

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 26-0397.02 Anna Petrini x5497

SENATE BILL 26-019

SENATE SPONSORSHIP

Ball and Bright,

HOUSE SPONSORSHIP

Sirota and Gonzalez R.,

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 CONCERNING CHANGES TO LOCAL EARLY CHILDHOOD
102 INFRASTRUCTURE, AND, IN CONNECTION THEREWITH,
103 EXPANDING THE RESPONSIBILITIES AND FUNCTIONS OF EARLY
104 CHILDHOOD COUNCILS TO INCLUDE CERTAIN RESPONSIBILITIES
105 AND FUNCTIONS FORMERLY PERFORMED BY LOCAL
106 COORDINATING ORGANIZATIONS AND IMPOSING NEW
107 ACCOUNTABILITY REQUIREMENTS.

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>.)

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

SENATE
Amended 2nd Reading
February 11, 2026

Current law establishes a statewide integrated system of early childhood councils (councils) to improve and sustain the availability, accessibility, capacity, and quality of early childhood services. The bill expands the powers, functions, and responsibilities of a council in implementing a comprehensive system of early childhood and family support programs and services (programs and services) within the council's community.

Current law establishes local coordinating organizations (LCOs) to increase access to, coordinate, and allocate funding for programs and services through work with the families, program and service providers, and local governments in a community and with the department of early childhood (department). Effective July 1, 2026, the bill repeals provisions authorizing the creation and operation of LCOs and transfers the LCO rights, powers, duties, functions, and obligations concerning supporting access to and delivery of programs and services to the councils.

Current law requires a council to develop a strategic plan based upon an assessment of the early childhood needs in the council's designated service area (strategic plan). The bill requires a strategic plan to address specified issues, including:

- Assisting families in applying for programs and services;
- Coordinating outreach efforts with other councils, county departments of human or social services, school districts, local and regional service providers, and tribal agencies;
- Recruiting and coordinating providers to form a mixed delivery system that promotes family choice; and
- Supporting increased recruitment and retention of individuals in the early care and education workforce.

The bill requires a council, in partnership with the department, to create, review, and revise a scope of work that reflects the strategic plan and accurately represents the programs and services within the community, meets families' needs, and aligns with available appropriations and the department's statewide strategic planning process. Associated accountability metrics must also be reviewed and revised to align with the scope of work. The bill specifies a council's new obligations regarding monitoring and working to increase the availability of high-quality programs and services, supporting access to early childhood workforce training and other recruitment and retention efforts, data sharing agreements, integrated outreach for holistic family services, and auditing.

The bill establishes requirements for an agreement that sets forth the respective duties of a council and the department in implementing a strategic plan (agreement). The bill specifies the process for review and approval of and revisions to a scope of work or strategic plan and identifies the department's responsibilities for the coordinated distribution of public funding for programs and services; council training and

technical assistance; dissemination of information about successful council strategies and innovations; and standards for communication, resolution of disputes, and contracting protocols. The bill modifies the process for the department to approve or facilitate a waiver of the rules for the implementation of council projects.

The bill requires the department to implement an annual performance review process for each council and solicit community feedback about a council's performance at intervals ranging from 3 to 5 years. If the department determines that a council is not meeting the requirements of the scope of work and accountability metrics contained in the agreement, the department may require the council to implement a performance improvement plan. If a council fails to make substantial progress toward addressing the issues raised in the performance improvement plan, the department may terminate the council's agreement.

The bill makes substantive and technical conforming amendments to address the reallocation of responsibilities and functions from LCOs to councils, including administrative and funding provisions related to the Colorado child care assistance program and the Colorado universal preschool program.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 26.5-2-106 as
3 follows:

4 **26.5-2-106. Repeal of part.**

5 THIS PART 1 IS REPEALED, EFFECTIVE JULY 1, 2026.

6 **SECTION 2.** In Colorado Revised Statutes, **amend** 26.5-2-202
7 as follows:

8 **26.5-2-202. Definitions.**

9 As used in this part 2, unless the context otherwise requires:

10 (1) "ACCOUNTABILITY METRICS" MEANS THE ACCOUNTABILITY
11 METRICS INCLUDED IN AN AGREEMENT TO MEASURE A COUNCIL'S
12 PERFORMANCE.

13 (2) "AGREEMENT" MEANS THE AGREEMENT OR CONTRACT
14 DESCRIBED IN SECTION 26.5-2-206 THAT THE DEPARTMENT ENTERS INTO

1 WITH AN EARLY CHILDHOOD COUNCIL AND THAT CONTAINS A SCOPE OF
2 WORK AND ACCOUNTABILITY METRICS.

3 (3) "COMMUNITY STRATEGIC PLAN" MEANS A COMPREHENSIVE
4 PLAN DEVELOPED PURSUANT TO SECTION 26.5-2-204 TO ADDRESS THE
5 EARLY CHILDHOOD NEEDS IN A DESIGNATED SERVICE AREA.

6 ~~(1)~~ (4) "Council" or "early childhood council" means an early
7 childhood council identified or established locally in communities
8 throughout the state pursuant to section 26.5-2-203 ~~or 26.5-5-102~~ for the
9 purpose of developing and ultimately implementing a comprehensive
10 system of early childhood services to ensure the school readiness of
11 children ~~five years of age or younger~~ UNDER SIX YEARS OLD in the
12 community.

13 ~~(2)~~ (5) "County department" means the county or district
14 department of human or social services.

15 (6) "EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAM" MEANS
16 ANY PROGRAM ACROSS DISCIPLINES THAT SERVES CHILDREN UNDER SIX
17 YEARS OLD AND THEIR FAMILIES.

18 ~~(3)~~ (7) "Early childhood education program" means a child care
19 program licensed pursuant to part 3 of article 5 of this title 26.5 that
20 provides child care and education to children ~~five years of age or younger~~
21 UNDER SIX YEARS OLD.

22 ~~(4)~~ (8) "Fund" means the early childhood cash fund created in
23 section 26.5-2-209 (1).

24 (9) "MIXED DELIVERY SYSTEM" HAS THE MEANING SET FORTH IN
25 SECTION 26.5-4-203.

26 (10) "PERFORMANCE IMPROVEMENT PLAN" MEANS A PLAN
27 DEVELOPED BY THE DEPARTMENT PURSUANT TO SECTION 26.5-2-208.5

1 THAT AN EARLY CHILDHOOD COUNCIL MUST IMPLEMENT IF THE COUNCIL
2 IS NOT MEETING THE REQUIREMENTS OF THE SCOPE OF WORK AND
3 ACCOUNTABILITY METRICS CONTAINED IN THE AGREEMENT.

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5 **SECTION 3.** In Colorado Revised Statutes, 26.5-2-203, **amend**
6 (1) as follows:

7 **26.5-2-203. Early childhood councils - established - rules.**

8 (1) There is established a statewide integrated system of early
9 childhood councils to COORDINATE, improve, and sustain the availability,
10 accessibility, ~~capacity~~, and quality of COMPREHENSIVE early childhood
11 services for children and families throughout the state. The councils have
12 consistent function and structure statewide and are governed by the
13 department with input, cooperation, and support services from the
14 ~~departments~~ DEPARTMENT of human services, INCLUDING THE
15 BEHAVIORAL HEALTH ADMINISTRATION, AND THE DEPARTMENTS OF
16 HIGHER EDUCATION, HEALTH CARE POLICY AND FINANCING, education, and
17 public health and environment.

18 **SECTION 4.** In Colorado Revised Statutes, 26.5-2-204, **add** (4.5)
19 as follows:

20 **26.5-2-204. Early childhood councils - applications -**
21 **community strategic plans - rules.**

22 (4.5) (a) BEGINNING ON OR BEFORE JULY 1, 2026, A COMMUNITY
23 STRATEGIC PLAN DEVELOPED PURSUANT TO SUBSECTION (4) OF THIS
24 SECTION MUST FOSTER ACCESS FOR FAMILIES TO, AND ROBUST
25 PARTICIPATION BY PROVIDERS IN, EARLY CHILDHOOD AND FAMILY
26 SUPPORT PROGRAMS AND SERVICES AND MUST ADDRESS ACCESSIBILITY
27 AND QUALITY IMPROVEMENTS THAT ARE CONSISTENT WITH THE EARLY

1 CHILDHOOD COLORADO FRAMEWORK.

2 (b) THE COMMUNITY STRATEGIC PLAN MUST INCLUDE:

3 (I) THE MANNER IN WHICH THE COUNCIL WILL ASSIST FAMILIES IN
4 ACCESSING REFERRALS AND RESOURCES FOR EARLY CARE AND
5 EDUCATION, IN APPLYING FOR EARLY CHILDHOOD AND FAMILY SUPPORT
6 PROGRAMS AND SERVICES, AND IN ENROLLING CHILDREN WITH EARLY
7 CARE AND EDUCATION PROVIDERS;

8 (II) THE MANNER IN WHICH THE COUNCIL WILL COORDINATE WITH
9 OTHER ENTITIES, INCLUDING, BUT NOT LIMITED TO, OTHER COUNCILS,
10 COUNTY DEPARTMENTS, SCHOOL DISTRICTS, LOCAL AND REGIONAL
11 SERVICE PROVIDERS, AND TRIBAL AGENCIES TO INTEGRATE OUTREACH
12 EFFORTS;

13 (III) THE MANNER IN WHICH THE COUNCIL WILL RECRUIT AND
14 COORDINATE WITH PROVIDERS TO ENSURE THAT FAMILIES CAN CHOOSE
15 AMONG PROVIDERS, WITHIN THE MIXED DELIVERY SYSTEM IN THE
16 COUNCIL'S SERVICE AREA, THAT PARTICIPATE IN PUBLICLY FUNDED
17 PROGRAMS, INCLUDING THE COLORADO UNIVERSAL PRESCHOOL PROGRAM
18 AND THE COLORADO CHILD CARE ASSISTANCE PROGRAM; AND

19 (IV) A PLAN FOR FACILITATING ACCESS TO WORKFORCE TRAINING
20 AND EDUCATION FOR SERVICE PROVIDERS AND FOR IDENTIFYING AND
21 IMPLEMENTING RECRUITMENT AND RETENTION STRATEGIES.

22 (c) THE COMMUNITY STRATEGIC PLAN MAY INCLUDE:

23 (I) THE MANNER IN WHICH THE COUNCIL WILL FACILITATE ACCESS
24 TO EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND HOLISTIC
25 SERVICES THAT INCLUDE FOOD, CASH ASSISTANCE, HEALTH CARE, AND
26 COUNTY CHILD WELFARE SERVICES, AS DEFINED IN SECTION 26-5-101,
27 INCLUDING IMPLEMENTATION OF THE FEDERAL "FAMILY FIRST

1 PREVENTION SERVICES ACT OF 2018"; AND

2 (II) THE COUNCIL'S STRATEGIES FOR IDENTIFYING AND SECURING,
3 AS FEASIBLE, ADDITIONAL LOCAL RESOURCES AND FUNDING TO SUPPORT
4 EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES IN THE
5 COMMUNITY.

6 **SECTION 5.** In Colorado Revised Statutes, 26.5-2-206, **amend**
7 (1)(f); **repeal** (1)(c); and **add** (2), (3), (4), and (5) as follows:

8 **26.5-2-206. Early childhood councils - duties.**

9 (1) Each early childhood council has, at a minimum, the following
10 duties and functions:

11 (c) ~~To establish a local system of accountability to measure local~~
12 ~~progress based on the needs and goals set for program performance;~~

13 (f) To develop and implement a COMMUNITY strategic plan as
14 described in ~~section 26.5-2-204 (4), including a comprehensive evaluation~~
15 ~~and report~~ SECTION 26.5-2-204 AND REGULARLY SHARE INFORMATION
16 ABOUT PROGRESS ON ACCOUNTABILITY METRICS WITH THE DEPARTMENT;
17 and

18 (2) (a) BEGINNING ON OR BEFORE JULY 1, 2026, A COUNCIL, IN
19 PARTNERSHIP WITH THE DEPARTMENT, SHALL CREATE A SCOPE OF WORK
20 FOR THE COUNCIL AND ANNUALLY REVIEW THE SCOPE OF WORK AND
21 REVISE IT IF NECESSARY.

22 (b) CONTEMPORANEOUSLY WITH REVIEWING THE SCOPE OF WORK,
23 THE COUNCIL, IN PARTNERSHIP WITH THE DEPARTMENT, SHALL ANNUALLY
24 REVIEW ACCOUNTABILITY METRICS ASSOCIATED WITH THE SCOPE OF
25 WORK, AND REVISE THEM IF NECESSARY, TO ENSURE THEY ALIGN WITH THE
26 REVISED SCOPE OF WORK.

27 (3) BEGINNING ON OR BEFORE JULY 1, 2026, EACH COUNCIL SHALL,

1 CONSISTENT WITH THE COUNCIL'S SCOPE OF WORK, IMPLEMENT ITS
2 COMMUNITY STRATEGIC PLAN.

3 (4) EACH COUNCIL SHALL:

4 (a) SUPPORT THE AVAILABILITY OF HIGH-QUALITY EARLY
5 CHILDHOOD CARE AND EDUCATION FOR ALL CHILDREN, INCLUDING
6 SUPPORTING ACCESS TO TRAINING AND SUPPORT FOR MEMBERS OF THE
7 EARLY CHILDHOOD WORKFORCE IN ALL SETTINGS, INCLUDING INFORMAL
8 OR LICENSE-EXEMPT PROVIDERS;

9 (b) MONITOR THE AVAILABILITY OF HIGH-QUALITY EARLY CHILD
10 CARE AND EDUCATION PROGRAMS WITHIN THE COMMUNITY, AND, AS
11 APPROPRIATE, WORK TO INCREASE THAT AVAILABILITY OVER TIME TO
12 BETTER MEET FAMILY AND COMMUNITY NEEDS;

13 (c) SUPPORT PUBLIC AND PRIVATE PROVIDERS IN RECRUITING,
14 DEVELOPING, AND RETAINING WITHIN THE COMMUNITY A QUALITY EARLY
15 CHILDHOOD WORKFORCE;

16 (d) WORK WITH PROVIDERS IN THE COMMUNITY AND ENTER INTO
17 DATA-SHARING AGREEMENTS AS NECESSARY TO ENSURE THE COLLECTION
18 AND REPORTING OF ACCOUNTABILITY METRICS TO THE DEPARTMENT, AS
19 REQUIRED BY DEPARTMENT RULES, IN A MANNER THAT MINIMIZES
20 DUPLICATION AND THE BURDEN ON FAMILIES AND PROVIDERS AND
21 ENSURES COMPLIANCE WITH ALL APPLICABLE DATA PRIVACY AND
22 SECURITY PROTECTIONS;

23 (e) WORK IN COORDINATION WITH COUNTY DEPARTMENTS AND
24 TRIBAL AGENCIES AND LOCAL COMMUNITY-BASED ORGANIZATIONS TO
25 INTEGRATE OUTREACH FOR EARLY CHILDHOOD AND FAMILY SUPPORT
26 PROGRAMS AND SERVICES WITH OTHER EFFORTS TO PROVIDE HOLISTIC
27 SERVICES FOR FAMILIES, INCLUDING FOOD, CASH ASSISTANCE, AND HEALTH

1 CARE;

2 (f) COMPLY WITH DEPARTMENT RULES, IF ANY, IN IMPLEMENTING

3 THE COUNCIL'S COMMUNITY STRATEGIC PLAN AND CARRYING OUT THE

4 COUNCIL'S DUTIES;

5 (g) COMPLY WITH ANY STATUTORY AUDITING REQUIREMENTS

6 THAT APPLY TO THE COUNCIL OR, IF THE COUNCIL IS NOT OTHERWISE

7 REQUIRED BY STATUTE TO UNDERGO AN ANNUAL FINANCIAL AUDIT,

8 CONTRACT FOR THE PERFORMANCE OF AN ANNUAL FINANCIAL AUDIT OR

9 FINANCIAL REVIEW OF THE OPERATIONS OF THE COUNCIL BY AN

10 INDEPENDENT AUDITOR; AND

11 (h) COMPLY WITH ANY OTHER PROVISIONS INCLUDED IN THE

12 AGREEMENT ENTERED INTO BETWEEN THE COUNCIL AND THE DEPARTMENT

13 PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION.

14 (5) TO SUPPORT PARTNERSHIP AND MUTUAL ACCOUNTABILITY

15 BETWEEN EARLY CHILDHOOD COUNCILS AND THE DEPARTMENT, THE

16 DEPARTMENT SHALL:

17 (a) ENTER INTO AN AGREEMENT WITH EACH EARLY CHILDHOOD

18 COUNCIL THAT IS BASED ON THE COUNCIL'S COMMUNITY STRATEGIC PLAN

19 AND DEPARTMENT GOALS AND THAT SPECIFIES THE RESPECTIVE DUTIES OF

20 THE EARLY CHILDHOOD COUNCIL AND THE DEPARTMENT IN IMPLEMENTING

21 THE COUNCIL'S COMMUNITY STRATEGIC PLAN. AN AGREEMENT IS NOT

22 SUBJECT TO THE REQUIREMENTS OF THE "PROCUREMENT CODE", ARTICLES

23 101 TO 112 OF TITLE 24. THE TERM OF THE INITIAL AGREEMENT FOR AN

24 EARLY CHILDHOOD COUNCIL IS THREE YEARS, AND SUBSEQUENT

25 AGREEMENTS MUST HAVE TERMS OF AT LEAST THREE BUT NOT MORE THAN

26 FIVE YEARS, AS DETERMINED BY THE DEPARTMENT. THE AGREEMENT, AT

27 A MINIMUM, MUST INCLUDE:

1 (I) A SCOPE OF WORK FOR THE COUNCIL CREATED IN PARTNERSHIP
2 WITH THE COUNCIL THAT IS RESPONSIVE TO LOCAL COMMUNITY NEEDS;
3 CONTRIBUTES TO COLLECTIVE OUTCOMES; PROMOTES THE SHARED GOALS
4 OF THE EARLY CHILDHOOD COLORADO FRAMEWORK AND THE
5 DEPARTMENT OF EARLY CHILDHOOD'S STATEWIDE STRATEGIC PLAN; AND
6 REFLECTS EXPECTATIONS, TARGETS, AND ACCOUNTABILITY METRICS, IN
7 ALIGNMENT WITH THE COUNCIL'S COMMUNITY STRATEGIC PLAN AND
8 STATEWIDE GOALS FOR THE PROVISION OF EARLY CHILDHOOD AND FAMILY
9 SUPPORT PROGRAMS AND SERVICES IN COLORADO, TAKING INTO
10 CONSIDERATION AVAILABLE APPROPRIATIONS; AND

11 (II) THE AMOUNT OF ANY PAYMENT THAT THE COUNCIL RECEIVES
12 FROM THE DEPARTMENT TO COVER INDIRECT COSTS DURING THE TERM OF
13 THE AGREEMENT.

14

15 (b) DISTRIBUTE AND ADMINISTER PUBLIC FUNDING FOR EARLY
16 CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES IN
17 ACCORDANCE WITH AGREEMENTS AND IN COORDINATION WITH LOCAL AND
18 TRIBAL AGENCIES, WHEN APPLICABLE; EXCEPT THAT THE DEPARTMENT
19 MAY DELEGATE ALL OR A PORTION OF THE RESPONSIBILITY FOR
20 DISTRIBUTING AND ADMINISTERING PUBLIC FUNDING TO A COUNCIL
21 THROUGH THE COUNCIL'S AGREEMENT;

22 (c) SUPPORT EARLY CHILDHOOD COUNCILS BY PROVIDING
23 FUNDING, TRAINING, AND TECHNICAL ASSISTANCE, INCLUDING TRAINING
24 AND TECHNICAL ASSISTANCE FOR THE USE OF REQUIRED TECHNOLOGY
25 SYSTEMS, REGULAR AND AS-NEEDED COLLABORATIVE SUPPORT, AND,
26 WHERE FEASIBLE, ASSISTANCE IN IMPLEMENTING COMMUNITY STRATEGIC
27 PLANS;

1 (d) IDENTIFY SUCCESSFUL STRATEGIES AND INNOVATIONS
2 IMPLEMENTED BY EARLY CHILDHOOD COUNCILS THROUGHOUT THE STATE
3 AND PROVIDE INFORMATION, BY POSTING INFORMATION ON THE
4 DEPARTMENT WEBSITE OR BY ANOTHER MEANS, TO ASSIST EARLY
5 CHILDHOOD COUNCILS IN REPLICATING AND ADAPTING THE STRATEGIES
6 AND INNOVATIONS IN THEIR COMMUNITIES; AND

7 (e) COMMIT TO WORKING WITH EACH EARLY CHILDHOOD COUNCIL
8 IN PARTNERSHIP TO DELIVER SERVICES FOR CHILDREN AND FAMILIES. THE
9 DEPARTMENT'S COMMITMENTS IN THE PARTNERSHIP INCLUDE, BUT ARE
10 NOT LIMITED TO:

11 (I) CLEAR AND FREQUENT COMMUNICATION, INCLUDING REGULAR
12 RECOMMENDATIONS TO SUPPORT THE SMOOTH FUNCTIONING OF THE
13 PARTNERSHIP;

14 (II) TIMELY RESOLUTION OF ISSUES AND DISPUTES;

15 (III) MAINTAINING A CLEAR CHAIN OF COMMAND THAT OFFERS A
16 COUNCIL OPPORTUNITIES TO CONNECT DIRECTLY WITH PROGRAM
17 SPECIALISTS AND DEPARTMENT LEADERSHIP; AND

18 (IV) MAINTAINING TIMELY CONTRACTING, INVOICING, AND
19 REIMBURSEMENT IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT.

20 **SECTION 6.** In Colorado Revised Statutes, 26.5-2-207, **amend**
21 (1), (2)(a), and (2)(b); and **add** (3) as follows:

22 **26.5-2-207. Early childhood councils - waivers - rules -**
23 **funding - application.**

24 (1)(a) A local council may request a waiver of any rule that would
25 prevent a council from implementing council projects IN ACCORDANCE
26 WITH THE COUNCIL'S COMMUNITY STRATEGIC PLAN. The local council
27 shall submit the request to the ~~early childhood leadership commission~~

1 ~~created in part 3 of article 1 of this title 26.5. The early childhood~~
2 ~~leadership commission shall consult with the affected state agency in~~
3 ~~reviewing the request. The department or other affected state agency~~
4 DEPARTMENT. THE EXECUTIVE DIRECTOR shall grant waivers upon
5 recommendation by the ~~commission~~ DEPARTMENT.

6 (b) IF A COUNCIL'S WAIVER REQUEST FALLS OUTSIDE THE PURVIEW
7 OF THE DEPARTMENT, THE DEPARTMENT SHALL ASSIGN A LIAISON TO
8 CONSULT WITH THE AFFECTED STATE AGENCY.

9 (c) THE EXECUTIVE DIRECTOR SHALL ESTABLISH BY RULE THE
10 REQUIREMENTS FOR THE WAIVER PROCESS, INCLUDING THE FORMAT AND
11 CONTENT OF A COUNCIL'S WAIVER REQUEST, THE CRITERIA FOR THE
12 EXECUTIVE DIRECTOR TO GRANT A REQUEST TO WAIVE A DEPARTMENT
13 RULE, AND ASSOCIATED TIMELINES.

14 (2) (a) The executive director shall ~~promulgate~~ ADOPT rules to
15 develop and distribute to councils the application form and application
16 process to be used by each council seeking to receive council
17 infrastructure, quality improvement, AND technical assistance ~~and~~
18 ~~evaluation~~ funding from the early childhood cash fund created in section
19 26.5-2-209 and other funding sources appropriated for early childhood
20 services.

21 (b) The department shall, upon receipt, review applications for
22 early childhood funding from the early childhood cash fund established
23 in section 26.5-2-209 and ~~other funding sources~~ FROM MONEY
24 appropriated FROM OTHER SOURCES for early childhood services.

25 (3) THE RULES MUST INCLUDE INFORMATION ABOUT THE
26 AGREEMENT TERMINATION PROCESS, APPLICATION PROCESS, AND
27 ASSOCIATED TIMELINES IF A COUNTY RECONFIGURES OR DESIGNATES A

1 NEW CONVENING ENTITY.

2 **SECTION 7.** In Colorado Revised Statutes, **add** 26.5-2-208.5 as
3 follows:

4 **26.5-2-208.5. Early childhood councils - performance review**
5 **and accountability - rules - report.**

6 (1) (a) THE EXECUTIVE DIRECTOR SHALL ADOPT RULES
7 ESTABLISHING A PROCESS THAT SATISFIES THE REQUIREMENTS OF THIS
8 SECTION TO REVIEW THE PERFORMANCE OF EACH COUNCIL. BEGINNING ON
9 OR BEFORE JULY 1, 2027, THE DEPARTMENT SHALL IMPLEMENT THE
10 REVIEW PROCESS ESTABLISHED IN RULE BY WHICH THE DEPARTMENT AT
11 LEAST ANNUALLY REVIEWS THE PERFORMANCE OF EACH COUNCIL IN
12 SERVING THE COUNCIL'S COMMUNITY, INCLUDING IMPLEMENTING THE
13 APPROVED COMMUNITY STRATEGIC PLAN AND SCOPE OF WORK. DURING
14 THE REVIEW PROCESS, THE DEPARTMENT SHALL, AT A MINIMUM:

15 (I) REVIEW THE COUNCIL'S PERFORMANCE UNDER THE AGREEMENT
16 USING THE ACCOUNTABILITY METRICS ESTABLISHED WITH THE SCOPE OF
17 WORK; AND

18 (II) AT INTERVALS RANGING FROM THREE TO FIVE YEARS, AS
19 DETERMINED BY THE DEPARTMENT, SOLICIT INPUT FROM FAMILIES;
20 PROVIDERS; MEMBERS OF THE EARLY CHILDHOOD WORKFORCE; LOCAL AND
21 TRIBAL AGENCIES; LOCAL GOVERNMENTS; ADMINISTRATIVE UNITS, AS
22 DEFINED IN SECTION 22-20-103; HEAD START AGENCIES; FAMILY
23 RESOURCE CENTERS, AS DEFINED IN SECTION 26.5-3-102; COUNTY
24 DEPARTMENTS OF HUMAN OR SOCIAL SERVICES; AND OTHER INTERESTED
25 PERSONS WITHIN THE COMMUNITY CONCERNING THE PERFORMANCE OF
26 THE EARLY CHILDHOOD COUNCIL.

27 (b) (I) IF THE DEPARTMENT DETERMINES THAT THE COUNCIL IS NOT

1 MEETING THE REQUIREMENTS OF THE SCOPE OF WORK AND
2 ACCOUNTABILITY METRICS CONTAINED IN THE AGREEMENT, OR IS NOT
3 PERFORMING AT THE LEVEL REQUIRED TO SUCCESSFULLY IMPLEMENT THE
4 COMMUNITY STRATEGIC PLAN AND TO ENSURE THAT THE COMMUNITY
5 SUBSTANTIALLY MEETS LOCAL AND STATEWIDE GOALS FOR THE PROVISION
6 OF EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES,
7 THEN THE DEPARTMENT MAY REQUIRE THE COUNCIL TO IMPLEMENT A
8 PERFORMANCE IMPROVEMENT PLAN.

9 (II) THE DEPARTMENT SHALL PROVIDE ONGOING TECHNICAL
10 ASSISTANCE, SUPPORT, AND FEEDBACK TO THE COUNCIL AS THE COUNCIL
11 IMPLEMENTS A PERFORMANCE IMPROVEMENT PLAN.

12 (III) IF THE DEPARTMENT DETERMINES THAT THE COUNCIL HAS
13 FAILED TO MAKE SUBSTANTIAL PROGRESS TOWARD ADDRESSING THE
14 ISSUES IDENTIFIED IN THE PERFORMANCE IMPROVEMENT PLAN WITHIN THE
15 TIME FRAME IDENTIFIED IN THE PLAN, THE DEPARTMENT SHALL TERMINATE
16 THE COUNCIL'S AGREEMENT. ON OR BEFORE JULY 1, 2027, THE EXECUTIVE
17 DIRECTOR SHALL ADOPT RULES GOVERNING THE PROCESS FOR
18 TERMINATING AN AGREEMENT.

19 (IV) ON OR BEFORE JULY 1, 2027, THE EXECUTIVE DIRECTOR
20 SHALL ADOPT RULES ESTABLISHING OBJECTIVE, MEASURABLE CRITERIA
21 THAT THE DEPARTMENT SHALL APPLY IN REQUIRING A COUNCIL TO
22 IMPLEMENT A PERFORMANCE IMPROVEMENT PLAN.

23

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24 (2) IF A COUNCIL HAS FAILED TO MEET THE REQUIREMENTS OF THE
25 SCOPE OF WORK AND ACCOUNTABILITY METRICS CONTAINED IN THE
26 AGREEMENT, THE DEPARTMENT SHALL NOTIFY THE BOARD OR BOARDS OF
27 COUNTY COMMISSIONERS THAT DESIGNATED THE CONVENING ENTITY

1 PURSUANT TO SECTION 26.5-2-203 (3). THE EXECUTIVE DIRECTOR SHALL
2 ADOPT RULES ADDRESSING THE PROCESS FOR A BOARD OR BOARDS OF
3 COUNTY COMMISSIONERS TO APPOINT A NEW CONVENING ENTITY IF THE
4 DEPARTMENT TERMINATES AN AGREEMENT DUE TO A COUNCIL'S
5 PERFORMANCE ISSUES. THE RULES MUST ALSO ADDRESS HOW, FOR ANY
6 AREA WITHIN THE STATE FOR WHICH A COUNCIL IS NOT ESTABLISHED, OR
7 FOR WHICH AN EXISTING COUNCIL IS NOT FULLY CAPABLE OF
8 IMPLEMENTING ALL ASPECTS OF THE COMMUNITY STRATEGIC PLAN, THE
9 DEPARTMENT WILL ENSURE, TO THE GREATEST EXTENT POSSIBLE,
10 CONTINUITY OF THE DELIVERY OF SERVICES REQUIRED PURSUANT TO THIS
11 PART 2 FOR THE AREA, UNTIL A COUNCIL IS ESTABLISHED OR AN EXISTING
12 COUNCIL IS FULLY CAPABLE OF IMPLEMENTING ALL ASPECTS OF THE
13 COMMUNITY STRATEGIC PLAN.

14 (3) BEGINNING IN JANUARY 2028, AND IN JANUARY EVERY YEAR
15 THEREAFTER, THE DEPARTMENT SHALL INCLUDE, AS PART OF ITS
16 PRESENTATION DURING ITS "SMART ACT" HEARING REQUIRED BY SECTION
17 2-7-203, INFORMATION CONCERNING COUNCILS' PROGRESS TOWARD
18 ACHIEVING ACCOUNTABILITY METRICS AS SHARED WITH THE DEPARTMENT
19 PURSUANT TO SECTION 26.5-2-206 (1)(f).

20 **SECTION 8.** In Colorado Revised Statutes, **repeal** 26.5-2-208.

21 **SECTION 9.** In Colorado Revised Statutes, **add** 26.5-2-210 as
22 follows:

23 **26.5-2-210. Transfer of functions - legislative intent.**

24 (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT ON AND
25 AFTER JULY 1, 2026, THE STATEWIDE SYSTEM OF EARLY CHILDHOOD
26 COUNCILS IS RESPONSIBLE FOR EXECUTING, ADMINISTERING, PERFORMING,
27 AND ENFORCING THE RIGHTS, POWERS, DUTIES, FUNCTIONS, AND

1 OBLIGATIONS VESTED BEFORE JULY 1, 2026, IN THE LOCAL COORDINATING
2 ORGANIZATIONS ESTABLISHED PURSUANT TO PART 1 OF THIS ARTICLE 2, AS
3 IT EXISTED PRIOR TO JULY 1, 2026.

4 (2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
5 RIGHTS, POWERS, DUTIES, FUNCTIONS, AND OBLIGATIONS CONCERNING
6 SUPPORTING ACCESS TO AND DELIVERY OF EARLY CHILDHOOD AND FAMILY
7 SUPPORT PROGRAMS AND SERVICES ARE TRANSFERRED TO THE STATEWIDE
8 SYSTEM OF EARLY CHILDHOOD COUNCILS, EFFECTIVE JULY 1, 2026.

9 (3) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT ANY MONEY
10 THE DEPARTMENT ALLOCATES TO SUPPORT A TRANSITION PERIOD
11 EXTENSION PURSUANT TO SUBSECTION (7) OF THIS SECTION BE A ONE-TIME
12 EXPENDITURE AND NOT BE A SOURCE OF ONGOING PROGRAM FUNDING OR
13 A BASELINE ADJUSTMENT.

14 (4) A LOCAL COORDINATING ORGANIZATION RETAINS THE RIGHTS,
15 POWERS, DUTIES, FUNCTIONS, AND OBLIGATIONS NECESSARY TO SATISFY
16 THE REQUIREMENTS OF A COORDINATOR AGREEMENT IN FORCE PRIOR TO
17 JULY 1, 2026. AN EARLY CHILDHOOD COUNCIL MAY SUBCONTRACT THE
18 PROVISION OF SERVICES DESCRIBED IN THIS PART 2 TO A LOCAL
19 COORDINATING ORGANIZATION THAT IS ESTABLISHED PRIOR TO JULY 1,
20 2026, AND THAT IS NOT ALSO AN EARLY CHILDHOOD COUNCIL. AN EARLY
21 CHILDHOOD COUNCIL MAY SUBCONTRACT THE PROVISION OF SERVICES
22 DESCRIBED IN THIS PART 2, INCLUDING AFTER JULY 1, 2026, IF THE
23 SUBCONTRACTING IS CONSISTENT WITH THE COUNCIL'S APPROVED
24 AGREEMENT AND DEPARTMENT OVERSIGHT.

25 (5) THE RULES PERTAINING TO THE RIGHTS, POWERS, DUTIES,
26 FUNCTIONS, AND OBLIGATIONS TRANSFERRED TO THE STATEWIDE SYSTEM
27 OF EARLY CHILDHOOD COUNCILS THAT ARE ADOPTED BY THE EXECUTIVE

1 DIRECTOR AND ARE IN EFFECT AS OF JULY 1, 2026, CONTINUE IN EFFECT
2 AND APPLY TO THE DEPARTMENT AND PERSONS PROVIDING THE SERVICES
3 DESCRIBED IN PART 1 OF THIS ARTICLE 2 AS IT EXISTED PRIOR TO JULY 1,
4 2026, UNTIL REPLACED BY RULES ADOPTED BY THE EXECUTIVE DIRECTOR
5 PURSUANT TO THIS PART 2 ON OR BEFORE JULY 1, 2027.

6 (6) ON AND AFTER JULY 1, 2026, UNLESS OTHERWISE SPECIFIED, IF
7 A PROVISION OF LAW REFERS TO A LOCAL COORDINATING ORGANIZATION
8 WITH REGARD TO THE RIGHTS, POWERS, DUTIES, FUNCTIONS, OR
9 OBLIGATIONS SPECIFIED IN SUBSECTION (1) OF THIS SECTION, THE LAW IS
10 CONSTRUED AS REFERRING TO AN EARLY CHILDHOOD COUNCIL.

11 (7)(a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 2,
12 IF THE TRANSFER OF RIGHTS, DUTIES, FUNCTIONS, AND OBLIGATIONS
13 DESCRIBED IN THIS SECTION REQUIRES THE CONSOLIDATION,
14 REASSIGNMENT, OR MATERIAL MODIFICATION OF THE DUTIES OF AN
15 ORGANIZATION PROVIDING THE SERVICES DESCRIBED IN PART 1 OF THIS
16 ARTICLE 2, AS IT EXISTED PRIOR TO JULY 1, 2026, OR AN EARLY
17 CHILDHOOD COUNCIL, THE DEPARTMENT MAY AUTHORIZE A ONE-TIME
18 EXTENSION OF THE TRANSITION PERIOD. THE TRANSITION PERIOD MUST
19 CONCLUDE ON OR BEFORE JULY 1, 2029, AND IS NOT SUBJECT TO FURTHER
20 EXTENSION.

21 (b) DURING A TRANSITION PERIOD EXTENSION AUTHORIZED
22 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION, THE DEPARTMENT
23 MAY, AS NECESSARY TO SUPPORT THE ADMINISTRATION AND
24 COORDINATION OF EARLY CHILDHOOD PROGRAMS AND SERVICES,
25 MAINTAIN SEPARATE CONTRACTS WITH AN EARLY CHILDHOOD COUNCIL
26 AND AN ORGANIZATION PROVIDING THE SERVICES DESCRIBED IN PART 1 OF
27 THIS ARTICLE 2, AS IT EXISTED PRIOR TO JULY 1, 2026.

1 (c) ON OR BEFORE JANUARY 1, 2029, THE DEPARTMENT SHALL
2 SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE. THE
3 REPORT MUST INCLUDE AN ANALYSIS OF TRANSITION COSTS AND
4 EXPENDITURES, OPERATIONAL READINESS, AND RECOMMENDATIONS FOR
5 ANY LEGISLATIVE CHANGES NECESSARY TO FACILITATE LOCAL EARLY
6 CHILDHOOD SERVICES ADMINISTRATION, COORDINATION, AND
7 CONTRACTING FOLLOWING A TRANSITION PERIOD AUTHORIZED PURSUANT
8 TO SUBSECTION (7)(a) OF THIS SECTION.

9 **SECTION 10.** In Colorado Revised Statutes, 26.5-1-103, **amend**
10 (4) as follows:

11 **26.5-1-103. Definitions.**

12 As used in this title 26.5, unless the context otherwise requires:

13 (4) "Local coordinating organization" means the entity selected by
14 the department ~~pursuant to section 26.5-2-103~~ PRIOR TO JULY 1, 2026, to
15 implement a community plan for increasing access to, coordinating, and
16 allocating funding for early childhood and family support programs and
17 services within a specified community.

18 **SECTION 11.** In Colorado Revised Statutes, 26.5-1-105, **amend**
19 (2)(i) as follows:

20 **26.5-1-105. Powers and duties of the executive director - rules**
21 **- rules advisory council - repeal.**

22 (2) (i) In reviewing and making recommendations concerning
23 rules and in preparing other recommendations for the executive director,
24 the council shall strive to develop recommendations that are detailed and
25 measurable and consider the impacts on children, parents, families,
26 providers, school districts, counties, and ~~local coordinating organizations~~
27 EARLY CHILDHOOD COUNCILS. The RULES ADVISORY council must approve

1 recommendations by a majority vote and provide those recommendations
2 to the executive director in writing. Members of the council voting in the
3 minority may submit a written explanation of their opposition to the
4 recommendations to the executive director.

5 **SECTION 12.** In Colorado Revised Statutes, 26.5-1-109, **amend**
6 (1)(i) as follows:

7 **26.5-1-109. Department functions - operating principles.**

8 (1) The department shall execute the following functions and
9 operate programs and provide services associated with those functions as
10 described in this title 26.5 and authorized by federal law:

11 (i) Collaborate with other state departments, local and tribal
12 agencies, and ~~local coordinating organizations~~ EARLY CHILDHOOD
13 COUNCILS to safely collect and share data, eliminating duplication of data
14 collection when possible, while ensuring privacy and security for children
15 and families, to enable the department to gauge the statewide quality,
16 availability, capacity, and delivery of early childhood and family support
17 programs and services;

18 **SECTION 13.** In Colorado Revised Statutes, 26.5-1-111, **amend**
19 (1) introductory portion and (2)(c) as follows:

20 **26.5-1-111. Data system - collection - analysis - cross-agency**
21 **agreements.**

22 (1) The department shall work with ~~local coordinating~~
23 ~~organizations~~ EARLY CHILDHOOD COUNCILS, state agencies, local and
24 tribal agencies, and providers, as necessary, to collect, share, manage, and
25 protect qualitative and quantitative data pertaining to early childhood and
26 family support programs and services. The department shall review and
27 analyze the collected data to assess:

1 (2) At a minimum, the department shall collect data pertaining to
2 early childhood and family support programs and services that includes:

3 (c) Information that enables the department, ~~local coordinating~~
4 ~~organizations~~ EARLY CHILDHOOD COUNCILS, and local and tribal agencies
5 to assess on a continuing basis the needs for early childhood and family
6 support programs and services in an area and make decisions concerning
7 the provision of programs and services;

8 **SECTION 14.** In Colorado Revised Statutes, 26.5-1-112, **amend**
9 (1)(d) as follows:

10 **26.5-1-112. Transition review - program review - report -**
11 **repeal.**

12 (1) (d) In conducting the reviews and making recommendations
13 pursuant to this subsection (1), the independent evaluator shall solicit
14 input through a process that includes participation by the populations
15 served by the programs; the providers and members of the workforce
16 working in the programs; ~~local coordinating organizations~~; state, local,
17 and tribal agencies involved in implementing the programs; and any other
18 relevant experts.

19 **SECTION 15.** In Colorado Revised Statutes, 26.5-4-109, **amend**
20 (4) as follows:

21 **26.5-4-109. Provider rates - provider recruitment - provider.**

22 (4) The department, working with early childhood councils as
23 defined in section 26.5-2-202 AND county departments, ~~and local~~
24 ~~coordinating organizations as defined in section 26.5-2-102~~ shall identify
25 and recruit providers throughout the state to participate in the child care
26 assistance program. In identifying and recruiting providers, the
27 department and ~~local coordinating organizations~~ EARLY CHILDHOOD

1 COUNCILS shall establish a mixed delivery system of public and private
2 providers in communities throughout the state that enables parents to
3 select CCCAP providers for their children from as broad a range as
4 possible within their respective communities.

5 **SECTION 16.** In Colorado Revised Statutes, 26.5-4-111, **amend**
6 (11) and (12)(d) as follows:

7 **26.5-4-111. Services - eligibility - assistance provided - waiting**
8 **lists - rules - exceptions from cooperating with child support**
9 **establishment.**

10 (11) A provider or ~~a local coordinating organization, as defined~~
11 ~~in section 26.5-2-102~~ AN EARLY CHILDHOOD COUNCIL, AS DEFINED IN
12 SECTION 26.5-2-202, may accept a family's CCCAP application and
13 submit it THE APPLICATION to the county on behalf of a family seeking
14 child care assistance.

15 (12) Each county:

16 (d) May use ~~its~~ THE COUNTY'S CCCAP allocation to provide
17 enrollment contracts or grants to early care and education providers: To
18 support implementation of the ~~local community plan described in section~~
19 ~~26.5-2-104~~ APPLICABLE EARLY CHILDHOOD COUNCIL COMMUNITY
20 STRATEGIC PLAN DESCRIBED IN SECTION 26.5-2-204; to increase the supply
21 and improve the quality of child care for infants and toddlers, children
22 with disabilities, after-hours care, and children in underserved
23 neighborhoods; to provide stability for the early childhood sector; and to
24 improve alignment with the provision of additional preschool services, as
25 defined in section 26.5-4-203, to working families who need additional
26 care;

27 **SECTION 17.** In Colorado Revised Statutes, 26.5-4-203, **repeal**

1 (5) and (11); and **add** (5.5) as follows:

2 **26.5-4-203. Definitions.**

3 As used in this part 2, unless the context otherwise requires:

4 (5) ~~"Community plan" means the community plan adopted by a~~
5 ~~local coordinating organization pursuant to section 26.5-2-104.~~

6 (5.5) "EARLY CHILDHOOD COUNCIL" MEANS AN EARLY CHILDHOOD
7 COUNCIL IDENTIFIED OR ESTABLISHED LOCALLY IN COMMUNITIES
8 THROUGHOUT THE STATE PURSUANT TO SECTION 26.5-2-203.

9 (11) ~~"Local coordinating organization" means the entity selected~~
10 ~~by the department pursuant to section 26.5-2-103 to implement a~~
11 ~~community plan for early childhood and family support programs and~~
12 ~~services within a specified community.~~

13 **SECTION 18.** In Colorado Revised Statutes, 26.5-4-204, **amend**
14 (2) as follows:

15 **26.5-4-204. Colorado universal preschool program - created**
16 **- eligibility - workforce development plan - program funding - rules.**

17 (2) For the 2023-24 school year and each school year thereafter,
18 subject to the availability and enrollment capacity of preschool providers,
19 parents throughout the state may enroll their children, free of charge, in
20 ten hours per week of publicly funded preschool services for the school
21 year preceding the school year in which the children are eligible to enroll
22 in kindergarten. The department, working with ~~local coordinating~~
23 ~~organizations~~ EARLY CHILDHOOD COUNCILS, shall identify and recruit
24 preschool providers throughout the state to participate in the Colorado
25 universal preschool program. In identifying and recruiting preschool
26 providers, the department and ~~local coordinating organizations~~ EARLY
27 CHILDHOOD COUNCILS shall, to the extent practicable, establish a mixed

1 delivery system in communities throughout the state that enables parents
2 to select preschool providers for their children from as broad a range as
3 possible within their respective communities.

4 **SECTION 19.** In Colorado Revised Statutes, 26.5-4-205, **amend**
5 (1)(b)(I) as follows:

6 **26.5-4-205. Quality standards - evaluation - support.**

7 (1) (b) (I) Except as provided in subsection (1)(b)(II) of this
8 section, the department shall ensure that each preschool provider that
9 participates in the preschool program meets the quality standards
10 established by rule in accordance with this section. The department may
11 work with ~~a local coordinating organization~~ AN EARLY CHILDHOOD
12 COUNCIL to ensure that a preschool provider meets the quality standards.
13 The department may prohibit a preschool provider that fails to meet one
14 or more of the quality standards from participating in the preschool
15 program.

16 **SECTION 20.** In Colorado Revised Statutes, 26.5-4-207, **amend**
17 (3) as follows:

18 **26.5-4-207. Preschool program evaluation and improvement**
19 **process - independent evaluator.**

20 (3) The department shall communicate the evaluations and
21 recommendations of the independent evaluator to families, communities,
22 preschool providers, ~~local coordinating organizations~~ EARLY CHILDHOOD
23 COUNCILS, the state board of education, and the general assembly, as
24 appropriate, to inform and improve early childhood teaching and
25 education and policy-making related to early childhood education.

26 **SECTION 21.** In Colorado Revised Statutes, 26.5-4-208, **amend**
27 (1)(c), (1)(e), (3)(a), (3)(c)(II), and (3)(c)(IV) as follows:

1 **26.5-4-208. Preschool provider funding - per-child rates - local**
2 **contribution - distribution and use of money - definitions.**

3 (1) (c) In establishing the formula for additional preschool
4 services, in addition to the considerations specified in subsection (1)(a)
5 of this section, the department may consider the amount of local funding
6 available to assist families within a community based on the ~~community~~
7 ~~plan~~ APPLICABLE EARLY CHILDHOOD COUNCIL COMMUNITY STRATEGIC
8 PLAN DESCRIBED IN SECTION 26.5-2-204 or available within an area that
9 does not have a ~~local coordinating organization~~ AN EARLY CHILDHOOD
10 COUNCIL. A preschool provider is prohibited from charging a fee for
11 additional preschool services to a family that participates in the preschool
12 program that exceeds the amount charged to families that do not receive
13 additional preschool services.

14 (e) In establishing the formulas and other distribution amounts,
15 the department shall consult with the rules advisory council, the early
16 childhood leadership commission, and members of the early childhood
17 community, including parents of preschool-age children, preschool
18 educators, preschool providers, early childhood councils, school districts,
19 charter schools, representatives of county departments of human or social
20 services, ~~local coordinating organizations~~, and individuals with financial
21 expertise in public and private funding sources for early childhood
22 services.

23 (3) (a) Beginning in the ~~2023-24 fiscal year~~ 2026-27 FISCAL YEAR
24 and for each fiscal year thereafter, the department, working with ~~local~~
25 ~~coordinating organizations as provided in each local coordinating~~
26 ~~organization's coordinator agreement~~ EARLY CHILDHOOD COUNCILS IN
27 ACCORDANCE WITH EACH EARLY CHILDHOOD COUNCIL'S AGREEMENT with

1 the department, shall distribute the funding appropriated to the
2 department for preschool services from the preschool programs cash fund
3 and any amount received pursuant to section 26.5-4-209 (2). The
4 department and ~~local coordinating organizations~~ EARLY CHILDHOOD
5 COUNCILS, as applicable, shall base the amounts distributed on the
6 per-child rates and any special purpose distributions established for the
7 applicable fiscal year pursuant to subsection (1) of this section. At the
8 start of each fiscal year, the department and ~~local coordinating~~
9 ~~organizations~~ EARLY CHILDHOOD COUNCILS, as applicable, shall distribute
10 a portion of the funding to preschool providers based on the numbers and
11 types of eligible children expected to enroll in preschool as estimated in
12 the community STRATEGIC plans or as estimated by the department for an
13 area that does not have a ~~local coordinating organization~~ AN EARLY
14 CHILDHOOD COUNCIL. The department and ~~local coordinating~~
15 ~~organizations~~ EARLY CHILDHOOD COUNCILS, as applicable, shall continue
16 distributing portions of the funding periodically throughout the school
17 year and shall adjust the amounts distributed based on the actual numbers
18 and types of eligible children enrolled by preschool providers.

19 (c) (II) The department and ~~local coordinating organizations~~
20 EARLY CHILDHOOD COUNCILS, as applicable, shall distribute the funding
21 for preschool services for children who are three years of age or younger
22 as described in subsection (3)(c)(I)(B) of this section only to preschool
23 providers that are school districts or charter schools for the eligible
24 children who are three years of age and younger whom the school district
25 or charter school enrolls in accordance with the preschool program;
26 except that, in a fiscal year in which the general assembly specifically
27 appropriates an amount to provide preschool services for children three

1 years of age or younger who do not have disabilities that exceeds the
2 amount described in subsection (3)(c)(I)(B) of this section, the
3 department may distribute in accordance with the applicable community
4 ~~plans~~ STRATEGIC PLANS DESCRIBED IN SECTION 26.5-2-204 all or any
5 portion of the excess appropriation amount to community-based
6 preschool providers. A school district may distribute all or a portion of the
7 amount received pursuant to this subsection (3)(c)(II) to a head start
8 agency or community-based preschool provider that provides preschool
9 services pursuant to a contract with the school district.

10 (IV) In a fiscal year in which the amount described in subsection
11 (3)(c)(I)(B) of this section to fund preschool services for children who are
12 three years of age or younger is less than is required to fully fund the
13 number of said eligible children who actually enroll for preschool
14 services, the department shall first provide funding for the eligible
15 children with disabilities and eligible children who are in low-income
16 families and meet at least one qualifying factor and then provide funding
17 for the remaining eligible children who are in low-income families. If any
18 amount of the appropriation described in subsection (3)(c)(I)(B) of this
19 section remains, the department, working with the rules advisory council,
20 the ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, and
21 any other interested persons, shall establish the priority for distributing
22 the funding among the remaining eligible children.

23 **SECTION 22.** In Colorado Revised Statutes, 26.5-4-209, **amend**
24 (5) as follows:

25 **26.5-4-209. Preschool programs cash fund - created - use.**

26 (5) AFTER ENSURING THE DELIVERY OF DIRECT SERVICES FOR
27 ELIGIBLE CHILDREN, the department may use money appropriated from the

1 preschool programs cash fund for the administrative costs of local
2 ~~coordinating organizations~~ INCURRED BY EARLY CHILDHOOD COUNCILS
3 THAT ARE DIRECTLY RELATED TO THE DELIVERY OF PRESCHOOL SERVICES.

4 **SECTION 23.** In Colorado Revised Statutes, 26.5-4-210, **amend**
5 (1) introductory portion, (1)(e), (1)(g)(VII), and (2) as follows:

6 **26.5-4-210. Reporting.**

7 (1) ~~Beginning with the hearing held in January of 2025~~ As part of
8 the annual hearing held pursuant to the "State Measurement for
9 Accountable, Responsive, and Transparent (SMART) Government Act",
10 part 2 of article 7 of title 2, the department shall report on the
11 implementation and effectiveness of the Colorado universal preschool
12 program in the preceding fiscal year. At a minimum, the report must
13 include:

14 (e) The amount of funding distributed to preschool providers
15 through the preschool program, in total and disaggregated by
16 communities with ~~local coordinating organizations~~ EARLY CHILDHOOD
17 COUNCILS and areas of the state that do not have ~~local coordinating~~
18 ~~organizations~~ EARLY CHILDHOOD COUNCILS;

19 (g) Of the amount appropriated from the preschool programs cash
20 fund, the amount, expressed as a dollar amount and a percentage of the
21 total appropriation, that:

22 (VII) Was spent on administrative expenses of the department and
23 each ~~local coordinating organization~~ EARLY CHILDHOOD COUNCIL;

24 (2) The department may request and ~~local coordinating~~
25 ~~organizations~~ EARLY CHILDHOOD COUNCILS and preschool providers shall
26 provide information as necessary for the department to prepare the report
27 described in subsection (1) of this section.

1 **SECTION 24.** In Colorado Revised Statutes, 24-101-105, **amend**
2 (1)(a)(XVII) as follows:

3 **24-101-105. Application of this code.**

4 (1) (a) This code applies to all publicly funded contracts entered
5 into by all governmental bodies of the executive branch of this state;
6 except that this code does not apply to:

7 (XVII) The department of early childhood in soliciting and
8 ~~selecting~~ APPROVING entities to serve as ~~local coordinating organizations~~
9 ~~pursuant to section 26.5-2-103~~ EARLY CHILDHOOD COUNCILS PURSUANT
10 TO SECTION 26.5-2-204 and ~~coordinating~~ agreements entered into
11 pursuant to ~~section 26.5-2-105~~ SECTION 26.5-2-206; or

12 **SECTION 25. Effective date.** This act takes effect upon passage;
13 except that section 26.5-4-203 (5) and (11), Colorado Revised Statutes,
14 as repealed in section 17 of this act, and section 26.5-4-208 (3)(a),
15 (3)(c)(II), and (3)(c)(IV), Colorado Revised Statutes, as amended in
16 section 21 of this act, take effect July 1, 2026.

17 **SECTION 26. Safety clause.** The general assembly finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, or safety or for appropriations for
20 the support and maintenance of the departments of the state and state
21 institutions.