

CHAPTER 104

EARLY CHILDHOOD PROGRAMS AND SERVICES

SENATE BILL 26-019

BY SENATOR(S) Ball and Bright, Amabile, Bridges, Cutter, Exum, Gonzales J., Jodeh, Kipp, Kirkmeyer, Marchman, Michaelson Jenet, Rodriguez, Simpson, Wallace, Coleman;
 also REPRESENTATIVE(S) Sirota and Gonzalez R., Boesenecker, Brown, Duran, Garcia, Lieder, Lindsay, Martinez, Nguyen, Rutinel, Smith, Stewart K., Story, Zokaie, McCluskie.

AN ACT

CONCERNING CHANGES TO LOCAL EARLY CHILDHOOD INFRASTRUCTURE, AND, IN CONNECTION THEREWITH, EXPANDING THE RESPONSIBILITIES AND FUNCTIONS OF EARLY CHILDHOOD COUNCILS TO INCLUDE CERTAIN RESPONSIBILITIES AND FUNCTIONS FORMERLY PERFORMED BY LOCAL COORDINATING ORGANIZATIONS AND IMPOSING NEW ACCOUNTABILITY REQUIREMENTS.

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

SECTION 1. In Colorado Revised Statutes, **add** 26.5-2-106 as follows:

26.5-2-106. Repeal of part.

THIS PART 1 IS REPEALED, EFFECTIVE JULY 1, 2026.

SECTION 2. In Colorado Revised Statutes, **amend** 26.5-2-202 as follows:

26.5-2-202. Definitions.

As used in this part 2, unless the context otherwise requires:

(1) "ACCOUNTABILITY METRICS" MEANS THE ACCOUNTABILITY METRICS INCLUDED IN AN AGREEMENT TO MEASURE A COUNCIL'S PERFORMANCE.

(2) "AGREEMENT" MEANS THE AGREEMENT OR CONTRACT DESCRIBED IN SECTION 26.5-2-206 THAT THE DEPARTMENT ENTERS INTO WITH AN EARLY CHILDHOOD COUNCIL AND THAT CONTAINS A SCOPE OF WORK AND ACCOUNTABILITY METRICS.

(3) "COMMUNITY STRATEGIC PLAN" MEANS A COMPREHENSIVE PLAN DEVELOPED

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

PURSUANT TO SECTION 26.5-2-204 TO ADDRESS THE EARLY CHILDHOOD NEEDS IN A DESIGNATED SERVICE AREA.

~~(4)~~ (4) "Council" or "early childhood council" means an early childhood council identified or established locally in communities throughout the state pursuant to section 26.5-2-203 ~~or 26.5-5-102~~ for the purpose of developing and ultimately implementing a comprehensive system of early childhood services to ensure the school readiness of children ~~five years of age or younger~~ UNDER SIX YEARS OLD in the community.

~~(5)~~ (5) "County department" means the county or district department of human or social services.

(6) "EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAM" MEANS ANY PROGRAM ACROSS DISCIPLINES THAT SERVES CHILDREN UNDER SIX YEARS OLD AND THEIR FAMILIES.

~~(7)~~ (7) "Early childhood education program" means a child care program licensed pursuant to part 3 of article 5 of this title 26.5 that provides child care and education to children ~~five years of age or younger~~ UNDER SIX YEARS OLD.

~~(8)~~ (8) "Fund" means the early childhood cash fund created in section 26.5-2-209 (1).

(9) "MIXED DELIVERY SYSTEM" HAS THE MEANING SET FORTH IN SECTION 26.5-4-203.

(10) "PERFORMANCE IMPROVEMENT PLAN" MEANS A PLAN DEVELOPED BY THE DEPARTMENT PURSUANT TO SECTION 26.5-2-208.5 THAT AN EARLY CHILDHOOD COUNCIL MUST IMPLEMENT IF THE COUNCIL IS NOT MEETING THE REQUIREMENTS OF THE SCOPE OF WORK AND ACCOUNTABILITY METRICS CONTAINED IN THE AGREEMENT.

SECTION 3. In Colorado Revised Statutes, 26.5-2-203, **amend** (1) as follows:

26.5-2-203. Early childhood councils - established - rules.

(1) There is established a statewide integrated system of early childhood councils to COORDINATE, improve, and sustain the availability, accessibility, ~~capacity~~, and quality of COMPREHENSIVE early childhood services for children and families throughout the state. The councils have consistent function and structure statewide and are governed by the department with input, cooperation, and support services from the ~~departments~~ DEPARTMENT of human services, INCLUDING THE BEHAVIORAL HEALTH ADMINISTRATION, AND THE DEPARTMENTS OF HIGHER EDUCATION, HEALTH CARE POLICY AND FINANCING, education, and public health and environment.

SECTION 4. In Colorado Revised Statutes, 26.5-2-204, **add** (4.5) as follows:

26.5-2-204. Early childhood councils - applications - community strategic plans - rules.

(4.5)(a) BEGINNING ON OR BEFORE JULY 1, 2026, A COMMUNITY STRATEGIC PLAN DEVELOPED PURSUANT TO SUBSECTION (4) OF THIS SECTION MUST FOSTER ACCESS FOR FAMILIES TO, AND ROBUST PARTICIPATION BY PROVIDERS IN, EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES AND MUST ADDRESS ACCESSIBILITY AND QUALITY IMPROVEMENTS THAT ARE CONSISTENT WITH THE EARLY CHILDHOOD COLORADO FRAMEWORK.

(b) THE COMMUNITY STRATEGIC PLAN MUST INCLUDE:

(I) THE MANNER IN WHICH THE COUNCIL WILL ASSIST FAMILIES IN ACCESSING REFERRALS AND RESOURCES FOR EARLY CARE AND EDUCATION, IN APPLYING FOR EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES, AND IN ENROLLING CHILDREN WITH EARLY CARE AND EDUCATION PROVIDERS;

(II) THE MANNER IN WHICH THE COUNCIL WILL COORDINATE WITH OTHER ENTITIES, INCLUDING, BUT NOT LIMITED TO, OTHER COUNCILS, COUNTY DEPARTMENTS, SCHOOL DISTRICTS, LOCAL AND REGIONAL SERVICE PROVIDERS, AND TRIBAL AGENCIES TO INTEGRATE OUTREACH EFFORTS;

(III) THE MANNER IN WHICH THE COUNCIL WILL RECRUIT AND COORDINATE WITH PROVIDERS TO ENSURE THAT FAMILIES CAN CHOOSE AMONG PROVIDERS, WITHIN THE MIXED DELIVERY SYSTEM IN THE COUNCIL'S SERVICE AREA, THAT PARTICIPATE IN PUBLICLY FUNDED PROGRAMS, INCLUDING THE COLORADO UNIVERSAL PRESCHOOL PROGRAM AND THE COLORADO CHILD CARE ASSISTANCE PROGRAM; AND

(IV) A PLAN FOR FACILITATING ACCESS TO WORKFORCE TRAINING AND EDUCATION FOR SERVICE PROVIDERS AND FOR IDENTIFYING AND IMPLEMENTING RECRUITMENT AND RETENTION STRATEGIES.

(c) THE COMMUNITY STRATEGIC PLAN MAY INCLUDE:

(I) THE MANNER IN WHICH THE COUNCIL WILL FACILITATE ACCESS TO EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND HOLISTIC SERVICES THAT INCLUDE FOOD, CASH ASSISTANCE, HEALTH CARE, AND COUNTY CHILD WELFARE SERVICES, AS DEFINED IN SECTION 26-5-101, INCLUDING IMPLEMENTATION OF THE FEDERAL "FAMILY FIRST PREVENTION SERVICES ACT OF 2018"; AND

(II) THE COUNCIL'S STRATEGIES FOR IDENTIFYING AND SECURING, AS FEASIBLE, ADDITIONAL LOCAL RESOURCES AND FUNDING TO SUPPORT EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES IN THE COMMUNITY.

SECTION 5. In Colorado Revised Statutes, 26.5-2-206, **amend** (1)(f); **repeal** (1)(c); and **add** (2), (3), (4), and (5) as follows:

26.5-2-206. Early childhood councils - duties.

(1) Each early childhood council has, at a minimum, the following duties and functions:

(c) ~~To establish a local system of accountability to measure local progress based on the needs and goals set for program performance;~~

(f) To develop and implement a COMMUNITY strategic plan as described in ~~section 26.5-2-204 (4), including a comprehensive evaluation and report~~ SECTION 26.5-2-204 AND REGULARLY SHARE INFORMATION ABOUT PROGRESS ON ACCOUNTABILITY METRICS WITH THE DEPARTMENT; and

(2)(a) BEGINNING ON OR BEFORE JULY 1, 2026, A COUNCIL, IN PARTNERSHIP WITH THE DEPARTMENT, SHALL CREATE A SCOPE OF WORK FOR THE COUNCIL AND ANNUALLY REVIEW THE SCOPE OF WORK AND REVISE IT IF NECESSARY.

(b) CONTEMPORANEOUSLY WITH REVIEWING THE SCOPE OF WORK, THE COUNCIL, IN PARTNERSHIP WITH THE DEPARTMENT, SHALL ANNUALLY REVIEW ACCOUNTABILITY METRICS ASSOCIATED WITH THE SCOPE OF WORK, AND REVISE THEM IF NECESSARY, TO ENSURE THEY ALIGN WITH THE REVISED SCOPE OF WORK.

(3) BEGINNING ON OR BEFORE JULY 1, 2026, EACH COUNCIL SHALL, CONSISTENT WITH THE COUNCIL'S SCOPE OF WORK, IMPLEMENT ITS COMMUNITY STRATEGIC PLAN.

(4) EACH COUNCIL SHALL:

(a) SUPPORT THE AVAILABILITY OF HIGH-QUALITY EARLY CHILDHOOD CARE AND EDUCATION FOR ALL CHILDREN, INCLUDING SUPPORTING ACCESS TO TRAINING AND SUPPORT FOR MEMBERS OF THE EARLY CHILDHOOD WORKFORCE IN ALL SETTINGS, INCLUDING INFORMAL OR LICENSE-EXEMPT PROVIDERS;

(b) MONITOR THE AVAILABILITY OF HIGH-QUALITY EARLY CHILD CARE AND EDUCATION PROGRAMS WITHIN THE COMMUNITY, AND, AS APPROPRIATE, WORK TO INCREASE THAT AVAILABILITY OVER TIME TO BETTER MEET FAMILY AND COMMUNITY NEEDS;

(c) SUPPORT PUBLIC AND PRIVATE PROVIDERS IN RECRUITING, DEVELOPING, AND RETAINING WITHIN THE COMMUNITY A QUALITY EARLY CHILDHOOD WORKFORCE;

(d) WORK WITH PROVIDERS IN THE COMMUNITY AND ENTER INTO DATA-SHARING AGREEMENTS AS NECESSARY TO ENSURE THE COLLECTION AND REPORTING OF ACCOUNTABILITY METRICS TO THE DEPARTMENT, AS REQUIRED BY DEPARTMENT RULES, IN A MANNER THAT MINIMIZES DUPLICATION AND THE BURDEN ON FAMILIES AND PROVIDERS AND ENSURES COMPLIANCE WITH ALL APPLICABLE DATA PRIVACY AND SECURITY PROTECTIONS;

(e) WORK IN COORDINATION WITH COUNTY DEPARTMENTS AND TRIBAL AGENCIES AND LOCAL COMMUNITY-BASED ORGANIZATIONS TO INTEGRATE OUTREACH FOR EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES WITH OTHER EFFORTS TO PROVIDE HOLISTIC SERVICES FOR FAMILIES, INCLUDING FOOD, CASH ASSISTANCE, AND HEALTH CARE;

(f) COMPLY WITH DEPARTMENT RULES, IF ANY, IN IMPLEMENTING THE COUNCIL'S COMMUNITY STRATEGIC PLAN AND CARRYING OUT THE COUNCIL'S DUTIES;

(g) COMPLY WITH ANY STATUTORY AUDITING REQUIREMENTS THAT APPLY TO THE COUNCIL OR, IF THE COUNCIL IS NOT OTHERWISE REQUIRED BY STATUTE TO UNDERGO AN ANNUAL FINANCIAL AUDIT, CONTRACT FOR THE PERFORMANCE OF AN ANNUAL

FINANCIAL AUDITOR FINANCIAL REVIEW OF THE OPERATIONS OF THE COUNCIL BY AN INDEPENDENT AUDITOR; AND

(h) COMPLY WITH ANY OTHER PROVISIONS INCLUDED IN THE AGREEMENT ENTERED INTO BETWEEN THE COUNCIL AND THE DEPARTMENT PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION.

(5) TO SUPPORT PARTNERSHIP AND MUTUAL ACCOUNTABILITY BETWEEN EARLY CHILDHOOD COUNCILS AND THE DEPARTMENT, THE DEPARTMENT SHALL:

(a) ENTER INTO AN AGREEMENT WITH EACH EARLY CHILDHOOD COUNCIL THAT IS BASED ON THE COUNCIL'S COMMUNITY STRATEGIC PLAN AND DEPARTMENT GOALS AND THAT SPECIFIES THE RESPECTIVE DUTIES OF THE EARLY CHILDHOOD COUNCIL AND THE DEPARTMENT IN IMPLEMENTING THE COUNCIL'S COMMUNITY STRATEGIC PLAN. AN AGREEMENT IS NOT SUBJECT TO THE REQUIREMENTS OF THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24. THE TERM OF THE INITIAL AGREEMENT FOR AN EARLY CHILDHOOD COUNCIL IS THREE YEARS, AND SUBSEQUENT AGREEMENTS MUST HAVE TERMS OF AT LEAST THREE BUT NOT MORE THAN FIVE YEARS, AS DETERMINED BY THE DEPARTMENT. THE AGREEMENT, AT A MINIMUM, MUST INCLUDE:

(I) A SCOPE OF WORK FOR THE COUNCIL CREATED IN PARTNERSHIP WITH THE COUNCIL THAT IS RESPONSIVE TO LOCAL COMMUNITY NEEDS; CONTRIBUTES TO COLLECTIVE OUTCOMES; PROMOTES THE SHARED GOALS OF THE EARLY CHILDHOOD COLORADO FRAMEWORK AND THE DEPARTMENT OF EARLY CHILDHOOD'S STATEWIDE STRATEGIC PLAN; AND REFLECTS EXPECTATIONS, TARGETS, AND ACCOUNTABILITY METRICS, IN ALIGNMENT WITH THE COUNCIL'S COMMUNITY STRATEGIC PLAN AND STATEWIDE GOALS FOR THE PROVISION OF EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES IN COLORADO, TAKING INTO CONSIDERATION AVAILABLE APPROPRIATIONS; AND

(II) THE AMOUNT OF ANY PAYMENT THAT THE COUNCIL RECEIVES FROM THE DEPARTMENT TO COVER INDIRECT COSTS DURING THE TERM OF THE AGREEMENT.

(b) DISTRIBUTE AND ADMINISTER PUBLIC FUNDING FOR EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES IN ACCORDANCE WITH AGREEMENTS AND IN COORDINATION WITH LOCAL AND TRIBAL AGENCIES, WHEN APPLICABLE; EXCEPT THAT THE DEPARTMENT MAY DELEGATE ALL OR A PORTION OF THE RESPONSIBILITY FOR DISTRIBUTING AND ADMINISTERING PUBLIC FUNDING TO A COUNCIL THROUGH THE COUNCIL'S AGREEMENT;

(c) SUPPORT EARLY CHILDHOOD COUNCILS BY PROVIDING FUNDING, TRAINING, AND TECHNICAL ASSISTANCE, INCLUDING TRAINING AND TECHNICAL ASSISTANCE FOR THE USE OF REQUIRED TECHNOLOGY SYSTEMS, REGULAR AND AS-NEEDED COLLABORATIVE SUPPORT, AND, WHERE FEASIBLE, ASSISTANCE IN IMPLEMENTING COMMUNITY STRATEGIC PLANS;

(d) IDENTIFY SUCCESSFUL STRATEGIES AND INNOVATIONS IMPLEMENTED BY EARLY CHILDHOOD COUNCILS THROUGHOUT THE STATE AND PROVIDE INFORMATION, BY POSTING INFORMATION ON THE DEPARTMENT WEBSITE OR BY ANOTHER MEANS,

TO ASSIST EARLY CHILDHOOD COUNCILS IN REPLICATING AND ADAPTING THE STRATEGIES AND INNOVATIONS IN THEIR COMMUNITIES; AND

(e) COMMIT TO WORKING WITH EACH EARLY CHILDHOOD COUNCIL IN PARTNERSHIP TO DELIVER SERVICES FOR CHILDREN AND FAMILIES. THE DEPARTMENT'S COMMITMENTS IN THE PARTNERSHIP INCLUDE, BUT ARE NOT LIMITED TO:

(I) CLEAR AND FREQUENT COMMUNICATION, INCLUDING REGULAR RECOMMENDATIONS TO SUPPORT THE SMOOTH FUNCTIONING OF THE PARTNERSHIP;

(II) TIMELY RESOLUTION OF ISSUES AND DISPUTES;

(III) MAINTAINING A CLEAR CHAIN OF COMMAND THAT OFFERS A COUNCIL OPPORTUNITIES TO CONNECT DIRECTLY WITH PROGRAM SPECIALISTS AND DEPARTMENT LEADERSHIP; AND

(IV) MAINTAINING TIMELY CONTRACTING, INVOICING, AND REIMBURSEMENT IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT.

SECTION 6. In Colorado Revised Statutes, 26.5-2-207, **amend** (1), (2)(a), and (2)(b); and **add** (3) as follows:

26.5-2-207. Early childhood councils - waivers - rules - funding - application.

(1) (a) A local council may request a waiver of any rule that would prevent a council from implementing council projects IN ACCORDANCE WITH THE COUNCIL'S COMMUNITY STRATEGIC PLAN. The local council shall submit the request to the ~~early childhood leadership commission created in part 3 of article 1 of this title 26.5. The early childhood leadership commission shall consult with the affected state agency in reviewing the request. The department or other affected state agency~~ DEPARTMENT. THE EXECUTIVE DIRECTOR shall grant waivers upon recommendation by the ~~commission~~ DEPARTMENT.

(b) IF A COUNCIL'S WAIVER REQUEST FALLS OUTSIDE THE PURVIEW OF THE DEPARTMENT, THE DEPARTMENT SHALL ASSIGN A LIAISON TO CONSULT WITH THE AFFECTED STATE AGENCY.

(c) THE EXECUTIVE DIRECTOR SHALL ESTABLISH BY RULE THE REQUIREMENTS FOR THE WAIVER PROCESS, INCLUDING THE FORMAT AND CONTENT OF A COUNCIL'S WAIVER REQUEST, THE CRITERIA FOR THE EXECUTIVE DIRECTOR TO GRANT A REQUEST TO WAIVE A DEPARTMENT RULE, AND ASSOCIATED TIMELINES.

(2) (a) The executive director shall ~~promulgate~~ ADOPT rules to develop and distribute to councils the application form and application process to be used by each council seeking to receive council infrastructure, quality improvement, AND technical assistance ~~and evaluation~~ funding from the early childhood cash fund created in section 26.5-2-209 and other funding sources appropriated for early childhood services.

(b) The department shall, upon receipt, review applications for early childhood

funding from the early childhood cash fund established in section 26.5-2-209 and ~~other funding sources~~ FROM MONEY appropriated FROM OTHER SOURCES for early childhood services.

(3) THE RULES MUST INCLUDE INFORMATION ABOUT THE AGREEMENT TERMINATION PROCESS, APPLICATION PROCESS, AND ASSOCIATED TIMELINES IF A COUNTY RECONFIGURES OR DESIGNATES A NEW CONVENING ENTITY.

SECTION 7. In Colorado Revised Statutes, **add** 26.5-2-208.5 as follows:

26.5-2-208.5. Early childhood councils - performance review and accountability - rules - report.

(1)(a) THE EXECUTIVE DIRECTOR SHALL ADOPT RULES ESTABLISHING A PROCESS THAT SATISFIES THE REQUIREMENTS OF THIS SECTION TO REVIEW THE PERFORMANCE OF EACH COUNCIL. BEGINNING ON OR BEFORE JULY 1, 2027, THE DEPARTMENT SHALL IMPLEMENT THE REVIEW PROCESS ESTABLISHED IN RULE BY WHICH THE DEPARTMENT AT LEAST ANNUALLY REVIEWS THE PERFORMANCE OF EACH COUNCIL IN SERVING THE COUNCIL'S COMMUNITY, INCLUDING IMPLEMENTING THE APPROVED COMMUNITY STRATEGIC PLAN AND SCOPE OF WORK. DURING THE REVIEW PROCESS, THE DEPARTMENT SHALL, AT A MINIMUM:

(I) REVIEW THE COUNCIL'S PERFORMANCE UNDER THE AGREEMENT USING THE ACCOUNTABILITY METRICS ESTABLISHED WITH THE SCOPE OF WORK; AND

(II) AT INTERVALS RANGING FROM THREE TO FIVE YEARS, AS DETERMINED BY THE DEPARTMENT, SOLICIT INPUT FROM FAMILIES; PROVIDERS; MEMBERS OF THE EARLY CHILDHOOD WORKFORCE; LOCAL AND TRIBAL AGENCIES; LOCAL GOVERNMENTS; ADMINISTRATIVE UNITS, AS DEFINED IN SECTION 22-20-103; HEAD START AGENCIES; FAMILY RESOURCE CENTERS, AS DEFINED IN SECTION 26.5-3-102; COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES; AND OTHER INTERESTED PERSONS WITHIN THE COMMUNITY CONCERNING THE PERFORMANCE OF THE EARLY CHILDHOOD COUNCIL.

(b)(I) IF THE DEPARTMENT DETERMINES THAT THE COUNCIL IS NOT MEETING THE REQUIREMENTS OF THE SCOPE OF WORK AND ACCOUNTABILITY METRICS CONTAINED IN THE AGREEMENT, OR IS NOT PERFORMING AT THE LEVEL REQUIRED TO SUCCESSFULLY IMPLEMENT THE COMMUNITY STRATEGIC PLAN AND TO ENSURE THAT THE COMMUNITY SUBSTANTIALLY MEETS LOCAL AND STATEWIDE GOALS FOR THE PROVISION OF EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES, THEN THE DEPARTMENT MAY REQUIRE THE COUNCIL TO IMPLEMENT A PERFORMANCE IMPROVEMENT PLAN.

(II) THE DEPARTMENT SHALL PROVIDE ONGOING TECHNICAL ASSISTANCE, SUPPORT, AND FEEDBACK TO THE COUNCIL AS THE COUNCIL IMPLEMENTS A PERFORMANCE IMPROVEMENT PLAN.

(III) IF THE DEPARTMENT DETERMINES THAT THE COUNCIL HAS FAILED TO MAKE SUBSTANTIAL PROGRESS TOWARD ADDRESSING THE ISSUES IDENTIFIED IN THE PERFORMANCE IMPROVEMENT PLAN WITHIN THE TIME FRAME IDENTIFIED IN THE PLAN, THE DEPARTMENT SHALL TERMINATE THE COUNCIL'S AGREEMENT. ON OR

BEFORE JULY 1, 2027, THE EXECUTIVE DIRECTOR SHALL ADOPT RULES GOVERNING THE PROCESS FOR TERMINATING AN AGREEMENT.

(IV) ON OR BEFORE JULY 1, 2027, THE EXECUTIVE DIRECTOR SHALL ADOPT RULES ESTABLISHING OBJECTIVE, MEASURABLE CRITERIA THAT THE DEPARTMENT SHALL APPLY IN REQUIRING A COUNCIL TO IMPLEMENT A PERFORMANCE IMPROVEMENT PLAN.

(2) IF A COUNCIL HAS FAILED TO MEET THE REQUIREMENTS OF THE SCOPE OF WORK AND ACCOUNTABILITY METRICS CONTAINED IN THE AGREEMENT, THE DEPARTMENT SHALL NOTIFY THE BOARD OR BOARDS OF COUNTY COMMISSIONERS THAT DESIGNATED THE CONVENING ENTITY PURSUANT TO SECTION 26.5-2-203 (3). THE EXECUTIVE DIRECTOR SHALL ADOPT RULES ADDRESSING THE PROCESS FOR A BOARD OR BOARDS OF COUNTY COMMISSIONERS TO APPOINT A NEW CONVENING ENTITY IF THE DEPARTMENT TERMINATES AN AGREEMENT DUE TO A COUNCIL'S PERFORMANCE ISSUES. THE RULES MUST ALSO ADDRESS HOW, FOR ANY AREA WITHIN THE STATE FOR WHICH A COUNCIL IS NOT ESTABLISHED, OR FOR WHICH AN EXISTING COUNCIL IS NOT FULLY CAPABLE OF IMPLEMENTING ALL ASPECTS OF THE COMMUNITY STRATEGIC PLAN, THE DEPARTMENT WILL ENSURE, TO THE GREATEST EXTENT POSSIBLE, CONTINUITY OF THE DELIVERY OF SERVICES REQUIRED PURSUANT TO THIS PART 2 FOR THE AREA, UNTIL A COUNCIL IS ESTABLISHED OR AN EXISTING COUNCIL IS FULLY CAPABLE OF IMPLEMENTING ALL ASPECTS OF THE COMMUNITY STRATEGIC PLAN.

(3) BEGINNING IN JANUARY 2028, AND IN JANUARY EVERY YEAR THEREAFTER, THE DEPARTMENT SHALL INCLUDE, AS PART OF ITS PRESENTATION DURING ITS "SMART ACT" HEARING REQUIRED BY SECTION 2-7-203, INFORMATION CONCERNING COUNCILS' PROGRESS TOWARD ACHIEVING ACCOUNTABILITY METRICS AS SHARED WITH THE DEPARTMENT PURSUANT TO SECTION 26.5-2-206 (1)(f).

SECTION 8. In Colorado Revised Statutes, **repeal** 26.5-2-208.

SECTION 9. In Colorado Revised Statutes, **add** 26.5-2-210 as follows:

26.5-2-210. Transfer of functions - legislative intent.

(1) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT ON AND AFTER JULY 1, 2026, THE STATEWIDE SYSTEM OF EARLY CHILDHOOD COUNCILS IS RESPONSIBLE FOR EXECUTING, ADMINISTERING, PERFORMING, AND ENFORCING THE RIGHTS, POWERS, DUTIES, FUNCTIONS, AND OBLIGATIONS VESTED BEFORE JULY 1, 2026, IN THE LOCAL COORDINATING ORGANIZATIONS ESTABLISHED PURSUANT TO PART 1 OF THIS ARTICLE 2, AS IT EXISTED PRIOR TO JULY 1, 2026.

(2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE RIGHTS, POWERS, DUTIES, FUNCTIONS, AND OBLIGATIONS CONCERNING SUPPORTING ACCESS TO AND DELIVERY OF EARLY CHILDHOOD AND FAMILY SUPPORT PROGRAMS AND SERVICES ARE TRANSFERRED TO THE STATEWIDE SYSTEM OF EARLY CHILDHOOD COUNCILS, EFFECTIVE JULY 1, 2026.

(3) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT ANY MONEY THE DEPARTMENT ALLOCATES TO SUPPORT A TRANSITION PERIOD EXTENSION PURSUANT

TO SUBSECTION (7) OF THIS SECTION BE A ONE-TIME EXPENDITURE AND NOT BE A SOURCE OF ONGOING PROGRAM FUNDING OR A BASELINE ADJUSTMENT.

(4) A LOCAL COORDINATING ORGANIZATION RETAINS THE RIGHTS, POWERS, DUTIES, FUNCTIONS, AND OBLIGATIONS NECESSARY TO SATISFY THE REQUIREMENTS OF A COORDINATOR AGREEMENT IN FORCE PRIOR TO JULY 1, 2026. AN EARLY CHILDHOOD COUNCIL MAY SUBCONTRACT THE PROVISION OF SERVICES DESCRIBED IN THIS PART 2 TO A LOCAL COORDINATING ORGANIZATION THAT IS ESTABLISHED PRIOR TO JULY 1, 2026, AND THAT IS NOT ALSO AN EARLY CHILDHOOD COUNCIL. AN EARLY CHILDHOOD COUNCIL MAY SUBCONTRACT THE PROVISION OF SERVICES DESCRIBED IN THIS PART 2, INCLUDING AFTER JULY 1, 2026, IF THE SUBCONTRACTING IS CONSISTENT WITH THE COUNCIL'S APPROVED AGREEMENT AND DEPARTMENT OVERSIGHT.

(5) THE RULES PERTAINING TO THE RIGHTS, POWERS, DUTIES, FUNCTIONS, AND OBLIGATIONS TRANSFERRED TO THE STATEWIDE SYSTEM OF EARLY CHILDHOOD COUNCILS THAT ARE ADOPTED BY THE EXECUTIVE DIRECTOR AND ARE IN EFFECT AS OF JULY 1, 2026, CONTINUE IN EFFECT AND APPLY TO THE DEPARTMENT AND PERSONS PROVIDING THE SERVICES DESCRIBED IN PART 1 OF THIS ARTICLE 2 AS IT EXISTED PRIOR TO JULY 1, 2026, UNTIL REPLACED BY RULES ADOPTED BY THE EXECUTIVE DIRECTOR PURSUANT TO THIS PART 2 ON OR BEFORE JULY 1, 2027.

(6) ON AND AFTER JULY 1, 2026, UNLESS OTHERWISE SPECIFIED, IF A PROVISION OF LAW REFERS TO A LOCAL COORDINATING ORGANIZATION WITH REGARD TO THE RIGHTS, POWERS, DUTIES, FUNCTIONS, OR OBLIGATIONS SPECIFIED IN SUBSECTION (1) OF THIS SECTION, THE LAW IS CONSTRUED AS REFERRING TO AN EARLY CHILDHOOD COUNCIL.

(7) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 2, IF THE TRANSFER OF RIGHTS, DUTIES, FUNCTIONS, AND OBLIGATIONS DESCRIBED IN THIS SECTION REQUIRES THE CONSOLIDATION, REASSIGNMENT, OR MATERIAL MODIFICATION OF THE DUTIES OF AN ORGANIZATION PROVIDING THE SERVICES DESCRIBED IN PART 1 OF THIS ARTICLE 2, AS IT EXISTED PRIOR TO JULY 1, 2026, OR AN EARLY CHILDHOOD COUNCIL, THE DEPARTMENT MAY AUTHORIZE A ONE-TIME EXTENSION OF THE TRANSITION PERIOD. THE TRANSITION PERIOD MUST CONCLUDE ON OR BEFORE JULY 1, 2029, AND IS NOT SUBJECT TO FURTHER EXTENSION.

(b) DURING A TRANSITION PERIOD EXTENSION AUTHORIZED PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION, THE DEPARTMENT MAY, AS NECESSARY TO SUPPORT THE ADMINISTRATION AND COORDINATION OF EARLY CHILDHOOD PROGRAMS AND SERVICES, MAINTAIN SEPARATE CONTRACTS WITH AN EARLY CHILDHOOD COUNCIL AND AN ORGANIZATION PROVIDING THE SERVICES DESCRIBED IN PART 1 OF THIS ARTICLE 2, AS IT EXISTED PRIOR TO JULY 1, 2026.

(c) ON OR BEFORE JANUARY 1, 2029, THE DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE. THE REPORT MUST INCLUDE AN ANALYSIS OF TRANSITION COSTS AND EXPENDITURES, OPERATIONAL READINESS, AND RECOMMENDATIONS FOR ANY LEGISLATIVE CHANGES NECESSARY TO FACILITATE LOCAL EARLY CHILDHOOD SERVICES ADMINISTRATION, COORDINATION, AND CONTRACTING FOLLOWING A TRANSITION PERIOD AUTHORIZED PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION.

SECTION 10. In Colorado Revised Statutes, 26.5-1-103, **amend** (4) as follows:

26.5-1-103. Definitions.

As used in this title 26.5, unless the context otherwise requires:

(4) "Local coordinating organization" means the entity selected by the department ~~pursuant to section 26.5-2-103~~ PRIOR TO JULY 1, 2026, to implement a community plan for increasing access to, coordinating, and allocating funding for early childhood and family support programs and services within a specified community.

SECTION 11. In Colorado Revised Statutes, 26.5-1-105, **amend** (2)(i) as follows:

26.5-1-105. Powers and duties of the executive director - rules - rules advisory council - repeal.

(2) (i) In reviewing and making recommendations concerning rules and in preparing other recommendations for the executive director, the council shall strive to develop recommendations that are detailed and measurable and consider the impacts on children, parents, families, providers, school districts, counties, and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS. The RULES ADVISORY council must approve recommendations by a majority vote and provide those recommendations to the executive director in writing. Members of the council voting in the minority may submit a written explanation of their opposition to the recommendations to the executive director.

SECTION 12. In Colorado Revised Statutes, 26.5-1-109, **amend** (1)(i) as follows:

26.5-1-109. Department functions - operating principles.

(1) The department shall execute the following functions and operate programs and provide services associated with those functions as described in this title 26.5 and authorized by federal law:

(i) Collaborate with other state departments, local and tribal agencies, and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS to safely collect and share data, eliminating duplication of data collection when possible, while ensuring privacy and security for children and families, to enable the department to gauge the statewide quality, availability, capacity, and delivery of early childhood and family support programs and services;

SECTION 13. In Colorado Revised Statutes, 26.5-1-111, **amend** (1) introductory portion and (2)(c) as follows:

26.5-1-111. Data system - collection - analysis - cross-agency agreements.

(1) The department shall work with ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, state agencies, local and tribal agencies, and providers, as necessary, to collect, share, manage, and protect qualitative and quantitative data

pertaining to early childhood and family support programs and services. The department shall review and analyze the collected data to assess:

(2) At a minimum, the department shall collect data pertaining to early childhood and family support programs and services that includes:

(c) Information that enables the department, ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, and local and tribal agencies to assess on a continuing basis the needs for early childhood and family support programs and services in an area and make decisions concerning the provision of programs and services;

SECTION 14. In Colorado Revised Statutes, 26.5-1-112, **amend** (1)(d) as follows:

26.5-1-112. Transition review - program review - report - repeal.

(1) (d) In conducting the reviews and making recommendations pursuant to this subsection (1), the independent evaluator shall solicit input through a process that includes participation by the populations served by the programs; the providers and members of the workforce working in the programs; ~~local coordinating organizations~~; state, local, and tribal agencies involved in implementing the programs; and any other relevant experts.

SECTION 15. In Colorado Revised Statutes, 26.5-4-109, **amend** (4) as follows:

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

(4) The department, working with early childhood councils as defined in section 26.5-2-202 AND county departments, ~~and local coordinating organizations as defined in section 26.5-2-102~~ shall identify and recruit providers throughout the state to participate in the child care assistance program. In identifying and recruiting providers, the department and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS shall establish a mixed delivery system of public and private providers in communities throughout the state that enables parents to select CCCAP providers for their children from as broad a range as possible within their respective communities.

SECTION 16. In Colorado Revised Statutes, 26.5-4-111, **amend** (11) and (12)(d) as follows:

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

(11) A provider or a ~~local coordinating organization, as defined in section 26.5-2-102~~ AN EARLY CHILDHOOD COUNCIL, AS DEFINED IN SECTION 26.5-2-202, may accept a family's CCCAP application and submit ~~it~~ THE APPLICATION to the county on behalf of a family seeking child care assistance.

(12) Each county:

(d) May use ~~its~~ THE COUNTY'S CCCAP allocation to provide enrollment contracts or grants to early care and education providers: To support implementation of the ~~local community plan described in section 26.5-2-104~~ APPLICABLE EARLY CHILDHOOD COUNCIL COMMUNITY STRATEGIC PLAN DESCRIBED IN SECTION 26.5-2-204; to increase the supply and improve the quality of child care for infants and toddlers, children with disabilities, after-hours care, and children in underserved neighborhoods; to provide stability for the early childhood sector; and to improve alignment with the provision of additional preschool services, as defined in section 26.5-4-203, to working families who need additional care;

SECTION 17. In Colorado Revised Statutes, 26.5-4-203, **repeal** (5) and (11); and **add** (5.5) as follows:

26.5-4-203. Definitions.

As used in this part 2, unless the context otherwise requires:

(5) ~~"Community plan" means the community plan adopted by a local coordinating organization pursuant to section 26.5-2-104.~~

(5.5) "EARLY CHILDHOOD COUNCIL" MEANS AN EARLY CHILDHOOD COUNCIL IDENTIFIED OR ESTABLISHED LOCALLY IN COMMUNITIES THROUGHOUT THE STATE PURSUANT TO SECTION 26.5-2-203.

(11) ~~"Local coordinating organization" means the entity selected by the department pursuant to section 26.5-2-103 to implement a community plan for early childhood and family support programs and services within a specified community.~~

SECTION 18. In Colorado Revised Statutes, 26.5-4-204, **amend** (2) as follows:

26.5-4-204. Colorado universal preschool program - created - eligibility - workforce development plan - program funding - rules.

(2) For the 2023-24 school year and each school year thereafter, subject to the availability and enrollment capacity of preschool providers, parents throughout the state may enroll their children, free of charge, in ten hours per week of publicly funded preschool services for the school year preceding the school year in which the children are eligible to enroll in kindergarten. The department, working with ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, shall identify and recruit preschool providers throughout the state to participate in the Colorado universal preschool program. In identifying and recruiting preschool providers, the department and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS shall, to the extent practicable, establish a mixed delivery system in communities throughout the state that enables parents to select preschool providers for their children from as broad a range as possible within their respective communities.

SECTION 19. In Colorado Revised Statutes, 26.5-4-205, **amend** (1)(b)(I) as follows:

26.5-4-205. Quality standards - evaluation - support.

(1) (b) (I) Except as provided in subsection (1)(b)(II) of this section, the department shall ensure that each preschool provider that participates in the preschool program meets the quality standards established by rule in accordance with this section. The department may work with ~~a local coordinating organization~~ AN EARLY CHILDHOOD COUNCIL to ensure that a preschool provider meets the quality standards. The department may prohibit a preschool provider that fails to meet one or more of the quality standards from participating in the preschool program.

SECTION 20. In Colorado Revised Statutes, 26.5-4-207, **amend** (3) as follows:

26.5-4-207. Preschool program evaluation and improvement process - independent evaluator.

(3) The department shall communicate the evaluations and recommendations of the independent evaluator to families, communities, preschool providers, ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, the state board of education, and the general assembly, as appropriate, to inform and improve early childhood teaching and education and policy-making related to early childhood education.

SECTION 21. In Colorado Revised Statutes, 26.5-4-208, **amend** (1)(c), (1)(e), (3)(a), (3)(c)(II), and (3)(c)(IV) as follows:

26.5-4-208. Preschool provider funding - per-child rates - local contribution - distribution and use of money - definitions.

(1) (c) In establishing the formula for additional preschool services, in addition to the considerations specified in subsection (1)(a) of this section, the department may consider the amount of local funding available to assist families within a community based on the ~~community plan~~ APPLICABLE EARLY CHILDHOOD COUNCIL COMMUNITY STRATEGIC PLAN DESCRIBED IN SECTION 26.5-2-204 or available within an area that does not have a ~~local coordinating organization~~ AN EARLY CHILDHOOD COUNCIL. A preschool provider is prohibited from charging a fee for additional preschool services to a family that participates in the preschool program that exceeds the amount charged to families that do not receive additional preschool services.

(e) In establishing the formulas and other distribution amounts, the department shall consult with the rules advisory council, the early childhood leadership commission, and members of the early childhood community, including parents of preschool-age children, preschool educators, preschool providers, early childhood councils, school districts, charter schools, representatives of county departments of human or social services, ~~local coordinating organizations~~, and individuals with financial expertise in public and private funding sources for early childhood services.

(3) (a) Beginning in the ~~2023-24 fiscal year~~ 2026-27 FISCAL YEAR and for each fiscal year thereafter, the department, working with ~~local coordinating organizations as provided in each local coordinating organization's coordinator agreement~~ EARLY CHILDHOOD COUNCILS IN ACCORDANCE WITH EACH EARLY CHILDHOOD COUNCIL'S

AGREEMENT with the department, shall distribute the funding appropriated to the department for preschool services from the preschool programs cash fund and any amount received pursuant to section 26.5-4-209 (2). The department and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, as applicable, shall base the amounts distributed on the per-child rates and any special purpose distributions established for the applicable fiscal year pursuant to subsection (1) of this section. At the start of each fiscal year, the department and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, as applicable, shall distribute a portion of the funding to preschool providers based on the numbers and types of eligible children expected to enroll in preschool as estimated in the community STRATEGIC plans or as estimated by the department for an area that does not have a ~~local coordinating organization~~ AN EARLY CHILDHOOD COUNCIL. The department and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, as applicable, shall continue distributing portions of the funding periodically throughout the school year and shall adjust the amounts distributed based on the actual numbers and types of eligible children enrolled by preschool providers.

(c) (II) The department and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, as applicable, shall distribute the funding for preschool services for children who are three years of age or younger as described in subsection (3)(c)(I)(B) of this section only to preschool providers that are school districts or charter schools for the eligible children who are three years of age and younger whom the school district or charter school enrolls in accordance with the preschool program; except that, in a fiscal year in which the general assembly specifically appropriates an amount to provide preschool services for children three years of age or younger who do not have disabilities that exceeds the amount described in subsection (3)(c)(I)(B) of this section, the department may distribute in accordance with the applicable community ~~plans~~ STRATEGIC PLANS DESCRIBED IN SECTION 26.5-2-204 all or any portion of the excess appropriation amount to community-based preschool providers. A school district may distribute all or a portion of the amount received pursuant to this subsection (3)(c)(II) to a head start agency or community-based preschool provider that provides preschool services pursuant to a contract with the school district.

(IV) In a fiscal year in which the amount described in subsection (3)(c)(I)(B) of this section to fund preschool services for children who are three years of age or younger is less than is required to fully fund the number of said eligible children who actually enroll for preschool services, the department shall first provide funding for the eligible children with disabilities and eligible children who are in low-income families and meet at least one qualifying factor and then provide funding for the remaining eligible children who are in low-income families. If any amount of the appropriation described in subsection (3)(c)(I)(B) of this section remains, the department, working with the rules advisory council, the ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS, and any other interested persons, shall establish the priority for distributing the funding among the remaining eligible children.

SECTION 22. In Colorado Revised Statutes, 26.5-4-209, **amend** (5) as follows:

26.5-4-209. Preschool programs cash fund - created - use.

(5) ~~AFTER ENSURING THE DELIVERY OF DIRECT SERVICES FOR ELIGIBLE CHILDREN, the department may use money appropriated from the preschool programs cash fund for the administrative costs of local coordinating organizations~~ INCURRED BY EARLY CHILDHOOD COUNCILS THAT ARE DIRECTLY RELATED TO THE DELIVERY OF PRESCHOOL SERVICES.

SECTION 23. In Colorado Revised Statutes, 26.5-4-210, **amend** (1) introductory portion, (1)(e), (1)(g)(VII), and (2) as follows:

26.5-4-210. Reporting.

(1) ~~Beginning with the hearing held in January of 2025~~ As part of the annual hearing held pursuant to the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act", part 2 of article 7 of title 2, the department shall report on the implementation and effectiveness of the Colorado universal preschool program in the preceding fiscal year. At a minimum, the report must include:

(e) The amount of funding distributed to preschool providers through the preschool program, in total and disaggregated by communities with ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS and areas of the state that do not have ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS;

(g) Of the amount appropriated from the preschool programs cash fund, the amount, expressed as a dollar amount and a percentage of the total appropriation, that:

(VII) Was spent on administrative expenses of the department and each ~~local coordinating organization~~ EARLY CHILDHOOD COUNCIL;

(2) The department may request and ~~local coordinating organizations~~ EARLY CHILDHOOD COUNCILS and preschool providers shall provide information as necessary for the department to prepare the report described in subsection (1) of this section.

SECTION 24. In Colorado Revised Statutes, 24-101-105, **amend** (1)(a)(XVII) as follows:

24-101-105. Application of this code.

(1) (a) This code applies to all publicly funded contracts entered into by all governmental bodies of the executive branch of this state; except that this code does not apply to:

(XVII) The department of early childhood in soliciting and ~~selecting~~ APPROVING entities to serve as ~~local coordinating organizations pursuant to section 26.5-2-103~~ EARLY CHILDHOOD COUNCILS PURSUANT TO SECTION 26.5-2-204 and ~~coordinating~~ agreements entered into pursuant to ~~section 26.5-2-105~~ SECTION 26.5-2-206; or

SECTION 25. Effective date. This act takes effect upon passage; except that section 26.5-4-203 (5) and (11), Colorado Revised Statutes, as repealed in section

17 of this act, and section 26.5-4-208 (3)(a), (3)(c)(II), and (3)(c)(IV), Colorado Revised Statutes, as amended in section 21 of this act, take effect July 1, 2026.

SECTION 26. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: May 5, 2026