



Fiscal Note

Legislative Council Staff

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HB 26-1282: ELIMINATE DUPLICATIVE REG OF SCH CHILD CARE CTRS

Prime Sponsors:

Rep. Phillips; Goldstein
Sen. Mullica

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Published for: House Education**Drafting number:** LLS 26-0724**Version:** Initial Fiscal Note**Date:** March 6, 2026**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill specifies that certain rules adopted by the Colorado Department of Early Childhood do not apply to school district preschools and before- and after-school programs.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- School Districts

Appropriations. No change in appropriations is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, school district preschool programs and before- and after-school programs are regulated by the Colorado Department of Education (CDE) and Colorado Department of Early Childhood (CDEC), among others.

The bill specifies that rules adopted by the CDEC on the following subjects do not apply to preschool and before-, or after-school programs operated by a school district:

- background checks;
- staff training;
- fire and health inspections and zoning codes;
- documentation of immunization status; and
- administrative records on staff supervisions.

The bill also specifies that rules adopted by the CDEC on the following subjects do not apply to before- and after-school programs operated by a school district.

- playground equipment;
- documentation of certificate of exemption for immunizations;
- reports of student injuries;
- required staff supervision;
- indoor learning requirement; and
- flavored milks.

Lastly, the bill specifies that CDEC rules related to written attendance verification do not apply to school district preschools.

Background and Assumptions

The **Colorado Child Care Assistance Program** (CCCAP) provides child care financial assistance for low-income families. It is primarily funded using federal Child Care Development Fund (CCDF) money. CDEC is the state's lead agency for implementing CCDF and ensuring the state's compliance with federal health and safety rules. There are currently 60 school districts that participate in CCCAP.

School districts are likely to become ineligible for CCCAP and CCDF funding under the bill. Districts must meet certain federal health and safety requirements, which are codified in CDEC's rules, and be monitored for compliance with those requirements by CDEC, the state's lead agency for federal compliance. If health, safety, and monitoring requirements are not met, school districts may be ineligible for CCCAP and CCDF funding.

The **Head Start program** provides early childhood support and care provided by nonprofits, school districts, and tribal governments. The program is also federally funded and requires providers to be compliant with certain health and safety rules. Head Start uses CDEC licensing information to verify that districts are in compliance with federal background check requirements; therefore, districts may risk funding if they do not continue to comply with CDEC rules. There are currently 9 school districts that participate in Head Start.

The state's **Universal Preschool Program (UPK)** requires that providers meet certain quality standards. Exempting school districts from these rules may impact their ability to meet UPK quality standards and maintain eligibility for the program; however, the fiscal note assumes that rules or standards will be clarified such that school districts will remain compliant with UPK.

State Expenditures

The bill impacts workload for CDEC in several ways. Workload will increase to update rules to reflect that school districts are not subject to certain requirements and to modify licensing, and enforcement procedures to account for these changes. In addition, workload may increase to handle issues related to school district federal compliance. In the longer term, workload will decrease to complete fewer inspections and to enforce fewer policies. No change in appropriations is required.

Local Government and School Districts

Beginning in FY 2026-27, school districts that participate in CCCAP and Head Start may become ineligible for those programs under the bill, impacting revenue and expenditures, as outlined in the Background and Assumptions section and discussed below. For all other school districts, the bill reduces workload. The bill also impacts counties, which administer the CCCAP program in their jurisdictions.

CCCAP

School districts becoming ineligible for CCCAP does not reduce the total amount of CCDF funds the state receives, but reduces CCCAP funding to school districts. Correspondingly, this would increase available funding for counties for non-school district placements.

Counties may have additional enrollment and administrative costs if families currently served by school district locations have to seek alternate CCCAP providers. There are currently about 1,900 children who are served by CCCAP in 60 participating districts.

Head Start

The bill may impact federal funding for the nine school districts that are Head Start providers. District would need to ensure they remain in compliance with CDEC background check requirements, or risk losing their Head Start grant. If districts are out of compliance, all or a portion of the funding would be redistributed to other or new Head Start entities, or would revert back to the federal government. In FY 2025-26, the nine districts with Head Start centers received \$16.7 million in federal funds, and served 1,100 children.

All Other School Districts

For school districts with preschool and before- and after-school programs that do not participate in CCCAP or Head Start, the bill reduces workload related to duplicative or conflicting regulations.

Effective Date

The bill takes effect July 1, 2026.

State and Local Government Contacts

Early Childhood	Law
Education	Public Health and Environment
Human Services	Public Safety

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).