

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

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
Appropriations

SENATE
Amended 3rd Reading
April 23, 2018

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.**

SENATE
2nd Reading Unamended
April 19, 2018

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/>.)

HOUSE
3rd Reading Unamended
April 11, 2018

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

HOUSE
Amended 2nd Reading
April 10, 2018

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 IN CONSULTATION WITH THE COUNTIES, SHALL CONTRACT ANNUALLY FOR
6 A MARKET RATE STUDY OF PROVIDER RATES THAT ACCOUNT FOR QUALITY
7 OF CARE, AGE GROUP, AND TYPE OF CARE FOR EACH COUNTY AS
8 RECOMMENDED BY THE EARLY CHILDHOOD LEADERSHIP COMMISSION
9 CREATED IN SECTION 26-6.2-103. NOTWITHSTANDING THE PROVISIONS OF
10 SECTION 24-1-136 (11)(a)(I), COPIES OF THE STUDY MUST BE PROVIDED TO
11 THE JOINT BUDGET COMMITTEE ON OR BEFORE JANUARY 2, 2019, AND ON
12 OR BEFORE EACH JANUARY 2 THEREAFTER.

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

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

1 REIMBURSEMENT.

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

3 (1) STARTING WITH THE 2018-19 STATE FISCAL YEAR, OR WHEN THE
4 RULES REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION ARE
5 ESTABLISHED, WHICHEVER IS LATER, AND SUBJECT TO AVAILABLE
6 APPROPRIATIONS, ANNUALLY THE STATE DEPARTMENT SHALL ESTABLISH
7 THE AMOUNT OF EACH COUNTY'S BLOCK GRANT FOR CCCAP. THE BLOCK
8 GRANT SHALL BE BASED UPON EACH COUNTY'S PERCENTAGE OF THE
9 ESTIMATED TOTAL NUMBER OF CHILDREN ELIGIBLE TO PARTICIPATE IN
10 CCCAP TIMES THE APPROPRIATE REIMBURSEMENT RATE FOR EACH
11 COUNTY AS DETERMINED BY THE STATE REQUIRED BY SECTION 26-2-803.
12 COUNTIES ARE ONLY REQUIRED TO SPEND THE STATE CCCAP ALLOCATION
13 AND THE MAINTENANCE OF EFFORT FOR THAT ALLOCATION.

14 (2) (a) THE AMOUNT OF EACH COUNTY'S BLOCK GRANT
15 DETERMINED BY SUBSECTION (1) OF THIS SECTION MAY BE ADJUSTED BY
16 THE STATE DEPARTMENT. THE STATE DEPARTMENT SHALL, IN
17 CONSULTATION WITH THE COUNTIES, ADOPT RULES REGARDING
18 ADJUSTMENTS TO THE AMOUNT OF A BLOCK GRANT, AND THE RULES MUST
19 ADDRESS THE FOLLOWING FACTORS:

- 20 (I) THE COST OF LIVING;
- 21 (II) THE COST OF HIGH-QUALITY EARLY CHILDHOOD PROGRAMS;
- 22 (III) THE COST OF PROGRAMS;
- 23 (IV) THE REGIONAL MARKET RATES FOR CCCAP; ■
- 24 (V) DRASTIC ECONOMIC CHANGES; AND
- 25 (VI) GEOGRAPHIC DIFFERENCES WITHIN A COUNTY.

26 (b) THE STATE DEPARTMENT MAY MAKE AN ADJUSTMENT TO THE
27 AMOUNT OF A BLOCK GRANT AUTHORIZED BY RULES PROMULGATED

1 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION.

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

6 (4) MONEY TRANSFERRED FROM THE COUNTY BLOCK GRANT
7 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM PURSUANT TO
8 SECTION 26-2-714 (7) TO THE CHILD CARE DEVELOPMENT FUND MAY BE
9 USED FOR CHILD CARE QUALITY IMPROVEMENT ACTIVITIES AS IDENTIFIED
10 IN THE FEDERAL "CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF
11 2014", 42 U.S.C. SEC. 9858 (e), AS AMENDED.

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

1 FORTH IN THE GENERAL APPROPRIATION ACT FOR THE STATE FISCAL YEAR
2 1996-97 FOR EMPLOYMENT-RELATED CHILD CARE.

3 **SECTION 2.** In Colorado Revised Statutes, 26-2-802, **amend**
4 (1)(b), (1)(c), (1)(d), and (2)(b); and **add (2)(c)** as follows:

5 **26-2-802. Legislative declaration.** (1) The general assembly
6 hereby finds and declares that:

7 (b) Children in low-income families who receive services through
8 a child care assistance program need and deserve the same access to a
9 broad range of child care providers as do children in families who do not
10 need assistance; AND

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

15 (d) Individual counties play a vital role in administering the child
16 care assistance program and have local knowledge of their individual
17 community needs. ~~Therefore, a county that meets or exceeds statewide~~
18 ~~eligibility expectations established for the Colorado child care assistance~~
19 ~~program should have greater flexibility in determining the specifics of~~
20 ~~how to implement and operate the child care assistance program in that~~
21 ~~county.~~

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

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

1 (c) ACHIEVE PARITY ACROSS COUNTIES IN THE STATE WITH
2 REGARD TO THE CCCAP PROGRAM AND FUNDING ALLOCATION.

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

6 26-2-805. Services - eligibility - assistance provided - waiting
7 lists - rules - exceptions from cooperating with child support
8 establishment. (1) Subject to available appropriations and pursuant to
9 rules promulgated by the state board for the implementation of this part
10 8, a county shall provide child care assistance to a participant or any
11 person or family whose income is not more than one hundred ~~sixty-five~~
12 EIGHTY-FIVE percent of the federal poverty level. SUBJECT TO AVAILABLE
13 APPROPRIATIONS AND ONLY AS NECESSARY TO COMPLY WITH FEDERAL
14 LAW, THE STATE BOARD MAY ADJUST THE PERCENTAGE OF THE FEDERAL
15 POVERTY LEVEL USED TO DETERMINE CHILD CARE ASSISTANCE ELIGIBILITY
16 BY PROMULGATING A RULE.

17 (2) (a) ~~The~~ BEGINNING JULY 1, 2018, OR WHEN THE RULES
18 REQUIRED BY SECTION 26-2-804 (2)(a) ARE ESTABLISHED, WHICHEVER IS
19 LATER, A county may provide child care assistance for any family whose
20 income ~~meets~~ AT INITIAL DETERMINATION EXCEEDS the requirements of
21 subsection (1) of this section but does not exceed the maximum federal
22 level for eligibility for services of eighty-five percent of the state median
23 income for a family of the same size IF IT:

24 (I) IS SERVING ALL ELIGIBLE FAMILIES WHO HAVE APPLIED FOR
25 CCCAP AND WHOSE INCOME LEVEL IS BELOW THAT REQUIREMENT; AND

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

27 (b) If, during a participant's, person's, or family's twelve-month

1 eligibility period, the participant's, person's, or family's income rises to OR
2 ABOVE the level set by the county STATE BOARD RULE at which the county
3 may deny such participant, person, or family child care assistance, the
4 county shall continue providing the current CCCAP subsidy until that
5 participant's, person's, or family's next twelve-month redetermination.

6 (c) If, at the time of a participant's, person's, or family's
7 twelve-month eligibility redetermination, the participant's, person's, or
8 family's income rises to or above the level set by the county STATE BOARD
9 at which the county may deny child care assistance, or if that income level
10 rises above the maximum federal eligibility level of eighty-five percent
11 of the state median income for a family of the same size, the county shall
12 immediately notify the participant, person, or family that it is no longer
13 eligible for CCCAP. but may be provided transition CCCAP benefits
14 pursuant to the provisions of paragraphs (d) and (e) of this subsection (2).

15 (d) Except as provided for in paragraph (e) of this subsection (2),
16 the county shall continue to provide the current CCCAP subsidy to a
17 participant, person, or family who has lost eligibility pursuant to this
18 subsection (2) for a period of no less than ninety days from the time of
19 notification to allow the participant, person, or family to make appropriate
20 alternative arrangements for child care. Additionally, the county is
21 strongly encouraged to continue to provide child care assistance for a
22 period of six months from the time of notification. During the six-month
23 period, the county shall work with the participant, person, or family to
24 provide a gradual transition off child care assistance provided pursuant
25 to this subsection (2).

26 (e) Notwithstanding any eligibility level set by a county pursuant
27 to this section, under no circumstance may a county provide child care

1 assistance pursuant to this section if the participant's, person's, or family's
2 income exceeds the maximum level for eligibility for services set by
3 federal law of eighty-five percent of the state median income for a family
4 of the same size.

5 (6) For a family with a child who is enrolled in CCCAP, a county
6 shall set the income level at which the county may deny the family
7 according to the parameters defined in rules promulgated by the state
8 board. In the rules, the state board shall ensure that if a county sets the
9 income level at which the county chooses to initially provide CCCAP at
10 or below one hundred eighty-five percent of the federal poverty level,
11 then that county must set the income level at which the county may deny
12 the family higher than the income level at which the county chooses to
13 initially provide child care assistance for that county and at a level not to
14 exceed eighty-five percent of the state median income for a family of the
15 same size. This subsection (6) goes into effect upon notification to
16 counties by the state department that the relevant human services case
17 management systems, including the Colorado child care automated
18 tracking system, are capable of accommodating this subsection (6).

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

23 (c) To the extent practicable, the duration of the child care
24 authorization notice, as defined by rule of the state board, for a child who
25 is enrolled in CCCAP must be the same as the child care assistance
26 eligibility period for the child's family, except that, under specific, limited
27 circumstances described by rule of the state board, including but not

1 limited to job-search periods, the duration of the authorization notice may
2 be less than the family's full period of eligibility. A county may reduce the
3 number of families served pursuant to this part 8 if necessary to ensure
4 that the county, in implementing the provisions of this paragraph (c), does
5 not exceed the amount of the county block grant for CCCAP allocated to
6 the county pursuant to section 26-2-804 for the applicable fiscal year.

7 (d) For a family with a child who is solely enrolled in CCCAP or
8 dually enrolled with an early education program other than head start or
9 early head start, the family's CCCAP eligibility redetermination must
10 occur once every twelve months.

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

13 (I) Taking maternity leave; or

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

17 (III) EACH INSTANCE OF NONTEMPORARY JOB LOSS FOR LESS THAN
18 NINETY DAYS; OR

19 (IV) A TEMPORARY BREAK IN ELIGIBLE ACTIVITY, AS DEFINED BY
20 RULE OF THE STATE BOARD.

21 (g) Upon notification to counties by the state department that the
22 relevant human services case management systems, including the
23 Colorado child care automated tracking system, are capable of
24 accommodating this paragraph (g), a parent with a child enrolled in
25 CCCAP who loses employment while participating in the program must
26 remain eligible for CCCAP for at least sixty days within a twelve-month
27 period if he or she is actively searching for employment and he or she

1 ~~continues to meet all other CCCAP eligibility criteria.~~

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

10 (i) Subject to available appropriations and pursuant to rules
11 promulgated by the state board for the implementation of this part 8, and
12 ~~upon notification to counties by the state department that the relevant~~
13 ~~human services case management systems, including the Colorado child~~
14 ~~care automated tracking system, are capable of accommodating this~~
15 ~~paragraph (i), a parent who is enrolled in a postsecondary education~~
16 ~~program or a workforce training program is eligible for CCCAP for at~~
17 ~~least any two years of the postsecondary education or workforce training~~
18 ~~program, provided all other CCCAP eligibility requirements are met~~
19 ~~during those two years. A county may give priority for services to a~~
20 ~~working family over a family enrolled in postsecondary education or~~
21 ~~workforce training.~~

22 (j) ~~Upon notification to counties by the state department that the~~
23 ~~relevant human services case management systems, including the~~
24 ~~Colorado child care automated tracking system, are capable of~~
25 ~~accommodating this paragraph (j), and To provide continuous child care~~
26 ~~with the least disruption to the child, the hours authorized for the~~
27 ~~provision of child care through CCCAP must include authorized hours for~~

1 the child that promote continuous, consistent, and regular care and must
2 not be linked directly to a parent's employment, education, or workforce
3 training schedule. Pursuant to rules promulgated by the state board, the
4 number of hours authorized for child care should be based on the number
5 of hours the parent is participating in an eligible activity and the child's
6 needs for care.

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

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

9 **SECTION 6. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, and safety.