



# Memorandum

To: Joint Budget Committee Members  
From: Emily Pope, JBC Staff (303-866-4961)  
Date: March 25, 2026  
Subject: Potential Legislation Packet 14

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If the Committee would like to approve a bill draft for introduction, the motion should include:

- Approve for introduction in the House as a JBC bill LLS 25-XXXX;
- When the bill should be run (with the Long Bill package or otherwise);
- Prime sponsors and co-sponsors; and
- Grant staff permission to make technical changes.

Each individual item has page numbers, but also a packet page number (P-XXX) to help navigate the whole document. The page numbers below refer to the packet page number that begins with a "P".

## Potential Legislation

*Human Services – Emily Pope*

LLS 26-0924 Title IV-E Cash Fund Update .....P-1

*Human Services – Emily Pope*

LLS 26-0931 Managed Care Entity Payments.....P-5

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/25/26

DRAFT

LLS NO. 26-0924.01 Anna Petrini x5497

COMMITTEE BILL

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Joint Budget Committee

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**BILL TOPIC:** Federal Adoption Money Cash Fund Updates  
**DEADLINES:** File by: 3/27/2026

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**A BILL FOR AN ACT**

101 **CONCERNING UPDATING PERMISSIBLE USES OF MONEY IN THE EXCESS**  
102 **FEDERAL TITLE IV-E REIMBURSEMENTS CASH FUND.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** Current law creates the excess federal Title IV-E reimbursements cash fund (cash fund), which includes federal revenue in excess of the amount required to reimburse certain eligible foster care, prevention, and permanency services. The bill renames the fund and updates the permissible uses of the money in the cash fund to align with current federal requirements, which permit the state to apply

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Dashes through the words indicate deletions from existing law.*

savings associated with federal funding increases to a range of child welfare services. The bill specifically authorizes the use of cash fund money for services to support a positive permanency outcome for a child or youth who might otherwise enter or reenter foster care.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 26-1-111, **amend**  
3 (2)(d)(II)(C) as follows:

4 **26-1-111. Activities of the state department under the**  
5 **supervision of the executive director - cash fund - report - rules -**  
6 **statewide adoption resource registry.**

7 (2) The state department, under the supervision of the executive  
8 director, shall:

9 (d) (II) (C) For ~~fiscal year 2003-04~~ and each fiscal year, thereafter  
10 after the amounts described in subsections (2)(d)(II)(A) and (2)(d)(II)(B)  
11 of this section are set aside, the total amount of money remaining shall be  
12 transmitted to the state treasurer, who shall credit the ~~same~~ MONEY to the  
13 ~~excess~~ federal Title IV-E reimbursements cash fund, which ~~fund is hereby~~  
14 ~~IS~~ created IN THE STATE TREASURY and referred to in this subsection  
15 (2)(d)(II)(C) as the "fund". The money in the fund is subject to annual  
16 appropriation by the general assembly to the state department. ~~for~~  
17 ~~allocation to counties to help defray the costs of performing~~  
18 ~~administrative functions related to obtaining federal reimbursement~~  
19 ~~money available under the Title IV-E program. In addition, the general~~  
20 ~~assembly may annually appropriate money in the fund to the department~~  
21 ~~of early childhood for allocation to the counties for the provision of child~~  
22 ~~care assistance, as described in section 26.5-4-105, and to the state~~  
23 ~~department for allocation to the counties for the provision of assistance,~~

1 as defined in section 26-2-703 (2); social services, as defined in section  
2 26-2-103 (11); and child welfare services, as defined in section 26-5-101  
3 (3). For fiscal year 2004-05, and in subsequent years if so specified by the  
4 general assembly in the annual appropriations act, the counties shall  
5 expend the money allocated by the department of early childhood for the  
6 provision of child care assistance and by the state department for the  
7 provision of assistance, social services, and child welfare services  
8 pursuant to this subsection (2)(d)(II)(C) in a manner that will be applied  
9 toward the state's maintenance of historic effort as specified in section  
10 409 (a)(7) of the federal "Social Security Act", as amended. FOR STATE  
11 FISCAL YEAR 2026- 27, AND EACH FISCAL YEAR THEREAFTER, THE MONEY  
12 IN THE FUND MUST BE USED IN ACCORDANCE WITH SECTION 473 (a)(8) OF  
13 THE FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 673 (a)(8).  
14 PERMISSIBLE USES OF THE MONEY IN THE FUND INCLUDE  
15 POST-PERMANENCY SERVICES TO SUPPORT AND SUSTAIN POSITIVE,  
16 PERMANENT OUTCOMES FOR A CHILD OR YOUTH WHO MIGHT OTHERWISE  
17 ENTER OR REENTER FOSTER CARE. Any money in the fund not expended  
18 for the purposes specified in this subsection (2)(d)(II)(C) may be invested  
19 by the state treasurer as provided by law. The state treasurer shall credit  
20 all interest and income derived from the investment and deposit of money  
21 in the fund to the fund. Any unexpended and unencumbered money  
22 remaining in the fund at the end of a fiscal year remains in the fund and  
23 ~~is not credited or transferred or~~ DOES NOT revert to the general fund or  
24 another fund.

25 **SECTION 2. Safety clause.** The general assembly finds,  
26 determines, and declares that this act is necessary for the immediate  
27 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/25/26

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LLS NO. 26-0931.02 Pierce Lively x2059

HOUSE BILL

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HOUSE SPONSORSHIP

**Sirota and Taggart**, Brown

SENATE SPONSORSHIP

**Amabile and Kirkmeyer**, Bridges

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**BILL TOPIC: Managed Care Entity Payments**

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**A BILL FOR AN ACT**

101 **CONCERNING A CLARIFICATION REGARDING THE TREATMENT OF**  
102 **FUNDS THAT ARE TRANSFERRED FROM THE DEPARTMENT OF**  
103 **HEALTH CARE POLICY AND FINANCING THROUGH TO THE**  
104 **COLORADO DEPARTMENT OF HUMAN SERVICES THAT PASS**  
105 **THROUGH A REGIONAL ACCOUNTABILITY ENTITY.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The department of human services (CDHS) operates mental health transitional living homes (transitional

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homes). Part of the funding for transitional homes comes from patient revenues, including Medicaid-eligible patient revenues. For Medicaid-eligible patients, the patient revenues originate in the department of health care policy and financing (HCPF), HCPF distributes this money to managed care entities (MCEs), and the MCEs then pay CDHS for the services provided at the transitional homes. At least in part, the MCEs serve as passthroughs transferring patient revenues from HCPF to CDHS for transitional homes.

Because MCEs are nonstate entities, the office of the state controller counts the payments from HCPF to MCEs for transitional homes as money leaving the state and then counts the payments from MCEs to CDHS for transitional homes as state fiscal year spending for purposes of section 20 of article X of the state constitution (TABOR).

The bill establishes that, if an MCE receives federal funds or state money from HCPF and pays those funds or that money to CDHS, the funds or money received by CDHS is not included in the calculation of state fiscal year spending for purposes of TABOR.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** 26-1-143 as  
3 follows:

4           **26-1-143. Managed care entity payments - definition.**

5           (1) IF A MANAGED CARE ENTITY RECEIVES FEDERAL FUNDS OR  
6 STATE MONEY FROM THE DEPARTMENT OF HEALTH CARE POLICY AND  
7 FINANCING AND PAYS THOSE FUNDS OR THAT MONEY TO THE STATE  
8 DEPARTMENT, THE FUNDS OR MONEY RECEIVED BY THE STATE  
9 DEPARTMENT IS NOT INCLUDED IN THE CALCULATION OF STATE FISCAL  
10 YEAR SPENDING.

11           (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
12 REQUIRES, "MANAGED CARE ENTITY" HAS THE SAME MEANING AS "MCE"  
13 IN SECTION 25.5-5-402 (9)(b)(III)(B).

14           **SECTION 2. Safety clause.** The general assembly finds,  
15 determines, and declares that this act is necessary for the immediate  
16 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.