



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1075: CHILD WELFARE PREVENTION SERVS FUNDING

Prime Sponsors:

Rep. Hamrick
Sen. Frizell

Fiscal Analyst:

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Published for: House Health & Human Services**Drafting number:** LLS 26-0412**Version:** Initial Fiscal Note**Date:** February 13, 2026**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill changes the source of federal reimbursement funds deposited into the Colorado Child Abuse Prevention Trust Fund to only include reimbursements for prevention programs funded by the Department of Early Childhood.

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

- State Diversion
- State Expenditures
- Local Government

Appropriations. The bill requires an appropriation of \$150,000 to the Department of Human Services.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$1,112,709
Diverted Funds	\$150,000	\$150,000
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	\$0	\$0
Cash Funds	\$0	\$1,112,709
Federal Funds	\$0	\$0
Centrally Appropriated	\$0	\$0
Total Expenditures	\$0	\$1,112,709
Total FTE	0.0 FTE	0.0 FTE

Cash fund expenditures reflect the continuation of current spending from the Colorado Child Abuse Prevention Trust Fund, which is scheduled to repeal in FY 2027-28.

**Table 1B
State Diversion**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
Colorado Child Abuse Prevention Trust Fund	-\$150,000	-\$150,000
County Child Welfare Allocations	\$150,000	\$150,000
Net Transfer	\$0	\$0

Summary of Legislation

This bill changes the source of funding for the Colorado Child Abuse Prevention (COCAP) Trust Fund. Under current law, the COCAP Trust Fund receives federal Title IV-E reimbursement money for all prevention services and programs identified in the federal Title IV-E Prevention Services Clearinghouse under the federal Family First Prevention Services Act. Beginning July 1, 2026, the bill narrows this funding source to only include federal Title IV-E reimbursement money for prevention services and programs funded by the Colorado Department of Early Childhood (CDEC).

The Colorado Department of Human Services (CDHS) will continue to claim and transmit all federal Title IV-E reimbursement for prevention services and programs offered by CDEC to the state treasurer for deposit into the trust fund. Starting July 1, 2026, CDHS will retain all reimbursements for CDHS-led Family First initiatives rather than depositing them into the COCAP Trust Fund. This money will instead be directly allocated to counties for child welfare services.

The bill also continues the COCAP Trust Fund and board indefinitely by removing its July 1, 2027 repeal date.

Background

The CDEC has requested as part of their [annual budget request](#) changes that would transfer \$5.1 million of the Tobacco Master Settlement Agreement funds from the Nurse Home Visitor Program to the COCAP Trust Fund, with the goal of maximizing federal reimbursement. At the time of this writing, the request is still being considered by the Joint Budget Committee.

State Diversions

This bill diverts approximately \$150,000 in federal Title IV-E reimbursements annually from the COCAP Trust Fund to county child welfare allocations. Under current law, these funds are deposited into COCAP Trust Fund and distributed to counties and organization through a competitive grant process. Under this bill, these funds will instead be included in direct allocations to counties paid by the CDHS.

State Expenditures

Starting in FY 2027-28, the bill increases state expenditures from the COCAP Trust Fund by an estimated \$1.1 million per year by continuing the trust fund indefinitely. This amount is based appropriations in the FY 2025-26 Long Bill, after accounting for the diversion of revenue from the cash fund described above.

Local Government

By shifting funds from a competitive grant process paid via the COCAP Trust Fund to direct county distributions paid by the CDHS through the county child welfare allocation formula, the bill may result in certain counties receiving more or less funding than they previously received. The impact to specific counties will vary depending on their participation and receipt of funds under the current grant program and their allocation under the formula.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill requires an appropriation of \$150,000 from federal funds to the Department of Human Services for county child welfare services.

While the bill diverts money from the COCAP Trust Fund, the bill does not impact other spending from the trust fund; therefore, no change in appropriation to the Department of Early Childhood is required in this bill. Any other adjustments related to the department's budget request will occur through the annual budget process, rather than in this bill.

State and Local Government Contacts

Counties	Human Services
Early Childhood	Treasury