



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 20-1016

# REVISED FISCAL NOTE

(replaces fiscal note dated January 30, 2020)

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<b>Drafting Number:</b>	LLS 20-0359	<b>Date:</b>	February 18, 2020
<b>Prime Sponsors:</b>	Rep. McCluskie; Wilson Sen. Pettersen	<b>Bill Status:</b>	House Appropriations
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**Bill Topic:** INCREASE QUALITY IN EARLY CHILDHOOD EDUCATION PROGRAMS

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**Summary of Fiscal Impact:**

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

The bill allows the Colorado Department of Human Services to provide technical assistance and financial incentives to early childhood providers to increase their quality rating. The bill increases state workload on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the introduced bill, as amended by the House Education Committee. The bill was recommended by the Early Childhood and School Readiness Legislative Commission.

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## Summary of Legislation

The bill allows the Colorado Department of Human Services (DHS) provide technical assistance and financial incentives to help early childhood care providers with a Colorado Shines rating advance to or maintain at least a level three rating. Early childhood councils may assist the DHS by providing local community outreach and engagement strategies.

Under current law, early childhood councils that apply for school-readiness quality improvement funding must submit a school readiness plan that includes targeting or recruiting early childhood programs rated as a level two or higher, or that are actively working towards a level two rating but face demonstrated hardship. The bill requires that plans target or recruit programs that are rated at level one or higher. If an early childhood council received funding prior to FY 2020-21, the council must amend their plan.

## Background and Assumptions

Under the current school-readiness quality improvement program, the Office of Early Childhood in the DHS allocates state and federal funds to early childhood councils for distribution to early childhood programs. The program is intended to improve school readiness of children up to the age of five, with priority given to programs serving children with certain risk factors. For FY 2019-20, approximately \$2.7 million in state and federal funds was distributed to early childhood programs.

## **State Expenditures**

Because the DHS currently provides technical assistance and financial incentives to early childhood providers and early childhood councils currently support the DHS with local outreach, the bill codifies current practice into law. Expanding the eligibility for financial incentives and technical assistance does not require additional appropriations; however, it may result in additional competition for existing funds and increase the workload for the DHS to handle the additional applications. The level of funding for financial incentives and technical assistance is at the discretion of the General Assembly.

## **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## **State and Local Government Contacts**

Human Services