



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1425: APPLIED BEHAVIOR ANALYSIS SERVICES

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Fiscal note status: The fiscal note reflects the introduced bill. Due to time constraints, this analysis is preliminary and will be updated following further review and any additional information received.

Summary Information

Overview. The bill establishes licensing and reimbursement requirements for applied behavior analysts.

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

- State Revenue
- State Expenditures
- TABOR Refunds

Appropriations. For FY 2026-27, the bill requires an appropriation of \$1.8 million to various state agencies.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$1,015,000	\$721,500
State Expenditures	\$2,220,861	\$2,717,638	\$2,219,060
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$915,000	Not estimated
Change in State FTE	17.3 FTE	20.4 FTE	18.7 FTE

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

**Table 1A
 State Revenue**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$1,015,000	\$721,500
Total Revenue	\$0	\$1,015,000	\$721,500

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$1,344,460	\$1,202,060	\$1,202,059
Cash Funds	\$261,833	\$848,248	\$415,158
Federal Funds	\$226,517	\$163,917	\$163,917
Centrally Appropriated	\$388,051	\$503,413	\$437,926
Total Expenditures	\$2,220,861	\$2,717,638	\$2,219,060
Total FTE	17.3 FTE	22.5 FTE	19.4 FTE

Summary of Legislation

The bill requires the Department of Regulatory Agencies (DORA) to license Applied Behavior Analysis (ABA) practitioners and the Department of Human Services (CDHS) to license ABA clinics. The Department of Health Care Policy and Financing (HCPF) is subject to reimbursement requirements for ABA services.

ABA Practitioner Licensing

The bill creates the Colorado Behavior Analyst Licensing Board (board) under the Division of Professions and Occupations in DORA to establish a licensing system for the practice of ABA. Board composition and member requirements are outlined in the bill, with board members eligible for per diem and expense reimbursements.

Beginning July 1, 2028, an individual is prohibited from engaging in or offering the practice of ABA unless licensed by the board. ABA technicians are permitted to practice without a license. To obtain a license as an ABA practitioner, an individual must:

- file an application;
- hold a valid national certification in good standing with a certifying entity (required if practicing without supervision);
- complete a fingerprint-based criminal history record check;
- meet continuing education requirements;
- maintain liability insurance coverage;
- pay applicable fees; and,
- if seeking to practice as an assistant behavior analyst, be supervised by a licensed behavior analyst.

The board may also adopt rules to implement the licensing program. Practicing as an ABA analyst without a license a class 2 misdemeanor. The board must investigate complaints made against ABA practitioners and may impose mental and physical examination requirements or disciplinary action. The board is repealed September 1, 2031, pending a sunset review.

ABA Clinic Licensing

The CDHS currently licenses residential or day treatment child care facilities and child placement agencies. The bill subjects ABA clinics to these licensing requirements upon the bill's enactment date.

Facility licensing requirements include sanitary and fire prevention standards, owner and employee background check requirements, and zoning requirements. Starting July 2029, the CDHS may promulgate additional rules for ABA clinic licenses. In establishing rules, the CDHS must consult with stakeholders and establish an appeals process to be overseen by a review panel.

Currently, these licensing requirements apply to facilities that service at least five children between the ages of 3 and 21 for less than 24 hours a day. The bill changes this threshold to three children between the ages of two and a half and 21 for more than 4, but less than 24 hours a day.

Medicaid Reimbursement of ABA

The bill allows ABA technicians to be reimbursed by Medicaid through their supervising ABA analyst if they meet Medicaid technician credentialing requirements and the analyst obtains a background check for the technician. If the technician does not meet the credentialing requirements HCPF must offer a grace period of at least 60 days during which the technician can receive reimbursement for services while pursuing credentials.

Background and Assumptions

The fiscal note estimates that there are about 2,000 ABA analysts, 8,000 ABA technicians, and 500 ABA clinics currently operating in Colorado and, based on recent trends, assumes that this population will grow by 10 percent annually over the next few years.

The fiscal note estimates that 400 annual complaints that will be filed against this population, half of which will pertain to unlicensed practice. After the first year of implementation, it is estimated that complaints will reduce to 300 per year. This estimate is based on the prevalence of complaints filed against similar professions when they became newly subject to licensing requirements. However, based on [recent reports of fraud](#) involving these types of services, actual complaints may be higher. The fiscal note assumes that complaints will be handled by the licensing board, and any appeals will be minimal.

Comparable Crime Analysis

Legislative Council Staff is required to include certain analysis in the fiscal note for any bill that creates a new crime, or that either reclassifies or creates a new factual basis for an existing crime. This section identifies comparable crimes and discusses assumptions on future conviction rates resulting from the bill.

Prior Conviction Data and Assumptions

This bill creates the new offense of practicing ABA without a license, a class 2 misdemeanor. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of practicing as an addiction counselor without a license as a comparable crime. From FY 2022-23 to FY 2024-25, zero offenders have been sentenced and convicted for this existing offense. Because the bill is not expected to have a tangible impact on criminal justice-related expenditures or revenue at the state or local levels, these potential impacts are not discussed further in this fiscal note.

State Revenue

The bill increases state cash fund revenue by about \$1.0 million in FY 2027-28 and \$720,000 in FY 2028-29 to various cash funds in DORA, the CDHS, and the Colorado Department of Public Safety. Revenue is expected to decrease slightly in FY 2029-30 and future years. Except for the federal portion of the background check fee, this revenue is subject to TABOR. The bill may also increase revenue from criminal fines and court fees. Revenue impacts for FY 2027-28 and FY 2028-29 are shown in Tables 2A and 2B, respectively. The fiscal note assumes 10 percent

annual growth in initial license applications and background checks each year. ABA practitioner licenses are assumed to be renewed annually.

Table 2A
Fee Impact on ABA Practitioners
FY 2027-28

Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
Licensing Fee on ABA Analysts (DORA)	\$310.00	2,000	\$620,000
Background Check Fee (CDPS)	\$39.50	10,000	\$395,000
Total Fee Revenue – FY 2027-28			\$1,015,000

Table 2B
Fee Impact on ABA Practitioners
FY 2028-29

Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
Licensing Fee on ABA Analysts (DORA)	\$310.00	2,200	\$682,000
Background Check Fee (CDPS)	\$39.5	1,000	\$39,500
Total Fee Revenue – FY 2028-29			\$721,500

Fee Impact on ABA Practitioners and Clinics

Legislative Council Staff is required to estimate the fee impact of bills that create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by licensing agencies based on cash fund balance, program costs, and the number of licenses and facilities subject to the fee. Fees on ABA practitioners and clinics are described in more detail below.

Licensing Fees on ABA Analysts

The bill increases state revenue to the Division of Professions and Occupations Cash Fund by establishing a licensing fee for ABA practitioners. Fees will be set to cover DORA’s costs, which are described in the State Expenditures section. The fiscal note assumes about 2,000 practitioners will pay a fee of about \$310 in FY 2027-8 and FY 2028-29 to cover costs in DORA over the for the first three years under the bill starting in FY 2026-27. Fees are assumed to be lower, about \$200 per year, in FY 2029-30 and future years to cover ongoing costs.

Licensing Fees on ABA Clinics

ABA clinics will be subject to a licensing fee assessed by CDHS. It is assumed that fees charged by DHS will not be sufficient to cover the costs of regulation and that General Fund will be the primary source of funding for the program. Given this, the preliminary fiscal note has not estimated this potential revenue impact.

Background Check Fees

The bill requires the Colorado Bureau of Investigation (CBI) to conduct background checks on ABA practitioners seeking licensure and employees of ABA clinics. The current fee for a CBI background check is \$39.50, of which \$10 is passed on to the federal government.

Practitioner License Applications

The bill requires initial applicants for ABA license to have a background check conducted by the Colorado Bureau of Investigation (CBI) prior to being licensed. It is assumed 2,000 initial applications will be received in the first year of implementation, FY 2027-28, and 200 applications will be received in FY 2028-29. In future years, background checks will continue at a similar level, based on growth in the profession.

Clinic License Application

Employees of ABA clinics licensed by the CDHS are required to have a CBI fingerprint-based background check. In addition to licensed ABA practitioners (who already receive a background check as part of their license application), it is assumed that around 8,000 clinic employees will require a background check in the first year of implementation, FY 2027-28. In future years, around 10 percent of this amount (about 800 employees) will require background checks in when accounting for growth in hiring and staff turnover.

Criminal Fines and Court Fees

By creating a new misdemeanor, the bill may increase state revenue from criminal fines and court fees by a minimal amount beginning in FY 2027-28, credited to the Fines Collection Cash Fund, various other cash funds in the Judicial Department, and the General Fund.

State Expenditures

The bill increases state expenditures by \$2.2 million in FY 2026-27, \$2.4 million in FY 2027-28, and \$2.1 million in future years. These costs will be incurred in DORA, CDHS, HCPF, and the Department of Public Safety (CDPS), as shown in Table 3 and described in the sections below. Costs are paid from the General Fund, the Division of Professions and Occupations Cash Fund, the CBI Identification Unit Cash Fund, and federal funds.

Table 3
State Expenditures
All Departments

Department	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Department of Regulatory Agencies	\$307,114	\$555,592	\$417,300
Department of Human Services	\$1,813,747	\$1,708,747	\$1,708,747
Department of Public Safety	\$0	\$453,299	\$93,013
Department of Health Care Policy & Financing	\$100,000	\$0	\$0
Total Costs	\$2,220,861	\$2,717,638	\$2,219,060

Department of Regulatory Agencies

Starting in FY 2026-27, DORA will have costs to promulgate rules related to licensure of ABA, which will include research staff, legal services, and board compensation costs. Starting in FY 2027-28, DORA will have costs to process license applications and complaints. These costs, shown in Table 3A, are paid from the Division of Professions and Occupations Cash Fund.

Rulemaking

The newly created Behavior Analyst Licensing Board in DORA will promulgate rules for the licensing of ABA analysts. DORA will staff the board with 2.0 FTE and, in FY 2026-27 only, will require 500 hours of legal services provided by the Department of Law. This team will conduct all necessary research to issue licensing rules and oversee the program as it develops.

Additionally, the five board members are eligible for \$50 per diem and are assumed to meet four times annually.

Licensing and Complaint Processing

In FY 2027-28 only, 0.5 FTE is required to process all license applications and 0.1 FTE will conduct an outreach campaign informing ABA practitioners of the application requirements.

In FY 2027-28, 2.2 FTE will process an estimated 400 complaints lodged against ABA practitioners. In FY 2028-29 this will decrease to 1.5 FTE to process an assumed 300 complaints. This staff will be assisted with 200 hours of legal services and 15 hours of expert consultation annually.

**Table 3A
 State Expenditures
 Department of Regulatory Agencies**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$175,038	\$391,718	\$296,772
Operating Expenses	\$2,560	\$6,144	\$4,480
Capital Outlay Costs	\$14,000	\$14,000	\$0
Legal Services	\$69,235	\$27,694	\$27,694
Expert Consultant	\$0	\$9,000	\$9,000
Board Compensation	\$1,000	\$1,000	\$1,000
Centrally Appropriated Costs	\$45,281	\$106,036	\$78,354
FTE – Personal Services	2.0 FTE	4.8 FTE	3.5 FTE
FTE – Legal Services	0.3 FTE	0.1 FTE	0.1 FTE
Total Costs	\$307,114	\$555,592	\$417,300
Total FTE	2.3 FTE	4.9 FTE	3.6 FTE

Department of Human Services

The CDHS requires 15.0 FTE to license 500 ABA clinics, based its experience licensing residential and day treatment child care facilities and child placement agencies. For each clinic, this staff will conduct multiple on-site visits and complex investigations to monitor risk on an ongoing basis. The fiscal note assumes the staff will start July 2026. These costs, shown in Table 3B, are assumed to be paid with 88 percent from the General Fund and 12 percent from federal funds. In the future, costs may be partially funded with fees to the Child Welfare Licensing Cash Fund, which have not been estimated for this initial fiscal note.

**Table 3B
 State Expenditures
 Department of Human Services**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$1,346,777	\$1,346,777	\$1,346,777
Operating Expenses	\$19,200	\$19,200	\$19,200
Capital Outlay Costs	\$105,000	\$0	\$0
Centrally Appropriated Costs	\$342,770	\$342,770	\$342,770
Total Costs	\$1,813,747	\$1,708,747	\$1,708,747
Total FTE	15.0 FTE	15.0 FTE	15.0 FTE

Department of Public Safety

The CDPS will have costs of about \$450,000 and 2.6 FTE in FY 2027-28 to process background checks, based on an assumed 10,000 background checks being conducted after the application process starts. In future years, costs will be about \$100,000 to process a lower volume of checks. These costs, shown in Table 2C, are paid from the CBI Identification Unit Cash Fund.

**Table 2C
 State Expenditures
 Department of Public Safety**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$0	\$181,764	\$55,927
Operating Expenses	\$0	\$3,328	\$1,024
Capital Outlay Costs	\$0	\$21,000	\$0
FBI Pass-Through Fee	\$0	\$100,000	\$10,000
Digitization of Print	\$0	\$15,500	\$1,550
AFIS Equipment Maintenance	\$0	\$61,000	\$6,100
CO Crime Info Center Access	\$0	\$8,800	\$880
Postage cost	\$0	\$7,300	\$730
Centrally Appropriated Costs	\$0	\$54,607	\$16,802
Total Costs	\$0	\$453,299	\$93,014
Total FTE	0.0 FTE	2.6 FTE	0.8 FTE

Department of Health Care Policy and Financing

In FY 2026-27 only, HCPF will have programming costs to allow for the ABA technician credentialing grace period. These costs are preliminary estimated at \$100,000, with costs shared evenly between General Fund and federal funds.

Judicial Department

This bill may minimally increase workload and costs for the trial courts in the Judicial Department to process additional criminal case filings. No change in appropriations is required.

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 tables above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by \$915,000 in FY 2027-28. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save in FY 2027-28 and any future years when the state is over its revenue limit.

Technical Note

The bill subject ABA clinics to the day treatment facility licensing requirements upon the bill's enactment date. Licenses of this kind typically take between two months and year to issue. This may result in ABA clinics being out of compliance with the bill while their initial license application is pending.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that certain provisions concerning ABA practitioner licensing by DORA take effect on July 1, 2028.

State Appropriations

For FY 2026-27, the bill requires the following appropriations totaling \$1,832,810, as follows:

- \$261,833 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies, and 2.0 FTE. Of this amount, \$69,235 is reappropriated to the Department of Law with an additional 0.3 FTE.
- \$1,470,977 and 15.0 FTE to the Department of Human Services, of which \$1,294,460 is from the General Fund and \$176,517 is from federal funds.
- \$100,000 to the Department of Health Care Policy and Financing, split evenly from General Fund and federal funds.

State and Local Government Contacts

Behavioral Health Administration	Law
Health Care Policy and Financing	Public Health and Environment
Human Services	Public Safety
Judicial	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](#).