

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 24-0503.01 Michael Dohr x4347

HOUSE BILL 24-1223

HOUSE SPONSORSHIP

Willford and Garcia, Amabile, Bacon, Bird, Boesenecker, Brown, Clifford, deGruy Kennedy, Duran, English, Epps, Froelich, Hamrick, Hernandez, Herod, Jodeh, Joseph, Kipp, Lieder, Lindsay, Lindstedt, Lukens, Marvin, Mauro, McCluskie, McCormick, Parenti, Rutinel, Story, Valdez, Vigil, Young

SENATE SPONSORSHIP

Cutter,

House Committees

Health & Human Services
Appropriations

Senate Committees

A BILL FOR AN ACT

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

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>.)

The bill overhauls the Colorado child care assistance program (CCCAP). The bill simplifies the application process by:

- Creating a universal application;
- Limiting the application information to only what is necessary to determine eligibility;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE
3rd Reading Unamended
May 3, 2024

HOUSE
Amended 2nd Reading
May 2, 2024

- Prohibiting counties from adding additional eligibility requirements; and
- When applying for redetermination, requiring the recipients to provide only information that has changed.

The bill creates presumptive eligibility for 90 days when basic federal requirements are met that are verified through self-attestation. Income qualifications are changed to correspond with universal preschool program requirements. A county may exclude state and federal assistance program income eligibility guidelines in eligibility determinations.

An employee of a child care provider may apply to the CCCAP and be granted full benefits for children from 6 weeks of age to 13 years of age, regardless of the employee's income.

The bill directs that child care providers be paid based on enrollment and not on attendance and be paid a weekly rate in advance. Employers are permitted to cover copayments, and copayments are limited to 7% of a family's income. The bill authorizes grants and contracts for underserved populations.

The bill lists the crimes that disqualify a child care provider from becoming qualified as license-exempt. Family child care home providers are included as eligible providers.

A CCCAP recipient is required to engage in an eligible activity to receive benefits. The bill includes substance use disorder treatment programs, job training, and education activities as eligible activities.

The department of early childhood education (department) is directed to evaluate the costs and benefits of a statewide reimbursement process.

The bill directs the department to administer the child and adult care food program (CACFP). A participant's eligibility for CACFP must not be based on being qualified as exempt in CCCAP. The department shall develop, implement, and oversee an alternative eligibility process for participation in CACFP that is specifically tailored for license-exempt family, friend, or neighbor providers.

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

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

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

7 (b) Currently, there are too many families who need child care and

1 do not have access, and this problem is especially acute for families in
2 under-resourced neighborhoods;

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

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

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

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

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

14 (c) Authorize presumptive eligibility for child care assistance;

15 (d) Increase affordability of child care; and

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

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

20 **26.5-1-110. Unified application - child care, services, and**
21 **education.** (3) A COUNTY DEPARTMENT SHALL NOT ADD ADDITIONAL
22 REQUIRED ELIGIBILITY CRITERIA TO THE APPLICATION OR
23 REDETERMINATION PROCESS.

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

26 **26.5-4-103. Definitions.** As used in this part 1, unless the context
27 otherwise requires:

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

6 (1.5) "CHILD CARE ASSISTANCE PROGRAM" OR "CCCAP" MEANS
7 THE PUBLIC ASSISTANCE PROGRAM FOR CHILD CARE KNOWN AS THE
8 COLORADO CHILD CARE ASSISTANCE PROGRAM ESTABLISHED IN THIS PART
9 1.

10 (3.5) "CUSTOMER SERVICE" MEANS ACTIVITIES THAT PROVIDE
11 ONE-ON-ONE SUPPORT FOR FAMILIES IN SUBMITTING APPLICATIONS AND
12 NAVIGATING SERVICES, AND PROVIDING ACCESS TO TRANSPARENT AND
13 EASY-TO-UNDERSTAND CONSUMER EDUCATION RESOURCES FOR THE
14 COLORADO CHILD CARE ASSISTANCE PROGRAM.

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

18 **26.5-4-106. Applications for child care assistance -**
19 **applications for child care employees - verification - award - not**
20 **assignable - limitation - rules.** (1) (b) ON OR BEFORE AUGUST 1, 2026,
21 AND SUBJECT TO AVAILABLE FEDERAL APPROPRIATIONS, the department
22 rules ~~may~~ MUST provide for a simplified application ~~in order that~~ so
23 child care assistance may be furnished to eligible persons as soon as
24 possible and ~~shall~~ MUST provide adequate safeguards and controls to
25 ensure that only eligible persons receive child care assistance ~~under~~
26 PURSUANT TO this part 1. THE DEPARTMENT AND A COUNTY DEPARTMENT
27 SHALL PUBLICLY DISCLOSE OR PUBLICIZE INCOME ELIGIBILITY LEVELS BY

1 INCOME PERCENTAGE AND BY MONTHLY INCOME FOR FAMILIES TO USE
2 BEFORE APPLYING. The unified application that the department develops
3 pursuant to section 26.5-1-110 must at some point include application for
4 child care assistance through CCCAP.

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

8 An application for child care assistance must:

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

26 (d) A COUNTY DEPARTMENT SHALL NOT ADD ADDITIONAL
27 REQUIRED ELIGIBILITY CRITERIA TO THE APPLICATION OR

1 REDETERMINATION PROCESSES.

2

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

10

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

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

15 **26.5-4-107. Reconsideration and changes.** (1) A county
16 department shall reconsider child care assistance awarded pursuant to this
17 part 1 as frequently as and in the manner required by department rules.
18 After ~~such~~ further verification and record as the county department ~~may~~
19 ~~deem~~ DEEMS necessary or department rules may require, the amount of
20 child care assistance provided may be changed ~~or child care assistance~~
21 ~~may be~~ OR terminated, if the department or the county department finds
22 that the recipient's circumstances have altered sufficiently to warrant such
23 action or if changes in state or federal law have been made that would
24 warrant such action. A COUNTY DEPARTMENT SHALL ONLY REQUIRE AND
25 COLLECT ANY DOCUMENTATION THAT HAS CHANGED SINCE THE
26 RECIPIENT'S MOST RECENT APPLICATION OR REDETERMINATION PROCESS
27 AND THAT IS REQUIRED TO DETERMINE THE RECIPIENT'S CONTINUED

1 ELIGIBILITY.

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

4 **26.5-4-109. Provider rates - provider recruitment - provider.**

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

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

17 **26.5-4-111. Services - eligibility - assistance provided - waiting**
18 **lists - rules - exceptions from cooperating with child support**
19 **establishment.** (1) Subject to available appropriations and pursuant to
20 department rules promulgated for the implementation of this part 1, a
21 county shall provide child care assistance to a participant or any person
22 or family whose income is not more than one hundred eighty-five percent
23 of the federal poverty level. FOR PURPOSES OF DETERMINING OR
24 REDETERMINING ELIGIBILITY FOR CHILD CARE ASSISTANCE, A COUNTY
25 SHALL EXCLUDE FROM THE DEFINITION OF INCOME PAYMENTS MADE TO A
26 FAMILY FROM ANY UNRESTRICTED CASH ASSISTANCE PROGRAM
27 ADMINISTERED BY A GOVERNMENT, INTERMEDIARY, NONPROFIT, OR

1 CORPORATE ENTITY. Subject to available appropriations and as necessary
2 to comply with federal law or to align eligibility across early care and
3 education programs specifically to meet the early care and education,
4 income security, and child welfare needs of similar populations and as
5 allowed by federal regulations, the executive director by rule may adjust
6 the percentage of the federal poverty level used to determine child care
7 assistance eligibility and shall revise income and verification
8 requirements that promote alignment and simplification WITH THE
9 COLORADO UNIVERSAL PRESCHOOL PROGRAM.

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

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

1 PARENTS AND PROVIDERS WERE ENGAGED IN THE PROCESS FOR
2 DETERMINING THE PARENT FEE AND SLIDING FEE SCALE; AND A
3 DESCRIPTION OF HOW PARENT FEES MIGHT DIFFER BASED ON THE PROVIDER
4 THAT A FAMILY SELECTS. PARENT FEE SLIDING SCALES SHOULD BE
5 PRESENTED IN A CLEAR, ACCESSIBLE FORMAT. THE INFORMATION MUST
6 ALSO BE ACCESSIBLE IN LANGUAGES IN ADDITION TO ENGLISH AND
7 SPANISH, BASED ON THE POPULATIONS THE DEPARTMENT AND COUNTIES
8 SERVE.

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

24 (c) A participant who is employed shall pay a portion of the
25 participant's income for child care assistance under CCCAP. The
26 participant's required copayment pursuant to the provisions of this
27 subsection (4)(c) ~~must be~~ IS determined by a formula established by

1 department rule that takes into consideration the factors set forth in
2 subsections (4)(a) and (4)(b) of this section. THE PARTICIPANT'S
3 EMPLOYER MAY PAY THE PARTICIPANT'S COPAYMENT AT THE
4 PARTICIPANT'S COPAYMENT RATE.

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

16 (12) Each county:

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

1 and care that is commonly paid on a daily reimbursement basis in the
2 PRIVATE child care market and must incentivize providers to promote
3 regular program attendance. ON OR BEFORE AUGUST 1, 2026, AND
4 SUBJECT TO AVAILABLE FEDERAL APPROPRIATIONS, THE DEPARTMENT AND
5 COUNTY DEPARTMENTS SHALL UTILIZE GRANTS AND CONTRACTS FOR
6 UNDERSERVED POPULATIONS, INCLUDING CHILDREN IN UNDERSERVED
7 GEOGRAPHIC AREAS, INFANTS AND TODDLERS, CHILDREN WITH
8 DISABILITIES, AND FAMILIES NEEDING NONTRADITIONAL-HOUR CARE, TO
9 IMPROVE EQUITABLE ACCESS FOR THESE POPULATIONS. THE DEPARTMENT
10 SHALL ANNUALLY EVALUATE DATA REGARDING THE NUMBERS AND
11 PERCENTAGES OF UNDERSERVED POPULATIONS BEING SERVED BY CCCAP
12 TO DETERMINE IF EQUITABLE ACCESS IS IMPROVED OR ACHIEVED. THE
13 EXECUTIVE DIRECTOR SHALL PROMULGATE RULES FOR THE
14 IMPLEMENTATION OF THIS SUBSECTION (12).

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

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

24 **26.5-4-115. Performance contracts.** (1) (a) Each county, either
25 acting singly or with a group of counties, shall enter into an annual
26 performance contract with the department that identifies the county's or
27 group of counties' and the department's duties and responsibilities in

1 implementing the child care assistance program, INCLUDING QUALITY
2 CUSTOMER SERVICE TO CLIENTS. The performance contract must include,
3 but need not be limited to, requirements and provisions that address each
4 party's duties and responsibilities to work in a collaborative manner to
5 administer, financially support, and implement the child care assistance
6 program using fair and objective criteria.

7

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

10 **26.5-4-121. Child and adult care food program feasibility**
11 **study.** (1) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT
12 OF PUBLIC HEALTH AND ENVIRONMENT, SHALL CONDUCT OR CONTRACT
13 FOR A STUDY TO DETERMINE THE FEASIBILITY OF DE-LINKING ELIGIBILITY
14 FOR THE FEDERAL CHILD AND ADULT CARE FOOD PROGRAM FROM THE
15 COLORADO CHILD CARE ASSISTANCE PROGRAM. THE STUDY MUST
16 INCLUDE:

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

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

27 **SECTION 10. Appropriation.** (1) For the 2024-25 state fiscal

1 year, \$100,000 is appropriated to the department of early childhood for
2 use by the community and family support division. This appropriation is
3 from the general fund. To implement this act, the division may use this
4 appropriation for the child and adult care food program study.

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