

Joint Budget Committee Staff FY 2025-26 Budget Briefing Summary

Human Services

The Department of Human Services is responsible for the administration and supervision of most non-medical public assistance and welfare programs in the state. The Department's FY 2024-25 appropriation represents approximately 6.0 percent of statewide operating appropriations and 8.0 percent of statewide General Fund appropriations.

The divisions included in this summary are the Executive Director's Office, Administration and Finance, and the Office of Children, Youth and Families.

Summary of Request

Department of Human Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$2,534,339,966	\$1,282,851,761	\$433,777,402	\$227,127,067	\$590,583,736	5,418.0
Other legislation	70,447,048	-33,309,442	78,149,238	0	25,607,252	16.3
Total	\$2,604,787,014	\$1,249,542,319	\$511,926,640	\$227,127,067	\$616,190,988	5,434.3
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$2,604,787,014	\$1,249,542,319	\$511,926,640	\$227,127,067	\$616,190,988	5,434.3
R1 County public assistance resources	4,185,074	1,255,522	837,015	0	2,092,537	0.0
R2 Streamlining juvenile justice	0	17,309	0	0	-17,309	0.0
R3 Increase DYS bed cap	1,701,186	1,632,208	0	0	68,978	10.0
R4 Reduce private competency contracts	-2,000,000	-2,000,000	0	0	0	0.0
R5 Reduce consent decree fines	-5,000,000	-5,000,000	0	0	0	0.0
R6 Staffing Fort Logan G-wing	6,856,155	6,856,155	0	0	0	56.9
R7 Mental health transitional living homes	5,195,629	-12,195	0	5,207,824	0	32.9
R8 Increase oversight and reduce waste	222,257	144,527	0	77,730	0	0.9
R9 Maintain electronic hospital records	819,724	819,724	0	0	0	0.0
R10 Communication services for people with disabilities	1,578,512	-103,214	4,262,699	-2,580,973	0	1.0
R11 DYS food inflation	371,695	371,695	0	0	0	0.0
R12 Child abuse and neglect appeals	143,863	89,993	0	0	53,870	2.0
R13 DYS career education adjustment	0	0	0	0	0	0.0
R14 Teen parent driver's license program	-100,000	-100,000	0	0	0	0.0
R15 Reduce DYS contract placements	-1,000,000	-873,165	0	-68,040	-58,795	0.0
R16 Further right-size home care	-1,050,000	-1,000,000	-50,000	0	0	0.0
R17 ReHire Colorado	-250,000	-250,000	0	0	0	0.0
R18 Reduce child welfare core services	-3,564,591	-3,000,000	-372,673	0	-191,918	0.0

Department of Human Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
BHA R1 Increase access to care	3,150,656	3,150,656	0	0	0	0.0
BHA R2 Child and youth implement plan	350,000	350,000	0	0	0	0.0
BHA R3 Crisis line consolidation	-200,000	-3,696,622	3,496,622	0	0	0.0
BHA R4 Alternative funding for services	-1,600,000	-1,438,286	-161,714	0	0	0.0
BHA R5 School mental health screening	-775,998	-775,998	0	0	0	0.0
BHA R6 Right-sizing IMatter	-6,074,762	-6,074,762	0	0	0	0.0
BHA R7 BHE Licensing spending authority	420,977	0	420,977	0	0	4.0
BHA R8 High acuity crisis	1,160,250	4,510,666	0	0	-3,350,416	0.0
Non-base building staff incentives	3,909,049	3,909,049	0	0	0	0.0
Non-prioritized decision items	2,000,763	1,268,587	89,223	-309,713	952,666	0.0
Centrally appropriated line items	30,981,406	14,816,302	1,201,913	6,467,841	8,495,350	0.0
Indirect cost assessments	2,209,347	0	295,885	563,247	1,350,215	0.0
Annualize prior year legislation	-19,145,955	63,409,404	-72,469,970	134,069	-10,219,458	-8.9
Annualize prior year budget actions	-11,043,515	-11,719,448	1,018,734	-471,931	129,130	0.9
Total	\$2,618,238,736	\$1,316,100,426	\$450,495,351	\$236,147,121	\$615,495,838	5,534.0
Increase/-Decrease	\$13,451,722	\$66,558,107	-\$61,431,289	\$9,020,054	-\$695,150	99.7
Percentage Change	0.5%	5.3%	-12.0%	4.0%	-0.1%	0.0

Only highlighted items are addressed in this document. Other requests will be addressed in separate staff briefings.

R2 Streamlining juvenile justice (requires legislation): The Department requests a net-zero change to juvenile justice programs in FY 2025-26. The request includes an increase of \$1.8 million General Fund for the Colorado Youth Detention Continuum program, offset by eliminating the General Fund appropriation for the managed care project, as well as early repeal of H.B. 22-1056 (Emergency Temporary Care for Children). The request increases to \$199,877 total funds in FY 2026-27 and ongoing. The request indicates that evidence related to the request is mixed. Some elements are evidence-based, and some have not been studied.

Additional information is provided in the second issue brief.

R3 Increase DYS bed cap (requires legislation): The Department requests an increase of \$1.7 million total funds to increase the youth detention bed cap in FY 2025-26. Amounts include \$1.6 million General Fund and 10.0 FTE in FY 2025-26. The request increases to \$6.6 million total funds and 60.0 FTE in FY 2026-27. The bed cap is statutory, and therefore requires legislation to adjust. The narrative indicates that the request has insufficient evidence.

Additional information is provided in the second issue brief.

R8 Increase oversight and reduce waste: The Department requests an increase of \$222,257 total funds to increase oversight of contracts and support county programs. Amounts include \$144,527 General Fund and 0.9 FTE in FY 2025-26. The request increases to \$223,280 General Fund and 1.0 FTE in FY 2026-27. The request indicates that a level of evidence is not applicable.

The Department’s Audit Division currently has 7.6 staff consisting of seven auditors and one part-time fraud investigator. The Department has improved fraud reporting mechanisms, including an online tip form and Spanish-language options. During FY 2023-24, fraud tips increased from 600 to 2,100. Fraud reports related to counties are reported to county

departments. However, the request notes that 25 of the 64 counties do not have fraud investigators to follow up on reports.

The requested FTE is expected to expand capacity to evaluate Department contracts and support counties without fraud investigators. The Department cites industry standards that organizations may lose 5.0 percent of revenue to fraud each year.

R11 DYS food inflation: The Department requests an increase of \$371,695 General Fund to address food cost inflation in Division of Youth services facilities. The requested amount is for FY 2025-26 and ongoing. The request indicates that a level of evidence is not applicable.

R12 Child abuse and neglect appeals: The Department requests an increase of \$143,863 total funds and 2.0 FTE to support existing child abuse and neglect appeals staff. Amounts include \$89,993 General Fund, while the remaining amounts are federal funds from Title IV-E of the Social Security Act. The request indicates that the original calculations for funding after the creation of the Department of Early Childhood were incorrect, and additional funding is necessary to support existing staff. The requested amount is for FY 2025-26 and ongoing. The request indicates that a level of evidence is not applicable.

R13 DYS career education adjustment: The Department requests a net-zero adjustment to move existing DYS career technical education (CTE) staff from DYS to the Division of Facilities Management (DFM) on an ongoing basis. The request is related to a FY 2023-24 budget action that placed some CTE staff in DYS and some in DFM. After administering the program, the Department states that all staff would best be placed in DFM. The request indicates that a level of evidence is not applicable.

R15 Reduce DYS contract placements: The Department requests a decrease of \$1.0 million total funds for DYS contract placements in FY 2025-26 and ongoing. Amounts include \$873,165 General Fund. The reduction is due to expected caseload decreases and historic reversions. The request indicates that a level of evidence is not applicable.

R18 Reduce child welfare core services: The Department requests a decrease of \$3.6 million total funds for child welfare core services in FY 2025-26 and ongoing. Amounts include \$3.0 million General Fund, as well as cash funds and federal funds that reflect local and federal match for core services. Core services is the second largest capped allocation for child welfare. The allocation was underspent in recent years, but is used to backfill over-expenditures in the Block. The request indicates that a level of evidence is not applicable.

Non-base building staff incentives: The total compensation request includes an increase of \$3.9 million General Fund for non-base building staff incentives. The compensation request has included one-time salary increases for select direct care staff since FY 2023-24 in response to the Colorado Workers for Innovative New Solutions (COWINS) Partnership Agreement. The amounts were not submitted as a prioritized request by the Department of Personnel or affected Departments, but are built into the salary survey common policy for the Departments of Human Services, Corrections, and Public Safety.

Non-prioritized decision items: The request includes a net increase of \$2.0 million total funds for the impact of requests that originate in other Departments, summarized in the table below.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HCPF Convert Contracts to FTE	\$1,939,233	\$907,526	\$88,402	\$0	\$943,305	0.0
JUD OAC Staffing	42,384	26,118	\$0	16,266	0	0.0
HCPF County Admin/CBMS	19,146	8,964	821	0	9,361	0.0
DPA Equity Office FTE	0	325,979	0	-325,979	0	0.0
Total	\$2,000,763	\$1,268,587	\$89,223	-\$309,713	\$952,666	0.0

Centrally appropriated line items: The request includes a net increase of \$31.0 million total funds for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$9,754,266	\$6,104,839	\$502,977	\$1,308,203	\$1,838,247	0.0
Health, life, and dental	8,404,655	4,213,663	349,681	1,741,470	2,099,841	0.0
Payments to OIT	4,754,453	1,992,115	0	2,762,338	0	0.0
Shift differential	3,003,367	-804,750	154,572	257,105	3,396,440	0.0
Step plan	2,475,785	1,651,147	155,847	250,801	417,990	0.0
AED and SAED	1,899,099	900,704	36,644	260,966	700,785	0.0
Risk management & property	1,028,780	893,311	0	135,469	0	0.0
ALJ services	769,304	474,066	0	295,238	0	0.0
CORE operations	493,435	305,497	0	187,938	0	0.0
Vehicle lease payments	169,800	83,717	0	86,083	0	0.0
Paid Family & Medical Leave	85,459	40,532	1,649	11,743	31,535	0.0
Capitol Complex leased space	75,317	31,380	0	43,937	0	0.0
Short-term disability	28,468	13,492	550	3,914	10,512	0.0
Annual depreciation lease	-686,082	-686,082	0	0	0	0.0
Workers' compensation	-534,864	-332,107	0	-202,757	0	0.0
PERA direct distribution	-480,504	-324,340	0	-156,164	0	0.0
Legal services	-250,944	-207,160	0	-43,784	0	0.0
Digital trunk radios	-8,388	466,278	-7	-474,659	0	0.0
Total	\$30,981,406	\$14,816,302	\$1,201,913	\$6,467,841	\$8,495,350	0.0

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions.

Annualize prior year legislation: The request includes a net decrease of \$19.1 million total funds to reflect the FY 2025-26 impact of bills passed in previous sessions, summarized in the table below.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-008 Kinship foster care	\$15,580,949	\$4,255,670	\$1,556,683	\$0	\$9,768,596	0.5
SB 24-001 IMatter	6,074,762	6,074,762	\$0	\$0	\$0	0.0
HB 22-1283 Youth BH	1,250,000	1,250,000	\$0	\$0	\$0	0.0
SB 22-235 County admin assist	600,000	180,000	\$0	240,000	180,000	0.0
HB 23-1269 High acuity treatment	569,859	560,778	0	0	9,081	1.7
SB 24-177 Eating disorder treat	484,220	484,220	0	0	0	1.0

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 23-1138 Adult competency	7,387	7,387	0	0	0	0.3
HB 24-1466 ARPA Refinance	0	63,182,048	-63,182,048	0	0	0.0
HB 24-1431 Stable housing	0	0	0	0	0	0.2
HB 24-1408 Care assistance	-16,228,058	-3,575,722	-794,605	0	-11,857,731	0.0
HB 23-1283 Refugee services	-8,316,327	105,931	0	-105,931	-8,316,327	-10.0
HB 24-1038 High acuity youth	-5,900,000	0	-5,900,000	0	0	0.0
HB 24-1176 BH gap grant	-4,000,000	0	-4,000,000	0	0	0.0
SB 21-129 Veterans suicide prev.	-3,089,376	-3,089,376	0	0	0	0.0
HB 24-1407 Community food assist	-3,000,000	-3,000,000	0	0	0	0.0
HB 24-1406 School mental health	-2,500,000	-2,500,000	0	0	0	0.0
HB 24-1045 Treat substance use	-254,961	-254,961	0	0	0	0.2
HB 22-1281 Continuum gap grant	-161,161	-161,161	0	0	0	-2.0
HB 22-1326 Fentanyl	-150,000	0	-150,000	0	0	-0.5
SB 24-055 Ag and rural health	-33,842	-33,842	0	0	0	0.1
HB 24-1217 Patient info	-26,902	-26,902	0	0	0	-0.1
HB 24-1355 Competency	-23,098	-23,098	0	0	0	-0.3
HB 24-1079 Person detained in jail	-20,615	-20,615	0	0	0	0.0
SB 23-039 Reduce child separation	-8,792	-5,715	0	0	-3,077	0.0
Total	-\$19,145,955	\$63,409,404	-\$72,469,970	\$134,069	-\$10,219,458	-8.9

Annualize prior year budget actions: The request includes a net decrease of \$11.0 million total funds to reflect the FY 2025-26 impact of prior year budget actions, summarized in the table below.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 23-24 R19 DYS caseload reduction	\$2,096,132	\$1,675,864	\$168,734	\$134,557	\$116,977	0.0
FY 24-25 R2 Reduce youth crime	850,000	0	850,000	0	0	0.0
FY 24-25 BHAR1 BH Ombudsman	66,187	66,187	0	0	0	0.2
FY 24-25 R6 SAVE fee increase	57,872	9,260	0	36,459	12,153	0.0
FY 19-20 R21 Salesforce shield	6,570	762	0	5,808	0	0.0
FY 24-25 Salary survey	0	0	0	0	0	0.0
FY 24-25 Step pay	0	0	0	0	0	0.0
FY 24-25 R1 Competency restoration	-5,102,343	-5,102,343	0	0	0	0.0
FY 24-25 Incentives and bonuses	-3,300,480	-3,300,480	0	0	0	0.0
FY 24-25 State funding for senior services	-2,000,000	-2,000,000	0	0	0	0.0
FY 2024-25 Targeted 24/7 compensation	-1,688,649	-1,042,113	0	-646,536	0	0.0
FY 24-25 TGYS one-time funding	-1,500,000	-1,500,000	0	0	0	0.0
FY 24-25 CCDHHDB one-time funding	-500,000	-500,000	0	0	0	0.0
FY 24-25 R3 HR Staffing	-28,804	-26,585	0	-2,219	0	0.7
Total	-\$11,043,515	-\$11,719,448	\$1,018,734	-\$471,931	\$129,130	0.9

Issues Presented

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

Budget Reduction Options: The Executive Budget Request includes reductions of \$25.3 million General Fund for the Department of Human Services, representing 2.0 percent of the General Fund appropriations in this Department. The request includes reductions of \$5.7 million General Fund, representing 0.9 percent of appropriations, for the sections of the budget discussed in this document. This issue brief reviews these proposals and additional options identified by staff.

Youth Detention Continuum: This issue brief provides an overview of the youth detention continuum and Department requests R2 Streamlining Juvenile Justice and R3 Increase DYS Bead Cap and Enhance Services.

Adoption and Relative Guardianship: This briefing issue provides a historic record of statutory changes to funding adoption and relative guardianship programs in the Department of Human Services.

Child Protection Ombudsman Reports: This issue brief discusses two reports released by the Child Protection Ombudsman during the 2024 interim.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.