

CHAPTER 232

EARLY CHILDHOOD PROGRAMS AND SERVICES

HOUSE BILL 26-1260

BY REPRESENTATIVE(S) Garcia and Willford, Bacon, Boesenecker, Camacho, Clifford, Duran, Froelich, Gonzalez R., Joseph, Lieder, Lindsay, Nguyen, Phillips, Rutinel, Stewart K., Story, McCluskie, Carter, Flannell, Goldstein, Hamrick, Jackson, Keltie, Rydin, Sirota, Smith;
also SENATOR(S) Cutter and Bright, Ball, Daugherty, Exum, Gonzales J., Jodeh, Kipp, Kirkmeyer, Kolker, Marchman, Mullica, Pelton B., Snyder, Wallace, Coleman.

AN ACT**CONCERNING PROGRAMS FOR CHILD CARE ASSISTANCE.**

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

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

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

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

(12) Each county:

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.

(a) Upon notification to counties by the department that the relevant case management systems, including the Colorado child care automated tracking system, are capable of accommodating this subsection (12)(a), and pursuant to department rules, on or before ~~August 1, 2026~~ AUGUST 1, 2028, and subject to available federal appropriations, in addition to regular provider reimbursement rates, the county departments shall pay providers for care in alignment with common practices in the private market for child care, including paying providers weekly for each child based on child enrollment in advance of the provision of services. The department rules governing payment policies must allow daily reimbursement rates only for drop-in child care, back-up child care, and care that is commonly paid on a daily reimbursement basis in the private child care market and must incentivize providers to promote regular program attendance. On or before ~~August 1, 2026~~ AUGUST 1, 2028, and subject to available federal appropriations, the department and county departments shall utilize grants and contracts for underserved populations, including children in underserved geographic areas, infants and toddlers, children with disabilities, and families needing nontraditional-hour care, to improve equitable access for these populations. The department shall annually evaluate data regarding the numbers and percentages of underserved populations being served by CCCAP to determine if equitable access is improved or achieved. The executive director shall ~~promulgate~~ ADOPT rules for the implementation of this subsection (12).

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

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

(1) On or before November 1, 2022, and on or before November 1 each year thereafter, the department shall prepare a report on CCCAP. Notwithstanding section 24-1-136 (11)(a)(I), the department shall provide the report to the joint budget committee of the general assembly, the ~~public and behavioral~~ health and human services committee of the house of representatives, and the health and human services committee of the senate, or any successor committees. The report must include, at a minimum, the following information related to benchmarks of success for CCCAP:

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

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

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

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

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

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

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

(C) PROGRAM IMPLEMENTATION COSTS THAT ARE REPORTED AS NONDIRECT SERVICES IN ACCORDANCE WITH FEDERAL CHILD CARE DEVELOPMENT FUND REGULATIONS, SUCH AS SALARIES AND OPERATING EXPENSES FOR CASEWORKERS TO COMPLETE ELIGIBILITY DETERMINATION AND REDETERMINATION, ERROR RATE REVIEWS AND COMPLIANCE, AND OTHER PROGRAM ACTIVITIES NECESSARY TO OPERATE THE PROGRAM; AND

(D) DIRECT SERVICE EXPENSES.

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

SECTION 4. 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 29, 2026