

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-1117.01 Jerry Barry x4341

HOUSE BILL 18-1335

HOUSE SPONSORSHIP

Young, Hamner, Rankin

SENATE SPONSORSHIP

Lundberg, Lambert, Moreno

House Committees

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE COLORADO CHILD CARE ASSISTANCE PROGRAM,**
102 **AND, IN CONNECTION THEREWITH, ESTABLISHING ELIGIBILITY**
103 **REQUIREMENTS FOR ALL COUNTIES AND CREATING A NEW**
104 **FORMULA TO DETERMINE THE AMOUNT OF BLOCK GRANTS TO**
105 **COUNTIES.**

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. For providers under the Colorado child care assistance program (CCCAP), the bill requires the state department

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

of human services (department) annually to contract for a market rate study of provider rates for each county. Based on the market rate study and each county's percentage of the total number of children eligible to participate in CCCAP, the department establishes the amount of each county's block grant. The bill allows the department to adjust a county's block grant amount based upon rules promulgated by the department.

Under current law, a county is permitted to determine the percentage of the federal poverty level for eligibility in CCCAP for that county. The bill sets the federal poverty level for all counties at 185% but allows the state board of human services to adjust the percentage by rule if required by federal law.

The bill adjusts certain periods of eligibility and removes references to preconditions that have been previously met.

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

2 **SECTION 1.** In Colorado Revised Statutes, **repeal and reenact,**
3 **with amendments,** 26-2-803 and 26-2-804 as follows:

4 **26-2-803. Provider rates - rules.** (1) THE STATE DEPARTMENT
5 SHALL CONTRACT ANNUALLY FOR A MARKET RATE STUDY OF PROVIDER
6 RATES FOR EACH COUNTY AS RECOMMENDED BY THE EARLY CHILDHOOD
7 LEADERSHIP COMMISSION CREATED IN SECTION 26-6.2-103.
8 NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136 (11)(a)(I),
9 COPIES OF THE STUDY MUST BE PROVIDED TO THE JOINT BUDGET
10 COMMITTEE ON OR BEFORE JANUARY 2, 2019, AND ON OR BEFORE EACH
11 JANUARY 2 THEREAFTER.

12 (2) ON OR BEFORE JULY 1, 2016, THE STATE-ESTABLISHED
13 PROVIDER REIMBURSEMENT RATES FOR EACH COUNTY MUST INCLUDE A
14 SYSTEM OF TIERED REIMBURSEMENT FOR PROVIDERS THAT ENROLL
15 CHILDREN PARTICIPATING IN CCCAP.

16 (3) ON OR BEFORE JULY 1, 2016, THE STATE BOARD SHALL
17 PROMULGATE RULES RELATED TO THE STRUCTURE OF TIERED
18 REIMBURSEMENT.

1 **26-2-804. Funding - allocation - maintenance of effort - rules.**

2 (1) STARTING WITH THE 2018-19 STATE FISCAL YEAR AND SUBJECT TO
3 AVAILABLE APPROPRIATIONS, ANNUALLY THE STATE DEPARTMENT SHALL
4 ESTABLISH THE AMOUNT OF EACH COUNTY'S BLOCK GRANT FOR CCCAP.
5 THE BLOCK GRANT SHALL BE BASED UPON EACH COUNTY'S PERCENTAGE
6 OF THE ESTIMATED TOTAL NUMBER OF CHILDREN ELIGIBLE TO PARTICIPATE
7 IN CCCAP TIMES THE APPROPRIATE REIMBURSEMENT RATE FOR EACH
8 COUNTY AS DETERMINED BY THE STUDY REQUIRED BY SECTION 26-2-803.

9 (2) (a) THE AMOUNT OF EACH COUNTY'S BLOCK GRANT
10 DETERMINED BY SUBSECTION (1) OF THIS SECTION MAY BE ADJUSTED BY
11 THE STATE DEPARTMENT. THE STATE DEPARTMENT SHALL ADOPT RULES
12 REGARDING ADJUSTMENTS TO THE AMOUNT OF A BLOCK GRANT, AND THE
13 RULES MUST ADDRESS THE FOLLOWING FACTORS:

14 (I) THE COST OF LIVING;
15 (II) THE COST OF HIGH-QUALITY EARLY CHILDHOOD PROGRAMS;
16 (III) THE COST OF PROGRAMS;
17 (IV) THE REGIONAL MARKET RATES FOR CCCAP; AND
18 (V) DRASIC ECONOMIC CHANGES.

19 (b) THE STATE DEPARTMENT MAY MAKE AN ADJUSTMENT TO THE
20 AMOUNT OF A BLOCK GRANT AUTHORIZED BY RULES PROMULGATED
21 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION.

22 (3) THE MONEY IN A COUNTY BLOCK GRANT ALLOCATED TO A
23 COUNTY PURSUANT TO THIS SECTION MUST ONLY BE USED FOR THE
24 PROVISION OF CHILD CARE SERVICES UNDER RULES PROMULGATED BY THE
25 STATE BOARD PURSUANT TO THIS PART 8.

26 (4) MONEY TRANSFERRED FROM THE COUNTY BLOCK GRANT
27 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM PURSUANT TO

1 SECTION 26-2-714 (7) TO THE CHILD CARE DEVELOPMENT FUND MAY BE
2 USED FOR CHILD CARE QUALITY IMPROVEMENT ACTIVITIES AS IDENTIFIED
3 IN THE FEDERAL "CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF
4 2014", 42 U.S.C. SEC. 9858 (e), AS AMENDED.

5 (5) FOR STATE FISCAL YEAR 2005-06 AND FOR EACH STATE FISCAL
6 YEAR THEREAFTER, EACH COUNTY IS REQUIRED TO MEET A LEVEL OF
7 COUNTY SPENDING FOR CCCAP THAT IS EQUAL TO THE COUNTY'S
8 PROPORTIONATE SHARE OF THE TOTAL COUNTY FUNDS SET FORTH IN THE
9 ANNUAL GENERAL APPROPRIATION ACT FOR CCCAP FOR THAT STATE
10 FISCAL YEAR. THE LEVEL OF COUNTY SPENDING IS KNOWN AS THE
11 COUNTY'S MAINTENANCE OF EFFORT FOR CCCAP FOR THAT STATE FISCAL
12 YEAR. FOR ANY STATE FISCAL YEAR, THE STATE DEPARTMENT IS
13 AUTHORIZED TO ADJUST A COUNTY'S MAINTENANCE OF EFFORT,
14 REFLECTED AS A PERCENTAGE OF THE TOTAL COUNTY FUNDS SET FORTH
15 IN THE ANNUAL GENERAL APPROPRIATION ACT FOR CCCAP FOR THAT
16 STATE FISCAL YEAR, SO THAT THE PERCENTAGE EQUALS THE COUNTY'S
17 PROPORTIONATE SHARE OF THE TOTAL STATE AND FEDERAL FUNDS
18 APPROPRIATED FOR CCCAP FOR THAT STATE FISCAL YEAR. FOR ANY
19 STATE FISCAL YEAR, THE SUM OF ALL COUNTIES' MAINTENANCE OF EFFORT
20 MUST BE EQUAL TO OR GREATER THAN THE TOTAL COUNTY FUNDS SET
21 FORTH IN THE GENERAL APPROPRIATION ACT FOR THE STATE FISCAL YEAR
22 1996-97 FOR EMPLOYMENT-RELATED CHILD CARE.

23 **SECTION 2.** In Colorado Revised Statutes, 26-2-802, **amend**
24 (1)(b), (1)(c), (1)(d), and (2)(b) as follows:

25 **26-2-802. Legislative declaration.** (1) The general assembly
26 hereby finds and declares that:

27 (b) Children in low-income families who receive services through

1 a child care assistance program need and deserve the same access to a
2 broad range of child care providers as do children in families who do not
3 need assistance; AND

4 (c) It is critical to provide low- to moderate-income families with
5 access to high-quality, affordable child care that fosters healthy child
6 development and school readiness, while at the same time promotes
7 family self-sufficiency and attachment to the workforce. ~~and~~

8 (d) Individual counties play a vital role in administering the child
9 care assistance program and have local knowledge of their individual
10 community needs. ~~Therefore, a county that meets or exceeds statewide~~
11 ~~eligibility expectations established for the Colorado child care assistance~~
12 ~~program should have greater flexibility in determining the specifics of~~
13 ~~how to implement and operate the child care assistance program in that~~
14 ~~county.~~

15 (2) Therefore, the general assembly hereby finds and declares that
16 it is in the best interests of the state to:

17 (b) Adopt A consistent, statewide PLAN FOR child care provider
18 reimbursement rates ~~set at~~ WITH A GOAL OF a floor of the seventy-fifth
19 percentile of each county's market rate to facilitate and increase access to
20 high-quality child care for low-income families.

21 **SECTION 3.** In Colorado Revised Statutes, 26-2-805, **amend** (1),
22 (2), (7)(f), (7)(g), (7)(h), (7)(i), and (7)(j); and **repeal** (6), (7)(b), (7)(c),
23 and (7)(d) as follows:

24 **26-2-805. Services - eligibility - assistance provided - waiting**
25 **lists - rules - exceptions from cooperating with child support**
26 **establishment.** (1) Subject to available appropriations and pursuant to
27 rules promulgated by the state board for the implementation of this part

1 8, a county shall provide child care assistance to a participant or any
2 person or family whose income is not more than one hundred ~~sixty-five~~
3 EIGHTY-FIVE percent of the federal poverty level. SUBJECT TO AVAILABLE
4 APPROPRIATIONS AND ONLY AS NECESSARY TO COMPLY WITH FEDERAL
5 LAW, THE STATE BOARD MAY ADJUST THE PERCENTAGE OF THE FEDERAL
6 POVERTY LEVEL USED TO DETERMINE CHILD CARE ASSISTANCE ELIGIBILITY
7 BY PROMULGATING A RULE.

8 (2) (a) ~~The~~ A county may provide child care assistance for any
9 family whose income ~~meets~~ EXCEEDS the requirements of subsection (1)
10 of this section but does not exceed the maximum federal level for
11 eligibility for services of eighty-five percent of the state median income
12 for a family of the same size IF IT:

13 (I) IS SERVING ALL FAMILIES WHOSE INCOME LEVEL IS BELOW THAT
14 REQUIREMENT; AND

15 (II) USES ONLY LOCAL MONEY TO SERVE SUCH FAMILIES.

16 (b) If, during a participant's, person's, or family's twelve-month
17 eligibility period, the participant's, person's, or family's income rises to OR
18 ABOVE the level set by the ~~county~~ STATE BOARD RULE at which the county
19 may deny such participant, person, or family child care assistance, the
20 county shall continue providing the current CCCAP subsidy until that
21 participant's, person's, or family's next twelve-month redetermination.

22 (c) If, at the time of a participant's, person's, or family's
23 twelve-month eligibility redetermination, the participant's, person's, or
24 family's income rises to or above the level set by the ~~county~~ STATE BOARD
25 at which the county may deny child care assistance, or if that income level
26 rises above the maximum federal eligibility level of eighty-five percent
27 of the state median income for a family of the same size, the county shall

1 immediately notify the participant, person, or family that it is no longer
2 eligible for CCCAP but may be provided transition CCCAP benefits
3 pursuant to the provisions of ~~paragraphs (d) and (e) of this subsection~~
4 ~~SUBSECTIONS (2)(d) AND (2)(e) OF THIS SECTION.~~

5 (d) Except as provided for in ~~paragraph (e) of this~~ subsection
6 ~~(2)(e) OF THIS SECTION~~, the county shall continue to provide the current
7 CCCAP subsidy to a participant, person, or family who has lost eligibility
8 pursuant to this subsection (2) for a period of ~~no~~ NOT less than ~~ninety~~ days
9 TWELVE MONTHS from the time of notification to allow the participant,
10 person, or family to make appropriate alternative arrangements for child
11 care. Additionally, the county is strongly encouraged to continue to
12 provide child care assistance for a period of six months from the time of
13 notification. During the ~~six-month~~ TWELVE-MONTH period, the county
14 shall work with the participant, person, or family to provide a gradual
15 transition off child care assistance provided pursuant to this subsection
16 (2).

17 (e) Notwithstanding any eligibility level set by ~~a county~~ THE
18 STATE BOARD pursuant to this section, ~~under no circumstance may a~~ county
19 ~~SHALL NOT~~ provide child care assistance pursuant to this section
20 if the participant's, person's, or family's income exceeds the maximum
21 level for eligibility for services set by federal law of eighty-five percent
22 of the state median income for a family of the same size.

23 (6) ~~For a family with a child who is enrolled in CCCAP, a county~~
24 ~~shall set the income level at which the county may deny the family~~
25 ~~according to the parameters defined in rules promulgated by the state~~
26 ~~board. In the rules, the state board shall ensure that if a county sets the~~
27 ~~income level at which the county chooses to initially provide CCCAP at~~

1 or below one hundred eighty-five percent of the federal poverty level;
2 then that county must set the income level at which the county may deny
3 the family higher than the income level at which the county chooses to
4 initially provide child care assistance for that county and at a level not to
5 exceed eighty-five percent of the state median income for a family of the
6 same size. This subsection (6) goes into effect upon notification to
7 counties by the state department that the relevant human services case
8 management systems, including the Colorado child care automated
9 tracking system, are capable of accommodating this subsection (6).

10 (7) (b) If a county reduces its income eligibility requirements, the
11 county shall continue to enroll a child enrolled in CCCAP when the
12 change is implemented until the family's next eligibility redetermination
13 or for six months, whichever is longer.

14 (c) To the extent practicable, the duration of the child care
15 authorization notice, as defined by rule of the state board, for a child who
16 is enrolled in CCCAP must be the same as the child care assistance
17 eligibility period for the child's family, except that, under specific, limited
18 circumstances described by rule of the state board, including but not
19 limited to job-search periods, the duration of the authorization notice may
20 be less than the family's full period of eligibility. A county may reduce the
21 number of families served pursuant to this part 8 if necessary to ensure
22 that the county, in implementing the provisions of this paragraph (c), does
23 not exceed the amount of the county block grant for CCCAP allocated to
24 the county pursuant to section 26-2-804 for the applicable fiscal year.

25 (d) For a family with a child who is solely enrolled in CCCAP or
26 dually enrolled with an early education program other than head start or
27 early head start, the family's CCCAP eligibility redetermination must

1 occur once every twelve months.

2 (f) A parent must not be determined ineligible to receive child
3 care assistance pursuant to this part 8 as a result of:

4 (I) Taking maternity leave; or

5 (II) Being a separated spouse or parent under a validly issued
6 temporary order for parental responsibilities or child custody where the
7 other spouse or parent has disqualifying financial resources;

8 (III) AN INSTANCE OF NONTEMPORARY JOB LOSS FOR LESS THAN
9 NINETY DAYS; OR

10 (IV) A TEMPORARY BREAK IN ELIGIBLE ACTIVITY.

11 (g) Upon notification to counties by the state department that the
12 relevant human services case management systems, including the
13 Colorado child care automated tracking system, are capable of
14 accommodating this paragraph (g), A parent with a child enrolled in
15 CCCAP who loses employment while participating in the program must
16 remain eligible for CCCAP for at least sixty days within a twelve-month
17 period if he or she is actively searching for employment and he or she
18 continues to meet all other CCCAP eligibility criteria.

19 (h) Subject to available appropriations and pursuant to rules
20 promulgated by the state board for the implementation of this part 8, and
21 upon notification to counties by the state department that the relevant
22 human services case management systems, including the Colorado child
23 care automated tracking system, are capable of accommodating this
24 paragraph (h), a parent who is not employed is eligible for CCCAP for
25 sixty days within a twelve-month period if he or she is actively searching
26 for employment and meets all other CCCAP eligibility criteria.

27 (i) Subject to available appropriations and pursuant to rules

1 promulgated by the state board for the implementation of this part 8, ~~and~~
2 upon notification to counties by the state department that the relevant
3 human services case management systems, including the Colorado child
4 care automated tracking system, are capable of accommodating this
5 paragraph (i), a parent who is enrolled in a postsecondary education
6 program or a workforce training program is eligible for CCCAP for at
7 least any two years of the postsecondary education or workforce training
8 program, provided all other CCCAP eligibility requirements are met
9 during those two years. A county may give priority for services to a
10 working family over a family enrolled in postsecondary education or
11 workforce training.

12 (j) ~~Upon notification to counties by the state department that the~~
13 ~~relevant human services case management systems, including the~~
14 ~~Colorado child care automated tracking system, are capable of~~
15 ~~accommodating this paragraph (j), and~~ To provide continuous child care
16 with the least disruption to the child, the hours authorized for the
17 provision of child care through CCCAP must include authorized hours for
18 the child that promote continuous, consistent, and regular care and must
19 not be linked directly to a parent's employment, education, or workforce
20 training schedule. Pursuant to rules promulgated by the state board, the
21 number of hours authorized for child care should be based on the number
22 of hours the parent is participating in an eligible activity and the child's
23 needs for care.

24 **SECTION 4.** In Colorado Revised Statutes, **repeal** 26-2-808.

25 **SECTION 5. Effective date.** This act takes effect July 1, 2018.

26 **SECTION 6. Safety clause.** The general assembly hereby finds,

1 determines, and declares that this act is necessary for the immediate
2 preservation of the public peace, health, and safety.