

# 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 Office of Economic Security and the Office of Adults, Aging, and Disability Services.

### 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)	\$807,454,749	\$137,918,880	\$218,017,600	\$85,046,757	\$366,471,512	1,773.3
Other legislation	5,000,000	3,000,000	2,000,000	0	0	1.3
Total	\$812,454,749	\$140,918,880	\$220,017,600	\$85,046,757	\$366,471,512	1,774.6
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$812,454,749	\$140,918,880	\$220,017,600	\$85,046,757	\$366,471,512	1,774.6
R1 County public assistance resources	4,185,074	1,255,522	837,015	0	2,092,537	0.0
R10 CCDHHDDB enterprise	1,578,512	-103,214	4,262,699	-2,580,973	0	1.0
R14 Teen parent driver's license reduction	-100,000	-100,000	0	0	0	0.0
R16 Home Care Allowance reduction	-1,050,000	-1,000,000	-50,000	0	0	0.0
R17 ReHire Colorado reduction	-250,000	-250,000	0	0	0	0.0
Annualize prior year budget actions	2,422,000	-1,733,788	607,502	1,523,811	2,024,475	0.0
Non-prioritized decision items	1,958,379	916,490	89,223	0	952,666	0.0
Indirect cost assessments	1,462,295	0	159,183	517,602	785,510	0.0
Annualize prior year legislation	-10,716,327	-2,820,000	0	240,000	-8,136,327	-9.8
Total	\$811,944,682	\$137,083,890	\$225,923,222	\$84,747,197	\$364,190,373	1,765.8
Increase/-Decrease	-\$510,067	-\$3,834,990	\$5,905,622	-\$299,560	-\$2,281,139	-8.8
Percentage Change	-0.1%	-2.7%	2.7%	-0.4%	-0.6%	0.0

**R1 County public assistance resources:** The request includes an increase of \$4.2 million total funds, including \$1.3 million General Fund, in FY 2025-26 and ongoing for county administration of public assistance programs, primarily the Supplemental Nutrition Assistance Program. The

Department asserts that the additional funding will help to ensure that the State meets its obligation to support counties to administer public assistance programs.

**R10 Colorado Commission for the Deaf, Hard of Hearing, and Deafblind (CCDHHDB) enterprise [requires legislation]:** The request includes an increase of \$1.6 million total funds, including a decrease of \$0.1 million General Fund, and 1.0 FTE in FY 2025-26 and ongoing for the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind. The Department additionally requests the Joint Budget Committee sponsor legislation to 1) create an enterprise to house the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind and 2) to transfer the Reading Services for the Blind program from the Department of Education to the newly formed enterprise. The Department assumes that moving the Commission and Reading Services for the Blind program to an enterprise will provide \$1.7 million in General Fund revenue enhancements in FY 2025-26 and \$2.7 million in FY 2026-27.

**R14 Teen parent driver's license reduction:** The request includes a reduction of \$100,000 General Fund to the Teen Parent Driver's License Program in FY 2025-26 and ongoing. This proposal would eliminate funding for the program, while retaining the program's statutory authorization. The Teen Parent Driver's License Program was created by H.B. 22-1042 and has been appropriated \$100,000 in each of the two fiscal years since its creation. The Department reports that in FY 2022-23 the program expended \$50,000 and in FY 2023-24 it expended \$66,131. Since its inception, the program has served 63 individuals with 26 receiving driver's training, 37 obtaining a driver's permit, and 26 obtaining a driver's license.

**R16 Home Care Allowance reduction:** The request includes a reduction of \$1,050,000 total funds, including \$1.0 million General Fund, in FY 2025-26 and ongoing to the Home Care Allowance program. The Home Care Allowance program has experienced declining caseloads that are driven by the application of 2022 rule changes that make Home Care Allowance a program of last resort for disabled Coloradans seeking home care services. Nearly all of the cases are transitioning to the Medicaid Home and Community Based Services program through the Department of Health Care Policy and Financing. The HCA caseload is not expected to rebound, which will result in underspending of the appropriation as the full effect of the rule change is realized.

**R17 ReHire Colorado reduction:** The request includes a reduction of \$250,000 General Fund in FY 2025-26 and ongoing to the ReHire Colorado program. The reduction will be accomplished through reducing state administrative costs and renegotiating contractors' budgets. The Department reports that the ReHire Colorado program has underspent its appropriation in the last two fiscal years. The program is designed to help low-income unemployed and underemployed Colorado adults facing barriers to employment re-enter the workforce via wage-paid work, job skills training, and supportive services. The program prioritizes serving noncustodial parents, veterans, and displaced workers over the age of 50 with household income less than 150 percent of the federal poverty level.

**Annualize prior year budget actions:** The request includes a net increase of \$2.4 million total funds, including a decrease of \$1.7 million General Fund, for the out-year cost of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 salary survey	\$4,162,547	\$386,862	\$235,812	\$1,551,646	\$1,988,227	0.0
FY 24-25 step pay	1,233,813	255,786	371,690	582,242	24,095	0.0
FY 24-25 R6 SAVE fee increase	57,872	9,260	0	36,459	12,153	0.0
FY 24-25 State funding senior serv	-2,000,000	-2,000,000	0	0	0	0.0
FY 24-25 Targeted 24/7 comp	-1,032,232	-385,696	0	-646,536	0	0.0
Total	\$2,422,000	-\$1,733,788	\$607,502	\$1,523,811	\$2,024,475	0.0

**Non-prioritized decision items:** The request includes a net increase of \$2.0 million total funds, including \$0.9 million General Fund, for requests that originate in the Department of Health Care Policy and Financing.

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
HCPF County Admin/CBMS	19,146	8,964	821	0	9,361	0.0
Total	\$1,958,379	\$916,490	\$89,223	\$0	\$952,666	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 \$10.7 million total funds, including \$2.8 million General Fund, to reflect the FY 2025-26 impact of bills passed in previous sessions, summarized in the following table.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 22-235 County admin public assist	\$600,000	\$180,000	\$0	\$240,000	\$180,000	0.0
HB 24-1431 Stable housing	0	0	0	\$0	\$0	0.2
HB 23-1283 Refugee services	-8,316,327	0	0	0	-8,316,327	-10.0
HB 24-1407 Community food assist	-3,000,000	-3,000,000	0	0	0	0.0
Total	-\$10,716,327	-\$2,820,000	\$0	\$240,000	-\$8,136,327	-9.8

## 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 for the Department of Human Services includes proposals that it assumes would make \$28.9 million General Fund available for other uses in FY 2025-26. The proposals include a total of approximately \$26.5 million in General Fund appropriation reductions, representing 2.0 percent of the Department's FY 2024-25 General Fund appropriation. However, the Department also proposes \$2.4 million in revenue enhancements that would make General Fund available through other mechanisms. This issue brief reviews these proposals and additional options identified by staff.

**Update on SNAP Corrective Action Plan:** This issue brief provides an overview and update of the state's Supplemental Nutrition Assistance Program's (SNAP's) federal Corrective Action Plan. The federal Food and Nutrition Service notified the state Department of Human Services in October 2023 that the state's processing of SNAP application was persistently below the federal performance mark of 95.0 percent. The federal government requires that households have the opportunity to participate in SNAP within seven days for expedited cases and 30 days for regular cases.

**Veterans Community Living Centers Operational Status:** This issue brief provides an overview of the operations of the state owned Veterans Community Living Centers (VCLCs or Centers). The discussion includes an overview of the Centers financials, staffing, and operations, as well as actions taken by the Department to address challenges. The four state owned Veterans Community Living Centers have experienced a decline in census and staffing challenges, which have adversely affected the financial status of the Centers. The Department has taken actions to address these adverse effects, including changing staffing levels and patterns and increased marketing and outreach.

## 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.