

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

**REVISED**

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

LLS NO. 26-0822.01 Veronica Parish x2606

**HOUSE BILL 26-1260**

**HOUSE SPONSORSHIP**

**Garcia and Willford**, Bacon, Boesenecker, Camacho, Clifford, Duran, Froelich, Gonzalez R., Joseph, Lieder, Lindsay, McCluskie, Nguyen, Phillips, Rutinel, Stewart K., Story

**SENATE SPONSORSHIP**

**Cutter and Bright**,

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**House Committees**

Health & Human Services  
Appropriations

**Senate Committees**

Health & Human Services  
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**A BILL FOR AN ACT**

101 **CONCERNING PROGRAMS FOR CHILD CARE ASSISTANCE.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Under existing law, the implementation dates for capping family copayments for child care at 7% of family income, for paying child care providers in advance of the provision of services, and for utilizing grants and contracts to improve access to child care for underserved populations is August 1, 2026. The bill extends the implementation dates to August 1, 2028.

The bill clarifies that no more than 5% of money allocated to counties for child care assistance may be used for administrative costs.

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

SENATE  
Amended 2nd Reading  
April 29, 2026

HOUSE  
3rd Reading Unamended  
March 25, 2026

HOUSE  
Amended 2nd Reading  
March 24, 2026

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

2           **SECTION 1.** In Colorado Revised Statutes, 26.5-4-111, **amend**  
3 (4)(b) and (12)(a) as follows:

4           **26.5-4-111. Services - eligibility - assistance provided - waiting**  
5 **lists - rules - exceptions from cooperating with child support**  
6 **establishment.**

7           (4) (b) The executive director by rule shall establish, and at least  
8 every five years review and revise, as appropriate, a copayment schedule  
9 so that the copayment gradually increases as the family income  
10 approaches self-sufficiency income levels, but must be no greater than  
11 seven percent of the family's gross monthly income on or before ~~August~~  
12 ~~1, 2026~~ AUGUST 1, 2028, regardless of the number of children in care, as  
13 determined based on one month of income, unless one month of income  
14 does not provide an accurate indication of anticipated income, in which  
15 case the county may use evidence of up to the most recent twelve months  
16 of income; however, if a federal rule limits copayments to less than seven  
17 percent of the family's gross monthly income, the department shall  
18 immediately comply with the federal limit. This revised copayment  
19 schedule should allow families to retain a portion of their increases in  
20 income.

21           (12) Each county:

22           (a) Upon notification to counties by the department that the  
23 relevant case management systems, including the Colorado child care  
24 automated tracking system, are capable of accommodating this subsection  
25 (12)(a), and pursuant to department rules, on or before ~~August 1, 2026~~  
26 AUGUST 1, 2028, and subject to available federal appropriations, in

1 addition to regular provider reimbursement rates, the county departments  
2 shall pay providers for care in alignment with common practices in the  
3 private market for child care, including paying providers weekly for each  
4 child based on child enrollment in advance of the provision of services.  
5 The department rules governing payment policies must allow daily  
6 reimbursement rates only for drop-in child care, back-up child care, and  
7 care that is commonly paid on a daily reimbursement basis in the private  
8 child care market and must incentivize providers to promote regular  
9 program attendance. On or before August 1, 2026 AUGUST 1, 2028, and  
10 subject to available federal appropriations, the department and county  
11 departments shall utilize grants and contracts for underserved  
12 populations, including children in underserved geographic areas, infants  
13 and toddlers, children with disabilities, and families needing  
14 nontraditional-hour care, to improve equitable access for these  
15 populations. The department shall annually evaluate data regarding the  
16 numbers and percentages of underserved populations being served by  
17 CCCAP to determine if equitable access is improved or achieved. The  
18 executive director shall promulgate ADOPT rules for the implementation  
19 of this subsection (12).

20

21 **SECTION 2.** In Colorado Revised Statutes, 26.5-4-114, **amend**  
22 (1) introductory portion, (1)(i), and (1)(j)(V); and **add** (1)(k) as follows:

23 **26.5-4-114. Colorado child care assistance program -**  
24 **reporting requirements.**

25 (1) On or before November 1, 2022, and on or before November  
26 1 each year thereafter, the department shall prepare a report on CCCAP.  
27 Notwithstanding section 24-1-136 (1)(a)(I), the department shall provide

1 the report to the joint budget committee of the general assembly, the  
2 public and behavioral health and human services committee of the house  
3 of representatives, and the health and human services committee of the  
4 senate, or any successor committees. The report must include, at a  
5 minimum, the following information related to benchmarks of success for  
6 CCCAP:

7 (i) An estimate of unmet need for CCCAP in each county and  
8 throughout the state based on estimates of the number of children and  
9 families who are likely to be eligible for CCCAP in each county but who  
10 are not enrolled in CCCAP, disaggregated by estimated ages from birth  
11 through thirteen years of age; and

12 (j) Beginning with the report submitted November 1, 2024, and  
13 in each annual report thereafter:

14 (V) An explanation of the quality incentives made available to  
15 providers; AND

16 (k) BEGINNING WITH THE REPORT SUBMITTED NOVEMBER 1, 2026,  
17 AND IN EACH ANNUAL REPORT THEREAFTER:

18 (I) THE TOTAL AMOUNT OF CCCAP ALLOCATION THAT IS SPENT BY  
19 THE DEPARTMENT AND EACH COUNTY ON:

20 (A) ADMINISTRATIVE EXPENSES, INCLUDING SALARIES AND  
21 OPERATING EXPENSES OF STAFF WHO PERFORM ADMINISTRATIVE  
22 FUNCTIONS;

23 (B) COUNTY INDIRECT EXPENSES, CHARGED IN ACCORDANCE WITH  
24 COUNTY COST ALLOCATION PLANS;

25 (C) PROGRAM IMPLEMENTATION COSTS THAT ARE REPORTED AS  
26 NONDIRECT SERVICES IN ACCORDANCE WITH FEDERAL CHILD CARE  
27 DEVELOPMENT FUND REGULATIONS, SUCH AS SALARIES AND OPERATING

1 EXPENSES FOR CASEWORKERS TO COMPLETE ELIGIBILITY DETERMINATION  
2 AND REDETERMINATION, ERROR RATE REVIEWS AND COMPLIANCE, AND  
3 OTHER PROGRAM ACTIVITIES NECESSARY TO OPERATE THE PROGRAM; AND

4 (D) DIRECT SERVICE EXPENSES.

5 **SECTION 3. Effective date.** This act takes effect August 1,  
6 2026.

7 **SECTION 4. Safety clause.** The general assembly finds,  
8 determines, and declares that this act is necessary for the immediate  
9 preservation of the public peace, health, or safety or for appropriations for  
10 the support and maintenance of the departments of the state and state  
11 institutions.