

CHAPTER 390

EARLY CHILDHOOD PROGRAMS AND SERVICES

HOUSE BILL 24-1223

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also SENATOR(S) Cutter and Michaelson Jenet, Bridges, Exum, Fields, Jaquez Lewis, Marchman, Priola, Rodriguez, Sullivan, Winter F.

AN ACT

CONCERNING THE IMPROVEMENT OF PROGRAMS THAT BENEFIT WORKING FAMILIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Colorado has been committed to reducing the burdens placed on families seeking child care assistance and child care providers serving children through the Colorado child care assistance program;

(b) Currently, there are too many families who need child care and do not have access, and this problem is especially acute for families in under-resourced neighborhoods;

(c) Federal funding from the American Rescue Plan Act infused an unprecedented amount of money into Colorado's child care system and created additional policy flexibility that provided stability and access for families across the state; and

(d) Administrative burdens serve as unnecessary hurdles for families to access the child care they need.

(2) Therefore, the general assembly determines it is necessary to:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(a) Make the recent policy changes made as a result of the American Rescue Plan Act permanent;

(b) Simplify the application process for applying for child care assistance;

(c) Authorize presumptive eligibility for child care assistance;

(d) Increase affordability of child care; and

(e) Improve payment practices to increase provider financial stability.

SECTION 2. In Colorado Revised Statutes, 26.5-1-110, **add** (3) as follows:

26.5-1-110. Unified application - child care, services, and education. (3) A COUNTY DEPARTMENT SHALL NOT ADD ADDITIONAL REQUIRED ELIGIBILITY CRITERIA TO THE APPLICATION OR REDETERMINATION PROCESS.

SECTION 3. In Colorado Revised Statutes, 26.5-4-103, **amend** (1); and **add** (1.5) and (3.5) as follows:

26.5-4-103. Definitions. As used in this part 1, unless the context otherwise requires:

(1) ~~"Child care assistance program" or "CCCAP" means the public assistance program for child care known as the Colorado child care assistance program established in this part 1~~ "APPLICANT" MEANS AN INDIVIDUAL OR A FAMILY WHO SUBMITS AN APPLICATION TO THE COLORADO CHILD CARE ASSISTANCE PROGRAM.

(1.5) "CHILD CARE ASSISTANCE PROGRAM" OR "CCCAP" MEANS THE PUBLIC ASSISTANCE PROGRAM FOR CHILD CARE KNOWN AS THE COLORADO CHILD CARE ASSISTANCE PROGRAM ESTABLISHED IN THIS PART 1.

(3.5) "CUSTOMER SERVICE" MEANS ACTIVITIES THAT PROVIDE ONE-ON-ONE SUPPORT FOR FAMILIES IN SUBMITTING APPLICATIONS AND NAVIGATING SERVICES, AND PROVIDING ACCESS TO TRANSPARENT AND EASY-TO-UNDERSTAND CONSUMER EDUCATION RESOURCES FOR THE COLORADO CHILD CARE ASSISTANCE PROGRAM.

SECTION 4. In Colorado Revised Statutes, 26.5-4-106, **amend** (1)(b), (1)(c) introductory portion, (1)(c)(II), and (2)(a); and **add** (1)(d) and (6) as follows:

26.5-4-106. Applications for child care assistance - applications for child care employees - verification - award - not assignable - limitation - rules. (1) (b) ON OR BEFORE AUGUST 1, 2026, AND SUBJECT TO AVAILABLE FEDERAL APPROPRIATIONS, the department rules ~~may~~ **MUST** provide for a simplified application ~~in order that~~ so child care assistance may be furnished to eligible persons as soon as possible and ~~shall~~ **MUST** provide adequate safeguards and controls to ensure that only eligible persons receive child care assistance ~~under~~ PURSUANT TO this part 1. THE DEPARTMENT AND A COUNTY DEPARTMENT SHALL PUBLICLY DISCLOSE OR PUBLICIZE INCOME ELIGIBILITY LEVELS BY INCOME PERCENTAGE AND BY MONTHLY INCOME FOR FAMILIES TO USE BEFORE APPLYING.

The unified application that the department develops pursuant to section 26.5-1-110 must at some point include application for child care assistance through CCCAP.

(c) A person seeking child care assistance ~~must~~ SHALL submit an application in accordance with department rule, and the department shall ensure that the application is routed to the applicant's county of residence. An application for child care assistance must:

(II) ~~Include the name, age, and residence of the applicant and a statement of the amount of property, both real and personal, in which the applicant has an interest and of all income the applicant may have at the time of the filing of the application~~ THE APPLICANT'S CURRENT RESIDENCY AND NAME OF THE APPLICANT; THE AGE AND NAME OF THE CHILD OR CHILDREN FOR WHOM CARE IS REQUESTED; LOW-INCOME ELIGIBLE ACTIVITY; INCOME; INCAPACITATION, IF APPLICABLE; and such other information as may be required by department rule ~~and~~ THAT IS NECESSARY TO DETERMINE ELIGIBILITY. THE DEPARTMENT SHALL NOT REQUEST THAT THE APPLICANT PROVIDE IMMUNIZATION HISTORY, EXCEPT WHEN UTILIZING CHILD CARE THAT IS PROVIDED OUTSIDE OF THE CHILD'S HOME BY A NON-RELATIVE QUALIFIED LICENSE-EXEMPT PROVIDER. CUSTODY ARRANGEMENTS SHALL NOT BE INCLUDED ON THE APPLICATION OR OTHERWISE COLLECTED TO DETERMINE ELIGIBILITY FOR CCCAP. THE COUNTY DEPARTMENT MAY REQUEST, BUT SHALL NOT REQUIRE, INFORMATION ON CHILD CARE PROVIDER SELECTION AT THE TIME OF APPLICATION.

(d) A COUNTY DEPARTMENT SHALL NOT ADD ADDITIONAL REQUIRED ELIGIBILITY CRITERIA TO THE APPLICATION OR REDETERMINATION PROCESSES.

(2) (a) When a county department receives an application for child care assistance, it shall promptly make a record concerning the circumstances of the applicant to verify the facts supporting the application and shall examine all pertinent records. ~~and shall make a diligent effort to examine all records prior to granting assistance.~~ The county department shall also verify ~~such~~ ANY other information ~~as may be~~ required by department rule.

(6) THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES FOR THE IMPLEMENTATION OF THIS SECTION.

SECTION 5. In Colorado Revised Statutes, 26.5-4-107, **amend** (1) as follows:

26.5-4-107. Reconsideration and changes. (1) A county department shall reconsider child care assistance awarded pursuant to this part 1 as frequently as and in the manner required by department rules. After ~~such~~ further verification and record as the county department ~~may deem~~ DEEMS necessary or department rules may require, the amount of child care assistance provided may be changed ~~or child care assistance may be~~ OR terminated, if the department or the county department finds that the recipient's circumstances have altered sufficiently to warrant such action or if changes in state or federal law have been made that would warrant such action. A COUNTY DEPARTMENT SHALL ONLY REQUIRE AND COLLECT ANY DOCUMENTATION THAT HAS CHANGED SINCE THE RECIPIENT'S MOST RECENT APPLICATION OR REDETERMINATION PROCESS AND THAT IS REQUIRED TO DETERMINE THE RECIPIENT'S CONTINUED ELIGIBILITY.

SECTION 6. In Colorado Revised Statutes, 26.5-4-109, **add** (5) as follows:

26.5-4-109. Provider rates - provider recruitment - provider. (5) STARTING JULY 1, 2025, THE DEPARTMENT SHALL CREATE A PILOT PROGRAM FOR UNLICENSED PROVIDERS TO SEEK LICENSE-EXEMPT STATUS AND ESTABLISHMENT AS AN ELIGIBLE CCCAP PROVIDER SEPARATE AND DISTINCT FROM THE PARENT-INITIATED PROCESS. THE PILOT PROGRAM MUST OPERATE IN AT LEAST TWO COUNTIES, INCLUDING ONE URBAN COUNTY AND ONE RURAL COUNTY. BY JUNE 30, 2027, THE DEPARTMENT SHALL EVALUATE THE OUTCOMES OF THE PILOT PROGRAM ON ENROLLED PROVIDERS AND CHILD CARE CAPACITY AND SERVICES IN PARTICIPATING COUNTIES.

SECTION 7. In Colorado Revised Statutes, 26.5-4-111, **amend** (1), (2)(a), (4)(a)(I), (4)(b), (4)(c), (7)(d), and (12)(a); and **add** (15) as follows:

26.5-4-111. Services - eligibility - assistance provided - waiting lists - rules - exceptions from cooperating with child support establishment. (1) Subject to available appropriations and pursuant to department rules promulgated for the implementation of this part 1, a county shall provide child care assistance to a participant or any person or family whose income is not more than one hundred eighty-five percent of the federal poverty level. FOR PURPOSES OF DETERMINING OR REDETERMINING ELIGIBILITY FOR CHILD CARE ASSISTANCE, A COUNTY SHALL EXCLUDE FROM THE DEFINITION OF INCOME PAYMENTS MADE TO A FAMILY FROM ANY UNRESTRICTED CASH ASSISTANCE PROGRAM ADMINISTERED BY A GOVERNMENT, INTERMEDIARY, NONPROFIT, OR CORPORATE ENTITY. Subject to available appropriations and as necessary to comply with federal law or to align eligibility across early care and education programs specifically to meet the early care and education, income security, and child welfare needs of similar populations and as allowed by federal regulations, the executive director by rule may adjust the percentage of the federal poverty level used to determine child care assistance eligibility and shall revise income ~~and~~ verification requirements that promote alignment and simplification WITH THE COLORADO UNIVERSAL PRESCHOOL PROGRAM.

(2) (a) A county may provide child care assistance for any family whose income at initial determination exceeds the requirements of subsection (1) of this section but does not exceed the maximum federal level for eligibility for services of eighty-five percent of the state median income for a family of the same size if it is serving all eligible families who have applied for CCCAP and whose income level is below that requirement. A COUNTY SHALL EXCLUDE STATE AND FEDERAL ASSISTANCE PROGRAM INCOME IN ELIGIBILITY DETERMINATIONS.

(4) (a) (I) A recipient of child care assistance through CCCAP is responsible for paying a portion of the recipient's child care costs based upon the recipient's income and the formula developed by department rule. THE DEPARTMENT AND COUNTIES SHALL PROVIDE PARENT FEE INFORMATION IN A VARIETY OF DISSEMINATION METHODS SUCH AS WEBSITES, INCLUDING THE COLORADO SHINES WEBSITE, MASS MEDIA, PAPER FORMS AND BROCHURES, AND TARGETED OUTREACH. THE INFORMATION MUST INCLUDE A CLEAR DEFINITION OF THE PARENT FEE; HOW PARENT FEES ARE CALCULATED; PARENT FEE POLICIES, SUCH AS WHEN THEY MUST BE PAID; THE PARENT FEE AND SLIDING FEE SCALE; HOW PARENTS AND PROVIDERS WERE ENGAGED IN THE PROCESS FOR DETERMINING THE PARENT FEE AND SLIDING FEE

SCALE; AND A DESCRIPTION OF HOW PARENT FEES MIGHT DIFFER BASED ON THE PROVIDER THAT A FAMILY SELECTS. PARENT FEE SLIDING SCALES SHOULD BE PRESENTED IN A CLEAR, ACCESSIBLE FORMAT. THE INFORMATION MUST ALSO BE ACCESSIBLE IN LANGUAGES IN ADDITION TO ENGLISH AND SPANISH, BASED ON THE POPULATIONS THE DEPARTMENT AND COUNTIES SERVE.

(b) The executive director by rule shall establish, and at least every five years review and revise, as appropriate, a copayment schedule so that the copayment gradually increases as the family income approaches self-sufficiency income levels, BUT MUST BE NO GREATER THAN SEVEN PERCENT OF THE FAMILY'S GROSS MONTHLY INCOME ON OR BEFORE AUGUST 1, 2026, REGARDLESS OF THE NUMBER OF CHILDREN IN CARE, AS DETERMINED BASED ON ONE MONTH OF INCOME, UNLESS ONE MONTH OF INCOME DOES NOT PROVIDE AN ACCURATE INDICATION OF ANTICIPATED INCOME, IN WHICH CASE THE COUNTY MAY USE EVIDENCE OF UP TO THE MOST RECENT TWELVE MONTHS OF INCOME; HOWEVER, IF A FEDERAL RULE LIMITS COPAYMENTS TO LESS THAN SEVEN PERCENT OF THE FAMILY'S GROSS MONTHLY INCOME, THE DEPARTMENT SHALL IMMEDIATELY COMPLY WITH THE FEDERAL LIMIT. This revised copayment schedule should allow families to retain a portion of their increases in income.

(c) A participant who is employed shall pay a portion of the participant's income for child care assistance under CCCAP. The participant's required copayment pursuant to the provisions of this subsection (4)(c) ~~must be~~ is determined by a formula established by department rule that takes into consideration the factors set forth in subsections (4)(a) and (4)(b) of this section. THE PARTICIPANT'S EMPLOYER MAY PAY THE PARTICIPANT'S COPAYMENT AT THE PARTICIPANT'S COPAYMENT RATE.

~~(7) (d) Subject to available appropriations and~~ Pursuant to department rules promulgated for the implementation of this part 1, a parent who is enrolled in a postsecondary education program or a workforce training program is eligible for CCCAP for at least any two years of the postsecondary education or workforce training program, provided all other CCCAP eligibility requirements are met during those two years. On and after ~~July 1, 2023~~ JULY 1, 2024, a county may ~~only~~ NOT give priority for services to a working family over a family enrolled in postsecondary education or workforce training. ~~if the county does not have sufficient funding and has received approval from the department before implementing the prioritization.~~

(12) Each county:

(a) Upon notification to counties by the department that the relevant case management systems, including the Colorado child care automated tracking system, are capable of accommodating this subsection (12)(a), and pursuant to department rules, ON OR BEFORE AUGUST 1, 2026, AND SUBJECT TO AVAILABLE FEDERAL APPROPRIATIONS, in addition to regular provider reimbursement rates, THE COUNTY DEPARTMENTS shall pay providers for care in alignment with common practices in the private market for child care, INCLUDING PAYING PROVIDERS WEEKLY FOR EACH CHILD BASED ON CHILD ENROLLMENT IN ADVANCE OF THE PROVISION OF SERVICES. The department rules governing payment policies must allow daily reimbursement rates only for drop-in child care, back-up child care, and care that is commonly paid on a daily reimbursement basis in the PRIVATE child care market and must incentivize providers to promote regular program attendance. ON OR BEFORE

AUGUST 1, 2026, AND SUBJECT TO AVAILABLE FEDERAL APPROPRIATIONS, THE DEPARTMENT AND COUNTY DEPARTMENTS SHALL UTILIZE GRANTS AND CONTRACTS FOR UNDERSERVED POPULATIONS, INCLUDING CHILDREN IN UNDERSERVED GEOGRAPHIC AREAS, INFANTS AND TODDLERS, CHILDREN WITH DISABILITIES, AND FAMILIES NEEDING NONTRADITIONAL-HOUR CARE, TO IMPROVE EQUITABLE ACCESS FOR THESE POPULATIONS. THE DEPARTMENT SHALL ANNUALLY EVALUATE DATA REGARDING THE NUMBERS AND PERCENTAGES OF UNDERSERVED POPULATIONS BEING SERVED BY CCCAP TO DETERMINE IF EQUITABLE ACCESS IS IMPROVED OR ACHIEVED. THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES FOR THE IMPLEMENTATION OF THIS SUBSECTION (12).

(15) AN APPLICANT CAN SATISFY THE ELIGIBLE ACTIVITY CRITERIA FOR UP TO ONE YEAR BY PARTICIPATING IN A SUBSTANCE USE DISORDER TREATMENT. PARTICIPATION IN A NATIONALLY RECOGNIZED, EVIDENCE-BASED SUBSTANCE USE DISORDER TREATMENT PROGRAM AT AN INTENSIVE OUTPATIENT SERVICE LEVEL OF CARE OR HIGHER MUST BE RECOGNIZED AS AN ELIGIBLE ACTIVITY FOR A WORKFORCE TRAINING PROGRAM.

SECTION 8. In Colorado Revised Statutes, 26.5-4-115, **amend** (1)(a) as follows:

26.5-4-115. Performance contracts. (1) (a) Each county, either acting singly or with a group of counties, shall enter into an annual performance contract with the department that identifies the county's or group of counties' and the department's duties and responsibilities in implementing the child care assistance program, INCLUDING QUALITY CUSTOMER SERVICE TO CLIENTS. The performance contract must include, but need not be limited to, requirements and provisions that address each party's duties and responsibilities to work in a collaborative manner to administer, financially support, and implement the child care assistance program using fair and objective criteria.

SECTION 9. In Colorado Revised Statutes, **add** 26.5-4-121 as follows:

26.5-4-121. Child and adult care food program feasibility study. (1) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, SHALL CONDUCT OR CONTRACT FOR A STUDY TO DETERMINE THE FEASIBILITY OF DE-LINKING ELIGIBILITY FOR THE FEDERAL CHILD AND ADULT CARE FOOD PROGRAM FROM THE COLORADO CHILD CARE ASSISTANCE PROGRAM. THE STUDY MUST INCLUDE:

(a) RESEARCH ON ALTERNATIVE ELIGIBILITY PROCESSES FOR PARTICIPATION IN THE FEDERAL CHILD AND ADULT CARE FOOD PROGRAM THAT IS SPECIFICALLY TAILORED FOR LICENSE-EXEMPT FAMILY, FRIEND, AND NEIGHBOR PROVIDERS, AS DESCRIBED IN SECTION 26.5-3-808; AND

(b) GUIDELINES AND BEST PRACTICES FOR THE IMPLEMENTATION OF ALTERNATIVE ELIGIBILITY PROCESSES TO ENSURE ADEQUATE OVERSIGHT WITHOUT CREATING UNDUE ADMINISTRATIVE BURDENS FOR THE DEPARTMENT OR LICENSE-EXEMPT FAMILY, FRIEND, AND NEIGHBOR PROVIDERS, WHILE ENSURING THE NUTRITIONAL WELL-BEING OF CHILDREN IN THE PROVIDER'S CARE.

SECTION 10. Appropriation. For the 2024-25 state fiscal year, \$100,000 is appropriated to the department of early childhood for use by the community and family support division. This appropriation is from the general fund. To implement this act, the division may use this appropriation for the child and adult care food program study.

SECTION 11. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 4, 2024