



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 reengrossed bill.

Summary Information

Overview. The bill regulates the fees that certain child care programs may charge 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 certain requirements for fees charged by child care programs, including a child care center, family child care home, or neighborhood youth organization.

If a prospective family pays a child care program an application fee, deposit fee, or wait list fee, but is not enrolled in the program within six months, the fee is refundable, minus any reasonable administrative fees and upon written request. Families who are offered a spot in the child care program but decline are not eligible for the refund. Child care programs may charge a deposit fee to secure a child's position, but the deposit must be applied towards covering part of the tuition for the program. Child care centers are also required provide information on fee schedules and the process for fee refunds to parents.

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 currently available resources.

State and Local Government Contacts

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