



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1373: SUBSIDY LIMITS IN ASSISTANCE PROGS FOR CHILDREN

Prime Sponsors:

Rep. Brown; Sirota
Sen. Amabile; Kirkmeyer

Fiscal Analyst:

Erin Reynolds, 303-866-4146
erin.reynolds@coleg.gov

Bill Outcome: Signed into Law

Drafting Number: LLS 26-0855

Version: Final Fiscal Note

Date: June 30, 2026

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

Summary Information

Overview. The bill limits monthly subsidy payment reimbursements for the Adoption Assistance Program and the Relative Guardianship Assistance Program and removes case services as eligible program expenditures.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis beginning in FY 2026-27:

- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill includes a reduction in appropriations to the Department of Human Services of \$3.9 million.

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	\$0	\$0
State Expenditures	-\$3,946,381	-\$9,616,086	-\$11,753,207
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 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	Out Year FY 2028-29
General Fund	-\$2,199,750	-\$5,274,563	-\$6,561,792
Cash Funds	-\$407,295	-\$987,387	-\$1,213,635
Federal Funds	-\$1,339,336	-\$3,354,136	-\$3,977,780
Centrally Appropriated	\$0	\$0	\$0
Total Expenditures	-\$3,946,381	-\$9,616,086	-\$11,753,207
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

Cash funds consist of county matching funds.

Summary of Legislation

This bill limits monthly subsidy payment reimbursements for the Adoption Assistance Program and the Relative Guardianship Assistance Program for contracts that take effect on or after July 1, 2026. Contracts must not be renegotiated solely because of the reimbursement change.

For the Adoption Assistance Program, monthly subsidy payments must not exceed:

- 50 percent of foster care rates for youth under 9 years old;
- 55 percent of foster care rates for youth 9 years old or older but under 14 years old; and
- 60 percent of foster care rates for youth 14 years old or older.

For the Relative Guardianship Assistance Program, monthly subsidy payments must not exceed:

- 60 percent of foster care rates for youth under 9 years old;
- 65 percent of foster care rates for youth 9 years old or older but under 14 years old; and
- 70 percent of foster care rates for youth 14 years old or older.

The bill also removes case services—such as child care, tutoring, and therapies that are not Medicaid eligible—as eligible program expenditures.

The Department of Human Services (CDHS) is required to create a standardized notice for families receiving services that describes the reimbursement change. Counties may add information specific to their jurisdiction, and must provide the notice no later than June 15, 2026.

Background

The [Adoption Assistance Program](#) and the [Relative Guardianship Assistance Program](#) provide financial assistance and services to families that meet federal eligibility criteria. Monthly subsidy payments and services are determined by county departments of human services through a standardized assessment. According to Joint Budget Committee staff, projected expenditures for FY 2026-27 are \$96.3 million total funds, including \$49.1 million General Fund, which reflects a General Fund spending increase of 112.3 percent since FY 2022-23.

State Expenditures

The bill decreases state expenditures in the Department of Human Services (CDHS) by \$3.9 million in FY 2026-27, \$9.6 million in FY 2027-28, and \$11.8 million in FY 2028-29 and ongoing. Actual reductions may vary as the department is authorized to over-expend the appropriation as necessary to provide benefits to all families who qualify. Expenditures are reduced from the General Fund, cash funds consisting of county matching funds, and federal funds, as shown in Table 1A above. A detailed breakdown of how the costs impact adoption assistance, guardianship subsidies, and case services costs is shown in Table 2. Workload will also minimally increase in the CDHS to create the required notice.

Table 2
State Expenditures
Department of Human Services

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Adoption subsidies	-\$1,614,404	-\$4,647,073	-\$4,647,073
Guardianship subsidies	-\$237,176	-\$758,251	-\$758,251
Removal of case services expenditures	-\$2,094,801	-\$4,210,762	-\$6,347,883
Total	-\$3,946,381	-\$9,616,086	-\$11,753,207
General Fund	-\$2,199,750	-\$5,274,563	-\$6,561,792
Cash Funds	-\$407,295	-\$987,387	-\$1,213,635
Federal Funds	-\$1,339,336	-\$3,354,136	-\$3,977,780

Local Government

County departments of human services will have increased workload to provide notice to affected families in the current fiscal year.

Effective Date

The bill was signed into law by the Governor and took effect on May 27, 2026.

State Appropriations

For FY 2026-27, the bill includes a reduction in appropriations from the Department of Human Services of \$3,946,381, which includes:

- a reduction of \$2,199,750 from the General Fund,
- a reduction of \$407,295 from cash funds consisting of county matching funds, and
- a reduction of \$1,339,336 from federal funds.

In addition, the bill includes technical language making the reduction in appropriations conditional on sufficient appropriations being available in the applicable line item in the FY 2026-27 Long Bill.

State and Local Government Contacts

Human Services

Joint Budget Committee Staff