



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 21-0599
Prime Sponsors: Sen. Kirkmeyer

Date: June 28, 2021
Bill Status: Postponed Indefinitely
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Bill Topic: **ALLOCATION FORMULA COLORADO CHILD CARE PROGRAM**

Summary of Fiscal Impact:

- | | |
|---|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

This bill would have made distribution changes to county block grants under the Colorado Child Care Assistance Program. The bill would have increased state expenditures in FY 2021-22 and may have impacted local expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, this bill would have required an appropriation of \$48,776 to the Department of Human Services.

Fiscal Note Status: This fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 21-014

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	Federal Funds	\$48,776	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The Colorado Child Care Assistance program (CCCAP) provides financial assistance for child care to families who are working, those who are searching for employment or are in training, and those enrolled in the Colorado Works program and need child care services to support their efforts toward self-sufficiency. CCCAP block grant funds are distributed by the Department of Human Services (DHS) to county departments of social/human services, who administer the program, and must reimburse child care providers based on state-established rates.

The bill requires the DHS to consider each county's previous program utilization when determining annual block grant distributions under the CCCAP. Program utilization will be based on an average of the disbursement of grant funds to families in each county over the prior three years. The bill also allows counties to make changes to their CCCAP eligibility criteria if they meet or exceed established statewide eligibility expectations.

Background

Counties currently use the Child Care Automated Tracking System (CHATS) to change CCCAP eligibility, validate that the entered eligibility levels are compliant with state and federal regulations, and to validate that they meet the requirements to set their own eligibility.

State Expenditures

This bill increases state expenditure of federal funds in the DHS by \$48,776 in FY 2021-22 to make system changes to CHATS. Programming costs will include 483 hours, at a cost of \$101 per hour, for system design, development, testing, and other tasks to ensure that payments are made when individual counties make changes to CCCAP eligibility. This fiscal note assumes that federal Child Care Development Funds will be used to support these costs.

Local Government

This bill potentially adjusts the allocation of CCCAP block grants to counties. This fiscal note does not estimate how funding may shift between counties compared to the current allocation process.

Effective Date

The bill was postponed indefinitely by the Senate Appropriations Committee on May 12, 2021.

State Appropriations

For FY 2021-22, the bill would have required an appropriation of \$48,776 federal funds to the Department of Human Services from Child Care Development Funds.

State and Local Government Contacts

Counties

Human Services

Information Technology

Local Affairs