



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1314: FAMILY STABILITY & KINSHIP CARE

Prime Sponsors:

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Published for: House Health & Human Services

Drafting number: LLS 26-0703

Version: Initial Fiscal Note

Date: March 25, 2026

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

Summary Information

Overview. The bill makes changes to court procedures for parenting time disputes, kinship placements for children removed from their home, grandparent contact after adoption, and creates a foster care prevention pilot program.

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

- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires an appropriation of \$414,481, to the Department of Human Services.

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	at least \$444,785	at least \$155,553	at least \$230,553
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	1.4 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
General Fund	\$199,793	\$116,149	\$191,149
Cash Funds	\$0	\$0	\$0
Federal Funds	\$214,688	\$17,378	\$17,378
Centrally Appropriated	\$30,304	\$22,026	\$22,026
Total Expenditures	at least \$444,785	at least \$155,553	at least \$230,553
Total FTE	1.4 FTE	1.0 FTE	1.0 FTE

Summary of Legislation

The bill makes changes to court procedures for parenting time disputes, kinship placements for children removed from their home, grandparent contact after adoption, and creates a foster care prevention pilot program, as described below.

Enforcement of Parenting Time Orders

When a parent intentionally violates a parenting time order, the bill gives additional options the court may use to address the violation. The court may require the parent who failed to provide court-ordered parenting time to pay a penalty to the other parent or perform community service. The court may also require both parties to use a court-approved tool for tracking parenting time or to communicate between parents.

Referral of Noncustodial Parents to Family-Time Services

The bill requires the Colorado Department of Human Services (CDHS), working with county human services departments, to create protocols to refer noncustodial parents who are compliant with their child support payments for supervised or facilitated family time services.

Placement of Children with Relatives or Kin

When a child is removed from their home, the bill requires the county department of human services to document all efforts to contact grandparents and relatives about placement. While current law requires a court to give placement priority to a child's relative or kin, the bill clarifies that this preference does not apply if the court finds by a preponderance of the evidence that it is not in the child's best interest. When a child is placed with a relative or kin without a hearing, the county department must complete a fingerprint-based background check and safety

assessment within 14 days. If 90 days have passed since placement and the relative or kin is not working toward certification as a kinship foster home, the county should assess other placement options.

Assistance for Emergency Kinship

When the only barrier to placing a child with a relative in an emergency is a lack of resources, counties must make efforts to assist including a one-time placement stipend, to the extent these resources are available.

Grandparents Contact in Adoption Proceedings

Before finalizing an adoption, a court must make written findings about whether the child has an existing relationship with a grandparent. Unless the court finds that ongoing contact with a grandparent is harmful, the court may order a post-adoption contact agreement allowing the grandparent contact or family time. If the court denies, limits, or ends a grandparent's contact agreement, it must explain how that decision serves the child's best interests.

Foster Care Prevention Services Pilot Program

Starting July 1, 2027, the bill creates the Foster Care Prevention Services Pilot Program within the CDHS. The pilot allows three county human services departments to try faster approval of kinship placements, kinship navigator programs, one-time placement stipends, and tools for tracking family time. Guidelines for which counties can be selected are specified in the bill. The CDHS must evaluate how well the pilot is working, and each participating county must report data as specified in the bill. In January 2029, the CDHS must report on the pilot program to the joint Health and Human Services Committee, including whether the pilot should be continued, repealed, or made permanent statewide.

Background

The Office of Economic Security in the CDHS oversees the establishment, collection, and enforcement of child support orders. Child Support Services ensures children receive financial support from both parents; and is responsible for establishing and enforcing child support orders, establishing parentage, and connecting custodial and non-custodial parents with resources to support their children. The Automated Child Support Enforcement System (ACSES) is the data management system for child support cases. This system does not currently track parenting time orders.

State Expenditures

The bill increases state expenditures by at least \$444,784 in FY 2026-27, \$155,553 in FY 2026-27, and \$191,149 in FY 2028-29 and FY 2029-30. These costs will be incurred in the Department of Human Services in the Office of Economic Security and the Division of Child Welfare as shown in Table 2 and described in the sections below. Costs from the Office of Economic Security are paid for by 34% General Fund and 66% Federal Funds.

**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
Personal Services	\$107,550	\$80,916	\$80,916
Operating Expenses	\$1,280	\$1,280	\$1,280
Capital Outlay Costs	\$7,000	\$0	\$0
Annual Evaluation	\$0	\$25,000	\$100,000
Information Technology Updates	\$272,320	\$0	\$0
Printing Notices	\$9,274	\$9,274	\$9,274
Mailing Notices	\$17,057	\$17,057	\$17,057
Centrally Appropriated	\$30,304	\$22,026	\$22,026
Total Costs	\$444,784	\$155,553	\$230,553
Total FTE	1.4 FTE	1.0 FTE	1.0 FTE

Department of Human Services

The Office of Economic Security in the CDHS requires funding to modify the Automated Child Support Enforcement System and notify eligible non-custodial parents about supervised or facilitated family time services.

Staff

Starting in FY 2026-27, CDHS requires 1.4 FTE in FY 2026-27 and 1.0 FTE in FY 2027-28 and FY 2028-29. This includes 0.4 FTE in FY 2026-27 only for the Office of Economic Security to perform quality assurance and testing of updated systems required for the referral of noncustodial parents to family time services. The CDHS also requires 1.0 FTE from FY 2026-27 though FY 2028-29 for the Division of Child Welfare to design, implement, and evaluate the foster care prevention pilot program

Annual Evaluation

Starting in FY 2027-28, the Division of Child Welfare in the CDHS requires \$25,000 to assess the study design of the pilot program and begin the process of developing an evaluation. In FY 2028-29 and continuing through FY 2029-30, the Division of Child Welfare requires \$100,000 to evaluate the success of the foster care prevention services pilot program.

Information Technology Updates

To refer non-custodial parents who have paid their child support obligation to supervised or facilitated family time services, ACSES must be modified to track parenting time order information and identify eligible cases. Because parenting time orders are issued by the courts, CDHS requires an automated interface between ACSES and the Judicial Department.

In FY 2026-27 only, the Office of Economic Security in the CDHS requires a one-time development cost of \$272,320. This cost is inclusive of the following:

- \$94,720 to create new data fields in ACSES to track parenting time orders and awards;
- \$118,400 to develop an automated interface between ACSES and the Judicial Department to obtain parenting time order information; and
- \$59,200 to create a batch process to identify eligible cases and generate referral notices.

Stipends

The bill authorizes one-time placement stipends for approved emergency placement kinship caregivers, subject to available resources. As of February 2026, there were 1,875 children and youth in kinship care. Assuming 20% of the kin caring for these children require a stipend and the stipend is \$500, the cost would be \$187,500. The actual amount is dependent on the amount the General Assembly appropriates for this purpose.

Printing and Mailing

Beginning in FY 2026-27, and continuing annually, ACSES must generate and mail notices to refer parents who meet the bill's eligibility criteria to supervised or facilitated family time services. Specifically, the CDHS requires \$9,274 to print and \$17,057 to mail an estimated 33,120 notices.

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 include employee insurance and supplemental employee retirement payments, are shown in the expenditure table(s) above.

Judicial Department

Independent Agencies

The bill may increase workload and costs for the Office of the Child’s Representative and the Office of the Respondent Parents’ Counsel if the bill increases litigation related to a parent intentionally violating parenting time orders and the remedies imposed by the court. The bill may also lead to additional placement changes in cases when kinship caregivers do not pursue certification within 90 days, for which there may be increased workload for OCR to assess the placement change. There may also be increased use of post-adoption contact agreements for which the court can appoint a guardian ad-litem or a counsel for youth. However, because these appointments are made at the discretion of the court, any increase in workload or costs would be addressed through the annual budget process.

Trial Courts

The bill may increase workload for the trial courts from additional litigation related to evaluating intentional violations of parenting time and imposing remedies. The bill also requires courts to make findings related to the relationship between a child and grandparent before entering a degree of adoption, which is not something that is currently considered by the courts, and to make findings related to the best interest of the child if they deny, limit, or terminate a post adoption contact agreement. These provisions may result in additional hearings or findings in certain cases; however, the overall impact is expected to be absorbable within existing resources.

Local Government

The bill increases workload and will increase costs for county departments of human or social services related to kinship placements and participation in the Foster Care Prevention Services Pilot Program.

Kinship Placements

The bill requires counties to document all efforts to contact grandparents and relatives when a child is removed from the home. While similar practices exist, the requirement for documentation of efforts may result in increased workload. When a child is placed with a relative or kin without a hearing, counties must complete a fingerprint-based background check and safety assessment within 14 days, which may increase workload and costs. If a child remains in a kinship placement for 90 days without the caregiver pursuing certification, counties must assess other placement options, which would result in increased administrative workload and associated placement change costs.

Pilot Program

Costs will increase for the county departments that apply to, and participate in, the Foster Care Prevention Services Pilot Program, scheduled to begin on or after July 1, 2027. Counties may incur a one-time increase in workload to prepare and submit an application to the CDHS. Participating counties may have costs to implement pilot activities, including expedited kinship placements processes, kinship navigator services, family-time tracking tools, and one-time placement stipends to the extent resources are available. To implement the pilot program, each participating county would require 1.0 FTE, at an estimated cost of up to \$100,000. Counties will also have increased administrative workload to collect and report required data and support evaluation activities.

Effective Date

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

State Appropriations

For FY 2026-27, the bill requires appropriations of \$414,481 to the Department of Human Services and 1.4 FTE. Of this amount, \$199,793 is from the General Fund and \$214,688 is federal funds.

State and Local Government Contacts

Child Welfare	Judicial
Counties	Public Safety
Human Services	