

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2022-23

DEPARTMENT OF HUMAN SERVICES (Office of Early Childhood)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

DEPARTMENT OVERVIEW

This figure setting document focuses on the Office of Early Childhood in the Department of Human Services and the new Department of Early Childhood. For information on other divisions in the Department of Human Services, see the figure setting documents for adult assistance programs, behavioral health, and child welfare.

OFFICE OF EARLY CHILDHOOD

The primary responsibilities of the Office of Early Childhood include:

- **Colorado Child Care Assistance Program (CCCAP)** – to provide assistance with child care expenses for low-income families
- **Early intervention services** -- for children at risk of intellectual and developmental delays
- **Regulating early childhood service providers** – including licensing and monitoring child care facilities

In addition, the Office operates many smaller programs that provide services to young children and their families, such as programs that work through physician offices to connect families with specialists who provide education and support for new parents, or programs that help parents prepare children to succeed in school. In its policy setting role, the Office helps to provide strategic guidance for, and to connect families with, complimentary programs throughout the state, such as nutrition assistance, income assistance, and school-based services.

SUMMARY OF STAFF RECOMMENDATIONS

OFFICE OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 Appropriation						
S.B. 21-205 (Long Bill)	\$280,899,807	\$87,060,045	\$53,352,394	\$7,968,022	\$132,519,346	100.9
Other legislation	388,223,077	8,697,353	500,000	0	379,025,724	24.1
H.B. 22-1175 (Supplemental)	(11,025,763)	0	0	0	(11,025,763)	1.2
TOTAL	\$658,097,121	\$95,757,398	\$53,852,394	\$7,968,022	\$500,519,307	126.2
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$658,097,121	\$95,757,398	\$53,852,394	\$7,968,022	\$500,519,307	126.2
DEC1 Child care safety	0	0	0	0	0	0.0
DEC2 Early Intervention alternate	8,673,412	8,673,412	0	0	0	0.0
DEC3 Refinance CCCAP	0	(1,807,730)	0	0	1,807,730	0.0
R5 Community provider rate increase	3,963,824	1,587,166	310,766	159,360	1,906,532	0.0
R6 Facilities management operating resources	24,154	0	1,218	0	22,936	0.0
S4 Early childhood fed stimulus	59,937,055	0	0	0	59,937,055	42.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
Correct S.B. 21-236 annualization	(27,995,799)	0	0	0	(27,995,799)	0.0
Extend underspent fed stimulus	9,892,547	0	0	0	9,892,547	0.0
Centrally appropriated line items	1,578	0	80	0	1,498	0.0
Indirect cost assessments	135,319	0	7,014	0	128,305	0.0
Annualize prior year legislation	(314,440,759)	(369,080)	(1,000,000)	0	(313,071,679)	(1.6)
Annualize prior year budget actions	19,095,110	72,088	808,861	0	18,214,161	0.0
TOTAL	\$417,383,562	\$103,913,254	\$53,980,333	\$8,127,382	\$251,362,593	166.6
INCREASE/(DECREASE)	(\$240,713,559)	\$8,155,856	\$127,939	\$159,360	(\$249,156,714)	40.4
Percentage Change	(36.6%)	8.5%	0.2%	2.0%	(49.8%)	32.0%

OFFICE OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	3.5
Request Above/(Below) Recommendation	(\$417,383,562)	(\$103,913,254)	(\$53,980,333)	(\$8,127,382)	(\$251,362,593)	(163.1)

DESCRIPTION OF INCREMENTAL CHANGES

DEC1 CHILD CARE SAFETY: The JBC staff does not recommend the Department's request for \$345,980 total funds, including \$311,382 General Fund, for four new positions (3.8 FTE in the first year) to investigate suspected illegal child care and lead public awareness campaigns on safe care practices and the benefits of licensed care. The Department indicates that funding is for the implementation of an evidence-informed program as defined in S.B. 21-284 (Evidence-based evaluation for budget). Based on JBC staff analysis and pursuant to S.B. 21-284, assignment of a level of evidence is not applicable to this budget request.

DEC2 EARLY INTERVENTION ALTERNATE [REQUIRES LEGISLATION]: The JBC staff does not recommend the Department's request for authorizing legislation and \$1,003,685 General Fund and 1.0 FTE in FY 2022-23 to phase in a new program for children from birth through 2 years of age with risk factors for developmental delays. Instead, staff recommends \$8,673,412 General Fund to restore funding for the Early Intervention program. The Department indicates that funding is for the implementation of an evidence-informed program as defined in S.B. 21-284 (Evidence-based evaluation for budget). Based on JBC staff analysis and pursuant to S.B. 21-284, the request is for an "opinion-based program or practice" with a low level of confidence because there is no existing evidence about the effectiveness, ineffectiveness, or harmfulness of the program or practice.

DEC3 REFINANCE COLORADO CHILD CARE ASSISTANCE PROGRAM (CCCAP): The JBC staff recommends the Department request to temporarily refinancing \$1,807,730 General Fund for the Colorado Child Care Assistance Program with federal Child Care Development Funds. The refinancing would help meet a federal requirement that 70 percent of Child Care Development Funds be spent on direct services.

R5 COMMUNITY PROVIDER RATE INCREASE: The JBC staff recommends \$4.0 million total funds, including \$1.6 million General Fund, for a 2.0 percent increase in community provider rates based on the JBC's common policy, which is twice the Department's request for a 1.0 percent increase in community provider rates. The majority of the funding is for the Colorado Child Care Assistance Program and Early Intervention but it includes adjustments to smaller programs.

R6 FACILITIES MANAGEMENT OPERATING: The JBC staff recommendation will be covered during figure setting for the Office of Operations. This table reflects the Department's request pending the JBC's action.

S4 EARLY CHILDHOOD FED STIMULUS: Staff recommends \$58.9 million federal funds and 42.0 FTE based on the Department's plan for spending the Child Care Development Funds (CCDF) discretionary allocation. The American Rescue Plan Act (ARPA) included \$178.9 million for the CCDF discretionary allocation that must be spent by September 30, 2024. The staff recommendation is based on the Department's expected expenditures in FY 22-23. In S4 Early childhood fed stimulus

the Department had requested spending authority in FY 21-22 with rollforward authority until the federal funds expire. The staff recommendation differs from the request in the format of the appropriation, but is consistent with the requested funding by initiative, except for \$16.9 million for information technology projects where the JBC staff recommends waiting for review by the Joint Technology Committee.

NP TRANSFER TO DEPT OF EARLY CHILDHOOD: The JBC staff does not recommend the Department's request to move \$363,210,245 total funds, including \$95,761,326 General Fund, and 137.2 FTE for the Office of Early Childhood, the Records and Reports of Child Abuse and Neglect, and the Child Care Automated Tracking System to the new Department of Early Childhood.

CORRECT S.B. 21-236 ANNUALIZATION: The JBC staff recommends a reduction of \$28.0 million one-time federal stimulus funds to correctly annualize S.B. 21-236.

EXTEND UNDERSPENT FED STIMULUS: The JBC staff recommends an increase of \$9.9 million federal funds to allow more time for the Department to spend federal stimulus money that was appropriated in FY 21-22. The Department projects to underspend the FY 21-22 federal stimulus appropriation due to delays in hiring staff and standing up the initiatives.

CENTRALLY APPROPRIATED LINE ITEMS: The staff recommendation is pending on centrally appropriated line items that impact the size of the indirect cost pool for the Department and thereby the amount of indirect cost assessments on this division. The amount in the table reflects the Department's request.

INDIRECT COST ASSESSMENTS: Staff recommends the requested adjustment to indirect cost assessments based on the statewide and departmental indirect cost recovery plans.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: Staff recommends adjustments to annualize prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant. If there is no reference to a bill number or priority number, then the change was initiated by an action other than a bill or request from the Department.

The largest adjustments include:

- **FY 22-23 S4 Early childhood fed stimulus** – This supplemental action provided one-time federal stimulus funding in FY 21-22 that goes away in FY 22-23 and moved federal stimulus funds from FY 21-22 to FY 22-23 based on the Department's expected pace of expenditures.
- **SB 21-236 Increase capacity early childhood care & education** – This bill made a series of appropriations from one-time federal stimulus money that ends in FY 2022-23. However, the Governor will separately propose a second allocation of federal stimulus money in FY 2022-23, presumably for similar purposes, described in the "Additional Related Requests" section below.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS					
ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
FY 22-23 S4 Early childhood fed stimulus	\$17,902,986	\$0	\$0	\$17,902,986	0.0
FY 21-22 R14 Nurse home visitor program spending authority	732,244	0	732,244	0	0.0
FY 21-22 Salary survey	459,556	72,088	76,604	310,864	0.0
FY 19-20 R21 Salesforce	324	0	13	311	0.0
SB 21-236 Increase capacity early childhood care & education	(313,459,278)	0	0	(313,459,278)	(4.0)
SB 21-275 Child Find responsibilities	(419,762)	(419,762)	0	0	1.9
SB 21-137 Behavioral health recovery act	(314,000)	186,000	(500,000)	0	0.0
HB 21-1304 Early childhood system	(119,232)	(119,232)	0	0	0.5
SB 21-199 Remove barriers to certain public opportunities	(68,612)	(16,086)	0	(52,526)	0.0
SB 21-201 Stricter transparency & enforcement in child care	(59,875)	0	0	(59,875)	0.0
TOTAL	(\$295,345,649)	(\$296,992)	\$308,861	(\$295,357,518)	(1.6)

MAJOR DIFFERENCES FROM THE REQUEST

The comparison between the Department's request and the JBC staff recommendation is not all that meaningful because there are two major technical differences that drive most of the dollar difference. First, for *S4 Early childhood fed stimulus* the JBC staff recommended \$59.9 million federal funds that the Department requested for appropriation in FY 21-22 with rollforward authority. Second, the JBC staff did not recommend NP Transfer to Dept of Early Childhood to reduce appropriations by \$363,210,245 total funds, including \$95,761,326 General Fund, and 137.2 FTE to move funding to the new Department of Early Childhood. Instead, the JBC staff assumes that reduction will happen in a bill that transfers duties to the new Department of Early Childhood. After accounting for these technical differences, the major differences include:

- DEC1 Child care safety - The JBC staff does not recommend the requested \$345,980 total funds, including \$311,382 General Fund, and 3.8 FTE
- DEC2 Early Intervention alternate – The JBC staff does not recommend the requested authorizing legislation and \$1,003,685 General Fund and 1.0 FTE
- S4 Early childhood fed stimulus – The JBC staff recommends delaying action on \$16.9 million federal funds requested for information technology in order to allow time for review by the JTC
- Extend underspent fed stimulus – The JBC staff recommends \$9.9 million federal funds to allow more time for the Department to spend federal stimulus money
- Correct S.B. 21-236 – The JBC staff recommends a reduction of \$28.0 million federal funds to correctly annualize S.B. 21-236

DECISION ITEMS

→ DEC 1 CHILD CARE SAFETY

REQUEST

The Department requests \$345,980 total funds, including \$311,382 General Fund, for four new positions (3.8 FTE in the first year) to investigate suspected illegal child care and to lead public awareness campaigns on safe care practices and the benefits of licensed care. According to the Department, there were four deaths in illegal child care since 2019.

The Department does not currently have staff devoted to proactive identification of illegal child care. There are staff who inspect licensed child care operations and the Department responds reactively to complaints of potentially illegal child care. Proactive identification, the Department explains, would involve cross referencing child care advertisements in media (such as NextDoor, Craigslist, or Facebook) with licensing records and then investigating potentially illegal care. The investigations would include outreach to the providers but could also include surveillance of the sites to estimate the children served. In the hearing responses the Department indicated that Texas has implemented a similar program, but the Department did not provide any information about the impact of the Texas program on child safety or any comparisons between the structure of the Texas program and what is being proposed for Colorado.

In addition, the proposed staff would lead public awareness campaigns about safe child care. The Department specifically mentions training for first responders, such as providing a toolkit and fact sheets, to help them understand the different types of approved and safe care, how to identify signs of unsafe care, how to read a child care license, and who to contact about suspected problems.

As evidence of the effectiveness of the proposed public awareness campaigns, the Department describes current efforts to send letters to families with children in licensed care reporting violations of safe sleep policies and providing information on safe sleep practices. The Department began sending the letters in 2018 and, "as a result, no child has died while in licensed care." The Department presents this information in contrast to the four deaths in illegal child care since 2019.

RECOMMENDATION

Staff does not recommend the requested funding. The proposal puts legislators in an unenviable position. Even a single death in a child care setting is too many and this request *might* provide some level of protection. The JBC staff ultimately decided that the risk of death by illegal child care appears low relative to other threats to children and there is little reason to believe that the specific proposed strategies would be the most effective and impactful in improving child safety. Since part of the request is about public perception that licensure requirements are meaningful and enforced, it was helpful to the JBC staff to think about the request in terms of the question, "If I was a parent seeking child care or a community leader, would this initiative make me feel appreciatively more confident my children were safe?"

The Department's proposal to cross reference advertisements to licensing records seems reasonably likely to identify some illegal providers, but illegal child care is not necessarily unsafe child care. There are many reasons care might be illegal (e.g. the provider's lack of knowledge about licensing

requirements or concerns about the administrative or financial burdens of licensure) but still competent and safe. There is more oversight of licensed care and there are training requirements associated with licensed care to give a somewhat higher degree of confidence that licensed care is safe. It just isn't clear how much of a difference it will make in child safety if the Department identifies more illegal providers, or how many illegal providers the Department is likely to be able to identify through this strategy.

The Department says part of the problem is that we don't know the magnitude of illegal child care and this request will help address that issue. However, the Department does not provide any reason to believe there is an epidemic of illegal child care. In the last couple years there have been a few cases of illegal care that received significant media attention, but this was due to the severity of the circumstances and not necessarily indicative of a statewide problem.

If anything, the Department provides reason to believe most child care is probably legal. The Department notes that family, friend, and neighbor care for small numbers of children is legal and does not require licensure. For a somewhat larger licensed family child care home that can legally serve up to eight children, the Department intentionally keeps the administrative and financial barriers to licensure low, in order to encourage more providers (e.g., for this type of facility the cost of licensure would be \$149.50, the typical time to complete all required training would be less than 40 hours cumulative, and the Department offers grants and technical assistance to new applicants). In other parts of the budget request the Department notes that reimbursement rates for child care are problematically low, suggesting to the JBC staff that most providers are probably motivated by the reward of working with children rather than financial incentives that might be associated with providing illegal child care. Finally, while children are a vulnerable population, the nature of a child care setting involves many parents coming in and out of a facility who might notice unsafe care, so the risks to a provider of getting noticed while intentionally operating in an illegal and unsafe manner seem high.

When asked whether comparing child care services advertised on social media against licensing records would have prevented the four deaths in illegal child care since 2019, the Department responded that only one of the four providers involved advertised on social media. The others advertised by word of mouth. The Department then elaborated on the description of the duties of the proposed staff from what was provided in the original request and indicated that the staff would also work with schools, resource centers, and others to identify ways to reach parents and inform them of the importance of safe child care.

It is hard to evaluate the Department's proposal for public awareness campaigns without specifics. The example the Department provides of training first responders is less a public awareness campaign and more professional development for a class of workers. First responders are already struggling with reimbursement rates and potentially dangerous work conditions. The JBC staff questions if it is wise or likely to be effective to expect them to help identify unsafe child care beyond the signs of abuse or neglect that are of a type that would be common sense observations without specialized training. The Department proposes training first responders to read and understand child care licenses, but the JBC staff wonders what daily tasks first responders would need to stop doing in order to start reading child care licenses.

To the extent the public awareness campaigns are more about educating parents on the benefits of using licensed child care, or providing tools for parents to use when evaluating potential child care

providers, which are things the Department already does to varying degrees, then that might have more value if it leads to a changes in parent behavior. However, the specific example the Department provides of training first responders does not sound promising as a strategy to improve child safety.

The Department's assumption that there is a causal relationship between the safe sleep letters and the lack of deaths in licensed settings is questionable due to the small sample size, short time period, and other plausible explanations of the difference in death rates. Four deaths in two years among unlicensed providers versus no deaths in four years among licensed providers could easily just be random chance and data noise, or it could be due to one type of provider being licensed and the other unlicensed and unrelated to the safe sleep letters.

Even if the safe sleep letters were the cause of the different death rates, it isn't clear how that is relevant and analogous to this request for FTE to identify illegal providers and conduct public awareness campaigns. These FTE will not be sending safe sleep letters. The FTE might send letters helping first responders identify licensed care, but the Department offers no rationale to suggest such a strategy would be any more or less effective than the questionably effective safe sleep letters being sent to families.

LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

The Department indicates the proposed funding is for the implementation of an evidence-informed program as defined in S.B. 21-284 (Evidence-based evaluation for budget). The Department describes the program objectives as increasing usage and knowledge of licensed child care by families and reducing the number of deaths of young children receiving care by illegal operations. The Department indicates it will measure the number of cease-and-desist letters, the number of operators investigated, the number of court injunction requests, the number of child deaths, the amount of fines, the number of illegal operations discovered, and "public awareness of why licensed child care is the safest option." Regarding the last point, the Department does not explain how it will measure public awareness.

The JBC staff's independent analysis concludes that the S.B. 21-284 definitions and requirements regarding evidence-based programs are "not applicable". It can be difficult to distinguish between the S.B. 21-284 categories of "not applicable" and an "opinion-based program or practice". To be "not applicable" no other S.B. 21-284 definition can apply, but the "opinion-based program or practice" definition includes programs, "for which there is no existing evidence about the effectiveness, ineffectiveness, or harmfulness of the program or practice" and that could describe a multitude of requests, including this one. To split hairs between the two categories, the JBC staff looked at whether it would likely be valuable for the General Assembly to evaluate this request as an evidence-based program and the conclusion was no based on the following criteria:

- **Is there existing research to inform decision making?** No. The Department did not provide any research and staff is not aware of any research, unless maybe one considers the Department's questionable conclusions that differences in child care death rates are attributable to safe sleep letters and that the safe sleep letters are relevant to the request.
- **Are the objectives measurable?** Theoretically, yes, the Department could measure increased usage and knowledge of licensed child care and child care deaths. The Department also proposes measuring several other metrics, described above, that are potentially related to the performance of the program, including the number of cease-and-desist letters, the amount of fines, etc.

- **Would the proposed measures be useful in decision making?** Probably not, due to difficulties in establishing causality, but maybe the measures would slightly suggest increased confidence that the program is improving, or at least not harming, the objectives.
- **Is the cost of measuring worth the benefit to decision making and justifiable based on the size of the program?** Probably not. Most of the measures the Department proposes would be readily available, so minimal cost, with the exception of "public awareness of why licensed child care is the safest option", which would presumably require some sort of opinion poll. However, it still takes time for department staff to prepare and produce reports and for legislators to read the reports, all for a marginal benefit to decision making on a program with annual costs of less than \$350,000.

Note that these are not criteria explicitly rooted in S.B. 21-284, but they were used by the JBC staff to categorize this request, based on the assumption that there are some circumstances where the S.B. 21-284 definitions are not applicable and not everything "for which there is no existing evidence about the effectiveness, ineffectiveness, or harmfulness of the program or practice" should be categorized as an "opinion-based program or practice".

→ DEC 2 EARLY INTERVENTION ALTERNATE

REQUEST

The Department requests \$1,003,685 General Fund and 1.0 FTE in FY 2022-23 to phase in a new program for children from birth through 2 years of age with risk factors for developmental delays. The working title for the proposed new program is Early Start. The services would be similar to those offered through the existing Early Intervention program but more limited. The proposed eligibility criteria targets two populations. First, the program would serve an estimated 2,200 children with a developmental delay in certain skills¹ that is between 33 percent and 25 percent of the expected timeline. These children would have been eligible for Early Intervention services prior to a change in eligibility criteria in FY 2020-21, which was implemented to balance the budget. Second, the new program aims to serve an estimated 1,800 children with risk factors for developmental delays in the same set of skills.

The Department projects up to \$5.2 million in private funding for this request that is not included in the proposed appropriation amounts above. However, the Department assumes the private funding is time limited and the projected cost for the program increases to \$6,241,201 General Fund and 2.0 FTE by FY 2024-25 when the program is fully implemented and private funding is no longer available. The table below summarizes the projected General Fund costs by fiscal year.

DEC2 EARLY INTERVENTION ALTERNATIVE			
	FY 2022-23	FY 2023-24	FY 2024-25
Services	\$904,925	\$3,595,686	\$6,044,532
Administrative Staff	98,760	193,595	196,669
Total - General Fund	\$1,003,685	\$3,789,281	\$6,241,201
FTE	1.0	2.0	2.0

This table assumes a ramp up in children served with state funds, but no projection of caseload growth based on population. This is achievable, since the eligibility criteria is discretionary, but worth noting that the Department is not projecting any growth in the population served over time.

¹ The skills are in five domains of adaptive, cognitive, communication, motor, or social and emotional skills.

The Department requests the JBC sponsor legislation to authorize the new Early Intervention alternate program, create a cash fund to receive gifts, grants, and donations, and provide continuous spending authority from the cash fund to the Department.

EXISTING EARLY INTERVENTION

The existing Early Intervention program is designed to enhance child development in 15 allowable areas of service that include cognition, speech, communication, physical development, motor development, vision, hearing, social and emotional development, and self-help skills. The Department contracts with the Community Centered Boards (CCBs) to deliver these services statewide.

The majority of the funding for Early Intervention comes from the General Fund, but the Department also receives roughly \$7.6 million in federal formula grant funding under Part C of the federal Individuals with Disabilities Education Act (IDEA). To qualify for the federal formula grant the Department must meet several requirements, including offering the full suite of federally defined services to all eligible families that apply with no waiting lists for services. However, the Department has the authority to adjust the eligibility criteria to manage expenditures within the appropriated funding.

In addition to General Fund and federal funds, Early Intervention services are financed with insurance payments. Medicaid covers Early Intervention services for eligible clients and the estimated Medicaid payments to providers appear as Reappropriated Funds in the Department of Human Services budget (although the payments go directly to providers, rather than through the Department of Human Services). In addition, private insurance programs regulated in Colorado pay into a cash fund to support Early Intervention services for the people they insure.

EARLY INTERVENTION FY 2021-22 APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CF - PRIVATE INSURANCE	RF – MEDICAID	FEDERAL FUNDS
Early Intervention Services	\$62,747,158	\$36,918,733	\$10,509,980	\$7,968,022	\$7,350,423
Early Intervention Evaluations	10,722,964	10,522,964	0	0	200,000
Total	\$73,470,122	\$47,441,697	\$10,509,980	\$7,968,022	\$7,550,423

FUNDING REDUCTIONS

In FY 2020-21 the Department requested \$4,973,412 General Fund for the Early Intervention program to keep pace with projected enrollment, but the request was denied due to pandemic-related budget pressures. In response, and to achieve even more budget savings, the Department adopted a rule reducing the eligibility criteria for Early Intervention from a 25 percent developmental delay to a 33 percent developmental delay. The Department estimated this would save an additional \$3,700,000 in FY 2021-22, on top of the \$4,973,412 already denied by the JBC, for a total savings of \$8,673,412 General Fund compared to the projected expenses under the old eligibility criteria.

The Department estimated 2,200 children who would have been served under the old eligibility criteria would not meet the new more restrictive criteria. The Department indicates actual enrollment in FY 2021-22 is on track with the estimate used for the appropriation. However, the pandemic is also likely affecting utilization of Early Intervention services. It is very difficult to isolate the impact of the change in eligibility criteria from other potential influences on enrollment, including the pandemic.

PROPOSED ALTERNATE PROGRAM

Rather than restoring funding for Early Intervention, the Department proposes creating an alternate program that would not be subject to the same federal rules for Early Intervention and could therefore be flexible to serve more children at a lower cost per child. Specifically, the Department highlights two perceived problems with the federal regulations around Early Intervention. First, under federal rules eligible children and their families must be offered the full suite of Early Intervention services when the Department believes some children and families would still benefit from more targeted and/or less frequent services. Second, the Department would like to offer group services, such as child and parent play groups, parenting support communities, and group therapy for children in a community site. The Department says Early Intervention participants want these group services and they happen to be cheaper than one-on-one services. However, the federal regulations around Early Intervention encourage individualized, community-based (primarily in-home) services and prohibit congregate care. The Department interprets the federal regulations as disallowing group programs. The Department has already developed rules for the proposed alternate program, though it is not yet authorized in statute.

If the funding from private sources is less than expected, the Department plans to prioritize services in three tiers to fit the available resources. First, the Department would extend services to children with a 25 percent developmental delay in two or more areas, then to children with a 25 percent developmental delay in one or more areas, then to children with a family factor known through research to put the child at risk of a developmental delay. Per the Department, "These risk factors include, but are not limited to, a substantiated case of abuse or neglect, neonatal abstinence syndrome, fetal alcohol spectrum disorders, lead poisoning, global developmental delays, and perinatal mood and anxiety disorders."

RECOMMENDATION

Staff does not recommend the request and instead staff recommends \$8,673,412 General Fund to restore the eligibility criteria for the existing Early Intervention program to children exhibiting a 25 percent developmental delay, rather than a 33 percent developmental delay.

There is no evidence to indicate whether the proposed program would still be effective while providing approximately half the level of services per child as the existing Early Intervention program. There is evidence to suggest the more robust existing Early Intervention program is effective (see the Level of Evidence section below).

The Department designed the alternate program to provide approximately half the level of services per child in order to reach more children and based on feedback from stakeholders, but the assumption that the children do not need as many services appears to contradict the views of the professionals who meet with the families to develop individualized family service plans based on the child and family needs. When the eligibility criteria was set at a 25 percent developmental delay, for the population with a developmental delay between 33 percent and 25 percent, these teams of professionals and families were developing individualized family service plans that involved a higher level of services than what the Department is proposing. With this request the Department appears to be saying that the teams of professionals were routinely over-prescribing services, without providing any evidence or any explanation for how the Department arrived at this conclusion.

In discussions with the JBC staff about the request, the Department indicated that there are discrepancies between the levels of service suggested as appropriate by the assessment reports for the children and the levels of service authorized in the individualized family service plans. The Department did not include the analysis or any quantification of the discrepancies in the request and was not able to provide in time for this JBC staff figure setting recommendation. This type of analysis, if the Department is able to provide it, might make a case that the current Early Intervention program overserves some children and strengthen the Department's argument for an alternative approach.

Although the request for the first year of the alternate program is only \$1.0 million General Fund, the estimated full on-going cost is \$6.2 million General Fund. To keep the cost so low in the first year the Department is counting on private contributions that may not materialize. Whether the Department can serve the proposed number of children is dependent on the private funding. The full on-going cost of \$6.2 million General Fund for the proposed alternative program approaches the \$8.7 million General Fund needed to just restore the eligibility criteria for the existing Early Intervention program. Given the evidence supporting the efficacy of Early Intervention and the lack of evidence for the alternative program, the JBC staff believes it would be a better use of resources to restore the eligibility criteria for Early Intervention.

With the change in the General Fund budget outlook, the JBC has made an effort to restore funding for direct services that were previously cut for budget balancing reasons. The JBC staff is not sure why the funding for Early Intervention has not been restored to date. Providing money to reinstate the pre-pandemic eligibility criteria for the Early Intervention program would be consistent with the JBC's policy approach in other areas of the budget.

Approving the staff recommendation would have a secondary impact of restoring pre-pandemic required private insurance levels for Early Intervention. Pursuant to statute, insurance companies regulated in Colorado are required to cover Early Intervention through payments into the Early Intervention Services Trust Fund. The threshold for when commercial insurance needs to cover Early Intervention is based on the eligibility determination for Early Intervention. According to the Department, the number of children covered through the Early Intervention Services Trust Fund is down 20 percent since the Department changed the eligibility criteria. Some of the decrease might be due to factors not directly related to the change in eligibility, including the pandemic and annual variation in the number of privately insured children diagnosed with developmental delays. Also, while fewer children are covered through the Early Intervention Services Trust Fund, the Department argues that some of these uncovered children have access to similar therapies through their private insurance. The insurers just are not required to cover services when a child is not eligible for Early Intervention and any covered services would be a la carte rather than delivered with the intensive care coordination offered through Early Intervention. Restoring pre-pandemic required private insurance levels for Early Intervention would not have a TABOR revenue impact, because payments to the Early Intervention Services Trust Fund are exempt from TABOR pursuant to Section 24-10.5-709 (2)(a), C.R.S.

In the request the Department identified two policy concerns that would not be addressed by the JBC staff recommendation. First, the Department's request would serve an estimated 1,800 children with risk factors for developmental delays who do not exhibit sufficient developmental delays to qualify for the Early Intervention program. The risk factors include child abuse or neglect, neonatal abstinence syndrome, fetal alcohol spectrum disorders, lead poisoning, global developmental delays, and perinatal mood and anxiety disorders. Second, the Department's request would allow payments

for group care that is prohibited in the standard Early Intervention program by federal regulation. The federal regulations are designed to ensure children receive care in natural settings, but the Department indicates that many families say that caring for a child with developmental delays is stressful and isolating and they would like opportunities to interact with other families with similar experiences, for example through a parent support group. Also, many of the children who would be impacted by the proposed alternate program have verbal delays and the Department indicates therapy in group settings can be beneficial for this type of developmental delay.

State payments for group services and services to children with risk factors for developmental delays might be worth pursuing, but staff would recommend a pilot program to prove the efficacy of the concept, rather than a statewide program. A statewide program would establish a new standard of care, which could be difficult to undo, without any research basis that the proposed standard of care is appropriate. A pilot program could compare results for children and families receiving services versus those who do not and provide insight on potentially avoided costs due to the interventions. A pilot program would be a more manageable and more typical type of expenditure for foundations than the Department's proposal for private money to temporarily backfill state funding for a statewide program. It isn't clear to the JBC staff that legislation would even be needed for a privately funded pilot program, but it might allow for greater assistance from state agencies in identifying children with risk factors for participation in the pilot and/or signal state support for evaluating the concept.

The amount recommended by the JBC staff is based on the Department's estimate and may need adjusting once the fiscal year starts. The Department has not updated the estimated cost of funding the program with the eligibility criteria at a 25 percent delay since FY 2020-21. Projecting costs with a change in eligibility criteria is challenging due to pandemic influences on utilization over the last few years. Staff assumes the Department would submit a supplemental if mid-year utilization data suggests a true-up is needed.

LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

The Department indicates the proposed funding is for the implementation of an evidence-informed program as defined in S.B. 21-284 (Evidence-based evaluation for budget). The Department describes the theory of change that children receiving services will more likely be prepared for success when entering school. The Department indicates it will measure the number of children and families engaged and use existing evaluation methods to assess developmental progress and academic performance.

The JBC staff's independent analysis, pursuant to S.B. 21-284, indicates the request is for an "opinion-based program or practice" with a low level of confidence because there is no existing evidence about the effectiveness, ineffectiveness, or harmfulness of the program or practice. The Department is extrapolating that because there is evidence to suggest the Early Intervention program is effective, then this alternate program will also be effective. However, the alternate program would provide a level of service that is roughly half the level of service shown to be effective in the Early Intervention program. Also, it would serve a different population that includes children with risk factors for a developmental delay who are not currently showing signs of developmental delays sufficient to qualify for the Early Intervention program. And, the alternate program would include group services that are not part of the Early Intervention program. The Department's hypothesis that a light version of the Early Intervention program would provide some benefit to lower risk children is not implausible, but it is not tested or supported by any existing research.

The request would not do anything to address the lack of evidence for the proposed alternate to Early Intervention. The Department requests funding to implement the proposed program statewide, so there would be no control group. Potentially, the Department could do a pre- and post-evaluation using information currently available about the average development and academic performances of children, but the Department did not request any funding to do that type of analysis.

Regarding the standard Early Intervention program, the Department indicates that of children enrolled: 49 percent do not go on to need similar supports in preschool; 99 percent show at least some progress in development; and 60 percent show significant progress toward reaching development closer to their same age peers. According to the Department, these Colorado-specific metrics are similar to the performance of Early Intervention in national studies. The statistics could mean that Early Intervention is highly effective, but they could also mean that a large number of children are receiving Early Intervention services who would develop on their own. If the latter is true it is not necessarily a bad thing, because the impact of reaching a few children early may justify the cost of providing services to some children who would have developed without services.

The Department argues that denying Early Intervention services to children who qualify is unethical and counter to federal policy, making it difficult to design controlled trials. Nevertheless, the Department identified at least one study that found a creative way to address this issue. A large percentage of children are not assessed for developmental delays. This study² looked at children in Early Head Start who received Early Intervention services and found that they performed better than children suspected of delays who were not assessed and did not receive services.

→ DEC 3 REFINANCE CHILD CARE ASSISTANCE PROGRAM

REQUEST

The Department proposes temporarily refinancing \$1,807,730 General Fund for the Colorado Child Care Assistance Program with federal Child Care Development Funds (CCDF). The refinancing would help meet a federal requirement that 70 percent of Child Care Development Funds be spent on direct services and at the same time free up General Fund for other priorities.³ Also, the Department indicates that removing the General Fund to keep the total the same would be useful because the Department is concerned about meeting federal targets for expenditure of base CCDF on direct services while also spending the large influx of stimulus CCDF that has been devoted to direct services before the federal money expires.

The refinance of General Fund is possible because there is a \$1,807,730 difference between the current General Fund appropriations and the minimum federal requirements. The Department anticipates the reduction in General Fund is sustainable for at least two fiscal years. After that time frame the Department may need some of the General Fund restored to meet federal requirements for receiving CCDF, depending on what happens with future federal allocations of CCDF.

² Hyun-Joo Jeon, Carla A. Peterson, Shavaun Wall, et al., “Predicting School Readiness for Low-Income Children with Disability Risks Identified Early”, *Exceptional Children* 77 (2011).

³ The Governor already accounted for the savings in the budget request but no specific initiatives were identified as tied to this particular savings.

RECOMMENDATION

Staff recommends approval of the request. This technical change helps the Department maintain compliance with federal rules regarding the CCDF and provides temporary General Fund savings.

→ R5 COMMUNITY PROVIDER RATE INCREASE

REQUEST

The Department requests a common policy 1.0 percent increase in community provider rates. For this division the increase is \$2.0 million total funds, including \$793,583 General Fund, primarily for the Colorado Child Care Assistance Program and Early Intervention but including adjustments to smaller programs.

RECOMMENDATION

Staff recommends application of the JBC's common policy for a 2.0 percent community provider rate increase. The impact by line item is summarized in the table below.

R5 COMMUNITY PROVIDER RATE INCREASE					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Child Care Licensing and Administration	\$97,690	\$37,780	\$0	\$0	\$59,910
Child Care Assistance Program	2,706,470	599,964	295,374	0	1,811,132
Early Childhood Mental Health Services	57,984	22,494	0	0	35,490
Early Intervention Services	894,662	735,302	0	159,360	0
Family Support Services	22,728	22,728	0	0	0
Community Child Abuse Prevention	157,174	157,174	0	0	0
Home Visiting for School Readiness	11,724	11,724	0	0	0
Incredible Years Program	15,392	0	15,392	0	0
Total	\$3,963,824	\$1,587,166	\$310,766	\$159,360	\$1,906,532

→ R6 FACILITIES MANAGEMENT OPERATING INCREASE

REQUEST

The request includes an adjustment to indirect cost assessments for the division in conjunction with an inflationary increase for the Office of Operations.

RECOMMENDATION

The JBC staff recommendation will be addressed during figure setting for the Office of Operations. Since the item is pending, the amount that appears in the numbers pages reflects the Governor's request.

→ S4 EARLY CHILDHOOD FED STIMULUS

REQUEST

The JBC has not yet acted on parts of the Governor's supplemental request. The Governor requested a supplemental appropriation for FY 2021-22 of \$184,755,513 federal funds and 17.0 FTE for twenty-seven initiatives that OSPB described as designed to support the economic recovery of the state, stabilize the child care sector, and strengthen capacity to support universal preschool. The specific ideas are described below in the Summary of the Stimulus Spending Plan by Initiative.

The source of funds is federal stimulus Child Care Development Funds (CCDF), primarily from the American Rescue Plan Act (ARPA) discretionary allocation. The ARPA discretionary allocation must be spent by September 30, 2024.

In the original request, the Governor proposed that all of the money be appropriated in FY 2021-22 with roll-forward authority to FY 2023-24. However, the JBC approved the supplemental staff recommendation to appropriate the money annually based on when the Department expects to spend the funds. The JBC approved the proposed expenditures for FY 2021-22 and included them in the supplemental bill. The JBC has not yet acted on the proposed expenditures for FY 2022-23 and beyond.

SUSTAINABILITY

Overall, the Department describes the request as thoughtfully designed to be one-time simulative investments that can end when the federal funds expire without a cliff effect for children, families, or providers. The request includes funds for evaluation and the Department plans to closely monitor the effectiveness of the initiatives. Based on the evaluations, the Department may request funding for some the most impactful initiatives in the future.

However, there are a few initiatives the Department describes as critical and the Department says it will work with the Office of State Planning and Budgeting to identify fund sources to sustain them, such as the on-going base CCDF award. There are only two ways the on-going base CCDF award could sustain these critical initiatives. First, the Department could cut some other current use of the on-going base CCDF award. The Department did not identify any potential cuts. Second, the on-going base CCDF award could increase, which might happen if the federal Build Back Better legislation is adopted. The most critical initiatives the Department says it needs to sustain are the *Continue increased CCCAP rates and paid absences* (\$16.4 million per year), *Continue reduced CCCAP co-pays* (\$3.2 million per year), and *Pay for infant and toddler enrollment not attendance* (\$10.5 million per year). Estimated costs may change with further information on actual utilization and the implementation of universal preschool. With current information the estimated combined cost to sustain these three initiatives would be roughly \$30.0 million per year.

This characterization by the Department that there are three initiatives that need to be continued into the future helps identify the Department's highest priorities, but it understates the actual ongoing need. For example, the Department's description of *Local capacity building partners* suggests this is an expenditure that would need to continue into the future to implement universal preschool. Similarly, increased *PDIS operations maintenance and licensing costs* and *Data and IT system administration* will not go away when the federal stimulus money expires. These are a few of several examples where the Department's description of the initiative does not appear to align with one-time funding.

BUILDING ON PREVIOUS FEDERAL STIMULUS FUNDS

The request is designed to build on and extend strategies developed and implemented previously with other sources of federal stimulus funds. The Department is already underway spending \$442.1 million in federal stimulus funds pursuant to plans approved through a combination of emergency executive orders and appropriations. The money for this request comes from the ARPA discretionary award, plus \$5.8 million that has not yet been allocated from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Federal Stimulus Child Care Development Funds Received	
	Amount
Coronavirus Aid, Relief, and Economic Security Act (CARES)	\$42,457,884
Coronavirus Response and Relief Supplemental Appropriations (CRRSA)	119,294,226
American Rescue Plan Act (ARPA)	
Supplemental Stabilization	286,156,175
Discretionary	178,914,747
Total	\$626,823,032

The state has until September 2024 to spend the ARPA discretionary supplemental award but all the other CCDF federal stimulus money must be spent by September 2023.

RECOMMENDATION

Staff recommends approval of the Department's proposed stimulus spending plan with the exception of the *Data and IT system administration* and *Capital budget IT* initiatives. This is a zero sum game such that if the JBC does not like one of the initiatives, then it needs to identify an alternate way to spend the money or the funds will revert when the federal authorization expires. Part of the reason the Department did not request funding for this money last year when it first became available was to allow time for stakeholder engagement. The proposed initiatives appear consistent with the feedback the Department received and with the recommendations from previous studies of early childhood program needs, including the Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan.⁴ Many of the proposals are to extend the duration of initiatives previously approved by the General Assembly until the federal funding runs out.

Staff Recommendation by Line Item						
	FY 21-22 ¹	FY 22-23	FY 23-24	FY 24-25	Cumulative	FTE
Child Care Licensing & Administration	\$126,910	\$2,712,113	\$6,013,935	\$1,135,941	\$9,988,899	34.0
CCCAP Intrastate Redistribution	0	25,970,215	45,510,810	7,968,668	79,449,693	0.0
Child Care Grants for Quality and Availability	(5,024,409)	26,477,773	36,191,041	1,783,187	59,427,591	5.0
Early Care and Education Recruitment and Retention	0	601,834	6,738,754	0	7,340,588	1.0
Continuation of Child Care Quality Initiatives	748,959	3,015,120	4,244,423	832,134	8,840,636	1.0
Early Childhood Mental Health Services	0	160,000	2,648,107	0	2,808,107	1.0
Total	(\$4,148,540)	\$58,937,055	\$101,347,069	\$11,719,930	\$167,855,514	42.0

¹ Already approved by the JBC and included in H.B. 22-1175 Human Services Supplemental

DATA AND IT SYSTEM ADMINISTRATION AND CAPITAL BUDGET IT INITIATIVES

In the original supplemental the Department requested all of the money for these two initiatives up front, but with a statutory caveat that the Department would not spend any of the funds until the Joint Technology Committee (JTC) and JBC approve a spending plan, presumably over the interim. This proposal was problematic for several reasons, including that it put the JTC and the JBC in the position of making decisions for the entire General Assembly and of administering the appropriation, which is a function reserved in the Colorado Constitution for the executive branch. The JBC rejected the supplemental.

⁴ The Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan can be found here: https://static1.squarespace.com/static/5679be9605f8e24bd8be467a/t/5de967f17f43ba5febdc6ad/1575577605076/V2_REVISED112719_FINAL_SB63+Report.pdf

Instead, the JBC staff encouraged the Department to work with the JTC on balancing the needs of proper oversight of the technical plan with spending the short duration federal funds in a timely manner and putting critical systems in place to support the new Department of Early Childhood. The solution might involve phasing the project and/or revisiting initial funding in a supplemental next year after the Department is further along with the project design.

The Department is in the process of working with the JTC and the JBC staff proposes holding off on a decision regarding this funding to allow more time for the JTC's feedback.

In the supplemental the Department proposed reallocating \$5.2 million from the operating budget for information technology planning to the IT capital budget. The JBC approved the reduction to the operating budget in the supplemental, but has not yet acted to provide spending authority in the IT capital budget. The total amount that would be pending with this staff recommendation is \$16.9 million.

The table below shows the two pending recommendations regarding federal stimulus funds, but to put these in context it also shows all the other early childhood information technology funding requested to date. Note that the table mixes operating and capital funding and funding specific to universal preschool versus general for the Department of Early Childhood. It also mixes short-duration stimulus funding and on-going funding. The cumulative column is probably more useful and informative for the short-duration stimulus funding and capital projects than the on-going operating funding.

Pending Information Technology Recommendations					
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Cumulative
Pending IT Recommendations					
Data and IT system administration	\$0	\$1,000,000	\$1,000,000	\$250,000	\$2,250,000
Capital budget IT	0	14,650,000	0	0	14,650,000
Subtotal - Pending Recommendations	\$0	\$15,650,000	\$1,000,000	\$250,000	\$16,900,000
Other Early Childhood IT					
Reduce operating budget IT in S.B. 21-236 (Included in HB 22-1175 Hum Services supplemental)	(5,150,000)	0	0	0	(5,150,000)
Data systems to support the universal preschool program (Included in HB 22-1197 Effective date of DEC)	3,500,000	0	0	0	3,500,000
Information Technology Contracts & Equipment (Recommended in DEC figure setting)	0	3,946,534	3,946,534	3,946,534	11,839,602
Application support	0	371,284	371,284	371,284	1,113,852
Migration of existing systems	0	1,646,859	1,646,859	1,646,859	4,940,577
New functions	0	1,928,391	1,928,391	1,928,391	5,785,173
Subtotal - Other Early Childhood IT	(\$1,650,000)	\$3,946,534	\$3,946,534	\$3,946,534	\$10,189,602
Grand Total	(\$1,650,000)	\$19,596,534	\$4,946,534	\$4,196,534	\$27,089,602

VISUALIZING THE SPENDING PLAN

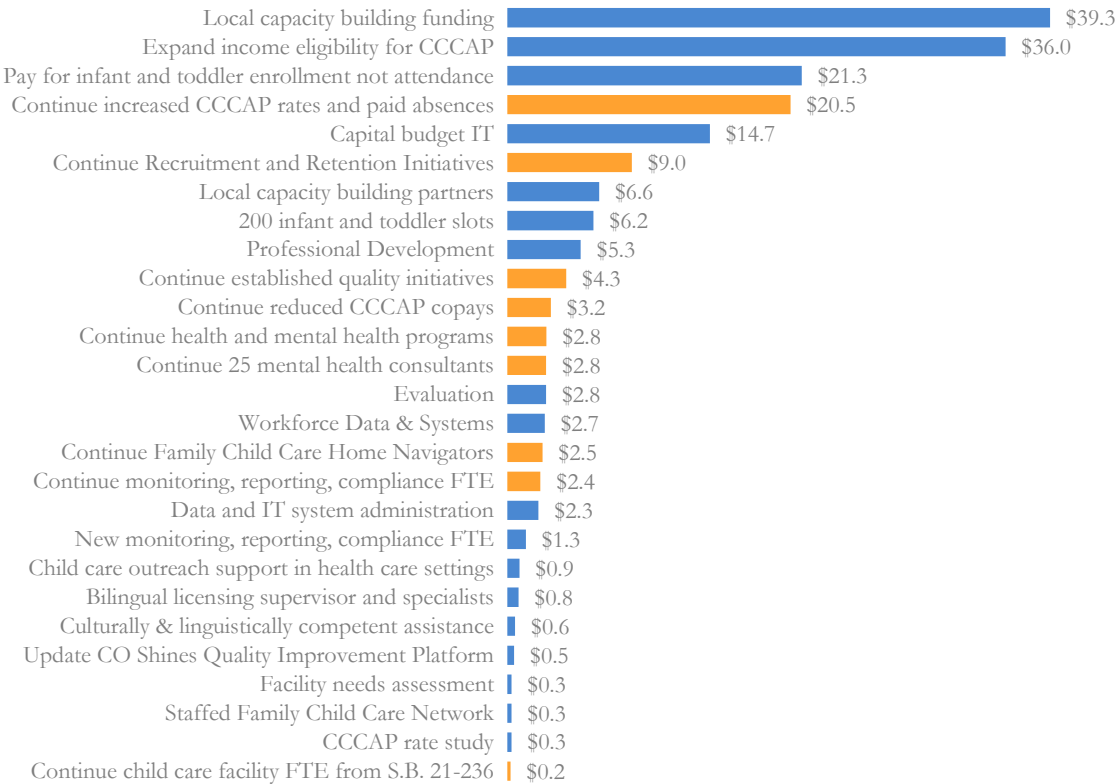
In the Summary of the Stimulus Spending Plan by Initiative section below the JBC staff attempted to follow the format of the Department's request that organized the initiatives by broad categories, such

as initiatives designed to address Infant and Toddler Care, Facilities, or Workforce. However, since the number of distinct initiatives is daunting, the JBC staff looked for other ways to organize the information to highlight the most important policy ramifications. The chart below organizes the initiatives by size and then uses color to distinguish initiatives that are new from those that are extending the duration of strategies previously approved by the General Assembly.

Stimulus Spending Plan Initiatives by Size (cumulative \$s in millions)

New Strategies in Blue

Continuing Strategies in Orange



Some takeaways from the chart include:

- Most of the initiatives are individually small, with 18 of the 27 initiatives costing less than \$5.0 million for the initiative over the four state fiscal years
- A third of the initiatives and a quarter of the dollars are merely extending the duration of initiatives previously approved by the General Assembly until the federal funds run out
- The largest initiatives include:
 - \$39.3 million (21.3%) for *Local capacity building funding*
 - \$36.0 million (19.5%) for *Expand income eligibility for CCCAP*
 - \$21.3 million (11.5%) for *Pay for infant and toddler enrollment not attendance*
 - \$20.5 million (11.1%) for *Continue increased CCCAP rates and paid absences*
 - \$14.7 million (7.9%) for *Capital budget IT*

TOO MANY LITTLE INITIATIVES?

As an overall observation, staff notes that the Department is proposing many small initiatives and wonders if it might be both easier to administer and more effective to focus on a few large efforts.

For example, in the *Professional development* initiative the Department proposes spending \$1.2 million for a statewide substitute fund. Finding substitutes is consistently identified by providers as a major challenge, but is this just another tiny grant program that only insiders will know about? Will the benefit to providers be worth the effort for them to research, discover, and apply for substitute funding? Similarly, in *Child care outreach support in health care settings* the Department proposes spending \$879,135 for vendors to distribute content on child development, quality child care, and family supports to parents with young children in health care settings. Is distributing child care fliers, which will be there during the federal funding and gone with the money runs out, a top priority for stimulus funds that will make a lasting impact? These concerns about small initiatives were not enough to cause the JBC staff to recommend modifications to the Department's proposed spending plan but perhaps worth considering in evaluating the overall strategy.

Part of the Department's approach was dictated by how the General Assembly already appropriated funding that the Department is just proposing to continue. The Department also says it was focused on avoiding a cliff effect when the federal funding runs out, which might be more prominent with a few large initiatives.

EXPECTATIONS FOR THE FY 23-24 BUDGET

Department staff requested some additional guidance regarding whether the JBC would like to see a new request in FY 23-24 repeating the justification and explanation for each of the proposed initiatives that would receive funding in that fiscal year, or if the JBC's actions regarding FY 22-23 funding should be interpreted as approval of the entire spending plan so that changes in funding in FY 23-24 and FY 24-25 would be treated as annualizations of the JBC's FY 22-23 budget actions.

Either approach seems reasonable to the JBC staff. It could be repetitive for the JBC to have to wade through a Department request and staff analysis next year that is likely to be largely the same as this year. If the JBC approved the entire spending plan, it would help the Department plan for the future expenses. On the other hand, there are some larger initiatives the Department proposes that would receive funding in FY 23-24 but not in FY 22-23, such as *Continue increased CCCAP rates and paid absences*, and maybe the JBC wants to reserve decisions on those initiatives for future JBCs and General Assemblies. While funding for annualizations is never guaranteed, the annualizations tend to receive less policy discussion than new proposals and it is unusual for the JBC or General Assembly to tinker with annualizations of policy decisions made in a prior year.

The JBC staff analysis considered the entire spending plan, rather than just FY 22-23, and the intent was to recommend approval of the entire spending plan. Whatever the JBC decides, the Department indicates it would be helpful for the motion to clarify whether the JBC is approving some variation of the entire spending plan or just the FY 22-23 expenditures.

SUMMARY OF THE STIMULUS SPENDING PLAN BY INITIATIVE

The table below summarizes the Department's stimulus spending plan by initiative. The table has been updated from what was presented for the supplemental to add FTE where the proposed initiative would continue funding for an FTE authorization that would otherwise expire. The original supplemental request did not include FTE for these positions, significantly understanding the impact by 25.0 FTE. In addition to updating the FTE with new information from the Department, the table updates the format, timing, and description of expenditures for the *Data and IT system administration* and *Capital budget IT* to reflect the Department's current plans based on the JBC's supplemental actions.

Finally, smaller updates were made to some of the initiative descriptions based on clarifying information provided by the Department since the supplemental.

EARLY CHILDHOOD FEDERAL STIMULUS SPENDING PLAN						
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	CUMULATIVE	FTE
Colorado Child Care Assistance Program						
Expand income eligibility for CCCAP	\$0	\$15,932,603	\$16,091,463	\$4,022,407	\$36,046,473	6.0
<i>Serve approx. 3,000 additional families</i>	0	15,489,869	15,489,869	3,872,008	34,851,746	0.0
<i>County training in quality assurance and program delivery</i>	0	442,734	601,594	150,399	1,194,727	6.0
Continue increased CCCAP rates and paid absences	0	0	16,386,638	4,096,660	20,483,298	0.0
Continue reduced CCCAP copays	0	0	3,153,957	0	3,153,957	0.0
CCCAP rate study	0	300,000	0	0	300,000	0.0
Infant and Toddler Care						
200 infant and toddler slots	0	3,108,434	3,101,434	25,359	6,235,227	1.0
Pay for infant and toddler enrollment not attendance	0	10,830,346	10,480,346	0	21,310,692	0.0
<i>Payments for enrollment for two years</i>	0	10,480,346	10,480,346	0	20,960,692	0.0
<i>CHATS programming changes to make payments</i>	0	350,000	0	0	350,000	0.0
Support for Family Child Care Homes						
Continue Family Child Care Home Navigators	0	0	2,032,518	508,129	2,540,647	0.0
Bilingual licensing supervisor and specialists	0	369,789	348,789	87,197	805,775	3.0
Staffed Family Child Care Network	0	100,000	180,000	20,000	300,000	0.0
Facilities						
Continue child care facility FTE from S.B. 21-236	0	114,886	114,886	0	229,772	1.0
Facility needs assessment	0	300,000	0	0	300,000	0.0
Equitable Access to Quality						
Update CO Shines Quality Improvement Platform	100,000	200,000	200,000	0	500,000	0.0
Continue established quality initiatives	23,959	428,798	3,008,238	799,559	4,260,554	0.0
<i>Continue Preschool Development Grant quality initiatives</i>	23,959	428,798	785,720	291,430	1,529,907	0.0
<i>Business Training</i>	0	0	190,000	0	190,000	0.0
<i>Child Care Resource and Referral & Inclusive Design</i>	0	0	2,032,518	508,129	2,540,647	0.0
Workforce						
Professional Development	125,000	1,788,156	2,860,537	540,704	5,314,397	2.0
<i>Continue Preschool Development Grant strategies</i>	0	200,042	1,272,423	394,134	1,866,599	0.0
<i>Establish substitute fund</i>	0	601,834	601,834	0	1,203,668	1.0
<i>Help desk for Professional Development Info System</i>	125,000	986,280	986,280	146,570	2,244,130	1.0
Continue Recruitment and Retention Initiatives	0	0	8,999,152	0	8,999,152	2.0
<i>Apprenticeship program</i>	0	0	1,000,000	0	1,000,000	1.0
<i>Child Development Associate support specialist</i>	0	0	675,000	0	675,000	0.0
<i>Free public tuition Early Childhood Education 101 and 103</i>	0	0	1,399,731	0	1,399,731	0.0
<i>TEACH scholarships</i>	0	0	1,000,000	0	1,000,000	0.0
<i>Teacher peer mentors</i>	0	0	187,232	0	187,232	1.0
<i>Workforce recruitment and retention scholarship</i>	0	0	4,737,189	0	4,737,189	0.0
Workforce Data & Systems	500,000	1,200,000	1,000,000	0	2,700,000	0.0
<i>PDIS operations maintenance and licensing costs</i>	500,000	1,000,000	1,000,000	0	2,500,000	0.0
<i>PDIS dashboard modernization</i>	0	200,000	0	0	200,000	0.0
Family Strengthening						
Child care outreach support in health care settings	125,591	376,772	376,772	0	879,135	0.0
Continue 25 mental health consultants	0	160,000	2,648,107	0	2,808,107	1.0
Continue health and mental health programs	0	0	2,830,000	0	2,830,000	1.0
Local Capacity Building						
Local capacity building partners	0	2,961,021	2,954,021	721,570	6,636,612	1.0
Local capacity building funding	0	19,631,546	19,631,546	0	39,263,091	0.0

EARLY CHILDHOOD FEDERAL STIMULUS SPENDING PLAN						
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	CUMULATIVE	FTE
Administration						
Continue monitoring, reporting, compliance FTE	0	291,817	1,845,303	260,623	2,397,743	18.0
New monitoring, reporting, compliance FTE	64,410	592,887	550,887	137,722	1,345,906	6.0
Evaluation	0	0	2,302,476	500,000	2,802,476	0.0
Culturally & linguistically competent assistance	62,500	250,000	250,000	0	562,500	0.0
Data and IT system administration	<u>(5,150,000)</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>250,000</u>	<u>(2,900,000)</u>	<u>0.0</u>
<i>Data and IT system administration</i>	0	1,000,000	1,000,000	250,000	2,250,000	0.0
<i>Reduce operating budget IT in S.B. 21-236</i>	(5,150,000)	0	0	0	(5,150,000)	0.0
Operating Budget Total	(\$4,148,540)	\$59,937,055	\$102,347,069	\$11,969,930	\$170,105,514	42.0
Capital budget IT	0	14,650,000	0	0	14,650,000	0.0
Grand Total	(\$4,148,540)	\$74,587,055	\$102,347,069	\$11,969,930	\$184,755,514	42.0

COLORADO CHILD CARE ASSISTANCE PROGRAM

EXPAND INCOME ELIGIBILITY FOR CCCAP

The Department proposes spending \$36.0 million (approximately \$16 million per year), or 19.5 percent of the total funds, and 6.0 FTE to temporarily expand the income eligibility for the Colorado Child Care Assistance Program (CCCAP) to serve approximately 3,000 more families. The average cost per additional eligible family implied in the request is \$5,163. CCCAP eligibility is based on the cost of living in a county. Tier 1 counties have the lowest cost of living and Tier 3 counties the highest cost. The initiative is designed to provide the biggest increase in eligibility in the lowest income counties. The proposed 6.0 time-limited FTE would administer the eligibility expansion, including providing training to counties to ensure quality and proper program delivery. Of the proposed FTE 4.0 are new for FY 22-23 and 2.0 are an extension of time for FTE previously approved for quality assistance to counties.

EXPAND INCOME ELIGIBILITY FOR CCCAP			
	TIER 1 COUNTY	TIER 2 COUNTY	TIER 3 COUNTY
Eligibility Expansion			
Current % FPL	185%	225%	265%
Proposed % FPL	200%	235%	270%
Impact on a Family of Three			
Current Income Cap	\$42,606	\$51,818	\$61,030
Proposed Income Cap	\$46,060	\$54,121	\$62,181

The Department would work with counties on the timing to phase out the expanded eligibility as the federal funds expire to ensure there are sufficient funds to pay for all the newly eligible families. The average length of care on CCCAP is eight months. This is not intended as an ongoing strategy but a temporary eligibility expansion.

The Department assumes most of the families already have child care and this initiative would change the source of funds from private pay to subsidized care. However, the Department anticipates some families will need placement into child care and notes that the eligibility expansion initiative builds off previous stimulus funds intended to increase child care capacity and improve workforce retention.

CONTINUE INCREASED CCCAP RATES AND PAID ABSENCES

The Department requests spending \$20.5 million, or 11.1 percent of the total, to continue increased CCCAP rates and paid absences for FY 23-24 and the first quarter of FY 24-25. The Department previously increased rates and paid absences through FY 22-23 using federal stimulus funds through the CRSSA Act. The changes in rates and paid absences were made to comply with federal guidelines regarding equal access and the Department will need to find a way to continue paying the higher amounts when the federal stimulus funds run out. This initiative delays that reckoning for another year and a quarter.

CONTINUE REDUCED CCCAP COPAYS

The Department requests \$3.2 million to continue lower family copays for another year through FY 23-24. Lower family copays were implemented in response to the pandemic using federal stimulus funds through the CARES Act, but the Department indicates lowering the copays was an urgent need before the pandemic and the Department describes this as one of the critical strategies that should be sustained after the federal stimulus funds expire. The copay schedule uses a sliding scale based on income. The current copay schedule caps the family contribution at 10 percent of family income for the highest earners.

CCCAP RATE STUDY

The Department proposes spending \$300,000 one-time in FY 23-24 to study an alternate method of paying CCCAP providers based on the cost of care, rather than market rates. According to the Department, in many communities market rates are below what it costs to provide quality care, because consumers can't afford higher rates. As a result, when CCCAP pays based on market rates the revenue to the providers is not sufficient to support quality care. The cost of the rate study is one-time, but presumably the new rate methodology would result in higher costs to pay providers.

INFANT AND TODDLER CARE*200 INFANT AND TODDLER SLOTS*

The Department proposes spending \$6.2 million (\$3.1 million per year) for 200 additional infant and toddler placements for FY 22-23 and FY 23-24. The Department would work with existing Early Head Start – Child Care Partnership (EHS–CCP) sites. These EHS–CCP sites would serve families on waitlists by recruiting new family child care home providers to become licensed and by partnering with existing licensed family child care homes and child care centers. Infant and toddler care is especially expensive due to low ratios of children to teachers, driving affordability challenges at all quality levels. The implied cost per infant and toddler placement in the request is \$15,542. The funding would be distributed based on an application process that prioritizes geographic distribution and services in child care deserts. The request includes 1.0 FTE to evaluate the applications and administer the payments.

PAY FOR INFANT AND TODDLER ENROLLMENT NOT ATTENDANCE

The Department proposes spending \$21.3 million (\$10.5 million per year), or 11.5 percent of the total, to pay for infant and toddler enrollment, rather than attendance, for FY 22-23 and FY 23-24. Providers need to be ready for children who are enrolled regardless of whether those children show up. The Department somewhat mitigates the financial impact when children do not attend by paying for a limited number of absences. In contrast, private pay clients pay to reserve an enrollment slot, regardless of whether their child attends on a given day. According to the Department, this difference in payment methods is one of the primary barriers to expanding the number of participating providers.

The Department views changing the payment method as essential to addressing the shortfall in participating infant and toddler providers and argues that the change needs to continue after the federal stimulus funds expire.

SUPPORT FOR FAMILY CHILD CARE HOMES

CONTINUE FAMILY CHILD CARE HOME NAVIGATORS

The Department proposes spending \$2,540,647 to continue funding Family Child Care Home Navigators in FY 23-24 and through the first quarter of FY 24-25. The navigators were originally financed with federal stimulus funds through CRSSA and they provide support and training to family child care providers through the Early Childhood Councils. The Department notes that the Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan argued that often isolated existing family child care home providers and those interested in becoming licensed needed greater connection to existing resources to support successful operations. The Department says continuing the program will provide more time for evaluating the efficacy of this role in addressing the declining availability of family child care homes.

BILINGUAL LICENSING SUPERVISOR AND SPECIALISTS

The Department proposes spending \$805,775 (approximately \$350,000 per year) and 3.0 FTE from FY 22-23 through the first quarter of FY 24-25 for targeted support to non-English speaking providers seeking to become licensed. The request is partly in response to S.B. 20-077 (Gonzalez/Benavidez & Kipp) and S.B. 20-199 (Jaquez Lewis & Winter/Esgar & Gonzalez Gutierrez) that removed residency requirements for child care licensure. The Department argues that family child care providers are particularly important sources of culturally responsive care in immigrant, refugee, and rural communities and the Department wants to expand the licensed network. Clearer licensing guidance was another recommendation of the Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan.

STAFFED FAMILY CHILD CARE NETWORK

The Department proposes spending \$282,000 to pay the Early Childhood Councils to pilot a Staffed Family Child Care Network to support the professional development, quality improvement, and business acumen and administration of participating family child care homes. Services might include peer mentorship, business supports such as access to shared technology, personalized assistance through the licensing process, and quality improvement supports. This is a new pilot program but fits within the existing statutory authority⁵ for the Department to work with the Early Childhood Councils to increase and sustain the quality, accessibility, capacity and affordability of early childhood services. The Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan recommended a Staffed Family Child Care Network to support shared training opportunities and business supports for prospective and existing family child care home providers

FACILITIES

CONTINUE CHILD CARE FACILITY FTE FROM S.B. 21-236

The Department proposes \$229,772 to continue funding for 1.0 FTE appropriated in S.B. 21-236 to administer the Employer-based Child Care Facility Grant Program through FY 2023-24. Although the Department expects the grant program funding and associated contracts will be completed by FY

⁵ Section 26-6.5-104 (2)(c), C.R.S.

2022-23, there will be an ongoing need to monitor grantees to ensure that they complete the licensing process they committed to and to provide technical assistance as they do so. Additionally, this FTE would oversee the Facility Needs Assessment described below. The Employer-based Child Care Facility Grant Program was financed with General Fund, because federal regulations prohibit the Child Care Development Funds from being used for construction, but the Department indicates Child Care Development Funds can be used to pay for staff to administer the grant program.

FACILITY NEEDS ASSESSMENT

The Department requests \$300,000 to contract for a facility needs assessment. The CCDF cannot be used for capital construction but it can pay for this type of analysis. The Department indicates the needs assessment would identify underutilized space that would need only minor renovations to become child care classrooms. The assessment would also collect data on whether providers own space versus lease space, costs per square foot, and "property tax opportunities." The Department indicates the information would be used by the *Local capacity building partners* described below and to inform future legislation and budget requests.

EQUITABLE ACCESS TO QUALITY

UPDATE CO SHINES QUALITY IMPROVEMENT PLATFORM

The Department requests \$500,000 over three years to update the Colorado Shines Quality Improvement Platform internal controls to avoid fraudulent activity and mitigate the risk of data breaches. The enhancements will also improve data reporting on funds used to support child care quality.

CONTINUE ESTABLISHED QUALITY INITIATIVES

The Department requests \$4.3 million to continue previously created quality initiatives, including Preschool Development Grants for quality, business training, Child Care Resource and Referral activities by Early Childhood Councils, and technical support by Early Childhood Councils for inclusive and universal design in early childhood settings.

WORKFORCE

PROFESSIONAL DEVELOPMENT

The Department requests \$5.3 million for several professional development strategies. The Department would like \$1.9 million to continue strategies that were part of the Preschool Development Grant, including continuing subsidizing the Child Care Development Associate credential and workforce coaching. The Department proposes \$1.2 million and 1.0 FTE to establish a new substitute fund to allow providers to take time off for professional development, based on a similar program in Washington State. The substitute fund is a new program that fits in existing statutory authority⁶ that allows the Department to pay licensed providers for release time for pursuing training. Finally, the Department proposes \$2.2 million and 1.0 FTE to bolster technical support for people taking on-line courses through the Professional Development Information System (PDIS).

CONTINUE RECRUITMENT AND RETENTION INITIATIVES

The Department proposes \$9.0 million and 2.0 FTE to continue recruitment and retention initiatives funded with previous federal stimulus money for another year through FY 2023-24. These initiatives

⁶ Section 26-6-805 (5)(e), C.R.S.

include an apprenticeship program (includes 1.0 FTE), Child Development Associate support specialists, free public higher education tuition for Early Childhood Education 101 and 103 courses, funding Teacher Education and Compensation Helps (TEACH) Early Childhood scholarships, teacher peer mentors (includes 1.0 FTE), and workforce recruitment and retention scholarships.

WORKFORCE DATA AND SYSTEMS

The Department requests \$2.7 million for information technology systems to track workforce data. Of the total, \$2.5 million is for increased operations maintenance and licensing costs for the Professional Development Information System (PDIS) and would presumably be an on-going need. The remaining \$200,000 is for one-time costs to develop a dashboard that integrates information from background investigations, the PDIS, the Quality Rating and Improvement System, and child care licensing data. According to the Department, the automated dashboard would provide information on the size of the workforce, roles, geographic distribution, demographics, and turnover. The Department says the dashboard would eliminate the need for manual comparisons between the data systems to develop this information and allow for more frequent updates of the information.

FAMILY STRENGTHENING

CHILD CARE OUTREACH SUPPORT IN HEALTH CARE SETTINGS

The Department requests \$879,135 for vendors to distribute content on child development, quality child care, and family supports to parents with young children in health care settings. The request is based on feedback from parents that health care providers are trusted messengers for information about community supports.

CONTINUE 25 MENTAL HEALTH CONSULTANTS

The Department proposes \$2.8 million and 1.0 FTE to continue an expansion of the Early Childhood Mental Health (ECMH) consultants by 25 positions statewide. The ECMH consultants work with early childhood professionals to address both challenging and concerning behaviors in children and the well-being of the providers.

CONTINUE HEALTH AND MENTAL HEALTH PROGRAMS

The Department requests \$2.8 million and 1.0 FTE to continue supporting subsidies for providers to participate in evidence-based support programs like Incredible Years, Pyramid, and Conscious Discipline.

LOCAL CAPACITY BUILDING

LOCAL CAPACITY BUILDING PARTNERS

The Department requests \$6.6 million (\$3.0 million per year) and 1.0 FTE to fund regional local capacity building partners and to oversee the partnerships for FY 22-23, FY 23-24, and the first quarter of FY 24-25. The regional partners would survey local capacity and develop regional strategies to build capacity to implement universal preschool. Once the survey is complete, they would access the local capacity building funds described below. They would be responsible for setting and meeting key performance metrics for the region. The partners would be selected through a competitive bidding process and would need to provide a letter of support from Early Childhood Councils in their catchment area. An Early Childhood Council could bid to be a partner. The Department of Early Childhood Transition Plan recommends an evaluation of community readiness and promoting and supporting community leadership and the Colorado Universal Preschool Recommendations propose

local leads. The Department has statutory authority⁷ for contracts to provide community infrastructure and resource development for improving the quality of early childhood education. The request indicates the local capacity building partners could potentially be modeled on the Regional Accountable Entities (RAEs) in Medicaid. This comparison to the RAEs combined with the connections to the Transition Plan and Universal Preschool Recommendations implies that the Department sees an ongoing role for the local capacity building partners after the federal funds expire. When asked why the Department proposes regional local capacity building partners instead of working through the existing Early Childhood Councils, the Department noted that the local capacity building partners would be selected by competitive bid. With a competitive bid the Department would have more control over expectations and could demand more accountability for performance than the Department's current relationship with Early Childhood Councils provides and the JBC staff assumes this is part of the appeal.

LOCAL CAPACITY BUILDING FUNDING

The Department proposes spending \$39.3 million over FY 22-23 and FY 23-24 for purchasing furniture and equipment for new preschool classrooms (with a priority for energy efficiency considerations), providing curriculums and training to new preschool providers, and establishing local child care management information systems. The federal CCDF cannot be used directly for construction but the Department maintains that it can be used for adjacent purposes like furniture and equipment.

ADMINISTRATION

CONTINUE MONITORING, REPORTING, COMPLIANCE FTE

The Department requests \$2.4 million to continue funding for another year for 18.0 FTE responsible for monitoring, reporting, and compliance. These FTE were originally appropriated to manage initiatives where the federal funds expire in September 2023. The Department indicates their duties would evolve to perform the same kind of work for the new and continuing initiatives in this request.

NEW MONITORING, REPORTING, COMPLIANCE FTE

The Department requests \$1.3 million from FY 21-22 through FY 24-25 for six new time limited monitoring, reporting, and compliance FTE to help administer the federal stimulus money. Specifically, the Department proposes two human resource specialist positions to accelerate hiring, a communications position, two fiscal and contracts monitoring positions, and an administration position. The request assumes the two human resource specialist positions and the communications position would start April 1 and the other positions would begin in FY 2022-23.

EVALUATION

The Department requests \$2.8 million over FY 23-24 and FY 24-25 to contract for evaluations of the initiatives proposed in this request. The Department says it wants to assess the reach and effectiveness of the activities as well as answer questions about what new data can and should be collected to inform decision making and which efforts should be considered for continued funding into the future.

⁷ Section 26-6.5-106 (8)(c)(III), C.R.S.

CULTURALLY & LINGUISTICALLY COMPETENT ASSISTANCE

The Department requests \$562,500 over FY 21-22 through FY 23-24 for contract technical assistance to historically under-resourced providers, families, educators, and communities to ensure they have equitable access to the federal stimulus funding.

DATA AND IT SYSTEMS

The Department requests \$2.3 million (\$1.0 million per year until the federal funds expire at the end of the first quarter of FY 24-25) for the administration and maintenance of the early childhood data systems described below under the *Capital budget IT* initiative. This is a rough estimate and the Department indicates the money might be used for contract services or state FTE because the Department has not yet settled on the optimal strategy.

In addition, the Department proposes a reduction of \$5.2 million from the appropriations in S.B. 21-236 for information technology project design work. Instead, the Department proposes folding this \$5.2 million into the *Capital budget IT* project described below.

CAPITAL BUDGET IT

The Department requests \$14.7 million spending authority in the capital construction budget for early childhood information technology systems. The \$14.7 million includes \$9.5 million new funds from the ARPA CCDF discretionary supplemental funds plus \$5.2 million that was previously appropriated from different federal stimulus funds for planning and design work. Through some combination of new systems and modifying existing systems the Department wants to collect child-level data across programs through a unique identifier, support parents with a single application and unified eligibility for early childhood programs, collect real-time child care supply and demand data, administer payments to providers for universal preschool including managing child count processes, support providers in blending and braiding funds through unified data collection and payment systems, and create a central data warehouse for research and analytics.

→ NP TRANSFER TO DEPT OF EARLY CHILDHOOD

REQUEST

The Department requests a reduction of \$363,210,245 total funds, including \$95,761,326 General Fund, and 137.2 FTE to move funding for the Office of Early Childhood, the Records and Reports of Child Abuse and Neglect, and the Child Care Automated Tracking System to the new Department of Early Childhood.

RECOMMENDATION

The JBC staff does not recommend the request. The Long Bill cannot create substantive law and under current law these functions reside in the Department of Human Services. The JBC staff anticipates that legislation will be introduced during the 2022 legislative session to transfer these functions to the new Department of Early Childhood. At the time of this publication that bill was not introduced and it seems unlikely the bill will pass before the Long Bill. Therefore, the changes to appropriations will need to be made in the appropriations clause for that bill rather than the Long Bill.

The exact transfers will depend on the content of the bill and the JBC's final actions on funding for the programs that are transferring. As proposed by the Governor, the programs that would transfer would include all of the Office of Early Childhood plus the records of Child Abuse and Neglect that

is currently appropriated in the Executive Director's Office and the Child Care Automated Tracking System that is currently appropriated in the Office of Information Technology Services.

→ STAFF INITIATED: CORRECT S.B. 21-236 ANNUALIZATION

REQUEST

In *S4 Early childhood fed stimulus* the Department identified a technical error in the Legislative Council Staff Fiscal Note assumptions about the FY 22-23 costs for S.B. 21-236 (Increase capacity early childhood care & educ). The bill appropriated federal funds in FY 21-22 for Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements from CCDF supplemental stabilization funds made available through the American Rescue Plan Act. The LCS Fiscal Note assumed the funding would continue in FY 22-23, but that assumption exceeded the federal funds available after the other obligations in the bill by \$27,995,799. In the narrative of the supplemental the Department requested an adjustment to the FY 22-23 annualization of S.B. 21-236 to remove the \$27,995,799 federal funds, but the Department did not submit a corresponding budget amendment.

RECOMMENDATION

Staff recommends a reduction of \$27,995,799 federal CCDF from the Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements to correct the technical error.

→ STAFF INITIATED: EXTEND UNDERSPENT FED STIMULUS

REQUEST

In *S4 Early Childhood Fed Stimulus* the Department requested blanket rollforward authority for federal stimulus funds previously appropriated. The request was denied and the Department subsequently provided additional information on specific appropriations where the Department is concerned it may underspend the appropriation and need an extension of time to spend the money. The Department says the projected underspending is primarily due to delays in hiring staff for the initiatives.

The Department was not specific about the projected underspending by initiative but indicated the following initiatives are impacted:

- Workforce Recruitment and Retention Programs
- Free ECE 101 and 103 Coursework
- Apprenticeship Program
- Professional Development Courses
- Availability and Outreach of Child Care program
- Family Child Care Home Navigator program
- Licensing and Quality Improvement Incentives
- Implementation and administrative support for Stabilization Grants
- Workforce Sustainability Grants, and other provider subgrants
- T.E.A.C.H Scholarships
- CDA Support Specialists
- Apprenticeship Program
- Teacher Peer Mentorship Program

- Communications and other child care supply building activities
- Early Childhood Mental Health Consultants
- Administration, Monitoring, Reporting, and Compliance

In other words, the Department is anticipating lots of small delays in a large number of relatively small initiatives adding to a total anticipated underspend of \$9,892,547 federal CCDF in FY 2021-22.

RECOMMENDATION

Staff recommends the following appropriations of federal stimulus CCDF in FY 2022-23 to allow more time for the Department to complete stimulus initiatives authorized in prior years.

EXTEND UNDERSPENT FED STIMULUS			
	APPROP FY 21-22	PROJ SPEND FY 21-22	PROJ SPEND FY 22-23
Early Care and Education Recruitment and Retention Scholarship Program	\$7,200,000	\$5,988,137	\$1,211,863
Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements	20,428,288	11,955,950	8,472,338
Early Childhood Mental Health Services	2,150,000	2,001,639	148,361
Child Care Licensing & Administration	713,085	653,100	59,985
TOTAL	\$30,491,373	\$20,598,826	\$9,892,547

The JBC staff does not recommend reducing the appropriations in FY 21-22 based on the potential underspending. First, reducing the appropriations would require the Department to rewrite several contracts with providers. Second, there is still a possibility the Department will spend more than expected in FY 21-22 and that would be helpful both in delivering the services in a more timely manner and in meeting the federal deadlines for spending the stimulus funds.

(6) OFFICE OF EARLY CHILDHOOD

The Office of Early Childhood includes the Division of Early Care and Learning and the Division of Community and Family Support. The Division of Early Care and Learning includes funding associated with the State supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide childcare subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this division is responsible for licensing and monitoring child care facilities and for administering programs that are designed to improve the quality and availability of child care in the State. The Division of Community and Family Support includes funding for various early childhood family support programs such as Early Intervention services, Early Childhood Mental Health Specialists, and the Nurse Home Visitor Program.

OFFICE OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 Appropriation						
S.B. 21-205 (Long Bill)	\$280,899,807	\$87,060,045	\$53,352,394	\$7,968,022	\$132,519,346	100.9
Other legislation	388,223,077	8,697,353	500,000	0	379,025,724	24.1
H.B. 22-1175 (Supplemental)	(11,025,763)	0	0	0	(11,025,763)	1.2
TOTAL	\$658,097,121	\$95,757,398	\$53,852,394	\$7,968,022	\$500,519,307	126.2

OFFICE OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$658,097,121	\$95,757,398	\$53,852,394	\$7,968,022	\$500,519,307	126.2
DEC1 Child care safety	0	0	0	0	0	0.0
DEC2 Early Intervention alternate	8,673,412	8,673,412	0	0	0	0.0
DEC3 Refinance CCCAP	0	(1,807,730)	0	0	1,807,730	0.0
R5 Community provider rate increase	3,963,824	1,587,166	310,766	159,360	1,906,532	0.0
R6 Facilities management operating resources	24,154	0	1,218	0	22,936	0.0
S4 Early childhood fed stimulus	59,937,055	0	0	0	59,937,055	42.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
Correct S.B. 21-236 annualization	(27,995,799)	0	0	0	(27,995,799)	0.0
Extend underspent fed stimulus	9,892,547	0	0	0	9,892,547	0.0
Centrally appropriated line items	1,578	0	80	0	1,498	0.0
Indirect cost assessments	135,319	0	7,014	0	128,305	0.0
Annualize prior year legislation	(314,440,759)	(369,080)	(1,000,000)	0	(313,071,679)	(1.6)
Annualize prior year budget actions	19,095,110	72,088	808,861	0	18,214,161	0.0
TOTAL	\$417,383,562	\$103,913,254	\$53,980,333	\$8,127,382	\$251,362,593	166.6
INCREASE/(DECREASE)	(\$240,713,559)	\$8,155,856	\$127,939	\$159,360	(\$249,156,714)	40.4
Percentage Change	(36.6%)	8.5%	0.2%	2.0%	(49.8%)	32.0%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	3.5
Request Above/(Below) Recommendation	(\$417,383,562)	(\$103,913,254)	(\$53,980,333)	(\$8,127,382)	(\$251,362,593)	(163.1)

LINE ITEM DETAIL — OFFICE OF EARLY CHILDHOOD

(A) DIVISION OF EARLY CARE AND LEARNING

The Division of Early Care and Learning is responsible for administering various early childhood grant programs and for licensing and monitoring childcare facilities throughout the state. These include childcare homes and centers, preschool and school-age child care programs, homeless youth shelters, and summer camps, as well as 24-hour facilities (such as residential treatment facilities, residential child care facilities, and child placement agencies).

EARLY CHILDHOOD COUNCILS

Early Childhood Councils are responsible for increasing and sustaining the quality, accessibility, capacity, and affordability of early childhood services, in a manner that is responsive to local needs and conditions. Counties can set up or join a council by designating a convening entity (such as a local resource and referral agency, county social service agency, school district, or public health agency) that then applies to the Department to join the statewide system. Currently, there are 34 councils representing 63 counties and the Department indicates it is supporting Archuleta in creating another council to represent the remaining county. Statutes⁸ require a minimum of 10 members on each council from specified stakeholder groups and the membership must reflect local needs and the cultural and geographic diversity of the community served. Councils must develop a strategic plan for addressing early childhood needs and identify performance metrics, then annually report on the performance, processes, and effectiveness of the council.

Funding is from federal Child Care Development Funds and is distributed to Early Childhood Councils through a grant process on a three-year cycle. Funding is also used by the Department for

⁸ Section 26-6.5-103.5, C.R.S.

staff to administer the grant process, provide program oversight, perform contract and budget management, and deliver technical assistance and support to the councils.

STATUTORY AUTHORITY: Section 26-6.5-101 et seq., C.R.S.

REQUEST: The Department requests continuation funding with an increase of \$8,024 federal funds to annualize the FY 21-22 salary survey. In addition, the Department requests moving the line item to the Department of Early Childhood in *NP Transfer to Dept of Early Childhood*.

RECOMMENDATION: Staff recommends the requested continuation funding with an increase of \$8,024 federal funds to annualize the FY 21-22 salary survey.

The JBC staff does not recommend *NP Transfer to Dept of Early Childhood* as moving the line item will need to be accomplished in the bill that moves the statutory authority for the program.

OFFICE OF EARLY CHILDHOOD, DIVISION OF EARLY CARE AND LEARNING, EARLY CHILDHOOD COUNCILS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$1,991,133	\$0	\$0	\$0	\$1,991,133	1.0
TOTAL	\$1,991,133	\$0	\$0	\$0	\$1,991,133	1.0
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$1,991,133	\$0	\$0	\$0	\$1,991,133	1.0
Annualize prior year budget actions	8,024	0	0	0	8,024	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
TOTAL	\$1,999,157	\$0	\$0	\$0	\$1,999,157	1.0
INCREASE/(DECREASE)	\$8,024	\$0	\$0	\$0	\$8,024	0.0
Percentage Change	0.4%	0.0%	0.0%	0.0%	0.4%	0.0%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$1,999,157)	\$0	\$0	\$0	(\$1,999,157)	(1.0)

CHILD CARE LICENSING AND ADMINISTRATION

The Division of Early Care and Learning is responsible for inspecting, licensing and monitoring child care facilities throughout the state, including child care homes and centers, preschool and school-age child care programs, homeless youth shelters, and summer camps, as well as 24-hour facilities (such as residential treatment facilities, residential child care facilities, and child placement agencies). In addition to funding contracts with licensing specialists in local communities, this line item provides funding for the majority of the Division staff.

STATUTORY AUTHORITY: Sections 26-1-101 et. seq. and 26-1-111, C.R.S.

REQUEST: The Department requests continuation of the base funding plus:

- R5 Community provider rate increase for a 1% rate increase
- DEC1 Child care safety
- NP Transfer to Dept of Early Childhood

- funding to annualize prior year legislation, including S.B. 21-199 Remove barriers to certain public opportunities, S.B. 21-201 Stricter transparency & enforcement in child care, H.B. 21-1304 Early childhood system, and the FY 21-22 salary survey

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the descriptions of the decision items for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF EARLY CARE AND LEARNING, CHILD CARE LICENSING AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$10,772,640	\$2,715,871	\$1,633,856	\$0	\$6,422,913	63.0
Other legislation	\$1,011,231	\$136,934	\$0	\$0	\$874,297	7.2
H.B. 22-1175 (Supplemental)	\$126,910	\$0	\$0	\$0	\$126,910	0.9
TOTAL	\$11,910,781	\$2,852,805	\$1,633,856	\$0	\$7,424,120	71.1
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$11,910,781	\$2,852,805	\$1,633,856	\$0	\$7,424,120	71.1
S4 Early childhood fed stimulus	3,712,113	0	0	0	3,712,113	34.0
Annualize prior year budget actions	125,055	41,674	47,147	0	36,234	0.0
R5 Community provider rate increase	97,690	37,780	0	0	59,910	0.0
Extend underspent fed stimulus	59,985	0	0	0	59,985	0.0
DEC1 Child care safety	0	0	0	0	0	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
Annualize prior year legislation	(89,079)	23,322	0	0	(112,401)	0.5
TOTAL	\$15,816,545	\$2,955,581	\$1,681,003	\$0	\$11,179,961	105.6
INCREASE/(DECREASE)	\$3,905,764	\$102,776	\$47,147	\$0	\$3,755,841	34.5
Percentage Change	32.8%	3.6%	2.9%	0.0%	50.6%	48.5%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	3.5
Request Above/(Below) Recommendation	(\$15,816,545)	(\$2,955,581)	(\$1,681,003)	\$0	(\$11,179,961)	(102.1)

FINES ASSESSED AGAINST LICENSES

This line item reflects expected expenditures from the Child Care Cash Fund for activities related to the improvement of the quality of child care for informational purposes, since the fund is continuously appropriated to the Department pursuant to Section 26-6-114 (5), C.R.S.

The revenue to the fund comes from fines assessed against licensed child care providers for consistent violations of regulations and against unlicensed child care providers for operating illegally. The fee structure is set in rules promulgated by the Department but may not exceed \$100 a day to a maximum of \$10,000. Currently, any unlicensed child care facility may be fined up to \$100 a day to a maximum of \$1,000 for providing care for which a license is required. For providing child care for which a license is required after receipt of a cease and desist order, an unlicensed facility will be fined \$100 a day to a maximum of \$10,000. A licensed child care facility may be fined up to \$100 a day to a maximum of \$10,000 for each violation of the Child Care Act. Any person intentionally making a false statement or report to the Department or to any agency delegated by the Department to make an investigation or inspection under the provisions of the Child Care Act may be fined up to \$100 a day to a maximum of \$10,000.

STATUTORY AUTHORITY: Section 26-6-114, C.R.S.

REQUEST: The Department requests continuation of \$10,000 cash funds. In addition, the Department requests moving the line item to the Department of Early Childhood in *NP Transfer to Dept of Early Childhood*.

RECOMMENDATION: Staff recommends the requested continuation funding but not *NP Transfer to Dept of Early Childhood*.

CHILD CARE ASSISTANCE PROGRAM

The Colorado Child Care Assistance Program (CCCAP) provides financial assistance to low-income families who are working or seeking employment, including participating in training, and need child care services to support their efforts toward self-sufficiency. The majority of appropriations come federal Child Care Development Funds (CCDF), which are subject to appropriation by the General Assembly under federal law. The Department allocates the funding for CCCAP to counties, which are responsible for administering the program. In addition to appropriated amounts, counties may transfer a portion of their TANF block grant funding to support childcare programs. Such transfers are not reflected in the appropriation, but are a driver of overall program expenditures.

STATUTORY AUTHORITY: Section 26-2-801 et. seq., C.R.S.

REQUEST: The Department requests the base funding plus R5 Community provider rate increase, DEC3 Refinance CCCAP, annualizations, and *NP Transfer to Dept of Early Childhood*.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the descriptions of the decision items for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF EARLY CARE AND LEARNING, CHILD CARE ASSISTANCE PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$135,323,468	\$29,998,226	\$14,768,652	\$0	\$90,556,590	0.0
Other legislation	\$23,845,252	\$0	\$0	\$0	\$23,845,252	0.0
TOTAL	\$159,168,720	\$29,998,226	\$14,768,652	\$0	\$114,401,842	0.0
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$159,168,720	\$29,998,226	\$14,768,652	\$0	\$114,401,842	0.0
R5 Community provider rate increase	2,706,470	599,964	295,374	0	1,811,132	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
DEC3 Refinance CCCAP	0	(1,807,730)	0	0	1,807,730	0.0
Annualize prior year legislation	(3,958,614)	0	0	0	(3,958,614)	0.0
TOTAL	\$157,916,576	\$28,790,460	\$15,064,026	\$0	\$114,062,090	0.0
INCREASE/(DECREASE)	(\$1,252,144)	(\$1,207,766)	\$295,374	\$0	(\$339,752)	0.0
Percentage Change	(0.8%)	(4.0%)	2.0%	0.0%	(0.3%)	0.0%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$157,916,576)	(\$28,790,460)	(\$15,064,026)	\$0	(\$114,062,090)	0.0

INTRASTATE CHILD CARE ASSISTANCE PROGRAM REDISTRIBUTION

The Intrastate Child Care Assistance Program Redistribution line item was created in FY 2018-19 to address intrastate portability of CCCAP. Starting in FY 2018-19, if an individual is eligible for CCCAP in a county and moves to a new county where that individual would not be eligible, the services must be continued through redetermination. Funding in this line item would cover the additional costs the “new” counties would incur through this portability. The initial funding for this line item was a component of “BA3 Mitigation of CCCAP waitlists” approved for FY 2018-19.

STATUTORY AUTHORITY: Section 26-2-801 et. seq., C.R.S.

REQUEST: The staff recommended changes are summarized in the table below. See the descriptions of the decision items for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF EARLY CARE AND LEARNING, INTRASTATE CCCAP REDISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$500,000	\$0	\$0	\$0	\$500,000	0.0
H.B. 22-1175 (Supplemental)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$500,000	\$0	\$0	\$0	\$500,000	0.0
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$500,000	\$0	\$0	\$0	\$500,000	0.0
S4 Early childhood fed stimulus	25,970,215	0	0	0	25,970,215	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
TOTAL	\$26,470,215	\$0	\$0	\$0	\$26,470,215	0.0
INCREASE/(DECREASE)	\$25,970,215	\$0	\$0	\$0	\$25,970,215	0.0
Percentage Change	5,194.0%	0.0%	0.0%	0.0%	5,194.0%	0.0%
FY 2022-23 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$26,470,215)	\$0	\$0	\$0	(\$26,470,215)	0.0

CHILD CARE ASSISTANCE PROGRAM RATE SETTING STUDY

The Colorado Child Care Assistance Program Market Rate Study was created in H.B. 14-1317 and is used to establish state suggested rates for CCCAP that provide equal access to children and families, generally defined as rates at the 75th percentile of a given child care market.

STATUTORY AUTHORITY: Section 26-2-802 (2)(b), C.R.S.

REQUEST: The Department requests continuation funding and NP Transfer to Dept of Early Childhood.

CHILD CARE GRANTS FOR QUALITY AND AVAILABILITY AND FEDERAL TARGETED FUNDS REQUIREMENTS

This line item was created in FY 2007-08 and combined the former Grants to Improve the Quality and Availability of Child Care and Federal Discretionary Child Care Funds Earmarked for Certain Purposes line items. Three components of the line item appropriation are as follows.

QUALITY IMPROVEMENT REQUIREMENT - The federal government requires that 8.0 percent of expenditures for Child Care and Development Fund (CCDF)-supported activities be used to improve the quality of child care.

TARGETED FUNDS REQUIREMENT - Federal law concerning Child Care Development Funds also requires specific dollar amounts of the discretionary grant funding under CCDF be targeted for specific purposes. These targeted amounts are for: 1) infant/toddler programs; 2) school age and/or resource and referral programs; and 3) quality expansion activities such as professional development, mentoring, provider retention, equipment supply, facility start-up and minor facility renovation. Funding used to meet the target requirement may not also be used to meet the quality requirement (although many expenditures could be assigned to either category).

Through H.B. 13-1291, the General Assembly created the Colorado Infant and Toddler Quality and Availability Grant Program. The goal of the program is to improve the quality in infant and toddler care, provide tiered reimbursement to high-quality early childhood programs, and increase the number of low-income infants and toddlers served through high-quality early childhood programs.

STATUTORY AUTHORITY: Section 26-6.5-106 et seq., C.R.S.

REQUEST: The Department requests *NP Transfer to Dept of Early Childhood*.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the descriptions of the decision items for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF EARLY CARE AND LEARNING, CHILD CARE GRANTS FOR QUALITY AND AVAILABILITY AND FEDERAL TARGETED FUNDS REQUIREMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
Other legislation	\$32,455,511	\$0	\$0	\$0	\$32,455,511	6.0
S.B. 21-205 (Long Bill)	\$10,684,480	\$3,204,426	\$385	\$0	\$7,479,669	3.0
H.B. 22-1175 (Supplemental)	(11,901,632)	0	0	0	(11,901,632)	0.0
TOTAL	\$31,238,359	\$3,204,426	\$385	\$0	\$28,033,548	9.0
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$31,238,359	\$3,204,426	\$385	\$0	\$28,033,548	9.0
S4 Early childhood fed stimulus	26,477,773	0	0	0	26,477,773	5.0
Annualize prior year budget actions	18,789,288	6,017	0	0	18,783,271	0.0
Extend underspent fed stimulus	8,472,338	0	0	0	8,472,338	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
Staff-initiated Long Bill reorganization	0	0	0	0	0	0.0
Correct S.B. 21-236 annualization	(27,995,799)	0	0	0	(27,995,799)	0.0
TOTAL	\$56,981,959	\$3,210,443	\$385	\$0	\$53,771,131	14.0

OFFICE OF EARLY CHILDHOOD, DIVISION OF EARLY CARE AND LEARNING, CHILD CARE GRANTS FOR QUALITY AND AVAILABILITY AND FEDERAL TARGETED FUNDS REQUIREMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	\$25,743,600	\$6,017	\$0	\$0	\$25,737,583	5.0
Percentage Change	82.4%	0.2%	0.0%	0.0%	91.8%	55.6%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$56,981,959)	(\$3,210,443)	(\$385)	\$0	(\$53,771,131)	(14.0)

SCHOOL READINESS AND QUALITY IMPROVEMENT PROGRAM

House Bill 02-1297 [Section 26-6.5-106, C.R.S.] created the School-readiness Child Care Subsidization Program to improve the quality of certain licensed childcare facilities whose enrolled children ultimately attend low-performing neighborhood elementary schools. The legislation was reauthorized in H.B. 05-1238 and the program renamed the School Readiness and Quality Improvement Program. The program provides grants to childcare facilities in areas served by low-performing schools.

The program provides subsidies over a three year period to participating child care centers and family child care homes to cover the cost of equipment, supplies, minor renovations, curricula, staff education, scholarships, training, and bonuses for facility staff for demonstrating quality improvements and addressing problems identified in the ratings. Grantees are selected based on approval of plans that encompass criteria including: demonstrated need, number of eligible schools and providers, and plans to track future academic performance of children who participate in the program.

STATUTORY AUTHORITY: Section 26-6.5-106, C.R.S.

REQUEST: The Department requests a continuation of the base, an annualization for the FY 21-22 salary survey, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends the requested continuation of the base and annualization of the FY 21-22 salary survey, but not NP Transfer to Dept of Early Childhood.

CONTINUATION OF CHILD CARE QUALITY INITIATIVES

This line funds the Colorado Shines framework, including the child care quality rating and improvement system and the professional development and information system. Colorado Shines incorporates the use of data to guide program improvement as outcomes are measured using the technology system. This system is integrated with other state data systems to support the evaluation of program outcomes. It provides data that will be used to benchmark quality for child care consumers and broaden the awareness of those components that are indicative of quality care.

STATUTORY AUTHORITY: Section 26-6-116, C.R.S.

REQUEST: The Department requests continuation of the base with annualizations or prior year budget actions and legislation and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the decision item descriptions for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF EARLY CARE AND LEARNING, CONTINUATION OF CHILD CARE QUALITY INITIATIVES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$2,917,156	\$0	\$0	\$0	\$2,917,156	14.6
H.B. 22-1175 (Supplemental)	\$748,959	\$0	\$0	\$0	\$748,959	0.3
Other legislation	\$158,640	\$158,640	\$0	\$0	\$0	0.0
TOTAL	\$3,824,755	\$158,640	\$0	\$0	\$3,666,115	14.9
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$3,824,755	\$158,640	\$0	\$0	\$3,666,115	14.9
S4 Early childhood fed stimulus	3,015,120	0	0	0	3,015,120	1.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
Annualize prior year budget actions	(691,898)	0	0	0	(691,898)	0.0
Annualize prior year legislation	(158,640)	(158,640)	0	0	0	0.0
TOTAL	\$5,989,337	\$0	\$0	\$0	\$5,989,337	15.9
INCREASE/(DECREASE)	\$2,164,582	(\$158,640)	\$0	\$0	\$2,323,222	1.0
Percentage Change	56.6%	(100.0%)	0.0%	0.0%	63.4%	6.7%
FY 2022-23 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$5,989,337)	\$0	\$0	\$0	(\$5,989,337)	(15.9)

CHILD CARE ASSISTANCE PROGRAM SUPPORT

This line item funds contracted maintenance and support for the Child Care Automated Tracking System.

STATUTORY AUTHORITY: Section 26-2-801 et. seq., C.R.S.

REQUEST: The Department requests continuation of the base and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends continuation of the base but not NP Transfer to Dept of Early Childhood.

(B) DIVISION OF COMMUNITY AND FAMILY SUPPORT

The Division of Community and Family Support includes Early Childhood Councils, Early Intervention Services, Promoting Safe and Stable Families, the Children’s Trust Fund, Family Resource Centers, Nurse Home Visitor Program, and Early Childhood Mental Health Services.

PROMOTING SAFE AND STABLE FAMILIES PROGRAM

The program promotes permanency and safety for children by providing support to families in a flexible, family-centered manner through a collaborative community effort. While a small portion of the funds are used to support 2.0 FTE responsible for administering the program, the majority of funds are made available to local communities and tribes. A twenty-five percent match is required to draw down the federal funds. The General Fund is used to provide the match for the portion of the funds that are used for state-level staff and activities, and local communities are required to provide the match for the funds they receive.

Each local site is required to have a Community Advisory Council comprised of governmental and community stakeholders, family advocates and parents, and consumers to help direct the project. Currently, 41 counties and the Ute Mountain Ute tribe receive funding to:

- Reunify children placed in the foster care system with their families;
- Support and promote adoption or permanent placement with kin for children who cannot be safely returned home; and
- Prevent child abuse and neglect in at-risk families.

STATUTORY AUTHORITY: Section 26-5-101 et. seq. C.R.S.

REQUEST: The Department requests continuation of the base with annualization of the FY 21-22 salary survey and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends continuation of the base with annualization of the FY 21-22 salary survey but not NP Transfer to Dept of Early Childhood.

EARLY CHILDHOOD MENTAL HEALTH SERVICES

This program supports early childhood mental health specialists through contracts with community mental health centers. It is intended to increase the availability of mental health services to young children, birth through age five, and provide consultation and coaching to families and early learning providers. Specialists focus on developing and strengthening social and emotional skills of young children through timely screening and assessment, increasing the parent and provider’s ability to manage difficult behaviors, providing outreach, and connecting families to other community resources.

STATUTORY AUTHORITY: Sections 27-66-101 through 108; 27-65-101 through 131; 27-67-101 through 108; 25.5-5-411; 16-11.5-102; 16-11.9-101; 18-1.9-101; 25-1.5-103; 25-3-102; 25.5-4-403; 25.5-6-901; 25.5-5-307; 25.5-6-601 through 607; 24-1.9-101, C.R.S.

REQUEST: The Department requests the base funding plus R5 Community provider rate increase, annualizations of prior year budget actions, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the decision item descriptions for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF COMMUNITY AND FAMILY SUPPORT, EARLY CHILDHOOD MENTAL HEALTH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$3,116,638	\$1,189,634	\$0	\$0	\$1,927,004	0.7
Other legislation	\$2,840,000	\$190,000	\$500,000	\$0	\$2,150,000	1.0
H.B. 22-1175 (Supplemental)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$5,956,638	\$1,379,634	\$500,000	\$0	\$4,077,004	1.7
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$5,956,638	\$1,379,634	\$500,000	\$0	\$4,077,004	1.7
S4 Early childhood fed stimulus	160,000	0	0	0	160,000	1.0
Extend underspent fed stimulus	148,361	0	0	0	148,361	0.0
R5 Community provider rate increase	57,984	22,494	0	0	35,490	0.0

OFFICE OF EARLY CHILDHOOD, DIVISION OF COMMUNITY AND FAMILY SUPPORT, EARLY CHILDHOOD MENTAL HEALTH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	5,624	4,730	0	0	894	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
Annualize prior year legislation	(314,000)	186,000	(1,000,000)	0	500,000	0.0
TOTAL	\$6,014,607	\$1,592,858	(\$500,000)	\$0	\$4,921,749	2.7
INCREASE/(DECREASE)	\$57,969	\$213,224	(\$1,000,000)	\$0	\$844,745	1.0
Percentage Change	1.0%	15.5%	(200.0%)	0.0%	20.7%	58.8%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$6,014,607)	(\$1,592,858)	\$500,000	\$0	(\$4,921,749)	(2.7)

EARLY INTERVENTION SERVICES

Early Intervention (EI) services are provided to infants and toddlers, birth through age two, with one of the following three conditions: a developmental delay or disability diagnosis; a physical or mental condition that has a high probability of resulting in a significant delay in development; or a parent or caretaker who has a developmental disability. The Individuals with Disabilities Act (IDEA) requires Early Intervention (EI) services, and the timely identification of infants and youths needing those services, to maintain eligibility for certain federal grants.

STATUTORY AUTHORITY: Section 27-10.5-701 through 710; C.R.S.; Individuals with Disabilities Education Act, 34 C.F.R. Section 303-101 (a)(1).

REQUEST: The Department requests continuation of the base, annualization of the FY 21-22 salary survey, R5 Community provider rate increase, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the decision item descriptions for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF COMMUNITY AND FAMILY SUPPORT, EARLY INTERVENTION SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$62,747,158	\$36,918,733	\$10,509,980	\$7,968,022	\$7,350,423	7.5
TOTAL	\$62,747,158	\$36,918,733	\$10,509,980	\$7,968,022	\$7,350,423	7.5
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$62,747,158	\$36,918,733	\$10,509,980	\$7,968,022	\$7,350,423	7.5
DEC2 Early Intervention alternate	8,673,412	8,673,412	0	0	0	0.0
R5 Community provider rate increase	894,662	735,302	0	159,360	0	0.0
Annualize prior year budget actions	67,724	5,526	6,036	0	56,162	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
TOTAL	\$72,382,956	\$46,332,973	\$10,516,016	\$8,127,382	\$7,406,585	7.5
INCREASE/(DECREASE)	\$9,635,798	\$9,414,240	\$6,036	\$159,360	\$56,162	0.0
Percentage Change	15.4%	25.5%	0.1%	2.0%	0.8%	0.0%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$72,382,956)	(\$46,332,973)	(\$10,516,016)	(\$8,127,382)	(\$7,406,585)	(7.5)

EARLY INTERVENTION EVALUATIONS

This line item was created in FY 2018-19 to fund a pilot program created by HB 18-1333 concerning Part C Child Find responsibilities of State Departments. The pilot program is intended to support programs with integrated Child Find services that allow for early intervention evaluation wrap-around services.

STATUTORY AUTHORITY: Section 27-10.5-703.5, (1)(b)(VIII), C.R.S.

REQUEST: The Department requests continuation of the base with annualization of the FY 21-22 salary survey, annualization of S.B. 21-275 (Child Find responsibilities), and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the decision item descriptions for more detail.

OFFICE OF EARLY CHILDHOOD, DIVISION OF COMMUNITY AND FAMILY SUPPORT, EARLY INTERVENTION EVALUATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
Other legislation	\$8,266,779	\$8,266,779	\$0	\$0	\$0	0.9
S.B. 21-205 (Long Bill)	\$2,456,185	\$2,256,185	\$0	\$0	\$200,000	0.0
TOTAL	\$10,722,964	\$10,522,964	\$0	\$0	\$200,000	0.9
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$10,722,964	\$10,522,964	\$0	\$0	\$200,000	0.9
Annualize prior year budget actions	3,332	3,332	0	0	0	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
Annualize prior year legislation	(419,762)	(419,762)	0	0	0	1.9
TOTAL	\$10,306,534	\$10,106,534	\$0	\$0	\$200,000	2.8
INCREASE/(DECREASE)	(\$416,430)	(\$416,430)	\$0	\$0	\$0	1.9
Percentage Change	(3.9%)	(4.0%)	0.0%	0.0%	0.0%	211.1%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$10,306,534)	(\$10,106,534)	\$0	\$0	(\$200,000)	(2.8)

COLORADO CHILDREN'S TRUST FUND

This line item funds the personnel expenses of the administration of the Colorado Children's Trust Fund Grant Program. The program is supported by a \$15 fee on petitioners for the dissolution of marriage, legal separation, or the declaration of legal invalidity of marriage. Grants are awarded to local prevention and education programs that work with child abuse and neglect cases. The Colorado Children's Trust Fund Board is responsible for grant decisions. Statute allows for the fund to build up a balance of \$5.0 million, at which point the fee would be eliminated and the grants would subsist on the interest earned on the fund balance.

STATUTORY AUTHORITY: Section 19-3.5-101 et seq., C.R.S.

REQUEST: The Department requests continuation of the base, annualization of the FY 21-22 salary survey and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends continuation of the base and annualization of the FY 21-22 salary survey but not NP Transfer to Dept of Early Childhood.

NURSE HOME VISITOR PROGRAM

The Nurse Home Visitor Program was established by S.B. 00-071, and utilizes specially trained nurse home visitors to provide health education and counseling to low-income first time mothers beginning when the mother is pregnant and continuing through the child's second birthday. The program is monitored by the University of Colorado Anschutz Medical Campus, School of Nursing in partnership with the Department. The Nurse Home Visitor Program Fund receives 26.7 percent of the state's allocation of money received from Tobacco Master Settlement funds.

STATUTORY AUTHORITY: Section 26-6.4-102 et seq., C.R.S.

REQUEST: The Department requests continuation of the base, annualization of the FY 21-22 salary survey and a provider rate increase approved in FY 21-22, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends continuation of the base and annualization of the FY 21-22 salary survey and provider rate increase approved in FY 21-22 but not NP Transfer to Dept of Early Childhood.

FAMILY SUPPORT SERVICES

This line item funds grants to Family Resource Centers that were created to serve as a single point of entry for providing comprehensive, intensive, integrated, and collaborative state- and community-based services to vulnerable families, individuals, children, and youth. By law, Section 26-18-105, C.R.S., the services provided by the family resource center shall be coordinated and tailored to the specific needs of individuals and families who live in the community. Centers may receive grants from the Department based on a submitted by the applicant that must meet statutory requirements. Centers provide case management to assess a family's needs and strengths.

Families receive comprehensive coordinated case management services to navigate the pathways to economic, educational, and social and health success for all generations, moving families from crisis to self-reliance. The Family Resource Center Association (FRCA) is responsible for providing resources for implementing quality standards, developing new family resource centers, tracking and reporting outcomes, and representing the Family Resource Center network. The Department provides oversight of the program with include staff support and related administrative and indirect costs.

STATUTORY AUTHORITY: Section 26-18-104, C.R.S.

REQUEST: The Department continuation of the base, annualization of the FY 21-22 salary survey, R5 Community provider rate increase, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the decision item descriptions for more information.

OFFICE OF EARLY CHILDHOOD, DIVISION OF COMMUNITY AND FAMILY SUPPORT, FAMILY SUPPORT SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$1,287,451	\$1,287,451	\$0	\$0	\$0	0.5
TOTAL	\$1,287,451	\$1,287,451	\$0	\$0	\$0	0.5
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$1,287,451	\$1,287,451	\$0	\$0	\$0	0.5
R5 Community provider rate increase	22,728	22,728	0	0	0	0.0
Annualize prior year budget actions	1,589	1,589	0	0	0	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
TOTAL	\$1,311,768	\$1,311,768	\$0	\$0	\$0	0.5
INCREASE/(DECREASE)	\$24,317	\$24,317	\$0	\$0	\$0	0.0
Percentage Change	1.9%	1.9%	0.0%	0.0%	0.0%	0.0%
FY 2022-23 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$1,311,768)	(\$1,311,768)	\$0	\$0	\$0	(0.5)

COMMUNITY-BASED CHILD ABUSE PREVENTION SERVICES

This line funds programs focused on keeping families from entering or further penetrating the child welfare system. The programs identify families that will benefit from prevention services and connect those families to resources designed to increase their protective capacity. Because the majority of referrals to child protective services involve concerns about basic care and parental resources, these programs focus on building connections to cornerstone community services and supports. The line funds two specific programs:

- SafeCare is an in-home prevention services program for parents that includes child behavior management, planned activities training, home safety training, and child health care skills, designed to stabilize families and prevent child maltreatment. Funding is used to implement the SafeCare model at twelve specific sites throughout the state; and
- Community Response Program is designed for preventing child maltreatment and strengthening family functioning by increasing the family’s protective capacities. Funding will be used to implement the program model at 18 sites throughout the state.

STATUTORY AUTHORITY: Section 26-5-101 et. seq., C.R.S.

REQUEST: The Department continuation of the base, annualization of the FY 21-22 salary survey, R5 Community provider rate increase, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: The staff recommended changes are summarized in the table below. See the decision item descriptions for more information.

OFFICE OF EARLY CHILDHOOD, DIVISION OF COMMUNITY AND FAMILY SUPPORT, COMMUNITY CHILD ABUSE PREVENTION SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$8,292,755	\$8,292,755	\$0	\$0	\$0	2.0
TOTAL	\$8,292,755	\$8,292,755	\$0	\$0	\$0	2.0
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$8,292,755	\$8,292,755	\$0	\$0	\$0	2.0
R5 Community provider rate increase	157,174	157,174	0	0	0	0.0
Annualize prior year budget actions	8,238	8,238	0	0	0	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
TOTAL	\$8,458,167	\$8,458,167	\$0	\$0	\$0	2.0
INCREASE/(DECREASE)	\$165,412	\$165,412	\$0	\$0	\$0	0.0
Percentage Change	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$8,458,167)	(\$8,458,167)	\$0	\$0	\$0	(2.0)

HOME VISITING FOR SCHOOL READINESS

This line item funds the evidence-based Healthy Steps two-generation program. It is delivered through the pediatric care system to provide parent support and education, developmental screening, safe sleep practices, family protective and risk factor screening, including parental depression, domestic violence and substance abuse, and connections to needed services. It serves 1,300 families living in the highest risk counties as determined by the Early Childhood Needs Assessment. These families are low-income, and have one or more additional risk factors that could compromise the child's safety, health and well-being, or ability to reach their potential in life.

STATUTORY AUTHORITY: Section 26-5-101 et. seq., C.R.S.

REQUEST: The Department continuation of the base, R5 Community provider rate increase, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends continuation of the base, application of the JBC's common policy for a 2.0 percent community provider rate increase and not NP Transfer to Dept of Early Childhood.

INCREDIBLE YEARS PROGRAM

This line item supports the Incredible Years® (IY) Program. Rigorously researched IY programs support parenting skills (Preschool Basic Parent Program), teacher training (Teacher Classroom Management), and children's social-emotional skill development (Dinosaur School).

STATUTORY AUTHORITY: Section 26-1-111 (2)(t), C.R.S.

REQUEST: The Department continuation of the base, R5 Community provider rate increase, annualization of the FY 21-22 salary survey, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends continuation of the base, application of the JBC's common policy for a 2.0 percent community provider rate increase, and annualization of the FY 21-22 salary survey, but not NP Transfer to Dept of Early Childhood.

(C) INDIRECT COST ASSESSMENT

INDIRECT COST ASSESSMENT

This line item funds the indirect costs associated with the operation of the Department.

REQUEST: The Department requests adjustments based on the statewide and departmental indirect cost recovery plans, adjustments for requests that change the size of the indirect cost pool, such as R6 Facilities management operating expenses, and NP Transfer to Dept of Early Childhood.

RECOMMENDATION: Staff recommends the requested adjustments except NP Transfer to Dept of Early Childhood. Staff requests permission to adjust the line based on final Committee action on centrally appropriated line items.

OFFICE OF EARLY CHILDHOOD, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$3,839,745	\$0	\$193,702	\$0	\$3,646,043	0.0
TOTAL	\$3,839,745	\$0	\$193,702	\$0	\$3,646,043	0.0
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$3,839,745	\$0	\$193,702	\$0	\$3,646,043	0.0
Indirect cost assessments	135,319	0	7,014	0	128,305	0.0
R6 Facilities management operating resources	24,154	0	1,218	0	22,936	0.0
Centrally appropriated line items	1,578	0	80	0	1,498	0.0
Annualize prior year budget actions	324	0	13	0	311	0.0
NP Transfer to Dept of Early Childhood	0	0	0	0	0	0.0
TOTAL	\$4,001,120	\$0	\$202,027	\$0	\$3,799,093	0.0
INCREASE/(DECREASE)	\$161,375	\$0	\$8,325	\$0	\$153,050	0.0
Percentage Change	4.2%	0.0%	4.3%	0.0%	4.2%	0.0%
FY 2022-23 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$4,001,120)	\$0	(\$202,027)	\$0	(\$3,799,093)	0.0

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

Staff recommends **CONTINUING** the following footnotes:

- 40 Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Early Childhood Councils -- It is the General Assembly's intent that these funds be allocated to existing Early Childhood Councils.

COMMENT: The footnote explains the General Assembly's intent.

- 41 Department of Human Services, Office of Early Childhood, Division of Community and Family Support, Early Childhood Mental Health Services -- It is the General Assembly's intent that this appropriation be used for the purpose of supporting early childhood mental health specialists in each community mental health center.

COMMENT: The footnote explains the General Assembly's intent.

REQUESTS FOR INFORMATION

Staff recommends continuing and **CONTINUING AND MODIFYING** the following request for information:

- 1 Department of Human Services, Office of Early Childhood, Early Intervention Services -- The Department is requested to submit annually, on or before January 1, a report to the Joint Budget Committee concerning caseload growth for early intervention services. The requested report should include the following information: (a) the total number of early intervention services performed compared to the projected amount of early intervention services; (b) the amount of funds expended in the fiscal year from July 1 through the time period when the report is created compared to the projected spending; and (c) the amount of any expected gaps between the appropriation in the long bill and actual expenditures.

COMMENT: This is an on-going annual report.

- 2 Department of Human Services, Office of Early Childhood, Child Care Assistance Program -- The Department is requested to submit annually, on or before January 1, a report to the Joint Budget Committee concerning costs for the Colorado Child Care Assistance Program. The requested report should include the following information: (a) the changes in direct services costs from the prior year due to inflation; (b) changes in direct services costs from the prior year due to quality; and (c) changes in cost due to changes to continuity from the previous year.

COMMENT: This is an on-going annual report.

- 5 Department of Human Services, Totals -- The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for the actual, estimate, and request years: (a) the total amount of federal funds available and anticipated to be available to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.

COMMENT: This is an on-going annual report.

- 6 Department of Human Services, Office of Early Childhood, Division of Community and Family Support -- The Department is requested to submit a report annually, on or before November 1, updating the Joint Budget Committee on the recent expansion of The Incredible Years® (IY) programs initially funded in the Long Bill in FY 2018-19. Rigorously researched IY programs support parenting skills (Preschool Basic Parent Program), teacher training (Teacher Classroom Management), and children’s social-emotional skill development (Dinosaur School). The report should include a listing of the organizations that have applied for and received funding; the specific IY program(s) delivered; and information regarding how IY is being supported by the Implementation Partner through: (a) Community readiness and entity selection; (b) Training, coaching and fidelity monitoring; (c) Local Implementation Team development; (d) Entity-specific and statewide process and outcomes evaluation; and (e) On-going quality improvements to ensure high-quality scale and sustainability. The report should also include information on any changes made that affect the nature of the program.

COMMENT: This is an on-going annual report.

JBC Staff Figure Setting - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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DEPARTMENT OF HUMAN SERVICES Michelle Barnes, Executive Director

(6) OFFICE OF EARLY CHILDHOOD

suant to federal law; and frunds received from Part C of the federal Individuals with Disabilities Education Improvement Act. Reappropriated funds are Medicaid funds transferred from the Department of Health Care Policy and Financing.

(A) Division of Early Care and Learning

Early Childhood Councils	<u>1,935,214</u>	<u>1,739,134</u>	<u>1,991,133</u>	<u>0</u>	<u>1,999,157</u> *
FTE	1.0	1.0	1.0	0.0	1.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,935,214	1,739,134	1,991,133	0	1,999,157
Child Care Licensing and Administration	<u>9,476,769</u>	<u>10,231,956</u>	<u>11,910,781</u>	<u>0</u>	<u>15,816,545</u> *
FTE	54.3	50.6	71.1	3.5	105.6
General Fund	2,442,929	2,773,969	2,852,805	0	2,955,581
Cash Funds	1,307,543	1,633,823	1,633,856	0	1,681,003
Reappropriated Funds	0	0	0	0	0
Federal Funds	5,726,297	5,824,164	7,424,120	0	11,179,961
Fine Assessed Against Licenses	<u>812</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u> *
General Fund	0	0	0	0	0
Cash Funds	812	0	10,000	0	10,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Child Care Assistance Program	<u>121,537,113</u>	<u>124,458,715</u>	<u>159,168,720</u>	<u>0</u>	<u>157,916,576</u> *
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	29,410,508	28,190,496	29,998,226	0	28,790,460
Cash Funds	11,645,071	13,332,375	14,768,652	0	15,064,026
Reappropriated Funds	0	0	0	0	0
Federal Funds	80,481,534	82,935,844	114,401,842	0	114,062,090
Intrastate CCCAP Redistribution	<u>12,049,476</u>	<u>3,436,562</u>	<u>500,000</u>	<u>0</u>	<u>26,470,215</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	12,049,476	3,436,562	500,000	0	26,470,215
Colorado Child Care Assistance Program Market					
Rate Study	<u>13,527</u>	<u>13,500</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u> *
General Fund	13,527	13,500	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	20,000	20,000	0	20,000
Child Care Grants for Quality and Availability and					
Federal Targeted Funds Requirements	<u>18,514,599</u>	<u>64,494,738</u>	<u>31,238,359</u>	<u>0</u>	<u>56,981,959</u> *
FTE	0.0	9.0	9.0	0.0	14.0
General Fund	4,763,638	48,499,743	3,204,426	0	3,210,443
Cash Funds	500,000	0	385	0	385
Reappropriated Funds	0	0	0	0	0
Federal Funds	13,250,961	15,994,995	28,033,548	0	53,771,131

JBC Staff Figure Setting - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
School-readiness Quality Improvement Program	<u>2,036,411</u>	<u>2,175,486</u>	<u>2,239,037</u>	<u>0</u>	<u>2,243,608</u> *
FTE	1.0	1.0	1.0	0.0	1.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,036,411	2,175,486	2,239,037	0	2,243,608
Early Literacy Book Distribution Partnership	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	100,000	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Child Care Sustainability Grant Program	<u>0</u>	<u>0</u>	<u>292,700,664</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	3.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	292,700,664	0	0
Employer-based Child Care Facility Grant Program	<u>0</u>	<u>8,700,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	8,700,000	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Community Innovation and Resilience for Care and Learning Equity Grant Program	<u>0</u>	<u>0</u>	<u>16,800,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	1.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	16,800,000	0	0
Early Care and Education Recruitment and Retention Grant and Scholarship Program	<u>0</u>	<u>0</u>	<u>7,200,000</u>	<u>0</u>	<u>9,013,697</u> *
FTE	0.0	0.0	4.0	0.0	5.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	7,200,000	0	9,013,697
Child Care Teacher Salary Grant Program	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>0</u>	<u>3,000,000</u> *
FTE	0.0	0.0	1.0	0.0	1.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	3,000,000	0	3,000,000

JBC Staff Figure Setting - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Child Care Services and Substance Use Disorder					
Treatment Pilot Program	<u>429,998</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u> *
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	429,998	0	500,000	0	500,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Continuation of Child Care Quality Initiatives	<u>2,716,376</u>	<u>2,407,098</u>	<u>3,824,755</u>	<u>0</u>	<u>5,989,337</u> *
FTE	14.6	14.6	14.9	0.0	15.9
General Fund	0	0	158,640	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,716,376	2,407,098	3,666,115	0	5,989,337
Child Care Assistance Program Support	<u>1,135,347</u>	<u>1,139,345</u>	<u>1,200,000</u>	<u>0</u>	<u>1,200,000</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,135,347	1,139,345	1,200,000	0	1,200,000
Early Childhood Data and Technology Systems	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
SUBTOTAL - (A) Division of Early Care and Learning					
	169,945,642	218,796,534	532,303,449	0	281,161,094
FTE	<u>70.9</u>	<u>76.2</u>	<u>106.0</u>	<u>3.5</u>	<u>143.5</u>
General Fund	37,160,600	88,177,708	36,714,097	0	35,456,484
Cash Funds	13,453,426	14,966,198	16,412,893	0	16,755,414
Reappropriated Funds	0	0	0	0	0
Federal Funds	119,331,616	115,672,628	479,176,459	0	228,949,196

(B) Division of Community and Family Support

Promoting Safe and Stable Families	<u>3,401,004</u>	<u>4,588,331</u>	<u>4,626,992</u>	<u>0</u>	<u>4,636,436</u> *
FTE	2.0	2.0	2.0	0.0	2.0
General Fund	53,928	55,519	55,519	0	56,501
Cash Funds	0	1,074,400	1,074,400	0	1,074,400
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,347,076	3,458,412	3,497,073	0	3,505,535
Early Childhood Mental Health Services	<u>2,634,264</u>	<u>2,589,872</u>	<u>5,956,638</u>	<u>0</u>	<u>6,014,607</u> *
FTE	0.7	1.7	1.7	0.0	2.7
General Fund	1,248,562	1,286,964	1,379,634	0	1,592,858
Cash Funds	0	0	500,000	0	(500,000)
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,385,702	1,302,908	4,077,004	0	4,921,749

JBC Staff Figure Setting - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Early Intervention Services	<u>62,579,873</u>	<u>54,526,532</u>	<u>62,747,158</u>	<u>0</u>	<u>72,382,956</u> *
FTE	7.5	7.5	7.5	0.0	7.5
General Fund	41,538,022	41,210,035	36,918,733	0	46,332,973
Cash Funds	13,198,112	10,106,562	10,509,980	0	10,516,016
Reappropriated Funds	0	0	7,968,022	0	8,127,382
Federal Funds	7,843,739	3,209,935	7,350,423	0	7,406,585
Early Intervention Early Start Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> *
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Intervention Evaluations	<u>2,500,000</u>	<u>2,222,792</u>	<u>10,722,964</u>	<u>0</u>	<u>10,306,534</u> *
FTE	0.0	0.9	0.9	0.0	2.8
General Fund	2,500,000	2,222,792	10,522,964	0	10,106,534
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	200,000	0	200,000
Colorado Children's Trust Fund	<u>1,486,081</u>	<u>1,035,582</u>	<u>1,171,018</u>	<u>0</u>	<u>1,181,740</u> *
FTE	1.5	1.5	1.5	0.0	1.5
General Fund	203,020	0	0	0	0
Cash Funds	132,907	246,447	362,050	0	364,642
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,150,154	789,135	808,968	0	817,098

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Nurse Home Visitor Program	<u>22,839,427</u>	<u>22,945,234</u>	<u>25,697,933</u>	<u>0</u>	<u>26,445,699</u> *
FTE	3.0	3.0	3.0	0.0	3.0
General Fund	0	0	0	0	0
Cash Funds	20,469,014	20,570,209	23,934,596	0	24,682,362
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,370,413	2,375,025	1,763,337	0	1,763,337
Family Support Services	<u>1,133,437</u>	<u>706,310</u>	<u>1,287,451</u>	<u>0</u>	<u>1,311,768</u> *
FTE	0.5	0.5	0.5	0.0	0.5
General Fund	1,133,437	706,310	1,287,451	0	1,311,768
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Community Child Abuse Prevention Services	<u>7,503,283</u>	<u>8,084,892</u>	<u>8,292,755</u>	<u>0</u>	<u>8,458,167</u> *
FTE	2.0	0.0	2.0	0.0	2.0
General Fund	7,503,283	8,084,892	8,292,755	0	8,458,167
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Home Visiting for School Readiness	<u>543,190</u>	<u>571,946</u>	<u>586,245</u>	<u>0</u>	<u>597,969</u> *
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	543,190	571,946	586,245	0	597,969
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2022-23
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Incredible Years Program	<u>848,289</u>	<u>846,029</u>	<u>864,773</u>	<u>0</u>	<u>885,472</u> *
FTE	1.1	1.1	1.1	0.0	1.1
General Fund	169,775	846,029	0	0	0
Cash Funds	678,514	0	864,773	0	885,472
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Division of Community and Family Support	105,468,848	98,117,520	121,953,927	0	132,221,348
FTE	<u>18.3</u>	<u>18.2</u>	<u>20.2</u>	<u>0.0</u>	<u>23.1</u>
General Fund	54,893,217	54,984,487	59,043,301	0	68,456,770
Cash Funds	34,478,547	31,997,618	37,245,799	0	37,022,892
Reappropriated Funds	0	0	7,968,022	0	8,127,382
Federal Funds	16,097,084	11,135,415	17,696,805	0	18,614,304
(C) Indirect Cost Assessment					
Indirect Cost Assessment	<u>3,651,162</u>	<u>3,743,420</u>	<u>3,839,745</u>	<u>0</u>	<u>4,001,120</u> *
General Fund	0	0	0	0	0
Cash Funds	163,031	131,650	193,702	0	202,027
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,488,131	3,611,770	3,646,043	0	3,799,093
SUBTOTAL - (C) Indirect Cost Assessment	3,651,162	3,743,420	3,839,745	0	4,001,120
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	163,031	131,650	193,702	0	202,027
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,488,131	3,611,770	3,646,043	0	3,799,093

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
TOTAL - (6) Office of Early Childhood	279,065,652	320,657,474	658,097,121	0	417,383,562
<i>FTE</i>	<u>89.2</u>	<u>94.4</u>	<u>126.2</u>	<u>3.5</u>	<u>166.6</u>
General Fund	92,053,817	143,162,195	95,757,398	0	103,913,254
Cash Funds	48,095,004	47,095,466	53,852,394	0	53,980,333
Reappropriated Funds	0	0	7,968,022	0	8,127,382
Federal Funds	138,916,831	130,419,813	500,519,307	0	251,362,593
TOTAL - Department of Human Services	279,065,652	320,657,474	658,097,121	0	417,383,562
<i>FTE</i>	<u>89.2</u>	<u>94.4</u>	<u>126.2</u>	<u>3.5</u>	<u>166.6</u>
General Fund	92,053,817	143,162,195	95,757,398	0	103,913,254
Cash Funds	48,095,004	47,095,466	53,852,394	0	53,980,333
Reappropriated Funds	0	0	7,968,022	0	8,127,382
Federal Funds	138,916,831	130,419,813	500,519,307	0	251,362,593