

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

REVISED

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

LLS NO. 18-1117.01 Jerry Barry x4341

HOUSE BILL 18-1335

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HOUSE SPONSORSHIP

Young, Hamner, Rankin

SENATE SPONSORSHIP

Lundberg, Lambert, Moreno

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House Committees  
Appropriations

Senate Committees  
Appropriations

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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.

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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/>.)*

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

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.

SENATE  
2nd Reading Unamended  
April 19, 2018

HOUSE  
3rd Reading Unamended  
April 11, 2018

HOUSE  
Amended 2nd Reading  
April 10, 2018

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.

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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 SECTION 26-2-803 ARE ESTABLISHED, WHICHEVER IS  
5 LATER, AND SUBJECT TO AVAILABLE APPROPRIATIONS, ANNUALLY THE  
6 STATE DEPARTMENT SHALL ESTABLISH THE AMOUNT OF EACH COUNTY'S  
7 BLOCK GRANT FOR CCCAP. THE BLOCK GRANT SHALL BE BASED UPON  
8 EACH COUNTY'S PERCENTAGE OF THE ESTIMATED TOTAL NUMBER OF  
9 CHILDREN ELIGIBLE TO PARTICIPATE IN CCCAP TIMES THE APPROPRIATE  
10 REIMBURSEMENT RATE FOR EACH COUNTY AS DETERMINED BY THE STATE  
11 REQUIRED BY SECTION 26-2-803. COUNTIES ARE ONLY REQUIRED TO SPEND  
12 THE STATE CCCAP ALLOCATION AND THE MAINTENANCE OF EFFORT FOR  
13 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 26-2-803 ARE ESTABLISHED, WHICHEVER IS LATER,  
19 A county may provide child care assistance for any family whose income  
20 ~~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.