



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1375: REPEAL COUNTY ADMINISTRATION FUNDING MODEL

Prime Sponsors:

Rep. Sirota; Taggart
Sen. Amabile; Kirkmeyer

Fiscal Analyst:

Aaron Carpenter, 303-866-4918
aaron.carpenter@coleg.gov

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Fiscal note status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2026-27 Long Bill budget package.

Summary Information

Overview. The bill repeals the requirement that the Department of Human Services annually contract for a county administration of public and medical assistance programs funding model.

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

- State Expenditures

Appropriations. For FY 2026-27, the bill includes appropriations reductions totaling \$600,000 on net to the Department of Human Services and the Department of Health Care Policy and Financing.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	-\$600,000	-\$600,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	-\$252,180	-\$252,180
Cash Funds	-\$47,820	-\$47,820
Federal Funds	-\$300,000	-\$300,000
Centrally Appropriated	\$0	\$0
Total Expenditures	-\$600,000	-\$600,000
Total FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill repeals the requirement that the Department of Human Services annually contract for a county administration of public and medical assistance programs funding model. It also repeals the requirement that the results of the funding model be submitted to relevant agencies.

Background

[Senate Bill 22-235](#) required the Colorado Department of Human Services (CDHS) to contract with a third party to develop a funding model for county administration of public and medical assistance programs. The model is used to inform the Joint Budget Committee's (JBC's) decision regarding funding for county administration. The first iteration of the funding model was submitted to JBC on November 1, 2024, which was used to set the FY 2025-26 budget and will be used to set the FY 2026-27 budget.

State Expenditures

Starting in FY 2026-27, the bill decreases expenditures in the CDHS and the Department of Health Care Policy and Financing (HCPF) by \$600,000 per year, as a result of no longer contracting with a third party for the funding model. Table 2 below breaks down the cost savings by department. Savings are realized in the General Fund, cash funds, and federal funds, as outlined in Table 1A.

Table 2
State Expenditures
Contract Costs

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Department of Human Services	-\$360,000	-\$360,000
Department of Health Care Policy and Financing	-\$240,000	-\$240,000
Total Costs	-\$600,000	-\$600,000
Total FTE	0.0 FTE	0.0 FTE

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except for Section 5, which takes effect on the later of the effective date of the bill or the passage of the FY 2026-27 Long Bill.

State Appropriations

For FY 2026-27, the bill reduces appropriations in the CHDS and HCPF that total \$600,000 on net after accounting for reappropriated funding from HCPF, as outlined below. In addition, the bill includes technical language making this reduction in appropriations conditional on sufficient appropriations being available in the applicable line item in the FY 2026-27 Long Bill.

Department of Human Services

For FY 2026-27, the bill requires and includes the following appropriation reductions to the Department of Human Services:

- \$180,000 from the General Fund;
- \$240,000 from reappropriated from the Department of Health Care Policy and Financing; and
- \$180,000 from federal funds.

Department of Health Care Policy and Financing

For FY 2026-27, the bill requires and includes the following appropriation reductions to the Department of Health Care Policy and Financing:

- \$72,180 from the General Fund; and
- \$47,820 from reappropriated from the Healthcare Affordability and Sustainability Hospital Provider Fee Cash Fund; and
- \$120,000 from federal funds.

State and Local Government Contacts

Counties

Human Services

Health Care Policy and Financing

Joint Budget Committee Staff