



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-004: REGULATING CHILD CARE CENTER FEES

Prime Sponsors:

Sen. Winter F.; Marchman
Rep. Willford; Garcia

Fiscal Analyst:

Shukria Maktabi, 303-866-4720
shukria.maktabi@coleg.gov

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill limits the fees that certain licensed child care centers may charge to families.

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

- Minimal Workload Impact

Appropriations. No appropriation required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
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

The bill establishes limits and requirements for the fees charged by licensed child care centers to families for child care services outside of the Universal Preschool Program, the Colorado Child Care Assistance Program, or the Head Start Program.

The bill caps wait list fees at \$25, and requires wait list fees to be separate from other fees and used to cover administrative costs for managing the waitlist. Application fees are also capped at \$25 per application, and must be a separate fee used to cover the administrative costs of processing applications. Finally, child care centers may charge a deposit fee to secure a child's position, but the deposit must be applied towards covering part of the first month of child care costs. Child care centers are also required to create and publish policies for establishing the fees charged.

If the child care center is found to be non-compliant, through the department's periodic inspections or from filed complaints against the center, the center has 30 days to comply before the Department of Early Childhood (CDEC) can take further disciplinary action.

State Expenditures

Workload will increase for CDEC to process any new complaints received or identified through periodic inspections for noncompliant child care centers. The fiscal note assumes child care centers will generally comply with the new requirements, most complaints will be resolved through the 30-day compliance allowance, and any complaints that move forward will be managed within the department's existing processes and resources. If a significant number of violations occur or require further adverse licensing actions, the department will request additional resources and legal support through the budget process.

To the extent any violations are not resolved through the CDEC process and require judicial review, the bill may minimally increase workload in the trial courts in the Judicial Department. No change in appropriations is required.

Effective Date

The bill takes effect January 1, 2026, assuming no referendum petition is filed.

Departmental Difference

CDEC estimates that it requires 0.5 FTE for a Legal Assistant to process new complaints against noncompliant child care centers and oversee the legal process for disciplinary licensing action. This includes providing licensing information to the Colorado Department of Law, providing legal assistance to program staff, and facilitating mediation and negotiation between the department and child care providers.

The fiscal note assumes licensed child care centers will generally comply with the new requirements or resolve violations within the allowed timeframe, minimizing the need for CDEC to take further disciplinary action and require additional legal support. As a result, it is expected that any new complaints can be managed by existing licensing staff with existing resources.

State and Local Government Contacts

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