



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-150: PILOT PROGRAM FOR YOUTH IN FOSTER CARE

Prime Sponsors:

Sen. Michaelson Jenet
Rep. Gilchrist

Fiscal Analyst:

Shukria Maktabi, 303-866-4720
shukria.maktabi@coleg.gov

Published for: Senate Health & Human Services

Drafting number: LLS 25-0055

Version: Initial Fiscal Note

Date: February 17, 2025

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

Summary Information

Overview. The bill creates a pilot program to increase graduation rates for youth in foster care in the Department of Human Services.

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

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires an appropriation of \$879,205 to the Department of Human Services.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$897,024	\$1,794,843
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.9 FTE	1.0 FTE

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$879,205	\$1,775,044
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$17,819	\$19,799
Total Expenditures	\$897,024	\$1,794,843
Total FTE	0.9 FTE	1.0 FTE

Summary of Legislation

The bill creates the Fostering Success Pilot Program in the Department of Human Services (CDHS) to increase graduation rates for youth in foster care. The program consists of two parts:

- the Supplemental Support for Foster Students Program, which awards foster youth with \$2,000 per year until graduation for use on education-related expenses; and
- the Milestone Incentives Program, which awards \$1,000 upon successfully graduating from high school.

Foster youth selected for the pilot program must participate in both components.

Program Implementation

In FY 2025-26, the CDHS must contract with a third-party administrator to develop the pilot program, create an online application, and create an account portal where funds can be distributed and accessed. The CDHS will implement the pilot program in areas that have high rates of foster care youth.

In FY 2026-27, the CDHS will distribute supplemental support funds to selected program participants. Funds must be spent within nine months on education related services provided by qualified vendors, and any unspent funds will revert back to the CDHS. When the youth graduates, the \$1,000 incentive award will be provided to the youth with no restrictions on its use.

The CDHS may adopt rules and seek and accept gifts, grants, and donations for the program. The program repeals on September 1, 2031, after a sunset review.

Reporting Requirements

The following must be reported on the program:

- By July 1, 2028, the third-party administrator must survey and collect feedback from providers and youth on the program;
- By September 1, 2028, the Department of Education (CDE) must assess and report on the program’s educational impact on youth (graduation rates and academic performance);
- By October 1, 2028, the administrator must report program participation, funds awarded, and survey results to the CDHS; and
- By December 31, 2028, the CDHS must submit a final program report to the General Assembly.

State Revenue

The bill potentially increases state revenue for the program from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Expenditures

The bill increases state expenditures by \$897,000 in FY 2025-26 and \$1.8 million in FY 2026-27. These costs will be incurred in the CDHS and the CDE as shown in Table 2 and described in the sections below. Costs are paid from the General Fund. Implementation of the bill is subject to available appropriations.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Human Services	\$897,024	\$1,778,393
Department of Education	\$0	\$16,450
Total Costs	\$897,024	\$1,794,843

Department of Human Services

Costs will increase for staff, contracting, and foster youth awards for the pilot program, as described below.

Staff

Beginning in FY 2025-26, the CDHS requires 1.0 FTE to oversee the pilot program, including supporting program development, implementation, financial monitoring, data collection, and reporting. Staff will also review applications, provide ongoing technical support to participants and schools, and monitor distributions to participants. Costs are prorated for a start date of August 1, 2025.

Contractor

The CDHS requires \$800,000 initially in FY 2025-26 and \$300,000 in ongoing years, to contract for a program administrator. The administrator will develop and implement the program, including creating an online application process, account portals for participants, and data systems to monitor payments and eligible education-related expenses. The administrator will also collect data and report on program outcomes. Once initial data systems and payment systems are developed, ongoing costs for the contractor will decrease for continued program administration. Exact costs will depend on the vendor and be determined through the procurement process.

Foster Youth Awards

Starting in FY 2026-27, the CDHS requires approximately \$1.4 million annually to distribute to youth in the program. The fiscal note assumes 668 youth in foster care will participate in the Supplemental Support for Foster Students Program, receiving \$2,000 each. Additionally, 42 youth are expected to graduate each year, making them eligible to each receive the \$1,000 milestone incentive.

These estimates are based on CDHS data on the number of youth in foster care, kinship foster care, and non-certified kinship care aged 11 to 18 in the Metro and Southwest regions (areas that have high rates of foster care youth) in FY 2023-24. The actual award amounts will depend on the number of applicants and the regions selected for the pilot program.

**Table 2A
State Expenditures
Department of Human Services**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$71,383	\$79,314
Operating Expenses	\$1,152	\$1,280
Capital Outlay Costs	\$6,670	\$0
Contractor	\$800,000	\$300,000
Foster Youth Awards	\$0	\$1,378,000
Centrally Appropriated Costs	\$17,819	\$19,799
Total Costs	\$897,024	\$1,778,393
Total FTE	0.9 FTE	1.0 FTE

Department of Education

The CDE will have one-time costs of \$16,450 in FY 2026-27 to update information systems to report graduation and academic performance data for pilot program participants. The fiscal note assumes that the CDE will provide this information through an updated data-sharing agreement with the CDHS, with the CDHS providing the CDE with a list of participating students and their state-assigned student identifiers for analysis (See Technical Note).

**Table 2B
State Expenditures
Department of Education**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
System Costs	\$0	\$16,450
Total Costs	\$0	\$16,450

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in the expenditure table(s) above.

Local Government

Workload will minimally increase for education providers to provide feedback on the program. This workload is expected to be minimal and can be accomplished within existing resources.

Technical Note

The bill, as written, requires education providers to report information on students participating in the program to CDE. In this case, one-time costs of \$48,200 would be required to modify end-of-year data collection from education providers. The fiscal note assumes it is more cost effective for CDHS to provide participant information to CDE, which will minimize costs for CDE and workload for education providers. It is assumed the bill will be amended to clarify this data reporting. If the bill is not amended, the fiscal note will be updated to reflect this cost in the bill as drafted.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of \$879,205 to the Department of Human Services, and 0.9 FTE.

Departmental Difference

CDHS estimates that it will require \$1.0 million in FY 2025-26 and \$400,000 in following years for contracting costs. The fiscal note estimates lower administrative costs are required based on contracting costs for similar grant programs and the assumption that the 1.0 FTE will provide the contractor with substantial program support.

State and Local Government Contacts

Education	Law
Human Services	Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).