



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1347: FEDERAL DISABILITY BENEFITS FOR FOSTER CARE YOUTH

Prime Sponsors:

Rep. Gilchrist; Brown

Sen. Daugherty; Ball

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires county department to screen, apply, and manage federal Supplemental Security Income (SSI) benefits for qualified foster youth.

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

- State Expenditures
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

| Type of Impact | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 |
|-------------------------|---------------------------|------------------------|------------------------|------------------------|
| State Revenue | \$0 | \$0 | \$0 | \$0 |
| State Expenditures | \$0 | \$150,244 | \$3,084,269 | \$2,216,493 |
| Transferred Funds | \$0 | \$0 | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 | \$0 | \$0 |
| Change in State FTE | 0.0 FTE | 1.0 FTE | 1.0 FTE | 1.0 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 | Out Year FY 2029-30 |
|---------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| General Fund | \$0 | \$128,218 | \$1,512,619 | \$1,096,086 |
| Cash Funds | \$0 | \$0 | \$596,009 | \$422,454 |
| Federal Funds | \$0 | \$0 | \$953,615 | \$675,927 |
| Centrally Appropriated | \$0 | \$22,026 | \$22,026 | \$22,026 |
| Total Expenditures | \$0 | \$150,244 | \$3,084,269 | \$2,216,493 |
| Total FTE | 0.0 FTE | 1.0 FTE | 1.0 FTE | 1.0 FTE |

Cash funds consist of county matching funds.

Summary of Legislation

This bill requires county department of human services to apply for federal Supplemental Security Income (SSI) benefits on behalf of children and youth in foster care. Beginning on or before July 1, 2028, when a county department of human services makes a finding of substantiated abuse or neglect, it must refer the child or youth for a development screening within 45 days of out-of-home placement. If the screening indicates the child may be eligible for SSI, the county must initiate the application process within 45 days of that determination. When a child is enrolled in the Children’s Habilitation Residential Program Waiver, the county must apply for SSI on the child’s behalf.

If a county determines a child is not likely to be eligible for SSI, they must annually review the case to determine if that assessment has changed. If a county department has identified a child as having a disability but determined that they are not likely to qualify for SSI, it must document the reason why it came to this determination.

If a county department is the representative payee for a child’s SSI, it may not use those benefits to pay for county costs of care. SSI amounts above the countable resource threshold must be deposited in an Achieving a Better Life Experience (ABLE) savings account specifically for the child or youth. The county department has to document all expenditures for children or youth on SSI in the state’s case management system and provide an annual accounting to the child or youth and their legal representative.

The Colorado Department of Human Service (CDHS) must adopt rules by January 1, 2028, addressing SSI screening, application, account management, and notice requirements, and must provide ongoing technical assistance to county departments. The CDHS must also coordinate with the Office of the Child’s Representative to provide guidance to counsel for youth or guardians ad litem about appealing SSI denials. Beginning July 1, 2028, each county department has to designate one employee as a point of contact for federal benefits for foster youth.

Background

Federal SSI Benefits

Supplemental Security Income (SSI) is a federal program administered by the Social Security Administration that provides monthly payment to individuals with disabilities who have limited income and resources. Children may qualify for SSI if they have a medically determinable lasting physical or mental impairment that results in marked and severe functional limitations, and meet federal income eligibility requirements.

Existing Law

[HB 25-1271](#) established a requirement for county departments of human services to screen for and manage federal survivor benefits for children and youth in foster care; this bill extends that same framework to SSI.

Current law requires county departments of human services to continually determine whether children or youth in foster care are eligible for federal survivor benefits beginning July 1, 2027. If eligible, the county department must determine the child's best representative payee or fiduciary for federal benefits; if the county department is the payee or fiduciary, the county must apply for the benefits on behalf of the child, but cannot use any of the federal benefits to pay for county costs related to providing support to the foster child.

Assumptions

This fiscal note assumes that 33 percent of the 2,827 foster youth identified in the child welfare data system will be eligible to apply SSI. This estimate includes all children in foster care and out-of-home placements, excluding those currently receiving benefits and children aged 0 to 5 who are already being screened.

State Expenditures

The bill increases state expenditures in the CDHS by \$150,244 in FY 2027-28, \$3.0 million in FY 2028-29 and \$2.2 million in FY 2029-30. Expenditures are from the General Fund, cash funds consisting of county matching funds, and federal funds. These costs are summarized in Table 2 and discussed below.

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 | Out Year FY 2029-30 |
|---------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Personal Services | \$0 | \$80,916 | \$80,916 | \$80,916 |
| Operating Expenses | \$0 | \$1,280 | \$1,280 | \$1,280 |
| Capital Outlay Costs | \$0 | \$7,000 | \$0 | \$0 |
| TRAILS Update | \$0 | \$39,022 | \$0 | \$0 |
| Screening and Application Costs | \$0 | \$0 | \$1,890,245 | \$1,064,450 |
| Financial Management | \$0 | \$0 | \$1,089,802 | \$1,047,821 |
| Centrally Appropriated Costs | \$0 | \$22,026 | \$22,026 | \$22,026 |
| Total Costs | \$0 | \$150,244 | \$3,084,269 | \$2,216,493 |
| <i>General Fund</i> | <i>\$0</i> | <i>\$128,218</i> | <i>\$1,512,619</i> | <i>\$1,096,086</i> |
| <i>Cash Funds (Local Share)</i> | <i>\$0</i> | <i>\$0</i> | <i>\$596,009</i> | <i>\$422,454</i> |
| <i>Federal Funds</i> | <i>\$0</i> | <i>\$0</i> | <i>\$953,615</i> | <i>\$675,927</i> |
| <i>Centrally Appropriated</i> | <i>\$0</i> | <i>\$22,026</i> | <i>\$22,026</i> | <i>\$22,026</i> |
| Total FTE | 0.0 FTE | 1.0 FTE | 1.0 FTE | 1.0 FTE |

Staff

Beginning July 2027 and ongoing, the CDHS requires 1.0 FTE to adopt rules and standardized procedures for disability benefit screening, application, and account management, oversee county compliance with documentation and reporting requirements, and provide ongoing technical assistance to county representatives and partners. Standard operating expenses and capital outlay costs are included.

TRAILS Update

In FY 2027-2028 only, the state’s child welfare information system (TRAILS) will need to be updated at one-time cost of \$39,022 to support eligibility screening, application tracking, reporting, and automation of SSI related processes.

Child Welfare System Costs

The bill is expected to increase expenditures in the child welfare system by \$3.0 million in FY 2028-29, and \$2.1 million in FY 2029-30, due to additional work required for county case workers. Because the child welfare system is locally administered and state funded, a portion of the cost to county departments must be split with the state. Costs are split with 48 percent from the state General Fund, 20 percent by county local dollars, and the remaining supported by

Federal Title IV-E funds. Total cost by funding source is outlined in Table 2 above. More information on the additional cost to county case workers can be found in the Local Government Section.

Judicial Department – Office of the Child’s Representative

The Office of the Child’s Representative will have a minimal workload increase to coordinate with the CDHS regarding technical assistance for federal benefits. It is assumed the OCR will provide technical assistance only and will not be responsible for representing youth in the federal benefit applications or appeals. This work is absorbable with existing resources.

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 may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

Local Government

The bill increases costs to county departments of human services from screening and application costs, and financial management costs by \$3.0 million in FY 2028-29 and \$2.1 million in FY 2029-30 and future years. As mentioned in the State Expenditures section above, most of the costs are paid using state and federal funds, with counties estimated to provide about \$600,000 in FY 2028-29 and \$425,000 in FY 2029-30 in local matching funds toward these expenses.

Screening and Application Costs

In FY 2028-29, county departments of human services are estimated to have costs to review foster youth cases, assess potential for SSI benefits, coordinate developmental screening referrals, and apply for and follow SSI benefit applications. Of the estimated 2,827 youth not currently receiving benefits, initial screening activities are assumed to take an average of 8 hours per child, which is inclusive of coordinating screening appointments and gathering and synthesizing all documentation. This work is performed by county staff at an average hourly rate of \$42, resulting in a total initial screening cost of \$949,872 in FY 2028-29.

Based on an estimated 33% qualification rate, approximately 933 youth will require an SSI application, with each application assumed to take an average of 24 hours, inclusive of gathering and compiling documentation from multiple sources, coordinating with relevant parties, completing the application, responding to requests for additional information, and tracking the application through completion. This results in a total application cost of \$940,373.

Beginning in FY 2029-30 and ongoing, based on a median length of stay of approximately one year in foster care, it is assumed that approximately half of these youth, or 1,414 children, will remain in care and require screening; ongoing screening costs are estimated at \$474,936, and application costs of \$470,187 annually.

Beginning in FY 2029-30 and ongoing, annual screening reviews will be conducted for youth not initially determined to be eligible for SSI. Of the approximately 1,894 youth originally found not eligible, it is assumed that, based on a median length of stay of about one year in foster care, approximately half, or 947 youth, will remain in care and require annual re-screening. Each screening is assumed to take approximately 3 hours at an hourly rate of \$42, increasing costs by about \$120,000 annually.

Financial Management Costs

In FY 2028-20, county departments of human services will have costs to establish and manage ABLE accounts for youth receiving SSI. Approximately 10%, or 93 kids, will need to have ABLE accounts created. Establishing accounts is assumed to take an average of 10 hours, with an additional 5 hours annually and continuing into future years to manage and provide the child or youth a yearly update on the accounting information. Costs are estimated at \$83,962 for initial setup and management activities, reducing to \$41,981 in outgoing years.

The requirement for counties to document all expenditures made on behalf of children and youth receiving SSI in the case management system is expected to take an average of 1 hour per month for every child receiving SSI. Based on approximately 1,397 youth receiving SSI, total documentation costs are estimated at \$1.0 million annually.

Designated Representative

Counties are required to designate an employee to serve as a point of contact with the CDHS for technical assistance related to federal benefits. This requirement may increase workload for counties that do not already have staff in a similar role; however, some counties have personnel performing comparable functions. This workload increase is expected to be absorbable within existing resources.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

Departmental Difference

Counties estimate child welfare costs will increase by about \$4.5 million annually. Counties assume it will take 40 hours to complete the SSI applications, that 1,894 children will require rescreening, and that costs will be incurred for 60 county liaisons working 5 hours per week. The fiscal note estimates that applications will take less time, about 24 hours per application, that there will be 947 rescreenings after taking into account children leaving foster care, and that assigning staff as a liaison can be absorbed within existing resources.

State and Local Government Contacts

Child Welfare

Human Services

Counties