



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 23-0877 **Date:** September 5, 2023
Prime Sponsors: Sen. Buckner; Rich **Bill Status:** Signed into Law
Rep. Lukens; Bradfield **Fiscal Analyst:** Shukria Maktabi | 303-866-4720
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Bill Topic: **COLORADO PRESCHOOL PROGRAM PROVIDER BONUS PAYMENTS**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates a program in the Colorado Department of Early Childhood to provide a one-time bonus payment to providers participating in the Universal Preschool Program. The bill increases state expenditures in FY 2023-24 only.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$2,500,000 to the Department of Early Childhood.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 23-269

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$2,500,000	-
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$375,000	

Summary of Legislation

The bill creates the Colorado Universal Preschool Program Provider Participation Bonus Program within the Department of Early Childhood (CDEC). The program provides a one-time bonus payment to preschool providers that are participating in the Colorado Universal Preschool program and have not previously participated in the Colorado state-run preschool program. Providers may receive an additional bonus payment if they maintain or increase their capacity to serve infants and toddlers between April 1, 2022 and April 1, 2024, or are in low-capacity preschool areas. The bonus must be used to implement the preschool program or maintain or expand infant and toddler care.

The bill requires CDEC to establish the rules and processes for the program and, by September 1, 2023, must determine the number and amount of bonus payments to be distributed. Payments must be distributed to recipients by June 30, 2024, and CDEC must report on the program to the Joint Budget Committee by September 1, 2024.

The program repeals on July 1, 2025.

State Expenditures

The fiscal note assumes that \$2.5 million will be made available to CDEC to fund the program in FY 2023-24. A portion of this will be used to make IT system modifications to allow for managing of the program, estimated at \$126,000 or 5 percent of the total appropriation. CDEC will also have workload to establish rules, process applications, distribute bonus payments, and monitor and report on the program.

After administrative costs, the remaining \$2.4 million will be allocated as bonus payments to eligible recipients, with the number and amount of bonus payments to be determined by the CDEC based on the number of eligible providers registered.

Effective Date

This bill was signed into law by the Governor and took effect on June 2, 2023.

State Appropriations

For FY 2023-24, the bill requires and includes a General Fund appropriation of \$2,500,000 to the Department of Early Childhood.

State and Local Government Contacts

Early Childhood

Information Technology