Health & Human Services

Aligning Foster Youth in Transition program services with allocated resources.	
Weld And Larimer Counties	
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Has this proposal been approved by your BoCC?	Yes.
Have you reviewed the CCI Instructional Memo?	Yes.
Describe the problem your proposal will solve.	General: The Foster Youth in Transition (FYiT) program, established by HB21-1094, builds upon the federal John H. Chafee Foster Care Program for Successful Transition to Adulthood by providing extended supports to young adults ages 18-21 transitioning from foster care. Eligible youth can voluntarily remain in or re-enter child welfare to receive extended child welfare services, such as housing assistance and case management. While the federal Chafee program provides important funding and establishes a framework for assisting youth as they transition to independence, federal funding has never been sufficient to fully meet the needs of eligible youth nationwide. As a result, states have long supplemented limited federal resources with state and local funding to provide housing assistance, case management, education, employment supports, and other transition services for this population. Colorado's FYiT program (HB21-1094) was enacted with fiscal assumptions that substantially underestimated both participation and implementation costs. The original fiscal note anticipated approximately 58 participating youth statewide and included less than $900,000 for program delivery. In SFY26, counties are serving approximately 536 youth, with projected delivery costs exceeding $10.3 million. This compares to Chaffee program delivery costs of about $6.5 million in SFY21, prior to the Foster Youth in Transition program's implementation. Counties are required to provide comprehensive services to all eligible youth regardless of available appropriations. While limited federal Chafee

	funding offsets a portion of these costs, neither federal nor state funding has kept pace with actual program demand. Counties have therefore been forced to absorb millions of dollars in unfunded costs through the Child Welfare Block and county general funds. The funding gap extends beyond direct services and includes significant unbudgeted staffing and administrative workload required to operate the program. This proposal seeks to align the Foster Youth in Transition Program with both its original legislative intent and the fiscal realities facing Colorado's child welfare system by clarifying eligibility, strengthening program integrity, and ensuring limited resources are directed to youth most in need of successful transitions to adulthood. Specific Issues: •The Child Welfare Block is projected to be under appropriated by more than \$30m at the close of SFY25-26. Colorado's FYiT program (HB21-1094) was enacted with fiscal assumptions that substantially underestimated both participation and implementation costs. The original fiscal note anticipated approximately 58 participating youth statewide and included less than \$900,000 for program delivery. In SFY26, counties are serving approximately 536 youth, with projected delivery costs exceeding \$10.3 million. This compares to Chaffee program delivery costs of about \$6.5 million in SFY21, prior to the Foster Youth in Transition program's implementation. •Although Colorado offers housing vouchers and case management services to a set number of youth up to age 26 through the Fostering Success Voucher Program, youth currently have to choose between leaving the Foster Youth in Transition Program (FyiT) to access the Fostering Success program or staying in FYiT, placing further strain on counties to provide these supports. •The housing costs associated with FyiT as an entitlement, are driving significant strain on the program. Some youth participating in FYiT are receiving excessive funding for housing while living with relatives. Funds have been used to pay for the entire mortgage. Additionally, housing costs are very high in many communities, with monthly rents around \$2,000 for a studio apartment. This cost as an entitlement is unsustainable to counties without additional funding. •Open eligibility- There is no consideration for permanency status at the time of enrollment, nor are there requirements around progress towards self-sufficiency, in current eligibility requirements. •There is uncertainty about whether FYiT is successfully preparing youth for adulthood by creating sustainable impacts to employment, housing, education, etc. There is no post-exit from FYiT survey to measure program effectiveness or outcomes.

	•Change of Venue- There can be a disconnect on which county is providing services and which county is paying for the program if a youth moves across county lines. There have been circumstances where a county is paying for out-of-state youth. There is not a way to transfer a FYiT case from one County System to another within Colorado.
Areas of Impact:	Day-to-day operations of the county Functionality of county programs or services Power/Authority/Mandate of county government General community advancement
What is the ultimate source of this problem?	General: Broad, misaligned statutes and funding gaps. Court requirement for program eligibility that does not meet the needs of the youth Specific Issues: •The initial fiscal note only provides funding to cover less than 1/10th of the program costs today. There is not enough state or federal funding appropriated to counties to pay for the program as operated today as an open entitlement, without any guardrails or caps. •Although Colorado offers housing vouchers and case management services to a set number of youth up to age 26 through the Fostering Success Voucher Program, youth currently have to choose between leaving the Foster Youth in Transition Program (FyiT) to access the Fostering Success program or staying in FYiT, placing further strain on counties to provide these supports. •The housing costs associated with FyiT as an entitlement, are driving significant strain on the program. Some youth participating in FYiT are receiving excessive funding for housing while living with relatives. Funds have been used to pay for the entire mortgage. Additionally, housing costs are very high in many communities, with monthly rents around $2,000 for a studio apartment. This cost as an entitlement is unsustainable to counties without additional funding. •Open eligibility- There is no consideration for permanency status at the time of enrollment, nor are there requirements around progress towards self-sufficiency, in current eligibility requirements. •Current statute establishes eligibility for the Foster Youth in Transition Program based primarily on a youth's age and child welfare case history, rather than their permanency status at the time their case closes. As a result, youth may qualify for services even when they have achieved a permanent family or legal relationship and are not transitioning from foster care. For example, the current eligibility criteria include youth who entered state or county custody at age 16 or older, regardless of whether they were subsequently adopted, reunified with their parents, or placed in the permanent legal custody or allocation of parental responsibilities (APR) of

	a relative or other caregiver before case closure. Additionally, the statute allows youth who are age 18 or older and involved in a Dependency and Neglect (D&N) case, but who were never removed from their parents' care, to qualify for the program. These provisions expand eligibility beyond the original intent of supporting youth who are transitioning from foster care to adulthood. As a result, limited program resources are being used to serve youth who have already achieved legal permanency or who were never in out-of-home care, reducing the availability of services for youth who are aging out of foster care without permanent family supports. •Lack of regulatory guardrails to ensure best interest of youth and evidence-based practices. Delaying case closure can postpone the legal finalization of permanency for youth through reunification, adoption, allocation of parental responsibilities (APR), or guardianship. This is inconsistent with the child welfare system's primary goal of achieving timely permanency and legal stability for children and youth. Permanency decisions should be based solely on the best interests of the youth, rather than on eligibility requirements for a separate program. Revising the statutory eligibility criteria to align services with youth who are genuinely transitioning from foster care would eliminate this unintended incentive, support timely permanency, and ensure that program resources are directed to youth who exit foster care without permanent family supports. •Lack of Measured Outcomes, Cost Effectiveness. The Foster Youth in Transition (FYiT) Program does not currently require a standardized post-exit evaluation or follow-up survey to measure participant outcomes after services end. As a result, there is limited data to determine whether the program is achieving its intended purpose of promoting long-term housing stability, financial self-sufficiency, and successful transitions to adulthood.
What is your initial proposal to solve this problem?	This proposal seeks to evaluate whether targeted statutory and programmatic changes are necessary to better align the program with available appropriations while preserving services for youth with the greatest need and maintaining the program's long-term sustainability. Potential policy options for consideration include: •Clarifying eligibility criteria to better align the program with its original legislative intent of serving youth transitioning from foster care to adulthood. •Establishing clearer documentation and participation requirements to ensure ongoing eligibility is based on verified engagement rather than intent alone. •Clarifying FYiT as the payer of last resort by requiring available federal, state, local, and community resources to be utilized before FYiT funds are expended.

	•Establishing reasonable parameters for housing assistance to ensure limited resources are distributed equitably and consistently across the state. •Clarifying how eligibility should apply when youth have achieved legal permanency prior to adulthood. •Ensuring permanency decisions are based solely on the best interests of the youth and are not influenced by program eligibility considerations. •Creating a clear statewide process for transferring FYiT cases between counties when youth relocate. •Establishing consistent outcome measurement and program evaluation requirements to assess whether the program is achieving its intended objectives and to inform future policy and funding decisions. These options are intended to serve as a starting point for discussion. Counties are seeking to determine whether one or more statutory, regulatory, or administrative changes could better align program requirements with available appropriations while preserving the program's core mission of supporting successful transitions to adulthood.
Please provide sample language for this solution.	Payor of Last Resort: (1) Financial assistance and services provided through the Foster Youth in Transition Program are intended to supplement, and not supplant, other available public and private resources. (2) The Foster Youth in Transition Program shall serve as the payor of last resort. Prior to authorizing expenditures from the program, the county department shall determine that: (a) No other federal, state, local, tribal, private, or community funding source is reasonably available to meet the identified need; (b) The participant has applied for, or is receiving, all benefits and services for which the participant is eligible, unless application is not feasible due to time-sensitive circumstances or other good cause as determined by the State Department; and (c) The requested expenditure is necessary to support the participant's transition to self-sufficiency and cannot be met through another available funding source. (3) The State Department shall establish rules identifying alternative funding sources to be considered before FYiT funds are authorized and shall develop uniform documentation requirements to demonstrate that program funds were used as the payor of last resort. (4) Nothing in this section shall prohibit the use of Foster Youth in Transition funds to address an immediate emergency when delaying assistance would jeopardize the participant's health, safety, housing stability, or employment, provided that the county department documents the emergency and pursues reimbursement or coordination with other funding sources when appropriate.

	Funding certain Living Arrangements: **Housing Assistance Eligibility and Limitations.** (1) Financial assistance provided through the Foster Youth in Transition Program for housing-related expenses shall be intended to support youth who are transitioning from foster care to independent living arrangements and who lack other available housing resources. (2) The State Department shall establish rules limiting the amount and duration of housing-related assistance provided to a participant who resides: (a) With a parent or legal guardian; or (b) With a relative or kinship caregiver, including a placement provider with whom the youth has an established familial or supportive relationship. (3) The limits established pursuant to this section shall consider: (a) The youth's level of financial need; (b) Whether the living arrangement is stable and permanent; (c) Whether the youth is contributing to household expenses; (d) Whether the youth has access to other available resources or benefits; and (e) Whether assistance is necessary to prevent housing instability or disruption of a safe living arrangement. (4) FYiT funds shall not be used to replace a parent's, guardian's, or caregiver's financial responsibility for supporting a youth who has a safe and stable living arrangement. (5) The State Department may authorize exceptions to the limitations established under this section when the department determines that assistance is necessary to protect the youth's safety, prevent homelessness, or support the youth's successful transition to adulthood. (6) The State Department shall establish reporting requirements to monitor housing assistance expenditures, including the type of living arrangement supported and the outcomes associated with the assistance. Eligibility - Intentions vs Actions: Sample language could amend C.R.S. § 19-7-304 to replace the phrase “is engaged in or intends to engage in” with language requiring that a youth “is actively and verifiably engaged in, and provides documentation that the youth is engaged in,” at least one qualifying education, employment, workforce development, or barrier-removal activity. There should also be a compliance process requiring written notice when a youth fails to provide documentation or no longer meets eligibility requirements. The youth should have thirty calendar days to reestablish eligibility, with one possible thirty-day good-cause extension when the youth is making documented good-faith efforts and the delay is due to a

	temporary circumstance outside the youth's control. If eligibility is not reestablished by the end of the compliance period, the county department should proceed under C.R.S. § 19-7-313 to terminate the voluntary services agreement and the court's jurisdiction, unless prohibited by federal law or court order. C.R.S. § 19-7-315 should be amended to require state rules on documentation, quarterly verification, compliance periods, good-cause extensions, termination for noncompliance, and standardized forms designed to minimize county administrative burden. Eligibility - Achieving Permanency: § 19-7-304 (1)(e) The youth has not achieved permanency through successful reunification with a caregiver or APR/RGAP to a relative or kin placement. **A youth is eligible for Foster Youth in Transition services only if the youth:** (a) Is eighteen (18) years of age or older; (b) Was in the legal custody of a county department of human or social services or the Colorado Department of Human Services on or after the youth's eighteenth birthday; and (c) Exited foster care to independence after attaining eighteen (18) years of age. **A youth is not eligible solely because the youth:** (I) Was in state or county custody prior to attaining eighteen (18) years of age but achieved permanency through reunification, adoption, guardianship, or allocation of parental responsibilities before the youth's eighteenth birthday; (II) Was the subject of a Dependency and Neglect proceeding but was never removed from the care and custody of the youth's parent or legal guardian; or (III) Met a prior age or case-history eligibility requirement but was no longer in the legal custody of a county department or the Colorado Department of Human Services upon attaining eighteen (18) years of age. Eligibility - Delaying Permanency: Decisions regarding reunification, adoption, guardianship, allocation of parental responsibilities, or case closure shall be based solely on the best interests of the youth and applicable state and federal child welfare requirements. Eligibility for services under the Foster Youth in Transition Program shall not be considered a basis for delaying permanency or extending the duration of a Dependency and Neglect case.

	Lack of Measured Outcomes, Cost Effectiveness: **Program Evaluation and Outcome Measurement.** (1) The State Department shall develop and implement a standardized process to evaluate the effectiveness of the Foster Youth in Transition Program. (2) At a minimum, the evaluation shall measure participant outcomes during program participation and, when exiting the program. (3) The evaluation shall include, but not be limited to, the following performance measures: (a) Housing stability; (b) Employment status and earned income; (c) Enrollment and completion of secondary, postsecondary, vocational, or workforce training programs; (d) Incidents of homelessness, housing instability, or involvement with emergency shelter services following program exit; (4) The State Department shall annually evaluate the cost-effectiveness of the program, including: (a) Total program expenditures; (b) Average cost per participant; (5) On or before January 15 of each year, the State Department shall submit a report to the General Assembly summarizing participant outcomes, program performance, cost-effectiveness, and recommendations for statutory or programmatic improvements. The report shall include aggregate data and shall not disclose personally identifiable information. Change of Venue: Change of Venue in Foster Youth in Transition Proceedings. (1) Upon motion of any party or on the court's own motion, the court may transfer venue of a Foster Youth in Transition proceeding to the district court of another county when: (a) The youth have established residence in the other county; (b) The county department in the receiving county is able to provide ongoing case management and services; and (c) The court finds that the transfer is in the best interests of the youth and promotes the efficient administration of justice. (2) Prior to transferring venue, the transferring court shall ensure that the receiving county department has been notified and has received all necessary case records, court orders, and documentation. (3) Upon acceptance of the transfer by the receiving court, the receiving county department shall assume responsibility for providing child welfare services in accordance with state law.

	(4) A transfer of venue shall not delay permanency planning, court hearings, or the provision of services to the youth. (5) All orders entered by the transferring court shall remain in full force and effect until modified by the receiving court. Not Meeting Programmatic Intentions and Goals: Same as Lack of Measured Outcomes, Cost Effectiveness
Are there any solutions that do not require state-level legislation? Has your county explored these alternatives?	Some operational improvements could be made without legislation, including county documentation checklists, internal case-management practices, local caseworker guidance, and clearer expectations in voluntary services agreements. However, these tools would not resolve the underlying issue because counties must still administer the program under existing state statute. Without statutory change, counties would lack uniform statewide documentation requirements, clear compliance timelines, and a defined process for termination when eligibility is not reestablished. This leaves counties with inconsistent interpretation, administrative uncertainty, legal risk, and continued difficulty managing local costs.
Has CCI or any other organizations sought a solution to this problem before?	To our knowledge, this specific proposal has not yet been advanced by CCI. Other organizations were involved in creating and implementing the Foster Youth in Transition Program, but this proposal focuses specifically on tightening eligibility, documentation, compliance, county cost containment, and removal procedures. This program was flagged last year by the child welfare Joint Budget Committee staffer as an area that needs more evaluation because costs have far exceeded original appropriations.
What possible organization(s) would ***support*** your proposed solution?	Commissioners County Departments of Human Services Fiscal accountability organizations Taxpayer advocacy organizations Workforce development organizations Career and technical education stakeholders Legislators focused on county authority, fiscal responsibility, workforce readiness, and government accountability
What possible organization(s) would ***oppose*** your proposed solution?	Office of the Child's Representative Youth service providers Legal services organizations Youth counsel organizations Behavioral health advocates Disability advocates Organizations concerned that stricter eligibility requirements could reduce access to services for vulnerable young adults

	The Colorado Department of Human Services may also have concerns depending on administrative burden, federal funding requirements, rulemaking obligations, or broader policy priorities Some legislators may oppose the proposal if they believe the original broad eligibility standard is necessary to preserve access to services.
Have you spoken with any legislators about your proposed solution? If so, what was their response?	Not at this time.
What are the financial implications of this ***problem*** to your county? Are there any financial implications to this ***solution*** either?	The current underfunding of the Foster Youth in Transition (FYiT) program creates a direct fiscal liability for counties. Because the program is an entitlement, counties are mandated to provide services regardless of whether state appropriations cover the actual per-participant cost (which is currently ~$15,311 per youth). The insufficiency of the original fiscal note forces counties to bridge the gap by diverting critical local tax dollars or depleting the Child Welfare Block, which is already strained by competing demands. This prevents counties from budgeting accurately for caseload growth and creates an unpredictable financial burden. Specific Issues: The financial impact to counties have been significant. This includes case management, eligibility determinations, documentation, housing coordination, service referrals, court work, legal review, administrative oversight, and related program costs. The state has not provided sufficient funding to fully cover these expenses. The current broad eligibility standard can increase county costs by allowing services to continue based on stated intent rather than verified participation. Without clear documentation and compliance requirements, counties have limited ability to ensure resources are directed to youth actively engaged in qualifying activities. The proposal may create some short-term administrative work, but those costs are expected to be offset by clearer eligibility standards, more consistent administration, reduced uncertainty, and the ability to terminate participation when eligibility is not reestablished after notice and a reasonable compliance period.
What are the financial implications of this ***problem*** to any other impacted parties? What are the financial implications of	The proposal may create implementation costs for CDHS, including rulemaking, standard forms, and county guidance on documentation, verification, compliance periods, and termination procedures. It may also affect the Judicial Department and Office of the Child's Representative because eligibility disputes could arise during court reviews or termination hearings.

this ***solution*** to any other impacted parties? *Please consider any relevant Colorado State Departments.*	Participating youth could lose services if eligibility is not maintained, but the proposal includes safeguards such as written notice, reasonable assistance, a thirty-day compliance period, one possible good-cause extension, and protections for documented medical conditions. Overall, the proposal may create some state and county implementation costs, but it is intended to improve program integrity, reduce county fiscal exposure, and focus public funds on youth who are actively participating in qualifying activities.
Staff Feedback	<u>Risk / Difficulty:</u> <u>Time Commitment:</u>