



Colorado Association of Family Child Care (CAFCC)

"Moving Mountains One Stone at a Time"

March 10, 2026

The Colorado Association of Family Child Care (CAFCC) would like to submit the following as written testimony regarding [HB26-1259 \(Department of Early Childhood Clean-Up Bill\)](#) and share some concerns from the family child care perspective. Included at the end of this written testimony is a copy of an email that we sent to the bill sponsors outlining a specific amendment request on March 5, 2026.

We are requesting an amendment to HB26-1259 (page 13 lines 6-7) to extend the sunset date to 2028, rather than repeal it as written in the introduced bill, to allow a conversation to happen about the decline in licensed FCCHs and its likely connection the capacity limit of four (4) children in licensed-exempt homes.

CAFCC has seen many policy changes affect our field, but the most significant change to our businesses occurred with the licensing exemption changes made in [SB17-110 in 2017](#). Since that change, we have seen a noticeable shift in the landscape of home-based child care. While the original intent of the policy included supporting **family, friend, and neighbor (FFN) care** and legalizing situations like nanny shares, we have also observed a dramatic increase in license-exempt businesses operating at the four-child capacity limit. This capacity is only two children less than the Family Child Care Home license. These programs operate legally but do so **without the licensing oversight, health and safety standards, or regulatory framework** that licensed providers must follow. The state only becomes aware of license-exempt programs if a complaint is filed with a full address.

On March 9, 2026, the Colorado Department of Early Childhood (CDEC) shared the "TREND ON HOME-BASED PROVIDERS IN COLORADO" brief with CAFCC. The rate of decline of licensed FCCHs is shocking to say the least. Here are a few takeaways from the brief, and as you review them, we ask you to remember the definition of license-exempt home settings was expanded to include a capacity of four unrelated children in 2017 by [SB17-110](#).

- The number of licensed home-based providers in Colorado has steadily declined since 2016, falling from 2,294 providers in 2016 to 1,344 providers in 2025 — a loss of 950 providers, or about 41%.
- The steepest decline occurred between 2016 and 2019, when provider numbers dropped by 24% — a loss of 554 providers. From 2019 to 2022, the decline slowed to 18% — a loss of 321 providers. Since 2022, the decrease has been much smaller, just 5% (a loss of 75 providers) through 2025.



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- Of the 5 home-based license types, **the Family Child Care Home (licensed to care for up to 6 children) service type accounts for most of the decline, falling from 1,341 providers in 2016 to 500 in 2025 — a drop of 841 providers (-63%).**

We want to be clear that we **fully support FFN care** and recognize the important role it plays for many families and communities. Our concern is not with FFN providers who are caring for children within existing relationships, but rather with situations where providers operate ongoing child care businesses under the license-exempt structure in order to avoid licensing requirements.

Licensed providers carry significant regulatory responsibilities and costs in order to meet health, safety, and quality standards. At the same time, license-exempt programs can operate with no oversight, which creates challenges both for consumer safety and for the sustainability of licensed family child care homes. Safety is also part of this conversation. According to reporting in 2021, [18 children died in unlicensed care settings in Colorado between 2011 and 2021](#), tragedies that led to the passage of the [Elle Matthews' Law](#).

In policy conversations, we often focus on affordability and reducing regulation, but there are also real impacts when regulatory structures unintentionally create uneven conditions within the market. In our experience, license-exempt programs are not necessarily less expensive. For example, a license-exempt provider in Greeley charges \$100 more per week than some licensed programs, despite operating without the same regulatory obligations.

We feel our amendment request to HB26-1259 is a small one. Extend the sunset date to 2028 to allow a conversation to happen about the decline in licensed FCCHs and its likely connection with the capacity limit of four (4) children in licensed-exempt homes.

We thank you for your careful and thoughtful consideration of our request. Please reach out to us with any questions you may have.

Thank you for your continued work supporting Colorado's early childhood community.

Sincerely,

Stacey Carpenter, CAFCC president and legislative co-chair
Carrie Kennedy, CAFCC public relations and legislative co-chair

-----COPY OF EMAIL SENT TO HB26-1259 SPONSORS-----

March 5, 2026

Dear Representative Sirota, Senator Marchman, and Senator Bridges,



Colorado Association of Family Child Care (CAFCC) *"Moving Mountains One Stone at a Time"*

The [Colorado Association of Family Child Care](#) (CAFCC) is requesting an amendment to [HB26-1259](#). The specific amendment addresses lines 6-7 on page 13 concerning removing the sunset date on the definition for licensed exempt home based programs. CAFCC is requesting that this language be amended to extend the sunset date to 2028. Specifically, we would like the sunset date extension to be on the following section 26.5-5-304(1)(f)(I)(B)

(I) An individual who provides less than twenty-four-hour child care in the individual's permanent place of residence when one of the following conditions is met:

- (A) The children being cared for are related to the caregiver, are children who are related to each other as siblings from a single family that is unrelated to the caregiver, or a combination of such children; or
- (B) There are no more than four children being cared for, with no more than two children under two years of age from multiple families, regardless of the children's relation to the caregiver.

The [SB19-063 Infant and Family Child Care Action Plan](#) lists *"Policy Review: Examine how early education (and other) policies impact availability of licensed infant care and family child care homes (FCCHs)"* as one of the four recommendations. We are formally requesting that the impact of [SB17-110](#) on the number of licensed FCCHs in Colorado be examined by allowing an extension in the sunset date for 26.5-5-304(1)(f). This would allow us time to gather data and information on the impact this law has had on our licensed FCCH settings in Colorado. We know that the Colorado Department of Early Childhood (CDEC) has a report on the child care landscape in Colorado, which has shown a steady decrease of licensed FCCHs. This report has not been publicly released yet to our knowledge.

CAFCC has heard from many of our members, and have personally experienced, the rise in license exempt child care programs and decrease in licensed homebase programs since this definition was originally adopted in 2017. We understand and recognize the need and reasoning behind the language being changed with [SB17-110](#), but feel there have been many unintended consequences that have resulted. Primarily, our concern is the rise in unlicensed and unregulated businesses, while legal, and the decrease in licensed FCCH programs.

The CAFCC board and members are primarily licensed FCCH providers who work normally a minimum of 50 hours per week. Our primary focus is on the care and education of Colorado's young children and sustaining our small businesses. Therefore, we have not had time to adequately prepare and gather complete information for [HB26-1259](#)'s first hearing on March 11, 2026. **This is some of the publicly available information we could gather in a short turnaround to share with you.**

- March 5, 2026 [Colorado Marketplace data](#) pull shows 1,297 licensed family child care home programs.



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- February 17, 2023 [Colorado Marketplace data](#) pull showed 1,445 licensed FCCH programs.
- The [2021 Early Childhood Workforce Dashboard](#) lists 1,817 licensed FCCHs
- [Colorado Child Care Aware 2016 Fact Sheet](#) lists 2,334 licensed FCCHs per 2015 data

We would like to emphasize in no way is the sunset extension meant to impede or restrict the work done by Colorado's family, friend, and neighbor (FFN) community. We understand that the FFN community is an important part of many Colorado working families' "village".

Our intention is to examine how this definition has affected licensed family child care home programs which are also part of Colorado's small business community. We would like to work with many partners and organizations, including those who support the FFN community, while examining the current language and see if adjustments can be made that work for all parties involved.

License exempt and FFN providers often get confused. A FFN should always be license exempt, but a license exempt provider is not necessarily an FFN. A FFN provider cares for family, friends, or neighbors. That means there is already an established relationship. When a provider begins advertising a business and related services to currently unknown individuals in an attempt to find new clients, they are no longer an FFN and become a license exempt business. Both FFNs and license exempt programs are unregulated outside of capacity when caring for unrelated children. We recognize the importance of FFN care and the cultural significance they play in some families' lives, but we also feel it is important to identify the difference. Five years ago unlicensed and FFN care were described as different care settings, now they are sometimes described as the same, even though they can be different.

In conclusion, we'd like to highlight a few points:

- The current FCCH license exempt definition was created to support FFN (family, friend, neighbor) providers and make it so nanny shares would not be illegal.
- Since this definition's passage, we have seen a HUGE increase of license-exempt programs popping up with 4 children. These are not FFN providers. They are advertising and actively seeking clients with no previous personal relationship.
- License exempt capacity is only 2 children less than the family child care home children.
- License exempt has NO oversight or rules to follow, just the law of capacity. The state only becomes aware of them if there is a complaint filed with a full address.
- We also need to recognize that 18 children have died in unlicensed care since 2011 (per 2021 news report).



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- Many licensed FCCH providers feel this current definition is hurting their businesses.
- The claim that license exempt programs are cheaper than licensed programs is not necessarily true. Oftentimes they are the same price or more per the advertising we see online and on social media.

We are hopeful and look forward to a conversation about this issue. Please feel free to reach out to either of us anytime. Although we both work full time as early childhood educators and licensed care providers in our homes, we are also advocates who care deeply about this issue. The best time for us to talk is before 7:00 am, 1:00-2:00 pm, or after 5:30 pm. Please understand that outside of these hours, our primary focus is the children in our care.

Sincerely,

Stacey Carpenter, CAFCC president and legislative co-chair

Carrie Kennedy, CAFCC public relations and legislative co-chair