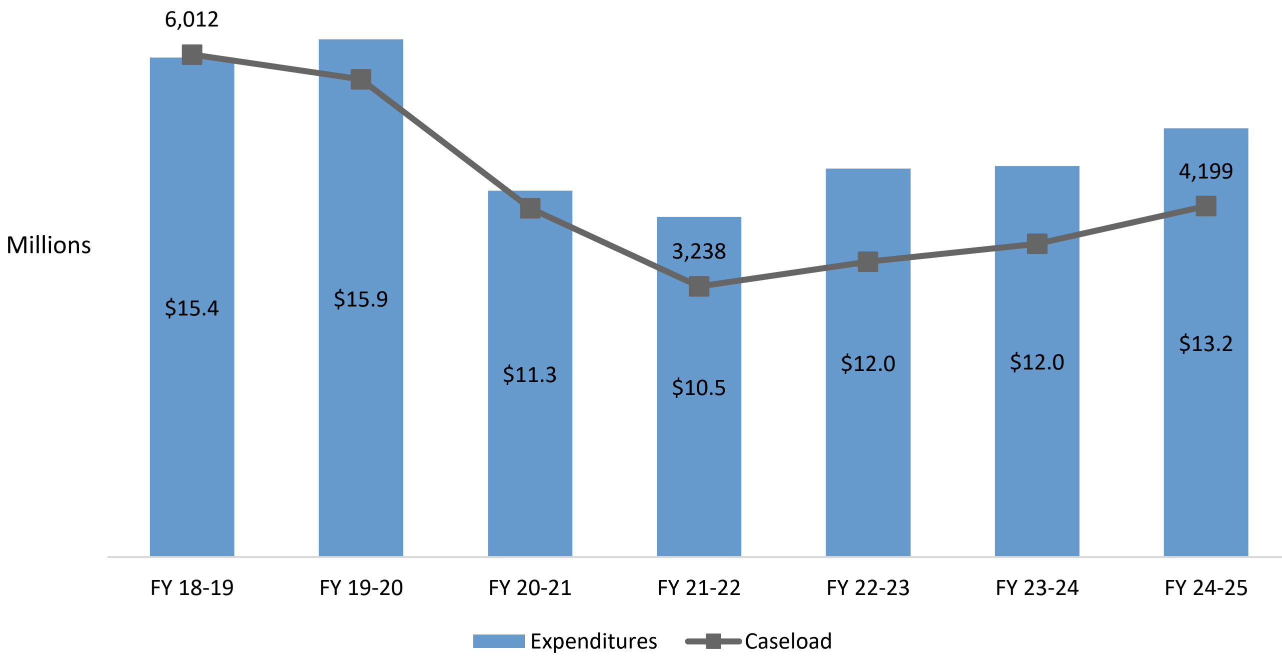


Aid to the Needy Disabled

Aid to the Needy Disabled (AND) provides cash assistance to low-income Coloradans with a disability lasting six months or longer that prevents them from working, as documented by a licensed physician. For some beneficiaries, these funds supplement federal Supplemental Security Income (SSI) payments. Other beneficiaries either do not qualify for federal SSI or have pending applications for federal SSI. Funding for this program is comprised of General Fund, county matching funds, and federal reimbursements for payments to individuals who initially receive a state-only subsidy but are ultimately deemed eligible for federal SSI.

The Aid to the Blind program provides cash assistance to low-income Colorado residents, age 18 and over, who have at least a six-month total disability that precludes them from working, and who meet the Social Security definition of blindness. Over the last seven fiscal years, the caseload and expenditures for the Aid to the Needy Disabled Programs has declined to 4,199 cases at a cost of $13.2 million, though both have increased in the last three fiscal years.

Aid to the Needy Disabled Program expenditures and caseloads are decreasing over time, but have recovered slightly since a low in FY 2021-22.



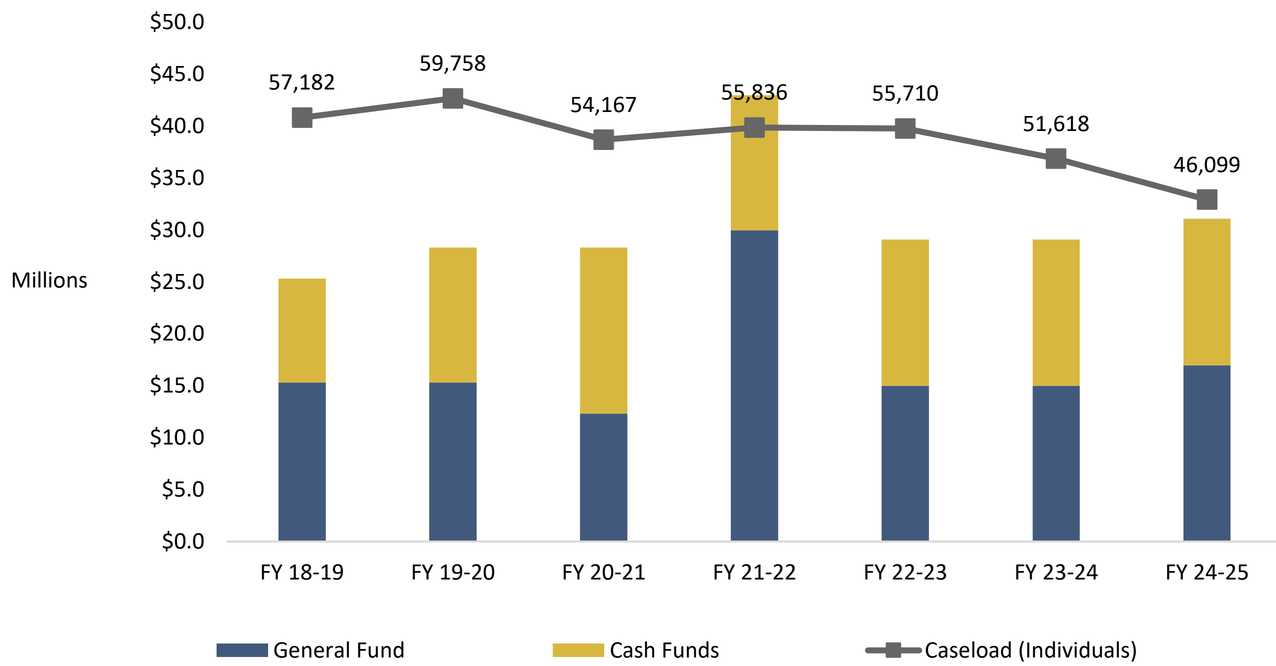
Community Services for the Elderly

State and federal funds are distributed to Area Agencies on Aging (AAAs) for the provision of a variety of community services for the elderly such as transportation, congregate meals, home delivered meals (Meals on Wheels), and in-home support services. These services are geared toward providing seniors with the opportunity to remain in their homes and communities as long as possible.

In terms of state funds, most of the Department's appropriations for these types of services are allocated to the State Funding for Senior Services line item. This line item receives funding through two mechanisms. First, Section 39-26-123 (3), C.R.S., annually credits $10.0 million from state excise and sales taxes to the Older Coloradans Cash Fund. This money would otherwise be deposited in the General Fund. This amount has grown from $3.0 million as originally set forth in H.B. 00-1072 (Older Coloradans' Act) to its current level of $10.0 million via S.B. 13-127 (Sales Tax Revenue To Older Coloradans Cash Fund). However, H.B. 20-1387 (Transfers From Unexpended County Reimbursements) temporarily reduced this transfer to $8.0 million for FY 2020-21 for budget balancing purposes.

Second, in recent years the General Assembly has appropriated General Fund to support senior services. General Fund appropriations for this purpose have grown from $0.8 million for FY 2012-13 to a high of $30.0 million for FY 2021-22. The FY 2021-22 General Fund appropriation was made through two bills: $15.0 million in S.B. 21-205 (Long Bill) and $15.0 million S.B. 21-290 (Security for Colorado Seniors), which created the Strategic Investments in Aging Grant program. The following chart shows appropriations for senior services and the state AAAs' caseload for those years for which we have actual data.

State Funding for Senior Services appropriations and caseload have fluctuated, but remained relatively steady over the last seven fiscal years, with the exception of FY 2021-22 when funding spike due to one-time General Fund appropriations.

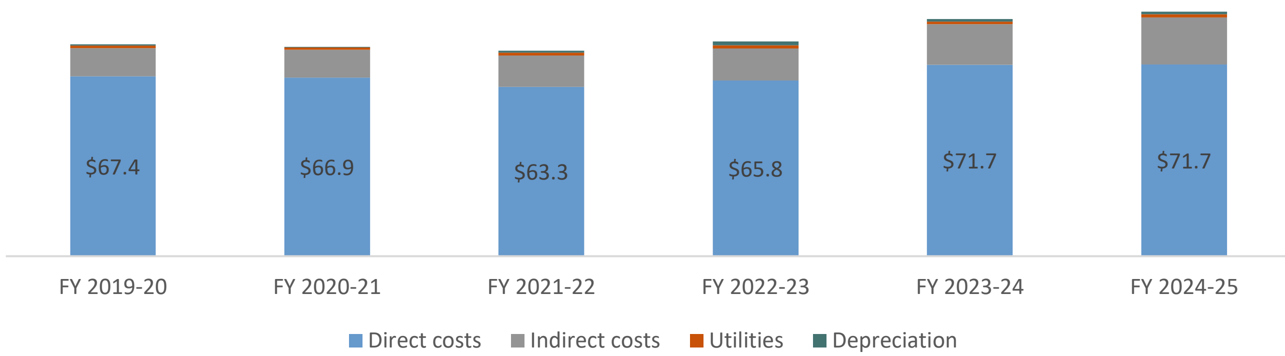


Outside of state funding for senior services, the Department also receives federal funds that it distributes to AAAs to support community-based and in-house services for older adults. The funding derives from the Older Americans Act, which Congress passed in 1965 to spur the development of community social services for older persons. Each state receives Older Americans Act funds according to a formula based on the state's share of the U.S. population age 60 and older. Colorado's share of Older Americans Act funds totals $24.7 million in federal fiscal year 2024-25 and is projected to remain the same in federal fiscal year 2025-26.

Regional Centers

Regional centers are state operated facilities for individuals with intellectual and developmental disabilities (IDD). They provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Regional center services are provided in one of two settings: large congregate residential settings on the regional center campus or group homes that serve four to eight individuals in a community setting. Regional Centers are licensed as either Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) or Adult Comprehensive Waiver Homes (waiver homes). For all the regional centers, regardless of licensure type, Medicaid pays a daily rate based on the actual cost of services and the cost of operating the facilities where services are provided. In the last two fiscal years, the total cost of the state's Regional Centers has remained relatively flat, with direct costs accounting for the majority of expenditures.

Direct costs account for the majority of total cost at Regional Centers.



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

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
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

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.[7] This issue brief reviews these proposals and additional options identified by staff.

Summary

- The Department of Human Services represents 7.8 percent of total state General Fund appropriations in FY 2025-26. The Executive budget request includes proposed reductions of $13.8 million, representing 1.0 percent of the General Fund appropriations in this section of the budget. These reductions are offset by proposed increases, so that the Department's total General Fund is requested to increase by 2.9 percent.
- Requested reductions for the Office of Economic Security and Office of Adults, Aging, and Disability Services total $1.9 million General Fund, representing 1.1 percent of the Offices' total FY 2025-26 General Fund appropriations. Reductions are offset by proposed increases, for a total General Fund increase of 26.2 percent.

Discussion

Funding History FY 2018-19 to FY 2025-26

The Department of Human Services represents 7.8 percent of total state General Fund appropriations in FY 2025-26. As reflected in the table below, General Fund in this section of the budget has increased by 15.2 percent since FY 2018-19 after adjusting for inflation. This is more than the statewide increase of 13.6 percent over the same period.[8]

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted for Inflation

Fund	FY 2018-19 Nominal	FY 2018-19 Adjusted	FY 2025-26	$ Change from FY 2018-19 Adjusted	% Change from FY 2018-19 Adjusted
General Fund	$882,351,249	$1,148,264,173	$1,322,641,611	$174,377,438	15.2%
Total Funds	$1,941,280,805	$2,526,321,803	$2,672,891,460	$146,569,657	5.8%

A summar of General Fund appropriations by division is provided in the table below.

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted for Inflation

Fund	FY 2018-19 Nominal	FY 2018-19 Adjusted	FY 2025-26	$ Change from FY 2018-19 Adjusted	% Change from FY 2018-19 Adjusted
Executive Directors Office	$74,569,122	$97,041,911	$107,016,899	$9,974,988	10.3%

[7] Current FY 2025-26 appropriations do not include mid-year reductions in executive orders.

[8] Fiscal year 2018-19 appropriations are adjusted for inflation, calculated based on the Legislative Council Staff September 2025 forecast, which reflects an increase in the Denver-Aurora-Lakewood consumer price index of 30.1 percent between FY 2018-19 and FY 2025-26.

Fund	FY 2018-19 Nominal	FY 2018-19 Adjusted	FY 2025-26	$ Change from FY 2018-19 Adjusted	% Change from FY 2018-19 Adjusted
Administration & Finance	48,337,977	62,905,523	91,402,658	28,497,135	45.3%
Children, Youth & Families	415,785,304	541,089,922	546,293,133	5,203,211	1.0%
Economic Security	73,276,890	95,360,241	98,196,190	2,835,949	3.0%
Behavioral Health Administration	94,649,199	123,173,492	149,444,489	26,270,997	21.3%
Civil & Forensic Mental Health	142,570,803	185,537,160	291,319,253	105,782,093	57.0%
Adults, Aging, and Disability	33,161,954	43,155,924	38,968,989	-4,186,935	-9.7%
Total	$882,351,249	$1,148,264,173	$1,322,641,611	$174,377,438	15.2%

The General Fund appropriation for the Office of Economic Security has increased by 3.0 percent, accounting for inflation, since FY 2018-19. Over the same period the General Fund appropriation for the Office of Adults, Aging, and Disabilities has decreased by 9.7 percent. Recent legislation has created several new programs and General Fund obligations in the Office of Economic Security that are summarized in the table below.

Office of Economic Security Legislative General Fund Impacts in FY 2025-26

Bill	Program	General Fund
HB 24-1407	Community food assistance provider grants	$2,000,000
HB 22-1259	CO Works modifications	14,886,272
SB 21-027	Diaper distribution	1,509,197
Total		$18,395,469

Prior Year Reductions

The Committee and General Assembly approved $2.6 million in General Fund reduction in the Office of Economic Security and the Office of Adults, Aging, and Disability Services in FY 2025-26, including:

- $1.0 million for community food assistance provider grants;
- $0.5 million for the diaper distribution;
- $0.5 million for SNAP outreach;
- $0.4 million for child support pass-through reimbursements;
- $0.1 million for Home Care Allowance case management; and
- $45,379 for office and program administration.

Budget Requests for General Fund Relief

For this section of the budget, the budget request includes proposals for General Fund relief totaling $1.9 million, representing 1.4 percent of the General Fund appropriations. These reductions are offset by proposed increases, so that the Offices' total General Fund is requested to increase by 26.2 percent. The proposals for General Fund relief are summarized in the table below. Some of the proposals require statutory change.

OES and OAADS Budget Requests for General Fund Relief[9]

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
None	n/a	n/a		
Subtotal - Revenue	$0	$0		
Expenditure Reductions				
R7 Reduce HCA case management	-$531,629	$0	N	The request includes an ongoing cut of 55.6 percent to contract services providing eligibility determinations and case management for the Home Care Allowance program. The Home Care Allowance program is a program of last resort for people with disabilities seeking home care services.
R8 Modify county funding study	-$148,000	-$412,000	Y	The request includes an ongoing reduction of $560,000 total funds assuming modification to the timing of the county administration funding study authorized by S.B. 22-235 (County Admin Public Assist Prog). A portion of the requested reduction occurs in HCPF.
R9 Reduce department admin	-$390,967	$0	N	The request includes ongoing cut of 14.7 percent to divisional and program administration in OAADS.
R10 Reduce Reg Center record system	-$145,000	-$145,000	N	The request includes an ongoing cut of 45.1 percent to align funding for the Regional Centers electronic health records system with current operations and maintenance. These funds appear as reappropriated funds in DHS, but originate in HCPF as General Fund and federal Medicaid funds.
R17 Reduce Summer EBT	-$180,033	-$180,033	N	The request includes an ongoing cut of 10.0 percent to administration for the Summer EBT program and is not anticipated negatively affect the program.
R18 Reduce SNAP outreach	-$500,000	-$750,000	N	The request includes a cut of 30.7 percent in FY 2026-27, increasing to a cut of 56.1 precent in FY 2027-28 and ongoing to outreach activities associated with SNAP. Current outreach is conducted by non-profit and philanthropic partners that can receive federal matching funds from us of their own resources.
Subtotal - Expenditures	-$1,895,629	-$1,487,033		
Net General Fund Relief	$1,895,629			

Additional Options for JBC Consideration

The table below summarizes options identified by the JBC staff that the Committee could consider in addition to or instead of the options presented in the budget request.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this briefing would require a reduction of $6.9 million.

Additional Options for General Fund Relief

Option	General Fund	Other Funds	Bill? Y/N	Description

[9] The table only summarizes requests for the divisions in this document. A full department table will be provided in separate staff briefings on December 5, 2025.

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
Older Coloradans Cash Fund transfer to GF	$1,100,000	-$1,100,000	Y	This fund is used to support the Area Agencies on Aging. The Fund ended FY 2024-25 with surplus revenue of $1.1 million. The estimated FY 2025-26 ending balance is $3.8 million. A one-time transfer of $1.1 million should have minimal effect of program operations.
Records and Reports Cash Fund transfer to GF	750,000	-750,000	Y	This fund supports screening of applicants against the registry database that contains individuals who have a confirmed history of child abuse or older adult abuse. The Fund is projected to end FY 2025-26 over its statutory uncommitted reserve limit. A one-time transfer of $750,000 is calculated to bring the Fund into compliance.
Food Distribution Cash Fund transfer to GF	410,000	-410,000	Y	The fund supports the distribution of food under the National School Lunch Program. The Fund is projected to end FY 2025-26 over its statutory uncommitted reserve limit. A one-time transfer of $410,000 is calculated to bring the Fund into compliance.
Subtotal - Revenue	$2,260,000	-$2,260,000		
Expenditure Reductions				
5% Child support services admin reduction	-$203,744	-$488,738	N	Reduction based on FY 25-26 appropriation
5% Divisional admin reduction	-$75,309	-$159,320	N	Reduction based on FY 25-26 appropriation
5% Adult protective services admin reduction	-$75,190	-$3,505	N	Reduction based on FY 25-26 appropriation
5% Community services for the elderly administration	-$53,289	-$64,435	N	Reduction based on FY 25-26 appropriation
5% Adult financial programs admin reduction	-$21,345	-$6,413	N	Reduction based on FY 25-26 appropriation
Reduce Food Distribution Program	-$74,151	$0	N	45% reduction, based on FY 24-25 reversion
Reduce county tax base relief	-$1,293,252	$0	N	33% reduction, based on FY 24-25 reversion
Reduce Transitional Jobs Program	-$1,304,502	$0	N	50% reduction to FY 25-26 appropriation
Reduce Colorado Diaper Distribution Program	-$500,000	$0	N	33% reduction to FY 25-26 appropriation
Reduce Community Food Assistance Provider Grant Program	-$500,000	$0	N	25% reduction to FY 25-26 appropriation
Reduce State Funding for Senior Services base	-$144,877	$0	N	1% reduction to state funding for Area Agencies on Aging
Reduce VCLC base	-$27,739	$0	N	1% reduction to the four state run VCLCs and the Homelake Veterans Cemetery
Reduce Regional Centers base	-$6,005	$0	N	1% reduction to the Grand Junction and Pueblo Regional Centers waiver funding.
Reduce Brain Injury Trust Fund	-$225,000	$0	N	50% reduction to FY 25-26 appropriation. The Trust Fund is estimated to end FY 2025-26 with a balance of $1.4 million.
Reduce Central Fund for VCLCs	-$400,000	$0	N	50% reduction to FY 25-26 appropriation
Subtotal - Expenditures	-$4,904,402	-$233,672		
Net General Fund Relief	$7,164,402			

Revenue Enhancements

Older Coloradans Cash Fund transfer to GF

Description: Bill to transfer $1.1 million from the Older Coloradans Cash Fund to the General Fund.

Health/Life/Safety Impact: Low

Key Considerations: This fund is used to support the Area Agencies on Aging. The Fund ended FY 2024-25 with surplus revenue of $1.1 million. The estimated FY 2025-26 ending balance is $3.8 million. A one-time transfer of $1.1 million should have minimal effect of program operations.

Additional background: The Fund annually receives $10.0 million from state excise and sales taxes to the Older Coloradans Cash Fund. This money would otherwise be deposited in the General Fund. This amount has grown from $3.0 million as originally set forth in H.B. 00-1072 (Older Coloradans' Act) to its current level of $10.0 million via S.B. 13-127 (Sales Tax Revenue to Older Coloradans Cash Fund). However, H.B. 20-1387 (Transfers from Unexpended County Reimbursements) temporarily reduced this transfer to $8.0 million for FY 2020-21 for budget balancing purposes.

Fee impact: None. Revenue is from state excise and sales taxes.

Older Coloradans Cash Fund Cash Flow Summary

Element	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Approp.	FY 2026-27 Requested
Beginning balance	$3,436,207	$2,579,888	$3,722,327	$2,765,387
Revenue	10,245,290	10,198,453	10,221,872	10,210,162
Expenditures	-11,101,609	-9,056,014	-10,078,812	-9,567,413
Ending balance without transfer	$2,579,888	$3,722,327	$3,865,387	$3,408,137
Transfer option	0	0	-1,100,000	0
Ending balance with transfer	$2,579,888	$3,722,327	$2,765,387	$3,408,137

Records and Reports Cash Fund transfer to GF

Description: Bill to transfer $750,000 from the Records and Reports Cash Fund to the General Fund.

Health/Life/Safety Impact: Low

Key Considerations: The Fund is projected to end FY 2025-26 over its statutory uncommitted reserve limit. The fund needs an ending balance of $203,911 or less to be compliant with its uncommitted reserve limit. A one-time transfer of $750,000 is calculated to bring the Fund into compliance.

Additional background: This fund supports screening of applicants against the registry database that contains individuals who have a confirmed history of child abuse or older adult abuse. The Fund consists of fees paid to conduct background checks on people working with children or older adults.

Fee impact: None. The proposed transfer is from excess revenue collections.

Records and Reports Cash Fund Cash Flow Summary

Element	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Approp.	FY 2026-27 Requested
Beginning balance	$17,098	$153,342	$578,150	$208,434

Element	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Approp.	FY 2026-27 Requested
Revenue	1,488,396	1,760,705	1,779,747	1,809,104
Expenditures	-1,352,152	-1,335,897	-1,399,463	-1,466,207
Ending balance without transfer	$153,342	$578,150	$958,434	$551,331
Transfer option	0	0	-750,000	0
Ending balance with transfer	$153,342	$578,150	$208,434	$551,331

Food Distribution Cash Fund transfer to GF

Description: Bill to transfer $410,000 from the Food Distribution Cash Fund to the General Fund.

Health/Life/Safety Impact: Low

Key Considerations: The Fund is projected to end FY 2025-26 over its statutory uncommitted reserve limit. The fund needs an ending balance of $210,051 911 or less to be compliant with its uncommitted reserve limit. A one-time transfer of $410,000 is calculated to bring the Fund into compliance.

Additional background: The Fund supports the distribution of food under the National School Lunch Program. Federal law requires states to provide safe, consistent food resources for school districts and child care providers. The Department is responsible for receiving, storing, and distributing $20.0 million of commodities to about 230 public and private K-12 schools and child care centers, throughout the State, that participates in the NSLP. The commodities are purchased using federal funds from Colorado’s federal entitlement. Nutrition directors from participating institutions select frozen and shelf-stable foods from a U.S. Department of Agriculture (USDA) catalog of foods.

The Fund, created in Section 26-1-121 (4)(b), C.R.S., is continuously appropriated to the Department.

Fee impact: None. The proposed transfer is from excess revenue collections.

Food Distribution Cash Fund Cash Flow Summary

Element	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Approp.	FY 2026-27 Requested
Beginning balance	$583,263	$684,204	$538,709	$201,457
Revenue	1,382,750	1,353,406	1,345,783	1,338,299
Expenditures	-1,281,809	-1,498,901	-1,273,035	-1,374,673
Ending balance without transfer	$684,204	$538,709	$611,457	$165,083
Transfer option	0	0	-410,000	0
Ending balance with transfer	$684,204	$538,709	$201,457	$165,083

Expenditure Reductions

5.0 percent administrative reduction

Description: A 5.0 percent reduction to divisional and program administration totaling $0.4 million General Fund. This includes:

- $0.2 million for child support services;
- $75,309 for divisional administration;
- $75,190 for adult protective services;
- $53,289 for community services for the elderly; and

- $21,345 for adult financial programs.

Health/Life/Safety Impact: Low

Key Considerations: The Department has proposed targeted reductions to Office of Adults, Aging, and Disability Services administration in their R9 (Reduce department admin) request. The request reduces General Fund by roughly the same amount as JBC staff's proposal. In considering these two proposals, staff recommends that only one be adopted by the Committee, if desired.

Reduce Food Distribution Program

Description: A $47,151 reduction to the Food Distribution Program.

Health/Life/Safety Impact: Low

Key Considerations: The reduction is calculate based on the reported FY 2024-25 reversion for this line item. This reduction should be considered in conjunction with the above proposed cash fund transfer. Implementing both proposals may have significant negative impacts on the ability of the Department to operate this program.

Additional background: The Colorado Food Distribution Program provides the logistical support for getting the U.S. Department of Agriculture's food from ranchers and farmers to school children, needy families, and homeless citizens. Currently, the Program arranges for the provision of foods through the following initiatives:

- National School Lunch Program;
- Child and Adult Care Food Program;
- Summer Food Service Program;
- Commodity Supplemental Food Program;
- Emergency Food Assistance Program; and
- Food Assistance for Disaster Situations.

Reduce county tax base relief

Description: A $1.3 million reduction to county tax base relief starting in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Low

Key Considerations: The option is a 33.0 percent reduction to current appropriations. A reversion of 33.0 precent was reported in FY 2024-25.

Additional background: County tax base relief provides funding that assists counties with the highest costs and lowest property tax values in meeting their obligations for the local match required by the State for certain public assistance programs. Specifically, money is provided to counties that meet the provisions of a formula that takes into consideration the amount of property valued for assessment in a county and that county's 20.0 obligation for public assistance programs.

Reduce Transitional Jobs Program

Description: A $1.3 million reduction to the Transitional Jobs Program starting in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Low

Key Considerations: The option is a 50.0 percent reduction to current appropriations and would require the Department to reduce the caseload for the program by an equivalent amount.

Additional background: This program was assessed as proven based on research and supporting data. When a request item is designated "proven" it means "a program or practice that reflects a high or well-supported level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by one or more high-quality randomized control trials, multiple evaluations with strong comparison groups, or an equivalent measure." (Section 2-3-10 (2)(d), C.R.S.

Reduce Colorado Diaper Distribution Program

Description: A $0.5 million reduction to the Colorado Diaper Distribution Program starting in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Low

Key Considerations: The Colorado Diaper Distribution Program was created in by S.B. 21-027, and codified in Section 26-2-140, C.R.S., and provides funding to diaper distribution centers for the purchase of diapering essentials.

Additional background: Section 26-2-140 (6), C.R.S., directed the General Assembly to appropriate $2.0 million General Fund in FY 2021-22, but is silent regarding ongoing funding requirements. The Department may use up to 7.5 percent of any appropriation for administrative costs associated with the program. The funding for the program is at the discretion of the General Assembly.

Reduce Community Food Assistance Provider Grant Program

Description: A $0.5 million reduction to the Community Food Assistance Provider Grant Program starting in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Low

Key Considerations: The Community Food Assistance Provider Grant Program, which provides grants to food pantries and food banks, was created by H.B. 24-1407 and merged two separate food assistance grant programs. The bill was sponsored by the JBC.

Additional background: The Joint Budget Committee approved a $10.0 million General Fund overexpenditure for this program in an October 2025 interim supplemental. The interim supplemental sought to mitigate some of the impact on community food security from the shutdown of the federal government. The funding for the grant program is at the discretion of the General Assembly.

Reduce State Funding for Senior Services Base

Description: A $0.1 million reduction to the State Funding for Senior Services line item starting in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Low

Key Considerations: The reduction is calculated at 1.0 percent of FY 2025-26 appropriations. The 1.0 percent target was chosen by staff for ease of scaling.

Additional background: This line reflects state funding for senior services provided through the State's 16 Area Agencies on Aging. Services funded with appropriations made to this item include home-delivered meals, transportation to medical appointments, and a variety of other forms of assistance to help seniors with the activities of daily living.

Reduce Veterans Community Living Centers (VCLCs) base

Description: A $27,739 reduction to the four state owned Veterans Community Living Centers and the Homelake Veterans Cemetery starting in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Moderate

Key Considerations: The reduction is calculated at 1.0 percent of FY 2025-26 appropriations. The 1.0 percent target was chosen by staff for ease of scaling.

Additional background: There are four state owned Veterans Community Living Centers and one county run center that provide skilled nursing care to honorably discharged veterans, spouses of veterans, and parents of deceased veterans who were killed in action. The five centers are located throughout the state in Aurora (Fitzsimons), Florence (McCandless), Monte Vista (Homelake), Rifle, and Walsenburg. Each facility is Medicare and Medicaid certified. The Veterans Community Living Centers are designated as enterprises as long as the centers comply with the requirements of Section 26-12-110, C.R.S.

Reduce Regional Centers base

Description: A $6,005 reduction to the Grand Junction and Pueblo Regional Centers waiver funding starting in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Moderate

Key Considerations: The reduction is calculated at 1.0 percent of FY 2025-26 appropriations. The 1.0 percent target was chosen by staff for ease of scaling.

Additional background: The appropriations fund the Home and Community Based Services-Comprehensive Waiver licensed beds at the Grand Junction Regional Center and Pueblo Regional Centers. Regional Centers are state operated facilities for individuals with intellectual and developmental disabilities and as such are the provider of last resort. They provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans.

Reduce Brain Injury Trust Fund

Description: A $225,000 reduction to the General Fund appropriation to the Colorado Brain Injury Trust Fund in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Moderate

Key Considerations: This option represents an ongoing 50.0 percent reduction of the General Fund subsidy to the Fund. This subsidy is discretionary.

Additional background: The Colorado Brain Injury Trust Fund receives revenue from a surcharge for DUI and related convictions and a surcharge for helmet convictions. Beginning in FY 2019-20, pursuant to H.B. 19-1147 (Revise Traumatic Brain Injury Trust Fund), the General Assembly was permitted to appropriate General Fund directly to the Trust Fund.

Reduce Central Fund for VCLCs

Description: A $400,000 reduction General Fund appropriation to the Colorado Brain Injury Trust Fund in FY 2026-27 and ongoing.

Health/Life/Safety Impact: Moderate

Key Considerations: This option represents an ongoing 50.0 percent reduction of the General Fund subsidy to the Fund. This subsidy is quasi-discretionary.

Additional background: Statute[10] requires the General Assembly to appropriate General Fund to the Central Fund for Veterans Community Living Centers in an amount not to exceed 10.0 percent of total gross revenue accrued by the Central Fund during the preceding fiscal year.

[10] Section 26-12-108 (1)(a.5), C.R.S.

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.

Summary

- Changes to SNAP administration cost sharing begin in federal fiscal year (FFY) 2026-27 and will require the state to cover an additional 25.0 percent in costs. The Departments estimates additional costs will range from $25.7 million to $36.8 million in FY 2026-27 and $34.1 million to $50.0 million in FY 2027-28.
- The implementation of SNAP benefits cost sharing with the federal government begins in FFY 2027-28. Based on the state's current SNAP payment error rate (9.97 percent) and SNAP benefits payments ($1.4 billion annually), the state will be required to cover $108.4 million in FY 2027-28 and $144.6 million in FY 2028-29.
- With the passage of Propositions LL and MM in November 2025, there is estimated to be excess revenue from the Health School Meals for All program that can be used to supplement the costs of SNAP implementation, including additional administrative and benefits costs.

Discussion

Federal H.R. 1 was signed into law on July 4, 2025. The law contains several provisions that affect the Supplemental Nutrition Assistance Program (SNAP). These include changes to SNAP eligibility, benefits, and program administration. The changes to program administration and benefits have the most immediate and significant fiscal impact on the state, were a motivating factor for the August 2025 special session, underpin the Department's R3 (SNAP federal policies changes) request, and are discussed below. The federal policy changes to SNAP administration affect the FY 2026-27 budget, while the fiscal impacts from the changes to benefits start in FY 2027-28.

Other changes to SNAP from H.R. 1 include:

- Adjustments to work requirements that expand the definition of able-bodied adults without dependents from persons aged 18-54 to persons aged 18-64; strike exemptions for veterans, individuals experiencing homelessness, and former foster youth; and limits work requirement waivers to areas where the unemployment rate is at least 10.0 percent.
- Eliminating funding for the Nutrition Education and Obesity Grant Prevention Program (SNAP-Ed).
- Changes the requirements for adjusting the Thrifty Food Plan, limiting mandatory adjustments to annual inflation. The Thrifty Food Plan is a national standard from the federal Food and Nutrition Service that calculates the minimum cost of a nutritious diet. It is used to calculate the maximum benefit amount for SNAP.
- Removes Low Income Home Energy Assistance Program (LIHEAP) payments for households without an elderly or disabled member and internet expenses from the excess shelter expense deduction.
- Disallows most legally present qualified immigrants from eligibility.

SNAP Administration Cost Sharing – FY 2026-27

The changes to the cost sharing methodology for SNAP administration begin in federal fiscal year (FFY) 2026-27. Currently, the federal government covers 50.0 percent of the administrative costs. In Colorado, the other 50.0 percent is split between the state (30.0 percent) and counties (20.0 percent).[11] Beginning FFY 2026-27, the federal government will cover 25.0 percent of the administrative costs. State law specifies that counties are responsible for 20.0 percent of the "overall cost" of administering public assistance programs, including SNAP.[12] The additional 25.0 percent of SNAP administration costs will be fully borne by the state, unless statute is changed. The Department's R3 request discusses SNAP administrative costs in two broad categories: appropriated and non-appropriated.

Appropriated Administration Costs

The appropriated category includes all of those administrative elements for which there is an existing appropriation in the Long Bill. The Department calculates an increase in obligation of $25.7 million in FY 2026-27, due to the offset in federal and state fiscal years. For FY 2027-28, the state will have to cover an additional $34.1 million.

FY 2026-27 Long Bill Appropriations affected by H.R. 1 Cost Shift

Cost element/line item	Total Funds	General Fund	Federal Funds
Department overhead [1]	$0	$1,304,668	-$1,304,668
SNAP Quality Assurance	0	260,314	-260,314
OES Administration	0	98,581	-98,581
CBMS Operating and Contract Expenses	0	4,052,049	-4,052,049
CBMS Emergency Processing Unit	0	35,936	-35,936
Health Care and Economic Security Staff Development Center	0	104,400	-104,400
Supplemental Nutrition Assistance Program Administration	0	523,265	-523,265
Supplemental Nutrition Assistance Program State Staff Training	0	4,688	-4,688
Income Tax Offset	0	774	-774
Electronic Benefits Transfer Service	0	735,346	-735,346
Systematic Alien Verification for Eligibility	0	11,250	-11,250
County Administration	0	18,567,214	-18,567,214
Total	$0	$25,698,485	-$25,698,485

[1] This amount includes a reduction in federal funds associated with indirect cost recoveries.

Non-appropriated Administration Costs

The non-appropriated category includes administrative elements for which there is no current appropriation in the Long Bill. The full cost of these elements is covered by counties and local partners and include: additional county administration expenditures in excess of current allocations, county cost allocation plans, and SNAP outreach.

The Department reports that for FY 2024-25 (the last fiscal year for which full data is available) counties and local partners spent $29.7 million of their own funds to receive federal matching dollars at a 50/50 match rate. The state has not traditionally appropriated state funds for these purposes and is not statutorily required to do

[11] Section 26-1-122 (1)(a), C.R.S.

[12] Section 26-1-122 (1)(a), C.R.S.

so.[13] The Department estimates the FY 2026-27 impact as $11.1 million. The FY 2027-28 impact will be $14.9 million.

Administration Costs Not Currently Appropriated by the State

Cost element [1]	Total Funds	General Fund	Federal Funds
Additional County Expenditures	$6,339,571	$6,339,571	$0
County Cost Allocation Plans - Fed Pass-through	3,560,382	3,560,382	0
SNAP Outreach Plan	1,248,414	1,248,414	0
Total	$11,148,367	$11,148,367	$0

[1] The Department is requesting the creation of new line items to provide state support for these cost elements.

Additional County Expenditures

Counties are allowed to spend more than their 20.0 percent share as long as there are federal matching funds to support the expenditure. This additional expenditure does not obligate the state to adjust the appropriation of state funds to maintain the 50/30/20 administration cost splits. Statute explicitly states that counties are "solely responsible for the provision of the non-federal share that is in excess" of their 20.0 percent obligation.[14] The Department reports that in state fiscal year 2024-25 counties spent an additional $16.9 million local funds to access an equal amount of available federal SNAP matching funds.

County Cost Allocations Plans - Federal Pass-through

This is the indirect cost distributions for counties. Counties have approved cost allocation plans which include their total indirect costs to administer programs. Counties can claim a federal match for the applicable share of county-only spending on behalf of those programs. The SNAP portion is paid with federal SNAP funds from the administrative grant that matches county-only spending. These funds are distributed through the Colorado Financial Management System (CFMS) and are not included in the funds allocated from the County Administration appropriation in the Long Bill.

SNAP Outreach Plan

The federal Food and Nutrition Service (FNS) allows states the option to conduct outreach activities, including informing low-income households about the availability, eligibility requirements, application procedures, and the benefit of SNAP. Federal funds can be drawn to support eligible outreach activities. Colorado has exercised this option since 2010 through a federally approved outreach plan. Prior to 2019, Colorado's SNAP outreach wholly consisted of application assistance that was provided by three vendors who received the federal match for their expenditures on qualifying activities.

Beginning in FY 2019-20, the Department has received a General Fund appropriation to support SNAP outreach, focused on increasing outreach activities among small and rural partners. These funds are contracted to outreach partners. Partners and their subcontractors who participate in the SNAP Outreach Plan are required to contribute their own funds or in-kind contributions to support the outreach activities. Both the General Fund and partners' funds are matched by federal SNAP resources. Outreach supported through this appropriation are included in the appropriated category previously discussed. In addition to these appropriation, partner-only

[13] Sections 26-1-122 (4)(i) and 26-2-301 (4)(a), C.R.S.
[14] Section 26-1-122 (4)(h) and (4)(i), C.R.S.

SNAP outreach spending is reimbursed by the federal government and are accounted for in the non-appropriated category.

SNAP Benefits Cost Sharing – FY 2027-28

Beginning federal fiscal year 2028, the federal government will institute a new cost sharing methodology for SNAP benefits that has not previously existed. The share of SNAP benefits for which a state is responsible is based on the state's Payment Error Rate. The cost sharing schedule is as follows:

- for an error rate of less than 6.0 percent, the federal government covers 100.0 percent of SNAP benefits;
- for an error rate between 6.0-7.9 percent, the federal government covers 95.0 percent and the state covers 5.0 percent;
- for an error rate between 8.0-9.9 percent, the federal government covers 90.0 percent and the state covers 10.0 percent; and
- for an error rate of 10.0 percent or greater, the federal government covers 85.0 percent and the state covers 15.0 percent.

Colorado's Recent SNAP Payment Error Rates (%)

Federal fiscal year	Overpayment	Underpayment	Total PER
2023-24	7.91	2.06	9.97
2022-23	6.45	2.16	8.61
2021-22	5.29	2.02	7.31
2020-21 [1]	n/a	n/a	n/a
2019-20 [1]	n/a	n/a	n/a
2018-19	6.91	1.76	8.67
2017-18	4.04	1.39	5.43
2016-17	4.75	1.48	6.23

[1] The federal government did not publish PER data due to the COVID-19 public health emergency.

The most recently reported payment error rate (PER) for Colorado is 9.97 percent.[15] Assuming the PER does not change, the state would be responsible for 10.0 percent of the cost of SNAP benefits. Based on the average amount of SNAP benefits paid in the first quarter of FY 2025-26, SNAP benefits paid to Colorado recipients will total $1.4 billion for the current fiscal year. Assuming the error rate and benefits payments remain the same, the state would be required to pay $108.4 million in state fiscal year 2027-28.[16] In FY 2028-29, assuming the same benefits payments and error rate, the state would be responsible for the full $144.6 million.

There is a significant caveat to who is responsible for the payments of those benefits. Statute instructs that "the state department shall pass through to the county departments any monetary sanctions imposed by the federal government for failing to meet federal performance measures."[17] Payment error rate is explicitly called out in statute as a qualifying federal performance measure. A strict reading of statute would mean that the counties are responsible for covering the full cost of SNAP benefits if the state PER is 6.0 percent or higher.

[15] As reported by the federal Food and Nutrition Service for FFY 2023-24.
[16] 10.0 percent of total benefits for three-quarters of the state fiscal year.
[17] Section26-2-301.5 (2)(a), C.R.S.

Payment Error Rate

The state payment error rates measure the accuracy of eligibility and benefit determinations, and include both underpayments and overpayments. The PER determines what percentage of money paid out in reviewed cases was wrong. For the most part, payment errors are unintentional and may due to errors by county eligibility staff or the SNAP household. For example, a county eligibility worker may incorrectly calculate a household's expenses, or a client forgets to provide the county with an update on their income. Quality assurance reviews are required by federal law.

The Department's SNAP quality assurance unit makes sure that participating families receive the correct amount of SNAP benefits on time, and that applications are accepted or denied correctly. Households are chosen at random every month and their eligibility and benefits levels are verified. The state quality assurance staff reviews the information provided and compares it the households' current payment levels. If there is an inaccuracy in eligibility and benefits level, it is corrected and reported to the federal Food and Nutrition Service and the relevant counties.

Support from the Healthy School Meals for All Cash Fund

Senate Bill 25B-003 (Healthy School Meals for All) and the passage of Proposition MM allows excess revenue generated for the Healthy School Meals for All (HSMA) program to support the Supplemental Nutrition Assistance Program. Available HSMA revenue may supplement but cannot supplant state expenditures, as of July 1, 2025, on SNAP implementation.

JBC staff estimates that, with the passage of Propositions LL and MM in November 2025, there will be sufficient HSMA revenue to support SNAP. Based on the Legislative Council September 2025 forecast estimates and JBC staff analysis, it is estimated that $61.5 million will be available in FY 2026-27, $108.6 million will be available in FY 2027-28, and $56.4 million will be available in FY 2028-29.[18] These estimates indicate that the fiscal impact of the federal changes to administration cost sharing can be absorbed within this revenue source, rather than the General Fund. They also offer the opportunity for short-term investments by the state in efforts to lower the payment error rates in the hopes of mitigating the impact of the cost sharing provisions for SNAP benefits.

Hearing Question for Department

In what programs should the General Assembly invest to realize significant short-term improvements in the state SNAP payment error rates?

[18] JBC Staff Budget Briefing, *FY 2026-27 Department of Education, Programs other than School Finance & Categorical Programs*, November 19, 2025: https://content.leg.colorado.gov/sites/default/files/fy2026-27_edubrf1.pdf.

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.

Summary

- The federal TANF block grant and the state Long-term Works Reserve fund are not financially sustainable. Current state policies regarding inflationary adjustments to targeted cash assistnace and reserve requirements carry significant risk of fully drawing down available federal funds, which will require a significant increase in General Fund support for Colorado Works programs at the state and county levels.
- The Department estimates that within six years an ever-increasing amount of General Fund will be required to support TANF cash assistance, as well as state and county TANF reserves.
- The proposals contained within the Department's R5 request delay, but do not solve, the underlying sustainability problems facing TANF funded programs. The Department acknowledges this fact.

Recommendation

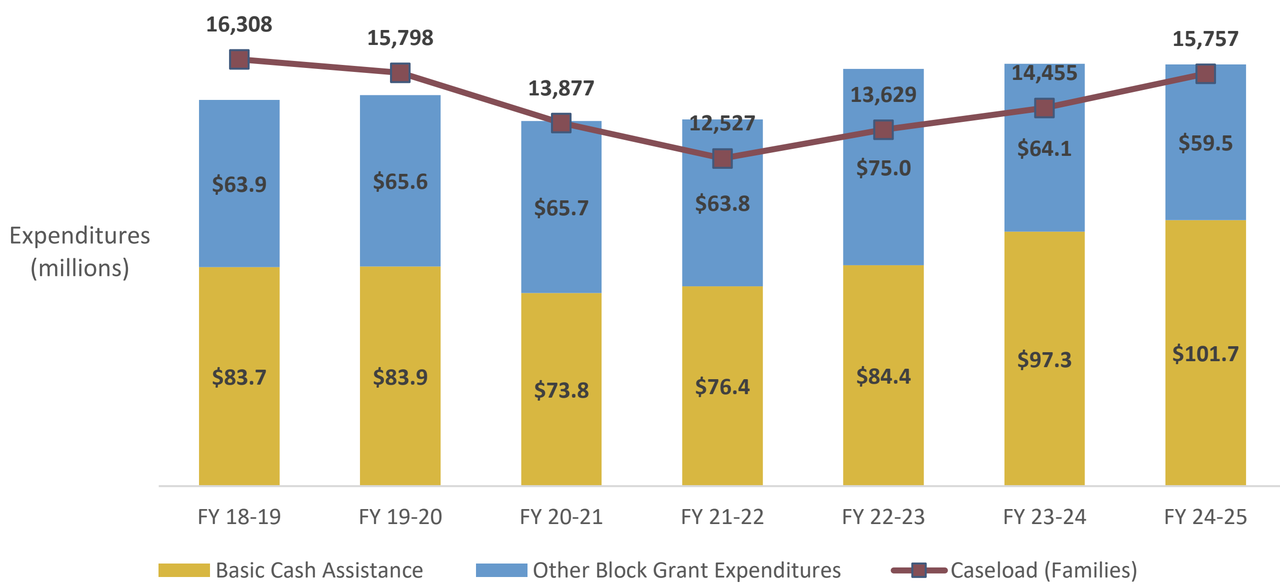
JBC staff is not prepared to make any recommendation on the proposals contained within this request. However, the request will require legislation to implement. In light of the complex and significant changes being proposed, staff recommends beginning the drafting process as soon as possible. If the Committee moves to draft the legislation, staff requests permission to work with the Department, counties and their representatives, and other affected stakeholder.

Discussion

The Colorado Works program implements the federal Temporary Assistance for Needy Families (TANF) block grant created in the 1996 welfare reform law. The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. Pursuant to federal law, the State receives a fixed amount of $136.1 million per year in federal TANF block grant funds. The majority of the TANF funds received are allocated as block grants to counties for the provision of basic cash assistance payments and to support related programs that assist families, including employment and training opportunities and child care assistance.

TANF funds are allocated to counties through a formula determined by the Works Allocation Committee (WAC). The WAC meets quarterly to review spending and allocation trends, annually approves the allocation formula, and makes other adjustments to county allocations according to statute. Members include county and state representatives. Counties are responsible for managing their Colorado Works allocation to deliver services to households, including eligibility determination, case management, employment support, and other supportive services. Supportive services include a number of programs that serve the TANF population, including refugee services, employment and training programs, early childhood programs, child welfare, domestic violence programs, and more. The Department provides fiscal oversight, training, policy direction, and program evaluation.

Absent policy interventions in a resource contrained environment, TANF basic cash assistance payments will continue to grow and reduce available funding for supportive services.



State statute requires counties to provide cash assistance to eligible households and allows counties to use their TANF allocations to provide services that meet the four federal purposes of TANF:

1. assisting families in need so children can be cared for in their own homes or the homes of relatives;
2. reducing the dependency of parents in need by promoting job preparation, work, and marriage;
3. preventing pregnancies among unmarried persons; and
4. encouraging the formation and maintenance of two-parent families.

The State and counties have discretion to provide a broader array of services to the TANF-eligible population, including households with a child and an annual income up to $75,000.

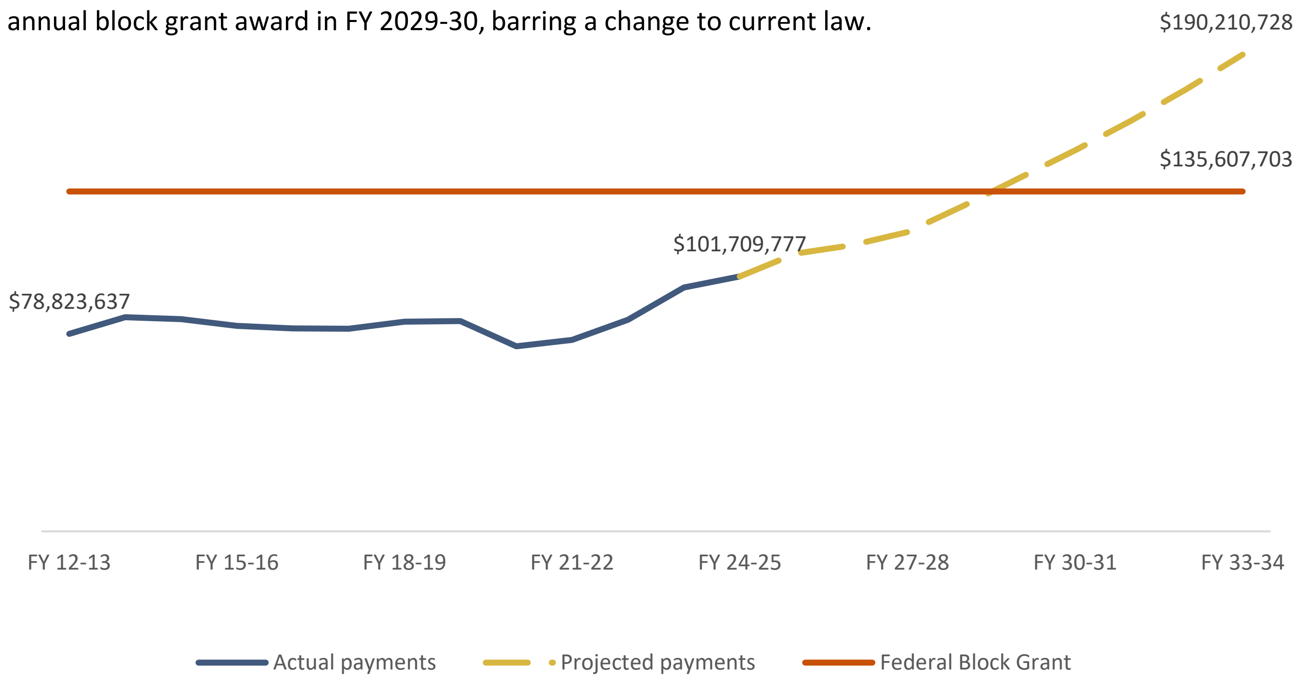
Federal regulations establish the overall block grant and program requirements, while state statute governs how TANF funds are distributed and managed within the state. Federal law sets a 15.0 percent administrative cost cap, allows states to retain unspent TANF funds in reserve, and allows states to transfer a percentage of the TANF block grant to the Child Care Development Fund (CCDF) and Child Welfare (Title XX). Up to 30.0 percent of the TANF block grant may be transferred, but federal regulations cap the Title XX transfer at 10.0 percent. Colorado law grants both the State and counties authority to transfer funds to CCDF and Title XX, as long as the total amount does not exceed the federal allowance.

Basic Cash Assistance

A core component of the Colorado Works program is targeted cash assistance, otherwise known as basic cash assistant (BCA) grants. The amount of BCA that a household receives depends on several factors including the number of caretakers and the number of children. These amounts are set in state regulation and reviewed annually.[19] The cash assistance is delivered to participants through the Electronic Benefits Transfer program, which allows to the deposit of the BCA onto an EBT card or directly into a bank account.

Basic cash assistance payments are projected to exceed the annual federal block grant award in FY 2029-30, effectively eliminating the ability for counties to use TANF funds to provide supportive services or make transfers to support their CCDF or Title XX programs. The enactment of H.B. 22-1259 has accelerated the increase in BCA payments. The bill increased BCA grants by 10.0 percent in FY 2022-23 and instituted an annual cost-of-living adjustment (COLA) beginning in FY 2024-25. The COLA adjustment is the greater of two percent or the three-year average of prior year Social Security Administration COLAs. These provisions, combined with an increasing caseload, is driving the increases in BCA payments. Additionally, statutory provisions added through H.B. 22-1259 require the General Fund to cover two-thirds of the cost of the policy changes.

TANF basic cash assistance payments are expected to exceed the total annual block grant award in FY 2029-30, barring a change to current law.



The projections for future BCA payments assume no caseload growth in FY 2026-27 and beyond and use inflation assumptions from the Office of State Planning and Budgeting's September 2025 forecast as a proxy for Social Security Administration cost-of-living adjustments.

Structural Change to BCA Appropriation

The Department proposes creating a separate appropriation for BCA payments and managing the funds at the state level, rather than the current county-level management. The appropriation for BCA payments is currently part of the County Block Grant line item. Disentangling the BCA from the County Block Grant line item does not change total program costs. The change moves $103.3 million total funds, including $14.9 million General Fund and $88.4 million federal TANF funds from the County Block Grant appropriation to a new line item that exclusively supports BCA expenditures. The request also reduces informational cash funds from counties by

[19] 9 CCR 2503-6, Section 3.606.1

$19.2 million. The $46.7 million total funds remaining in the Count Block Grant line item will be allocated to counties for administration, supportive services, and contracts.

The Department believes this method would stabilize BCA funding and mitigate the risk of payment disruptions if a county's reserves fall below their 15.0 percent floor, or a dollar value of $19.8 million. However, a complicating factor is that statute pegs the county reserve floor to the County Block Grant appropriation. Absent statutory changes, the dollar value of the county reserve floor would drop to $6.6 million.

Two-Year Pause to Cost-of-Living Adjustment

The Department is proposing a statutory two-year pause to BCA cost-of-living adjustments (COLAs). After the two-year pause, the Department recommends adjusting BCA payments by the Social Security Administration's published COLA. The Department calculates that this pause will avoid $33.9 million in BCA payment increases over a five-year period.

Impact of 2-year COLA Pause Proposal

Fiscal Year	Cost Projections per Statute	Cost Projects per Proposal	Avoided Cost Increase
2026-27	$21,802,036	$18,707,416	$3,094,620
2027-28	25,187,798	18,707,416	6,480,382
2028-29	28,649,211	21,303,626	7,345,585
2029-30	32,069,472	23,754,380	8,315,092
2030-31	35,028,291	26,406,002	8,622,289

This proposal provides short-term relief to the problem of BCA payments exceeding the total annual TANF block grant award. Unfortunately, based on the Department's projections, it only delays by this situation by one year to FY 2030-31.

TANF Reserves

Federal law allows states to retain any unexpended TANF funds for future use in the event of an economic downturn or caseload growth. The Department is allowed to maintain a Long-term Works Reserve (LTR) fund.[20] The FY 2025-26 beginning balance in the State's LTR totaled $50.2 million, with a minimum required balance of $33.9 million. State statute also allows county departments of human/social services to maintain a reserve fund,[21] up to 40.0 percent of its annual TANF block grant or $100,000, whichever is greater. The FY 2025-26 beginning balance of all county TANF reserves totaled $29.3 million.

Statute establishes a minimum reserve for the State's Colorado Long-term Works Reserve of 25.0 percent of the annual TANF Block Grant award ($33.9 million) and a minimum reserve for the aggregate of all county reserves of 15.0 percent of the amount allocated to counties ($19.2 million). If either the state or the counties 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.[22]

[20] Section 26-2-721, C.R.S.
[21] Section 26-2-714 (5)(a)(I)(A)
[22] Section 26-2-709 (1)(b)(III and IV), C.R.S.

The following tables are provided by the Department in response to their Request for Information #24, which provides a summary of the actual and anticipated expenditures from the LTR. The RFI is delivered twice a budget cycle, on November 1 (preliminary) and January 2 (updated).

TANF Long-term Reserve Analysis

TANF Funds Available to Appropriate	FY 2024-25 Actuals	FY 2025-26 Appropriation	FY 2026-27 Projected
Prior Grant Year Funds Available (as of June 30) [1]	$123,351,886	$50,170,323	$39,202,273
Less Minimum State LTR Balance (Quarter of Award)	-33,901,926	0	0
State Family Assistance Grant [2]	135,607,703	135,607,703	135,607,703
Contingency Fund [3]	15,623,002	12,000,000	12,000,000
Sub-total TANF Funds Available	$240,680,665	$197,778,026	$186,809,976
Less County Reserves (as of June 30)/ Net Change in out-year	-35,038,377	5,706,534	0
Total TANF Funds Available to Appropriate	$205,642,288	$203,484,560	$186,809,976
TANF Spending/Appropriations			
General & Administrative & Prior Year Adjustments	$3,936,000	$6,118,499	$6,118,499
OIT Common Policy	416,093	972,485	972,485
Colorado Benefits Management System	2,923,960	3,047,880	3,047,880
Colorado Works Administration	3,964,994	4,701,618	4,451,618
County Block Grants	129,860,834	132,095,877	43,691,429
County TANF Transfer Utilization	*0*	*0*	*0*
JBC Initiated Child Welfare GF Refinance	*0*	*0*	*0*
State Long Term Utilization (HB 18-1306)	*0*	*0*	*0*
Foster Transportation TANF Transfer	*2,750,328*	*2,803,645*	*2,803,645*
Kinship Foster Care Homes (SB 24-008)	*5,107,657*	*4,561,004*	*0*
Total TANF Transfers to SSBG (Title XX)	$7,857,985	$7,364,649	$2,803,645
County Training	$84,375	$432,677	$432,677
Domestic Abuse Program	674,917	629,677	629,677
Stable Housing for Survivors of Abuse Program	0	2,000,000	2,000,000
Works Program Evaluation	440,051	495,440	495,440
Workforce Development Council	67,079	111,211	111,211
Employment Opportunities with Wages (CW STEP)	1,668,062	2,000,000	2,000,000
Child Support Services Program	719,636	1,153,648	1,153,648
Refugee Assistance	2,801,534	2,945,737	2,945,737
Electronic Benefits Transfer Service	45,286	201,152	201,152
System Alien Verification for Eligibility	11,160	11,737	8,039
Pending decision items			
R5 TANF state policy changes			88,404,448
R6 Count Block Grant Support Fund			250,000
County reserves expenditures			
Block Over Expenditures	4,912,086	n/a	n/a
Transfers to CCDF [4]	794,448	n/a	n/a
Transfers to SSBG	0	n/a	n/a
Total TANF Spending/Appropriations	$161,178,499	$164,282,287	$159,717,585
State Long-term Reserve Balance	$50,170,323	$39,202,273	$27,092,391
Minimum State LTR Balance	$33,901,926	n/a	n/a

[1] The Long-term Reserve Balance as of 6/30/2025 is included in the amount for Prior Grant Year Funds Available for FY 2024-25 which represents unobligated balances reflected on TANF ACF-196 Financial Reports for any open grant years, the fourth quarter federal award, plus budgeted amounts for the Child Care Development Fund and the Social Services Block Grant (Title XX). The estimated Long-term Reserve Balance for the beginning of FY 2025-26 is based on submitted federal fiscal reports.
[2] The State Family Assistance Grant amount per the Administration of Children and Families.
[3] The federal budget for Contingency Funds is appropriated to $598 million across all states annually. Amounts awarded to individual states fluctuate annually based on a federal calculation of need and the number of states applying and qualifying for funds. The federal

government has multiple proposals to reduce or repurpose these funds, so there is no assurance funds will be available. As there is no guarantee of federal funding of Contingency to continue nor Colorado receiving these funds, program only includes actual amounts awarded. Since 2009, Colorado has received between $4 million and $16 million annually for Contingency and projects to receive $12,000,000 in each year.
[4] CCDF: Child Care Development Fund

County Reserves

Date	Ending Balance
Ending Balance as of 6/30/2024	$35,038,377
Ending Balance as of 6/30/2025	29,331,843
Net Inc/(Dec)	-$5,706,534
Statutory minimum	19,814,382
Surplus/-deficit	$9,517,461

The draw down and backfill of both the county reserves and the state LTR is all but inevitable if current expenditure trends hold. While there is some disagreement between the Department and JBC staff on the exact magnitude of those trends, there is agreement that under current law the General Fund will be required to backfill the state LTR beginning in FY 2028-29 and ongoing. The amount of General Fund required in FY 2029-30 and beyond annual grows by an average of $10.4 million. The Department's proposals do not prevent the draw down and backfill, rather they are expected to delay this reality until FY 2030-31.

Department Proposals Related to TANF Reserves

Reduce County Reserve Cap

The Department proposes reducing the county reserve cap from 40.0 percent to 20.0 percent. Reducing the county reserve cap allows for the redistribution of available TANF funds that are currently being held in reserve. These funds would be redistributed to counties whose reserves are below the 20.0 percent cap. The Department estimates that $8.3 million would be made available for redistribution in FY 2026-27. This proposal does not change the statutory provisions requiring a $100,000 minimum reserve floor for individual counties with allocations at or below $200,000.[23]

End Requirement for the State Long-term Reserve to Backfill County Reserves

The Department proposes to end the requirement for the state LTR to backfill the county reserve when it drops below the 15.0 percent minimum balance. Removing this requirement has a secondary General Fund impact because the General Fund is required to backfill the state LTR when it drops below its 25.0 percent minimum balance. As expenditure trends continue, the use of the state LTR to backfill the county reserve will drop the LTR below its minimum balance, which means that the General Fund will effectively backfill both the county and state reserves.

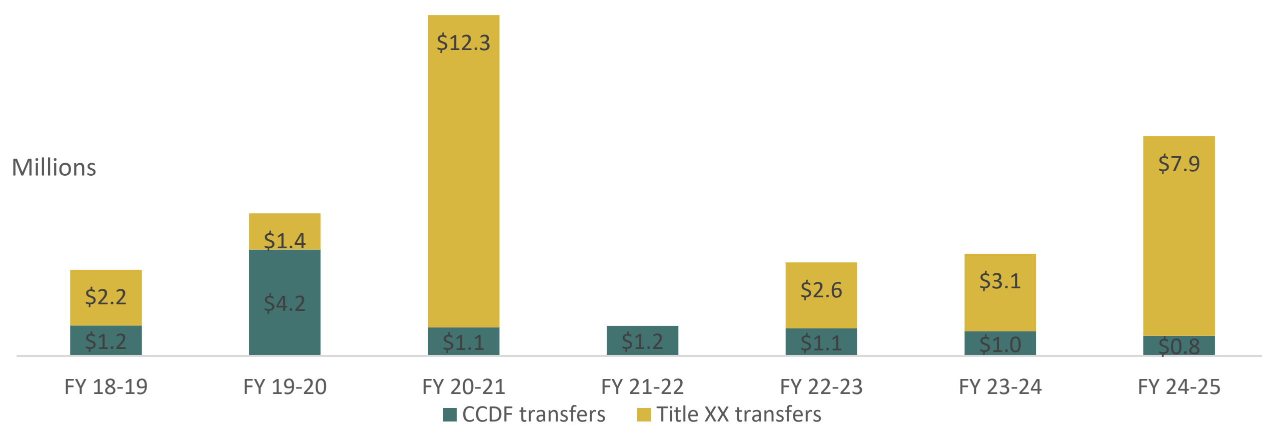
This proposal does not end the requirement for the General Fund to backfill the state LTR. The Department anticipates that this will be required in FY 2030-31 even if their request is approved and adopted in whole.

[23] Section 26-2-714 (5)(a)(II), C.R.S.

State Management of Transfers to CCDF and Title XX

The Department seeks a statewide approach for managing the transfer of TANF funds to the CCDF (child care) and Title XX (child welfare) block grants. The proposal argues that a statewide approach improves transparency and predictability for TANF-eligible clients, and is a more efficient approach for managing the limited TANF funds. Federal law allows up to 30.0 percent ($39.6 million) of the annual TANF block grant to be transferred to the CCDF and Title XX block grants combined. The full 30.0 percent can be transferred to CCDF, but a maximum of 10.0 percent can be transferred to Title XX.

The amount transferred from the TANF block grant to the CCDF and Title XX block grants has varied widely over the last seven years.



The Department identifies the maximum amount of TANF funds that could be transferred in a state fiscal year. However, the Department does not intend to change the methodology for child care or child welfare programming, nor prescribe the amount or approach. The Department's goal is to improve budgeting. Annually, the Department would work with affected programs to estimate funding needs that could be addressed via TANF transfers. For example, if child care is estimating a $15.0 million gap in funding, a corresponding amount of TANF funds could be requested to be transferred to CCDF to ensure continuity of services for households. At that point, those dollars would be considered CCDF dollars and the existing Colorado Child Care Assistance Program methodology and processes would determine how transferred dollars are used. The Department would utilize the annual budget request process to seek approval for the transfer in any given fiscal year.

The primary concern of JBC staff for this proposal is that it does not address the long-term sustainability of TANF funding. As discussed previously, current expenditure trends within Colorado Works will outstrip available federal TANF funds and reserves in six years. While legal, any transfer of TANF dollar to CCDF or Title XX programs only accelerates the sustainability problems facing Colorado Works. This is not a solution to those problems.

FY 2025-26 Executive Order Budget Adjustments

Budget Reductions

Executive Order D 2025 014, as amended, identifies the following plans for FY 2025-26 spending reductions in this department. There are no reduction relevant ot the divisions in this document, but there is a reduction for the Office of Civil and Forensic Mental Health.

Title	General Fund	Description
Mental Health Hospitals Personal Services Reduction	-$1,709,355	Reduce General Fund for costs that can be supported by existing patient revenue. No program impact.
Total - HUM	-$1,709,355	

Other Balancing Holds

For the State as a whole, the Governor's Office anticipates $3.0 million General Fund savings from a FY 2025-26 hiring freeze. The Governor's Office has not provided estimates at the department level.

Footnotes and Requests for Information

Update on Long Bill Footnotes

The General Assembly includes footnotes in the Long Bill to:

1. set forth purposes, conditions, or limitations;
2. explain assumptions; or
3. express legislative intent.

This section discusses a subset of the footnotes relevant to the divisions covered in the briefing. For a full list of footnotes, see the end of each departmental section of the [2026 Long Bill](https://leg.colorado.gov/bills/sb25-206) (https://leg.colorado.gov/bills/sb25-206)

37 Department Human Services, Office of Economic Security, Administration; Food and Energy Assistance, Supplemental Nutrition Assistance Program Administration -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer up to 5.0 percent of the total appropriations between these line items.

Comment: This footnote was first included for FY 2017-18 because of the addition of a line item for FY 2016-17 to the Department's Long Bill structure to capture all appropriations for the State's administrative functions associated with Supplemental Nutrition Assistance Program (SNAP). This line item was carved out of two existing line items that historically contained appropriations for administrative functions for a variety of programs, including SNAP. The appropriation splits between the line items are based on a forecast of expenditures, thus the footnote was included in the event that the expenditures varied from the forecast.

38 Department of Office of Economic Security, Colorado Benefits Management System -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer up to 5.0 percent of the total appropriations in this subsection among line items in this subsection. The Department is also authorized to transfer up to 5.0 percent of the total appropriations in this subsection to the following line item appropriations within the Department of Health Care Policy and Financing: Executive Director's Office, Information Technology Contracts and Projects, Colorado Benefits Management Systems, Operating and Contract Expenses and Colorado Benefits Management System, Health Care and Economic Security Staff Development Center.

Comment: This footnote was included for FY 2024-25 to allow appropriations for the Colorado Benefits Management System to be transferred (up to 5.0 percent) between the Department of Human Services and the Department of Health Care Policy and Financing. This flexibility is intended to allow the agencies to expend money for cross-department projects rather than limiting expenditures to a single department.

39 Department of Human Services, Office of Economic Security, Colorado Benefits Management System , Ongoing Expenses, Operating and Contract Expenses-- Of this appropriation, $2,500,000 remains available for expenditure until the close of the 2026-27 state fiscal year.

Comment: This footnote was included for FY 2024-25 to allow appropriations for the Colorado Benefits Management System to be expended in FY 2025-26, as well. This flexibility is intended to allow the Department to undertake (and pay for) projects that extend beyond a 12-month timeframe.

40 Department of Human Services, Office of Economic Security, Employment and Benefits Division, Colorado Works Program, County Block Grants; Child Support Services, Child Support Services; County Administration, County Incentive Payments -- As required by Sections 26-13-108 and 26-13-112.5 (2), C.R.S., the Department shall distribute child support incentive payments to counties. Further, all of the State share of recoveries of amounts of support for public assistance recipients, less annual appropriations from this fund source for state child support enforcement operations, shall be distributed to counties, as described in Sections 26-13-108 and 26-2-108, C.R.S. If the total amount of the State share of recoveries is greater than the total annual appropriations from this fund source, the Department is authorized to distribute to counties, for county incentive payments, the actual State share of any additional recoveries.

Comment: This footnote was included for FY 2024-25 to express legislative intent with respect to the use of the State share of child support enforcement recoveries.

41 Department of Human Services, Office of Economic Security, Employment and Benefits Division, Colorado Works Program, County Block Grants -- As required by Sections 26-2-714 (7) and 26-2-714 (9), C.R.S., under certain conditions, a county may transfer federal Temporary Assistance for Needy Families (TANF) funds within its Colorado Works Program Block Grant to the federal child care development fund or to programs funded by Title XX of the federal Social Security Act. One of the conditions specified is that the amount a county transfers must be specified by the Department of Human Services as being available for transfer within the limitation imposed by federal law. The Department may allow individual counties to transfer a greater percent of federal TANF funds than the state is allowed under federal law as long as: (a) Each county has had an opportunity to transfer an amount up to the federal maximum allowed; and, (b) the total amount transferred statewide does not exceed the federal maximum.

Comment: This footnote was included for FY 2024-25 to clarify that counties may transfer TANF funds to child welfare and child care programs in excess of 30.0 percent of the county’s own TANF allocation, as long as the amount transferred statewide does not exceed federal caps.

42 Department of Human Services, Office of Economic Security, Employment and Benefits Division, Colorado Works Program, County Block Grants -- The appropriation of local funds for Colorado Works program county block grants may be decreased by a maximum of $100,000 to reduce one or more small counties' fiscal year 2025-26 targeted or actual spending level pursuant to Section 26-2-714 (8), C.R.S.

Comment: The Colorado Works Allocation Committee is authorized (Section 26-2-714 (8), C.R.S.) to mitigate (reduce) a small county's targeted and/or actual spending level, up to a maximum amount identified in the Long Bill. A small county is one with less than 0.38 percent of the total statewide Works caseload, as determined by the Department of Human Services. This footnote authorizes the Works Allocation Committee to approve a maximum of $100,000 in mitigation.

43 Department of Human Services, Office of Economic Security, Employment and Benefits Division, Colorado Works Program, County Block Grants -- The Department may comply with the provisions of Section 26-2-714 (10), C.R.S., by reducing required county Temporary Assistance for Needy Families (TANF) maintenance of effort expenditures in the fiscal year after the State is notified that it has met federal work participation rates and qualifies for a percent reduction in the state's maintenance of effort. If the State is notified during the 2025-26 state fiscal year that it has met federal work participation rates for a prior year and therefore qualifies for a percent reduction in the state's

maintenance of effort, local cash funds expenditure obligations that are established in this line item pursuant to Section 26-2-714 (6) (c) (I), C.R.S., shall be reduced by $5,524,726.

Comment: This footnote was included for FY 2024-25 to reimburse counties when the state is notified that its federally required TANF maintenance of effort has been reduced based on the state meeting specified work participation rates.

44 Department of Human Services, Office of Economic Security, County Administration, County Administration; and Office of Adult, Aging and Disability Services, Aging Programs, Adult Protective Services, Adult Protective Services -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., any amount in the Adult Protective Services line item that is not required for the provision of adult protective services may be transferred to the County Administration line item and used to provide additional benefits under that program. Further, if county spending exceeds the total appropriations from the Adult Protective Services line item, any amount in the County Administration line item that is not required for the provision of services under that program may be transferred to the Adult Protective Services line item and used to provide adult protective services.

Comment: This footnote was included for FY 2024-25 to provide counties with flexibility to move money between two purposes, county administration and adult protective services, based on the need for such services. This footnote dates back to the first fiscal year in which the appropriation for the county administration of adult protective services was removed from the County Administration line item and isolated in an adult protective services-specific line item. This isolation was based on a forecast for county administration and adult protective services; thus, the footnote was included in the event that the expenditures varied from the forecast.

49 Department of Human Services, Office of Adult, Aging and Disability Services, Regional Centers for People with Developmental Disabilities, Wheat Ridge Regional Center, Wheat Ridge Regional Center Intermediate Care Facility; Grand Junction Regional Center, Grand Junction Regional Center Intermediate Care Facility -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriation for Intermediate Care Facilities between the Wheat Ridge Regional Center and the Grand Junction Regional Center.

Comment: This footnote provides additional annually authority to transfer appropriations when necessary.

50 Department of Human Services, Office of Adult, Aging and Disability Services, Regional Centers for People with Developmental Disabilities, Grand Junction Regional Center, Grand Junction Regional Center Waiver Services; and Pueblo Regional Center, Pueblo Regional Center Waiver Services -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriation for Regional Center waiver services between the Grand Junction Regional Center and the Pueblo Regional Center.

Comment: This footnote provides additional annually authority to transfer appropriations when necessary.

51 Department of Human Services, Office of Adult, Aging and Disability Services, Aging Programs, Community Services for the Elderly, Older Americans Act Programs; State Funding for Senior Services -- Amounts in the Older Americans Act Programs line item are calculated based on a requirement for a non-federal match of at least 15 percent, including a 5.0 percent state match, pursuant to Title III of the federal Older Americans Act. In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer General Fund and cash funds from the State Funding for Senior Services line item to the Older Americans Act Programs line item to comply with the 5.0 percent state

match requirement for the Older Americans Act Programs. This appropriation is based on the assumption that all federal Title III funds requiring a state match that are not for purposes of administration or included in the appropriations for other line items will be expended from the Older Americans Act Programs line item.

Comment: This footnote was included for FY 2024-25 to authorize the transfer of funds from the State Funding for Senior Services line item to the Older Americans Act program line item in the event that funding is needed to meet the State match to receive federal funds.

Update on Requests for Information

The Joint Budget Committee may submit requests for information (RFIs) to departments. The Joint Budget Committee must prioritize the requests per Section 2-3-203 (3), C.R.S.

This section discusses a subset of the RFIs relevant to the divisions covered in the briefing. For a full list of RFIs, see the letters requesting information (https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf).

Requests Affecting Multiple Departments

6 Department Early Childhood; Department of Human Services – The Departments are requested to submit on or before September 1, a report to the Joint Budget Committee concerning the impact of state funding and local decision-making on the TANF, child welfare, and Colorado Child Care Assistance programs. The report should engage county administrators, county human services officials, and other stakeholders to develop strategies to support the long-term sustainability of the three programs. The report should include, at a minimum, the following: an evaluation of state and local expenditures related to administration of these programs; analysis of budget practices regarding each program; recommendations that clearly delineate state responsibility and local responsibility as it pertains to funds management and cost containment measures; and, as it pertains to CCCAP, consideration of how other states are or are not implementing federal regulations and what penalties the state may face if it does not fully implement the new federal regulations.

Comment: The Department provide a response on September 1, 2025 and a revised version on October 7, 2025.

As it relates to Colorado Works, which is the State's implementation of the federal Temporary Assistance for Needy Families (TANF) program, the response provides a background summary of the program, a fiscal assessment of the program, and a series of state and county recommendations to address the financial pressures on Colorado Works. The state recommendations presented in the response are the basis for and capture in the Department's R5 (TANF state policy changes) request for FY 2026-27.

Department of Human Services Requests

12 Department Human Services, Office of Economic Security – The Department is requested to submit annually through 2025, on or before January 1, a report to the Joint Budget Committee concerning fair hearings conducted for the Supplemental Nutrition Assistance Program (SNAP). The requested report should include the following information:

a. the total number of SNAP fair hearings conducted internally at CDHS and the total number of SNAP fair hearings that involve a second program and were thus conducted at the Office of Administrative Courts (OAC);
b. the percentage of internal hearings and the percentage of OAC fair hearings conducted that met the federal timeliness standards;
c. the number of internal hearings that utilized a certified interpreter and the number that used a non-certified interpreter;
d. an overview of the training that is provided to staff working on Fair Hearings at the Office of Appeals; and
e. a description of measures used to ensure that the internal hearing process is independent from the CDHS Office of Appeals and CDHS SNAP operations.

Comment: JBC staff anticipates the final iteration of this RFI to be submitted January 1, 2026.

13 Department Human Services, Office of Economic Security, Food and Energy Assistance, Supplemental Nutrition Assistance Program Administration – The Department is requested to submit quarterly updates beginning July 1, 2024 on the federal corrective action plan to address Application Processing Timeliness (APT) rates that are below the federally required minimum and the actions taken by the department to bring the State into compliance.

Comment: The Department provided the following response on November 15, 2025.

Colorado's Application Processing Timeliness (APT) rate for Supplemental Nutrition Assistance Program (SNAP) applications has significantly increased, with three consecutive months exceeding 95.0 percent. This progress means that the Department's timeliness is exceeding the expectations of the federal Food and Nutrition Service for improvement under the corrective action plan, which requires an increase of five percentage points every six months. While the original federal APT corrective action plan required Colorado to attain a rolling average of 95.0 percent, the current requirement mandates 95.0 percent timeliness be sustained for six consecutive months.

SNAP Application Processing Timeliness (APT)

Month	Applications Approved Timely	Total Applications Approved	APT (%)
10/2024	14,003	15,631	89.6
11/2024	12,303	13,662	90.1
12/2024	13,177	14,562	90.5
1/2025	13,806	15,125	91.3
2/2025	11,545	12,780	90.3
3/2025	11,089	12,889	86.0
4/2025	11,192	13,126	85.3
5/2025	11,284	12,616	89.4
6/2025	12,271	12,971	94.6
7/2025	12,606	12,964	97.2
8/2025	12,349	12,672	97.5
9/2025	12,757	13,191	96.7

The Department continues to engage in numerous actions to maintain the State's APT rate to or above the federally required minimum of 95 percent. The Department has developed numerous interim metrics to measure county processing progress and predict timeliness. The Department continues to maintain and update a weekly data dashboard to enable counties to monitor and track their own metrics and manage their performance. The Department continues to use a monitoring and alert program to ensure that counties are aware when their internal metrics begin to dip, prior to major problems with timeliness. The Department continues to assist individual counties struggling with timeliness through best practices and individualized support. Individual counties with performance problems that are significantly impacting the State rate are continuing to work through their tailored support plans, including individualized technical support to guide their improvement.

17 Department Human Services, Office of Adult, Aging, and Disability Services, Aging Programs, Community Services for the Elderly – The Department is requested to submit a report by November 1 of each year on Older Americans Act Funds received and anticipated to be received, and the match requirements for these funds. The report should also specify the amount of funds, if any, that were transferred between the State Funding for Senior Services line item and the Older Americans Act Programs line item in the prior actual fiscal year to comply with federal match requirements.

Comment: The Department provided the following information on October 31, 2025.

The following tables shows the Older Americans Act (OAA) funds received and anticipated funds to be received, and the match requirements.

Older Americans Act Funding

Federal Fiscal Year	Total	Required Match	Federal Funds
Older Americans Act Funds FFY 2024-25 (Actual)	$29,806,756	$5,140,866	$24,665,890
Older Americans Act Funds FFY 2025-26 (Projected)	29,806,756	5,140,866	24,665,890

No funds were transferred between the State Funding for Senior Services (SFSS) line item and the OAA Programs line item. Additionally, there were no funds from SFSS used to draw down federal funds in Federal Fiscal Year 2024-25.

Older Americans Act Funds (Actual received during FFY 2024-25 and projected for FFY 2025-26)

		Federal	Match $			Total
Part	Part Name	Funds	State	Local / In-Kind	Total	Allocated
Title III B [1]	Supportive Services	$6,979,068	$410,533	$821,067	$1,231,600	$8,210,668
Title III C1 [1]	Congregate Meals	4,845,962	285,057	570,113	855,170	5,701,132
Title III C2 [1]	Home Delivered Meals	5,442,279	320,134	640,267	960,401	6,402,680
Title III D [2]	Preventive Health	398,719	0	70,362	70,362	469,081
Title III E [3]	National Family Caregiver Support Program (NFCSP)	2,460,575	142,041	678,151	820,192	3,280,767
Administration	Area Agencies on Aging (AAA) [3]	2,191,987	0	730,662	730,662	2,922,649
	State [4]	1,153,678	384,558	0	384,558	1,538,236
	Total Title III	$23,472,268	$1,542,323	$3,510,622	$5,052,945	$28,525,213
Title V [5]	Senior Community Service	$804,756	n/a	$87,920	$87,920	$892,676
Title VII	Elder Abuse	55,957	n/a	n/a	0	55,957
	Ombudsman	332,909	n/a	n/a	0	332,909
	Total Title VII	$388,866	n/a	n/a	$0	$388,866
	Grand Total	$24,665,890	$1,542,323	$3,598,542	$5,140,865	$29,806,755

[1] A total match of 15.0 percent is required. At least 5.0 percent match must come from the State, and the remainder to come from Local/In Kind sources.
[2] A total match of 15.0 percent is required. This is provided by the AAAs.
[3] A total match of 25.0 percent is required. There is no stipulation as to the source of the matching funds.
[4] A total match of 25.0 percent is required, that must come from a state funding source.
[5] A total match of 10.0 percent is required and is provided by the vendors.

18 Department Human Services, Office of Adult, Aging, and Disability Services, Aging Programs, Community Services for the Elderly – The Department is requested to submit annually, on or before November 1, a report to that provides the cost to eliminate waitlists for each service type for services provided to older adults by the state's Area Agencies on Aging.

Comment: The Department provided the following information on October 31, 2025.

The State Unit on Aging (SUA), located within CDHS, works closely with the 16 AAAs to gather data on the waitlists for services for older Coloradans around the state. The data below represents the cost associated with eliminating the waitlists for FY 2024-25, based on the following assumptions and methods:

- The cost to eliminate the waitlists statewide for each service type was calculated by aggregating the cost to eliminate the waitlist for each service type at each of the 16 AAAs.
- The cost to eliminate the waitlist for each service type for each AAA was calculated by multiplying the unduplicated count of individuals on the waitlist for that service type by the average number of units received by individuals who received that service type in that AAA region in FY 2024-25, and then multiplying that number by the average cost per unit of service for that AAA region in FY 2024-25.

FY 2024-25 Statewide Cost to Eliminate Area Agency on Aging (AAA) Waitlists and Unduplicated Client Count

Service Type	Unduplicated Count of Individuals on Waitlist [1]	Total Cost of Eliminating Waitlist
In Home Services (chore, personal care, homemaker, respite care)	998	$1,327,391
Other (case management, counseling, reassurance, evidenced based)	185	98,520
Nutrition (home delivered and congregate meals)	412	856,397
Material Aid (audiology, vision, dental)	282	188,060
Transportation	805	686,283
Total	2,682	$3,156,651

[1] Data from the State Unit Data System (SUDS) and Colorado Budget, Reimbursement and Expenditures data system (CBRES).

It is important to note that per Section 26-11-205.5 (2), C.R.S., the funding provided to AAAs through the State Funding for Senior Services (SFSS) Long Bill line item must be disbursed to the AAAs via the federally-approved Intrastate Funding Formula (IFF). The IFF is an allocation formula based on several population demographic figures provided annually by the State Demography Office. As a result, if additional funding is appropriated to the SFSS line item, the funding will be distributed to the AAAs based on the IFF, not based on specific AAA funding needs to eliminate waitlists. For example, if the JBC appropriates an additional $3 million to the SFSS line item with the intent of addressing AAA waitlists, an AAA that receives 5.0 percent of the overall AAA allocation would receive $150,000 of that funding and an AAA that receives 40.0 percent of the AAA allocation would receive $1,200,000 of that funding, regardless of their waitlists needs. If both AAAs needed $300,000 to eliminate their waitlists, one AAA would not be able to eliminate its waitlists while the other AAA would receive more funding than what is needed to eliminate its waitlists.

According to information gathered from the AAA regions, the primary reason for the existence of waitlists is due to funding shortages. The other main reason for waitlists is the increasing costs associated with providing services. However, even if additional funding were provided, the lack of providers in some areas of the state would need to be addressed in order to fully eliminate a waitlist. Finally, it is important to note that the total unduplicated number of individuals on the waitlist changes day to day, making it challenging to project what the need will be moving forward.

19 Department Human Services, Office of Adult, Aging, and Disability Services, Regional Centers for People with Developmental Disabilities – The Department is requested to provide by November 1 of each fiscal year, the monthly census for each Regional Center by licensure type since the beginning of the fiscal year, and annual cost per capita for each Regional Center by licensure type, including the Regional Center costs for utilities, depreciation, indirect costs, and centrally appropriated personnel items.

Comment: The Department provided the following information on October 31, 2025.

The following table contains the monthly census for each Regional Center by licensure type since the beginning of the Calendar Year 2025.

Average Census by Regional Center and License Type
January 1, 2025 to September 30, 2025, By Month

Facility	Jan- 25	Feb- 25	Mar- 25	Apr- 25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Grand Junction Regional Center-Intermediate Care Facility	18	18	19	19	18	17	17	16	15
Grand Junction Regional Center-Home and Community Based Services Waiver	34	34	34	34	35	36	37	37	37
Pueblo Regional Center-Home and Community Based Services Waiver	34	34	34	34	33	33	33	34	34
Wheat Ridge Regional Center-Intermediate Care Facility	73	73	73	73	75	76	74	74	74
Total	159	159	160	160	161	162	161	161	160

The following table includes the average annual cost per capita (cost per person, per day) for the Regional Centers, by license type, for FY 2024-25 and FY 2025-26. Costs include direct costs, utilities, depreciation, and indirect costs, including those for centrally appropriated personnel costs. It is important to note that FY 2024-25 figures have not been audited by HCPF (pre-audit number) and FY 2025-26 figures are currently an estimate.

Average Regional Center Cost Per Capita (Cost Per Person, Per Day) and Detailed Costs By Regional Center and License Type Fiscal Years 2024-25 (Pre-Audit) and 2025-26 (Estimated)

Facility	Item	FY 2024-25 (Pre-Audit)	FY 2025-26 (Estimated)
Grand Junction Regional Center - Intermediate Care Facility	*ICF Average Cost Per Person Per Day*	*$1,828*	*$1,833*
	ICF Billable Census Days	*6,396*	*9,570*
	ICF Direct Costs	$9,075,509	$9,347,774
	Indirect Costs	2,285,649	2,354,219
	Utilities	181,784	187,237
	Depreciation	148,900	153,368
	Total Cost	**$11,691,842**	**$12,042,598**
Grand Junction Regional Center - Home and Community Based Services Waiver	*HCBS Waiver Average Cost Per Person Per Day*	*$1,382*	*$1,419*
	HCBS Billable Census Days	*12,376*	*12,410*
	HCBS Waiver Direct Costs	$12,797,256	$13,181,174
	HCBS Waiver Indirect Costs	3,958,468	4,077,222
	HCBS Waiver Utilities	97,491	100,416

Facility	Item	FY 2024-25 (Pre-Audit)	FY 2025-26 (Estimated)
	HCBS Waiver Depreciation	246,745	254,147
	Total Cost	**$17,099,960**	**$17,612,959**
Pueblo Regional Center - Home and Community Based Services Waiver	*HCBS Waiver Average Cost Per Person Per Day*	*$1,663*	*$1,747*
	Billable Census Days	*12,657*	*12,410*
	Direct Costs	$16,446,308	$16,939,698
	Indirect Costs	4,197,667	4,323,597
	Utilities	275,020	283,270
	Depreciation	133,923	137,941
	Total Cost	**$21,052,918**	**$21,684,506**
Wheat Ridge Regional Center - Intermediate Care Facility	*Average Cost Per Person Per Day*	*$1,559*	*$1,589*
	Billable Census Days	*26,729*	*27,010*
	Direct Costs	$33,417,046	$34,419,558
	Indirect Costs	7,236,956	7,454,065
	Utilities	609,631	627,920
	Depreciation	396,654	408,554
	Total Cost	**$41,660,287**	**$42,910,097**

24 Department Human Services, Totals – The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following:

a. an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year;
b. an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecasted MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and
c. an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts.

Comment: The Department provided a response on October 31, 2025.

TANF Long-term Reserve Analysis

TANF Funds Available to Appropriate	FY 2024-25 Actuals	FY 2025-26 Appropriation	FY 2026-27 Projected
Prior Grant Year Funds Available (as of June 30) [1]	$123,351,886	$50,170,323	$39,202,273
Less Minimum State LTR Balance (Quarter of Award)	-33,901,926	0	0
State Family Assistance Grant [2]	135,607,703	135,607,703	135,607,703
Contingency Fund [3]	15,623,002	12,000,000	12,000,000
Sub-total TANF Funds Available	$240,680,665	$197,778,026	$186,809,976
Less County Reserves (as of June 30)/ Net Change in out year	-35,038,377	5,706,534	0

TANF Funds Available to Appropriate	FY 2024-25 Actuals	FY 2025-26 Appropriation	FY 2026-27 Projected
Total TANF Funds Available to Appropriate	$205,642,288	$203,484,560	$186,809,976
TANF Spending/Appropriations			
General & Administrative & Prior Year Adjustments	$3,936,000	$6,118,499	$6,118,499
OIT Common Policy	416,093	972,485	972,485
Colorado Benefits Management System	2,923,960	3,047,880	3,047,880
Colorado Works Administration	3,964,994	4,701,618	4,451,618
County Block Grants	129,860,834	132,095,877	43,691,429
County TANF Transfer Utilization	*0*	*0*	*0*
JBC Initiated Child Welfare GF Refinance	*0*	*0*	*0*
State Long Term Utilization (HB 18-1306)	*0*	*0*	*0*
Foster Transportation TANF Transfer	*2,750,328*	*2,803,645*	*2,803,645*
Kinship Foster Care Homes (SB 24-008)	*5,107,657*	*4,561,004*	*0*
Total TANF Transfers to SSBG (Title XX)	$7,857,985	$7,364,649	$2,803,645
County Training	$84,375	$432,677	$432,677
Domestic Abuse Program	674,917	629,677	629,677
Stable Housing for Survivors of Abuse Program	0	2,000,000	2,000,000
Works Program Evaluation	440,051	495,440	495,440
Workforce Development Council	67,079	111,211	111,211
Employment Opportunities with Wages (CW STEP)	1,668,062	2,000,000	2,000,000
Child Support Services Program	719,636	1,153,648	1,153,648
Refugee Assistance	2,801,534	2,945,737	2,945,737
Electronic Benefits Transfer Service	45,286	201,152	201,152
System Alien Verification for Eligibility	11,160	11,737	8,039
Pending decision items			
R5 TANF state policy changes			88,404,448
R6 Count Block Grant Support Fund			250,000
County reserves expenditures			
Block Over Expenditures	4,912,086	n/a	n/a
Transfers to CCDF [4]	794,448	n/a	n/a
Transfers to SSBG	0	n/a	n/a
Total TANF Spending/Appropriations	$161,178,499	$164,282,287	$159,717,585
State Long-term Reserve Balance	$50,170,323	$39,202,273	$27,092,391
Minimum State LTR Balance	$33,901,926	n/a	n/a

[1] The Long-term Reserve Balance as of 6/30/2025 is included in the amount for Prior Grant Year Funds Available for FY 2024-25 which represents unobligated balances reflected on TANF ACF-196 Financial Reports for any open grant years, the fourth quarter federal award, plus budgeted amounts for the Child Care Development Fund and the Social Services Block Grant (Title XX). The estimated Long-term Reserve Balance for the beginning of FY 2025-26 is based on submitted federal fiscal reports.
[2] The State Family Assistance Grant amount per the Administration of Children and Families.
[3] The federal budget for Contingency Funds is appropriated to $598 million across all states annually. Amounts awarded to individual states fluctuate annually based on a federal calculation of need and the number of states applying and qualifying for funds. The federal government has multiple proposals to reduce or repurpose these funds, so there is no assurance funds will be available. As there is no guarantee of federal funding of Contingency to continue nor Colorado receiving these funds, program only includes actual amounts awarded. Since 2009, Colorado has received between $4 million and $16 million annually for Contingency and projects to receive $12,000,000 in each year.
[4] CCDF: Child Care Development Fund

County Reserves

Date	Ending Balance
6/30/2024	$35,038,377
6/30/2025	29,331,843
Net change	-$5,706,534

TANF MOE ANALYSIS

MOE Source	FFY 2024-25 (Actual)	FFY 2025-26 (Projected)	FFY 2026-27 (Projected)
Child Welfare			
Child Welfare Services Line	$19,426,547	$22,340,529	$22,340,529
Family and Children's Programs (Core)	11,419,397	13,132,306	13,132,306
Colorado Works			
County Share Of Block Grant	48,662,311	55,961,658	55,961,658
Child Care			
Child Care MOE	20,265,866	23,305,746	23,305,746
County Share Of Admin Costs In Colorado Child Care Assistance Program (CCCAP)	2,582,338	2,969,689	2,969,689
State Administration			
General Fund Expenditures On MOE Grant	5,973,583	6,869,621	6,869,621
General Fund Used to Match TANF Dollars	0	0	0
CBMS Modernization	62,627	72,022	72,022
Nurse Home Visitor Program			
General Fund Expenditures	0	0	0
Department of Education			
GF Spent on Colorado Preschool Program (CPP) (185% of Federal Poverty Level (FPL) and below)	167,012,556	192,064,439	192,064,439
GF Spent on (CPP) for households up to $75K (Direct Costs)	0	0	0
Low Income Energy Assistance Program			
Funding from Energy Outreach Colorado	0	0	0
Add'l Funding from Severance Tax Fund	0	0	0
Refugee - CRSP 3rd Party			
General Fund Expenditures	2,491,729	2,865,488	2,865,488
Domestic Violence Program			
General/Cash Fund Expenditures	158,081	181,793	181,793
Tax Credits			
Child Care Tax Credit	5,210,000	5,991,500	5,991,500
Earned Income Tax Credit	356,490,000	409,963,500	409,963,500
Other Sources			
County DSS Program Exp's-TANF Elig Recip's	0	0	0
Foundation Expenditures-TANF Elig Recip's	20,190,383	23,218,940	23,218,940
ReHire	210,719	242,327	242,327
Total	$660,156,136	$759,179,557	$759,179,557
Base MOE Requirement	88,395,624	88,395,624	88,395,624
Surplus/(Deficit) MOE Expenditures	$571,760,512	$670,783,933	$670,783,933

Department Annual Performance Report

Departments must publish an **Annual Performance Report**[24] for the *previous state fiscal year* by November 1 of each year. This report summarizes the Department's performance plan and most recent performance evaluation. In addition, departments develop and submit a **Performance Plan**[25] for the *current fiscal year* to the Joint Budget Committee and the relevant Joint Committee of Reference by July 1 of each year.

Per statute[26], the Joint Budget Committee must consider performance plans submitted by departments and may prioritize budget requests intended to enhance productivity, improve efficiency, reduce costs, and eliminate waste. To find the performance plans, search the Office of State Planning and Budgeting website and select the performance plan (www.colorado.gov/pacific/performancemanagement/department-performance-plans).

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[24] Section 2-7-205, C.R.S.

[25] Section 2-7-204 (3)(a), C.R.S.

[26] Section 2-7-204 (6), C.R.S.

Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. Appendix A organizes this information by line item and fund source.