

DEPARTMENT OF EARLY CHILDHOOD
FY 2023-24 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, December 20, 2022

1:30 pm – 3:00 pm

1:30-1:40 INTRODUCTIONS AND OPENING COMMENTS

Presenter: Dr. Lisa Roy, Executive Director
Presenter: Mary Alice Cohen, Deputy Director
Presenter: Jeanni Stefanik, Chief Financial Officer
Presenter: Tom Massey, Chief Administrative Officer

1:40-1:50 COMMON QUESTIONS & STIMULUS UPDATE

Main Presenters:

- Dr. Lisa Roy, Executive Director
- Mary Alice Cohen, Deputy Director
- Jeanni Stefanik, Chief Financial Officer
- Tom Massey, Chief Administrative Officer

Topics:

- Question 1: Page 3, Questions 1 in the packet
- Question 2-4: Page 4-5, Questions 2-4 in the packet
- Continuation of Federal Stimulus Strategies: Page 5-7, Question 2,3,27, Slides 9-10

1:50-2:30 UNIVERSAL PRESCHOOL PROGRAM

Main Presenters:

- Dawn Odean, Division Director of Universal Preschool Program
- Michael Cooke, CDEC Transition Director
- Dr. Lisa Roy, Executive Director
- Jeanni Stefanik, Chief Financial Officer

Topics:

- Local Coordinating Organizations & Providers: Pages 7-10 in Packet, Questions 10,15,21,22,23,28,29,30, Slides 12-15
- Rules & Rate Setting: Pages 10-11 in Packet, Questions 16, 18,19, Slides 16-19
- Special Education Services: Page 12-13 in Packet, Questions 17,25,26, Slide 20

- UPK Application: Pages 11-12 in Packet, Questions 20,24, Slide 21
- R-01 Universal Preschool Program: Page 13 in Packet, Question 13, Slide 22
- R-02 Increasing UPK Participation: Page 14-15 in Packet, Questions 7,8,9,12, Slide 23
- R-03 Provider Bonuses: Page 16 in Packet, Question 11, Slide 24

2:30 -2:50 DIVISION OF COMMUNITY AND FAMILY SUPPORT

Main Presenters:

- Kendra Dunn, Division Director of Community and Family Support
- Dr. Lisa Roy, Executive Director
- Jeanni Stefanik, Chief Financial Officer

Topics:

- Early Intervention Program Page 16-17 in packet, Question 1, Slides 25-27
- R-06 Early Childhood Mental Health Support Line: Slide 28
- R-09 Child Sexual Abuse Prevention Training: Page 17 in Packet, Questions 4, Slide 29
- R-11 Nurse Home Visitor Spending Authority: Page 17-18 in Packet, Questions 14, Slide 30

2:50 - 3:00 OTHER DEPARTMENT REQUESTS

Main Presenters:

- Jeanni Stefanik, Chief Financial Officer
- Dr. Lisa Roy, Executive Director
- Tom Massey, Chief of Administrative Officer

Topics:

- R-12 Right-Sizing Early Quality Funding: Page 18 in Packet, Question 5, Slide 31
- Department Administrative Strategies (R-05, R-08, R-13) Page 19in Packet, Question 6, Slides 32-33

DEPARTMENT OF EARLY CHILDHOOD
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COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1 Please describe the implementation plan for new programs added to the Department from one-time stimulus funds (such as the CARES Act, ARPA, and one-time General Fund), as well as any challenges or delays to program implementation.

CDEC ANSWER: On July 1st, the Department received funding from the Economic Recovery and Relief Cash Fund which consists of federal ARPA funds to assist in new and existing childhood programs through SB22-213 and HB22-1369, totaling \$51.5 million. Implementation has proceeded as follows:

- **Employer-based Child Care:** The Department has successfully administered the second round of employer-based child care facility grants, which is expected to fund 20 new employers to open on- or near-site child care for employees. The Department has already partnered with fourteen communities throughout the state to distribute \$7.6 million of the \$10 million appropriated. The Department intends to combine the application processes for the remaining funds, to leverage the Emerging and Expanding Grant and partner with Employer Based Child Care to distribute the final awards in the beginning of 2023.
- **Emerging and Expanding:** The Department anticipates the Emerging and Expanding Grant will fund up to 300-400 new child care providers to open or expand existing licensed capacities across the state. Of the \$16 million appropriated, the Department has obligated \$11.4 million for grant distribution. The Department is currently in the process of creating processes to distribute administration funding for Early Childhood Councils and offering technical assistance to applicants and grant recipients with the implementation of their award. The Department expects to have the first round of awards distributed in January 2023.
- **Family, Friends and Neighbors:** The Department received \$7.5 million for the Family Friends and Neighbors (FFN) support programs intended to equip an estimated 2,000 FFN providers throughout Colorado with abilities to offer safe and developmentally appropriate child care and requires the Department to establish a FFN Advisory Council. The Department is required to hire staff to administer the program and contract with community based and nonprofit entities to establish a FFN training program. The Department is in the process of hiring appropriate staff to begin the administration of the program and developing a statement of work for the required contracts for implementation.
- **Recruitment and Retention:** The Department received \$15 million for the Recruitment and Retention Scholarship and Grant program which could fund 2,000 early childhood educators and non-educator early childhood professionals, such as home visitors and mental health consultants, with scholarships and loan forgiveness at community colleges and public universities throughout Colorado. As many recruitment and retention efforts will be extended through contracts, the Department has begun work with providers to amend contracts to assist in the distribution of funding to Early Intervention, home visitation, and Early Child Mental Health.

- **Home Visiting:** The Department is currently in the process of establishing a contract with Parent Possible to implement programming for the \$1 million for the Home Visiting program which is expected to increase school readiness to serve an additional 1,400 families across the state. The state intermediary organization is certified by the Home Instruction for Parents and Preschool Youngsters (HIPPPY) International and will fund HIPPPY expansion at new or existing sites with these dollars.
- **Children’s Mental Health Programs:** The Department received \$2 million to bolster a program that would increase access to services for children's mental health meeting the requirements in the statute. Child First is an evidence-based service in Colorado that meets the requirements. Currently, it only exists in 13 counties but there are requests to bring it to more counties. The Department worked with the certified state intermediary for the model on expansion plans in FY 2022-23 and plans to issue a contract in the spring of 2023 to expand services to an additional region.

Additionally, the Department was appropriated federal funds from the ARPA Supplemental Discretionary Child Care and Development Fund (CCDF) award to fund the following programs beginning in FY 2022-23: Expanding Income Eligibility for CCCAP, Payment Based on Enrollment for Infants and Toddlers, Early Head Start Child Care Partnership, and Workforce Recruitment & Retention Substitute Fund.

CCCAP Expanded income eligibility: The Department received \$15.9 million in FY 2022-23 to expand income eligibility for CCCAP by increasing funding to both serve more families who are currently eligible for CCCAP, and serve new low-income families that were just outside of the entry income eligibility levels based on the Federal Poverty Guidelines. As of October 2022, 53 families and 72 children have qualified for CCCAP that would not have been eligible prior to 7/1/2022.

- **CCCAP Payment based on Enrollment for Infants and Toddlers:** The Department received \$10.8 million in FY 2022-23 to increase access for infants and toddlers by paying CCCAP child care providers who accept infants and toddlers based on enrollment of the child, not on the attendance of the child. CCCAP has historically paid providers based on a child’s attendance, rather than based on a child’s enrollment, meaning that if a child enrolled in CCCAP does not attend care on a given day, the provider will not receive reimbursement or compensation for that child. Paying CCCAP providers based on enrollment vs attendance mirrors private pay child care policies and will not only increase access for infants and toddlers but will also stabilize child care businesses by providing them with predictable income. Between 7/1/2022-10/31/2022, CCCAP has seen an increase of 225 infants and toddlers served, likely due to the combined impacts of our stimulus investments in CCCAP.
- **Early Head Start Child Care Partnership:** The Department received \$3.1 million in FY 2022-23 to expand infant and toddler capacity by partnering with Early Head Start to create up to 200 additional slots for infants and toddlers. The Department issued a Request for Applications, and is in the process of awarding contracts to 3 Early Head Start agencies that will serve 172 additional infants and toddlers between now and June 30, 2023. The Department is currently negotiating contracts with these agencies.

Substitute Fund: The Department received \$1.1 million in FY 2022-23 to create a substitute fund as part of the workforce recruitment and retention grant program. The Department is currently preparing the solicitation to support substitute placements in child care programs across the state to support professional development opportunities, access to Early Childhood Mental Health Consultation and coaching, and more. The project will launch starting July 1, 2023.

- 2 Please identify how many rules you have promulgated in the past year (FY 2021-22). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department’s rules as a whole? If so, please provide an overview of each analysis.

CDEC ANSWER: The Department did not promulgate rules in FY 2021-22. The Department of Human Services included the Office of Early Childhood as part of the Department's hearing response. The Office of Early Childhood promulgated 5 permanent rules and 2 emergency rules in FY 2021-22.

- 3 How many temporary FTE has the Department been appropriated funding in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23? For how many of the temporary FTE was the appropriation made in the Long Bill? In other legislation? Please indicate the amount of funding that was appropriated. What is the department's strategy related to ensuring the short term nature of these positions? Does the department intend to make the positions permanent in the future?

CDEC ANSWER: Consistent with other RFIs and common questions requesting historical trends prior to FY 2022-23, early childhood data is included within the Department of Human Services. The Department was newly created in FY 2022-23 and prioritizes the utilization of temporary FTE to address backfill in the most critical positions. The Department has minimal temporary FTE since inception. However, the Department anticipates temporary FTE will occasionally be warranted to for the Background Investigation Unit and Licensing Support program to ensure that the provider and general public needs are met.

In addition, the Department currently has 39.0 FTE that are term limited positions, at an estimated amount of \$3.8 million in Federal Funds.

- 4 Please provide a description, calculation, and the assumptions for the fiscal impact of implementing the provisions of the Partnership Agreement, including but not limited to changes in annual leave accrual, holiday pay, and paid family and medical leave. If your department includes employees who are exempt from the Partnership Agreement, please indicate whether or not you intend to implement similar benefit changes as those required for covered employees. Please provide a breakdown of the fiscal impact of implementing the provisions of the Partnership Agreement for: a) employees who are subject to the Agreement, and b) employees who are exempt from the Agreement.

CDEC ANSWER: Consistent with other RFIs and common questions requesting historical trends prior to FY 2022-23, early childhood data is included within the Department of Human Services.

CONTINUATION OF FEDERAL STIMULUS STRATEGIES

- 2 *[Sen. Kirkmeyer]* What happens when the one-time federal funds are gone?

CDEC ANSWER: Most of the Department stimulus investments were intended to be one-time investments: either transformative investments (such as the creation of the unified application for UPK and other early childhood programs) or short-term support for the early childhood sector during the immediate crisis (such as the stabilization checks for early childhood providers). As noted by JBC staff during the JBC briefing on December 8th, the Department has identified several critical areas to continue work with the Office of State Planning and Budgeting will to identify sustainable funding sources after stimulus funds expire: particularly increased CCCAP rates and paid absences and reduced CCCAP copays. These priority areas are discussed in Question 3.

In other areas, the Department continues to work with and partnering with stakeholders to find additional longer-term solutions. For instance, the Department used stimulus funds to assist the increased access to services for children's mental health meeting short term requirements and is collaborating with Invest for Kids, the Department is engaged in fundraising efforts to help sustain that newest site to ensure the program will not go away when stimulus funds end.

- 3 *[Sen. Kirkmeyer]* Last year the Department indicated that some of the one-time federal funds would be used for on-going needs, including \$16.4 million annually for CCCAP rates and paid absences, \$3.2

million annually for reduced CCCAP co-pays, and \$10.5 annually to pay for infant and toddler enrollment rather than attendance. What is the plan for these ongoing costs?

CDEC ANSWER: As the relevant funding source (ARPA CCDF) must be appropriated by the General Assembly and expended by September 30, 2024, through CDEC R-07 the Department has requested that the JBC appropriate \$102.3 million in ARPA CCDF in FY 2023-24 and \$16.0 million in ARPA CCDF in the first quarter of FY 2024-25 to continue these CCCAP investments as well as other stimulus investments previously approved through FY 2021-22 S-04. The Department intends to scale down programs to mitigate impacts of a potential fiscal cliff implications.

However, the Department is working on strategies to continue these investments, beginning with analyzing the expenditure data related to these strategies in order to determine the actual amount needed for ongoing funding, as the stimulus amounts are based on estimates. CCCAP is included in the annual common policy provider rate increase, which will offset a portion of the ongoing funding necessary to continue the CCCAP rates. In addition to one-time federal funds, the American Rescue Plan Act included an ongoing increase of approximately \$8.7 million to the annual CCDF Matching Grant award. Between the ongoing increase and the current federal CCDF carryforward balance, the Department projects that there will be a sufficient balance of federal funds to continue the CCCAP strategies above through at least the end of 2024-25, nine months beyond the end of these stimulus funds. The Department will continue to work with our Federal partners and the Office of State Planning and Budgeting to consider other long-term sustainable funding sources.

27 [Sen. Kirkmeyer] Please provide information on all non-appropriated federal funds to the Department and how the Department is spending the money in FY 2022-23.

CDEC ANSWER: Table 2 below provides information on the non-appropriated federal funds awarded to the Department for Federal Fiscal Year 2023 (10/1/2022 - 9/30/2023).

Table 2: CDEC FFY 2023 Non Appropriated Federal Funds			
Grant Program	Awarding Agency	Amount	Purpose/Activities
Maternal, Infant and Early Childhood Home Visiting (MIECHV) Grant	Health and Human Services, Health Resources and Services Administration	\$7,724,116*	The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program supports pregnant people and parents with young children who live in communities that face greater risks and barriers to achieving positive maternal and child health outcomes. Families choose to participate in home visiting programs, and partner with health, social service, and child development professionals to set and achieve goals that improve their health and well-being.
Head Start Collaboration Grant	Health and Human Services, Administration for Children & Families, Office of Head Start	\$125,000	Head Start Collaboration Offices facilitate collaboration among Head Start agencies and entities that carry out activities designed to benefit low-income children from birth to school entry, and their families. The grant funds a Head Start Collaboration Director at CDEC, plus associated administrative costs.

Family Support through Primary Prevention	Health and Human Services, Administration for Children & Families, Administration on Children, Youth & Families	\$750,000	The FSPP project is intended to reduce child maltreatment and improve family well-being for Colorado families ages prenatal to 5, with a focus on the first year of life. There are three demonstration projects involving five counties.
Preschool Development Grants Birth to Five (PDG B-5)	Health and Human Services, Administration for Children & Families, Office of Child Care	\$3,118,030**	PDG B-5 funding supports efforts to analyze the current landscape of the early childhood mixed delivery system and implement changes to the system that maximize the availability of high-quality early childhood care and education options for low-income and disadvantaged families across providers and partners, improve the quality of care, streamline administrative infrastructure, and improve state-level early childhood care and education funding efficiencies. The funding for the no-cost extension period is supporting the continuation of current PDG strategies, including quality coaches, IT improvement projects, early literacy projects, and evaluation of efforts.
Healthy Marriage and Responsible Fatherhood (FIRE) Grant	Health and Human Services, Administration for Children & Families, Office of Family Assistance	\$1,495,808	This grant funds state administration of seven fatherhood programs with nine locations across Colorado. The seven local sites have received funding from this grant to support fathers to sustain healthy relationships, work toward financial well-being, and reinforce responsible parenting through skills-based parent and co-parent education workshops. Participating fathers also receive one-on-one support from fatherhood advocates at the local sites. Services are voluntary and targeted to fathers and father figures over the age of 18, with a child or children under the age of 24.
Early Childhood Comprehensive Systems (ECCS): Health Integration P-5	Health and Human Services, Health Resources and Services Administration	\$255,600	The program aims to build integrated maternal and early childhood systems of care that are equitable, sustainable, comprehensive, and inclusive of the health system.
Retention/ Recruitment of Early Intervention Professionals	Department of Education, Office of Special Education Programs	\$232,050	This grant funds activities to facilitate the recruitment of EI direct service providers and provide professional development opportunities for existing providers. The

			grant is supporting tuition for 10 students to get their Master’s degree in Early Childhood Special Education as well as providing ECHO (Extension for Community Healthcare Outcomes) series opportunities for 30 providers.
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*The amount reflects the FFY 2022 award, as the Department is waiting to receive its FFY 2023 Notice of Grant Award.

**The amount reflects the carryforward amount approved for a no-cost extension of the final year of the grant.

UNIVERSAL PRESCHOOL PROGRAM

LOCAL COORDINATING ORGANIZATIONS & PROVIDERS

- 10 [Sen. Kirkmeyer] Who are the Local Coordinating Organizations (LCOs) and what are their regions? How many of the LCOs are local governments, such as counties or school districts? Are local governments eligible and likely to succeed in pursuing private grant funding?

CDEC ANSWER: There are 32 Local Coordinating Organizations, representing all 64 counties throughout the State. A majority of the LCO’s are Early Childhood Councils that represent counties and school districts. Three LCO’s include school districts (Eagle County, Custer County, and Westminster school Districts) and two include county governments (Mesa & Summit County) All of our school district and county LCO partners are part of a collaborative that includes a nonprofit entity, which would be eligible to pursue grant funding.

Appendix A provides a list of the LCO’s by county and School Districts Served.

- 15 [Sen. Bridges] What happens if we don't have enough providers? This is a global question for all the programs the Department manages. What are the areas with the most acute provider shortages? What are the strategies the Department is working on to ensure sufficient providers for all programs?

CDEC ANSWER: If there are not enough providers in any program, service capacity would need to be re-evaluated. The Department submission identifies programs that would receive additional support through the R–10 Provider Rate Increase request. Additionally, the Department submitted decision item requests related specifically to providers for the Universal Preschool Program, Early Intervention and Nurse Home Visitor Programs as opportunities to address some of these provider shortages.

Specifically, in relation to the universal preschool program, the Department identified the strategies contained in R-02 and R-03 to increase provider capacity to meet family demands. The Department’s many meetings with early childhood stakeholders since rate setting indicate that the established per-child rates for UPK are compelling for provider participation and there is a higher level of interest among providers after dissemination of the rates. LCO’s are working with providers and families to increase enrollment and support the utilization of the Universal Preschool Program application. Outreach efforts, bonuses, and other efforts described in the Department’s budget requests are also critical to meeting this goal.

The Department has been working on strategies to ensure sufficient providers for all programs by leveraging stimulus funding, across the board provider rate increases, and frequent communication with providers and stakeholder engagement. The Department continues to seek opportunities to address shortfalls, pay-gaps, and increased capacity.

- 21 [Sen. Kirkmeyer] How is the Department ensuring Local Coordinating Organizations (LCOs) are sufficiently funded?

CDEC ANSWER: Each LCO received a baseline administrative funding allocation based on the cost of hiring staff in the region and the number of eligible children expected to enroll. This baseline funding is designed to fund a half time employee in catchments with the smallest number of children up to two full time employees for the most populated areas. In addition, LCOs can apply for additional resources to support their work via the community plan. These resources might include funding for translation services, technology, additional staffing, mileage, or professional development costs. The Department will allocate funding to LCO's, and the LCO's are passing the funding onto its providers, or using its own distribution methods.

- 22 [Sen. Kirkmeyer] How much does each Local Coordinating Organization (LCO) receive and how is this amount determined?

CDEC ANSWER: The baseline administrative funding allocations for LCOs range from \$41,622 to \$191,809, with an average allocation of \$96,703. The funding formula for the baseline allocation assigns FTE to each LCO based upon estimated uptake, and then multiplies the number of FTE by a weighted average of salaries for Project Managers and Administrative Coordinators in the constituent counties. In addition, LCOs can apply for additional resources to support their work via the community plan. These resources might include funding for translation services, technology, additional staffing, mileage, or professional development costs.

- 23 [Sen. Kirkmeyer] How is the Department ensuring and measuring quality in preschool programs? What is the role of the Local Coordinating Organizations (LCOs) in ensuring quality?

CDEC ANSWER: In partnership with CDE, preschool providers and LCO's, the Department is utilizing the existing quality standards as a platform, with the Department will complete a rulemaking process in consultation with the Rules Advisory Council for quality standards that will take place in the first half of 2023. Per statute, UPK quality standards must at a minimum reflect national and community-informed best practices with regard to school readiness, academic and cognitive development, healthy environments, social-emotional learning, and child and family outcomes. These standards will build upon existing child care licensing requirements with which preschool providers are required to comply, with quality standards relating to health and safety as a condition of participating in the preschool program. The Early Childhood Councils will still play their important roles in ensuring quality across the child care space. LCOs will play a strong role as well, especially in the development and implementation of quality standards for UPK. The Department is also required to contract an independent evaluation, which will include a third party assessment of the quality of the universal preschool programs that may inform the future evolution of quality standards.

- 28 [Sen. Kirkmeyer] Where is the local capacity building funding going? Who is receiving the majority of the funding, schools or private providers?

CDEC ANSWER: The Department will award the local capacity building funding to providers who sign on to participate in UPK and enter into a Provider Agreement. The Department will work with LCOs to review applications and allocate resources within each catchment area. These funds are designated to assist in the capacity building of new facilities and can be used for the purchase of furniture and equipment for new preschool classrooms (with a priority for energy efficiency considerations), providing high-quality curriculums and training to new preschool providers. Providers are in the process of enrolling to participate in UPK, so the Department is not currently able to provide further information on the distribution of the funding.

- 29 [Sen. Kirkmeyer] Please estimate the portion of universal preschool that will be delivered by schools versus private providers. How does this compare to the landscape for current preschool services? Will schools push out private providers under universal preschool?

CDEC ANSWER: The Department is currently in the process of onboarding preschool providers, and therefore does not yet have data regarding what portion of preschool will be delivered by schools vs. home- or

community-based providers. Any licensed provider in the state could participate in the UPK program if they agreed to comply with the quality, curricula, and other standards. The Universal Preschool Program will be delivered through a mixed delivery model, meaning that families can choose to send their child to any licensed preschool, whether school-based, community-based, or home-based, that is participating in the program. When applying for the program, families will be able to see participating preschools in their community and indicate their preference. Families may also utilize a “private pay” option to coordinate with their provider to supplement if they need additional hours of care. We will have more information on the breakdown of providers in the coming weeks, as providers have begun to sign provider agreements ahead of the universal preschool application launch in mid-January.

- 30 [Sen. Kirkmeyer] How are the number of slots per Local Coordinating Organization (LCO) determined? Is each LCO allocated a set number of slots based on the available funding?

CDEC ANSWER: LCO’s are responsible for assisting families in applying for UPK slots, these slots are determined based on the potential uptake from families in the region and the amount of providers available in the region. The allocations are based on the demands of families in those areas. The Universal Preschool Program application allows for providers to sign on and take children through the program year, providing the Department with real time data and can be adjusted throughout the year to be responsive to the families that are making decisions.

RULES & RATE SETTING

- 16 [Sen. Kirkmeyer] The cutoff date for universal preschool eligibility is Oct. 1, but local school boards set their own kindergarten enrollment cutoff dates. If a local district’s cutoff date is different than Oct 1, then that could leave students in a “gap”. How does the Department plan to work through this issue?

CDEC ANSWER: The statute identifies that children are eligible for UPK in the school year before they are eligible to enter kindergarten. Statute defines the eligibility date for UPK funding as October 1 of the school year in question in Section 22-54-112, C.R.S.. It is important to note that the universal preschool program was designed intentionally as a statewide mixed delivery system. Ensuring one eligibility date for all providers (community-based and school-based) within a given area creates more consistency and prevents confusion for parents.

- 18 [Sen. Kirkmeyer] How do the provider rates for universal preschool compare to what providers are getting now?

CDEC ANSWER: The Department expects provider rates for universal preschool to be highly attractive to most providers. The average rate per child for 10 hours of care (part-time) under UPK is \$4,837, with rates ranging among LCOs from \$4,662 to \$5,072. Additionally, the average rate per child for 15 hours of care (half-day) is \$6,044, and for 30 hours (full-time) is \$10,655.

Section 26.5-4-208, C.R.S. requires that the Department adopt one or more formulas for annually setting per-child rates for UPK, which were required to take into account a series of factors including the cost of providing quality preschool, variations in cost resulting from regional differences, and variations in cost based on child characteristics including low-income status. This fall, CDEC worked with a vendor to develop these formulas and the rates listed above.

Comparison to CPP: At present, school districts participating in the Colorado Preschool Program receive widely variable rates per child calculated at ½ of their per pupil revenue under the school finance formula after accounting for the BSF and other factors. Since UPK provider rates rely on a different formula, the transition from CPP to UPK will result in more per child funding for some districts and less for others. The Department’s

implementation of UPK will support school districts with this transition in per child funding in three major ways:

1. UPK rules allow a maximum class size of 20 students, whereas CPP has a maximum class size of 16 students. The addition of 4 more students per class will allow for up to 25% more revenue per classroom under UPK on an ongoing basis relative to revenues under CPP.
2. Section 26.5-4-208(4)(a), C.R.S. includes a one-year 'hold harmless' provision for school districts requiring that school districts receive at least as much funding in 2023-24 under UPK as they received in 2022-23 under CPP. This provision gives school districts certainty about a base floor of funding in the initial year while they determine how much enrollment - and therefore state funding - to expect in future years. 208(4)(b) includes a similar one-year 'hold harmless' provision for community providers who contracted with a school or district.
3. Section 26.5-4-208(3), C.R.S. also requires that (within available appropriations) the Department annually distribute the same amount allotted in 2022-23 for the same number of three-year-olds children under age 3 served by each school district in 2022-23.

Comparison to other provider rates: Private pay provider rates are market-driven and therefore variable.

Private pay providers are currently not required to report the tuition they charge to the Department of Early Childhood. Provider participation in UPK is voluntary and we expect providers to participate if they find the rates competitive. Provider feedback about rates has been broadly positive thus far.

- 19 [Sen. Kirkmeyer] Please discuss the Department's plan to allow providers to serve 20 students with 2 adults versus 16 students with 2 adults. How is this being implemented? What is the rationale?

CDEC ANSWER: The ratio changes are predominantly for those providers who participated in the Colorado Preschool Program (CPP), where the ratio was 1:8 or 2:16. Rulemaking has already allowed for the ratio to be consistent with the provider licenses, which all providers are operating on their licensed capacity, with the exception of CPP. CPP is set up at a lower ratio and will be changed on July 1st, with the transition from CPP to the Universal Preschool Program (UPK). The ratio is now 1:10 or 2:20. The class size of 1:10 or 2:20 is intended to occur in the inaugural year of implementation in 2023-24.

The Department's rationale for setting the 2:20 ratio is that the program is required to serve as many children with high-quality preschool services as possible. The ratio is informed based on research and Federal recommendations: ChildCare.gov, which is operated by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (OCC), outlines the general recommendations of a 1 adult per 6-10 preschoolers, with no fewer than 2 trained adults to a group of 12-20 preschoolers. The National Institute for Early Education Research identified a recently published study in Early Childhood Research Quarterly that found no significant advantages of reduced class size for language or mathematics, classroom quality scores, though smaller class sizes led to more one-on-one interactions. The Department has identified the 2:20 ratio as a ratio consistent with our duty to provide high-quality preschool while also adding capacity to serve more children.

UPK APPLICATION

- 20 [Sen. Kirkmeyer] How will BridgeCare work with school district enrollment processes? What about accommodating students with disabilities, since school districts have to accommodate those students through the year?

CDEC ANSWER: The platform will integrate with LCO's, school districts, and families on enrollment processes. The goal of the application is to unify processes. The Universal Preschool Program funds the general education seat for all eligible preschoolers including three- and four-year-olds with an IEP, and CDE will continue to fund special education services funds administered directly to Administrative Units. CDEC and

CDE are collaborating on a partnership and in service of school districts to ensure that districts can continue to accommodate children with disabilities.

- 24 *[Sen. Kirkmeyer]* How is the Department rolling out the universal preschool slots and matching families with providers? Will it be in waves? If a community is ready with preschool slots, will the Department restrict access for families?

CDEC ANSWER: The provider enrollment application is live, the Department is currently working with LCO's to onboard providers in advance of the application going live for families in January. Applications for families at the beginning of the year will be processed in two rounds, grouping the family applications to match with providers, rather than prioritizing the applications based on the date the application was received. This allows the program to provide an equal opportunity for applicants to access providers of their choice. The application portal will allow families to express preferences for provider type, hours, and location. Once the preliminary rounds are completed, applications will be processed as they arrive, as the application process remains open all year. The family is offered a wide range of options for their providers. However, there still will be certain limitations for school-based providers. Families applying for a school-based provider may need to be a resident of that district. Once the application is submitted and processed the family will receive an offer from a provider within its priority list. This offer will guarantee the child or children a spot with that provider. The system will do its best to match the family with the most preferred provider(s). If the family is matched with a provider that no longer meets the family's needs, the family will be able to reject that match. This may require the family to resubmit an application for a new provider.

SPECIAL EDUCATION SERVICES

- 17 *[Sen. Kirkmeyer]* There are federal requirements relative to identifying and serving children with disabilities in local school districts that are overseen by the Department of Education. How is the Department of Early Childhood coordinating with the Department of Education on services for these children?

CDEC ANSWER: The Universal Preschool Program funds the general education seat for all eligible preschoolers including three- and four-year-olds with an Individualized Education Program (IEP). CDE will continue to fund special education services through Individuals with Disabilities Education Act (IDEA) and Exceptional Children's Educational Act (ECEA) funds administered directly to Administrative Units. CDEC and CDE are developing a memorandum of understanding specific to this partnership and in service of school districts to ensure that districts can continue to provide special education preschool in accordance with all federal law. In addition, we have diligently worked with CDE over the past two years to develop plans for transitions from Part C to Part B services.

- 25 *[Sen. Kirkmeyer]* How will the implementation of universal preschool impact the school finance formula, including the special education category?

CDEC ANSWER: The Preschool Programs Cash Fund includes two components: nearly \$199 million of Proposition EE revenue and a transfer from the General Fund or State Education Fund of approximately \$135 million. The transfer from the General Fund or State Education Fund is required in statute and is calculated based on the portion of school finance Total Program that funds the Colorado Preschool Program and the General Education portion of preschool for children with IEPs in 2022-23. The Department's understanding is that the statutory intent for the transfer was to ensure continuation of the state's current commitment to preschool, regardless of whether these children are served by CDE through CPP or by CDEC through UPK. IDEA and ECEA funds will continue to flow to districts through CDE, although consistent with statute the Gen Ed funds for special education preschool will flow through CDEC and the Preschool Programs Cash Fund. Any further questions about the school finance formula should be directed to the State Department of Education.

The universal preschool program funding formula is separate from the school finance formula. The rate setting process for UPK, in compliance with Part 2 of Article 4, identified that the school finance formula was not to be adopted but that a new formula was to be determined through Rule. The Universal Preschool per-child rate takes into account cost of care considerations including for students with an IEP from whom UPK would fund the general education seat.

- 26 [Sen. Kirkmeyer] How are special education students getting funded and what is the funding level? How does the funding for special education students compare to the funding last year?

CDEC ANSWER: For 4 year olds, Universal Preschool funds the general education seat at the universal preschool rate, an average of \$4,837 across LCOs. CDE will continue to be the source of all IDEA and ECEA funds for special education services. The Department does not yet have final FY 2022-23 funding amounts for preschoolers with special education from the Department of Education, and will not receive such data until after the General Assembly passes any midyear adjustments to school finance. However, we anticipate that funding for special education students will be very similar after the transition to UPK.

R-01 UNIVERSAL PRESCHOOL PROGRAM

- 13 [Sen. Zenzinger] What happens if revenues are lower or expenditures are higher than expected after the Department has already set eligibility policies and provider rates? How will the Department manage the program to stay within the appropriation? Is the Department going to turn kids and families away that it initially said would be eligible?

CDEC ANSWER: The preschool program is voluntary for providers and families, but the Department will work with Local Coordinating Organizations to meet the demand. The Department worked with a vendor to develop provider rates in a process that considered the cost of high-quality preschool services, fund sustainability, and other factors as required by statute. Prior to implementation of any program, there is no way to predict uptake levels with certainty. The Department is estimating uptake rates based on data from other states that have implemented similar programs. However, the Department will continue to learn more every month leading up to program launch as the Universal Preschool application which will allow the Department to monitor family and provider data in real time, which will allow the Department to be proactive during the enrollment process prior to the implementation of the preschool program.

The Department's R-01 Universal Preschool Program request asked the General Assembly to appropriate all anticipated Preschool Programs Cash Fund revenues (less a small buffer for revenue uncertainty) to serve as many children as possible. The Department's initial request was based upon the most recent forecast issued in September 2022. By Figure Setting this spring, the Joint Budget Committee will have one or two additional forecasts to provide a more accurate view of the expected revenues for preschool.

Expenditures in the program will be based on the revenues available. Part 2 of Article 4 ("Colorado Universal Preschool Program") prescribes the prioritization of Universal Preschool Program services across different groups of children *subject to available appropriations*. The Department anticipates that if revenues and/or appropriations are insufficient to meet all existing demand, in accordance with statute (section 26.5-4-208(3)(b) and 4-209(3)(a)), C.R.S.) the Department will adjust the number of qualifying children who are able to receive additional hours in order to reach full-time (30 hours) of care. The Department is very confident that it can fund at least ten hours of care in accordance with statutes for all four-year-olds and all three-year-olds with IEPs in accordance with statute, even in the event of a modest reduction in revenues. As revenue forecasts are updated quarterly, should the revenue forecasts be revised drastically downwards, the Department may revise its spending for the preschool program to remain within available revenues.

R-02 INCREASE UNIVERSAL PRESCHOOL PARTICIPATION

- 7 [Rep. Sirota] Describe the proposal in R2 to incentivize universal preschool providers to also join the Colorado Child Care Assistance Program (CCCAP). What makes the Department think these one-time incentives will be effective? Will the Department be making any other changes, such as reducing the administrative work for providers, to make participation in CCCAP more attractive and sustainable?

CDEC ANSWER: Section 26.5-4-109(4), C.R.S. requires the Department to identify and recruit providers throughout the state to participate in CCCAP. Section 26.5-4-204(2), C.R.S. requires the same of the UPK program. Additionally, in both the UPK and CCCAP portions of Title 26.5, there are numerous provisions speaking to the Department's obligation to create a holistic child care universe which allows families to choose providers that best suit their needs. Currently, just over 50 percent of licensed providers in the state are contracted to provide care for CCCAP. Historically, engagement with providers for the CCCAP program has been done at a local level either by counties conducting outreach efforts or by a parent initiating the process by requesting to use a provider that was not already contracted with CCCAP. The implementation of UPK provides an opportunity for the Department to engage with a broader audience of providers that may not be familiar with CCCAP and educate them on the benefits to being a CCCAP provider. Potential Universal Preschool Providers may not have knowledge of the ability to simultaneously participate in CCCAP, so leveraging this opportunity to incentivize providers to participate in both programs can assist in building capacity. This investment was developed in tandem with the request for bonuses for providers who sign up to participate in UPK. Both investments intend to maximize the number of no-cost and low-cost hours of care available to eligible and enrolled families. The Department has heard anecdotally that some providers are taking a "wait and see" approach to participating in universal preschool, which would limit our capacity in the first year. These one-time incentives are intended to assist in providing as much capacity as possible. The Department will continue to work with LCOs and providers on continued participation.

In addition, the Department has implemented provider payment strategies that align with private pay child care practices to make participation in CCCAP more attractive such as:

- Increased monthly absence payments to CCCAP child care providers for all children enrolled in CCCAP, in other words, paying child care providers even if a child is occasionally not in attendance. Increasing the number of monthly absences paid for all children enrolled in the CCCAP mirrors private pay child care policies that stabilize child care businesses and provide predictable income which further incentivizes providers to accept CCCAP.
- Paying CCCAP child care providers who accept infants and toddlers based on enrollment of the child, not on the attendance of the child. CCCAP has historically paid providers based on a child's attendance, rather than based on a child's enrollment, meaning that if a child enrolled in CCCAP does not attend care on a given day, the provider will not receive reimbursement or compensation for that child. Paying CCCAP providers based on enrollment vs attendance mirrors private pay child care policies and will not only increase access for infants and toddlers but will also stabilize child care businesses by providing them with predictable income which also further incentivizes providers to accept CCCAP.
- Research and formula development for provider rate setting that will help CCCAP align provider reimbursement rates with the true cost of providing child care vs using a market rate that is not a true reflection of what it costs to provide childcare and may be set based on what a community can afford to pay for child care. Supporting research that will help inform efforts to align payments to true cost of care can lead to additional providers accepting CCCAP and increasing access for participating families.

Child care providers are a critical voice to have at the table and the Department will continue to engage providers through monthly provider support sessions, feedback groups and the rule rewrite committee to inform changes to the Attendance Tracking System and program policy.

- 8 *[Sen. Zenzinger]* Is there any evidence to suggest that the proposed waiving of licensing fees for new providers will be successful in incentivizing more providers to join universal preschool?

CDEC ANSWER: Providers have identified administrative burdens as a barrier to participating in UPK and other state-funded programs, and the Department intends on using waiving fees as a means to reduce the burden to providers and to offset costs to the extent possible. The Department has seen success in child care licensing, with providing financial resources to incentivize unlicensed providers to become licensed with the federal stimulus Licensing Incentive bonuses. 70 percent of new child care providers eligible for these incentives applied for this funding. As a new universal preschool provider, there will be start-up costs associated, and additional fees can be prohibitive for providers to enter the market. Waiving licensing fees for new providers may offset some of the costs to new potential UPK participants. New providers will need to have annual inspections and ongoing licensing requirements in the future; reducing the costs in the first year may result in assisting providers that might be hesitant to participate and take a wait and see approach with the implementation process.

- 9 *[Sen. Kirkmeyer]* Are there any other cases where the state provides money for organizations to write grants for private funding? Is there any evidence to suggest that this approach will be successful?

CDEC ANSWER: The Department is unaware of the state providing funds for organizations to write grants for private funding. However, Section 26.5-4-209(2), C.R.S. allows the Department to seek private gifts, grants, and donations to implement the preschool program. The Department is requesting resources to support Local Community Organizations (LCO's) to address potential disparities in less resourced districts and communities to secure funding to support the LCO's work. This will allow providers to increase preschool participation and hours beyond the state offering. Regions vary on the availability of local funds for districts and community providers to increase additional hours of free preschool offered. By the state investing in grant writing with the LCO's, the local regions may be able to increase local capacity and buy-in of universal preschool, as well as the hours of free preschool offered.

- 12 *[Rep. Bird]* Why does the Department want to market now before initial implementation. What is the public awareness requirement in law? Is this a new requirement for universal preschool, or an existing requirement for the Colorado Preschool Program? If it is an existing requirement, how is it being met? Given the uncertainty of both revenues and expenditures, would a slower ramp up without marketing be more prudent?

CDEC ANSWER: The Department is mandated to and intends to serve as many children with high-quality preschool services as possible. Outreach to providers and families will help to ensure that we can fulfill that mandate. Providers will increase the program's capacity and family interest determines utilization; both are critical in order to provide universal preschool to as many children as possible. This is also in part driven by a new requirement codified in Section 26.5-4-204(2), C.R.S. which directs the Department to "identify and recruit preschool providers throughout the state to participate" in the UPK program – and to work with LCOs in doing so – in order to empower parents to select a provider from "as broad a range as possible."

The uncertainty in both revenues and expenditures will be managed through the prioritization of services specified in statute. Statute requires that the Universal Preschool Program services must first be funded for children in the school year before they are eligible for kindergarten, then services for all 3 and 4 year olds with disabilities. After those two groups, any additional funds to provide preschool for qualifying three year olds and an additional five hours of universal preschool for four-year-olds, subject to available appropriations. Finally, remaining funds will be used to provide additional hours for low-income four-year-olds and those with qualifying factors, also subject to available appropriations.

R-03 UPK PROVIDER BONUSSES

- 11 [Sen. Kirkmeyer] How will the Department determine the size of the bonuses and who will receive the bonuses?

CDEC ANSWER: The Department has proposed general parameters as it relates to the structure of the bonuses, including a base rate for any licensed Universal Preschool provider and then an additional tiered bonus that providers may be eligible for either (a) as a provider that has previously participated in a state-run preschool program adding capacity, or (b) as a provider that has never participated in a state-run preschool program prior to Universal Preschool. Generally, the bonuses would range between \$500-\$1000 for the base and if a provider has never participated previously and for those providers that have previously participated will receive \$500-\$1000 per additional new classroom. The Department has requested JBC provide a set aside for this amount, but understands legislation will be necessary to enable the use of General Fund for this purpose.

DIVISION OF COMMUNITY AND FAMILY

EARLY INTERVENTION PROGRAM

- 1 [Sen. Bridges] What is driving the workforce shortages for the Early Intervention Services program?

CDEC ANSWER: The main driver of workforce shortages for the Early Intervention (EI) program is that early intervention salaries for local EI program service coordinators and direct service providers are not competitive with salaries being paid for similar work outside of the EI system. This holds true for the current rates paid to subcontractors of the local EI programs as well.

- a. Discuss the adequacy of provider rates and whether increased reimbursements would help expand capacity to provide services.

CDEC ANSWER: The EI program has received base provider rate increase adjustments over the last few fiscal years, but local EI Entities have experienced more significant increases in the costs to sustain their organizations, including expenses related to inflation, the need to provide salary increases in order to retain staff, especially in rural areas, and increased fringe expenses. These costs are creating an approximate 13 percent increase in budget needed to fund EI contracts in the current fiscal year. A contributing factor to the increase in contract costs is that while expenses have increased, Medicaid funding resources have remained relatively flat. This requires the other EI funding sources - particularly General Fund - to offset the difference.

- b. What other factors affect the workforce that provides early intervention services and how is the Department considering addressing those issues?

CDEC ANSWER: In addition to the salary issues outlined earlier, the EI program received additional federal funding to implement extended Part C services, which allows children whose third birthday falls on May 1 or later to stay in the EI program until preschool special education services begin in the fall. While this provides services for children who would have previously gone without over the summer months, it means that providers need to continue to work with these children when they previously would have been able to take on additional caseload after the children turned three and left the program. Additionally, when SB21-275 transferred the responsibility for Early Intervention Evaluations from the Department of Education to the Office (now Department) of Early Childhood in May 2022, many of the evaluators who previously conducted evaluations for school districts did not apply to conduct evaluations for the Department. As a result, the EI program must draw from the existing pool of providers to conduct evaluations to determine children's eligibility for the program, further straining the workforce. The local EI programs continue to experience high turnover rates in service coordinators, positions that act as a conduit between service providers and families.

The Department is addressing workforce issues through multiple strategies, including:

- SB22-213 dedicated funds to support additional early childhood professionals, including EI providers, with loan forgiveness and scholarship money to improve recruitment and retention.
- The EI workforce is included within the statewide provider rate increase of 3 percent.
- The Department also contracted with Marzano Research to complete a compensation study on the EI workforce to help us understand the pay gaps affecting this workforce.
- Finally, the EI workforce is being considered in the development of the new early childhood workforce plan that is currently in process.

The Department will continue to explore potential solutions to support this workforce, especially in light of the challenge workforce constraints cause to our ability to expand EI eligibility.

CHILD SEXUAL ABUSE PREVENTION TRAINING

- 4 *[Sen. Bridges]* Why should the funding for R9 Child sexual abuse prevention training be ongoing, especially in light of the JBC's action last year to identify the funding as one-time? What evidence is available about the effectiveness of the program?

CDEC ANSWER: If the funding is not ongoing, the Department would have to cut back on Stewards of Children training for child sexual abuse prevention, as the Child Abuse Prevention Trust Fund covers other ongoing costs that the Department is not able to cover with other funding streams. This program is the only state-funded effort to prevent child sexual abuse from occurring in the first place by educating community members on their role in keeping children safe. The training provided consistently demonstrated increased knowledge, improved attitudes and, most importantly, positive change in child-protective behaviors. Stewards of Children has been extensively evaluated and is an evidence-informed, adult-focused child sexual abuse prevention training program available nationally.

NURSE HOME VISITOR SPENDING AUTHORITY

- 14 *[Sen. Zenzinger]* With a declining fund balance, what is the Department's plan to make the Nurse Home Visitor Program sustainable over time? Please project the expenditures, revenues, and funding horizon for the Nurse Home Visitor Program.

CDEC ANSWER: The Department has been working with Invest in Kids (IIK) on the long-term sustainability of the Nurse-Family Partnership (NFP), including exploring other federal funding streams that could be used to bolster this program. Our strategies to ensure program sustainability include the following:

- The Department has been working with HCPF to identify future opportunities for the program to be reimbursed in another way. This year, CDEC contracted with Start Early to do research on the use of Temporary Assistance for Needy Families (TANF) funds for home visiting, which included a case study of Adams County and their use of that funding stream to support the NFP site at Tri-County Health Department. The Home Visiting Investment Task Force is developing educational materials that can be shared with counties to increase uptake of this local funding strategy.
- The Federal Maternal, Infant, Early Childhood Home Visiting (MIECHV) program is up for reauthorization. There has been a lot of public education by the national evidence-based home visiting models on the need for greater investment to scale this successful program. Any increase in this Federal funding stream has the potential to support additional NFP sites.
- In addition, there are opportunities to learn more about how other states are funding their NFP programs including considering investments from health care. The Robert Wood Johnson Foundation

has kicked off a research study called Aligning Health and Social Systems to Expand Evidence-Based Home Visiting. The study tests the effectiveness of multi-sector financing and delivery strategies in expanding the reach and impact of the Nurse-Family Partnership (NFP) program across the U.S. Despite rigorous evidence of its ability to improve health and social outcomes for low-income pregnant women and their children, the NFP home-visiting program currently reaches only a small proportion of the communities and families who could benefit from it. The study uses national, longitudinal data on NFP sites across the U.S. to estimate how alternative forms of multi-sector community collaboration influence program implementation and outcomes, including comparisons between healthcare-financed sites and social service-financed sites. Researchers at the University of Colorado are collaborating with the NFP National Service Office, Illuminate Colorado, and Children's Hospital Colorado to conduct the study. Findings will inform the development of case studies of high-performing NFP sites and best practice models that community stakeholders can use to enhance NFP implementation and financing.

The table below summarizes the revenues and expenditures forecasts through Fiscal Year 2027-28.

Table 1: Nurse Home Visitor Program Fund Sustainability Projection						
Fund Balance Changes	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28*
Beginning Fund Balance	\$17,395,203	\$17,189,108	\$16,373,952	\$13,253,396	\$8,724,466	\$3,353,724
Tobacco MSA Distribution	\$23,200,660	\$23,500,000	\$22,300,000	\$22,300,000	\$22,300,000	\$22,300,000
Additional Revenue (Interest/AP Reversions)	\$1,407,240	\$1,428,871	\$1,419,732	\$1,419,732	\$1,419,732	\$1,419,732
Budgeted Programmatic Expenditures	\$24,478,955	\$25,399,026	\$26,485,288	\$27,883,012	\$28,713,855	\$29,570,561
CDEC Administration	-\$335,040	-\$345,001	-\$355,000	-\$365,650	-\$376,620	-\$387,918
Estimated Fund Balance	\$17,189,108	\$16,373,952	\$13,253,396	\$8,724,466	\$3,353,724	\$0

*The FY 2027-28 budget would be short by \$2,885,024.

OTHER DEPARTMENT REQUESTS

- 5 *[Rep. Sirota]* In R12 *Early childhood quality* the Department proposes a reduction of \$400,000 General Fund due to underutilized funds. What are the barriers for providers to accessing these funds and what could the Department do to reduce these barriers? Instead of reverting funds, should the Department implement program modifications to get more of the money distributed for the intended purpose?

CDEC ANSWER: The Department encumbers funds each year to support program providers in targeted quality improvements across the state to continue to increase quality. The intention of these funds is to incentivize high-quality early care and educational programming for recipients and to make ongoing quality improvements. In efforts to address the unspent funding, the Department increased award amounts for the 2021-2022 grant year. Award amounts were increased by \$700 per eligible program effective July 1, 2021 to current. Some Early Childhood Councils struggle to meet community demand for these grants due to their own lack of resources. Some have indicated they cannot serve more programs, as they do not have the coaching to support additional programs; therefore they budget for the number of program agreements they can support and defer other interested programs to the next grant cycle.

The Department is continuing to make additional program modifications to ensure the funding gets used for the purpose of providing more quality choices for families. The Department's efforts are outlined below:

- CDEC includes information about Colorado Shines during all new provider licensing orientations, ensuring providers know that there is quality funding available for quality support.
- The Department is using stimulus funded Family Child Care Home and Availability of Care navigator positions for strategic outreach to specific programs that are not accessing the quality improvement funding.
- The workforce team at CDEC is implementing a coaching support grant with the goal to get 50 new coaches credentialed. This will support the shortage of coaches within communities.
- Additionally the UPK program plans to support preschool classrooms as new providers navigate the soon to be developed preschool quality indicators, as these providers may also participate in quality improvements.

These quality improvement funds are only available to those programs who make a commitment to pursuing higher quality rating levels within the Colorado Shines Quality Rating Improvement System (QRIS). All licensed programs automatically receive a Level 1 rating, and the Colorado Shines QRIS is a voluntary program beyond Level 1. Despite the Department's continued identification of the Colorado Shines rating as an important signal of the program quality, programs voluntarily make the choice to pursue higher quality levels 2-5 with support from their Early Childhood Council. When making this choice, the provider enters into an agreement to continue quality improvement with an associated timeline and earn higher rating levels with this improvement effort. The programs may choose not to participate for several reasons, such as: if the program currently has waitlists and their customers do not ask about their Colorado Shines rating; if the provider is not comfortable working within the timelines established; if the program is not comfortable signing a memorandum of understanding; or if there are philosophical differences with the tools that Colorado Shines uses to measure quality and the time commitment to engage. Providers who choose to not participate would not be eligible for these grants.

The Department aims to be a responsible steward of the General Fund, and therefore reviews underspending every year to identify any areas in which appropriations exceed programmatic needs. The Department does not expect negative programmatic impacts from this reduction, whereas we anticipate significant positive programmatic impacts from other General Fund prioritized requests.

- 6 [Sen. Bridges] Will the Department be submitting a supplemental for additional administrative resources? If so, is the problem that the Department of Human Services is under resourced and not willing or able to transfer sufficient resources to the Department of Early Childhood?

CDEC ANSWER: The Department is working with OSPB on identifying any needs for supplemental or budget amendment submissions to be submitted on January 3rd.

In 2022, the JBC dedicated initial resources to the Department for 22 critical new positions, including an Executive Director, Chief Financial Officer, and critical IT staff and human resources roles. House Bill 22-1295 also transferred about 160 positions from OEC to the new Department, the vast majority of which were programmatic staff. This first year as a Department has allowed CDEC to identify the resources needed to sustain our work, such as 3.0 FTE identified in R-05 Equity in the Department of Early Childhood request, beyond those that had been identified prior to the creation of the department.

For the initial year, HB 22-1295 also provided CDEC \$1.4 million to fund an operating support agreement with CDHS to fund CDHS's provision of administrative support to CDEC in the transition year. The Department of Early Childhood has worked with the CDHS to identify positions that have supported the Office of Early Childhood in the past and that currently support the Department of Early Childhood to transfer applicable administrative positions for critical infrastructure as a new Department after the termination of the operating agreement. Together, these central positions are the FTE which have been requested for transfer through R-

13. As both CDHS and CDEC require similar administrative positions to operate, there are some positions that are needed in both Departments.

COMMON QUESTIONS FOR WRITTEN RESPONSE

- 1 What are the major cost drivers impacting the Department? Is there a difference between the price inflation the Department is experiencing compared to the general CPI? Please describe any specific cost escalations, including but not limited to impacts driven by employee compensation, workforce challenges, and construction costs.

CDEC ANSWER: The major cost drivers impacting the Department are related to the Colorado Child Care Assistance Program and the Early Intervention program, and the newly created Universal Preschool Program.

Colorado Child Care Assistance Program (CCCAP)

This program serves children 0 to 13, but is not an entitlement program and so its caseload is constrained more by available resources than by shifts in population, in that not all eligible children are served. CCCAP costs are driven by three factors: (1) caseload, (2) time spent in care per capita, and (3) rates. CCCAP rates are set by the State, and are not directly impacted by inflation.

The Department has utilized stimulus funding to support an increase in the number of absences paid to providers, which increased the amount of time a child receives paid care, and lower family copayment amounts, which increased the rate paid by county. The pandemic caused significant disruption in the enrollment in CCCAP.

Early Intervention (EI) Program

The program serves children from birth until age 3, and federal law prohibits a waiting list for services. As a result, shifts in population, particularly the population of children under three years of age, can directly impact the Department’s budget for the EI program. As shown in Table 13, the population for children under three years of age has remained relatively stable. Table 14 shows that the number of children receiving EI services decreased in FY 2020-21 after years of significant increases. The reduction was due to a change in program eligibility criteria that occurred in July 2020, and fewer families accessing services due to COVID-19.

Table 3: Children Under 3 Years of Age in Colorado Population	
Year	Number of Children Under Age 3
2016	201,094
2017	200,160
2018	197,220
2019	192,506
2020	189,868
2021	190,397
2022	187,838*
*DOLA forecasted population for 2022 for birth through 2 years of age	

Table 4: Monthly Average of Children Enrolled in Early Intervention Services	
Fiscal Year	Number of Children
FY 2016-17	8,236
FY 2017-18	8,542
FY 2018-19	9,295
FY 2019-20	9,225
FY 2020-21	7,782
FY 2021-22	7,509
FY 2022-23	8,632*
*YTD amount	

Universal Preschool Program (UPK)

The Universal Preschool Program is a voluntary program with a larger eligible population than prior state-funded preschool and child care programs, with additional hours and funding for those with qualifying factors. UPK is expected to serve at least as many children that were accounted for in the Colorado Preschool Program last year, but likely many more. UPK is required to offer high quality standards and use mixed delivery methods. The Department rate setting process must take into account the cost of providing preschool, and variations in costs in different regions of the state and variations in the cost of providing preschool services that result from the characteristics of children, among other considerations and requires the per-child rate to be adjusted annually by inflation. The level of funding appropriated by the General Assembly will determine the size and cost of the program.

- 2 How is the Department’s caseload changing and how does it impact the Department’s budget? Are there specific population changes, demographic changes, or service needs (e.g. aging population) that are different from general population growth?

CDEC ANSWER: The Colorado Child Care Assistance Program (CCCAP) serves children birth to age thirteen, but is not an entitlement program and so its caseload is constrained more by available resources than by shifts in population, in that not all eligible children are served. CCCAP costs are driven by three factors: (1) caseload, (2) time spent in care per capita, and (3) rates. CCCAP rates are set by the State, and are not directly impacted by inflation.

In response to COVID-19, the Department utilized stimulus funding in FY 2020-21 to increase the number of absences paid to providers, which effectively increased the amount of time a child receives paid care, and lower family copayment amounts, which increased the rate paid by the county. SB 21-236 continued these strategies in FY 2021-22 and FY 2022-23 and also provided funding to increase provider rates.

The Early Intervention (EI) program serves children from birth until age three, and the federal law prohibits a waiting list for services. As a result, shifts in population, particularly the population of children under three

years of age, can directly impact the Department's budget for the EI program. As shown in Table 3, the population for children under three years of age has remained relatively stable. Table 4 shows that the number of children receiving EI services decreased in FY 2020-21 after years of significant increases. The reduction was due to a change in program eligibility criteria that occurred in July 2020, and fewer families accessing services due to COVID-19.

- 3 Provide a list of any legislation with a fiscal impact that the Department has: (a) not implemented, (b) partially implemented, or (c) missed statutory deadlines. Please specifically describe the implementation of ongoing funding established through legislation in the last two legislative sessions. Explain why the Department has not implemented, has only partially implemented, or has missed deadlines for the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

CDEC ANSWER: The Department notified the Joint Budget Committee on December 1st that there have been delays in completing the requirements in HB22-1295 to submit a report with the results of a statewide survey to determine the number of families interested in participating in an online kindergarten readiness pilot program. The Department prioritization of universal preschool implementation and onboarding new staff resulted in the delay in distributing the survey. The Department has issued the survey to over 1,500 families and will submit the final report to both the Joint Budget Committee and the Office of State Planning and Budgeting no later than January 30, 2023.

The Department was delayed in implementing the Child Care Teacher Salary Grant Program, created by S.B. 21-236 and funded with \$3 million of base CCDF funding annually. The grant program was created to provide grants to eligible entities to increase the salaries of early childhood educators. S.B. 21-236 created a number of new grant programs, and the Department and the vendor contracted to distribute grant payments to providers determined it was necessary to stagger the application and launch of the various grant programs. The Department prioritized grant programs with high dollar amounts, one-time funding, and broad reach among early childhood providers. The application for the grant program opened in September 2022, and payments will be issued beginning January 2023.

The Department addressed progress toward implementation of SB22-213 and HB22-1369 in question one in the Common Questions for discussion at Department hearings above.

- 4 State revenues are projected to exceed the TABOR limit in each of the next two fiscal years. Thus, increases in cash fund revenues that are subject to TABOR will require an equivalent amount of General Fund for taxpayer refunds. Using the attached spreadsheet, please:
 - a. List each source of non-tax revenue (e.g., fees, fines, parking revenue, etc.) collected by your department that is subject to TABOR and that exceeds \$100,000 annually. Describe the nature of the revenue, what drives the amount collected each year, and the associated fund where these revenues are deposited.
 - b. For each source, list actual revenues collected in FY 2020-21, and projected revenue collections for FY 2021-22 and FY 2022-23.
 - c. List each decision item that your department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2022-23.

CDEC ANSWER: The template in Appendix B provides additional information requested. The Department has six cash funds that exceed the \$100,000 in revenue each year. The Department did not request any decision items that would increase revenues collected subject to TABOR. The Department submitted R-02 Increasing UPK Participation, which if not approved, will lead to an increase in revenues in the Child Care Licensing Cash Fund.

Recent trends in funded and actual full time equivalent employee positions.

- a. Please use the attached spreadsheet to summarize the department's funded and actual FTE for the last three fiscal years.
 - b. Please use the attached spreadsheet to identify the origin of changes in funded FTE for FY 2021-22, including the number of new positions the Department has been able to fill.
 - c. If positions have not been filled, please respond to the following:
 - i. How have vacancy savings been utilized?
 - ii. What challenges are preventing positions from being filled?
-
1. Please use the attached spreadsheet to summarize the department's funded and actual FTE for the last three fiscal years.
 2. Please use the attached spreadsheet to identify the origin of changes in funded FTE for FY 2021-22, including the number of new positions the Department has been able to fill.
 3. If positions have not been filled, please respond to the following:
 1. How have vacancy savings been utilized?
 2. What challenges are preventing positions from being filled?

CDEC ANSWER: Consistent with other RFIs and common questions requesting historical trends prior to FY 2022-23, early childhood data is included within the Department of Human Services.

Appendix A: Local Community Organization by County and School District Served

County	LCO	School Districts Served by LCO
Adams	Westminster Public Schools on Behalf of a County Collaborative	Westminster 50, Mapleton 1, Adams 12, Adams 14, Brighton 27-J
Alamosa	Early Childhood Council of the San Luis Valley	Mountain Valley RE-1, Center 26 JT, Moffat 2, Creede, Upper Rio Grande C-7, Sargent RE 33-J, Sangre De Cristo RE 22-J, Monte Vita C-8, Del Norte C-7, Alamosa RE-11J, North Conejos RE-1J, Sanford 6J, South Conejos RE-10, Sierra Grande R-30, Centennial R-1
Arapahoe	Arapahoe County Early Childhood Council	Adams Arapahoe 28-J, Cherry Creek 5, Englewood 1, Sheridan 2, Littleton 6, Strasburg 31-J, Byers 32-J, Bennett 29-J, Deer Trail 26J
Archuleta	San Juan BOCES	Dolores County RE NO 2, Dolores RE-4A, Montezuma Cortez RE-1, Mancos RE-6, Durango 9-R, Bayfield 10 JT-R, Ignacio 11-JT, Archuleta County 50 JT
Baca	Children First Department of Pueblo Community College/ Pueblo Early Childhood Council	Pueblo City 60, Pueblo County 70, Fowler R-4J, Crowley County RE 1-J, Manzanola 3J, Rocky Ford R-2, Cheraw 31, Swink 33, East Otero RE-1, Las Animas RE-1, McClave RE-2, Lamar RE-2, Granada RE-1, Holly RE-3, Pritchett RE-3, Springfield RE-4, Campo RE-6, Vilas RE-5, Walsh RE-1
Bent	Children First Department of Pueblo Community College/ Pueblo Early Childhood Council	Pueblo City 60, Pueblo County 70, Fowler R-4J, Crowley County RE 1-J, Manzanola 3J, Rocky Ford R-2, Cheraw 31, Swink 33, East Otero RE-1, Las Animas RE-1, McClave RE-2, Lamar RE-2, Granada RE-1, Holly RE-3, Pritchett RE-3, Springfield RE-4, Campo RE-6, Vilas RE-5, Walsh RE-1
Boulder	Early Childhood Council of Boulder County	St. Vrain Valley RE-1J, Boulder Valley RE-2
Broomfield	Broomfield Early Childhood Council	No School District

Appendix A: Local Community Organization by County and School District Served

Chaffee	Chaffee County Early Childhood Council	Buena Vista R-31, Salida R-32
Cheyenne	Cheyenne, Kiowa & Lincoln Counties Early Childhood Council	Limon RE-4J, Genoa-Hugo C-113, Karval RE-23, Kit Carson R-1, Cheyenne County RE-5, Eads RE-1, Plainview RE-2
Clear Creek	Triad Bright Futures	Gilpin County RE-1, Clear Creek RE-1, Jefferson County RE-1
Conejos	Early Childhood Council of the San Luis Valley	Mountain Valley RE-1, Center 26 JT, Moffat 2, Creede, Upper Rio Grande C-7, Sargent RE 33-J, Sangre De Cristo RE 22-J, Monte Vita C-8, Del Norte C-7, Alamosa RE-11J, North Conejos RE-1J, Sanford 6J, South Conejos RE-10, Sierra Grande R-30, Centennial R-1
Costilla	Early Childhood Council of the San Luis Valley	Mountain Valley RE-1, Center 26 JT, Moffat 2, Creede, Upper Rio Grande C-7, Sargent RE 33-J, Sangre De Cristo RE 22-J, Monte Vita C-8, Del Norte C-7, Alamosa RE-11J, North Conejos RE-1J, Sanford 6J, South Conejos RE-10, Sierra Grande R-30, Centennial R-1
Crowley	Children First Department of Pueblo Community College/Pueblo Early Childhood Council	Pueblo City 60, Pueblo County 70, Fowler R-4J, Crowley County RE 1-J, Manzanola 3J, Rocky Ford R-2, Cheraw 31, Swink 33, East Otero RE-1, Las Animas RE-1, McClave RE-2, Lamar RE-2, Granada RE-1, Holly RE-3, Pritchett RE-3, Springfield RE-4, Campo RE-6, Vilas RE-5, Walsh RE-1

Appendix A: Local Community Organization by County and School District Served

Custer	Custer County School District & Custer County Kids Council	Custer County C-1
Delta	Bright Futures	Delta County 50-J, Montrose County RE-1J, West End RE-2, Norwood R-2J, Telluride R-1, Ridgeway R-2, Ouray R-1, Silverton 1
Denver	Denver Preschool Program	Denver County 1
Dolores	San Juan BOCES	Dolores County RE NO 2, Dolores RE-4A, Montezuma Cortez RE-1, Mancos RE-6, Durango 9-R, Bayfield 10 JT-R, Ignacio 11-JT, Archuleta County 50 JT
Douglas	Douglas County Early Childhood Council	Douglas County RE-1
Eagle (excluding El Jebel & Basalt)	Eagle County School District & Early Childhood Partners	Eagle County RE-50
Eagle (El Jebel & Basalt only)	Rocky Mountain ECC & Mountain Valley Development Services	Garfield 16, Garfield RE-2, Roaring Fork RE-1, Aspen 1, Lake County R-1
El Paso	Joint Initiatives for Youth and Families	Lewis Palmer 38, Academy 20, District 49, Peyton 23-JT, Calhan RJ-1, Manitou Springs 14, Colorado Springs 11, Cheyenne Mountain 12, Fountain 8, Harrison 2, Widefield 3, Ellicott 22, Hanover 28, Miami/Yoder 60-JT, Edison 54-JT
Elbert	Elbert County Early Childhood Council	Elizabeth, Kiowa C-2, Elbert 200, Agate 300, Big Sandy 100-J

Appendix A: Local Community Organization by County and School District Served

Fremont	ECHO & Family Center Early Childhood Council	Canon City RE-1, Cotopaxi RE-3, Fremont RE-2
Garfield	Rocky Mountain Early Childhood Council & Mountain Valley Development Services	Garfield 16, Garfield RE-2, Roaring Fork RE-1, Aspen 1, Lake County R-1
Gilpin	Triad Bright Futures	Gilpin County RE-1, Clear Creek RE-1, Jefferson County RE-1
Grand	Grand Beginnings	North Park R-1, West Grand 1-JT, East Grand 2
Gunnison	Gunnison-Hinsdale Early Childhood Council	Gunnison Watershed RE-1J, Hinsdale County RE-1
Hinsdale	Gunnison-Hinsdale Early Childhood Council	Gunnison Watershed RE-1J, Hinsdale County RE-1
Huerfano	Huerfano-Las Animas Counties Early Childhood Council	Huerfano RE-1, La Veta RE-2, Aguilar Reorganized 6, Primero Reorganized 2, Trinidad 1, Hoehne Reorganized 3, Branson Reorganized 82, Kim Reorganized 88
Jackson	Grand Beginnings	North Park R-1, West Grand 1-JT, East Grand 2
Jefferson	Triad Bright Futures	Gilpin County RE-1, Clear Creek RE-1, Jefferson County RE-1
Kiowa	Cheyenne, Kiowa & Lincoln Counties Early Childhood Council	Limon RE-4J, Genoa-Hugo C-113, Karval RE-23, Kit Carson R-1, Cheyenne County RE-5, Eads RE-1, Plainview RE-2
Kit Carson	Early Childhood Council for Yuma, Washington and Kit Carson	Akron R-1, Lone Star 101, Otis R-3, Yuma 1, Wray RD-2, Woodlin R-104, Arickaree R-2, Liberty J-4, Idalia RJ-3, Arriba-Flagler C-20, Hi-Plains R-23, Stratton R-4, Bethune R-5, Burlington RE-6J
La Plata	San Juan BOCES	Dolores County RE NO 2, Dolores RE-4A, Montezuma Cortez RE-1, Mancos RE-6, Durango 9-R, Bayfield 10 JT-R, Ignacio 11-JT, Archuleta County 50 JT
Lake	Rocky Mountain ECC & Mountain Valley Development Services	Garfield 16, Garfield RE-2, Roaring Fork RE-1, Aspen 1, Lake County R-1

Appendix A: Local Community Organization by County and School District Served

Larimer	Early Childhood Council of Larimer County	Poudre RE-1, Estes Park R-3, Thompson R2-J
Las Animas	Huerfano-Las Animas Counties Early Childhood Council	Huerfano RE-1, La Veta RE-2, Aguilar Reorganized 6, Primero Reorganized 2, Trinidad 1, Hoehne Reorganized 3, Branson Reorganized 82, Kim Reorganized 88
Lincoln	Cheyenne, Kiowa & Lincoln Counties Early Childhood Council	Limon RE-4J, Genoa-Hugo C-113, Karval RE-23, Kit Carson R-1, Cheyenne County RE-5, Eads RE-1, Plainview RE-2
Logan	Early Childhood Council of Logan, Phillips and Sedgwick	Plateau RE-5; Valley RE-1; Buffalo RE-4J; Frenchman RE-3; Revere; Julesburg RE-1; Haxtun RE-2J; Holyoke RE-1J
Mesa	Mesa County Partnership for Children and Families & Mesa County Department of Human Services	Mesa County Valley 51, Plateau Valley 50, DeBeque 49-JT
Mineral	Early Childhood Council of the San Luis Valley	Mountain Valley RE-1, Center 26 JT, Moffat 2, Creede, Upper Rio Grande C-7, Sargent RE 33-J, Sangre De Cristo RE 22-J, Monte Vita C-8, Del Norte C-7, Alamosa RE-11J, North Conejos RE-1J, Sanford 6J, South Conejos RE-10, Sierra Grande R-30, Centennial R-1
Moffat	Connections4Kids & Moffat County School District	Moffat County RE-No 1, Rangely RE-4, Meeker RE-1

Appendix A: Local Community Organization by County and School District Served

Montezuma	San Juan BOCES	Dolores County RE NO 2, Dolores RE-4A, Montezuma Cortez RE-1, Mancos RE-6, Durango 9-R, Bayfield 10 JT-R, Ignacio 11-JT, Archuleta County 50 JT
Montrose	Bright Futures	Delta County 50-J, Montrose County RE-1J, West End RE-2, Norwood R-2J, Telluride R-1, Ridgeway R-2, Ouray R-1, Silverton 1
Morgan	Early Learning Ventures	Wiggins RE 50-J, Weldon Valley Re 20-J, Fort Morgan RE-3, Brush RE 2-J
Otero	Children First Department of Pueblo Community College/ Pueblo Early Childhood Council	Pueblo City 60, Pueblo County 70, Fowler R-4J, Crowley County RE 1-J, Manzanola 3J, Rocky Ford R-2, Cheraw 31, Swink 33, East Otero RE-1, Las Animas RE-1, McClave RE-2, Lamar RE-2, Granada RE-1, Holly RE-3, Pritchett RE-3, Springfield RE-4, Campo RE-6, Vilas RE-5, Walsh RE-1
Ouray	Bright Futures	Delta County 50-J, Montrose County RE-1J, West End RE-2, Norwood R-2J, Telluride R-1, Ridgeway R-2, Ouray R-1, Silverton 1
Park	Teller Park Early Childhood Council	Platte Canyon RE-1, Park County RE-2, Woodland Park RE-2, Cripple Creek-Victor RE-1
Phillips	Early Childhood Council of Logan, Phillips and Sedgwick	Plateau RE-5; Valley RE-1; Buffalo RE-4J; Frenchman RE-3; Revere; Julesburg RE-1; Haxtun RE-2J; Holyoke RE-1J
Pitkin	Rocky Mountain ECC & Mountain Valley Development Services	Garfield 16, Garfield RE-2, Roaring Fork RE-1, Aspen 1, Lake County R-1
Prowers	Children First Department of Pueblo Community College/Pueblo Early Childhood Council	Pueblo City 60, Pueblo County 70, Fowler R-4J, Crowley County RE 1-J, Manzanola 3J, Rocky Ford R-2, Cheraw 31, Swink 33, East Otero RE-1, Las Animas RE-1, McClave RE-2, Lamar RE-2, Granada RE-1, Holly RE-3, Pritchett RE-3, Springfield RE-4, Campo RE-6, Vilas RE-5, Walsh RE-1

Appendix A: Local Community Organization by County and School District Served

Pueblo	Children First Department of Pueblo Community College/ Pueblo Early Childhood Council	Pueblo City 60, Pueblo County 70, Fowler R-4J, Crowley County RE 1-J, Manzanola 3J, Rocky Ford R-2, Cheraw 31, Swink 33, East Otero RE-1, Las Animas RE-1, McClave RE-2, Lamar RE-2, Granada RE-1, Holly RE-3, Pritchett RE-3, Springfield RE-4, Campo RE-6, Vilas RE-5, Walsh RE-1
Rio Blanco	Connections4Kids & Moffat County School District	Moffat County RE-No 1, Rangely RE-4, Meeker RE-1
Rio Grande	Early Childhood Council of the San Luis Valley	Mountain Valley RE-1, Center 26 JT, Moffat 2, Creede, Upper Rio Grande C-7, Sargent RE 33-J, Sangre De Cristo RE 22-J, Monte Vita C-8, Del Norte C-7, Alamosa RE-11J, North Conejos RE-1J, Sanford 6J, South Conejos RE-10, Sierra Grande R-30, Centennial R-1
Routt	First Impressions of Routt County	Steamboat Springs RE-2, Hayden RE-1, South Routt RE-3
Saguache	Early Childhood Council of the San Luis Valley	Mountain Valley RE-1, Center 26 JT, Moffat 2, Creede, Upper Rio Grande C-7, Sargent RE 33-J, Sangre De Cristo RE 22-J, Monte Vita C-8, Del Norte C-7, Alamosa RE-11J, North Conejos RE-1J, Sanford 6J, South Conejos RE-10, Sierra Grande R-30, Centennial R-1
San Juan	Bright Futures	Delta County 50-J, Montrose County RE-1J, West End RE-2, Norwood R-2J, Telluride R-1, Ridgeway R-2, Ouray R-1, Silverton 1
San Miguel	Bright Futures	Delta County 50-J, Montrose County RE-1J, West End RE-2, Norwood R-2J, Telluride R-1, Ridgeway R-2, Ouray R-1, Silverton 1

Appendix A: Local Community Organization by County and School District Served

Sedgwick	Early Childhood Council of Logan, Phillips and Sedgwick	Plateau RE-5; Valley RE-1; Buffalo RE-4J; Frenchman RE-3; Revere; Julesburg RE-1; Haxtun RE-2J; Holyoke RE-1J
Summit	Early Childhood Options & Summit County Government	Summit RE-1
Teller	Teller Park Early Childhood Council	Platte Canyon RE-1, Park County RE-2, Woodland Park RE-2, Cripple Creek-Victor RE-1
Washington	Early Childhood Council for Yuma, Washington and Kit Carson	Akron R-1, Lone Star 101, Otis R-3, Yuma 1, Wray RD-2, Woodlin R-104, Arickaree R-2, Liberty J-4, Idalia RJ-3, Arriba-Flagler C-20, Hi-Plains R-23, Stratton R-4, Bethune R-5, Burlington RE-6J
Weld	United Way of Weld County	Ault-Highland RE-9, Pawnee RE-12, Windsor RE-4, Eaton RE-2, Briggsdale RE-10, Prairie RE-11, Johnstown-Milliken RE-5J, Greeley 6, Platte Valley RE-7, Weld RE-1, Weld RE-8, Weld County RE-3J
Yuma	Early Childhood Council for Yuma, Washington and Kit Carson	Akron R-1, Lone Star 101, Otis R-3, Yuma 1, Wray RD-2, Woodlin R-104, Arickaree R-2, Liberty J-4, Idalia RJ-3, Arriba-Flagler C-20, Hi-Plains R-23, Stratton R-4, Bethune R-5, Burlington RE-6J

Appendix B: Common Question 4 Non-Tax Revenues Collected by Department That Are Subject to TABOR

Non-Tax Revenues Collected by Department That Are Subject to TABOR (excluding sources that amount to less than \$100,000/year)				
Revenue Source	Associated Cash Fund	Revenues Collected Annually		
		FY 2021-22 Actual	FY 2022-23 Projection	FY 2023-24 Projection
Funds from a statutorily defined portion of Proposition EE (Section 24-22-118, C.R.S) revenue and a transfer of the portion of School Finance funding that would have funded the Colorado Preschool Program and the General Education portion of preschool with IEPs; interest; gifts, grants and donations.	Preschool Programs Cash Fund	361,318	0	333,900,000
Licensing fees from child care providers.	Child Care Licensing Cash Fund	2,018,382	2,024,527	1,899,673
Child care providers may be assessed a civil penalty of not more than one hundred dollars a day to a maximum of ten thousand dollars, and interest on fund balance.	Child Care Cash Fund	18,163	11,499	11,499
Funds from the Tobacco Master Settlement Agreement and interest on Fund Balance	Nurse Home Visitor Program Fund	24,209,534	26,576,820	26,897,790
Fees paid to conduct background checks on people working with children or older adults. <i>* Change in revenue estimates based on the R-08 requests</i>	Records and Reports Fund	2,806,644	2,706,644	1,271,794
By the petitioner in a proceeding for dissolution of marriage, legal separation, or declaration of invalidity of marriage and by the petitioner in an action for a declaratory judgment concerning the status of marriage, a fee of ninety dollars; fifteen dollars of such fee shall be transmitted to the state treasurer for deposit in the Colorado children's trust fund, created in section 26.5-3-206 (1) C.R.S. As well as, Interest, federal grants and other contributions, grants, gifts, bequests, donations, and any moneys appropriated thereto by the state. Such moneys shall be transmitted to the state treasurer for credit to the trust fund.	Colorado Child Abuse Prevention Trust Fund	257,271	397,702	397,702
Service charges, insurance carrier payments, and interest.	Early Intervention Services Trust Fund	10,406,249	10,406,249	10,406,249
TOTALS		40,077,561	42,123,442	374,784,708



COLORADO

Department of Early Childhood

FY 2023-24
Joint Budget Committee Hearing

December 20, 2022

Agenda

- Department Overview
- Stimulus Funding
- Universal Preschool
- Community & Family Support
- Additional Budget Requests
- Questions

CDEC Overview

Our Vision

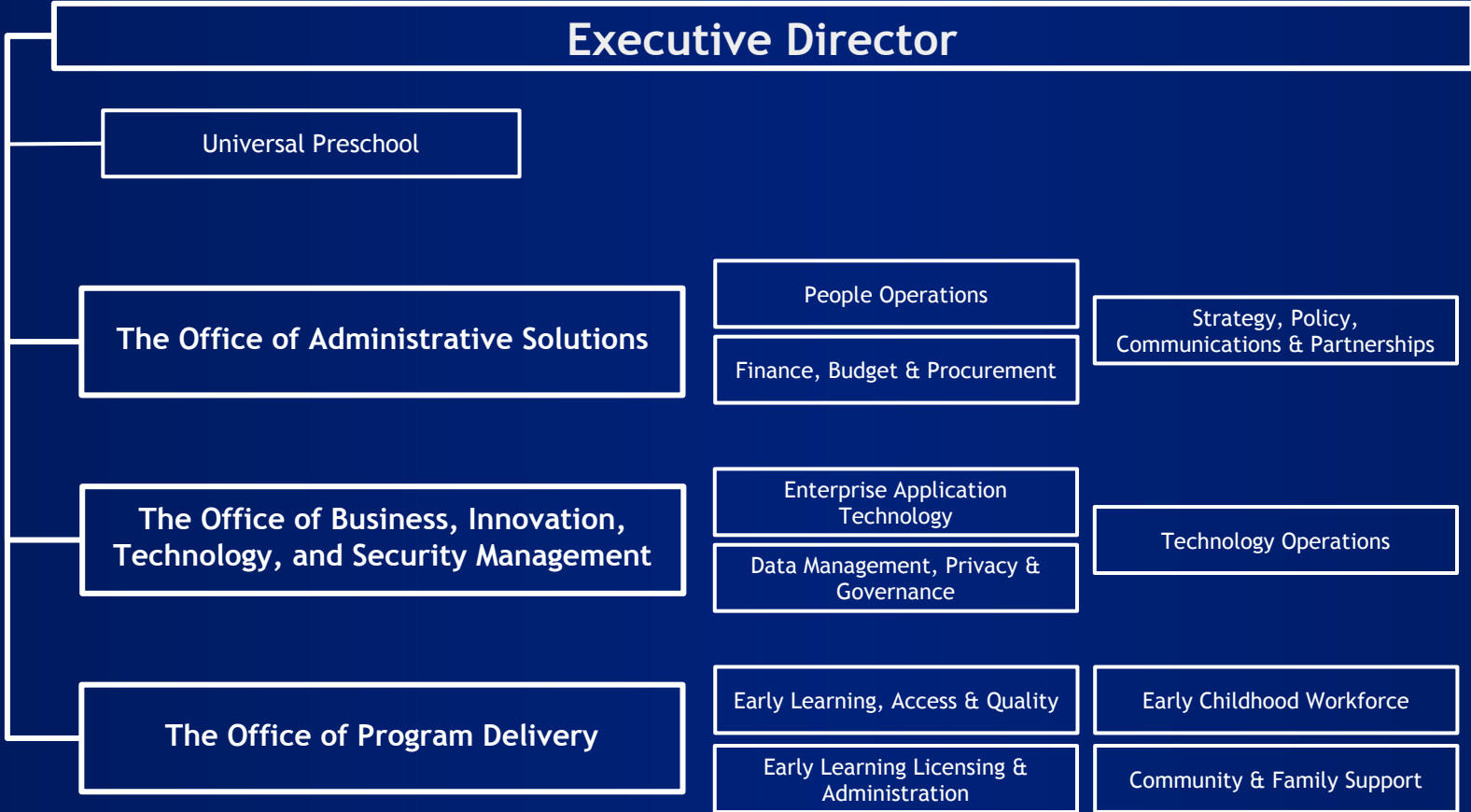
All Colorado children, families, and early childhood professionals are valued, healthy and thriving.

Our Mission

The Colorado Department of Early Childhood ensures the delivery of a comprehensive, community-informed, data-driven, high quality and equitable early childhood system that supports the care, education and well-being of all Colorado's young children, their families and early childhood professionals in all settings.



CDEC Organizational Structure



CDEC Staff



CDEC Goals

1 Effective, Efficient, and Equitable Access to High Quality and Affordable Early Childhood Services

2 Diverse and Qualified Early Childhood Workforce Statewide

3 Partnership with Families and Organizations

4 Well-coordinated and Sustainable Early Childhood System

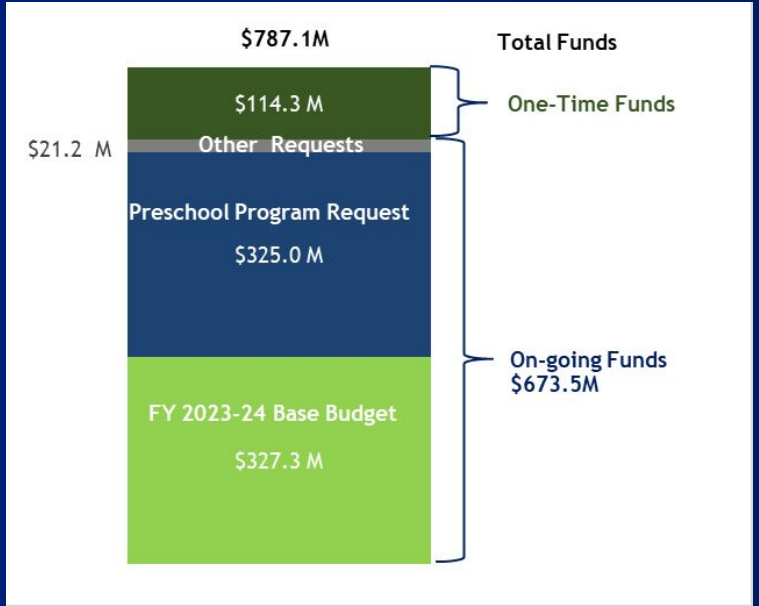
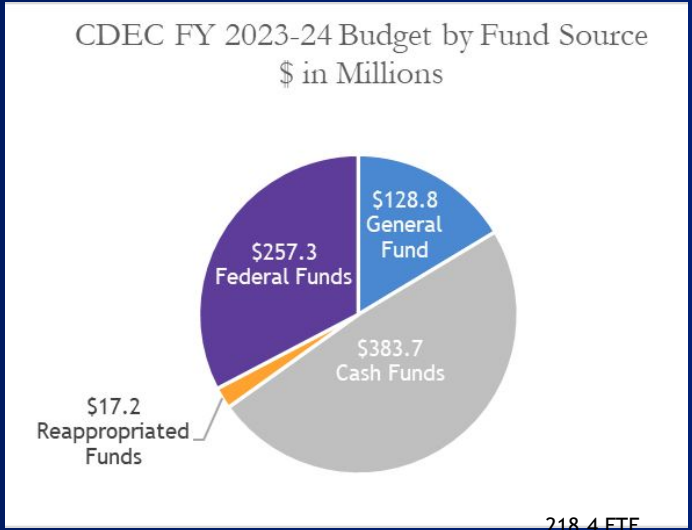
5 Leverage and Align Funding Streams to Maximize Impact

6 Statewide, Integrated Data System and Research Agenda

7 Workplace Excellence with a Commitment to CDEC Staff Diversity and Well-Being

Early Childhood Budget

FY 2023-24 Request Total Funds: \$787.1M

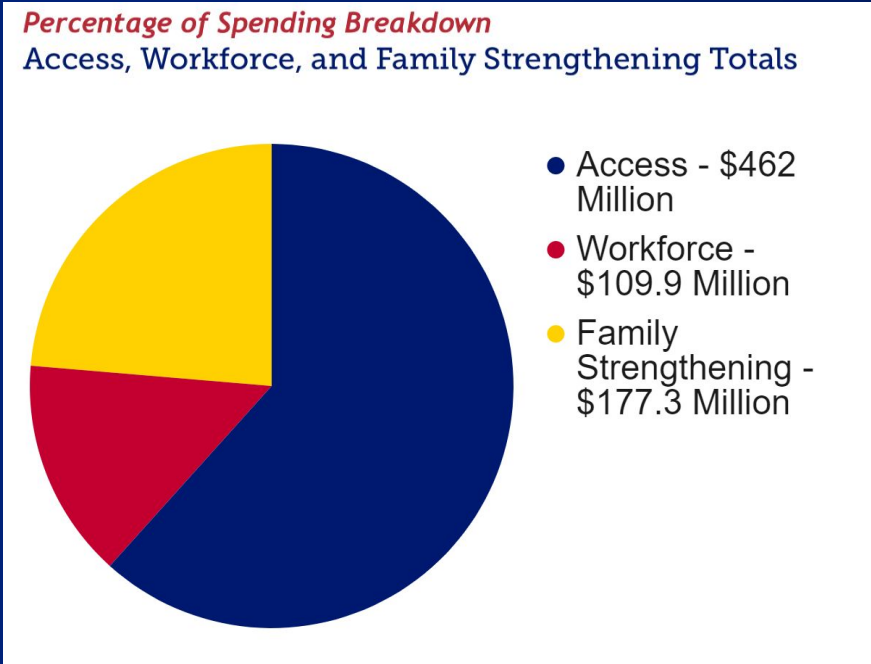


Early Childhood Budget Requests

R-01	Universal Preschool Program (UPK)	<i>\$325M Cash Funds FY 2023-24, \$348M FY 2024-25</i>
R-02	Increasing UPK Participation	<i>\$4.9M with 4.6 FTE in FY 2023-24, \$860K with 5.0 FTE FY 2024-25</i>
R-03	UPK Provider Bonuses	<i>\$5M one-time General Fund</i>
R-04	Early Intervention Caseload Adjustment	<i>\$396K General Fund FY 2023-24, \$6.1M FY 2024-25</i>
R-05	Equity in Dept of Early Childhood	<i>\$2.8M with 2.7 FTE FY 2023-24, \$583K with 3.0 FTE FY 2024-25</i>
R-06	Early Childhood Mental Health Support	<i>\$390K General Fund with 1 FTE ongoing</i>
R-07	Continue Federal Stimulus Strategies	<i>\$102M with 39.0 FTE FY 2023-24, \$15.9M in with 9.8 FTE FY 2024-25</i>
R-08	Records and Reports Cash Fund Solution	<i>Reduction of \$271,135 Cash Funds and 2.0 FTE ongoing</i>
R-09	Child Sexual Abuse Prevention Training	<i>\$150,000 General Fund ongoing</i>
R-10	Provider Rate Increase	<i>\$6.3M Total Funds ongoing</i>
R-11	Nurse Home Visitor Program	<i>\$969K Cash Funds FY 2023-24, \$2M FY 2024-25</i>
R-12	Right-Sizing Quality Improvement Grants Funding	<i>Reduction of \$400,000 General Fund ongoing</i>
R-13	Transfer of FTE between CDEC & CDHS	<i>\$429K with 5.5 FTE in FY 2023-24, \$415K with 5.5 FTE FY 2024-25</i>

Early Childhood Federal Stimulus Strategies

- **Access:** Ensure all families have equitable and easy access to high quality early care and education services
- **Workforce:** Support the early care and education workforce
- **Family Strengthening:** Provide families with the support they need so children can thrive



Continuation of Federal Stimulus Strategies (R-07)

Budget request: Spending authority to access \$102.3 million in federal Care and Development Fund (CCDF) supplemental discretionary funding in FY 2023-24 to continue CDEC's early childhood stimulus-funded work

- The American Rescue Plan Act (2011) provided Colorado with additional federal CCDF stimulus funds, which must be spent by Sept. 30, 2024
- The legislature has only appropriated CCDF supplemental discretionary funding through FY 2022-23, and must provide spending authority to access funds for FY 2023-24 so that they are not returned to the federal government
- CDEC requests FY 2024-25 appropriation (Q1 only) to allow encumbrance of funds.

Overview of Universal Preschool (UPK)

- Local Coordinating Organizations (LCOs)
- UPK Application Portal Updates
- UPK Rules & Rate Setting
- Special Education Services
- What's Ahead
- Budget Requests

Local Coordinating Organizations (LCOs)

Responsibilities

- Support families and providers in implementing Universal Preschool by Fall of 2023
- Develop a community plan that fosters equitable access by families and robust participation by providers in early childhood and family support programs

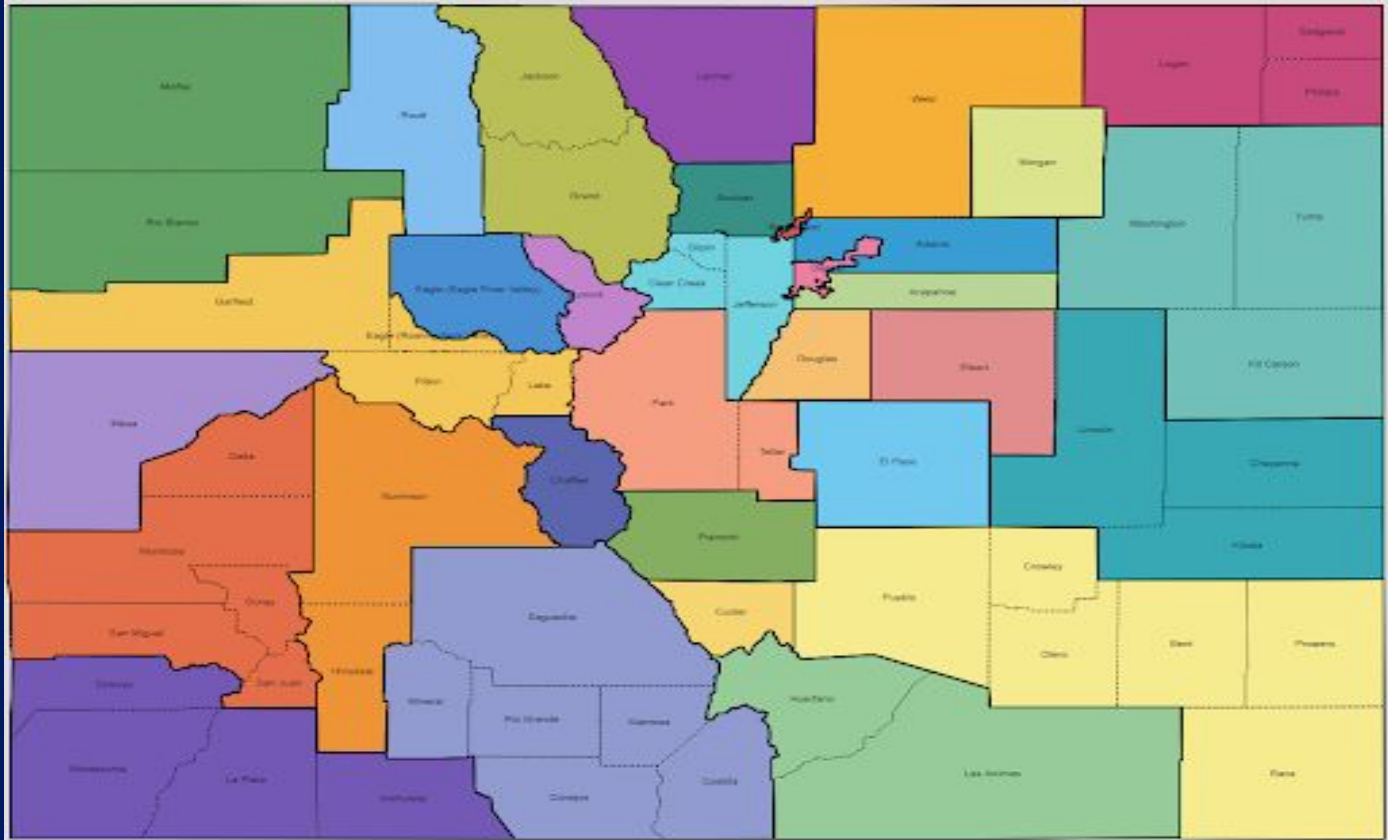
Process

- Convened LCO Advisory Committee - 14 Members
- Developed LCO Catchment Areas - ECC Boundaries
- Released LCO Application - Closed June 27
- Panel Application Review Process
- Selected LCOs July 15
- Community Plans Submitted October 31

Training

- Four multi-hour trainings conducted
- Weekly hour-long training sessions (2/week)

Local Coordinating Organization Catchment Areas



- 32 LCOs across the state covering all regions
- LCOs cover between one and six counties
- School Districts are contained within one LCO



Approved LCOs

Adams: Westminster Public Schools on Behalf of a County Collaborative

Arapahoe: Arapahoe County Early Childhood Council

Archuleta; La Plata; Dolores, Montezuma: San Juan BOCES

Alamosa, Conejos, Costilla, Mineral, Rio Grande, Saguache: Early Childhood Council of the San Luis Valley

Boulder: Early Childhood Council of Boulder County

Clear Creek, Gilpin, Jefferson: Bright Futures

Delta, Montrose, Ouray, San Juan, San Miguel: Bright Futures

Broomfield: Broomfield Early Childhood Council

Chaffee: Chaffee County Early Childhood Council

Cheyenne, Kiowa, Lincoln: Cheyenne, Kiowa & Lincoln Counties ECC

Custer: Custer County School District & Custer County Kids Council

Denver: Denver Preschool Program

Douglas: Douglas County Early Childhood Council

Eagle: Eagle County School District & Early Childhood Partners

El Paso: Joint Initiatives for Youth and Families

Elbert: Elbert County Early Childhood Council

Approved LCOs

Fremont: ECHO & Family Center ECC

Garfield, Lake, Pitkin: Rocky Mountain ECC & Mountain Valley Development Services

Grand, Jackson: Grand Beginnings

Gunnison, Hinsdale: Gunnison-Hinsdale Early Childhood Council

Huerfano, Las Animas: Huerfano-Las Animas Counties Early Childhood Council

Larimer: Early Childhood Council of Larimer County

Logan, Phillips, Sedgwick: Early Childhood Council of Logan, Phillips and Sedgwick

Mesa: Mesa County Partnership for Children and Families & Mesa County Dept of Human Services

Moffat, Rio Blanco: Connections4Kids

Morgan: Early Learning Ventures

Routt: First Impressions of Routt County

Pueblo; Bent, Otero, Crowley; Prowers, Baca: Children First Department of Pueblo Community

College/ Pueblo Early Childhood Council

Summit: Early Childhood Options & Summit County Government

Teller, Park: Teller Park Early Childhood Council

Weld: United Way of Weld County

Yuma, Washington, Kit Carson: Early Childhood Council for Yuma, Washington and Kit Carson

Initial Rule for UPK - Eligibility

Qualifying factors for children in the year before kindergarten to receive additional hours or 3 year olds to receive preschool services:

- A child who lives in a low-income household (270% of the 2023 Federal Poverty Guidelines)
- A child who is a dual language learner
- A child with an Individualized Education Program (IEP)
- A child who is currently in a foster care home or in non-certified kinship care
- A child who is identified as homeless

Rule #2 Additional Eligibility & Rate Setting

- Universal Preschool Program Eligibility
 - 3 year olds with one qualifying factor **PART-TIME (10 HOURS/week)**
 - Children under 3 years of age with one qualifying factor in wavier districts (Denver & Cañon City) **PART-TIME (10 HOURS/week)**
 - Children in the school year before they are eligible for kindergarten **HALF-DAY (15 HOURS/week)**
 - Children in the school year before they are eligible for kindergarten with one qualifying factor **FULL-DAY (30 HOURS/week)**
- CDEC and LCOs shall make every effort to blend and braid funding
- Participating preschool providers may serve the number of preschool students allowed for by their current child care license

Provider Rate Formula

- The formula includes a base rate cost of high quality preschool services with specific parameters adjusting for personnel costs and variances to costs by region (PA).
- Further adjustments are applied for:
 - Local costs of living
 - Community's poverty level
 - Geographical factors
 - Increased quality of services
 - Annual adjustment for inflation

UPK Rates

LCO	2023-2024 Part-Time Rate (10h)	2023-2024 Half-Day Rate (15h)	2023-2024 Full-Day Rate (30h)
Arapahoe County Early Childhood Council	\$4,742.88	\$5,926.69	\$10,544.48
Bright Futures	\$4,916.60	\$6,143.77	\$10,723.48
Broomfield Early Childhood Council	\$4,680.51	\$5,848.75	\$10,474.13
Chaffee County Early Childhood Council	\$4,816.14	\$6,018.24	\$10,600.78
Cheyenne, Kiowa & Lincoln Counties ECC	\$4,847.65	\$6,057.62	\$10,581.52
Children First Department of Pueblo Community College/ Pueblo Early Childhood Council	\$5,042.11	\$6,300.61	\$10,873.61
Connections4Kids & Moffat County School District	\$5,072.89	\$6,339.07	\$11,055.08
Custer County School District & Custer County Kids Council	\$4,735.83	\$5,917.88	\$10,474.33
Denver Preschool Program	\$4,883.22	\$6,102.06	\$10,748.93
Douglas County Early Childhood Council	\$4,662.16	\$5,825.82	\$10,449.21
Eagle County School District & Early Childhood Partners	\$4,851.20	\$6,062.05	\$10,762.67
Early Childhood Council for Yuma, Washington and Kit Carson	\$4,779.01	\$5,971.83	\$10,553.20
Early Childhood Council of Boulder County	\$4,842.16	\$6,050.75	\$10,716.69
Early Childhood Council of Larimer County	\$4,757.44	\$5,944.89	\$10,511.26
Early Childhood Council of Logan, Phillips and Sedgwick	\$4,806.31	\$6,005.95	\$10,527.24
Early Childhood Council of the San Luis Valley	\$5,060.23	\$6,323.25	\$10,841.52
Early Childhood Options & Summit County Government	\$4,895.25	\$6,117.09	\$10,872.90
Early Learning Ventures	\$4,792.23	\$5,988.36	\$10,508.05
ECHO & Family Center ECC	\$4,885.88	\$6,105.38	\$10,674.55
Elbert County Early Childhood Council	\$4,724.82	\$5,904.13	\$10,570.18
First Impressions of Routt County	\$4,899.16	\$6,121.98	\$10,864.11
Grand Beginnings	\$4,921.04	\$6,149.32	\$10,885.94
Gunnison-Hinsdale Early Childhood Council	\$4,856.34	\$6,068.47	\$10,669.68
Huerfano-Las Animas Counties Early Childhood Council	\$5,016.18	\$6,268.21	\$10,815.48
Joint Initiatives for Youth and Families	\$4,735.40	\$5,917.35	\$10,469.89
Mesa County Partnership for Children and Families & Mesa County Dept of Human Services	\$4,759.02	\$5,946.85	\$10,428.72
Rocky Mountain ECC & Mountain Valley Development Services	\$4,877.41	\$6,094.80	\$10,830.27
San Juan BOCES	\$4,870.04	\$6,085.59	\$10,681.32
Teller Park Early Childhood Council	\$4,794.32	\$5,990.97	\$10,649.80
Triad Bright Futures	\$4,713.94	\$5,890.53	\$10,513.26
United Way of Weld County	\$4,732.93	\$5,914.25	\$10,459.08
Westminster Public Schools on Behalf of a County Collaborative	\$4,828.39	\$6,017.28	\$10,642.96
AVERAGE:	\$4,837.46	\$6,044.37	\$10,655.45



Special Education

UPK

- Funds for general education programming for children with IEPs is included in the UPK calculation
- Under UPK, all four-year-olds will receive general education funding for the part-time or half-day, regardless of disability status.
- All three year olds with an IEP will receive receive general education funding for a part time (10 hour slot).

What's Next

- UPK Application Portal opens January 17 for families!
- Quality Standards
 - Authentic and robust process
 - Beginning in January 2022 with stakeholder engagement
 - Including:
 - What's worked well in Colorado?
 - What can we do better?
 - What does research show?

Universal Preschool Program (UPK) (R-01)

Budget Request: \$325.0 million in FY 2023-24 and \$348.0 million in FY 2024-25 from the Preschool Programs Cash Fund established in statute to implement the first year of Universal Preschool

- The request will pay providers in mixed delivery settings who participate in the state's new program to provide free, voluntary, high-quality preschool to all four-year-olds and eligible younger children
- The cash fund is estimated to have between \$327 - \$341 million available, including \$199 million from Proposition EE revenues and a \$135 million transfer of funding previously spent on preschool services

Increasing Universal Preschool (UPK) Participation (R-02)

Budget Request: \$4.9 million for strategies to maximize the number of eligible children who can access a universal preschool classroom in their community

- Child Care Providers - Expansion of Child Care Capacity & Provider Licensing Support
 - \$3.0M to support the creation and expansion of provider capacity, through the Emerging and Expanding grant program
 - \$0.4M to hire additional licensing specialists to support new providers
- Provider and Family Recruitment to Increase Participation in UPK
 - \$0.26M for outreach to families
 - \$0.15M for targeted outreach to provider communities
- Incentives for UPK Providers to Participate in CCCAP and Securing Local Funds
 - \$0.6M to offer bonuses for UPK-participating providers to join CCCAP to provide more choice for low-income families seeking additional hours and support
 - \$0.5M for technical assistance to LCOs to secure local contributions to increase free preschool hours offered

Universal Preschool (UPK) Provider Bonuses (R-03)

Budget Request: One-time appropriation of \$5 million in General Fund for bonuses for Universal Preschool Program (UPK) providers

- The program will provide bonuses for providers who elect to participate in UPK
- *Requires a statutory change to use General Fund to provide bonuses to providers who offer universal preschool in the first year of implementation*

Early Intervention (EI) Caseload Adjustment (R-04)

Budget Request: \$0.4 million in General Fund in FY 2023-24 and \$6.1 million in FY 2024-25 and ongoing for the caseload costs of Early Intervention (EI) direct services

- Requested funding reflects two opposing drivers of caseload costs:
 - temporarily reduced (but eventually increased) expenditures within the program due to the timing of phasing in eligibility changes, and
 - an ongoing increase to reflect higher direct service costs due to increased service and workforce needs



Early Intervention Workforce Crisis

The Early Intervention workforce is experiencing similar pressures to the early childhood learning sector:

Pandemic-related turnover



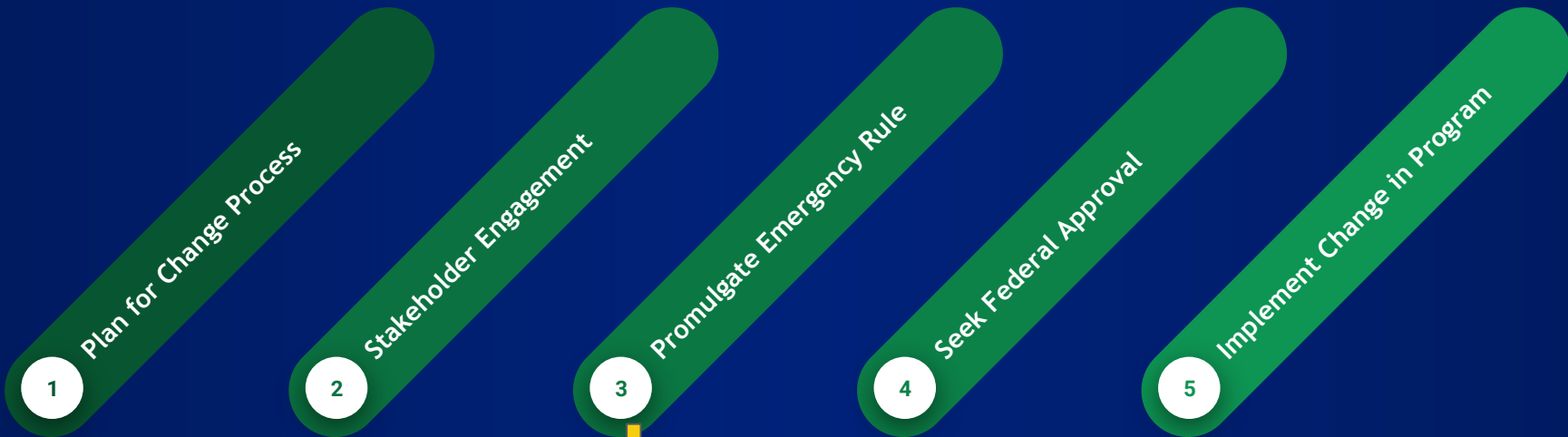
Increased demand for providers



Difficulty recruiting and retaining providers because of low compensation in early childhood

Early Intervention Eligibility Definition Expansion

Process to Change Eligibility Definition

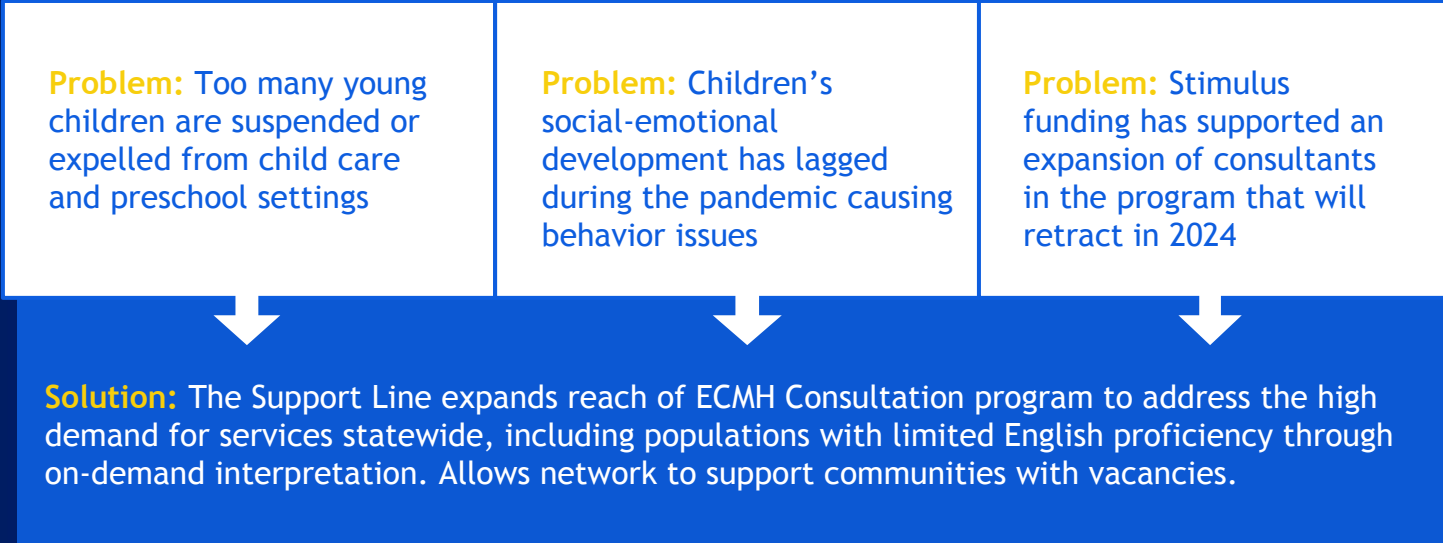


25% delay in two or more areas OR
33% in one or more areas



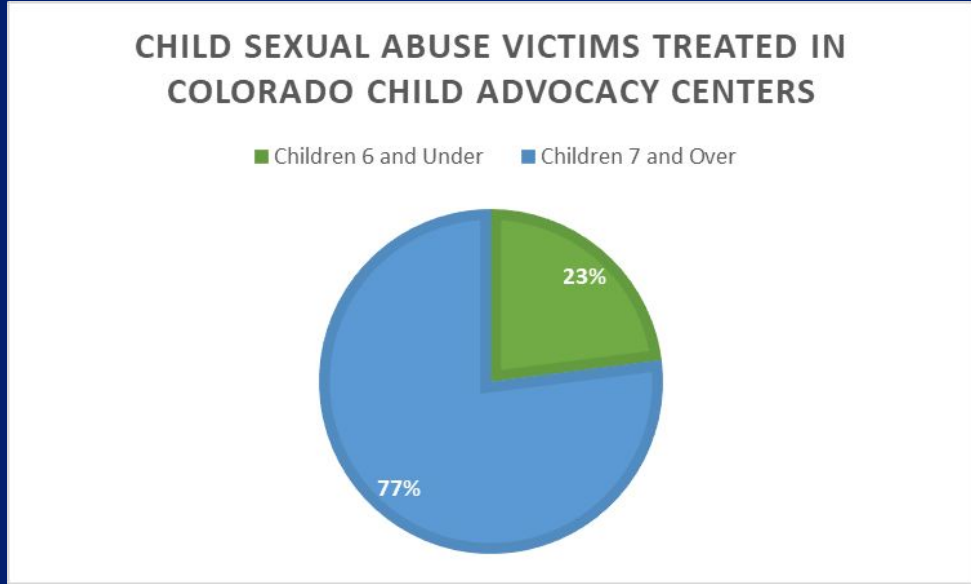
Early Childhood Mental Health Support Line (R-06)

Budget Request: \$0.4 million in General Fund to continue the Early Childhood Mental Health (ECMH) Support Line to make ECMH consultation available to families and early childhood providers in all 64 counties



Child Sexual Abuse Prevention Training Restoration (R-09)

Budget Request: Restoration of \$150,000 in General Fund spending authority in FY 2023-24 and ongoing to provide child sexual abuse prevention training



Nurse Home Visitor Program Spending Authority (R-11)

Budget Request: \$1 million increase in cash fund spending authority for the Nurse Home Visitor Program (NHVP) Fund in FY 2023-24 and a \$2 million increase in FY 2024-25 and ongoing



- The Nurse Home Visitor Program (NHVP) nurses support first time, low-income mothers prenatal until the child's second birthday
- This evidence-based program has demonstrated that every \$1 invested in Colorado Nurse-Family Partnership saves \$7.90 in future costs

Right-Sizing Early Childhood Quality Funding (R-12)



Budget Request: A reduction of \$400,000 in the Early Childhood Quality and Availability line item to bring the appropriation in line with historical spending

- This targeted quality improvement funding has been underspent historically due to insufficient demand among child care providers. Reduced funding for quality improvement is not likely to negatively impact child care providers or program quality due to consistent underspending.

Department Administrative Strategies

R-05 Equity in the Department of Early Childhood: \$2.8 million to support transformative investments in equity, and language justice efforts to make early childhood coursework and communications linguistically and culturally accessible

- The creation of the new Department presents an opportunity to center equity
- Establish an Equity Lead and a Tribal and County Liaison in the Department
- Translate universal preschool application and materials and all CDEC technology applications into Spanish and develop a language justice plan to identify additional language needs

R-13 Transfer FTE between CDEC & CDHS: Budget-neutral ongoing transfer of funding and FTE

- Ensures that after the transfer of early childhood programs and services to CDEC authorized by H.B. 22-1295 and the expiration of the one-year operational support agreement between the two Departments, FTE are assigned to the Department that is aligned with their work.

Records and Reports Cash Fund Solution (R-08)

Legislative & Budget Request: Separate CDHS abuse/neglect notice and appeals from CDEC background checks with \$0.3 million reduction in spending authority for CDEC

- Separate the CDEC Records and Reports Fund from unrelated Department of Human Services (CDHS) costs
 - CDEC Background Investigation Unit (BIU)-Background check fee statute requires the fee to support both the programs
 - CDHS Child and Adult Mistreatment Dispute Review Section (CAMDRS)'s notice and appeals process
- Legal costs associated with CAMDRS have increased substantially
- If no realignment background check fees will have to increase from CDEC, which is harmful to small providers



**THANK YOU
QUESTIONS?**