

# JOINT BUDGET COMMITTEE



## STAFF FIGURE SETTING FY 2023-24

## DEPARTMENT OF EARLY CHILDHOOD

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:  
ERIC KURTZ, JBC STAFF  
FEBRUARY 13, 2023

JOINT BUDGET COMMITTEE STAFF  
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203  
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472  
<https://leg.colorado.gov/agencies/joint-budget-committee>

# CONTENTS

Department Overview .....	1
Summary of Staff Recommendations.....	1
Description of Incremental Changes.....	2
Major Differences from the Request.....	5
Decision Items Affecting Multiple Divisions .....	6
➔ R1 Universal preschool program.....	6
➔ R2 Increase universal preschool participation .....	14
➔ R3 Universal preschool provider bonuses.....	18
➔ R4/BA2 Early Intervention.....	19
➔ R5/S2/BA2 Equity in Dept of Early Childhood.....	20
➔ R6 Early childhood mental health support .....	22
➔ R7/BA4 Federal stimulus strategies.....	23
➔ R8 Records and Reports Cash Fund.....	36
➔ R9 Child sexual abuse prevention training.....	37
➔ R10 Provider rates.....	38
➔ R11 Nurse Home Visitor Program.....	39
➔ R12 Early childhood quality .....	41
➔ R13/S3/BA3 Transfers between DHS and DEC .....	42
➔ BA1(a) Kindergarten transition.....	50
➔ BA1 (B) Universal preschool evaluation .....	52
➔ S1/BA1(c) Employer based child care.....	53
➔ BA5 Employer based child care.....	54
(1) Executive Director’s Office.....	56
(2) Partnerships and Collaborations.....	62
(3) Early Learning Access and Quality.....	65
(4) Community and Family Support .....	74
(5) Licensing and Administration .....	82
Long Bill Footnotes and Requests for Information .....	86
Numbers Pages.....	A1

## HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

In some of the analysis of decision items in this document, you may see language denoting certain 'levels of evidence', e.g. theory-informed, evidence-informed, or proven. For a detailed explanation of what is meant by 'levels of evidence', and how those levels of evidence are categorized, please refer to Section 2-3-210 (2), C.R.S.

## DEPARTMENT OVERVIEW

The Department of Early Childhood is responsible for supporting the care, education, and well-being of young children. The primary programs operated by the Department include:

- **Universal Preschool Program** – Provides preschool to all children in the year before eligibility for kindergarten of at least 10 hours, to children with disabilities, and to other populations and for additional hours as funding allows according to a statutory prioritization of services.
- **Colorado Child Care Assistance Program (CCCAP)** – Provides assistance with child care expenses for low-income families.
- **Early intervention services** – Provides therapies for children at risk of intellectual and developmental delays.
- **Regulating early childhood service providers** – Includes licensing and monitoring child care facilities.

In addition, the Office operates many smaller programs that provide services to young children and their families, such as programs that work through physician offices to connect families with specialists who provide education and support for new parents, or programs that help parents prepare children to succeed in school. In its policy setting role, the Department helps to provide strategic guidance for, and to connect families with, complimentary programs throughout the state, such as nutrition assistance, income assistance, behavioral health, and school-based services.

## SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
HB 22-1329 (Long Bill)	\$8,192,473	\$6,335,548	\$685,539	\$0	\$1,171,386	30.6
Other Legislation	529,159,542	104,434,326	108,014,131	12,129,913	304,581,172	177.4
<b>TOTAL</b>	<b>\$537,352,015</b>	<b>\$110,769,874</b>	<b>\$108,699,670</b>	<b>\$12,129,913</b>	<b>\$305,752,558</b>	<b>208.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$537,352,015	\$110,769,874	\$108,699,670	\$12,129,913	\$305,752,558	208.0
R1 Universal Preschool Program	322,000,000	169,000,000	153,000,000	0	0	0.0
R2 Increase universal preschool participation	970,154	0	0	0	970,154	5.0
R3 Universal preschool provider bonuses	0	0	0	0	0	0.0
R4/S2/BA2 Early Intervention	4,968,881	3,519,628	350,008	1,099,245	0	0.0
R5 Equity in Dept of Early Childhood	2,796,597	648,053	0	0	2,148,544	2.8
R6 Early childhood mental health support	311,872	311,872	0	0	0	0.0
R7/BA4 Federal stimulus strategies	105,692,760	0	0	0	105,692,760	39.9
R8 Records and Reports Cash Fund	0	0	0	0	0	0.0
R9 Child sexual abuse prevention training	150,000	150,000	0	0	0	0.0
R10 Provider rates	6,360,633	2,918,600	476,479	0	2,965,554	0.0
R11 Nurse Home Visitor Program	732,880	0	732,880	0	0	0.0
R12 Early childhood quality	(400,000)	(400,000)	0	0	0	0.0
R13/S3/BA3 Transfers between DHS/DEC	935,185	926,600	(175,892)	0	184,477	15.7
BA1a Kindergarten transition	106,219	106,219	0	0	0	0.9
BA1b Universal preschool evaluation	1,000,000	1,000,000	0	0	0	0.0
BA1c Preschool payment processing	1,000,000	1,000,000	0	0	0	0.0
BA5 Employer based child care	0	0	0	0	0	0.0
NP DHS Equity technology	270,355	136,136	0	0	134,219	0.0
NP Statewide operating inflation	147,586	26,068	28,665	42	92,811	0.0

DEPARTMENT OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated items	12,568,923	4,505,347	(6,258)	5,052,409	3,017,425	2.0
Annualize prior year budget actions	(210,866,182)	(255,049)	(51,322,667)	0	(159,288,466)	(40.6)
<b>TOTAL</b>	<b>\$786,097,878</b>	<b>\$294,363,348</b>	<b>\$211,782,885</b>	<b>\$18,281,609</b>	<b>\$261,670,036</b>	<b>233.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$248,745,863</b>	<b>\$183,593,474</b>	<b>\$103,083,215</b>	<b>\$6,151,696</b>	<b>(\$44,082,522)</b>	<b>25.7</b>
Percentage Change	46.3%	165.7%	94.8%	50.7%	(14.4%)	12.4%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$803,346,887</b>	<b>\$140,068,639</b>	<b>\$384,830,500</b>	<b>\$16,184,546</b>	<b>\$262,263,202</b>	<b>239.1</b>
Request Above/(Below) Recommendation	\$17,249,009	(\$154,294,709)	\$173,047,615	(\$2,097,063)	\$593,166	5.4

## DESCRIPTION OF INCREMENTAL CHANGES

**R1 UNIVERSAL PRESCHOOL PROGRAM:** Staff recommends \$322.0 million total funds, including \$169.0 million General Fund, to pay providers for preschool services. The funding is projected to pay for 15 hours of preschool for children in the year before eligibility for kindergarten and 25 hours of preschool for children in the year before kindergarten with a qualifying factor, as well as children with disabilities and children who were previously eligible for funding through the Department of Education. The portion of funding from the General Fund is projected to build a balance in the Preschool Programs Cash Fund equal to 10 percent of expected expenditures.

The recommendation compares to the Department's request for \$325 million cash funds from the Preschool Programs Cash Fund. The General Fund recommendation is not as different as it might seem, though, because the request would require a General Fund transfer to the Preschool Programs Cash Fund of \$139.1 million. The total General Fund obligation, including transfers, is \$29.9 million higher in the staff recommendation than in the request. The difference is attributable to the staff recommendation to build a balance in the Preschool Programs Cash Fund.

**R2 INCREASE UNIVERSAL PRESCHOOL PARTICIPATION:** Staff recommends \$970,154 federal Child Care Development Funds (CCDF) and 5.0 FTE to increase department capacity to review licenses and to waive licensing fees for new providers through FY 2024-25 and to offer one-time incentives for universal preschool providers to also provide child care to low-income families through the Colorado Child Care Assistance Program

The recommendation is below the request by \$4.0 million total funds, including \$3.5 million General Fund, due to not including requested funding for grants to expand classrooms, consulting services to help Local Community Organizations write grant applications, and marketing.

**R3 UNIVERSAL PRESCHOOL PROVIDER BONUSES:** Staff does not recommend the requested \$5.0 million General Fund for a bill that will be introduced to authorize one-time bonuses to providers who sign up to offer universal preschool

**R4/S2/BA2 EARLY INTERVENTION:** Staff recommends an increase of \$5.0 million total funds, including \$3.5 million General Fund, for projected caseload and expenditures for the Early Intervention program that provides therapies to children birth to three with developmental delays. The total includes \$3.5 million General Fund on-going that is intended to expand the Early Intervention workforce.

The recommendation is higher than the request by \$3.7 million total funds, including \$1.9 million General Fund, based on the JBC's action on the supplemental that corrected a number of technical and logic errors in the request.

**R5 EQUITY IN DEPT. OF EARLY CHILDHOOD:** Staff recommends \$2.8 million total funds, including \$648,053 General Fund, and 2.8 FTE for:

- an equity officer to ensure equity is considered in all policies, including rule-making, hiring and retaining workforce, contracting, information technology, data collection, partnerships, and program delivery.
- a county and tribal liaison to ensure productive government-to-government and state-to-tribal relationships.
- language justice initiatives, including:
  - A project manager
  - One-time funds to develop a language justice plan
  - Interpretation services
  - Translation services, including one-time funding to address a backlog of documents that need translation and on-going funding for future needs

The staff recommendation is slightly lower than the request in total funds and higher in General Fund due to application of the JBC's common policies regarding new FTE and technical differences in the financing.

**R6 EARLY CHILDHOOD MENTAL HEALTH SUPPORT:** Staff recommends \$311,872 General Fund for the Early Childhood Mental Health (ECMH) Support Line that connects families, caregivers, and child care and education professionals with clinically trained consultants who have expertise in early childhood, social-emotional development, and mental health.

The recommendation is \$78,461 General Fund below the request due to not including the requested FTE to manage the contracts.

**R7/BA4 FEDERAL STIMULUS STRATEGIES:** Staff recommends approval of the Department's federal stimulus spending plan. Last year, the JBC directed the Department to treat each year of federal stimulus funding in the Long Bill as one-time, so there is a large decrease in federal funds in the annualizations for the end of the FY 2022-23 appropriations and then this large increase for FY 2023-24. However, the funding is all part of the same spending plan and largely continues the strategies approved in FY 2022-23.

**R8 RECORDS AND REPORTS CASH FUND:** Staff recommends delaying consideration of the request for legislation to separate the Records and Reports Cash Fund from unrelated costs of the Department of Human Services pending additional information.

**R9 CHILD SEXUAL ABUSE PREVENTION TRAINING:** Staff recommends the requested \$150,000 General Fund on-going for child sexual abuse prevention training.

**R10 PROVIDER RATES:** Staff recommends the requested \$6.4 million total funds, including \$2.9 million General Fund, for a 3.0 percent common policy provider rate increase.

**R11 NURSE HOME VISITOR PROGRAM:** Staff recommends \$732,880 cash funds from tobacco settlement money deposited in the Nurse Home Visitor Program Fund for a 3.0 percent common policy provider rate increase. This is \$236,824 cash funds less than the request for a 4.0 percent increase in FY 2023-24 and a 4.3 percent increase in FY 2024-25.

**R12 EARLY CHILDHOOD QUALITY:** Staff recommends the requested \$400,000 decrease based on projected actual expenditures.

**R13/S3/BA3 TRANSFERS BETWEEN DHS/DEC:** Staff recommends a net increase of \$935,185 total funds, including \$926,600 General Fund, and 15.7 FTE for the separation of the Department of Early Childhood from the Department of Human Services. There are corresponding adjustments to the Department of Human Services, Office of Information Technology, and Department of Public Health and Environment. Statewide, the recommendation results in a net decrease of \$942,202 total funds, including an increase of \$926,600 General Fund, and 4.0 FTE. The decrease in total funds is primarily the result of eliminating reappropriated funds that double count the appropriation. The increase in General Fund is attributable to the net increase in FTE and technology to manage human resources and documents.

Compared to the original request, the staff recommendation is higher by \$2.0 million total funds, including \$483,152 General Fund, primarily due to technical errors in the original request. The staff recommendation results in a smaller net increase in FTE.

**BA1A KINDERGARTEN TRANSITION:** Staff recommends \$106,219 General Fund and 0.9 FTE to carry out statewide strategies to improve the transition from early childhood education to kindergarten. The staff recommendation differs slightly from the request due to application of the JBC's common policies.

**BA1B UNIVERSAL PRESCHOOL EVALUATION:** Staff recommends \$1.0 million General Fund for annual evaluations of the universal preschool program's impact on the learning and school readiness of children. The evaluations are required by Section 26.5-4-207 (2), C.R.S., and will make recommendations to improve teaching and learning, assess professional development inputs and outcomes, and improve teacher-child interactions.

**BA1C PRESCHOOL PAYMENT PROCESSING:** Staff recommends \$1.0 million General Fund for contract services to process payments to universal preschool providers.

**BA5 EMPLOYER BASED CHILD CARE:** Staff does not recommend the requested \$10.5 million General Fund and 2.5 FTE for one-time investment in the Employer Based Child Care Facility Grant Program.

**NP DHS EQUITY TECHNOLOGY:** The staff recommendation is pending action by the JBC on this request from the Department of Human Services. The table reflects the requested amount and will be updated once the JBC takes action.

**NP STATEWIDE OPERATING INFLATION:** The staff recommendation is pending action by the JBC on this statewide common policy. The table reflects the requested amount and will be updated once the JBC takes action.

**CENTRALLY APPROPRIATED ITEMS:** The staff recommendation is pending action by the JBC on the statewide common policies. The table reflects the requested amounts and will be updated once the JBC takes action.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The staff recommendation includes adjustments for out-year impacts of prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant. If there is no reference to a bill number or priority number, then the change was initiated by an action other than a bill or request from the Department.

The largest increases are to annualize new staff added as part of creating the Department in H.B. 22-1295 and the Long Bill appropriation for the Department of Early Childhood administration. The largest decreases are all related to the end of appropriations of one-time federal funds, including *S.B. 22-213 Child care support programs*, the Long Bill appropriation for S4 Early childhood fed stimulus, *S.B. 21-236 Increase capacity early childhood care & ed*, and the Long Bill appropriation to extend spending authority for underspent federal stimulus funds.

Annualize Prior Year Budget Actions					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
HB 22-1295 Dept of Early Childhood & universal preschool	641,548	346,601	40,673	254,274	4.1
Prior year salary survey	593,942	21,762	186,260	385,920	0.0
FY 22-23 Dept of Early Childhood Administration	\$20,517	\$20,517	\$0	\$0	1.4
SB 22-213 Child care support programs	(99,500,000)	0	(49,500,000)	(50,000,000)	(6.1)
FY 22-23 S4 Early childhood fed stimulus	(59,937,055)	0	0	(59,937,055)	(22.0)
SB 21-236 Increase capacity early childhood care & ed	(40,086,658)	0	0	(40,086,658)	(16.0)
FY 22-23 Extend underspent fed stimulus	(9,892,547)	0	0	(9,892,547)	0.0
HB 22-1369 Children's Mental Health Programs	(2,000,000)	0	(2,000,000)	0	(0.3)
FY 23-24 S1 Universal preschool payment processing	(250,000)	(250,000)	0	0	0.0
FY 22-23 Child abuse prevention training	(150,000)	(150,000)	0	0	0.0
HB 21-1304 Early childhood system	(147,929)	(147,929)	0	0	(1.7)
SB 21-137 Behavioral Health Recovery Act	(96,000)	(96,000)	0	0	0.0
FY 22-23 BA2 Universal preschool	(62,000)	0	(49,600)	(12,400)	0.0
<b>Total</b>	<b>(\$210,866,182)</b>	<b>(\$255,049)</b>	<b>(\$51,322,667)</b>	<b>(\$159,288,466)</b>	<b>(40.6)</b>

## MAJOR DIFFERENCES FROM THE REQUEST

- R1 Universal preschool program -- The staff recommend appropriation for is \$169.0 million General Fund higher than the request, although the total recommended General Fund obligation, including transfers, is only \$29.9 million higher than the request. The difference in the total General Fund obligation is attributable to the staff recommendation to build a balance in the Preschool Programs Cash Fund.
- R2 Increase universal preschool participation – The staff recommendation is \$3.5 million General Fund below the request due to not recommending one-time grants through the Emerging and Expanding Child Care Grant Program to expand classrooms and one-time consulting services intended to help every Local Community Organization write at least two grant applications for non-state funding to expand the preschool hours offered. In addition, the recommendation does not include \$410,000 cash funds on-going from the Preschool Programs Cash Fund for annual marketing to families and providers.



- R3 Universal preschool provider bonuses – Staff did not recommend the requested \$5 million General Fund for a bill to authorize one-time bonuses to providers who sign up to offer universal preschool.
- R2/S2/BA2 Early Intervention -- The recommendation is higher than the request by \$3.7 million total funds, including \$1.9 million General Fund, based on the JBC's action on the supplemental that corrected a number of technical and logic errors in the request.
- R11 Nurse Home Visitor Program – Staff recommends application of the JBC's common policy 3.0 percent provider increase, resulting in \$236,824 cash funds less than the request for a 4.0 percent increase in FY 2023-24 and a 4.3 percent increase in FY 2024-25.
- R13/S3/BA3 Transfers between DHS/DEC -- Compared to the original request, the staff recommendation is higher by \$2.0 million total funds, including \$483,152 General Fund, primarily due to technical errors in the original request. The staff recommendation results in a smaller net increase in FTE.
- BA1b Universal preschool program evaluation – The staff recommendation is for \$1.0 million General Fund rather than cash funds from the Preschool Programs Cash Fund, because staff allocates all of the revenue available in the Preschool Programs Cash Fund in the recommendation for R1 Universal preschool program.
- BA1c Preschool payment processing – Staff recommends \$1.0 million General Fund that the Department proposed be absorbed from the Preschool Programs Cash Fund, thereby reducing the revenue available from that source to support universal preschool.
- BA5 Employer based child care – Staff does not recommend the \$10.5 million General Fund and 2.5 FTE requested for one-time investment in the Employer Based Child Care Facility Grant Program.

## DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

### → R1 UNIVERSAL PRESCHOOL PROGRAM

#### REQUEST

The Department requests \$325.0 million from the Preschool Programs Cash Fund to pay providers for preschool services, increasing to \$348.0 million in FY 2024-25. Rather than determining the targeted children, services, and rates and then calculating the amount needed, the Department is requesting spending authority for essentially all of the projected revenue to the Preschool Programs Cash Fund and then backing into what can be provided using the statutory prioritization of services. OSPB says it projected a range of possible revenues to the Preschool Programs Cash Fund and used the bottom of the range to prepare the request. While the request intentionally used what OSPB considers a conservative forecast of revenue, there is no deliberate attempt in the request to build a reserve in the Preschool Programs Cash Fund for possible variations in revenue or expenditures.

House Bill 22-1295 (Sirota & Garnett/Buckner & Fenberg) fleshed out how universal preschool will operate within the newly created Department of Early Childhood. The major parameters of the program and the prioritization of funds have already been approved by the General Assembly in H.B. 22-1295.

It is important to note that the Department's budget request is not seeking reapproval of the framework for universal preschool through the budget process, but rather funding to implement the statutory directives. It is also worth noting that all of the provisions related to universal preschool are

in statute, and not in the State Constitution, and so they could be changed through legislation, although the budget needs to be written to current law.

**PRESCHOOL PROGRAMS CASH FUND**

The table below shows the assumptions for revenue to the Preschool Programs Cash Fund in the request and in the Legislative Council Staff (LCS) December 2022 forecast. The revenues are then compared to all the requested expenditures from the Preschool Programs Cash Fund (which are not necessarily the same as the staff recommended expenditures contained in this document).

Preschool Programs Cash Fund				
	Request		LCS Dec 2022	
	FY 23-24	FY 24-25	FY 23-24	FY 24-25
Funds Available				
Beginning Balance	\$0.6	\$8.3	\$0.6	(\$1.3)
Revenue				
Proposition EE	198.9	224.4	185.2	214.3
Transfer from General Fund or State Education Fund	<u>135.0</u>	<u>141.1</u>	<u>139.1</u>	<u>145.9</u>
Subtotal - Revenues	333.9	365.5	324.3	360.2
Funds Available	\$334.47	\$373.8	\$324.88	\$358.9
Requested Expenditures				
Current admin funding annualized	0.7	0.7	0.7	0.7
R1 Universal Preschool Program	325.0	348.0	325.0	348.0
R2 Increase universal preschool participation	0.4	0.4	0.4	0.4
R5 Equity in Dept. of Early Childhood	0.1	0.1	0.1	0.1
Requested Expenditures	\$326.2	\$349.2	\$326.2	\$349.2
<b>Ending Balance</b>	<b>\$8.3</b>	<b>\$24.6</b>	<b>(\$1.3)</b>	<b>\$9.8</b>

*PROPOSITION EE*

In 2020, voters approved Proposition EE to raise taxes on cigarettes and tobacco products, establish a new tax on nicotine products, and exempt the revenue from the TABOR limit. The question, which was referred by the legislature, broadly identified the uses of the revenue, including universal preschool. The detail on the taxes and allocation of funding was spelled out in H.B. 20-1427 (Caraveo & McCluskie/Fields & Moreno), which was contingent on the passage of Proposition of EE.

Pursuant to H.B. 20-1427, the lion's share of the revenue from Proposition EE is devoted to universal preschool beginning in FY 2023-24. Beginning in FY 2023-24, the Proposition EE revenue is distributed with \$10,950,000 to the Tobacco Tax Cash Fund, \$4,050,000 to the General Fund, and the remainder to the Preschool Programs Cash Fund for universal preschool. These transfers continue in FY 2024-25 but there is an additional transfer of \$20,000,000 to the Tobacco Education Programs Fund before the remainder is deposited in the Preschool Programs Cash Fund. Then these transfers continue until FY 2027-28 and thereafter when the amount for the Tobacco Education Programs Fund is increased to \$30,000,000.

The request assumed revenue to the Preschool Programs Cash Fund from Proposition EE of \$198.9 million. During figure setting for Tobacco Revenue the JBC approved using the December 2022 Legislative Council Staff forecast. The December 2022 LCS forecast projects \$185.2 million from Proposition EE will be deposited in the Preschool Programs Cash Fund. The difference of \$13.7 million is primarily due to LCS assuming that the General Assembly will reduce the Proposition EE tax rates as required by TABOR.

In FY 2020-21, actual revenues from Proposition EE exceeded the projection in the Blue Book by 10.3 percent. As a result, TABOR requires the General Assembly to either refer a ballot measure to retain the excess revenue or refund the excess and reduce the tax rates in proportion to the excess. In projecting FY 2023-24 revenues, LCS assumed the tax rates would be reduced 10.3 percent. The request assumed the General Assembly will refer a measure to the voters to retain the excess revenue and tax rates and that the measure will pass.

*TRANSFER FROM GENERAL FUND OR STATE EDUCATION FUND*

In addition to revenue from Proposition EE, the Preschool Programs Cash Fund receives revenue from an annual transfer from the General Fund or State Education Fund (SEF). For FY 2023-24 the transfer must be equal to the difference in the State Share of Total Program for FY 2022-23 calculated with and without the enrollment in the Statewide Preschool Program and the three- and four-year old pupils with disabilities receiving services through the Exceptional Children's Educational Act. For FY 2024-25 and beyond, the transfer is equal to the FY 2023-24 transfer plus inflation. There is no annual adjustment to the transfer for changes in enrollment.

Based on the JBC's supplemental actions for school finance, the FY 2023-24 required transfer from the General Fund or State Education Fund is \$139,110,672. The original request assumed a transfer of \$135.0 million. Based on the December 2022 LCS forecast the required transfer would grow to \$145.9 million in FY 2024-25, compared to the assumption in the request of \$141.1 million.

Although statute requires a transfer to the Preschool Programs Cash Fund and defines the amount to transfer, it does not actually make the transfer. The General Assembly will need to run a bill to make the transfer.

**PRIORITIZATION OF SERVICES**

If appropriations are insufficient to support the program, then the statutes describe a prioritization of the funding that has been interpreted by the Department as requiring them to provide services in the following order:

- 1 Required groups
  - a. All children in the year before eligibility for kindergarten, 10 hours
  - b. 3- and 4-year-olds with disabilities
- 2 Subject to available appropriations with hours specified by rule
  - a. 3-year-olds with a qualifying factor
  - b. Under 3 with a qualifying factor in a school district operating with a waiver
  - c. Specified purposes pursuant to Section 26.5-4-208 (1)(d), C.R.S.
  - d. Additional hours in the year before kindergarten with a qualifying factor

For purpose of determining eligibility in the categories subject to available appropriations, the Department's rules stipulate that a child or family meets a qualifying factor if it has:

- Low-income (defined as less than 270 percent of the federal poverty guidelines, which equates to \$62,181 annually for a family of three)
- A non-English speaking family or student
- An Individualized Education Program (IEP) for children with disabilities
- Foster care or non-certified kinship care

- Homelessness

The Department is still developing estimates of how far it can proceed through the prioritized services within the requested funds. The table below represents preliminary estimated costs by prioritized service.

R1 Universal Preschool PRELIMINARY Estimated Costs	
	Amount
Requested Funding in R1	\$325.0
1 Required Groups	
a. Children in the year before eligibility for kindergarten	143.3
b. 3- and 4-year-olds with disabilities	34.0
Subtotal - Required Groups	177.3
2 Subject to available appropriations with hours specified by rule	
a. & b. 3-year-olds with a qualifying factor and under 3 in a waiver district	30.4
c. Specified purposes - additional 5 hours in year before eligibility for kindergarten	35.7
d. Additional hours in the year before kindergarten with a qualifying factor - 15 hrs	78.6
Subtotal - Subject to available appropriations	144.7
<b>TOTAL</b>	<b>\$322.0</b>
Remainder	\$3.0

Based on these estimates, the Department could fund all the prioritized services within the requested funding. Notably, the Department could provide a total of 15 hours of preschool for children in the year before eligibility for kindergarten, compared to the 10 hours required in statute. Also, the Department anticipates that it could provide a total of 25 hours for children in the year before kindergarten with a qualifying factor. Additional hours in the year before kindergarten with a qualifying factor is the last prioritized service.

#### DEALING WITH FORECAST ERROR

A key assumption in the Department's expenditure estimates is that 50 percent of children in the year before eligibility for kindergarten will enroll, based on take up rates in the first few years in other states that implemented universal preschool. It should be noted that there is significant variation in the design of universal preschool programs across states and what types of programs, if any, were in place prior to implementing universal preschool. There is significant uncertainty about how many children will enroll in Colorado.

Once the Department sets the policies for universal preschool, it could be extremely disruptive to families and providers for the Department to change those policies mid-academic year. This suggests to the JBC staff that the Department is likely to submit a supplemental request if enrollment is higher than expected. To provide a sense of magnitude, if the Department's assumption is wrong that 50 percent of eligible children in the year before kindergarten will enroll and instead the uptake rate is 10 percentage points higher, or 60 percent, then the additional cost would be in the range of \$30 million.

#### ENROLLMENT TO DATE

As of February 3, 2023, the Department had 22,165 applications for preschool. The pace of enrollments was down significantly from the original surge, but the Department estimated it was still receiving 600 new applications a day. The Department's original estimate and goal was to serve 30,000 children in the first year of implementation. This estimate used an assumption that 50 percent of children in the year before eligibility for kindergarten will enroll, based on take up rates in the first few

years in other states that implemented universal preschool. The Department did not model the pace of enrollment, only the final expected enrollment. As a result, there isn't a basis for determining if the enrollment to date is on target, ahead, or behind the Department's assumptions.

As for capacity, on February 3, 2023, there were 1,651 providers signed up in the system and the Department estimated those providers had capacity to serve approximately 40,000 children. At the time of this publication, the Department was verifying the capacity of the providers in preparation for the first round of matching families with providers. This estimate of capacity to serve 40,000 is 33 percent above the Department's original estimate and goal of 30,000. Although the overall capacity to date appears to exceed expectations, it is possible there are regional shortfalls in capacity. The Department estimated it would be able to provide data and analysis on potential regional capacity shortfalls by mid-late March.

### EVIDENCE LEVEL

The Department indicated this request is theory informed, and staff agrees with this designation. The Department referenced national studies finding that participation in early childhood education comparable to the universal preschool program leads to statistically significant reductions in special education placement (8.1 percentage points), reductions in grade retention (8.3 percentage points), and increases in high school graduation (11.4 percentage points).

### RECOMMENDATIONS

Staff recommends:

- Appropriating \$322.0 million total funds based on the Department's estimated cost to provide 15 hours of preschool for children in the year before eligibility for kindergarten and 25 hours of preschool for children with a qualifying factor. Based on the Department's estimates, this would also be sufficient to pay for preschool for children with disabilities and children previously eligible through the Department of Education.
- Targeting a reserve in the Preschool Programs Cash Fund equal to 10 percent of projected program expenditures, or \$32.2 million. This would reduce the revenue available from the Preschool Programs Cash Fund to support the program and create a General Fund obligation of \$29.9 million more than required in statute.
- Appropriating the share of costs from the General Fund in the Long Bill and sponsoring legislation to eliminate the required annual transfer from the General Fund or State Education Fund to the Preschool Programs Cash Fund.
- Including in the legislation a provision to eliminate the required annual inflationary increase in the portion of costs financed from the General Fund or State Education Fund.

The complete staff recommendation would result in an appropriation in the Long Bill of \$322.0 million total funds composed of \$169.0 million General Fund and \$153.0 million cash funds from the Preschool Programs Cash Fund. There would be no transfers from the General Fund or State Education Fund.

This compares to the request that would result in a transfer from the General Fund or State Education Fund to the Preschool Programs Cash Fund of \$139,110,672 and a cash funds appropriation in the Long Bill of \$325 million from the Preschool Programs Cash Fund.

**TOTAL FUNDS**

Staff recommends total funding of \$322.0 million based on the Department's estimated cost to provide 15 hours of preschool for children in the year before eligibility for kindergarten and 25 hours of preschool for children in the year before kindergarten with a qualifying factor. The staff recommendation is \$3.0 million less than the Governor's request because it is not based on the projected revenue but on the policy objectives for how many hours of service to fund. The statute requires a minimum of 10 hours of preschool, so the JBC could reduce the overall appropriation by choosing policy objectives that would provide fewer hours.

It seems unlikely that 10 hours of preschool would meet the needs of most families. If a family needs more hours of preschool there would still be a cash benefit to the family from the state covering 10 of those hours. However, 15 hours of preschool from state funding might approach a level that is actually practical for some limited family situations. The 25 hours for children with a qualifying factor sounds even more functional and potentially sufficient to allow a caregiver to work part time.

**RESERVE IN THE PRESCHOOL PROGRAMS CASH FUND**

Staff recommends targeting a reserve in the Preschool Programs Cash Fund equal to 10 percent of projected expenditures. Whenever asked about what happens if more children enroll than expected, the Department always replies that it will follow the statutory prioritization of services and insists that the Department will be able to live within the appropriation. The JBC staff is not concerned about whether the Department could live within the appropriation but, rather, whether the General Assembly would want the Department to live within the appropriation.

At some point, the Department needs to commit to a level of service that it will provide based on the available appropriation. The Department is planning to allow open enrollment throughout the year. If more children enroll than expected, the options available to the Department to control expenditures are limited. The Department's proposed response of reducing the hours of preschool funded would be extremely disruptive to families if implemented mid-year. The JBC staff assumes neither the legislature nor the Department would want a scenario where a family is promised 25 hours of preschool and then told part way through the school year that they will only receive 20 hours of preschool. Another possible solution to control costs might be to reduce rates for providers, but a mid-year provider rate reduction would not be particularly palatable either. The guarantee promised by universal preschool is 10 hours, but the political reality probably dictates that whatever hours the Department promises families at the beginning of the school year, based on projections and the available appropriations, is probably what the General Assembly will need to fund at the end of the year regardless of how many children actually enroll.

In K-12 education the funding is based on a point in time pupil count and then local school districts absorb the cost of any enrollment fluctuations after that point. School districts typically have more ability to spread and absorb costs than preschool providers due to size differences (although there are some very small school districts). Also, school districts can often just add another child to a class with minimal incremental costs while in preschool the teacher to student ratios are more stringent due to the age and supervision needs of the children.

The General Assembly could wait and decide next year whether a supplemental is needed based on more recent information about enrollment. The General Assembly doesn't necessarily need a reserve dedicated specifically to preschool. The Department plans to pay providers August 1, November 1, February 1, and May 1. So, theoretically the General Assembly could pass a supplemental bill in April

if there is some unexpected late surge in enrollment. However, the JBC probably does not want to have to run a supplemental bill late in the legislative session for small fluctuations in enrollment.

Ultimately, the JBC staff believes the General Assembly will want to develop an administrative mechanism that is short of reducing hours of service for the Department to handle fluctuations in enrollment that occur after the annual supplemental process. This might involve providing more spending authority than the Department is expected to need, if the General Assembly trusts the Department not to abuse additional spending authority. Or, it could involve a statutory instruction that allows the Department to access the balance in the Preschool Programs Cash Fund under limited conditions for limited purposes. There isn't urgency to figure out the best strategy for providing the Department expenditure flexibility before supplementals, but either of these strategies would require the General Assembly to tie up money in a reserve for universal preschool.

If the JBC is persuaded by the staff's argument that a reserve would be beneficial, then the next decision is the size of the reserve. Ideally, the reserve would be as small as possible to prevent unnecessarily obligating money that could be used elsewhere in the budget. Unfortunately, since this is a new program there is not a lot of trend data to analyze to estimate the volatility of expenditures or revenues. The staff recommendation is based on the "what if" scenario provided by the Department where 60 percent of eligible children enroll in universal preschool rather than the projected 50 percent. Staff assumes that as the program matures the funding needs will become clearer and the annual reserve could be reduced, but this might take a few years.

Adopting the staff recommendation to build a reserve in the Preschool Programs Cash Fund would result in a General Fund obligation that is \$29.9 million higher than what is currently required in statute.

Recommended Reserve in Preschool Program Cash Fund	
Item	Amount
Total projected expenditures for universal preschool	\$322.0
LCS December 2022 forecast of Proposition EE revenue to Preschool Programs Cash Fund	185.2
Proposed reserve equal to 10 percent of projected program expenditures	<u>32.2</u>
Preschool Program Cash Funds available for appropriation	153.0
Remaining costs that need to be covered by the General Fund	169.0
Current statutory required transfer from GF or SEF (for preschool costs that would otherwise be incurred in Department of Education)	<u>139.1</u>
<b>Staff recommendation higher/(lower) than required General Fund</b>	<b>\$29.9</b>

If the JBC adopts the staff recommendation to maintain a healthy reserve in the Preschool Programs Cash Fund, then there will likely be little need to revisit this appropriation during the 2023 legislative session. If the JBC instead appropriates every forecasted dollar to avoid an increased General Fund cost, then the JBC may want to revisit the appropriation level after the March 2023 LCS forecast. The JBC might also get pressure late in the legislative session to revisit the appropriation if the Department releases updated enrollment figures that exceed the projected 30,000 students.

If the JBC likes the idea of a reserve but not the idea of an increased General Fund obligation, the JBC could reduce the expected hours of preschool provided. The hours of preschool provided are

malleable as long as the appropriation provides for at least 10 hours and as long as the decision is made before the start of the school year. For the reasons described above, the JBC staff is concerned that changing the hours of preschool after the start of the school year would be problematic.

### **APPROPRIATING GENERAL FUND AND ELIMINATING THE REQUIRED TRANSFER**

Staff recommends that the JBC appropriate General Fund for universal preschool in the Long Bill and sponsor legislation to eliminate the required transfer of \$139,110,672 from the General Fund or State Education Fund to the Preschool Programs Cash Fund. As described above, the staff recommendation is to appropriate \$169,000,000 General Fund to allow the accumulation of a reserve in the Preschool Programs Cash Fund. If the JBC decides not to build a reserve, then staff would recommend an appropriation of \$139,110,672 General Fund and that the JBC still sponsor legislation to eliminate the required transfer. Appropriating the General Fund instead of transferring it has a number of advantages.

- 1 Appropriating General Fund for universal preschool could help protect preschool funding in an economic downturn by maintaining the General Fund reserve. Appropriations are subject to the General Fund reserve requirement but transfers are not. Transferring \$135.0 million General Fund to the Preschool Programs Cash Fund would reduce the General Fund reserve by \$20.3 million compared to appropriating the same amount.
- 2 If the money is appropriated, interest earnings and reversions would be credited to the General Fund rather than the Preschool Programs Cash Fund, providing more flexibility to the General Assembly in how to allocate the money. This might be viewed as a negative, rather than a positive, by people who want to earmark the money for only preschool, but it preserves the most budget authority for the General Assembly.
- 3 Directly appropriating General Fund is more transparent. Transferring money into the Preschool Programs Cash Fund obscures the origin of the funding and implies that there are dedicated fee revenues to support the program when the real source is general tax revenues.
- 4 Appropriations for universal preschool should be based on the needs of the program rather than the available revenue to the Preschool Programs Cash Fund, which could be too low and constraining or too high. The revenue sources to the Preschool Programs Cash Fund are not indexed to good indicators of cost or need for preschool.
  - a. The Proposition EE revenues are expected to increase in the short term as the increased tax rates are phased in but to eventually decline assuming consumption of nicotine products decreases with increased taxes and public health efforts.
  - b. The transfer amount is indexed to inflation with no adjustment for changes in enrollment. Also, the selected inflation rate is for all goods and might not reflect the specific basket of goods, primarily composed of compensation, that drives preschool costs.

If the JBC does not adopt the staff recommendation to eliminate the transfer, then the JBC should consider making the transfer statutory, rather than requiring the General Assembly to run a bill annually. The formula for the transfer is already in statute, so the State Treasurer could conceivably calculate the transfer without annual instruction from the General Assembly. Making the transfer



statutory would reduce the number of bills the General Assembly must pass and increase the predictability of revenue to the Preschool Programs Cash Fund.

There is no scenario where the General Assembly could avoid running a bill to deal with the transfer. Current law requires a transfer. Either the transfer needs to be made, or the General Assembly needs to amend the law. The JBC does not necessarily need to be the entity that carries the bill, but it is directly related to the budget, and so it would make sense for the JBC to carry the bill.

### **ELIMINATE THE REQUIRED ANNUAL INFLATIONARY INCREASE**

As part of eliminating the required transfer to the Preschool Programs Cash Fund, staff recommends that the JBC eliminate the required annual inflationary increase in the amount from the General Fund or State Education Fund that supports universal preschool. This is a separate issue that can be considered independent of whether the JBC converts the required transfer to an appropriation.

- 1 The required inflationary adjustment is not an overly effective means of protecting funding for universal preschool.
  - a. It applies to less than fifty percent of the total revenue for universal preschool.
  - b. It is a statutory requirement that could be changed.
  - c. It is based on the FY 2022-23 funding level and skips any inflationary adjustment for FY 2023-24 before the annual inflationary adjustment begins in FY 2024-25.
- 2 Minimums have a tendency to turn into maximums. If a portion of the revenue to the Preschool Programs Cash Fund receives an annual inflationary increase, will the revenue to the Preschool Programs Cash Fund be perceived as adequate and the only appropriate source of revenue for universal preschool, regardless of whether it actually keeps pace with needs?
- 3 Inflation is not necessarily a good indicator of the funding needs for preschool, since it does not take into account changes in enrollment or changes in the particular costs for providers, which are mostly related to compensation.
- 4 While it might be a critically important political consideration today, indexing less than 50 percent of the total funding for universal preschool to the FY 2022-23 funding level adjusted by inflation is likely to appear idiosyncratic, arbitrary, and archaic to future legislatures, since the connection between the policy and program needs is weak.
- 5 The inflationary adjustment to the funding from the General Fund or State Education Fund is not necessary to comply with Amendment 23. The statutes already require that per-child rates for universal preschool meet or exceed a constitutional compliance rate that increases annually by inflation in order to satisfy the requirements of Amendment 23.

## **→ R2 INCREASE UNIVERSAL PRESCHOOL PARTICIPATION**

### **REQUEST**

The Department requests \$4.9 million total funds, including \$3,480,000 General Fund, for strategies to increase provider and family participation in universal preschool, including:

- \$3.0 million General Fund for one-time grants through the Emerging and Expanding Child Care Grant Program to expand classrooms
- \$451,852 federal Child Care Development Funds (CCDF) and 4.6 FTE to increase department capacity to review licenses and to waive licensing fees for new providers through FY 2024-25 (after which a portion of the cost for the FTE would be refinanced with cash funds from licensing fees)
- \$600,000 federal CCDF to offer one-time incentives for universal preschool providers to also provide child care to low-income families through the Colorado Child Care Assistance Program
- \$410,000 cash funds on-going from the Preschool Programs Cash Fund for annual marketing to families and providers
- \$480,000 General Fund for one-time consulting services intended to help every Local Community Organization write at least two grant applications for non-state funding to expand the preschool hours offered

The table below summarizes the request.

R2 Increase Universal Preschool Participation - Request					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
<b><u>FY 2023-24</u></b>					
Emerging and Expanding Child Care Grant Program	\$3,000,000	\$3,000,000	\$0	\$0	0.0
Licensing capacity and fee waiver	451,852	0	0	451,852	4.6
Incentives for UPK providers to join CCCAP	600,000	0	0	600,000	0.0
Public awareness					
Marketing to families	260,000	0	260,000	0	0.0
Marketing to providers	150,000	0	150,000	0	0.0
Technical assistance with local fund raising	480,000	480,000	0	0	0.0
<b>Total - FY 2023-24</b>	<b>\$4,941,852</b>	<b>\$3,480,000</b>	<b>\$410,000</b>	<b>\$1,051,852</b>	<b>4.6</b>
<b><u>FY 2024-25</u></b>					
Emerging and Expanding Child Care Grant Program	\$0	\$0	\$0	\$0	0.0
Licensing capacity and fee waiver	450,634	0	0	450,634	5.0
Incentives for UPK providers to join CCCAP	0	0	0	0	0.0
Public awareness					
Marketing to families	260,000	0	260,000	0	0.0
Marketing to providers	150,000	0	150,000	0	0.0
Technical assistance with local fund raising	0	0	0	0	0.0
<b>Total - FY 2024-25</b>	<b>\$860,634</b>	<b>\$0</b>	<b>\$410,000</b>	<b>\$450,634</b>	<b>5.0</b>

### EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. The Department referenced national studies finding that participation in early childhood education comparable to the universal preschool program leads to statistically significant reductions in special education placement (8.1 percentage points), reductions in grade retention (8.3 percentage points), and increases in high school graduation (11.4 percentage points). This speaks to preschool participation but does not address whether the specific proposed strategies will be effective.

### RECOMMENDATION

Staff recommends \$970,154 federal CCDF and 5.0 FTE, annualizing to \$370,154 federal CCDF and 5.0 FTE in FY 2024-25, as follows:

R2 Increase Universal Preschool Participation - Recommendation					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
<b><u>FY 2023-24</u></b>					
Emerging and Expanding Child Care Grant Program	\$0	\$0	\$0	\$0	0.0
Licensing capacity and fee waiver	370,154	0	0	370,154	5.0
Incentives for UPK providers to join CCCAP	600,000	0	0	600,000	0.0
Public awareness					
Marketing to families	0	0	0	0	0.0
Marketing to providers	0	0	0	0	0.0
Technical assistance with local fund raising	0	0	0	0	0.0
<b>Total - FY 2023-24</b>	<b>\$970,154</b>	<b>\$0</b>	<b>\$0</b>	<b>\$970,154</b>	<b>5.0</b>
<b><u>FY 2024-25</u></b>					
Emerging and Expanding Child Care Grant Program	\$0	\$0	\$0	\$0	0.0
Licensing capacity and fee waiver	370,154	0	0	370,154	5.0
Incentives for UPK providers to join CCCAP	0	0	0	0	0.0
Public awareness					
Marketing to families	0	0	0	0	0.0
Marketing to providers	0	0	0	0	0.0
Technical assistance with local fund raising	0	0	0	0	0.0
<b>Total - FY 2024-25</b>	<b>\$370,154</b>	<b>\$0</b>	<b>\$0</b>	<b>\$370,154</b>	<b>5.0</b>

**EMERGING AND EXPANDING CHILD CARE GRANT PROGRAM**

Staff does not recommend the requested \$3.0 million General Fund for one-time grants through the Emerging and Expanding Child Care Grant Program. With the November request the Department estimated it would need capacity for approximately 30,000 children in the first year of universal preschool. As of February 3, 2023, the Department had capacity for an estimated 40,000 children across 1,651 enrolled providers, or 33 percent more capacity than the original estimated need. At the time of this publication, the Department was in the process of verifying the capacity of each enrolled provider. At the same time, the Department had 22,165 applications for preschool. The pace of new applications had slowed from the initial surge, but the Department was still receiving approximately 600 new applications per day. It is hard to predict what the final enrollment will be but the Department has already exceeded its capacity target without additional grants.

It is important to note that the Department expects universal preschool enrollment to increase over time and so capacity needs for FY 2024-25 will be higher. Depending on the type of project, there can be long lead times for a provider to expand capacity. Although overall capacity to date appears to exceed the Department's estimated need, there could still be regional capacity shortfalls. At the time of this publication, the Department was still verifying the capacity of enrolled providers. While the focus of the request is on expanding universal preschool capacity, the Emerging and Expanding Child Care Grant Program can also be used for infant and toddler child care. The infant and toddler child care is expensive due to the low adult to child ratios required and the Department says there are provider shortages statewide. Infant and child care grants average \$100,000 per provider. To the extent the new money for the Emerging and Expanding Child Care Grant Program is used for infant and toddler child care it would reduce the impact on universal preschool capacity, but the Department argues it would still address a critical need.

**LICENSING CAPACITY AND FEE WAIVER**

Staff recommends an increase \$370,154 from the federal Child Care Development Funds (CCDF) for an additional 4.0 FTE licensing specialists and 1.0 FTE licensing supervisor to increase the Department's capacity for reviewing licenses and conducting site visits. The total recommendation differs from the Department's request due to application of the JBC's common policies. The pay date shift does not apply to these positions because they are financed with federal funds. The Department estimates this staffing increase would allow licensing inspections for an additional 300 classrooms with a capacity for 6,000 preschoolers per year, based on the National Association for Regulatory Administration standards.

The staff recommendation to fund the positions entirely from the CCDF takes is consistent with the Department's proposal to temporarily waive certain child care licensing fees. Child care center licensing fees for programs serving more than 15 children include a base fee plus a per child fee and it is the per child fee that the Department proposes waiving. The per child fee is \$3.00, or \$60 per classroom for 20 children. The revenue impact will depend on the capacity of new and expanded providers. The Department estimates that waiving the fee would cost \$30,000 to \$50,000 in revenue. The licensing fee is subject to TABOR, so if there is a TABOR surplus, then the fee waiver means less General Fund that needs to be refunded to the taxpayers.

**INCENTIVES FOR UPK PROVIDERS TO JOIN CCCAP**

Staff recommends the requested \$600,000 federal Child Care Development Funds (CCDF) to offer one-time incentives for universal preschool providers to also provide child care to low-income families through the Colorado Child Care Assistance Program (CCCAP). The awards would range from \$500 to \$1,000 per provider. For many families, universal preschool alone will not be sufficient to meet child care needs. The Department hopes these incentives will increase the number of universal preschool providers who are also CCCAP providers so that low-income families eligible for CCCAP have options to get additional hours of child care from their universal preschool provider.

**PUBLIC AWARENESS**

Staff does not recommend the requested \$410,000 cash funds from the Preschool Programs Cash Fund for ongoing public awareness campaigns aimed at families and providers. Based on the pace of enrollment by providers and families to date, it does not appear that additional marketing is necessary to meet the Department's goal and estimate of serving 30,000 children in the first year. Furthermore, staff believes marketing before successfully completing a year of universal preschool might be premature and there could be operational and budgetary benefits from a slower ramp up that allows time for onboarding providers and working out operational challenges. If there is excess money in the Preschool Programs Cash Fund, it might be useful to build a balance to prepare for potential unexpected enrollment and prevent triggering statutory provisions that would require the Department to reduce eligibility and/or benefits.

The Department says it is not currently able to quantify or estimate the expected difference in enrollment or providers that would be achieved through marketing due to limited base data. However, the Department says the marketing would be designed to target specific demographics over limited time frames so differences in enrollment, provider applications, and associated site traffic could be tracked to identify the effectiveness of the marketing. The Department said it has had success with a targeted campaign for the Colorado Shines program that resulted in a 10.9 percent conversion rate for all ads, while the industry standard conversion rate is 2.5 percent.

### **TECHNICAL ASSISTANCE WITH LOCAL FUNDING**

Staff does not recommend the requested \$480,000 General Fund one-time to provide consulting services that are intended to help every Local Community Organization write at least two grant applications for non-state funding to expand the preschool hours offered. Relying on private grant funds for preschool hours is not a sustainable strategy.

### **→ R3 UNIVERSAL PRESCHOOL PROVIDER BONUSES**

#### **REQUEST**

The Department requests that the General Assembly set aside \$5.0 million General Fund for a bill that will be introduced to authorize one-time bonuses to providers who sign up to offer universal preschool. The Department is not asking the JBC to sponsor the bill.

The purpose of the bonuses is to incentivize capacity and offset the administrative burden to providers, particularly small providers, of applying to participate in universal preschool. The Department says it would highlight the bonuses in marketing. The Department was unable to project and quantify the additional capacity that would be achieved through the bonuses and notes that this is one of several strategies the Department is implementing to increase capacity.

The specifics of the bonuses are under development and because they would be authorized by a bill the General Assembly could potentially influence their structure, but the Department proposes tiered bonuses that would include:

- A base bonus level for all providers
- An additional bonus for providers who have never participated in a state-run preschool program
- An additional bonus for providers who previously participated in a state-run preschool program and add new capacity for universal preschool

The Department anticipates the first two bonuses would be flat rates regardless of provider size of between \$500 and \$1,000. The third bonus would be scaled to the capacity added and valued between \$500 and \$1,000 per 20-child classroom added.

To receive a bonus a provider would need to apply to participate in the universal preschool program and be accepted to participate for the 2023-24 academic year by July 1. No further application for the bonus or monitoring or reporting would be required.

#### **EVIDENCE LEVEL**

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. The Department referenced national studies finding that participation in early childhood education comparable to the universal preschool program leads to statistically significant reductions in special education placement (8.1 percentage points), reductions in grade retention (8.3 percentage points), and increases in high school graduation (11.4 percentage points). This speaks to preschool participation but does not address whether the specific proposed strategy will be effective.

## RECOMMENDATION

Staff does not recommend approval of the request. The Long Bill needs to be based on current law, so no money for this initiative should be included in the Long Bill. The JBC could set aside money through the budget process for this specific initiative. However, given the Department's success to date in recruiting providers, it does not seem necessary, at least in the short run, in order to implement the universal preschool program. The Department is concerned about recruiting diverse providers so that families can choose from a mixed delivery system within their community. Nothing about this request is targeted to increase the variety or geographic dispersion of providers. The Department believes some providers may have made decisions to enroll based on the potential for provider bonuses. If true, that is unfortunate, especially if the Department already began marketing the bonuses, because the requested funding has not yet been approved by the General Assembly. Provider assumptions about what might happen should not lock the JBC into a particular policy decision.

Another approach that the JBC has frequently used in the past is to set aside a pool of money for new legislation and then let the General Assembly decide how to prioritize bills within the available funds. That seems like the best approach to the JBC staff for this bill to determine if this is the best use of any one-time General Fund that might be available.

The Department argues that rewarding providers for enrolling in universal preschool may increase the number and diversity of providers enrolled. There are administrative burdens associated with enrolling, although the Department has tried to minimize them. These bonuses could offset those administrative costs. Small and low revenue providers are likely more sensitive to administrative costs than large ones.

## → R4/BA2 EARLY INTERVENTION

### REQUEST

The Department requested adjustment to the FY 2022-23 and FY 2023-24 appropriations to account for a new estimate of the costs for Early Intervention services based on the Department's decision to implement a smaller eligibility expansion than assumed in the FY 2022-23 appropriation.

### EVIDENCE LEVEL

The Department indicated this request is theory informed, and staff agrees with this designation. The Department referenced evaluations of Colorado's Early Intervention program that found of children enrolled 49 percent do not go on to need similar supports in preschool; 99 percent show at least some progress in development; and 60 percent show significant progress toward reaching development closer to their same age peers. One national study<sup>1</sup> looked at children in Early Head Start who received Early Intervention services and found that they performed better than children suspected of delays who were not assessed and did not receive services.

While there is evidence to suggest Early Intervention services are effective, the applicability to this request is marginal. The primary policy choices at issue are the eligibility criteria, which is not addressed in the research at a sufficiently granular level to be informative, and workforce shortages.

---

<sup>1</sup> Hyun-Joo Jeon, Carla A. Peterson, Shavaun Wall, et al., “Predicting School Readiness for Low-Income Children with Disability Risks Identified Early”, *Exceptional Children* 77 (2011).

**RECOMMENDATION**

Staff recommends a net increase of \$4,968,881 total funds, including \$3,519,628 General Fund, to annualize and continue the JBC's policy action on the supplemental request. This total includes \$3.5 million General Fund on-going for investments in growing the Early Intervention workforce. There will also be a net increase in the Department of Health Care Policy and Financing of \$1,099,245 total funds, including an increase of \$549,941 General Fund. The table below summarizes the spending plan the JBC approved in the supplemental. The recommended net increase is the incremental difference between the reductions from the baseline in FY 2022-23 and the increases from the baseline in FY 2023-24.

R4/S2/BA2 Early Intervention					
	Total Funds	General Fund	CF - Private Insurance	RF - Medicaid	Federal Funds
<b>FY 2022-23</b>					
Early Childhood					
Unimplemented eligibility expansion	(\$8,673,412)	(\$8,673,412)	\$0	\$0	\$0
Increased service utilization	1,944,831	1,944,831	0	0	0
Smaller eligibility expansion	1,148,437	844,101	73,500	230,836	0
Investment in workforce	<u>4,000,000</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Early Childhood	(\$1,580,144)	(\$1,884,480)	\$73,500	\$230,836	\$0
Health Care Policy and Financing					
Transfer to Early Childhood	\$230,836	\$101,799	\$0	\$0	\$129,037
<b>FY 22-23 TOTAL - All Departments</b>	<b>(\$1,349,308)</b>	<b>(\$1,782,681)</b>	<b>\$73,500</b>	<b>\$230,836</b>	<b>\$129,037</b>
<b>FY 2023-24</b>					
Early Childhood					
Unimplemented eligibility expansion	(\$8,673,412)	(\$8,673,412)	\$0	\$0	\$0
Increased service utilization	1,944,831	1,944,831	0	0	0
Smaller eligibility expansion	6,617,318	4,863,729	423,508	1,330,081	0
Investment in workforce	<u>3,500,000</u>	<u>3,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Early Childhood	\$3,388,737	\$1,635,148	\$423,508	\$1,330,081	\$0
Health Care Policy and Financing					
Transfer to Early Childhood	\$1,330,081	\$651,740	\$0	\$0	\$678,341
<b>FY 23-24 TOTAL - All Departments</b>	<b>\$4,718,818</b>	<b>\$2,286,888</b>	<b>\$423,508</b>	<b>\$1,330,081</b>	<b>\$678,341</b>
<b>FY 2024-25</b>					
Early Childhood					
Unimplemented eligibility expansion	(\$8,673,412)	(\$8,673,412)	\$0	\$0	\$0
Increased service utilization	1,944,831	1,944,831	0	0	0
Smaller eligibility expansion	7,321,288	5,381,147	468,562	1,471,579	0
Investment in workforce	<u>3,500,000</u>	<u>3,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Early Childhood	\$4,092,707	\$2,152,566	\$468,562	\$1,471,579	\$0
Health Care Policy and Financing					
Transfer to Early Childhood	\$1,471,579	\$735,790	\$0	\$0	\$735,789
<b>FY 24-25 TOTAL - All Departments</b>	<b>\$5,564,286</b>	<b>\$2,888,356</b>	<b>\$468,562</b>	<b>\$1,471,579</b>	<b>\$735,789</b>

**→ R5/S2/BA2 EQUITY IN DEPT OF EARLY CHILDHOOD**

**REQUEST**

The Department requests \$2.8 million total funds, including \$384,519 General Fund, and 2.7 FTE for:

- an equity officer to ensure equity is considered in all policies, including rule-making, hiring and retaining workforce, contracting, information technology, data collection, partnerships, and program delivery.

- a county and tribal liaison to ensure productive government-to-government and state-to-tribal relationships.
- language justice initiatives, including:
  - A project manager
  - One-time funds to develop a language justice plan
  - Interpretation services
  - Translation services, including one-time funding to address a backlog of documents that need translation and on-going funding for future needs

#### EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. The Department did not identify any relevant evaluations to inform the analysis of the request.

#### RECOMMENDATION

Staff recommends approval of the request with modification to: (1) finance the costs the Department proposed funding from the Preschool Program Cash Fund and indirect cost recoveries with General Fund; and (2) apply the JBC's common policies regarding new FTE.

An equity officer seems reasonable given the Department's mission and it is not a function that transferred from the Department of Human Services. A county and tribal liaison was identified by the JBC staff last year as a potentially missing position from the Department's request for administration. The JBC staff is not sure why the Department's position changed from believing the function could be absorbed within existing resources to agreeing with the JBC staff that additional funding is warranted. The JBC staff was surprised at the Department's current lack of interpretation and translation services and backlog of documents waiting for translation. The JBC staff assumed interpretation and translation were standard expected services based on the Department's mission.

There is no benefit from funding portions of the request from the Preschool Program Cash Fund, because it would diminish the balance available in the fund for payments to providers, thereby increasing the need for General Fund. Funding portions of the request from indirect cost recoveries would be beneficial, but the Department does not yet have an approved indirect cost recovery plan. The current appropriations are based on historic indirect cost assessments when the Office of Early Childhood was part of the Department of Human Services. The JBC staff anticipates the Department will submit a supplemental as soon as it has an approved indirect cost plan. Barring something unexpected, an approved indirect cost plan should allow refinancing of a significant portion of the Department's administrative staff with cash funds and federal funds from indirect cost recoveries, resulting in General Fund savings.



R5 Equity in Dept of Early Childhood				
	Total Funds	General Fund	Federal CCDF	FTE
<b><u>FY 2023-24</u></b>				
Equity officer	\$111,112	\$0	\$111,112	1.0
County and tribal liaison	\$66,030	66,030	0	0.9
Language justice	<u>2,619,455</u>	<u>582,023</u>	<u>2,037,432</u>	<u>0.9</u>
<i>Project manager</i>	\$78,529	78,529	0	0.9
<i>Language justice plan</i>	150,000	0	150,000	0.0
<i>On-demand interpretation</i>	75,000	75,000	0	0.0
<i>Translation services</i>	2,315,926	428,494	1,887,432	0.0
<b>Total - FY 2023-24</b>	<b>\$2,796,597</b>	<b>\$648,053</b>	<b>\$2,148,544</b>	<b>2.8</b>
<b><u>FY 2024-25</u></b>				
Equity officer	\$111,112	\$111,112		1.0
County and tribal liaison	\$71,304	71,304	0	1.0
Language justice	<u>565,219</u>	<u>231,161</u>	<u>334,058</u>	<u>1.0</u>
<i>Project manager</i>	\$84,939	84,939	0	1.0
<i>Language justice plan</i>	0	0	0	0.0
<i>On-demand interpretation</i>	75,000	75,000	0	0.0
<i>Translation services</i>	405,280	71,222	334,058	0.0
<b>Total - FY 2024-25</b>	<b>\$747,635</b>	<b>\$413,577</b>	<b>\$334,058</b>	<b>3.0</b>

→ R6 EARLY CHILDHOOD MENTAL HEALTH SUPPORT

REQUEST

The Department requests \$390,333 General Fund and 0.9 FTE to continue operation of the Early Childhood Mental Health (ECMH) Support Line that is currently funded using federal Preschool Development Grant Birth through Five (PDG B-5) funding. The ECMH Support Line connects families, caregivers, and child care and education professionals with clinically trained consultants who have expertise in early childhood, social-emotional development, and mental health. The staff for the ECMH Support Line: help with specific cases of children showing concerning signs; provide classroom- and provider-level assistance with preparing professionals to manage classrooms and centers with attention to social-emotional learning, trauma-informed practices, and early childhood mental health; and support the growth and wellbeing of adult caregivers to reduce stress, increase retention, improve safety, and improve care for children.

The ECMH Support Line augments the ECMH Consultants. There are 57 consultant positions statewide, or 1 consultant per 79 licensed programs. The Department is concerned that the ECMH Consultants are reaching early childhood care and education programs inequitably. Programs that are highly rated are more likely to seek and utilize the ECMH Consultants. Statewide, 7.8 percent of programs utilize ECMH Consultants but in two-thirds of counties the percentage is lower. In eleven counties 8-49 percent of programs utilize the ECMH Consultants and in another eleven counties more than 50 percent of programs utilize the ECMH Consultants. The ECMH Support Line is staffed by people qualified to handle issues in real time, but many of the calls also result in a referral to the ECMH Consultants for ongoing support and follow up.

The Department reports the ECMH line receives between 5-10 calls per week and 40.9 percent are from families and 54.5 percent from teachers, physicians, program directors, or staff.

The Department described the role of the ECMH Support Line as more similar to well child visits than crisis intervention. The Behavioral Health Administration was consulted on this request and agreed that the ECMH Support Line is a unique service not fulfilled by other existing mental health crisis and support lines.

The Department recently received a new PDG B-5 grant but this new grant is for planning and updating the Department's needs assessment. After completing the planning grant the Department could apply for an implementation grant, but getting an implementation grant is not guaranteed.

#### EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. The Department did not identify any relevant evaluations to inform the analysis of the request.

#### RECOMMENDATION

Staff recommends \$311,872 General Fund for the contracts for services but not the requested FTE. This is a cost-effective way to increase access to ECMH services. The JBC staff views the benefits and limitations as somewhat analogous, on a smaller scale, to telehealth. It does not address the needs of all clients nor significantly change the statewide supply of services relative to the demand, but for those who know or learn about the ECMH Support Line it makes accessing services significantly more convenient and timely at a small marginal cost.

One FTE to manage call lines that are entirely staffed by contractors seems excessive. The Department is working through just two highly qualified vendors. The data reported by the Department doesn't suggest a need for intensive performance monitoring. Elsewhere in the budget the JBC staff is recommending new resources to help with Department-wide contract procurement and oversight.

At the briefing the JBC staff raised concerns about the General Fund being asked to backfill lost federal funds. This is still a legitimate policy concern and a potential reason to deny the request, but the JBC staff is no longer concerned about a legal barrier to providing funding. On further review and consultation with Legislative Legal Services, amendments to Section 24-75-1302, C.R.S., narrowed the definition of a "grant" that could not be funded with General Fund without a statutory reauthorization. The current applicable definition of a "grant" includes a gift, grant, or donation to a state agency of more than \$50 from a nongovernmental entity. It does not include federal funds.

### → R7/BA4 FEDERAL STIMULUS STRATEGIES

#### REQUEST

In R7 the Department requested \$102,347,069 federal Child Care Development Funds to continue the strategies for spending one-time stimulus funds that were approved by the General Assembly and in BA4 the Department requested another \$2,942,961 federal Child Care Development Funds from money that was underspent, or anticipated to be underspent from FY 2021-22 and FY 2022-23. Last year, the Department requested that all the money be appropriated in FY 2022-23 with roll-forward authority. The JBC decided to appropriate the money annually, based on the Department's projection of what it would spend each fiscal year. When the Department asked if it should treat the FY 2023-24 amounts as an annualization of the FY 2022-23 budget action or as a new request, the JBC

expressed a preference for a new request. Therefore, the budget shows a large decrease for the end of the one-time funds provided in FY 2022-23 and a large increase for a new appropriation of one-time funds in FY 2023-24.

**REALLOCATING UNDERSPENT FUNDS**

Part of the request includes reallocating funds that were previously appropriated and underspent or anticipated to be underspent. Several of the initiatives have taken longer than hoped to get going. Most of these dollar changes are small and generally the Department is asking to use the money for the same purpose but pushing the appropriation out. The table below summarizes where the Department proposes applying the underspent funds. More information about each of the categories can be found in the corresponding description under the Summary of Stimulus Spending Plan by Initiative section below.

Changes to Early Childhood Federal Stimulus Plan			
	FY 23-24	FY 24-25	FTE
<b>Colorado Child Care Assistance Program</b>			
Expand income eligibility for CCCAP	\$0	\$67,686	0.0
Continue reduced CCCAP copays	0	788,488	0.0
<b>Infant and Toddler Care</b>			
200 infant and toddler slots	1,000,000	711,281	0.0
Pay for infant and toddler enrollment not attendance	<u>200,000</u>	<u>2,670,546</u>	<u>0.0</u>
<i>Payments for enrollment for two years</i>	0	2,620,546	0.0
<i>CHATS programming changes to make payments</i>	200,000	50,000	0.0
<b>Equitable Access to Quality</b>			
Update CO Shines Quality Improvement Platform	100,000	0	0.0
Continue established quality initiatives	<u>692,742</u>	<u>222,685</u>	<u>1.0</u>
<i>Continue Preschool Development Grant quality initiatives</i>	592,742	182,685	1.0
<i>Child Care Resource and Referral &amp; Inclusive Design</i>	100,000	40,000	0.0
Stabilization/CIRCLE/and other grants	350,000	0	0.0
<b>Workforce</b>			
Professional Development	<u>37,500</u>	<u>10,980</u>	<u>0.0</u>
<i>Continue Preschool Development Grant strategies</i>	(487,500)	(162,500)	0.0
<i>Establish substitute fund</i>	400,000	136,740	0.0
<i>Help desk for Professional Development Info System</i>	125,000	36,740	0.0
Continue Recruitment and Retention Initiatives	<u>663,146</u>	<u>273,480</u>	<u>0.0</u>
<i>Apprenticeship program</i>	143,571	36,740	0.0
<i>Child Development Associate support specialist</i>	69,575	0	0.0
<i>TEACH scholarships</i>	250,000	0	0.0
<i>Teacher peer mentors</i>	0	36,740	0.0
<i>Workforce recruitment and retention scholarship</i>	200,000	200,000	0.0
Workforce Data & Systems	<u>250,000</u>	<u>250,000</u>	<u>0.0</u>
<i>PDIS operations maintenance and licensing costs</i>	250,000	250,000	0.0
<i>PDIS dashboard modernization</i>	0	0	0.0
<b>Family Strengthening</b>			
Child care outreach support in health care settings	26,861	94,193	0.0
Continue 25 mental health consultants	0	46,897	0.0
Continue health and mental health programs	0	36,740	0.0
<b>Local Capacity Building</b>			
Local capacity building partners	0	36,740	0.0
Local capacity building funding	(101,468)	0	0.0
<b>Administration</b>			
New monitoring, reporting, compliance FTE	64,410	156,029	0.0
Culturally & linguistically competent assistance	62,500	0	0.0
<b>Operating Budget Total</b>	<b>\$3,345,691</b>	<b>\$5,365,745</b>	<b>1.0</b>

## SUSTAINABILITY

Overall, the Department describes the request as thoughtfully designed to be one-time simulative investments that can end when the federal funds expire without a cliff effect for children, families, or providers. The request includes funds for evaluation and the Department plans to closely monitor the effectiveness of the initiatives. Based on the evaluations, the Department may request funding for some the most impactful initiatives in the future.

However, there are a few initiatives the Department describes as critical and the Department says it will work with the Office of State Planning and Budgeting to identify fund sources to sustain them, such as the on-going base CCDF award. There are only two ways the on-going base CCDF award could sustain these critical initiatives. First, the Department could cut some other current use of the on-going base CCDF award. The Department did not identify any potential cuts. Second, the on-going base CCDF award could increase based on federal budget actions. The most critical initiatives the Department says it needs to sustain are the *Continue increased CCCAP rates and paid absences* (\$16.4 million per year), *Continue reduced CCCAP co-pays* (\$3.2 million per year), and *Pay for infant and toddler enrollment not attendance* (\$10.5 million per year). Estimated costs may change with further information on actual utilization and the implementation of universal preschool. With current information, the estimated combined cost to sustain these three initiatives would be roughly \$30.0 million per year.

This characterization by the Department that there are three initiatives that need to be continued into the future helps identify the Department's highest priorities, but it understates the actual ongoing need. For example, increased *PDIS operations maintenance and licensing costs* and *Data and IT system administration* will not go away when the federal stimulus money expires. These are a couple of several examples where the Department's description of the initiative does not appear to align with one-time funding.

## BUILDING ON PREVIOUS FEDERAL STIMULUS FUNDS

The request is designed to build on and extend strategies developed and implemented previously with other sources of federal stimulus funds. The Department is already underway spending \$442.1 million in federal stimulus funds pursuant to plans approved through a combination of emergency executive orders and appropriations. The money for this request comes primarily from the ARPA discretionary award, plus \$5.8 million that had not yet been allocated from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, plus underspent funding from S.B. 21-236.

Federal Stimulus Child Care Development Funds Received	
	Amount
Coronavirus Aid, Relief, and Economic Security Act (CARES)	\$42,457,884
Coronavirus Response and Relief Supplemental Appropriations (CRRSA)	119,294,226
American Rescue Plan Act (ARPA)	
Supplemental Stabilization	286,156,175
Discretionary	178,914,747
<b>Total</b>	<b>\$626,823,032</b>

The state has until September 2024 to spend the ARPA discretionary supplemental award but all the other CCDF federal stimulus money must be spent by September 2023.

## EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. The Department did not identify any relevant evaluations to inform the analysis of the request.

## RECOMMENDATION

Staff recommends:

- Approval of the Department's proposed stimulus spending plan, which adds to \$402,730 federal CCDF more than the Department actually requested due to a technical error
- The addition of two footnote to provide budget flexibility for the Department

Staff recommends approval of the Department's proposed stimulus spending plan. This is a zero sum game such that if the JBC does not like one of the initiatives, then it needs to identify an alternate way to spend the money or the funds will revert when the federal authorization expires. The proposed initiatives appear consistent with the feedback the Department received during stakeholder engagement work and with the recommendations from previous studies of early childhood program needs, including the Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan.<sup>2</sup> Many of the proposals are to extend the duration of initiatives previously approved by the General Assembly until the federal funding runs out.

In addition, the JBC staff recommends adding two footnotes to provide budget flexibility for the Department to maximize the available federal funds for purposes approved by the General Assembly. Most of the federal funds in this request are from the ARPA discretionary supplemental award and must be "obligated" by the end of September 2023 and spent by the end of September 2024. This is the last chance the General Assembly will have during the regular budget cycle to direct the use of the funds. The supplemental process next year will be after the September 2023 deadline by which the funds must be "obligated". The Department has described a detailed plan, but there will almost certainly be delays in implementing some of the initiatives that prevent the Department from spending all of the appropriations.

To address potential delays in spending money appropriated for FY 2022-23, the JBC staff recommends a footnote allowing the Department to roll forward up to 10 percent of the appropriations from the ARPA discretionary supplemental award to FY 2023-24 for the same purpose. If the JBC approves the concept, the JBC staff will work with Legislative Legal Services on the wording.

Second, the JBC staff recommends a footnote for FY 2023-24 that would allow the Department to transfer unused money to priorities approved by the General Assembly. If there are continued spending delays into FY 2023-24, the Department may need to reallocate funds between initiatives to maximize the federal funds. The General Assembly could choose not to maximize the federal funds and instead return some of the money. However, if there are allowable uses that the General Assembly agrees are priorities, then giving the Department authority to transfer unused money to these priorities would increase the likelihood that the Department could spend the available federal funds. The footnote would effectively instruct the Department where to balance any leftover money. An essential

---

<sup>2</sup> The Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan can be found here: [https://static1.squarespace.com/static/5679be9605f8e24bd8be467a/t/5de967f17f43ba5febdac6ad/1575577605076/V2\\_REVISED112719\\_FINAL\\_SB63+Report.pdf](https://static1.squarespace.com/static/5679be9605f8e24bd8be467a/t/5de967f17f43ba5febdac6ad/1575577605076/V2_REVISED112719_FINAL_SB63+Report.pdf)

characteristic of any priority where the Department is going to balance is that the initiative needs to be quickly scalable. The JBC staff asked the Department for suggestions on where to balance and did not receive a response prior to the publication deadline for this document. Staff recommends that the JBC approve the footnote concept and ask the Department to provide suggestions for where to balance in time for consideration by the JBC in a staff comeback.

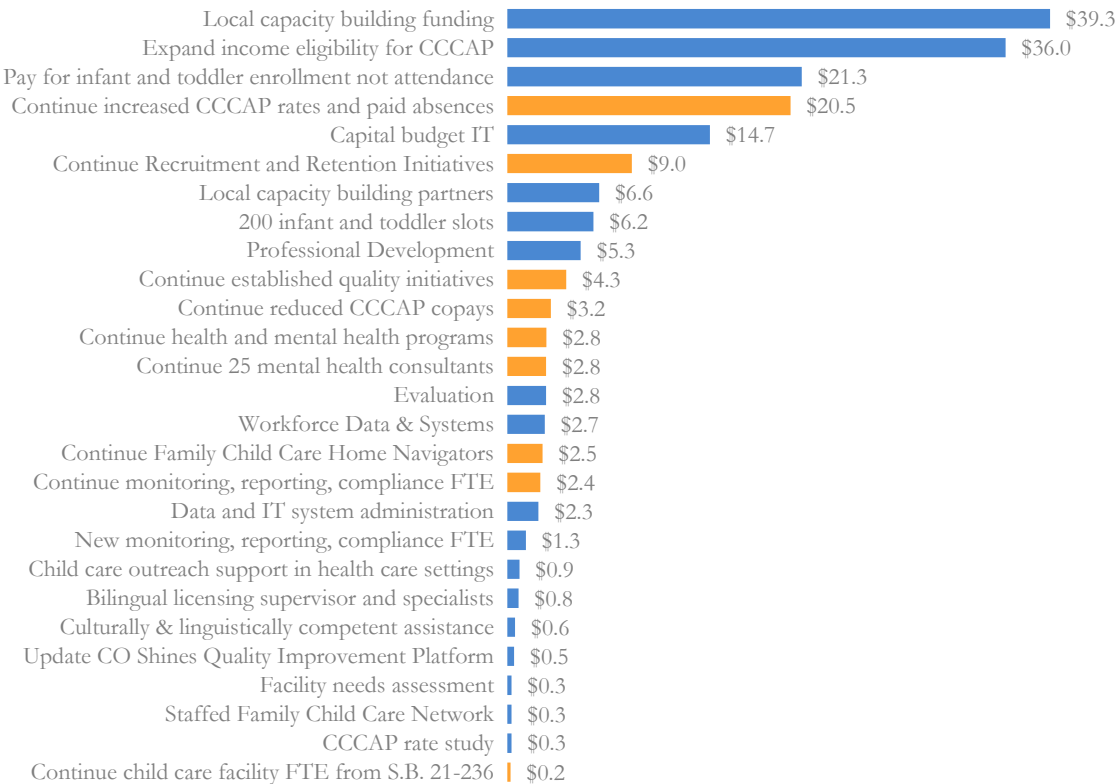
**VISUALIZING THE SPENDING PLAN**

In the Summary of the Stimulus Spending Plan by Initiative section below the JBC staff attempted to follow the format of the Department's request that organized the initiatives by broad categories, such as initiatives designed to address Infant and Toddler Care, Facilities, or Workforce. However, since the number of distinct initiatives is daunting, the JBC staff looked for other ways to organize the information to highlight the most important policy ramifications. The chart below organizes the initiatives by size and then uses color to distinguish initiatives that are extending the duration of strategies previously approved by the General Assembly in a bill versus strategies approved through the budget process.

Stimulus Spending Plan Initiatives by Size (cumulative \$s in millions)

New Strategies in Blue

Continuing Strategies in Orange



Some takeaways from the chart include:

- Most of the initiatives are individually small, with 18 of the 27 initiatives costing less than \$5.0 million for the initiative over the four state fiscal years
- A third of the initiatives and a quarter of the dollars are merely extending the duration of initiatives previously approved by the General Assembly by bill until the federal funds run out

- The largest initiatives include:
  - \$39.3 million (21.3%) for *Local capacity building funding*
  - \$36.0 million (19.5%) for *Expand income eligibility for CCCAP*
  - \$21.3 million (11.5%) for *Pay for infant and toddler enrollment not attendance*
  - \$20.5 million (11.1%) for *Continue increased CCCAP rates and paid absences*
  - \$14.7 million (7.9%) for *Capital budget IT*

SUMMARY OF THE STIMULUS SPENDING PLAN BY INITIATIVE

The table below summarizes the Department's updated stimulus spending plan by initiative and includes previously appropriated funds.

Early Childhood Federal Stimulus Spending Plan						
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Cumulative	FTE
<b>Colorado Child Care Assistance Program</b>						
Expand income eligibility for CCCAP	\$0	\$15,932,603	\$16,091,463	\$4,090,093	\$36,114,159	6.0
<i>Serve approx. 3,000 additional families</i>	0	15,489,869	15,489,869	3,872,008	34,851,746	0.0
<i>County training in quality assurance and program delivery</i>	0	442,734	601,594	218,085	1,262,413	6.0
Continue increased CCCAP rates and paid absences	0	0	16,386,638	4,096,660	20,483,298	0.0
Continue reduced CCCAP copays	0	0	3,153,957	788,488	3,942,445	0.0
CCCAP rate study	0	300,000	0	0	300,000	0.0
<b>Infant and Toddler Care</b>						
200 infant and toddler slots	0	3,108,434	4,101,434	736,640	7,946,508	1.0
Pay for infant and toddler enrollment not attendance	0	10,830,346	10,680,346	2,670,546	24,181,238	0.0
<i>Payments for enrollment for two years</i>	0	10,480,346	10,480,346	2,620,546	23,581,238	0.0
<i>CHATS programming changes to make payments</i>	0	350,000	200,000	50,000	600,000	0.0
<b>Support for Family Child Care Homes</b>						
Continue Family Child Care Home Navigators	0	0	2,032,518	508,129	2,540,647	0.0
Bilingual licensing supervisor and specialists	0	369,789	348,789	87,197	805,775	3.0
Staffed Family Child Care Network	0	100,000	180,000	20,000	300,000	0.0
<b>Facilities</b>						
Continue child care facility FTE from S.B. 21-236	0	114,886	114,886	0	229,772	1.0
Facility needs assessment	0	300,000	0	0	300,000	0.0
<b>Equitable Access to Quality</b>						
Update CO Shines Quality Improvement Platform	100,000	200,000	300,000	0	600,000	0.0
Continue established quality initiatives	23,959	428,798	4,050,980	1,022,244	5,525,981	0.0
<i>Continue Preschool Development Grant quality initiatives</i>	23,959	428,798	1,378,462	474,115	2,305,334	0.0
<i>Business Training</i>	0	0	190,000	0	190,000	0.0
<i>Child Care Resource and Referral &amp; Inclusive Design</i>	0	0	2,132,518	548,129	2,680,647	0.0
Stabilization/CIRCLE/ and other grants	0	0	350,000	0	350,000	0.0
<b>Workforce</b>						
Professional Development	125,000	1,788,156	2,898,037	551,684	5,362,877	2.0
<i>Continue Preschool Development Grant strategies</i>	0	200,042	784,923	231,634	1,216,599	0.0
<i>Establish substitute fund</i>	0	601,834	1,001,834	136,740	1,740,408	1.0
<i>Help desk for Professional Development Info System</i>	125,000	986,280	1,111,280	183,310	2,405,870	1.0
Continue Recruitment and Retention Initiatives	0	0	9,662,298	273,480	9,935,778	2.0
<i>Apprenticeship program</i>	0	0	1,143,571	36,740	1,180,311	1.0
<i>Child Development Associate support specialist</i>	0	0	744,575	0	744,575	0.0
<i>Free public tuition Early Childhood Education 101 and 103</i>	0	0	1,399,731	0	1,399,731	0.0
<i>TEACH scholarships</i>	0	0	1,250,000	0	1,250,000	0.0
<i>Teacher peer mentors</i>	0	0	187,232	36,740	223,972	1.0

Early Childhood Federal Stimulus Spending Plan						
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Cumulative	FTE
<i>Workforce recruitment and retention scholarship</i>	0	0	4,937,189	200,000	5,137,189	0.0
Workforce Data & Systems	500,000	1,200,000	1,250,000	250,000	3,200,000	0.0
<i>PDIS operations maintenance and licensing costs</i>	500,000	1,000,000	1,250,000	250,000	3,000,000	0.0
<i>PDIS dashboard modernization</i>	0	200,000	0	0	200,000	0.0
<b>Family Strengthening</b>						
Child care outreach support in health care settings	125,591	376,772	403,633	94,193	1,000,189	0.0
Continue 25 mental health consultants	0	160,000	2,648,107	46,897	2,855,004	1.0
Continue health and mental health programs	0	0	2,830,000	36,740	2,866,740	1.0
<b>Local Capacity Building</b>						
Local capacity building partners	0	5,273,021	2,954,021	758,310	8,985,352	1.0
Local capacity building funding	0	17,319,546	19,530,078	0	36,849,624	0.0
<b>Administration</b>						
Continue monitoring, reporting, compliance FTE	0	291,817	1,845,303	260,623	2,397,743	18.0
New monitoring, reporting, compliance FTE	64,410	592,887	615,297	293,751	1,566,345	6.0
Evaluation	0	0	2,302,476	500,000	2,802,476	0.0
Culturally & linguistically competent assistance	62,500	250,000	312,500	0	625,000	0.0
Data and IT system administration	(5,150,000)	1,000,000	1,000,000	250,000	(2,900,000)	0.0
<i>Data and IT system administration</i>	0	1,000,000	1,000,000	250,000	2,250,000	0.0
<i>Reduce operating budget IT in S.B. 21-236</i>	(5,150,000)	0	0	0	(5,150,000)	0.0
<b>Operating Budget Total</b>	<b>(\$4,148,540)</b>	<b>\$59,937,055</b>	<b>\$105,692,760</b>	<b>\$17,335,675</b>	<b>\$178,816,950</b>	<b>42.0</b>
Capital budget IT	0	14,650,000	0	0	14,650,000	0.0
<b>Grand Total</b>	<b>(\$4,148,540)</b>	<b>\$74,587,055</b>	<b>\$105,692,760</b>	<b>\$17,335,675</b>	<b>\$193,466,950</b>	<b>42.0</b>

**COLORADO CHILD CARE ASSISTANCE PROGRAM**

*EXPAND INCOME ELIGIBILITY FOR CCCAP*

The Department proposes spending \$36.1 million (approximately \$16 million per year), or 19.5 percent of the total funds, and 6.0 FTE to temporarily expand the income eligibility for the Colorado Child Care Assistance Program (CCCAP) to serve approximately 3,000 more families. The average cost per additional eligible family implied in the request is \$5,163. CCCAP eligibility is based on the cost of living in a county. Tier 1 counties have the lowest cost of living and Tier 3 counties the highest cost. The initiative is designed to provide the biggest increase in eligibility in the lowest income counties. The associated 6.0 time-limited FTE would administer the eligibility expansion, including providing training to counties to ensure quality and proper program delivery.

EXPAND INCOME ELIGIBILITY FOR CCCAP			
	TIER 1 COUNTY	TIER 2 COUNTY	TIER 3 COUNTY
Eligibility Expansion			
Current % FPL	185%	225%	265%
Proposed % FPL	200%	235%	270%
Impact on a Family of Three			
Current Income Cap	\$42,606	\$51,818	\$61,030
Proposed Income Cap	\$46,060	\$54,121	\$62,181

The Department would work with counties on the timing to phase out the expanded eligibility as the federal funds expire to ensure there are sufficient funds to pay for all the newly eligible families. The average length of care on CCCAP is eight months. This is not intended as an ongoing strategy but a temporary eligibility expansion.



The Department assumes most of the families already have child care and this initiative would change the source of funds from private pay to subsidized care. However, the Department anticipates some families will need placement into child care and notes that the eligibility expansion initiative builds off previous stimulus funds intended to increase child care capacity and improve workforce retention.

#### *CONTINUE INCREASED CCCAP RATES AND PAID ABSENCES*

The Department proposes spending \$20.5 million, or 11.1 percent of the total, to continue increased CCCAP rates and paid absences for FY 23-24 and the first quarter of FY 24-25. The Department previously increased rates and paid absences through FY 22-23 using federal stimulus funds through the CRSSA Act. The changes in rates and paid absences were made to comply with federal guidelines regarding equal access and the Department will need to find a way to continue paying the higher amounts when the federal stimulus funds run out.

#### *CONTINUE REDUCED CCCAP COPAYS*

The Department proposes \$3.9 million to continue lower family copays for another year through FY 23-24. Lower family copays were implemented in response to the pandemic using federal stimulus funds through the CARES Act, but the Department indicates lowering the copays was an urgent need before the pandemic and the Department describes this as one of the critical strategies that should be sustained after the federal stimulus funds expire. The copay schedule uses a sliding scale based on income. The current copay schedule caps the family contribution at 10 percent of family income for the highest earners.

#### *CCCAP RATE STUDY*

The Department was appropriated \$300,000 one-time in FY 22-23 to study an alternate method of paying CCCAP providers based on the cost of care, rather than market rates. According to the Department, in many regions market rates are below what it costs to provide quality care, because consumers can't afford higher rates. As a result, when CCCAP pays based on market rates the revenue to the providers is not sufficient to support quality care. The cost of the rate study is one-time, but presumably the new rate methodology will result in higher costs to pay providers.

### **INFANT AND TODDLER CARE**

#### *200 INFANT AND TODDLER SLOTS*

The Department proposes spending \$7.9 million (\$3.1 million per year) for 200 additional infant and toddler placements for FY 22-23 and FY 23-24. The Department is working with existing Early Head Start – Child Care Partnership (EHS–CCP) sites. These EHS–CCP sites are serving families on waitlists by recruiting new family child care home providers to become licensed and by partnering with existing licensed family child care homes and child care centers. Infant and toddler care is especially expensive due to low ratios of children to teachers, driving affordability challenges at all quality levels. The implied cost per infant and toddler placement in the request is \$15,542. The funding is being distributed based on an application process that prioritizes geographic distribution and services in child care deserts. The funding includes 1.0 FTE to evaluate the applications and administer the payments.

#### *PAY FOR INFANT AND TODDLER ENROLLMENT NOT ATTENDANCE*

The Department proposes spending \$24.2 million (\$10.5 million per year), or 11.5 percent of the total, to pay for infant and toddler enrollment, rather than attendance, for FY 22-23 and FY 23-24. Providers

need to be ready for children who are enrolled regardless of whether those children show up. The Department somewhat mitigates the financial impact when children do not attend by paying for a limited number of absences. In contrast, private pay clients pay to reserve an enrollment slot, regardless of whether their child attends on a given day. According to the Department, this difference in payment methods is one of the primary barriers to expanding the number of participating providers. The Department views changing the payment method as essential to addressing the shortfall in participating infant and toddler providers and argues that the change needs to continue after the federal stimulus funds expire.

## **SUPPORT FOR FAMILY CHILD CARE HOMES**

### *CONTINUE FAMILY CHILD CARE HOME NAVIGATORS*

The Department proposes spending \$2,540,647 to continue funding Family Child Care Home Navigators in FY 23-24 and through the first quarter of FY 24-25. The navigators were originally financed with federal stimulus funds through CRSSA and they provide support and training to family child care providers through the Early Childhood Councils. The Department notes that the Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan argued that often isolated existing family child care home providers and those interested in becoming licensed needed greater connection to existing resources to support successful operations. The Department says continuing the program will provide more time for evaluating the efficacy of this role in addressing the declining availability of family child care homes.

### *BILINGUAL LICENSING SUPERVISOR AND SPECIALISTS*

The Department proposes spending \$805,775 (approximately \$350,000 per year) and 3.0 FTE from FY 22-23 through the first quarter of FY 24-25 for targeted support to non-English speaking providers seeking to become licensed. The request is partly in response to S.B. 20-077 (Gonzalez/Benavidez & Kipp) and S.B. 20-199 (Jaquez Lewis & Winter/Esgar & Gonzalez Gutierrez) that removed residency requirements for child care licensure. The Department argues that family child care providers are particularly important sources of culturally responsive care in immigrant, refugee, and rural communities and the Department wants to expand the licensed network. Clearer licensing guidance was another recommendation of the Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan.

### *STAFFED FAMILY CHILD CARE NETWORK*

The Department proposes spending \$300,000 to pay the Early Childhood Councils to pilot a Staffed Family Child Care Network to support the professional development, quality improvement, and business acumen and administration of participating family child care homes. Services might include peer mentorship, business supports such as access to shared technology, personalized assistance through the licensing process, and quality improvement supports. This is a new pilot program but fits within the existing statutory authority<sup>3</sup> for the Department to work with the Early Childhood Councils to increase and sustain the quality, accessibility, capacity and affordability of early childhood services. The Colorado Senate Bill 19-063: Infant and Family Child Care Action Plan recommended a Staffed Family Child Care Network to support shared training opportunities and business supports for prospective and existing family child care home providers

---

<sup>3</sup> Section 26-6.5-104 (2)(c), C.R.S.



## **FACILITIES**

### *CONTINUE CHILD CARE FACILITY FTE FROM S.B. 21-236*

The Department proposes \$229,772 to continue funding for 1.0 FTE appropriated in S.B. 21-236 to administer the Employer-based Child Care Facility Grant Program through FY 2023-24. Although the Department expects the grant program funding and associated contracts will be completed by FY 2022-23, there will be an ongoing need to monitor grantees to ensure that they complete the licensing process they committed to and to provide technical assistance as they do so. Additionally, this FTE is overseeing the Facility Needs Assessment described below. The Employer-based Child Care Facility Grant Program was financed with General Fund, because federal regulations prohibit the Child Care Development Funds from being used for construction, but the Department indicates Child Care Development Funds can be used to pay for staff to administer the grant program.

### *FACILITY NEEDS ASSESSMENT*

The Department was appropriated \$300,000 in FY 2022-23 to contract for a facility needs assessment. The CCDF cannot be used for capital construction but it can pay for this type of analysis. The needs assessment will identify underutilized space that would need only minor renovations to become child care classrooms. The assessment is also collecting data on whether providers own space versus lease space, costs per square foot, and "property tax opportunities." The Department indicates the information will be used by the *Local capacity building partners* described below and to inform future legislation and budget requests.

## **EQUITABLE ACCESS TO QUALITY**

### *UPDATE CO SHINES QUALITY IMPROVEMENT PLATFORM*

The Department proposes \$500,000 over three years to update the Colorado Shines Quality Improvement Platform internal controls to avoid fraudulent activity and mitigate the risk of data breaches. The enhancements will also improve data reporting on funds used to support child care quality.

### *CONTINUE ESTABLISHED QUALITY INITIATIVES*

The Department proposes \$4.3 million to continue previously created quality initiatives, including Preschool Development Grants for quality, business training, Child Care Resource and Referral activities by Early Childhood Councils, and technical support by Early Childhood Councils for inclusive and universal design in early childhood settings.

## **WORKFORCE**

### *PROFESSIONAL DEVELOPMENT*

The Department proposes \$5.3 million for several professional development strategies. The Department would like \$1.9 million to continue strategies that were part of the Preschool Development Grant, including continuing subsidizing the Child Care Development Associate credential and workforce coaching. The Department proposes \$1.2 million and 1.0 FTE to establish a new substitute fund to allow providers to take time off for professional development, based on a similar program in Washington State. The substitute fund is a new program that fits in existing statutory authority<sup>4</sup> that allows the Department to pay licensed providers for release time for pursuing training. Finally, the Department proposes \$2.2 million and 1.0 FTE to bolster technical support for people taking on-line courses through the Professional Development Information System (PDIS).

### *CONTINUE RECRUITMENT AND RETENTION INITIATIVES*

The Department proposes \$9.0 million and 2.0 FTE to continue recruitment and retention initiatives funded with previous federal stimulus money for another year through FY 2023-24. These initiatives include an apprenticeship program (includes 1.0 FTE), Child Development Associate support specialists, free public higher education tuition for Early Childhood Education 101 and 103 courses, funding Teacher Education and Compensation Helps (TEACH) Early Childhood scholarships, teacher peer mentors (includes 1.0 FTE), and workforce recruitment and retention scholarships.

### *WORKFORCE DATA AND SYSTEMS*

The Department requests \$2.7 million for information technology systems to track workforce data. Of the total, \$2.5 million is for increased operations maintenance and licensing costs for the Professional Development Information System (PDIS) and would presumably be an on-going need. The remaining \$200,000 is for one-time costs to develop a dashboard that integrates information from background investigations, the PDIS, the Quality Rating and Improvement System, and child care licensing data. According to the Department, the automated dashboard would provide information on the size of the workforce, roles, geographic distribution, demographics, and turnover. The Department says the dashboard would eliminate the need for manual comparisons between the data systems to develop this information and allow for more frequent updates of the information.

## **FAMILY STRENGTHENING**

### *CHILD CARE OUTREACH SUPPORT IN HEALTH CARE SETTINGS*

The Department requests \$879,135 for vendors to distribute content on child development, quality child care, and family supports to parents with young children in health care settings. The request is based on feedback from parents that health care providers are trusted messengers for information about community supports.

### *CONTINUE 25 MENTAL HEALTH CONSULTANTS*

The Department proposes \$2.8 million and 1.0 FTE to continue an expansion of the Early Childhood Mental Health (ECMH) consultants by 25 positions statewide. The ECMH consultants work with early childhood professionals to address both challenging and concerning behaviors in children and the well-being of the providers.

---

<sup>4</sup> Section 26-6-805 (5)(e), C.R.S.

*CONTINUE HEALTH AND MENTAL HEALTH PROGRAMS*

The Department requests \$2.8 million and 1.0 FTE to continue supporting subsidies for providers to participate in evidence-based support programs like Incredible Years, Pyramid, and Conscious Discipline.

**LOCAL CAPACITY BUILDING**

*LOCAL CAPACITY BUILDING PARTNERS*

The Department requests \$6.6 million (\$3.0 million per year) and 1.0 FTE to fund regional local capacity building partners and to oversee the partnerships for FY 22-23, FY 23-24, and the first quarter of FY 24-25. The regional partners would survey local capacity and develop regional strategies to build capacity to implement universal preschool. Once the survey is complete, they would access the local capacity building funds described below. They would be responsible for setting and meeting key performance metrics for the region. The partners would be selected through a competitive bidding process and would need to provide a letter of support from Early Childhood Councils in their catchment area. An Early Childhood Council could bid to be a partner. The Department of Early Childhood Transition Plan recommends an evaluation of community readiness and promoting and supporting community leadership and the Colorado Universal Preschool Recommendations propose local leads. The Department has statutory authority<sup>5</sup> for contracts to provide community infrastructure and resource development for improving the quality of early childhood education.

*LOCAL CAPACITY BUILDING FUNDING*

The Department proposes spending \$39.3 million over FY 22-23 and FY 23-24 for purchasing furniture and equipment for new preschool classrooms (with a priority for energy efficiency considerations), providing curriculums and training to new preschool providers, and establishing local child care management information systems. The federal CCDF cannot be used directly for construction but the Department maintains that it can be used for adjacent purposes like furniture and equipment.

**ADMINISTRATION**

*CONTINUE MONITORING, REPORTING, COMPLIANCE FTE*

The Department requests \$2.4 million to continue funding for another year for 18.0 FTE responsible for monitoring, reporting, and compliance. These FTE were originally appropriated to manage initiatives where the federal funds expire in September 2023. The Department indicates their duties would evolve to perform the same kind of work for the new and continuing initiatives in this request.

*NEW MONITORING, REPORTING, COMPLIANCE FTE*

The Department requests \$1.3 million from FY 21-22 through FY 24-25 for six new time limited monitoring, reporting, and compliance FTE to help administer the federal stimulus money. Specifically, the Department proposes two human resource specialist positions to accelerate hiring, a communications position, two fiscal and contracts monitoring positions, and an administration position.

---

<sup>5</sup> Section 26-6.5-106 (8)(c)(III), C.R.S.

*EVALUATION*

The Department requests \$2.8 million over FY 23-24 and FY 24-25 to contract for evaluations of the initiatives proposed in this request. The Department says it wants to assess the reach and effectiveness of the activities as well as answer questions about what new data can and should be collected to inform decision making and which efforts should be considered for continued funding into the future.

*CULTURALLY & LINGUISTICALLY COMPETENT ASSISTANCE*

The Department requests \$562,500 over FY 21-22 through FY 23-24 for contract technical assistance to historically under-resourced providers, families, educators, and communities to ensure they have equitable access to the federal stimulus funding.

*DATA AND IT SYSTEMS*

The Department requests \$2.3 million (\$1.0 million per year until the federal funds expire at the end of the first quarter of FY 24-25) for the administration and maintenance of the early childhood data systems described below under the *Capital budget IT* initiative. This is a rough estimate and the Department indicates the money might be used for contract services or state FTE because the Department has not yet settled on the optimal strategy.

In addition, the Department proposes a reduction of \$5.2 million from the appropriations in S.B. 21-236 for information technology project design work. Instead, the Department proposes folding this \$5.2 million into the *Capital budget IT* project described below.

*CAPITAL BUDGET IT*

The Department requests \$14.7 million spending authority in the capital construction budget for early childhood information technology systems. The \$14.7 million includes \$9.5 million new funds from the ARPA CCDF discretionary supplemental funds plus \$5.2 million that was previously appropriated from different federal stimulus funds for planning and design work. Through some combination of new systems and modifying existing systems the Department wants to collect child-level data across programs through a unique identifier, support parents with a single application and unified eligibility for early childhood programs, collect real-time child care supply and demand data, administer payments to providers for universal preschool including managing child count processes, support providers in blending and braiding funds through unified data collection and payment systems, and create a central data warehouse for research and analytics.

## → R8 RECORDS AND REPORTS CASH FUND

**REQUEST**

The Department requests that the JBC *sponsor legislation* to separate the Records and Reports Cash Fund from unrelated costs of the Department of Human Services. The net results would be a transfer of 2.0 FTE from the Department of Early Childhood to the Department of Human Services, an increase of \$1,208,889 General Fund statewide, and avoidance of a \$1.2 million increase in fees that would otherwise be required.

The Records and Reports Cash Fund receives fees paid for background checks of child abuse or neglect and covers the Department's administrative costs in providing the information. The fund also currently supports the Child and Adult Mistreatment Dispute Review Section (CAMDRS) in the Department of Human Services. CAMDRS reviews appeals of county decisions involving individuals with a substantiated finding of child abuse or neglect or mistreatment of an at-risk adult. The primary costs of CAMDRS are legal costs, which have risen from \$167,677 in FY 2017-18 to \$822,672 in FY 2021-22.

The Department argues that there is no direct connection between the people on whom the Department performs background checks and the people appealing county findings of abuse or neglect. The majority of the Department's background checks are on people seeking employment to work with vulnerable children. The majority of the CAMDRS appeals involve family members of the alleged victim.

The revenue to the Records and Reports Cash Fund is more than sufficient to cover the cost of the Department's background checks. If the fund must continue to support the CAMDRS reviews, then the Department estimates it will need to raise background check fees from \$35 to \$55 to cover increasing costs for the CAMDRS, having a negative impact on early childhood providers that pay the majority of the fees. Also, the Department of Early Childhood will continue to be in a position of managing the fees to pay for costs it does not control or oversee that are associated with the Department of Human Services' CAMDRS. If General Fund is appropriated to support the CAMDRS instead of requiring the Records and Reports Cash Fund to support it, then the Department could reduce the background check fees from \$35 to \$30 while still maintaining a sufficient reserve in the fund.

### RECOMMENDATION

Staff recommends delaying consideration of the request pending additional information. The policy changes proposed by the Department make sense. The location of the FTE should be aligned with the programs and departments they serve. Using General Fund to support CAMDRS instead of the Records and Reports Cash Fund better aligns who pays the fees with who benefits from the services provided. Using General Fund avoids a fee increase that would otherwise be necessary, which would then just increase the General Fund obligation for a TABOR refund under current revenue projections. The problem is that the departments have not yet been able to explain how they supported actual expenditures in prior years that exceeded the spending authority from the Records and Reports Cash Fund. If the departments were able to support those expenditures in prior years from existing resources, then perhaps the Department of Human Services does not actually need an increase of \$1.2 million General Fund.

According to the departments, the requested \$1.2 million General Fund increase is based on comparing available revenues to actual expenditures in prior years for CAMDRS and the background investigation unit. The JBC staff has no reason to question the level of actual expenditures reported by the departments. What isn't clear to the JBC staff is where the money came from to pay for those actual expenditures in the prior year and whether that source of revenue is still available to support a similar level of expenditure in FY 2023-24. Without that information, the JBC staff can't evaluate whether the requested increase is reasonable and necessary.

## → R9 CHILD SEXUAL ABUSE PREVENTION TRAINING

### REQUEST

The Department requests \$150,000 General Fund on-going for child sexual abuse prevention training. House Bill 18-1064 authorized this training but in FY 2020-21 the funding was eliminated in response to projected COVID-related budget shortfalls. The Department continued the training at the expense of other programs normally supported by the Child Abuse Prevention Trust Fund, including parenting education, professional development, and research. For FY 2022-23, the JBC added \$150,000 General Fund for child sexual abuse prevention training, but the motion during Long Bill budget balancing indicated that the funding was intended to be one-time without any further explanation of the rationale. The training is provided to approximately 1,500 people who work with children annually.



## EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as evidence-informed. When a request item is designated ‘evidence-informed’ it means that the program “reflects a moderate, supported, or promising level of confidence related to the effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure.” (Section 2-3-210 (2)(a), C.R.S.)

The evidence cited by the Department indicates that after receiving training 99 percent of participants reported they were willing to intervene if they saw someone engage in risky behavior with a child and 97 percent reported that they would be vigilant in creating and respecting boundaries. But this underwhelming analysis by the Department doesn't do the program justice.

There have been at least eight studies of the program<sup>6</sup> and all found positive results among participants including increased knowledge on how to prevent, recognize, and react to child sexual abuse. One study used a randomized controlled trial and found persistent changes in child protective behaviors 3-4.5 months after training. Examples of the child protective behaviors measured in the evaluation include preventing adults from having unsupervised time with children, talking to a child about child sexual abuse, talking to another adult about child sexual abuse, calling a child sexual abuse hotline, and reporting child sexual abuse to authorities. Perhaps the most compelling was a study of 79,544 Texas educators who took the training alone or in tandem with Texas Mandated Reporter training that found in the year following training that these educators increased their reports of child sexual abuse by 283 percent compared to career averaged reports in the year prior to training.

## RECOMMENDATION

Staff recommends approval of the request. The available evidence does not indicate whether the program reduces child sexual abuse, but it suggests that the program is effective at improving awareness, changing behaviors in ways that could reasonably be expected to protect children, and increasing reporting that could lead to interventions. The JBC staff does not know why the JBC members indicated in their motion last year that the funding was intended to be one-time. From a policy perspective, on-going funding seems far more likely to achieve a lasting impact. Much of the training is about changing culture and practice norms in settings where adults work with children. Stacking the training across generations of workers and across providers sounds more likely to result in new norms statewide than one-time funding to a subset of providers.

## → R10 PROVIDER RATES

### REQUEST

The Department requests \$6.4 million total funds, including \$2.9 million General Fund, for a 3.0 percent common policy provider rate increase. The affected programs include Family Resource Centers, Colorado Child Care Assistance Program, community contracts for child care licensing, Early Intervention, Home Visiting, Child Maltreatment Prevention, Early Childhood Mental Health Services, and Social-Emotional Learning Grant Programs.

<sup>6</sup> <https://www.d2l.org/wp-content/uploads/2020/01/StewardsofChildren-EvidenceInformedPreventionTraining-2020.pdf>

## RECOMMENDATION

Staff recommends the requested increase consistent with the JBC's common policy for community provider rates.

### → R11 NURSE HOME VISITOR PROGRAM

#### REQUEST

The Department requests \$969,704 cash funds from tobacco settlement money deposited in the Nurse Home Visitor Program Fund for FY 2023-24, increasing to \$2,055,966 cash funds in FY 2024-25, to increase provider rates and address rising overhead costs, such as licensing and training fees. The request amounts to a 3.8 percent increase in FY 2023-24 and a 4.3 percent increase in FY 2024-25.

Through the Nurse Home Visitor Program, first-time parents with income below 200 percent of the federal poverty guidelines who choose to participate are paired with a registered nurse early in their pregnancy and receive home visits until the child turns two. The nurses receive training in a national Nurse-Family Partnership model and receive nursing consultation and continuing education from Invest in Kids. The University of Colorado monitors data to ensure fidelity to the model as tested in the original randomized controlled trials.

Historically, the program has not been included in the community provider rate common policy because the appropriations were tied to the revenue in the Nurse Home Visitor Program Fund. However, the General Assembly typically revisits the appropriation every few years to adjust provider rates.

Each year, 26.7 percent of tobacco master settlement money is deposited in the Nurse Home Visitor Program Fund<sup>7</sup> for grants to providers and associated state administrative costs. Any unused money remains in the fund and available for future appropriation. Pursuant to Section 26.5-3-507 (2)(d), C.R.S., "it is the intent of the general assembly that general fund money not be appropriated for implementation of the program."

The revenue to the Nurse Home Visitor Program Fund is not keeping pace with expenditures. House Bill 16-1408, sponsored by the JBC, changed the distribution of tobacco settlement money and increased the allocation to the Nurse Home Visitor Program Fund. When promoting the bill concept to the rest of the JBC, Senator Steadman said the intent was to build a fund balance that could then be spent down over time, pushing out the date when the Nurse Home Visitor Program Fund would be insolvent. With current expenditure trends, the Department projects the fund balance and new annual revenue to the Nurse Home Visitor Program Fund will be sufficient through FY 2026-27. Beyond that time, an alternative source of funds will need to be identified or expenditures will need to be decreased.

The Department says it is working on alternative fund sources to make the program more sustainable long term. Some of the strategies being implemented or explored include:

- The Department created a Medicaid billing guide and training materials to ensure services are billed to Medicaid when eligible

---

<sup>7</sup> Section 26.5-3-507 (2)(e), C.R.S.

- To ease administration and maximize Medicaid support, the Department is exploring with the Department of Health Care Policy and Financing ways to include allowable services in the maternity bundle
- The Department contracted with Start Early to research using TANF funds for home visiting, including a case study in Adams County. The Home Visiting Investment Task force is developing educational materials for counties to increase uptake of this local funding strategy.
- Congress reauthorized the Maternal, Infant, Early Childhood Home Visiting program. Any increase in this federal funding stream could support additional sites.

In FY 2021-22 the Nurse Home Visitor Program served 3,671 children and completed 39,325 visits. Some of the program outcomes reported by the Department include:

- 20.8% reduction in smoking during pregnancy
- 9.1% preterm birth rate for clients who enrolled during pregnancy
- 11.7% low birth weight rate for clients who enrolled during pregnancy
- 95.9% of clients initiate breastfeeding for clients who enrolled during pregnancy
- 91.9% immunization rate of 24-month old infants
- 69% of infants received a developmental screening at 4 months and 65% at 10 months
- 2.9% clients had subsequent pregnancies at 6 months postpartum; 10.2% at 12 months and 21.9% at 18 months
- 48.4% of clients (18 and older at intake) were working at 6 months postpartum; 57.2% at 18 months postpartum.

#### EVIDENCE LEVEL

The Department indicated this request is proven, but staff believes that this request should be classified as not applicable. There are multiple high quality randomized controlled trials that have found the nurse-family partnership model results in improved health and life outcomes for the child and mother. However, this is a request for a provider rate increase. The Department did not present any studies suggesting that an increase in provider compensation will result in improved outcomes.

#### RECOMMENDATION

Staff recommends applying the JBC's common policy for a 3.0 percent community provider rate increase. The ostensible reason the program was not included in the common policy provider rate adjustment in prior years was that the funding was tied to the revenue into the Nurse Home Visitor Program Fund. However, the program is now spending more than the annual revenue to the Nurse Home Visitor Program Fund and dipping into reserves while the Department and advocates seek a long-term solution. The direct connection between the annual revenue and the appropriation has effectively been severed.

The reason for a common policy is to try to treat different providers similarly. The Department did not make a case for why this provider should get a 3.8 percent increase this year and a 4.3 percent increase next year when other providers are getting only a 3.0 percent increase this year with no guarantees about next year. There are many providers who could say that they are facing staff recruitment and retention challenges.

The difference between the staff recommended 3.0 percent increase and the requested 3.8 percent increase is \$236,824 cash funds. Because there is a dedicated cash fund for the program, approving the request would not squeeze out other providers or priorities that rely on the General Fund, at least not in the short term. However, in the long run it would spend down the balance in the Nurse Home Visitor Program Fund more quickly, hastening when an alternative fund source needs to be identified or program expenditures need to be cut.

It does not appear that there are any catch-up payments needed because this provider missed out on common policy rate adjustments in prior years. The Nurse Home Visitor Program got a 3.1 percent increase in FY 2022-23 when the common policy provider rate adjustment was 2.0 percent.

## → R12 EARLY CHILDHOOD QUALITY

### REQUEST

The Department requests a reduction of \$400,000 General Fund from the Early Childhood Quality and Availability line item based on historic under expenditures. The Department says there are several potential explanations for the underutilization of the funding, including: providers that may not want to engage with the state's child care quality improvement system, known as the Colorado Shines Quality Rating and Improvement System, or with their local Early Childhood Councils; low provider bandwidth for new initiatives due to continuing challenges in navigating the effects of the pandemic; and recent significant provider investments in quality improvements using one-time federal funding. In addition, the Department says providers may underspend their allocations due to ordering delays, changes in priorities, or disenrollment.

### EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. The Department did not identify any relevant evaluations to inform the analysis of the request. The request reflects the actual and projected utilization of the appropriation.

### RECOMMENDATION

Staff recommends approval of the request. At the hearing the JBC asked whether the Department should implement program modifications to get more of the money distributed for the intended purpose, rather than reducing the funding level. The Department's response highlighted issues with the capacity of Early Childhood Councils to provide coaching for more grants and with providers that are not motivated to take on the administrative burden of moving up in the Colorado Shines Quality Rating Improvement System because they have waitlists for services without the higher credential. The Department will be using workforce grants to try to increase the number of credentialed quality improvement coaches within communities. In addition, the Department is leveraging child care navigators financed with federal stimulus funds and the licensing process to try to raise awareness of the availability and benefit of the quality improvement grants. Despite these efforts, the Department does not believe it will spend the full appropriation if the FY 2022-23 funding level is provided in FY 2023-24.

## → R13/S3/BA3 TRANSFERS BETWEEN DHS AND DEC

### REQUEST

In R13 the Department proposed transfers between the Department of Human Services and the Department of Early Childhood and then in S3 and the associated BA3 the Department proposed further transfers to continue the creation of the new department and align staffing and resources with the statutory functions of the departments. There were corresponding non-prioritized requests submitted by the Department of Human Services, the Office of Information Technology in the Governor's Office, and the Department of Public Health and Environment.

Unfortunately, the departments acknowledge there were technical errors in the requests that resulted in double counting of a portion of the savings in the Department of Human Services, undercounting of the FTE reductions in the Department of Human Services, undercounting of the resources for the Office of Information Technology, and misallocations of the proposed changes by fund source. Further complicating matters, the original requests proposed starting some of the changes in FY 2022-23, but this was not approved by the JBC, so the phasing of costs by fiscal year in the original requests is not comparable to what the JBC is now considering. Finally, some of the leased space changes were buried in the Capitol Complex Leased Space common policy without a separate request. For these reasons, the original requests summarized in the table below are not all that relevant, accurate, or reflective of what the Department is actually trying to accomplish.

Original Request R13/S3/BA3						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 23-24</b>						
Early Childhood						
R13	\$428,650	\$316,798	(\$204,946)	\$316,798	\$0	5.5
S3/BA3	<u>561,257</u>	<u>443,450</u>	<u>54,488</u>	<u>(1,026,444)</u>	<u>1,089,763</u>	<u>14.7</u>
TOTAL - Early Childhood	989,907	760,248	(150,458)	(709,646)	1,089,763	20.2
Human Services						
NP-08	(685,530)	(316,800)	167,646	(397,563)	(138,813)	(5.5)
NPBA-04	<u>(1,405,014)</u>	<u>0</u>	<u>0</u>	<u>(1,405,014)</u>	<u>0</u>	<u>0.0</u>
TOTAL - Human Services	(2,090,544)	(316,800)	167,646	(1,802,577)	(138,813)	(5.5)
Office of Information Technology						
NPBA-01	(1,521,320)	0	0	(1,521,320)	0	0.0
Public Health						
NPBA-06	(307,461)	0	0	(307,461)	0	0.0
<b>TOTAL -- FY 23-24</b>	<b>(\$2,929,418)</b>	<b>\$443,448</b>	<b>\$17,188</b>	<b>(\$4,341,004)</b>	<b>\$950,950</b>	<b>14.7</b>
<b>FY 24-25</b>						
Early Childhood						
R13	\$414,650	\$299,298	(\$183,946)	\$299,298	\$0	5.5
S3/BA3	<u>580,132</u>	<u>450,056</u>	<u>55,054</u>	<u>(1,026,066)</u>	<u>1,101,088</u>	<u>15.5</u>
TOTAL - Early Childhood	994,782	749,354	(128,892)	(726,768)	1,101,088	21.0
Human Services						
NP-08	(654,030)	(299,300)	149,190	(374,563)	(129,357)	(5.5)
NPBA-04	<u>(1,405,014)</u>	<u>-</u>	<u>-</u>	<u>(1,405,014)</u>	<u>-</u>	<u>-</u>
TOTAL - Human Services	(2,059,044)	(299,300)	149,190	(1,779,577)	(129,357)	(5.5)
OIT						
NPBA-01	(1,521,320)	0	0	(1,521,320)	0	0.0
Public Health						
NPBA-06	313,759			313,759		
<b>TOTAL -- 24-25</b>	<b>(\$2,271,823)</b>	<b>\$450,054</b>	<b>\$20,298</b>	<b>(\$3,713,906)</b>	<b>\$971,731</b>	<b>15.5</b>

Instead of focusing on the original flawed requests, the bullets below describe the JBC staff's understanding of what the departments are trying to accomplish conceptually, based on subsequent communications with staff from the Department of Early Childhood and the Department of Human Services. More detail about the associated dollar changes, as calculated using the JBC's common policies, can be found in the staff recommendation section.

- The Department of Human Services (DHS) would have a decrease of 14.2 FTE associated with the end of an operational support contract that has allowed DHS to provide administrative services to the Department of Early Childhood in FY 2022-23.
- The Department of Early Childhood (DEC) would have an increase of 22.5 FTE associated with the end of the operational support contract. The proposed increase for DEC is larger than the decrease for DHS because many of the administrative functions require less than one person in DHS but DEC will need a whole person with that skill set. For example, DHS has 14 people doing contract, procurement, and legal compliance work and estimates that they devote 0.3 FTE of time to overseeing the development, solicitation, and supervision of contracts for DEC, but DEC needs a whole person with that skill set to function independent of DHS. The work requires specialized knowledge and training that does not typically overlap with other roles. It is not common, for example, to have someone doing contracts and procurement who also does human resources, or information technology, or program management, so it would be challenging for DEC to just allocate portions of FTE to this function.
- DEC would apply the savings from the end of the operational support contract with DHS to offset the cost of the new FTE at DEC.
- DEC would transfer 2.5 FTE from their Background Investigation Unit to DHS's Child Welfare Licensing. This is based on an estimate of the amount of DEC staff time devoted to background investigations for 24-hour facilities under the supervision of Child Welfare Licensing.
- To correct where resources were transferred in H.B. 22-1295, DEC would move funding for an existing Early Intervention Trust Accountant from the Early Intervention Services line item to the Personal Services line item for the Community and Family Support Division. Then, one FTE, but no dollars, would move from DHS's General Administration to DEC's Community and Family Support Division for the same position.
- DEC would give up leased space at 1575 Sherman St. in the Capitol Complex and take on commercial leased space at 710 Ash St. that is being vacated by the Department of Public Health and Environment. The Office of Information Technology (OIT) would give up commercial leased space at 601 E. 18<sup>th</sup> Ave. and move into the space vacated by DEC. Overall, the leased space footprint would decrease and there would be a net savings across the three departments.
- DEC would get \$650,000 one-time and \$150,000 on-going for a new Human Resources Information System and Document Management system to operate independent of the systems used by DHS. DEC would pay the money to OIT for the development and on-going maintenance of the systems.

## RECOMMENDATION

The staff recommendation is summarized in the table below and discussed in the subsections that follow the table. A table showing the annualization of the recommendation in FY 2024-25 can be found at the end of the staff recommendation.

R13/S3/BA3 Transfers between DHS & DEC						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Early Childhood</b>						
End of Operational Support Contract						
Contracts and Procurement						
Contract and Procurement Director	\$102,521	\$102,521	\$0	\$0	\$0	0.9
Contract Administrator - Central Processing	78,529	78,529	0	0	0	0.9
Procurement Specialist	78,529	78,529	0	0	0	0.9
Accounting						
Indirect Cost Allocation Accountant	114,138	114,138	0	0	0	0.9
Program Accountants	143,413	143,413	0	0	0	1.8
Vouchering Technician	58,128	58,128	0	0	0	0.9
Payroll Technician	58,128	58,128	0	0	0	0.9
Budget						
Forecasting	89,649	89,649	0	0	0	0.9
Audit, Compliance and Oversight						
Auditor	78,529	78,529	0	0	0	0.9
Fraud Investigator	102,858	102,858	0	0	0	1.0
Federal Subrecipient Fiscal Monitoring/Compliance	98,023	98,023	0	0	0	0.9
Administrative Solutions Program Assistant	60,638	60,638	0	0	0	0.9
Human Resources						
Learning and Development	82,058	82,058	0	0	0	0.9
Time & Leave Specialist	66,030	66,030	0	0	0	0.9
Business, Innovation, Technology and Security						
Technology Coordinator and Asset Management	66,030	66,030	0	0	0	0.9
Facility/Emergency Management						
Program Coord	33,713	33,713	0	0	0	0.5
Strategies, Communications, and Partnerships						
Performance Analyst	205,716	205,716	0	0	0	2.0
Financing Adjustments						
Operational Support Contract	(1,053,761)	(172,309)	0	(881,452)	0	0.0
Offset from Indirect Cost Recoveries	0	(1,159,364)	0	1,159,364	0	0.0
<i>Subtotal - End of Operational Support Contract</i>	<i>\$462,869</i>	<i>\$184,957</i>	<i>\$0</i>	<i>\$277,912</i>	<i>\$0</i>	<i>17.2</i>
Background Investigation Unit						
Criminal Background Check Technician	(111,070)	0	(111,070)	0	0	(1.5)
Abuse and Neglect Background Technician	(74,046)	0	(74,046)	0	0	(1.0)
True Up Early Intervention						
EI Services Trust Accountant	97,401	0	97,401	0	0	1.0
Early Intervention Services	(97,401)	0	(97,401)	0	0	0.0
Leased Space						
Leased Space	307,461	113,760	9,224	0	184,477	0.0
Capitol Complex Leased Space	(300,029)	(22,117)	0	(277,912)	0	0.0
HRIS/DM Technology	650,000	650,000	0	0	0	0.0
<b>TOTAL - Early Childhood</b>	<b>\$935,185</b>	<b>\$926,600</b>	<b>(\$175,892)</b>	<b>\$0</b>	<b>\$184,477</b>	<b>15.7</b>
<b>Department of Human Services</b>						
End of Operational Support Contract						
General Administration						
Personal Services	(\$73,130)	\$0	\$0	(\$73,130)	\$0	(1.0)
Operating	(29,460)	0	0	(29,460)	0	0.0
Administration & Finance						
Personal Services	(924,537)	0	0	(924,537)	0	(13.2)
Operating	(18,982)	0	0	(18,982)	0	0.0
Injury Prevention Program	(978)	0	0	(978)	0	0.0
Health Insurance Portability and Accountability	(6,674)	0	0	(6,674)	0	0.0
<i>Subtotal - End of Operational Support Contract</i>	<i>(\$1,053,761)</i>	<i>\$0</i>	<i>\$0</i>	<i>(\$1,053,761)</i>	<i>\$0</i>	<i>(14.2)</i>
Child Welfare Licensing						
Criminal Background Check Technician	124,410	0	124,410	0	0	1.5
Abuse and Neglect Background Technician	80,716	0	80,716	0	0	1.0

R13/S3/BA3 Transfers between DHS & DEC						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL - Human Services</b>	<b>(\$848,635)</b>	<b>\$0</b>	<b>\$205,126</b>	<b>(\$1,053,761)</b>	<b>\$0</b>	<b>(11.7)</b>
<b>Office of Information Technology</b>						
Leased Space	(1,671,320)	0	0	(1,671,320)	0	0.0
Capitol Complex Leased Space	300,029	0	0	300,029	0	0.0
Enterprise Solutions	650,000	0	0	650,000	0	0.0
<b>TOTAL - Office of Information Technology</b>	<b>(\$721,291)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$721,291)</b>	<b>\$0</b>	<b>0.0</b>
<b>Public Health and Environment</b>						
Leased Space	(307,461)	0	0	(307,461)	0	0.0
<b>TOTAL - Public Health and Environment</b>	<b>(\$307,461)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$307,461)</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL - ALL DEPARTMENTS</b>	<b>(\$942,202)</b>	<b>\$926,600</b>	<b>\$29,234</b>	<b>(\$2,082,513)</b>	<b>\$184,477</b>	<b>4.0</b>

**END OF OPERATIONAL SUPPORT CONTRACT**

For the end of the operational support contract the staff recommendation provides 18.5 positions for DEC (17.2 FTE in the first year due to the pay date shift) rather than the requested 22.5 positions. The table below shows the fully annualized decrease in FTE for DHS, the requested increase in FTE for DEC, and the net change in FTE. Then, the table shows the staff recommendation for FTE for DEC, with the differences from the request highlighted, and the revised net change in FTE.

End of Operational Support Contract						
	DHS FTE	DEC Req.	Net Change	Staff Rec.	Net Change	
End of Operational Support Contract						
Contracts and Procurement						
Contract and Procurement Director	(0.3)	1.0	0.7	1.0	0.7	
Contract Administrator - Central Processing	(0.4)	1.0	0.6	1.0	0.6	
Procurement Specialist	(1.0)	1.0	0.0	1.0	0.0	
Accounting						
Indirect Cost Allocation Accountant	(0.3)	1.0	0.7	1.0	0.7	
Cash & Asset Management Accountant	(0.4)	1.0	0.6	0.0	(0.4)	
Fiscal Technician CCCAP and UPK	(0.3)	1.0	0.7	0.0	(0.3)	
Program Accountants	(2.0)	2.0	0.0	2.0	0.0	
Vouchering Technician	(1.0)	1.0	0.0	1.0	0.0	
Payroll Technician	(1.0)	1.0	0.0	1.0	0.0	
Budget						
Forecasting	(0.6)	1.0	0.4	1.0	0.4	
Audit, Compliance and Oversight						
Auditor	(0.6)	1.0	0.4	1.0	0.4	
Fraud Investigator	(1.0)	1.0	0.0	1.0	0.0	
Federal Subrecipient Fiscal Monitoring/Compliance	(0.4)	1.0	0.6	1.0	0.6	
Rules Advisory Committee Manager	(0.2)	1.0	0.8	0.0	(0.2)	
Administrative Solutions Program Assistant	(0.3)	1.0	0.7	1.0	0.7	
Human Resources						
Learning and Development	(0.7)	1.0	0.3	1.0	0.3	
Time & Leave Specialist	(1.0)	1.0	0.0	1.0	0.0	
Business, Innovation, Technology and Security						
Technology Coordinator and Asset Management	(0.3)	1.0	0.7	1.0	0.7	
Legal Compliance						
CORA Officer	(0.2)	1.0	0.8	0.0	(0.2)	
Facility/Emergency Management						
Program Coord	(0.2)	0.5	0.3	0.5	0.3	
Strategies, Communications, and Partnerships						



End of Operational Support Contract					
	DHS FTE	DEC Req.	Net Change	Staff Rec.	Net Change
Performance Analyst	(2.0)	2.0	0.0	2.0	0.0
<b>End of Operational Support Contract</b>	<b>(14.2)</b>	<b>22.5</b>	<b>8.3</b>	<b>18.5</b>	<b>4.3</b>

For the combined functions of Indirect Cost Allocation Accountant, Cash & Asset Management Accountant, and Fiscal Technician CCCAP and UPK, the Department of Human Services estimates it allocates a total of 1.0 FTE (0.3+0.4+0.3). The Department of Early Childhood requested 1.0 FTE for each function adding to a total of 3.0 FTE. However, a person with the skill set for the Indirect Cost Allocation Accountant would also have the necessary skill set for a Cash & Asset Management Accountant and a Fiscal Technician CCCAP and UPK. Therefore, the JBC staff recommends a total of 1.0 FTE for the three functions. The JBC staff calculated the cost of the FTE at the highest paid of the three functions, which is the Indirect Cost Allocation Accountant.

For the Rules Advisory Committee Manager, DHS estimates it allocates 0.2 FTE and DEC requested 1.0 FTE. This function does not require a specialized skill set and a wide range of people with a wide range of backgrounds could be trained to fulfill the roll. For example, the person filling the Federal Subrecipient Fiscal Monitoring/Compliance function could pick up this duty, since DHS estimates that Federal Subrecipient Fiscal Monitoring/Compliance only requires the time of 0.4 FTE. The Department will need to decide the best way to absorb the function, but the JBC staff believes it can be absorbed within the overall recommended FTE. Furthermore, the appropriation in H.B. 22-1425 already included 1.0 FTE to support the Department's rule making. For these reasons, the JBC staff does not recommend the Rules Advisory Committee Manager.

The recommendation not to fund the CORA Officer uses similar logic to the recommendation on the Rules Advisory Committee Manager. The function does not require a specialized skill set and a wide range of people with a wide range of backgrounds could be trained to fulfill the roll. In this case, maybe the Department might want to assign it to the Contract and Procurement Director, since part of the responsibilities include managing legal services purchased from the Attorney General's Office, which is a type of procurement. The Department of Human Services estimates the Contract and Procurement Director function currently only requires 0.3 FTE and the request and recommendation would provide 1.0 FTE for that function, so that person should have time for other duties.

Most of the decreases in FTE at DHS and increases in FTE at DEC do not result in an actual person moving. In anticipation of the end of the operational support contract, the Department of Human Services has intentionally not filled administrative positions to accumulate enough vacancies to transfer fractions of FTE to the Department of Early Childhood. This means that most of the positions at the Department of Early Childhood will be new state employees.

As a result, for most of the positions the JBC staff applied the JBC's common policies that fund new FTE at the minimum of the salary range and do not provide additional funds to the centrally appropriated pots for benefits in the first year. The JBC staff made exceptions to fund the actual salary and provide money for centrally appropriated pots for benefits for three positions that are currently filled, which include the Fraud Investigator, and the two Performance Analysts.

The JBC staff also made an exception to the JBC's common policies to fund the Indirect Cost Allocation Accountant at the mid-point of the range. The Department requested this position be at

the mid-point because it requires specialized knowledge and experience interacting with the federal government and the Department does not currently have staff with that skill set to train a new hire. In addition, the staff recommendation assumes this position will pick up some of the functions that were not recommended for new FTE, including the Cash & Asset Management Accountant and the Fiscal Technician CCAP and UPK. For these reasons, it made sense to the JBC staff to fund the position at the mid-point of the range.

The staff recommendation includes one-time capital outlay for the DEC positions, including the three filled positions. It didn't make sense to the JBC staff to try to move from DHS used furniture and information technology equipment that isn't configured for the needs of DEC.

The staff recommendation assumes all the positions start July 1. The pay date shift applies to all the positions and it reduces the cost in the first year except for the positions that are already filled. The original request proposed that some of the positions start in FY 2022-23 to allow training before the end of the operational support contract.

Although the JBC staff is not recommending any positions start in FY 2022-23, the JBC staff recommendation still allows for training before the end of the operation support contract by extending the operational support contract through the first quarter of FY 2023-24. This will require DHS to continue to provide administrative services to DEC for part of the fiscal year and will slow down the decrease in funding for DHS. In the table summarizing the staff recommendation, under the subheading "Financing Adjustments", the FY 2023-24 decrease for the Operational Support Contract reflects only 3/4ths of the total current contract.

The staff recommendation provides General Fund for all the DEC positions. The original request assumed a portion of the positions would be funded with indirect cost recoveries, but the Department has not yet finished developing an indirect cost recovery plan and has not received federal approval for that plan. Instead, the current appropriations are based on historic indirect cost assessments when the Office of Early Childhood was part of the Department of Human Services. The JBC staff anticipates the Department will submit a supplemental as soon as it has an approved indirect cost plan. Barring something unexpected, an approved indirect cost plan should allow refinancing of a significant portion of the Department's administrative staff with cash funds and federal funds from indirect cost recoveries, resulting in General Fund savings. For now, the JBC staff applied only the indirect cost recoveries that are freed up from the end of the operational support contract and the decrease in Capitol Complex Leased Space to offset the need for General Fund. The offset from indirect cost recoveries can be seen in the table summarizing the staff recommendation under the subheading "Financing Adjustments".

As with all FTE, the way the JBC staff calculates the estimated cost does not limit how the Department spends the money. For example, the JBC staff did not recommend the Cash & Asset Management Accountant, but if the Department thinks this is a priority, it could fill that position and not fill one of the other positions. The specificity in the JBC staff recommendation is intended to build the policy case for an overall level of FTE that is below the Department's request. It does not prescribe how the Department administers the appropriation once it is provided.

For reference, the table below summarizes the positions that were NOT recommended by the JBC staff and the associated costs when calculated using the JBC's common policies.

Requested Positions NOT Recommended by the JBC Staff						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b><u>FY 2023-24</u></b>						
Cash & Asset Management Accountant	\$66,030	\$66,030	\$0	\$0	\$0	0.9
Fiscal Technician CCCAP and UPK	66,030	66,030	0	0	0	0.9
Rules Advisory Committee Manager	78,529	78,529	0	0	0	0.9
CORA Officer	78,529	78,529	0	0	0	0.9
<b>TOTAL - FY 2023-24</b>	<b>\$289,118</b>	<b>\$289,118</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>3.7</b>
<b><u>FY 2024-25</u></b>						
Cash & Asset Management Accountant	\$81,326	\$81,326	\$0	\$0	\$0	1.0
Fiscal Technician CCCAP and UPK	81,326	81,326	0	0	0	1.0
Rules Advisory Committee Manager	96,188	96,188	0	0	0	1.0
CORA Officer	96,188	96,188	0	0	0	1.0
<b>TOTAL - FY 2024-25</b>	<b>\$355,028</b>	<b>\$355,028</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.0</b>

Last year the General Assembly approved an increase of 22.0 FTE for the administration of the Department. When combined with the net increase of 4.3 FTE recommended here by the JBC staff, it brings the total increase in staff that is directly attributable to the creation of the new department to 26.3 FTE.

**BACKGROUND INVESTIGATION UNIT**

There are 2.5 FTE in DEC's background investigation unit that perform background checks related to 24-hour programs under the oversight of DHS's Office of Children, Youth, and Families. The request and recommendation is to move the funding for these positions to DHS. The increase in DHS is larger than the decrease in DEC because the DHS amount includes one-time operating funds for computers and office equipment that will not be moving with the FTE. The staff recommendation is slightly different than the request due to application of the JBC's common policies for calculating operating expenses per FTE.

**EARLY INTERVENTION SERVICES**

House Bill 22-1295 moved money from DHS to DEC associated with accounting staff for the Early Intervention (EI) Services Trust, but not the associated FTE. The money was appropriated to the Early Intervention Services line item. The request and the recommendation is to move the missing FTE from DHS to DEC and to separate the money for the position from the Early Intervention Services line item into administrative line items. The staff recommendation puts the money in the Executive Director's Office, rather than the requested location in the Community and Family Support division, since this is part of the Department-wide accounting team, rather than program management. In addition to the Department request to move the personal services out of the Early Intervention line item, the staff recommendation moves the associated operating expenses, too.

**LEASED SPACE**

DEC would give up leased space at 1575 Sherman St. in the Capitol Complex and take on commercial leased space at 710 Ash St. that is being vacated by the Department of Public Health and Environment. The Office of Information Technology (OIT) would give up commercial leased space at 601 E. 18<sup>th</sup> Ave. and move into the space vacated by DEC. Overall, the leased space footprint would decrease and there would be a net savings across the three departments.

**HRIS/DM TECHNOLOGY**

The recommended \$650,000 General Fund is to develop information technology systems to manage human resources and documents related to solicitations, contracts, and purchasing. The FY 2022-23 appropriation included licensing and maintenance costs for the Department to use systems designed for DHS, but there was no money for the development of new systems for DEC. The assumption was that the Department could replicate the systems designed for DHS at nominal cost. However, on further analysis and advice from the Office of Information Technology, the Department believes programming funds are needed to design systems specifically for DEC. After the one-time development cost the on-going maintenance is estimated at \$150,000 General Fund annually.

**FY 2024-25**

The table below summarizes the fully annualized cost of the staff recommendation in FY 2024-25.

FY 2024-25						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Early Childhood</b>						
End of Operational Support Contract						
Contracts and Procurement						
Contract and Procurement Director	\$124,716	\$124,716	\$0	\$0	\$0	1.0
Contract Administrator - Central Processing	96,188	96,188	0	0	0	1.0
Procurement Specialist	96,188	96,188	0	0	0	1.0
Accounting						
Indirect Cost Allocation Accountant	138,529	138,529	0	0	0	1.0
Program Accountants	169,567	169,567	0	0	0	2.0
Vouchering Technician	71,930	71,930	0	0	0	1.0
Payroll Technician	71,930	71,930	0	0	0	1.0
Budget						
Forecasting	109,410	109,410	0	0	0	1.0
Audit, Compliance and Oversight						
Auditor	96,188	96,188	0	0	0	1.0
Fraud Investigator	96,188	96,188	0	0	0	1.0
Federal Subrecipient Fiscal Monitoring/Compliance	119,366	119,366	0	0	0	1.0
Administrative Solutions Program Assistant	74,914	74,914	0	0	0	1.0
Human Resources						
Learning and Development	100,382	100,382	0	0	0	1.0
Time & Leave Specialist	81,326	81,326	0	0	0	1.0
Business, Innovation, Technology and Security						
Technology Coordinator and Asset Management	81,326	81,326	0	0	0	1.0
Facility/Emergency Management						
Program Coord	40,664	40,664	0	0	0	0.5
Strategies, Communications, and Partnerships						
Performance Analyst	192,376	192,376	0	0	0	2.0
Financing Adjustments						
Operational Support Contract	(1,405,014)	(229,745)	0	(1,175,269)	0	0.0
Offset from Indirect Cost Recoveries	<u>0</u>	<u>(1,453,181)</u>	<u>0</u>	<u>1,453,181</u>	<u>0</u>	<u>0.0</u>
<i>Subtotal - End of Operational Support Contract</i>	<i>\$356,174</i>	<i>\$78,262</i>	<i>\$0</i>	<i>\$277,912</i>	<i>\$0</i>	<i>18.5</i>
Background Investigation Unit						
Criminal Background Check Technician	(111,070)	0	(111,070)	0	0	(1.5)
Abuse and Neglect Background Technician	(74,046)	0	(74,046)	0	0	(1.0)

FY 2024-25						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>True Up Early Intervention</b>						
EI Services Trust Accountant	97,401	0	97,401	0	0	1.0
Early Intervention Services	(97,401)	0	(97,401)	0	0	0.0
<b>Leased Space</b>						
Leased Space	307,461	113,760	9,224	0	184,477	0.0
Capitol Complex Leased Space	(300,029)	(22,117)	0	(277,912)	0	0.0
HRIS/DM Technology	650,000	650,000	0	0	0	0.0
<b>TOTAL - Early Childhood</b>	<b>\$828,490</b>	<b>\$819,905</b>	<b>(\$175,892)</b>	<b>\$0</b>	<b>\$184,477</b>	<b>17.0</b>
<b><u>Department of Human Services</u></b>						
<b>End of Operational Support Contract</b>						
<b>General Administration</b>						
Personal Services	(\$97,507)	\$0	\$0	(\$97,507)	\$0	(1.0)
Operating	(39,280)	0	0	(39,280)	0	0.0
<b>Administration &amp; Finance</b>						
Personal Services	(1,232,716)	0	0	(1,232,716)	0	(13.2)
Operating	(25,309)	0	0	(25,309)	0	0.0
Injury Prevention Program	(1,304)	0	0	(1,304)	0	0.0
Health Insurance Portability and Accountability	<u>(8,898)</u>	<u>0</u>	<u>0</u>	<u>(8,898)</u>	<u>0</u>	<u>0.0</u>
<i>Subtotal - End of Operational Support Contract</i>	<i>(\$1,405,014)</i>	<i>\$0</i>	<i>\$0</i>	<i>(\$1,405,014)</i>	<i>\$0</i>	<i>(14.2)</i>
<b>Child Welfare Licensing</b>						
Criminal Background Check Technician	100,227	0	100,227	0	0	1.5
Abuse and Neglect Background Technician	64,594	0	64,594	0	0	1.0
<b>TOTAL - Human Services</b>	<b>(\$1,240,193)</b>	<b>\$0</b>	<b>\$164,821</b>	<b>(\$1,405,014)</b>	<b>\$0</b>	<b>(11.7)</b>
<b><u>Office of Information Technology</u></b>						
Leased Space	(1,671,320)	0	0	(1,671,320)	0	0.0
Capitol Complex Leased Space	300,029	0	0	300,029	0	0.0
Enterprise Solutions	650,000	0	0	650,000	0	0.0
<b>TOTAL - Office of Information Technology</b>	<b>(\$721,291)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$721,291)</b>	<b>\$0</b>	<b>0.0</b>
<b><u>Public Health and Environment</u></b>						
Leased Space	(307,461)	0	0	(307,461)	0	0.0
<b>TOTAL - Public Health and Environment</b>	<b>(\$307,461)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$307,461)</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL - ALL DEPARTMENTS</b>	<b>(\$1,440,455)</b>	<b>\$819,905</b>	<b>(\$11,071)</b>	<b>(\$2,433,766)</b>	<b>\$184,477</b>	<b>5.3</b>

➔ BA1(A) KINDERGARTEN TRANSITION

REQUEST

The Department requests \$116,283 General Fund for one new position (0.9 FTE in the first year) to carry out statewide strategies to improve the transition from early childhood education to kindergarten. The position would provide technical assistance to local organizations, including Local Coordinating Organizations and local education agencies, develop and disseminate tools and resources, and coordinate and collaborate with the Department of Education.

In support of the request, the Department highlights the:

- [2019 Colorado Birth-Five Needs Assessment](#)<sup>8</sup> -- that identified a lack of system-level planning and support for the transition from preschool to kindergarten and recommended increased coordination with the Department of Education;
- [Colorado Shines Brighter Strategic Plan Birth-Five 2020-2025](#)<sup>9</sup> -- that called for developing transition resources, including a transitions toolkit and a transitions roadmap, and disseminating them to early childhood professionals, families, and policy makers; and
- [Transitions to Kindergarten in Colorado: A Roadmap](#)<sup>10</sup> – that identified 8 strategies for improving transitions to kindergarten. These eight strategies, include:
  - Engaging families as essential partners through policies and practices that support parents and primary care providers as their children's first and most important teachers
  - Child-level standards or "school readiness" standards
  - Child-level learning plans that are shared across providers
  - Standards for ready schools and early childhood education programs
  - Curriculum and instruction strategies that are aligned and provide continuity
  - Readiness assessments of both children and schools/programs
  - Site- and systems-level plans that include explicit attention to transitions to kindergarten and provide practical benchmarks for collaboration between providers
  - Data systems that link assessment data from early childhood education to elementary data

To help develop these materials and make progress on the recommendations the Department used federal Preschool Development Grant Birth-Five (PDG B-5) funding that is no longer available. The proposed position would continue and expand on the work funded with the PDG B-5 grant. The position would raise awareness with local decision makers about the value of transition services and provide materials, information, and technical support on best practices. The position would also coordinate with the Department of Education to improve the consistency, continuity, and quality of transition strategies across early childhood education and kindergarten.

The Department recently received a new PDG B-5 grant but this new grant is for planning and updating the Department's needs assessment. After completing the planning grant the Department could apply for an implementation grant, but getting an implementation grant is not guaranteed.

#### EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. This request is for administrative resources and the evidence cited by the Department relates to participation in early childhood education. The Department seems to imply that the proposed administrative resources facilitate participation in early childhood education but that is not the question addressed by the research.

#### RECOMMENDATION

Staff recommends approval of the request with modification to: (1) apply the JBC's common policies regarding new FTE; and (2) locate the funding in the relevant personal services, operating, and capital outlay line items for the division, rather than the requested location for the funding in the Universal Preschool Program line item.

<sup>8</sup> <https://dcfs.my.salesforce.com/sfc/p/#410000012srR/a/4N000000AGxx/QPNqI9n15kNbYRhObm7zKcWoPajUElvqWkrdaeSjdHY>

<sup>9</sup> [https://dcfs.my.salesforce.com/sfc/p/#410000012srR/a/4N000000AGy7/i.Ftdod737O9oQ3NWbsLQRfAzmNsQ\\_45pO2OtzSrBAY](https://dcfs.my.salesforce.com/sfc/p/#410000012srR/a/4N000000AGy7/i.Ftdod737O9oQ3NWbsLQRfAzmNsQ_45pO2OtzSrBAY)

<sup>10</sup> <https://dcfs.my.salesforce.com/sfc/p/#410000012srR/a/4N000001O4fB/N66PjxS2RDHwlsfyUyjI8kIisrWXllZL.twb7NkenKU>

Staff assumes this is the type of statewide coordination the General Assembly intended to facilitate when creating a new Department of Early Childhood. The three recent efforts cited by the Department that engaged stakeholders to help frame statewide priorities identified increased state support to smooth the transition from early childhood education to kindergarten as important.

Although staff recommends approval, the request is the result of a new expectation about the appropriate level of state government services that was created, at least in part, by federal grant funding and was not a widespread expectation prior to that grant funding. Furthermore, there are legitimate questions about the level of impact on services of one statewide coordinating position. Historically, the amount and quality of transition support provided is very site-specific and even teacher-specific and it is hard to gauge how much one statewide position might change local practices.

Because this is for administration it fits better in the personal services and operating expenses line items for the division than in the Universal Preschool Program line item. While the position is primarily focused on the transition from preschool to kindergarten, the Department's description suggests that the position would also work on transitions from child care settings to kindergarten, so it has a broader purpose than just universal preschool. The JBC staff's goal is to have the Universal Preschool Program line item reflect funds intended to go to providers.

BA1(a) Kindergarten Transition			
		FY 23-24	FY 24-25
Program Management I		\$7,244	\$7,244
Months		<u>12</u>	<u>12</u>
Annual		86,928	86,928
Pay date shift		<u>(7,244)</u>	<u>0</u>
Subtotal - Salary		86,940	94,184
PERA	11.5%	9,998	10,831
Medicare	1.45%	1,261	1,366
Personal Services		\$98,199	\$106,381
Operating	1,350	\$1,350	\$1,350
Capital Outlay	6,670	\$6,670	\$0
<b>TOTAL</b>		<b>\$106,219</b>	<b>\$107,731</b>
Centrally Appropriated Costs <sup>1</sup>			
Health, Life, and Dental	11,000	11,000	11,000
Short-Term Disability	0.16%	139	151
AED	5.0%	4,347	4,709
SAED	5.0%	4,347	4,709
<b>TOTAL</b>		<b>\$126,052</b>	<b>\$128,300</b>

<sup>1</sup> Not included in the appropriation per JBC common policy.

**→ BA1 (B) UNIVERSAL PRESCHOOL EVALUATION**

**REQUEST**

The Department requests \$1.0 million from the Preschool Programs Cash Fund in FY 2023-24 and on-going for annual evaluations of the universal preschool program's impact on the learning and school readiness of children. The evaluations are required by Section 26.5-4-207 (2), C.R.S., and will make recommendations to improve teaching and learning, assess professional development inputs and outcomes, and improve teacher-child interactions. The Department must use the evaluations to inform a process for continuous evaluation and improvement of preschool providers, setting

preschool quality standards and goals, and workforce recruitment and retention strategies. The Department must communicate the results to families, communities, preschool providers, local coordinating organizations, the state board of education, and the General Assembly, including a discussion of the evaluation in the annual State Measurement for Accountable Responsive and Transparent (SMART) Government Act hearing.

#### EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. This request is for administrative resources and the evidence cited by the Department relates to participation in early childhood education. The Department seems to imply that the proposed administrative resources facilitate participation in early childhood education but that is not the question addressed by the research.

#### RECOMMENDATION

Staff recommends approval of the request but from the General Fund and locating the funding in the division's personal services line item. This is for an annual evaluation that is required in statute. The Legislative Council Staff Fiscal Note roughly estimated future annual costs for the required evaluation of between \$150,000 and \$450,000. On further review of the scope of the statutory requirement and how widely the statute requires that the evaluation be disseminated, the Department's request for \$1.0 million for a more robust analysis than was contemplated in the Fiscal Note seems reasonable to the JBC staff.

Whether the appropriation is from General Fund or the Preschool Programs Cash Fund is not terribly important, because an appropriation from the Preschool Program Cash Fund would just reduce the revenue available to support universal preschool and require an increase in the General Fund.

Similar to the recommendation above, the JBC proposes locating the money in the division's personal services line item, rather than in the Universal Preschool Program line item. This is an administrative expense, rather than a payment to preschool providers.

#### → S1/BA1(C) EMPLOYER BASED CHILD CARE

#### REQUEST

In S1 the Department requested and the JBC approved \$250,000 General Fund for one-time set up costs for a vendor who will process and distribute payments to preschool providers. Beginning in FY 2023-24, the Department anticipates on-going contract expenses for the vendor of approximately \$1.0 million annually, but the Department did not request additional spending authority in FY 2023-24. Instead, the Department said it would take the money from the \$325.0 million already requested from the Preschool Programs Cash Fund in *R1 Universal preschool program*. The result would be less of the \$325.0 million available for distribution to providers.

#### RECOMMENDATION

Staff recommends appropriating \$1.0 million General Fund for processing preschool provider payments in the Executive Director's Office in the Information Technology Contracts and Equipment line item. Whether the appropriation is from General Fund or the Preschool Programs Cash Fund is not terribly important, because an appropriation from the Preschool Program Cash Fund would just reduce the revenue available to support universal preschool and require an increase in the General



Fund. Since this is an administrative expense it related to payment processing, it belongs in the Executive Director's Office. Since it is primarily an information technology contract, e.g. we are paying to use someone else's software for processing payments, it belongs in the Information Technology Contracts and Equipment line item.

## → BA5 EMPLOYER BASED CHILD CARE

### REQUEST

The Department requests \$10.5 million General Fund and 2.5 FTE for one-time investment in the Employer Based Child Care Facility Grant Program with roll-forward authority through FY 2025-26. The competitive grant program pays for facility and start-up costs for employers to open on- or near-site child care for employees. For profit employers provide a 50 percent match and nonprofit and government employers a 25 percent match. The funding also pays for design lab services that provide tailored technical and planning assistance to help employers define and launch child care centers. The requested roll-forward authority is due to the long planning horizons for these projects (e.g. the design lab typically takes five months, state contracting can take six months, and site-specific local zoning issues may arise) and to account for potential construction delays.

The program previously received appropriations totaling \$18.8 million, including \$8.8 million General Fund in S.B. 21-236 and \$10.0 million federal Child Care Development Funds in S.B. 22-213. Normally, federal CCDF cannot be used for capital costs, but the appropriation in S.B. 22-213 was from a stimulus allocation that included an exception to this rule.

The Department has awarded grants for 14 projects to date that will provide roughly 1,300 child care slots throughout the state and expects to award another 14 projects with the existing appropriations.

The Department follows statutory criteria in Section 26.5-3-804 (6), C.R.S., to prioritize grants to:

- Applicants that serve a high percentage of employees with wages below the area's median income;
- Applications with plans to meet the level four standard of the Colorado shines quality rating and improvement system, pursuant to section 26.5-5-101;
- Applications with a stated commitment to and a business plan for a well-compensated child care staff;
- Applications with a plan for innovative models, such as co-ops, hubs, or microcenters;
- Applicants with a plan to serve children in child care deserts or in regions with low child care capacity;
- Applicants with staff that represent or reflect the linguistic and cultural diversity of the families living or working in their community, including dual-language learners; and
- Applicants whose primary industry and area of business is other than child care.

### EVIDENCE LEVEL

The Department indicated this request is theory informed, but staff believes that this request should be classified as not applicable. The Department did not identify any existing research evaluations. The Department proposes measuring facilities constructed and childcare slots added, but the Department does not propose any analysis to determine what might have happened absent the grant funding.

**RECOMMENDATION**

Staff does not recommend the requested funding. The Department can count the number of child care slots associated with each grant, but it is very difficult to determine what might have happened absent the grant funding. The Department didn't provide evidence, other than anecdotal stories from grant recipients, that the program has actually had any impact on the supply of child care in the state.

**(1) EXECUTIVE DIRECTOR'S OFFICE**

The Executive Director's Office is responsible for the management and administration of the Department. It contains Personal Services; Health, Life and Dental; Short-term Disability; Amortization Equalization Disbursement; Supplemental Amortization; Equalization Disbursement; Salary Survey; Shift Differential; Workers' Compensation; Operating Expenses; Legal Services; Administrative Law Judge Services; Payment to Risk Management and Property Funds; Vehicle Lease Payments; Capital Outlay; Capitol Complex Leased Space; and Operational Support Contract with the Department of Human Services.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 Appropriation</b>						
HB 22-1329 (Long Bill)	\$7,491,835	\$6,335,548	\$125,029	\$0	\$1,031,258	20.6
Other Legislation	11,941,155	1,571,160	806,231	3,771,695	5,792,069	9.8
<b>TOTAL</b>	<b>\$19,432,990</b>	<b>\$7,906,708</b>	<b>\$931,260</b>	<b>\$3,771,695</b>	<b>\$6,823,327</b>	<b>30.4</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$19,432,990	\$7,906,708	\$931,260	\$3,771,695	\$6,823,327	30.4
R2 Increase universal preschool participation	0	0	0	0	0	0.0
R5 Equity in Dept of Early Childhood	2,721,597	573,053	0	0	2,148,544	2.8
R6 Early childhood mental health support	0	0	0	0	0	0.0
R7/BA4 Federal stimulus strategies	3,656,647	0	0	0	3,656,647	19.0
R13/S3/BA3 Transfers between DHS/DEC	1,177,397	926,600	66,320	0	184,477	18.2
BA1c Preschool payment processing	1,000,000	1,000,000	0	0	0	0.0
NP DHS Equity technology	270,355	136,136	0	0	134,219	0.0
NP Statewide operating inflation	3,908	2,740	36	42	1,090	0.0
Centrally appropriated items	12,568,923	4,505,347	(6,258)	5,052,409	3,017,425	2.0
Annualize prior year budget actions	(1,602,830)	(177,754)	0	0	(1,425,076)	1.4
<b>TOTAL</b>	<b>\$39,228,987</b>	<b>\$14,872,830</b>	<b>\$991,358</b>	<b>\$8,824,146</b>	<b>\$14,540,653</b>	<b>73.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$19,795,997</b>	<b>\$6,966,122</b>	<b>\$60,098</b>	<b>\$5,052,451</b>	<b>\$7,717,326</b>	<b>43.4</b>
Percentage Change	101.9%	88.1%	6.5%	134.0%	113.1%	142.8%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$37,174,439</b>	<b>\$13,529,254</b>	<b>\$1,009,221</b>	<b>\$8,057,164</b>	<b>\$14,578,800</b>	<b>77.2</b>
Request Above/(Below) Recommendation	(\$2,054,548)	(\$1,343,576)	\$17,863	(\$766,982)	\$38,147	3.4

**LINE ITEM DETAIL — EXECUTIVE DIRECTOR'S OFFICE****(A) GENERAL ADMINISTRATION****PERSONAL SERVICES**

This line item and the associated appropriation of Full Time Equivalent (FTE) and personal services funding support the Executive Office staff and management functions, including management direction, policy formulation, and core internal functions for Executive Director's Office, Communications & Legislative Affairs, Community Partnerships, and Office of Performance & Strategic Outcomes.

*REQUEST:* The Department requested changes related to R5, R7/BA4, and R13/S3/BA3 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
HB 22-1329 (Long Bill)	\$1,895,815	\$1,895,815	\$0	\$0	\$0	20.6
Other Legislation	\$1,305,604	\$249,037	\$27,542	\$0	\$1,029,025	9.8
<b>TOTAL</b>	<b>\$3,201,419</b>	<b>\$2,144,852</b>	<b>\$27,542</b>	<b>\$0</b>	<b>\$1,029,025</b>	<b>30.4</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$3,201,419	\$2,144,852	\$27,542	\$0	\$1,029,025	30.4
R7/BA4 Federal stimulus strategies	1,692,551	0	0	0	1,692,551	19.0
R13/S3/BA3 Transfers between DHS/DEC	1,407,219	151,804	96,051	1,159,364	0	18.2
R5 Equity in Dept of Early Childhood	381,611	128,519	0	0	253,092	2.8
Annualize prior year budget actions	107,317	107,317	0	0	0	1.4
<b>TOTAL</b>	<b>\$6,790,117</b>	<b>\$2,532,492</b>	<b>\$123,593</b>	<b>\$1,159,364</b>	<b>\$2,974,668</b>	<b>71.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,588,698</b>	<b>\$387,640</b>	<b>\$96,051</b>	<b>\$1,159,364</b>	<b>\$1,945,643</b>	<b>41.4</b>
Percentage Change	112.1%	18.1%	348.7%	#DIV/0!	189.1%	136.2%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$6,985,647</b>	<b>\$2,919,978</b>	<b>\$61,814</b>	<b>\$353,121</b>	<b>\$3,650,734</b>	<b>75.2</b>
Request Above/(Below) Recommendation	\$195,530	\$387,486	(\$61,779)	(\$806,243)	\$676,066	3.4

**CENTRALLY APPROPRIATED ITEMS**

These line items pay the Department's costs for employee benefits and administrative services that are shared by departments and billed based on utilization. These line items include:

- Health, Life, and Dental
- Short-term Disability
- Amortization Equalization Disbursement (AED)
- Supplemental AED
- Salary Survey
- Shift Differential
- Workers' Compensation
- Legal Services
- Administrative Law Judge Services
- Payment to Risk Management and Property Funds
- Vehicle Lease Payments
- Capitol Complex Leased Space

*REQUEST:* The Department requested changes based on the OSPB common policies and changes associated with R7/BA4, R5, R6, and R13/S3/BA3.

*RECOMMENDATION:* The staff recommendation is pending JBC action on the common policies. Where the JBC has not acted, the tables and numbers pages in this document reflect the Department's request and will be updated once the JBC makes decisions.

**OPERATING EXPENSES**

The line item supports the annual operating expenses of the Executive Office, its staff, and required functions.

*REQUEST:* The Department requested changes related to R7, R13, and R5 and nonprioritized requests submitted by other departments.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
HB 22-1329 (Long Bill)	\$29,700	\$29,700	\$0	\$0	\$0	0.0
Other Legislation	\$13,727	\$742	\$405	\$467	\$12,113	0.0
<b>TOTAL</b>	<b>\$43,427</b>	<b>\$30,442</b>	<b>\$405</b>	<b>\$467</b>	<b>\$12,113</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$43,427	\$30,442	\$405	\$467	\$12,113	0.0
NP DHS Equity technology	270,355	136,136	0	0	134,219	0.0
R7/BA4 Federal stimulus strategies	47,565	0	0	0	47,565	0.0
R13/S3/BA3 Transfers between DHS/DEC	26,325	24,975	1,350	0	0	0.0
R5 Equity in Dept of Early Childhood	4,050	2,700	0	0	1,350	0.0
NP Statewide operating inflation	3,908	2,740	36	42	1,090	0.0
<b>TOTAL</b>	<b>\$395,630</b>	<b>\$196,993</b>	<b>\$1,791</b>	<b>\$509</b>	<b>\$196,337</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$352,203</b>	<b>\$166,551</b>	<b>\$1,386</b>	<b>\$42</b>	<b>\$184,224</b>	<b>0.0</b>
Percentage Change	811.0%	547.1%	342.2%	9.0%	1,520.9%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$722,887</b>	<b>\$259,507</b>	<b>\$73,494</b>	<b>\$126,095</b>	<b>\$263,791</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$327,257	\$62,514	\$71,703	\$125,586	\$67,454	0.0

**CAPITAL OUTLAY**

This line item pays for the purchase or replacement of equipment, furnishings, or minor renovations for the department.

*REQUEST:* The Department requested changes related to R5 and R13 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, CAPITAL OUTLAY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
HB 22-1329 (Long Bill)	\$86,800	\$86,800	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$86,800</b>	<b>\$86,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$86,800	\$86,800	\$0	\$0	\$0	0.0
R13/S3/BA3 Transfers between DHS/DEC	126,730	126,730	0	0	0	0.0
R5 Equity in Dept of Early Childhood	20,010	13,340	0	0	6,670	0.0

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, CAPITAL OUTLAY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	(86,800)	(86,800)	0	0	0	0.0
<b>TOTAL</b>	<b>\$146,740</b>	<b>\$140,070</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,670</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$59,940</b>	<b>\$53,270</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,670</b>	<b>0.0</b>
Percentage Change	69.1%	61.4%	0.0%	0.0%	#DIV/0!	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$146,740)	(\$140,070)	\$0	\$0	(\$6,670)	0.0

**OPERATIONAL SUPPORT CONTRACT WITH THE DEPARTMENT OF HUMAN SERVICES**

This line item funds an interagency agreement with the Department of Human Services to provide administrative support during the startup and transition to a new department.

*REQUEST:* The Department requested elimination of this line item in R13/S3/BA3.

*RECOMMENDATION:* The staff recommendation, summarized in the table below, would continue the operational support contract through the first quarter of FY 2023-24 to allow time for training new staff.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, OPERATIONAL SUPPORT CONTRACT WITH DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$1,405,014	\$229,745	\$0	\$1,175,269	\$0	0.0
<b>TOTAL</b>	<b>\$1,405,014</b>	<b>\$229,745</b>	<b>\$0</b>	<b>\$1,175,269</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$1,405,014	\$229,745	\$0	\$1,175,269	\$0	0.0
R13/S3/BA3 Transfers between DHS/DEC	(1,053,761)	(172,309)	0	(881,452)	0	0.0
<b>TOTAL</b>	<b>\$351,253</b>	<b>\$57,436</b>	<b>\$0</b>	<b>\$293,817</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,053,761)</b>	<b>(\$172,309)</b>	<b>\$0</b>	<b>(\$881,452)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(75.0%)	(75.0%)	0.0%	(75.0%)	0.0%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$351,253)	(\$57,436)	\$0	(\$293,817)	\$0	0.0

**LEASED SPACE**

This line item pays for the Department's leased space

*REQUEST:* The Department requested an adjustment in R13/S3/BA3.

*RECOMMENDATION:* Staff recommends the request with a modification to the fund sources.

**(B) INFORMATION TECHNOLOGY SYSTEMS**

**INFORMATION TECHNOLOGY CONTRACTS AND EQUIPMENT**

This line item pays for operating expenses associated with the Department's information technology.

*REQUEST:* The Department requests changes in R5, BA1c, and R7/BA4 as well as annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommendation is summarized in the table below.

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY CONTRACTS AND EQUIPMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
HB 22-1329 (Long Bill)	\$4,946,534	\$3,946,534	\$0	\$0	\$1,000,000	0.0
Other Legislation	\$75,171	\$2,450	\$0	\$72,721	\$0	0.0
<b>TOTAL</b>	<b>\$5,021,705</b>	<b>\$3,948,984</b>	<b>\$0</b>	<b>\$72,721</b>	<b>\$1,000,000</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$5,021,705	\$3,948,984	\$0	\$72,721	\$1,000,000	0.0
R5 Equity in Dept of Early Childhood	2,315,926	428,494	0	0	1,887,432	0.0
BA1c Preschool payment processing	1,000,000	1,000,000	0	0	0	0.0
R7/BA4 Federal stimulus strategies	1,000,000	0	0	0	1,000,000	0.0
Annualize prior year budget actions	(1,000,000)	0	0	0	(1,000,000)	0.0
<b>TOTAL</b>	<b>\$8,337,631</b>	<b>\$5,377,478</b>	<b>\$0</b>	<b>\$72,721</b>	<b>\$2,887,432</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,315,926</b>	<b>\$1,428,494</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,887,432</b>	<b>0.0</b>
Percentage Change	66.0%	36.2%	0.0%	0.0%	188.7%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$6,265,681</b>	<b>\$4,259,978</b>	<b>\$0</b>	<b>\$72,721</b>	<b>\$1,932,982</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$2,071,950)	(\$1,117,500)	\$0	\$0	(\$954,450)	0.0

**PAYMENTS TO OIT**

This line item funds services provided by the Governor's Office of Information Technology (OIT), including centralized computer services, provision and administration of the Colorado State Network, information technology security, Service Desk, Deskside Services, Customer Engagement, Project Management, infrastructure, and OIT's internal office expenses. OIT's costs are allocated based on department usage.

*REQUEST:* The Department requested changes in R13/S3/BA3 and common policy adjustments.

*RECOMMENDATION:* Staff recommends \$650,000 General Fund for the Human Resources Information System and Document Management technology proposed in R13/S3/BA3. The recommended common policy adjustments are pending JBC action and will be updated when the JBC makes decisions.

**INFORMATION TECHNOLOGY ACCESSIBILITY**

This is a proposed new line item.

*REQUEST:* The Department requested this new line item based on OSPB common policies.

*RECOMMENDATION:* The staff recommendation is pending JBC action on the common policy and will be updated when the JBC makes decisions.

**CORE OPERATIONS**

This line item funds the Department’s share for services related to the implementation and ongoing support of the Colorado Operations Resource Engine (CORE), which is the statewide accounting system used by the Office of the State Controller to record all State revenues and expenditures.

*REQUEST:* The Department requested changes based on the OSPB common policies.

*RECOMMENDATION:* The staff recommendation is pending JBC action on the common policy and will be updated when the JBC makes decisions.

**CHILD CARE AUTOMATED TRACKING SYSTEM**

This line item funds software licenses, contracted operations, maintenance and enhancements, and ongoing support for the Child Care Automated Tracking System (CHATS). CHATS is the technology system used by the Department and all 64 counties for the implementation of the Child Care Assistance Program (CCCAP).

*REQUEST:* The Department requested changes in R7/BA4 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, CHILD CARE AUTOMATED TRACKING SYSTEM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$4,259,933	\$0	\$0	\$0	\$4,259,933	0.0
<b>TOTAL</b>	<b>\$4,259,933</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,259,933</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$4,259,933	\$0	\$0	\$0	\$4,259,933	0.0
R7/BA4 Federal stimulus strategies	200,000	0	0	0	200,000	0.0
Annualize prior year budget actions	(350,000)	0	0	0	(350,000)	0.0
<b>TOTAL</b>	<b>\$4,109,933</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,109,933</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$150,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$150,000)</b>	<b>0.0</b>
Percentage Change	(3.5%)	0.0%	0.0%	0.0%	(3.5%)	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$4,109,933</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,109,933</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0



**(2) PARTNERSHIPS AND COLLABORATIONS**

PARTNERSHIPS AND COLLABORATIONS				
	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	FTE
<b>FY 2022-23 Appropriation</b>				
Other Legislation	\$14,433,523	\$2,006,826	\$12,426,697	10.4
<b>TOTAL</b>	<b>\$14,433,523</b>	<b>\$2,006,826</b>	<b>\$12,426,697</b>	<b>10.4</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>				
FY 2022-23 Appropriation	\$14,433,523	\$2,006,826	\$12,426,697	10.4
R2 Increase universal preschool participation	0	0	0	0.0
R7/BA4 Federal stimulus strategies	7,655,539	0	7,655,539	0.0
R10 Provider rates	49,847	49,847	0	0.0
NP Statewide operating inflation	19,175	4,126	15,049	0.0
Annualize prior year budget actions	(7,553,444)	(26,769)	(7,526,675)	(3.9)
<b>TOTAL</b>	<b>\$14,604,640</b>	<b>\$2,034,030</b>	<b>\$12,570,610</b>	<b>6.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$171,117</b>	<b>\$27,204</b>	<b>\$143,913</b>	<b>(3.9)</b>
Percentage Change	1.2%	1.4%	1.2%	(37.5%)
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$15,084,640</b>	<b>\$2,514,030</b>	<b>\$12,570,610</b>	<b>6.5</b>
Request Above/(Below) Recommendation	\$480,000	\$480,000	\$0	0.0

**LINE ITEM DETAIL - PARTNERSHIPS AND COLLABORATIONS****PERSONAL SERVICES**

This line item funds staff and related services for the Partnerships and Collaborations unit, staff and related services in the department in connection with the work unit, and possible contracts for requisite personal services.

*REQUEST:* The Department requested annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

**OPERATING EXPENSES**

In addition to funding telephones, computers, office furniture, and employee supplies, printing, this line item also supports a number of annual costs such as in- and out-of-state travel, records storage, postage, costs, and subscriptions to publications.

*REQUEST:* The Department requested annualizations of prior year budget actions and the nonprioritized request for statewide operating inflation.

*RECOMMENDATION:* Staff recommends the requested annualizations and will update the nonprioritized statewide operating inflation once the JBC takes action.

**CAPITAL OUTLAY**

Payments for the purchase or replacement of equipment, furnishings, or minor renovations for the department.

*REQUEST:* The Department requested annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

**LOCAL COORDINATING ORGANIZATIONS**

This line item provides funding for Local Coordinating Organizations (LCOs), which design community plans to increase outreach, assistance, and entry into the various programs and services offered by the department. LCOs also coordinate services across different levels of government, between different entities, and on local workforce development priorities.

*REQUEST:* The Department requested adjustments in R2 and R7/BA4 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

PARTNERSHIPS AND COLLABORATIONS, LOCAL COORDINATING ORGANIZATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$5,273,021	\$0	\$0	\$0	\$5,273,021	0.0
<b>TOTAL</b>	<b>\$5,273,021</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,273,021</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$5,273,021	\$0	\$0	\$0	\$5,273,021	0.0
R7/BA4 Federal stimulus strategies	5,273,021	0	0	0	5,273,021	0.0
R2 Increase universal preschool participation	0	0	0	0	0	0.0
Annualize prior year budget actions	(5,273,021)	0	0	0	(5,273,021)	0.0
<b>TOTAL</b>	<b>\$5,273,021</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,273,021</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$5,753,021</b>	<b>\$480,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,273,021</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$480,000	\$480,000	\$0	\$0	\$0	0.0

**EARLY CHILDHOOD COUNCILS**

This line item provides funding for the Early Childhood Council system, which covers all 64 Colorado counties and is charged with building the foundations of a locally based early childhood system so that more high quality services are available to more children and families. Funding in this line item is from federal Child Care Development Fund grant funding that is distributed to Early Childhood Councils through a grant process on a three-year cycle by the Department. Funding is also used by the Department for costs related to technical assistance and support to the Councils.

*REQUEST:* The Department requested continuation funding.

*RECOMMENDATION:* Staff recommends the requested continuation funding.

#### CHILD CARE RESOURCE AND REFERRALS

This line item provides funding for the Child Care Resource and Referrals program, which supports a system of local/regional child care resource and referral organizations and which are coordinated to ensure efficient and effective delivery of child care information and resources to families and programs. This line is funded with federal Child Care and Development Fund (CCDF) grant monies, and supports contracts with Early Childhood Councils and other agencies for the implementation of the program.

*REQUEST:* The Department requested modifications in R7/BA4 and annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

#### FAMILY RESOURCE CENTERS

This line item provides funding for the Family Resource Center Program (FRCP), which is dedicated to creating stronger Colorado families by providing support to vulnerable families through statewide family resource centers. FRCP uses training, technical assistance, and grants to establish and maintain family resource centers across Colorado. FRCs are supported by a mix of local, state, and federal funding; foundations; faith-based organizations; individual donations; special events; earned income; and program fees. This line item is funded with General Fund, and supports costs related to managing the program, contracts with program sites, and other contractual costs necessary for the implementation and evaluation of the program.

*REQUEST:* The Department requested a provider rate increase in R10.

*RECOMMENDATION:* Staff recommends the request.

#### INDIRECT COST ASSESSMENT

Indirect Cost Assessment provides funding for departmental overhead costs by the programs in this Long Bill group. The assessment represents the expected collection of statewide and departmental indirect costs from a cash-funded, reappropriated funds, or federal-funded program.

*REQUEST:* The Department requested continuation funding

*RECOMMENDATION:* Staff recommends the request.

**(3) EARLY LEARNING ACCESS AND QUALITY**

EARLY LEARNING ACCESS AND QUALITY					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 Appropriation</b>					
HB 22-1329 (Long Bill)	\$700,638	\$0	\$560,510	\$140,128	10.0
Other Legislation	355,883,076	32,709,033	63,564,026	259,610,017	59.2
<b>TOTAL</b>	<b>\$356,583,714</b>	<b>\$32,709,033</b>	<b>\$64,124,536</b>	<b>\$259,750,145</b>	<b>69.2</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>					
FY 2022-23 Appropriation	\$356,583,714	\$32,709,033	\$64,124,536	\$259,750,145	69.2
R1 Universal Preschool Program	322,000,000	169,000,000	153,000,000	0	0.0
R2 Increase universal preschool participation	600,000	0	0	600,000	0.0
R3 Universal preschool provider bonuses	0	0	0	0	0.0
R5 Equity in Dept of Early Childhood	75,000	75,000	0	0	0.0
R7/BA4 Federal stimulus strategies	90,972,809	0	0	90,972,809	15.9
R10 Provider rates	4,152,079	866,046	453,141	2,832,892	0.0
R12 Early childhood quality	(400,000)	(400,000)	0	0	0.0
BA1a Kindergarten transition	106,219	106,219	0	0	0.9
BA1b Universal preschool evaluation	1,000,000	1,000,000	0	0	0.0
BA5 Employer based child care	0	0	0	0	0.0
NP Statewide operating inflation	1,215	1,215	0	0	0.0
Annualize prior year budget actions	(194,842,757)	118,100	(48,508,927)	(146,451,930)	(31.8)
<b>TOTAL</b>	<b>\$580,248,279</b>	<b>\$203,475,613</b>	<b>\$169,068,750</b>	<b>\$207,703,916</b>	<b>54.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$223,664,565</b>	<b>\$170,766,580</b>	<b>\$104,944,214</b>	<b>(\$52,046,229)</b>	<b>(15.0)</b>
Percentage Change	62.7%	522.1%	163.7%	(20.0%)	(21.7%)
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$602,753,697</b>	<b>\$51,892,401</b>	<b>\$342,478,750</b>	<b>\$208,382,546</b>	<b>56.7</b>
Request Above/(Below) Recommendation	\$22,505,418	(\$151,583,212)	\$173,410,000	\$678,630	2.5

**LINE ITEM DETAIL – EARLY LEARNING ACCESS AND QUALITY**

**PERSONAL SERVICES**

This line item also provides funds to administer the Colorado Child Care Assistance Program (CCCAP). Departmental administrative activities include providing technical support and training for all 64 counties, compliance tracking and monitoring of the usage of CCCAP funds and other related administrative and supervisory support. Costs include contracts to conduct the Colorado Child Care Assistance Program Rate Setting Study, which is used to help establish reimbursement rates for child care providers within Colorado's Child Care Assistance Program (CCCAP) that provide equal access to children and families. In Colorado, the State provides rates for each county and each child care market. Per S.B. 21-217, the State will complete the rate setting study once every three years.

*REQUEST:* The Department requested adjustments in R7/BA4, BA1a, BA1b, and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EARLY LEARNING ACCESS AND QUALITY, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$8,337,794	\$625,330	\$0	\$0	\$7,712,464	49.9
HB 22-1329 (Long Bill)	\$625,138	\$0	\$500,110	\$0	\$125,028	10.0
<b>TOTAL</b>	<b>\$8,962,932</b>	<b>\$625,330</b>	<b>\$500,110</b>	<b>\$0</b>	<b>\$7,837,492</b>	<b>59.9</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$8,962,932	\$625,330	\$500,110	\$0	\$7,837,492	59.9
R7/BA4 Federal stimulus strategies	1,739,309	0	0	0	1,739,309	15.9
BA1b Universal preschool evaluation	1,000,000	1,000,000	0	0	0	0.0
BA1a Kindergarten transition	98,199	98,199	0	0	0	0.9
Annualize prior year budget actions	(2,948,977)	290,366	0	0	(3,239,343)	(26.0)
<b>TOTAL</b>	<b>\$8,851,463</b>	<b>\$2,013,895</b>	<b>\$500,110</b>	<b>\$0</b>	<b>\$6,337,458</b>	<b>50.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$111,469)</b>	<b>\$1,388,565</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,500,034)</b>	<b>(9.2)</b>
Percentage Change	(1.2%)	222.1%	0.0%	0.0%	(19.1%)	(15.4%)
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$7,753,264</b>	<b>\$915,696</b>	<b>\$500,110</b>	<b>\$0</b>	<b>\$6,337,458</b>	<b>49.8</b>
Request Above/(Below) Recommendation	(\$1,098,199)	(\$1,098,199)	\$0	\$0	\$0	(0.9)

**OPERATING EXPENSES**

In addition to funding telephones, computers, office furniture, and employee supplies, this line item also supports a number of annual costs such as in- and out-of-state travel, records storage, postage costs, software licenses and subscriptions to publications.

*REQUEST:* The Department requested adjustments in R7/BA4, BA1a, statewide operating inflation, and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EARLY LEARNING ACCESS AND QUALITY, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$789,674	\$0	\$0	\$0	\$789,674	0.0
HB 22-1329 (Long Bill)	\$13,500	\$0	\$10,800	\$0	\$2,700	0.0
<b>TOTAL</b>	<b>\$803,174</b>	<b>\$0</b>	<b>\$10,800</b>	<b>\$0</b>	<b>\$792,374</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$803,174	\$0	\$10,800	\$0	\$792,374	0.0
R7/BA4 Federal stimulus strategies	18,701	0	0	0	18,701	0.0
BA1a Kindergarten transition	1,350	1,350	0	0	0	0.0
NP Statewide operating inflation	1,215	1,215	0	0	0	0.0
Annualize prior year budget actions	(570,852)	0	0	0	(570,852)	0.0
<b>TOTAL</b>	<b>\$253,588</b>	<b>\$2,565</b>	<b>\$10,800</b>	<b>\$0</b>	<b>\$240,223</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$549,586)</b>	<b>\$2,565</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$552,151)</b>	<b>0.0</b>
Percentage Change	(68.4%)	#DIV/0!	0.0%	0.0%	(69.7%)	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$252,238</b>	<b>\$1,215</b>	<b>\$10,800</b>	<b>\$0</b>	<b>\$240,223</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$1,350)	(\$1,350)	\$0	\$0	\$0	0.0

**CAPITAL OUTLAY**

Payments for the purchase or replacement of equipment, furnishings, or minor renovations for the department.

*REQUEST:* The Department requested annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EARLY LEARNING ACCESS AND QUALITY, CAPITAL OUTLAY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
HB 22-1329 (Long Bill)	\$62,000	\$0	\$49,600	\$0	\$12,400	0.0
<b>TOTAL</b>	<b>\$62,000</b>	<b>\$0</b>	<b>\$49,600</b>	<b>\$0</b>	<b>\$12,400</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$62,000	\$0	\$49,600	\$0	\$12,400	0.0
BA1a Kindergarten transition	6,670	6,670	0	0	0	0.0
Annualize prior year budget actions	(62,000)	0	(49,600)	0	(12,400)	0.0
<b>TOTAL</b>	<b>\$6,670</b>	<b>\$6,670</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$55,330)</b>	<b>\$6,670</b>	<b>(\$49,600)</b>	<b>\$0</b>	<b>(\$12,400)</b>	<b>0.0</b>
Percentage Change	(89.2%)	#DIV/0!	(100.0%)	0.0%	(100.0%)	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$6,670)	(\$6,670)	\$0	\$0	\$0	0.0

**UNIVERSAL PRESCHOOL PROGRAM**

This line item provides funding for payments to preschool providers.

*REQUEST:* The Department requested funding in R1, R2, R3, BA1a, and BA1b and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EARLY LEARNING ACCESS AND QUALITY, UNIVERSAL PRESCHOOL PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$250,000	\$250,000	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$250,000	\$250,000	\$0	\$0	\$0	0.0
R1 Universal Preschool Program	322,000,000	169,000,000	153,000,000	0	0	0.0
R3 Universal preschool provider bonuses	0	0	0	0	0	0.0
BA1a Kindergarten transition	0	0	0	0	0	0.0
BA1b Universal preschool evaluation	0	0	0	0	0	0.0
R2 Increase universal preschool participation	0	0	0	0	0	0.0
Annualize prior year budget actions	(250,000)	(250,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$322,000,000</b>	<b>\$169,000,000</b>	<b>\$153,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

EARLY LEARNING ACCESS AND QUALITY, UNIVERSAL PRESCHOOL PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>\$321,750,000</b>	<b>\$168,750,000</b>	<b>\$153,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	128,700.0%	67,500.0%	#DIV/0!	0.0%	0.0%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$331,508,007</b>	<b>\$5,098,007</b>	<b>\$326,410,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.9</b>
Request Above/(Below) Recommendation	\$9,508,007	(\$163,901,993)	\$173,410,000	\$0	\$0	0.9

**CHILD CARE ASSISTANCE PROGRAM**

The Colorado Child Care Assistance Program (CCCAP) provides financial assistance to low-income families who are working, searching for employment, pursuing training or higher education, or are enrolled in the Colorado Works Program and need child care services to support their efforts toward self-sufficiency. The Department supervises CCCAP services administered by county departments of human or social services.

The State allocates CCCAP monies to counties annually based on an allocation formula. Funding for the program consists of General Fund, local funds, and federal funding from the Child Care and Development Fund (CCDF), and a small amount of Title XX funds. CCCAP monies are used for both county administration of the program and to reimburse child care providers for child care services provided for CCCAP children. Overall, CCCAP expenditures are tied to the number of families receiving care, the amount of care provided, and the provider reimbursement rates.

For FY 2022-23, the funding includes federal stimulus funds from the CCDF grant that are allocated to counties to support the costs of previously implemented stimulus strategies that increased provider payment rates, provided payment for additional absences, and changed the copay structure in order to reduce costs for families.

*REQUEST:* The Department requested modifications in R7/BA4 and R10 as well as annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EARLY LEARNING ACCESS AND QUALITY, CHILD CARE ASSISTANCE PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$157,916,576	\$28,790,460	\$15,064,026	\$0	\$114,062,090	0.0
<b>TOTAL</b>	<b>\$157,916,576</b>	<b>\$28,790,460</b>	<b>\$15,064,026</b>	<b>\$0</b>	<b>\$114,062,090</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$157,916,576	\$28,790,460	\$15,064,026	\$0	\$114,062,090	0.0
R7/BA4 Federal stimulus strategies	19,540,595	0	0	0	19,540,595	0.0
R10 Provider rates	4,152,079	866,046	453,141	0	2,832,892	0.0
Annualize prior year budget actions	(19,513,957)	77,734	40,673	0	(19,632,364)	0.0
<b>TOTAL</b>	<b>\$162,095,293</b>	<b>\$29,734,240</b>	<b>\$15,557,840</b>	<b>\$0</b>	<b>\$116,803,213</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,178,717</b>	<b>\$943,780</b>	<b>\$493,814</b>	<b>\$0</b>	<b>\$2,741,123</b>	<b>0.0</b>
Percentage Change	2.6%	3.3%	3.3%	0.0%	2.4%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$162,095,293</b>	<b>\$29,734,240</b>	<b>\$15,557,840</b>	<b>\$0</b>	<b>\$116,803,213</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### INTRASTATE CHILD CARE ASSISTANCE PROGRAM

This line item was created in FY 2018-19, and is funded through federal funds from the Child Care and Development Fund grant. The line item is dedicated to child care activities allowable under the Child Care and Development Fund grant to allow the State to address the specific challenges related to equal access to high-quality early child care and education, including child care deserts, workforce development, and provider retention as well as to ensure adherence to regulations and improve effective delivery of Colorado’s Child Care Assistance Program (CCCAP), including enhancements to the CCCAP IT system, the Child Care Automated Tracking System (CHATS).

*REQUEST:* The Department requests continuation funding.

*RECOMMENDATION:* Staff recommends the requested continuation funding.

### CHILD CARE ASSISTANCE PROGRAM STIMULUS – ELIGIBILITY EXPANSION AND INFANT AND TODDLER CARE REIMBURSEMENT

This line consists of federal stimulus funds from the Child Care and Development Fund (CCDF) grant to supplement funding for the Child Care Assistance Program (CCCAP). The funds are allocated to counties based on an allocation formula, and are intended to support the increased program costs associated with reimbursing infant and toddler care based on enrollment and expanding income eligibility thresholds for CCCAP. The funds may be spent only on direct services for children participating in CCCAP.

*REQUEST:* The Department requested adjustments in R7/BA4 and annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

### WORKFORCE RECRUITMENT AND RETENTION GRANT

This line item supports increasing the number of qualified early childhood educators in the State and retaining the early childhood educator workforce. The Recruitment and Retention Grant provides current and potential early childhood professionals with financial assistance to draw from a menu of options, adaptable to local needs, to support their access to education and training in order to help them earn credits, credentials, and degrees, and meet child care licensing requirements to serve as qualified workers or obtain a higher level of qualification. The program will help address the early childhood workforce need in Colorado by providing educators a variety of pathways to the profession.

*REQUEST:* The Department requested adjustments in R7/BA4 and annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

### PROFESSIONAL DEVELOPMENT AND TRAINING

This line item provides funding for the Colorado Shines Professional Development Information System (PDIS), which is the statewide workforce registry and learning management system supporting professional development for Colorado’s early childhood workforce. Effective December 2021, all staff in licensed programs are required to be registered in the PDIS. Additionally, required annual



training is offered to all child care professionals for free through the learning management system in English and Spanish, ensuring access to required health and safety training as well as ongoing professional development for all professionals in the state. The funds support the costs of resources for the ongoing oversight and development of ongoing training, and professional development opportunities for early childhood educators, and operating and maintenance costs for the PDIS technology system.

For FY 2022-23, this line includes federal stimulus funds from the Child Care Development Fund (CCDF) grant to support apprenticeship, peer mentoring, and the costs of other professional development support for early childhood educators.

*REQUEST:* The Department requested adjustments in R5 and R7/BA4 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EARLY LEARNING ACCESS AND QUALITY, PROFESSIONAL DEVELOPMENT AND TRAINING ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$7,217,451	\$0	\$0	\$0	\$7,217,451	0.0
<b>TOTAL</b>	<b>\$7,217,451</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,217,451</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$7,217,451	\$0	\$0	\$0	\$7,217,451	0.0
R7/BA4 Federal stimulus strategies	4,461,849	0	0	0	4,461,849	0.0
R5 Equity in Dept of Early Childhood	75,000	75,000	0	0	0	0.0
Annualize prior year budget actions	(5,077,134)	0	0	0	(5,077,134)	0.0
<b>TOTAL</b>	<b>\$6,677,166</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,602,166</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$540,285)</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$615,285)</b>	<b>0.0</b>
Percentage Change	(7.5%)	n/a	0.0%	0.0%	(8.5%)	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$879,450	(\$75,000)	\$0	\$0	\$954,450	0.0

### EARLY CHILDHOOD QUALITY AND AVAILABILITY

This line item funds grants and contracts to improve the quality and availability of child care throughout Colorado.

The federal government currently requires that 9 percent of expenditures for Child Care and Development Fund (CCDF) be used to improve the quality of child care. The 9 percent calculation is based on total CCDF expenditures, including state expenditures required to match a portion of the federal CCDF grant and expenditures of county transfers of Temporary Assistance for Needy Families funds to CCDF. Funding for quality activities supports Colorado’s Early Childhood Councils (ECCs) and the Colorado Shines Quality Improvement (CSQI) Program, which consists of funding from the School-Readiness Quality Improvement Program, the Infant and Toddler Quality and Availability (ITQA) program, and other CCDF funds intended to improve the quality in CCCAP and other licensed child care providers.

The federal government currently requires 3 percent of the total CCDF expenditures to be targeted for infant/toddler care to provide specialized training, technical assistance, improve the quality, or expand the supply of child care programs serving infants and toddlers. This funding includes, but is not limited to, the ITQA program and the Expanding Quality for Infants and Toddlers (EQIT) program.

The funds support the Department’s Quality Rating and Improvement System (QRIS), Colorado Shines, which was launched in 2014. Colorado Shines is embedded in the state child care licensing regulatory system, requiring the assignment of a quality rating level for all licensed child care programs enrolling children prior to kindergarten to inform parents about the quality of early learning programs and drive improvements to the quality of those programs. The funds support the costs of the ongoing oversight and development of the Colorado Shines framework, including coaching, rating administration, inter-rater reliability for assessor staff, ongoing training, and operating and maintenance costs for the Colorado Shines Technology System.

In FY 2022-23, the line includes federal stimulus funds from the Child Care And Development Fund (CCDF) grant to support a variety of efforts to improve the quality and availability of child care throughout Colorado, including: Family Child Care Home (FCCH) Navigators to support providers in becoming licensed, as well as supporting newly licensed providers by providing resources and ensuring their access to services;

*REQUEST:* The Department requested adjustments in R2, R7/BA4, and R12 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

EARLY LEARNING ACCESS AND QUALITY, EARLY CHILDHOOD QUALITY AND AVAILABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$24,909,892	\$3,043,243	\$0	\$0	\$21,866,649	0.0
<b>TOTAL</b>	<b>\$24,909,892</b>	<b>\$3,043,243</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,866,649</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$24,909,892	\$3,043,243	\$0	\$0	\$21,866,649	0.0
R7/BA4 Federal stimulus strategies	11,659,062	0	0	0	11,659,062	0.0
R2 Increase universal preschool participation	600,000	0	0	0	600,000	0.0
Annualize prior year budget actions	(14,207,083)	0	0	0	(14,207,083)	0.0
R12 Early childhood quality	(400,000)	(400,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$22,561,871</b>	<b>\$2,643,243</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,918,628</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,348,021)</b>	<b>(\$400,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,948,021)</b>	<b>0.0</b>
Percentage Change	(9.4%)	(13.1%)	0.0%	0.0%	(8.9%)	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$22,286,051</b>	<b>\$2,643,243</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,642,808</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$275,820)	\$0	\$0	\$0	(\$275,820)	0.0

### LOCAL CAPACITY BUILDING GRANTS

The Transition Plan for the Department of Early Childhood recommended an evaluation of local capacity and building community readiness for launching universal preschool. This activity supports

local partners to survey local capacity and develop regional strategies to build capacity within their unique communities, particularly in rural and frontier communities. This will ensure Colorado is ready to give access to all families who wish to participate in the universal preschool program.

*REQUEST:* The Department requested adjustments in R7/BA4 and annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

#### EMERGING AND EXPANDING GRANT PROGRAM

Grants to expand access and availability of licensed child care throughout Colorado by providing funds to providers support expenses related to the expansion of current licensed child care capacity or the opening of a new licensed child care program.

*REQUEST:* The Department requested adjustments in R2 and annualizations of prior year budget actions.

*RECOMMENDATION:* Staff does not recommend the \$3.0 million General Fund requested in R2, but otherwise recommends the request.

#### EARLY CARE AND EDUCATION RECRUITMENT AND RETENTION

Grants to increase the number of qualified early childhood educators throughout the state and to retain existing licensed early childhood educators.

*REQUEST:* The Department requested annualization of prior year budget actions to eliminate this one-time funding.

*RECOMMENDATION:* Staff recommends the request.

#### FAMILY, FRIEND, AND NEIGHBOR TRAINING AND SUPPORT

Funding to support community-based organizations and nonprofit organizations with expertise working with FFN providers to provide FFN providers with information, training, materials, knowledge, support, best practices, and technical assistance.

*REQUEST:* The Department requested annualization of prior year budget actions to eliminate this one-time funding.

*RECOMMENDATION:* Staff recommends the request.

#### CHILD CARE SUSTAINABILITY GRANT PROGRAM

Grants to address the pressures that reduced enrollment and increased costs have put on child care providers and their sustainability by addressing licensed child care capacity and quality level.

*REQUEST:* The Department requested annualization of prior year budget actions to eliminate this one-time funding.

*RECOMMENDATION:* Staff recommends the request.

### EMPLOYER BASED CHILD CARE FACILITY GRANT PROGRAM

Grant to provide eligible entities with funds to construct, remodel, renovate, or retrofit a child care center on site or near the site to provide licensed child care services to the eligible entity's employees.

*REQUEST:* The Department requested \$10.5 million General Fund in BA5 to continue the program for a year and annualization of prior year budget actions to eliminate the one-time funding previously provided.

*RECOMMENDATION:* Staff does not recommend the \$10.5 million General Fund requested in BA5 to continue the program one more year.

### INDIRECT COST ASSESSMENT

Indirect Cost Assessment provides funding for departmental overhead costs by the programs in this Long Bill group. The assessment represents the expected collection of statewide and departmental indirect costs from a cash-funded, reappropriated funds, or federal-funded program.

*REQUEST:* The Department requested continuation funding.

*RECOMMENDATION:* Staff recommends the request.

**(4) COMMUNITY AND FAMILY SUPPORT**

COMMUNITY AND FAMILY SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 Appropriation</b>						
Other Legislation	\$133,742,597	\$65,729,104	\$40,699,797	\$8,358,218	\$18,955,478	26.4
<b>TOTAL</b>	<b>\$133,742,597</b>	<b>\$65,729,104</b>	<b>\$40,699,797</b>	<b>\$8,358,218</b>	<b>\$18,955,478</b>	<b>26.4</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$133,742,597	\$65,729,104	\$40,699,797	\$8,358,218	\$18,955,478	26.4
R4/S2/BA2 Early Intervention	4,968,881	3,519,628	350,008	1,099,245	0	0.0
R6 Early childhood mental health support	311,872	311,872	0	0	0	0.0
R7/BA4 Federal stimulus strategies	2,865,085	0	0	0	2,865,085	2.0
R9 Child sexual abuse prevention training	150,000	150,000	0	0	0	0.0
R10 Provider rates	2,031,155	1,951,686	23,338	0	56,131	0.0
R11 Nurse Home Visitor Program	732,880	0	732,880	0	0	0.0
R13/S3/BA3 Transfers between DHS and DEC	(97,401)	0	(97,401)	0	0	0.0
NP Statewide operating inflation	29,911	16,671	4,697	0	8,543	0.0
Annualize prior year budget actions	(6,063,956)	(164,162)	(2,949,527)	0	(2,950,267)	(1.6)
<b>TOTAL</b>	<b>\$138,671,024</b>	<b>\$71,514,799</b>	<b>\$38,763,792</b>	<b>\$9,457,463</b>	<b>\$18,934,970</b>	<b>26.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,928,427</b>	<b>\$5,785,695</b>	<b>(\$1,936,005)</b>	<b>\$1,099,245</b>	<b>(\$20,508)</b>	<b>0.4</b>
Percentage Change	3.7%	8.8%	(4.8%)	13.2%	(0.1%)	1.5%
<b>FY 2023-24 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$3,267,285)	(\$1,847,921)	(\$89,283)	(\$1,330,081)	\$0	1.9

**LINE ITEM DETAIL – COMMUNITY AND FAMILY SUPPORT****PERSONAL SERVICES**

This line item provides funding for staff and related services for the Community and Family Support division, staff and related services in the department in connection with the work of the division, and possible contracts for requisite personal services.

*REQUEST:* The Department requested adjustments in R6, R7/BA4, and R13/S3/BA3 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

COMMUNITY AND FAMILY SUPPORT, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$4,213,192	\$2,135,321	\$378,689	\$0	\$1,699,182	25.8
<b>TOTAL</b>	<b>\$4,213,192</b>	<b>\$2,135,321</b>	<b>\$378,689</b>	<b>\$0</b>	<b>\$1,699,182</b>	<b>25.8</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$4,213,192	\$2,135,321	\$378,689	\$0	\$1,699,182	25.8
R7/BA4 Federal stimulus strategies	215,508	0	0	0	215,508	2.0
Annualize prior year budget actions	121,297	34,513	50,473	0	36,311	(1.0)
R6 Early childhood mental health support	0	0	0	0	0	0.0

COMMUNITY AND FAMILY SUPPORT, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R13/S3/BA3 Transfers between DHS and DEC	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,549,997</b>	<b>\$2,169,834</b>	<b>\$429,162</b>	<b>\$0</b>	<b>\$1,951,001</b>	<b>26.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$336,805</b>	<b>\$34,513</b>	<b>\$50,473</b>	<b>\$0</b>	<b>\$251,819</b>	<b>1.0</b>
Percentage Change	8.0%	1.6%	13.3%	0.0%	14.8%	3.9%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$4,701,625</b>	<b>\$2,225,411</b>	<b>\$525,213</b>	<b>\$0</b>	<b>\$1,951,001</b>	<b>28.7</b>
Request Above/(Below) Recommendation	\$151,628	\$55,577	\$96,051	\$0	\$0	1.9

### OPERATING EXPENSES

In addition to funding telephones, computers, office furniture, and employee supplies, printing, this line item also supports a number of annual costs such as in- and out-of-state travel, records storage, postage, costs, and subscriptions to publications.

*REQUEST:* The Department requested adjustments in R6, R7/BA4, and statewide operating inflation and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below. The amount for statewide operating inflation is pending JBC action.

COMMUNITY AND FAMILY SUPPORT, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$332,341	\$185,233	\$52,188	\$0	\$94,920	0.0
<b>TOTAL</b>	<b>\$332,341</b>	<b>\$185,233</b>	<b>\$52,188</b>	<b>\$0</b>	<b>\$94,920</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$332,341	\$185,233	\$52,188	\$0	\$94,920	0.0
NP Statewide operating inflation	29,911	16,671	4,697	0	8,543	0.0
R7/BA4 Federal stimulus strategies	1,470	0	0	0	1,470	0.0
R6 Early childhood mental health support	0	0	0	0	0	0.0
Annualize prior year budget actions	(2,700)	0	0	0	(2,700)	0.0
<b>TOTAL</b>	<b>\$361,022</b>	<b>\$201,904</b>	<b>\$56,885</b>	<b>\$0</b>	<b>\$102,233</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$28,681</b>	<b>\$16,671</b>	<b>\$4,697</b>	<b>\$0</b>	<b>\$7,313</b>	<b>0.0</b>
Percentage Change	8.6%	9.0%	9.0%	0.0%	7.7%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$368,757</b>	<b>\$209,639</b>	<b>\$56,885</b>	<b>\$0</b>	<b>\$102,233</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$7,735	\$7,735	\$0	\$0	\$0	0.0

### EARLY INTERVENTION

The Early Intervention Services program is codified in state and federal statute, at Section 26.5-3-401 et seq., C.R.S. (2022) and the Individuals with Disabilities Education Act (2004), 34 C.F.R. Section 303.101 (a)(1). Early Intervention services provide services and supports to children from birth through age two and their families who are determined eligible based on a developmental delay or disability. These services and supports enhance child development in the areas of adaptive skills, cognitive skills, communication, motor development including vision and hearing and social and

emotional development. The Early Intervention program also includes early identification, screening, and assessment services, and procedural safeguards. The program is funded by a combination of General Fund, local funds, Medicaid, the Early Intervention Services Trust (EIST), and federal funding from Part C of the Individuals with Disabilities Education Act (IDEA).

Line item funding supports contracts with community agencies to provide service coordination and direct services to eligible children and families, and other costs necessary to implement the Early Intervention program, including public awareness, training, information technology, and the state staff responsible for oversight and implementation of the program.

The line item also funds Early Intervention evaluations line was created during the FY 2018-19 figure setting process with an appropriation of General Fund and federal funding from Part C of the Individuals with Disabilities Education Act (IDEA). The funding assists the State with the administration and completion of Early Intervention Evaluations for children birth through age two. With the passage of S.B. 21-275, the full authority for conducting all Early Intervention evaluations was transferred from the Colorado Department of Education to the Colorado Department of Human Services (CDHS) to align with CDHS' responsibility as the state lead agency for purposes of federal Part C funding and law. Next, full authority was transferred to the Colorado Department of Early Childhood, which became the lead agency in July 2022. Line item funding supports costs associated with conducting evaluations and implementing the evaluation program, including public awareness, training, information technology, and the state staff responsible for oversight and implementation of the program.

*REQUEST:* The Department requested adjustments in R4/S2/B2, R10, and R13/S3/BA3 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

COMMUNITY AND FAMILY SUPPORT, EARLY INTERVENTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$77,866,313	\$52,885,994	\$10,589,516	\$8,358,218	\$6,032,585	0.0
<b>TOTAL</b>	<b>\$77,866,313</b>	<b>\$52,885,994</b>	<b>\$10,589,516</b>	<b>\$8,358,218</b>	<b>\$6,032,585</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$77,866,313	\$52,885,994	\$10,589,516	\$8,358,218	\$6,032,585	0.0
R4/S2/BA2 Early Intervention	4,968,881	3,519,628	350,008	1,099,245	0	0.0
R10 Provider rates	1,644,534	1,644,534	0	0	0	0.0
Annualize prior year budget actions	47,325	47,325	0	0	0	0.0
R13/S3/BA3 Transfers between DHS and DEC	(97,401)	0	(97,401)	0	0	0.0
<b>TOTAL</b>	<b>\$84,429,652</b>	<b>\$58,097,481</b>	<b>\$10,842,123</b>	<b>\$9,457,463</b>	<b>\$6,032,585</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$6,563,339</b>	<b>\$5,211,487</b>	<b>\$252,607</b>	<b>\$1,099,245</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	8.4%	9.9%	2.4%	13.2%	0.0%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$80,766,180</b>	<b>\$56,186,248</b>	<b>\$10,419,965</b>	<b>\$8,127,382</b>	<b>\$6,032,585</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$3,663,472)	(\$1,911,233)	(\$422,158)	(\$1,330,081)	\$0	0.0

HOME VISITING

This line item includes funding for home visiting including the Nurse Home Visitor Program (NHVP), Maternal, Infant, and Early Childhood Home Visiting (MIECHV), and Healthy Steps.

The Nurse Home Visitor Program (NHVP) is funded by the Nurse Home Visitor Program (NHVP) Fund created in 26-6.4-107 (2) (b), C.R.S. (2021), some federal funding from the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) grant, and Medicaid reimbursements. The program receives an annual distribution of funding from the Tobacco Master Settlement Agreement, which is deposited into the NHVP fund. 95% of the funding must go to contracts with community agencies to implement the direct services, and the remaining 5% supports the cost of oversight and implementation of the program.

This program is based on the proven national Nurse Family Partnership program (NFP), which has more than 40 years’ worth of clinical trials demonstrating long-term outcomes such as reduced childhood injuries. Compared with a similar reference group of low-income women nationally, NFP participants had 18 percent fewer preterm births, 21 percent more mothers were breastfeeding, and 19 percent more infants were immunized at six months. The state program provides funding for home visiting nurse services to low-income (up to 200 percent of the Federal Poverty Level), first-time mothers during their pregnancies and through their children’s second birthday. This is a voluntary program designed to provide trained visiting nurses to help educate mothers on the importance of nutrition, healthy decision making, and to assist and educate mothers in providing general infant care to improve outcomes for their children. Each year the program sees over 4,000 first-time mothers with services in all 64 Colorado counties through its 22 sites across the state.

Previously known as Healthy Steps for Young Children, Home Visiting for School Readiness was originally created during the FY 2017-18 Figure Setting process and funded through General Fund. Funding supports contracts with agencies to implement the national HealthySteps and Home Instruction for the Parents of Preschool Youngsters (HIPPPY) models. HealthySteps is a voluntary, evidence-based two-generation program that is delivered through the pediatric care system to provide parent support and education, developmental screening, instruction in safe sleep practices, family protective and risk factor screening, and connections to needed services.

*REQUEST:* The Department requested provider rate adjustments in R10 and R11.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

COMMUNITY AND FAMILY SUPPORT, HOME VISITING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$26,790,628	\$597,969	\$24,429,322	\$0	\$1,763,337	0.0
<b>TOTAL</b>	<b>\$26,790,628</b>	<b>\$597,969</b>	<b>\$24,429,322</b>	<b>\$0</b>	<b>\$1,763,337</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$26,790,628	\$597,969	\$24,429,322	\$0	\$1,763,337	0.0
R11 Nurse Home Visitor Program	732,880	0	732,880	0	0	0.0
R10 Provider rates	17,939	17,939	0	0	0	0.0
<b>TOTAL</b>	<b>\$27,541,447</b>	<b>\$615,908</b>	<b>\$25,162,202</b>	<b>\$0</b>	<b>\$1,763,337</b>	<b>0.0</b>



COMMUNITY AND FAMILY SUPPORT, HOME VISITING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>\$750,819</b>	<b>\$17,939</b>	<b>\$732,880</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.8%	3.0%	3.0%	0.0%	0.0%	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$27,778,271</b>	<b>\$615,908</b>	<b>\$25,399,026</b>	<b>\$0</b>	<b>\$1,763,337</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$236,824	\$0	\$236,824	\$0	\$0	0.0

### HOME VISITING GRANT PROGRAM

Grants for evidence-based, two-generation, and home-based prevention programs which support the school readiness, social-emotional growth, and development of the served children.

*REQUEST:* The Department requested annualization of prior year budget actions to eliminate the one-time funding for this item.

*RECOMMENDATION:* Staff recommends the request.

### CHILD MALTREATMENT PREVENTION

This line item includes funding for Safecare, Colorado Community Response Program (CCR), Promoting Safe and Stable Families (PSSF), Community-Based Child Abuse Prevention (CBCAP), and the Colorado Child Abuse Prevention Trust Fund Board (COCAP).

SafeCare Colorado is a voluntary in-home prevention service for parents to assist them with the challenges of parenting and inter-family relationships. Services offered include child behavior management, planned activities training, home safety training, and child health care skills, all designed to stabilize families and prevent child maltreatment. Program resources include home visits, family coaches, and access to other services that may be of need to a family, including but not limited to food assistance, work assistance, and child care assistance. SafeCare is used in other communities across the country and has demonstrated strong success in eliminating child maltreatment. Funding is used to support sites across the State that provide services under the SafeCare Colorado model. The program commenced in FY 2013-14 with the establishment of 6 sites, followed by 3 more. Currently there are 13 sites and one tribe that provide SafeCare services in 39 counties. Evaluation activities are administered by the Colorado State University School of Social Work.

The Colorado Community Response Program draws on public, private, and community supports to keep children safe by increasing a family’s protective capacities to prevent child neglect among low-income families. The Colorado Community Response Program is a voluntary program serving families that have been reported to a county child protective agency for alleged child abuse or neglect but are screened out without an offer of services. The family receives needed referrals, financial literacy coaching, and access to flex funding in order to increase economic self-reliance. The program is organizationally located and managed by the Office of Early Childhood. Similar to SafeCare Colorado, funding for the Colorado Community Response Program established sites across Colorado that were selected through a competitive application process. As of FY 2019-20, CCR services are being delivered at 24 sites in 34 counties. A randomized control trial study of the promising practice is being completed by the Colorado Evaluation and Action Lab at the University of Denver.

Promoting Safe and Stable Families was originally authorized in 1993 under Subpart 2 of Title IV-B of the federal Social Security Act, and was established in name by the 1997 federal Adoption and Safe Families Act. The program is codified at Section 26-5-101 et. seq., C.R.S. (2021). The line supports costs associated with state staff responsible for administering the program, and managing the associated contracts and budgets.

The Promoting Safe and Stable Families (PSSF) program provides funding and technical assistance to selected counties in Colorado to create, enhance, and coordinate four service areas including family support programs to increase family well-being, family preservation services for families with children at risk of maltreatment or those with disabilities, reunification services for families with children in out-of-home placement, and adoption promotion and support services.

PSSF is funded by a formula grant and requires a 25 percent non-federal match to draw down the federal funds. The General Fund appropriation provides the match for the portion of the funds that are used to support state-level staff and data collection activities, and the cash funds represent the in-kind and non-federal funds that the local counties provide as a match for the funds they receive.

Funds derived from the Colorado Child Abuse Prevention Trust Fund created in 19-3.5-106(1), C.R.S. (2021) are allocated with advisement from the Governor-appointed seventeen-member Colorado Child Abuse Prevention Trust Fund Board to local organizations to prevent the abuse and neglect of Colorado's children. Line item funding also supports the costs of state staff responsible for oversight and administration of the trust fund.

Cash funds from divorce docket fees will be expended toward primary child abuse prevention strategies with two priorities identified in the statute: child sexual abuse prevention and the prevention of drug-exposed newborns. H.B. 18-1064 added a requirement to utilize additional state funds for a training program to prevent child sexual abuse. Due to the COVID-19 pandemic, General Fund for this purpose was removed starting in FY 2020-21 though the mandate to provide the training remains in statute.

H.B. 21-1248 added a new sub-account to the Trust Fund starting FY 2021-22 that will receive and pool federal Title IV-E claiming reimbursement for state investment in prevention services named on the Family First Prevention Services Act Clearinghouse. The Colorado Child Abuse Prevention Trust Fund Board will establish priorities to build capacity for more prevention services across the state that will guide the Department in releasing solicitations to local organizations implementing programs on the same Clearinghouse.

Federal Community Based Child Abuse Prevention (CBCAP) grant funds, from the Child Abuse Prevention and Treatment Act Part II, support the creation and implementation of county child maltreatment prevention plans, implementation of some of those local strategies, and to investments in capacity building across the family strengthening system. Many of these grants go directly to Family Resource Centers that are implementing programs and strategies to strengthen families and prevent child abuse and neglect from occurring in the first place. This funding also supports the cost of state staff responsible for oversight and administration of the federal grant program.

*REQUEST:* The Department requested adjustments in R9 and R10 and annualization of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

### EARLY CHILDHOOD MENTAL HEALTH SERVICES

The purpose of the Early Childhood Mental Health Consultation (ECMHC) program is to increase the availability of mental health consultation services to young children, birth through age five, and provide coaching and training to families and early care and learning environments that will help adults support children’s social-emotional development and to identify early in a child’s life any concerns that could lead to greater challenges in the future. Benefits of the ECMHC program include fewer incidents of challenging behaviors, reduced stress for parents, increased resiliency for children, stronger relationships between children and parents, and improved school readiness meaning that children are ready for school, families are ready to support their children's learning, and early care and learning programs are ready for children.

In FY 2015-16, a supplemental budget request was submitted to use CCDF to implement new federal program requirements. Specifically, the funding addresses the requirement to provide enhanced resources to address the social and emotional needs of young children in Colorado that will reduce suspensions and expulsions. The Legislature approved the request, and the State was able to expand the number of FTE community-based ECMH Consultants. The line supports costs associated with state staff responsible for administering the program, and managing the associated contracts and budgets.

*REQUEST:* The Department requested modifications in R6, R7/BA4, and R10 and annualizations of prior year budget actions.

*RECOMMENDATION:* Staff recommends the request.

### SOCIAL EMOTIONAL LEARNING PROGRAMS GRANTS

This line item provides funding for the Incredible Years program, which is an evidence-based, two-generation program that fosters social and emotional well-being in young children and works to prevent behavior issues that could lead to suspension or expulsion from preschool. The program consists of three components: classroom management support for teachers, a curriculum delivered in Pre-K and kindergarten classrooms, and a parenting program. The program is funded through Marijuana Tax Cash Funds. Funding also supports the cost of state staff responsible for oversight and administration of the federal grant program.

*REQUEST:* The Department requested modifications in a provider rate adjustment in R10.

*RECOMMENDATION:* Staff recommends the request.

### CHILD CARE SERVICES AND SUBSTANCE USE DISORDER TREATMENT PILOT PROGRAM

The Child Care Services and Substance Use Disorder Treatment Pilot Program was created by HB19-1193 to provide grants to enhance the existing child care resource and referral programs to provide increased child care navigation capacity in one rural pilot program site and one urban pilot program site to serve pregnant and parenting women seeking or participating in substance use disorder treatment, provide a grant to enhance the capacity of the existing child care resource and referral program’s centralized call center to serve pregnant and parenting women seeking or participating in substance use disorder treatments, and provide implementation grants to pilot a regional mobile child

care model and serves children under five years of age in at least three facilities that provide substance use disorder treatment to parents. Due to the COVID-19 pandemic, funding for this pilot program was eliminated for FY 2020-21 but was restored for the final year of the pilot (FY 2021-22).

*REQUEST:* The Department requested continuation funding.

*RECOMMENDATION:* Staff recommends the request.

#### CHILDREN'S MENTAL HEALTH PROGRAMS

House Bill 22-1369 requires the Department to contract with a Colorado-based nonprofit entity to provide children's mental health programs to perform readiness assessments, provide training, and monitor program implementation to provide ongoing quality assessments and improvement recommendations; provide the CDEC with site-specific and statewide process and outcome evaluations of children's mental health programs; and annually prepare and submit to the CDEC an evaluation of the outcomes of all of the children's mental health programs implemented.

*REQUEST:* The Department requested annualizations of prior year budget actions to eliminate the one-time funding for this line item.

*RECOMMENDATION:* Staff recommends the request.

#### INDIRECT COST ASSESSMENT

Indirect Cost Assessment provides funding for departmental overhead costs by the programs in this Long Bill group. The assessment represents the expected collection of statewide and departmental indirect costs from a cash-funded, reappropriated funds, or federal-funded program.

*REQUEST:* The Department requested continuation funding.

*RECOMMENDATION:* Staff recommends the request.

(5) LICENSING AND ADMINISTRATION

LICENSING AND ADMINISTRATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 Appropriation</b>					
Other Legislation	\$13,159,191	\$2,418,203	\$2,944,077	\$7,796,911	71.6
<b>TOTAL</b>	<b>\$13,159,191</b>	<b>\$2,418,203</b>	<b>\$2,944,077</b>	<b>\$7,796,911</b>	<b>71.6</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>					
FY 2022-23 Appropriation	\$13,159,191	\$2,418,203	\$2,944,077	\$7,796,911	71.6
R2 Increase universal preschool participation	370,154	0	0	370,154	5.0
R7/BA4 Federal stimulus strategies	542,680	0	0	542,680	3.0
R8 Records and Reports Cash Fund	0	0	0	0	0.0
R10 Provider rates	127,552	51,021	0	76,531	0.0
R13/S3/BA3 Transfers between DHS/DEC	(144,811)	0	(144,811)	0	(2.5)
NP Statewide operating inflation	93,377	1,316	23,932	68,129	0.0
Annualize prior year budget actions	(803,195)	(4,464)	135,787	(934,518)	(4.7)
<b>TOTAL</b>	<b>\$13,344,948</b>	<b>\$2,466,076</b>	<b>\$2,958,985</b>	<b>\$7,919,887</b>	<b>72.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$185,757</b>	<b>\$47,873</b>	<b>\$14,908</b>	<b>\$122,976</b>	<b>0.8</b>
Percentage Change	1.4%	2.0%	0.5%	1.6%	1.1%
<b>FY 2023-24 EXECUTIVE REQUEST</b>					
Request Above/(Below) Recommendation	(\$414,576)	\$0	(\$290,965)	(\$123,611)	(2.4)

LINE ITEM DETAIL – LICENSING AND ADMINISTRATION

PERSONAL SERVICES

This line item funds staff and related services for the Licensing and Administration division, staff and related services in the department in connection with the work of the division, and contracts for requisite personal services, including licensing contracts. This work unit is responsible for inspecting, licensing, and monitoring child care facilities throughout the State. The licensing program is responsible for enforcement of applicable federal and State rules and regulations for child care facilities. The Division provides technical assistance to child care providers and establishes educational and experience requirements for child care providers in all facilities. The licensing program is federally required to conduct annual licensing inspections for all facilities.

This unit also includes the Coordinator and Supervisor for the Child Care Licensing Appeal Panel, which reviews provider requests for waivers to licensing regulations. Applicants or licensed providers may appeal regulations that they believe cause them undue hardship or have been too stringently applied. The Child Care Licensing Appeal Panel of the Division hears an average of 600 appeals a year. To facilitate parents' involvement in monitoring and making decisions about licensed facilities, the Division makes licensing histories of child care facilities available to the public.

The line item appropriation includes revenue earned from licensing fees deposited into the Child Care Licensing Cash Fund. The Department, through rules promulgated by the Executive Director and pursuant to Section 26.5-5-311, C.R.S. (2022), establishes licensing fees not to exceed the direct and indirect costs incurred.

*REQUEST:* The Department requested adjustments in R2, R7/BA4, and R10 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

LICENSING AND ADMINISTRATION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$9,460,393	\$2,403,584	\$1,052,212	\$0	\$6,004,597	59.1
<b>TOTAL</b>	<b>\$9,460,393</b>	<b>\$2,403,584</b>	<b>\$1,052,212</b>	<b>\$0</b>	<b>\$6,004,597</b>	<b>59.1</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$9,460,393	\$2,403,584	\$1,052,212	\$0	\$6,004,597	59.1
R7/BA4 Federal stimulus strategies	524,135	0	0	0	524,135	3.0
R2 Increase universal preschool participation	330,054	0	0	0	330,054	5.0
R10 Provider rates	127,552	51,021	0	0	76,531	0.0
Annualize prior year budget actions	(285,456)	(4,464)	41,401	0	(322,393)	(4.7)
<b>TOTAL</b>	<b>\$10,156,678</b>	<b>\$2,450,141</b>	<b>\$1,093,613</b>	<b>\$0</b>	<b>\$6,612,924</b>	<b>62.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$696,285</b>	<b>\$46,557</b>	<b>\$41,401</b>	<b>\$0</b>	<b>\$608,327</b>	<b>3.3</b>
Percentage Change	7.4%	1.9%	3.9%	0.0%	10.1%	5.6%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$10,007,079</b>	<b>\$2,450,141</b>	<b>\$1,093,613</b>	<b>\$0</b>	<b>\$6,463,325</b>	<b>62.0</b>
Request Above/(Below) Recommendation	(\$149,599)	\$0	\$0	\$0	(\$149,599)	(0.4)

**OPERATING EXPENSES**

In addition to funding telephones, computers, office furniture, and employee supplies, this line item also supports a number of annual costs such as in- and out-of-state travel, records storage, postage, costs, training, and subscriptions to publications.

*REQUEST:* The Department requested adjustments in R2, R7/BA4, statewide operating inflation and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below. The amount for statewide operating inflation is pending JBC action.

LICENSING AND ADMINISTRATION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$1,037,528	\$14,619	\$265,915	\$0	\$756,994	0.0
<b>TOTAL</b>	<b>\$1,037,528</b>	<b>\$14,619</b>	<b>\$265,915</b>	<b>\$0</b>	<b>\$756,994</b>	<b>0.0</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$1,037,528	\$14,619	\$265,915	\$0	\$756,994	0.0
NP Statewide operating inflation	93,377	1,316	23,932	0	68,129	0.0
R2 Increase universal preschool participation	40,100	0	0	0	40,100	0.0
R7/BA4 Federal stimulus strategies	18,545	0	0	0	18,545	0.0
Annualize prior year budget actions	(612,125)	0	0	0	(612,125)	0.0
<b>TOTAL</b>	<b>\$577,425</b>	<b>\$15,935</b>	<b>\$289,847</b>	<b>\$0</b>	<b>\$271,643</b>	<b>0.0</b>

LICENSING AND ADMINISTRATION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>(\$460,103)</b>	<b>\$1,316</b>	<b>\$23,932</b>	<b>\$0</b>	<b>(\$485,351)</b>	<b>0.0</b>
Percentage Change	(44.3%)	9.0%	9.0%	0.0%	(64.1%)	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$603,413</b>	<b>\$15,935</b>	<b>\$289,847</b>	<b>\$0</b>	<b>\$297,631</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$25,988	\$0	\$0	\$0	\$25,988	0.0

### BACKGROUND INVESTIGATION UNIT

This work unit provides a comprehensive criminal and child abuse and neglect background check program for the Colorado Department of Early Childhood to reduce the risks to vulnerable persons. This unit screens applicants who are applying for employment within child care facilities licensed by CDEC, foster care, adoptions, kinship care, volunteers, interns, camps, community mental health, residential child care facilities, and individuals to provide better protection for children in the State of Colorado. This unit provides information for interpretation of background check statutes, functions as a statewide authority in background screening program development, operation, and updates.

This line item includes both licensing fees deposited into the Child Care Licensing Cash Fund as described above and revenue from background check fees deposited into the Records and Reports Fund pursuant to 19-1-307, C.R.S (2022).

*REQUEST:* The Department requested adjustments in R8, R13/S3/BA3 and annualizations of prior year budget actions.

*RECOMMENDATION:* The staff recommendation is summarized in the table below. The amount for R8 is pending additional information.

LICENSING AND ADMINISTRATION, BACKGROUND INVESTIGATION UNIT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Other Legislation	\$1,524,812	\$0	\$1,524,812	\$0	\$0	12.5
<b>TOTAL</b>	<b>\$1,524,812</b>	<b>\$0</b>	<b>\$1,524,812</b>	<b>\$0</b>	<b>\$0</b>	<b>12.5</b>
<b>FY 2023-24 RECOMMENDED APPROPRIATION</b>						
FY 2022-23 Appropriation	\$1,524,812	\$0	\$1,524,812	\$0	\$0	12.5
Annualize prior year budget actions	94,386	0	94,386	0	0	0.0
R8 Records and Reports Cash Fund	0	0	0	0	0	0.0
R13/S3/BA3 Transfers between DHS and DEC	(144,811)	0	(144,811)	0	0	(2.5)
<b>TOTAL</b>	<b>\$1,474,387</b>	<b>\$0</b>	<b>\$1,474,387</b>	<b>\$0</b>	<b>\$0</b>	<b>10.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$50,425)</b>	<b>\$0</b>	<b>(\$50,425)</b>	<b>\$0</b>	<b>\$0</b>	<b>(2.5)</b>
Percentage Change	(3.3%)	0.0%	(3.3%)	0.0%	0.0%	(20.0%)
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$1,183,422</b>	<b>\$0</b>	<b>\$1,183,422</b>	<b>\$0</b>	<b>\$0</b>	<b>8.0</b>
Request Above/(Below) Recommendation	(\$290,965)	\$0	(\$290,965)	\$0	\$0	(2.0)

## INDIRECT COST ASSESSMENT

Indirect Cost Assessment provides funding for departmental overhead costs by the programs in this Long Bill group. The assessment represents the expected collection of statewide and departmental indirect costs from a cash-funded, reappropriated funds, or federal-funded program.

*REQUEST:* The Department requested continuation funding.

*RECOMMENDATION:* Staff recommends the request.



## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### LONG BILL FOOTNOTES

Staff recommends **DISCONTINUING** the following footnotes:

- 1 Department of Early Childhood, Partnerships and Collaborations, Early Childhood Councils -- It is the General Assembly's intent that these funds be allocated to existing Early Childhood Councils.

**COMMENT:** This is an outdated footnote that was relevant to the appropriation at the time but does not make sense to continue. There is no reason to limit the use of the funds to existing Early Childhood Councils if the landscape of Early Childhood Councils changes and old ones fold or new ones emerge.

- 2 Department of Early Childhood, Community and Family Support, Early Childhood Mental Health Services -- It is the General Assembly's intent that this appropriation be used for the purpose of supporting early childhood mental health specialists in each community mental health center.

**COMMENT:** This footnote is not binding, but it is also not consistent with statute. The Department is required by statute to encourage Community Mental Health Centers to apply, but the Department is also required to use the procurement code and there are entities other than Community Mental Health Centers that could do the work.

### REQUESTS FOR INFORMATION

Staff recommends **CONTINUING** the following requests for information:

### REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 3 Department of Early Childhood; Department of Human Services -- The Departments are requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for the actual, estimate, and request years: (a) the total amount of federal funds available and anticipated to be available to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the

four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.

**COMMENT:** This is a long-standing report that provides useful information on the Child Care Development Funds.

## DEPARTMENT OF EARLY CHILDHOOD

- 4 Department of Early Childhood, Community and Family Support, Early Intervention Services - The Department is requested to submit annually, on or before January 1, a report to the Joint Budget Committee concerning **caseload growth for early intervention services**. The requested report should include the following information: (a) the total number of early intervention services performed compared to the projected amount of early intervention services; (b) the amount of funds expended in the fiscal year from July 1 through the time period when the report is created compared to the projected spending; and (c) the amount of any expected gaps between the appropriation in the long bill and actual expenditures.

**COMMENT:** This is a long-standing report that provides useful information on the Early Intervention Services caseload.

- 5 Department of Early Childhood, Early Learning Access and Quality, Child Care Assistance Program -- The Department is requested to submit annually, on or before January 1, a report to the Joint Budget Committee concerning **costs for the Colorado Child Care Assistance Program**. The requested report should include the following information: (a) the changes in direct services costs from the prior year due to inflation; (b) changes in direct services costs from the prior year due to quality; and (c) changes in cost due to changes to continuity from the previous year.

**COMMENT:** This is a long-standing report that provides useful information on the Colorado Child Care Assistance Program.

Staff recommends **DISCONTINUING** the following requests for information:

- 6 Department of Early Childhood, Community and Family Support, Social-Emotional Learning Programs Grants -- The Department is requested to submit a report annually, on or before November 1, updating the Joint Budget Committee on the **Social-Emotional Learning Programs Grants**. The report should include a listing of the organizations that have applied for and received funding; the specific programs delivered; and information regarding how the program is being supported by the Implementation Partner through: (a) Community readiness and entity selection; (b) Training, coaching and fidelity monitoring; (c) Local Implementation Team development; (d)

Entity-specific and statewide process and outcomes evaluation; and (e) On-going quality improvements to ensure high-quality scale and sustainability. The report should also include information on any changes made that affect the nature of the program.

**COMMENT:** This is not a useful report. It summarizes information that is readily available from the Department on demand but seldom requested by the JBC staff or JBC members. It mostly seems to function as an annual advertisement for the program, which is a nice perk for the providers, but it creates work for the Department to produce the report that is not often read, referenced, or utilized by policy makers.

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**DEPARTMENT OF EARLY CHILDHOOD**  
**Executive Director, Executive Director**

**(1) EXECUTIVE DIRECTOR'S OFFICE**

**(A) General Administration**

Personal Services	<u>0</u>	<u>34,713</u>	<u>3,201,419</u>	<u>6,985,647</u>	<u>6,790,117</u> *
FTE	0.0	0.0	30.4	75.2	71.8
General Fund	0	34,713	2,144,852	2,919,978	2,532,492
Cash Funds	0	0	27,542	61,814	123,593
Reappropriated Funds	0	0	0	353,121	1,159,364
Federal Funds	0	0	1,029,025	3,650,734	2,974,668
Health, Life, and Dental	<u>0</u>	<u>18,000</u>	<u>1,561,561</u>	<u>4,083,010</u>	<u>3,775,422</u> *
General Fund	0	18,000	591,885	1,337,009	1,249,370
Cash Funds	0	0	700,872	507,222	502,366
Reappropriated Funds	0	0	0	57,079	0
Federal Funds	0	0	268,804	2,181,700	2,023,686
Short-term Disability	<u>0</u>	<u>370</u>	<u>11,866</u>	<u>33,665</u>	<u>30,751</u> *
General Fund	0	370	6,509	11,733	10,907
Cash Funds	0	0	3,817	3,385	3,336
Reappropriated Funds	0	0	0	500	0
Federal Funds	0	0	1,540	18,047	16,508

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Actual</b>	<b>FY 2022-23 Appropriation</b>	<b>FY 2023-24 Request</b>	<b>FY 2023-24 Recommendation</b>
S.B. 04-257 Amortization Equalization Disbursement	<u>0</u>	<u>10,883</u>	<u>336,601</u>	<u>1,113,305</u>	<u>1,022,252</u> *
General Fund	0	10,883	205,700	391,307	365,500
Cash Funds	0	0	78,515	113,804	112,287
Reappropriated Funds	0	0	0	15,632	0
Federal Funds	0	0	52,386	592,562	544,465
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>10,883</u>	<u>336,601</u>	<u>1,113,305</u>	<u>1,022,252</u> *
General Fund	0	10,883	205,700	391,307	365,500
Cash Funds	0	0	78,515	113,804	112,287
Reappropriated Funds	0	0	0	15,632	0
Federal Funds	0	0	52,386	592,562	544,465
Salary Survey	<u>0</u>	<u>0</u>	<u>155,063</u>	<u>995,434</u>	<u>995,434</u>
General Fund	0	0	79,987	413,825	413,825
Cash Funds	0	0	0	126,474	126,474
Federal Funds	0	0	75,076	455,135	455,135
Shift Differential	<u>0</u>	<u>0</u>	<u>113,658</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	41,594	0	0
Federal Funds	0	0	72,064	0	0
Operating Expenses	<u>0</u>	<u>40,435</u>	<u>43,427</u>	<u>722,887</u>	<u>395,630</u> *
General Fund	0	40,435	30,442	259,507	196,993
Cash Funds	0	0	405	73,494	1,791
Reappropriated Funds	0	0	467	126,095	509
Federal Funds	0	0	12,113	263,791	196,337

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Workers' Compensation	<u>0</u>	<u>0</u>	<u>66,234</u>	<u>66,234</u>	<u>66,234</u>
General Fund	0	0	3,839	3,839	3,839
Reappropriated Funds	0	0	62,395	62,395	62,395
Legal Services	<u>0</u>	<u>0</u>	<u>694,159</u>	<u>835,687</u>	<u>835,687</u>
General Fund	0	0	307,513	304,326	304,326
Reappropriated Funds	0	0	386,646	531,361	531,361
Administrative Law Judge Services	<u>0</u>	<u>0</u>	<u>25,790</u>	<u>60,719</u>	<u>60,719</u>
Reappropriated Funds	0	0	25,790	60,719	60,719
Payment to Risk Management and Property Funds	<u>0</u>	<u>0</u>	<u>3,653</u>	<u>3,653</u>	<u>3,653</u>
General Fund	0	0	212	212	212
Reappropriated Funds	0	0	3,441	3,441	3,441
Vehicle Lease Payments	<u>0</u>	<u>0</u>	<u>8,906</u>	<u>7,153</u>	<u>7,153</u>
General Fund	0	0	608	488	488
Reappropriated Funds	0	0	8,298	6,665	6,665
Capital Outlay	<u>0</u>	<u>0</u>	<u>86,800</u>	<u>0</u>	<u>146,740</u>
General Fund	0	0	86,800	0	140,070
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	6,670
Operational Support Contract with Department of Human Services	<u>0</u>	<u>0</u>	<u>1,405,014</u>	<u>0</u>	<u>351,253</u> *
General Fund	0	0	229,745	0	57,436
Reappropriated Funds	0	0	1,175,269	0	293,817

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Leased Space	<u>0</u>	<u>0</u>	<u>0</u>	<u>307,461</u>	<u>307,461</u> *
General Fund	0	0	0	107,611	113,760
Cash Funds	0	0	0	9,224	9,224
Reappropriated Funds	0	0	0	6,149	0
Federal Funds	0	0	0	184,477	184,477
Capitol Complex Leased Space	<u>0</u>	<u>0</u>	<u>300,029</u>	<u>0</u>	<u>0</u>
General Fund	0	0	22,117	0	0
Reappropriated Funds	0	0	277,912	0	0
Federal Funds	0	0	0	0	0
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>SUBTOTAL - (A) General Administration</b>	<u>0</u>	<u>115,284</u>	<u>8,350,781</u>	<u>16,328,160</u>	<u>15,810,758</u>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>30.4</u>	<u>75.2</u>	<u>71.8</u>
General Fund	0	115,284	3,915,909	6,141,142	5,754,718
Cash Funds	0	0	931,260	1,009,221	991,358
Reappropriated Funds	0	0	1,940,218	1,238,789	2,118,271
Federal Funds	0	0	1,563,394	7,939,008	6,946,411

**(B) Information Technology**

Information Technology Contracts and Equipment	<u>0</u>	<u>0</u>	<u>5,021,705</u>	<u>6,265,681</u>	<u>8,337,631</u> *
General Fund	0	0	3,948,984	4,259,978	5,377,478
Reappropriated Funds	0	0	72,721	72,721	72,721
Federal Funds	0	0	1,000,000	1,932,982	2,887,432

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Payments to OIT	<u>0</u>	<u>0</u>	<u>1,763,376</u>	<u>9,295,386</u>	<u>9,795,386</u> *
General Fund	0	0	39,053	2,607,160	3,219,660
Reappropriated Funds	0	0	1,724,323	6,688,226	6,575,726
Information Technology Accessibility	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,102,225</u>	<u>1,102,225</u> *
FTE	0.0	0.0	0.0	2.0	2.0
General Fund	0	0	0	505,348	505,348
Federal Funds	0	0	0	596,877	596,877
CORE Operations	<u>0</u>	<u>0</u>	<u>37,195</u>	<u>73,054</u>	<u>73,054</u> *
General Fund	0	0	2,762	15,626	15,626
Reappropriated Funds	0	0	34,433	57,428	57,428
Child Care Automated Tracking System	<u>0</u>	<u>0</u>	<u>4,259,933</u>	<u>4,109,933</u>	<u>4,109,933</u> *
Federal Funds	0	0	4,259,933	4,109,933	4,109,933
<b>SUBTOTAL - (B) Information Technology</b>	<u>0</u>	<u>0</u>	<u>11,082,209</u>	<u>20,846,279</u>	<u>23,418,229</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>
General Fund	0	0	3,990,799	7,388,112	9,118,112
Reappropriated Funds	0	0	1,831,477	6,818,375	6,705,875
Federal Funds	0	0	5,259,933	6,639,792	7,594,242
<b>TOTAL - (1) Executive Director's Office</b>	<u>0</u>	<u>115,284</u>	<u>19,432,990</u>	<u>37,174,439</u>	<u>39,228,987</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>30.4</u>	<u>77.2</u>	<u>73.8</u>
General Fund	0	115,284	7,906,708	13,529,254	14,872,830
Cash Funds	0	0	931,260	1,009,221	991,358
Reappropriated Funds	0	0	3,771,695	8,057,164	8,824,146
Federal Funds	0	0	6,823,327	14,578,800	14,540,653



*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
<b>(2) PARTNERSHIPS AND COLLABORATIONS</b>					
Personal Services	<u>0</u>	<u>0</u>	<u>1,216,887</u>	<u>798,785</u>	<u>798,785</u>
FTE	0.0	0.0	10.4	6.5	6.5
General Fund	0	0	293,202	272,633	272,633
Federal Funds	0	0	923,685	526,152	526,152
Operating Expenses	<u>0</u>	<u>0</u>	<u>213,056</u>	<u>201,941</u>	<u>201,941</u> *
General Fund	0	0	45,846	49,972	49,972
Federal Funds	0	0	167,210	151,969	151,969
Local Coordinating Organizations	<u>0</u>	<u>0</u>	<u>5,273,021</u>	<u>5,753,021</u>	<u>5,273,021</u> *
General Fund	0	0	0	480,000	0
Federal Funds	0	0	5,273,021	5,273,021	5,273,021
Early Childhood Councils	<u>0</u>	<u>0</u>	<u>3,331,173</u>	<u>3,331,173</u>	<u>3,331,173</u>
Federal Funds	0	0	3,331,173	3,331,173	3,331,173
Child Care Resource and Referrals	<u>0</u>	<u>0</u>	<u>2,489,666</u>	<u>3,046,353</u>	<u>3,046,353</u> *
Federal Funds	0	0	2,489,666	3,046,353	3,046,353
Family Resource Centers	<u>0</u>	<u>0</u>	<u>1,661,578</u>	<u>1,711,425</u>	<u>1,711,425</u> *
General Fund	0	0	1,661,578	1,711,425	1,711,425
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>241,942</u>	<u>241,942</u>	<u>241,942</u>
Federal Funds	0	0	241,942	241,942	241,942

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
<b>TOTAL - (2) Partnerships and Collaborations</b>	0	0	14,427,323	15,084,640	14,604,640
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>10.4</u>	<u>6.5</u>	<u>6.5</u>
General Fund	0	0	2,000,626	2,514,030	2,034,030
Federal Funds	0	0	12,426,697	12,570,610	12,570,610

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
<b>(3) EARLY LEARNING ACCESS AND QUALITY</b>					
Personal Services	<u>0</u>	<u>0</u>	<u>8,962,932</u>	<u>7,753,264</u>	<u>8,851,463</u> *
FTE	0.0	0.0	59.9	49.8	50.7
General Fund	0	0	625,330	915,696	2,013,895
Cash Funds	0	0	500,110	500,110	500,110
Federal Funds	0	0	7,837,492	6,337,458	6,337,458
Operating Expenses	<u>0</u>	<u>0</u>	<u>803,174</u>	<u>252,238</u>	<u>253,588</u> *
General Fund	0	0	0	1,215	2,565
Cash Funds	0	0	10,800	10,800	10,800
Federal Funds	0	0	792,374	240,223	240,223
Capital Outlay	<u>0</u>	<u>0</u>	<u>62,000</u>	<u>0</u>	<u>6,670</u>
General Fund	0	0	0	0	6,670
Cash Funds	0	0	49,600	0	0
Federal Funds	0	0	12,400	0	0
Universal Preschool Program	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>331,508,007 0.9</u>	<u>322,000,000 0.0</u> *
General Fund	0	0	250,000	5,098,007	169,000,000
Cash Funds	0	0	0	326,410,000	153,000,000
Child Care Assistance Program	<u>0</u>	<u>0</u>	<u>157,916,576</u>	<u>162,095,293</u>	<u>162,095,293</u> *
General Fund	0	0	28,790,460	29,734,240	29,734,240
Cash Funds	0	0	15,064,026	15,557,840	15,557,840
Federal Funds	0	0	114,062,090	116,803,213	116,803,213

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Actual</b>	<b>FY 2022-23 Appropriation</b>	<b>FY 2023-24 Request</b>	<b>FY 2023-24 Recommendation</b>
Intrastate Child Care Assistance Program					
Distribution	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Federal Funds	0	0	500,000	500,000	500,000
Child Care Assistance Program Stimulus - Eligibility Expansion and Infant and Toddler Care					
Reimbursement	<u>0</u>	<u>0</u>	<u>25,970,215</u>	<u>25,970,215</u>	<u>25,970,215</u> *
Federal Funds	0	0	25,970,215	25,970,215	25,970,215
Workforce Recruitment and Retention Grants	<u>0</u>	<u>0</u>	<u>11,551,160</u>	<u>11,493,167</u>	<u>11,493,167</u> *
Federal Funds	0	0	11,551,160	11,493,167	11,493,167
Professional Development and Training Assistance	<u>0</u>	<u>0</u>	<u>7,217,451</u>	<u>7,556,616</u>	<u>6,677,166</u> *
General Fund	0	0	0	0	75,000
Federal Funds	0	0	7,217,451	7,556,616	6,602,166
Early Childhood Quality and Availability	<u>0</u>	<u>0</u>	<u>24,909,892</u>	<u>22,286,051</u>	<u>22,561,871</u> *
General Fund	0	0	3,043,243	2,643,243	2,643,243
Federal Funds	0	0	21,866,649	19,642,808	19,918,628
Local Capacity Building Grants	<u>0</u>	<u>0</u>	<u>17,319,546</u>	<u>17,218,078</u>	<u>17,218,078</u> *
Federal Funds	0	0	17,319,546	17,218,078	17,218,078
Emerging and Expanding Child Care Grant Program	<u>0</u>	<u>0</u>	<u>16,000,000</u>	<u>3,000,000</u>	<u>0</u> *
FTE	0.0	0.0	3.5	3.5	3.5
General Fund	0	0	0	3,000,000	0
Cash Funds	0	0	16,000,000	0	0

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Early Care and Education Recruitment and Retention Grant and Scholarship Program	<u>0</u>	<u>0</u>	<u>15,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	2.5	0.0	0.0
Cash Funds	0	0	15,000,000	0	0
Family, Friend, and Neighbor Training and Support Program	<u>0</u>	<u>0</u>	<u>7,500,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	2.8	0.0	0.0
Cash Funds	0	0	7,500,000	0	0
Child Care Sustainability Grant Program	<u>0</u>	<u>0</u>	<u>50,000,000</u>	<u>0</u>	<u>0</u>
Federal Funds	0	0	50,000,000	0	0
Employer-Based Child Care Facility Grant Program	<u>0</u>	<u>0</u>	<u>10,000,000</u>	<u>10,500,000</u>	<u>0</u> *
FTE	0.0	0.0	0.5	2.5	0.0
General Fund	0	0	0	10,500,000	0
Cash Funds	0	0	10,000,000	0	0
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>2,620,768</u>	<u>2,620,768</u>	<u>2,620,768</u>
Federal Funds	0	0	2,620,768	2,620,768	2,620,768
<b>TOTAL - (3) Early Learning Access and Quality</b>	<b>0</b>	<b>0</b>	<b>356,583,714</b>	<b>602,753,697</b>	<b>580,248,279</b>
FTE	<u>0.0</u>	<u>0.0</u>	<u>69.2</u>	<u>56.7</u>	<u>54.2</u>
General Fund	0	0	32,709,033	51,892,401	203,475,613
Cash Funds	0	0	64,124,536	342,478,750	169,068,750
Federal Funds	0	0	259,750,145	208,382,546	207,703,916

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
<b>(4) COMMUNITY AND FAMILY SUPPORT</b>					
Personal Services	<u>0</u>	<u>0</u>	<u>4,213,192</u>	<u>4,701,625</u>	<u>4,549,997</u> *
FTE	0.0	0.0	25.8	28.7	26.8
General Fund	0	0	2,135,321	2,225,411	2,169,834
Cash Funds	0	0	378,689	525,213	429,162
Federal Funds	0	0	1,699,182	1,951,001	1,951,001
Operating Expenses	<u>0</u>	<u>0</u>	<u>332,341</u>	<u>368,757</u>	<u>361,022</u> *
General Fund	0	0	185,233	209,639	201,904
Cash Funds	0	0	52,188	56,885	56,885
Federal Funds	0	0	94,920	102,233	102,233
Early Intervention	<u>0</u>	<u>0</u>	<u>77,866,313</u>	<u>80,766,180</u>	<u>84,429,652</u> *
General Fund	0	0	52,885,994	56,186,248	58,097,481
Cash Funds	0	0	10,589,516	10,419,965	10,842,123
Reappropriated Funds	0	0	8,358,218	8,127,382	9,457,463
Federal Funds	0	0	6,032,585	6,032,585	6,032,585
Home Visiting	<u>0</u>	<u>0</u>	<u>26,790,628</u>	<u>27,778,271</u>	<u>27,541,447</u> *
General Fund	0	0	597,969	615,908	615,908
Cash Funds	0	0	24,429,322	25,399,026	25,162,202
Federal Funds	0	0	1,763,337	1,763,337	1,763,337
Home Visiting Grant Program	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.3	0.0	0.0
Cash Funds	0	0	1,000,000	0	0

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Actual</b>	<b>FY 2022-23 Appropriation</b>	<b>FY 2023-24 Request</b>	<b>FY 2023-24 Recommendation</b>
Child Maltreatment Prevention	<u>0</u>	<u>0</u>	<u>13,575,660</u>	<u>13,818,391</u>	<u>13,818,391</u> *
General Fund	0	0	8,091,046	8,333,777	8,333,777
Cash Funds	0	0	1,346,216	1,346,216	1,346,216
Federal Funds	0	0	4,138,398	4,138,398	4,138,398
Early Childhood Mental Health Services	<u>0</u>	<u>0</u>	<u>6,188,456</u>	<u>6,171,170</u>	<u>6,171,170</u> *
General Fund	0	0	1,333,541	1,595,895	1,595,895
Federal Funds	0	0	4,854,915	4,575,275	4,575,275
Social-Emotional Learning Programs Grants	<u>0</u>	<u>0</u>	<u>777,926</u>	<u>801,264</u>	<u>801,264</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	777,926	801,264	801,264
Child Care Services and Substance Use Disorder Treatment Pilot Program	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
General Fund	0	0	500,000	500,000	500,000
Children's Mental Health Program	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.3	0.0	0.0
Cash Funds	0	0	2,000,000	0	0
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>498,081</u>	<u>498,081</u>	<u>498,081</u>
Cash Funds	0	0	125,940	125,940	125,940
Federal Funds	0	0	372,141	372,141	372,141

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Actual</b>	<b>FY 2022-23 Appropriation</b>	<b>FY 2023-24 Request</b>	<b>FY 2023-24 Recommendation</b>
<b>TOTAL - (4) Community and Family Support</b>	0	0	133,742,597	135,403,739	138,671,024
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>26.4</u>	<u>28.7</u>	<u>26.8</u>
General Fund	0	0	65,729,104	69,666,878	71,514,799
Cash Funds	0	0	40,699,797	38,674,509	38,763,792
Reappropriated Funds	0	0	8,358,218	8,127,382	9,457,463
Federal Funds	0	0	18,955,478	18,934,970	18,934,970



*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
<b>(5) LICENSING AND ADMINISTRATION</b>					
Personal Services	<u>0</u>	<u>0</u>	<u>9,460,393</u>	<u>10,007,079</u>	<u>10,156,678</u> *
FTE	0.0	0.0	59.1	62.0	62.4
General Fund	0	0	2,403,584	2,450,141	2,450,141
Cash Funds	0	0	1,052,212	1,093,613	1,093,613
Federal Funds	0	0	6,004,597	6,463,325	6,612,924
Operating Expenses	<u>0</u>	<u>0</u>	<u>1,037,528</u>	<u>603,413</u>	<u>577,425</u> *
General Fund	0	0	14,619	15,935	15,935
Cash Funds	0	0	265,915	289,847	289,847
Federal Funds	0	0	756,994	297,631	271,643
Background Investigation Unit	<u>0</u>	<u>0</u>	<u>1,524,812</u> 12.5	<u>1,183,422</u> 8.0	<u>1,474,387</u> 10.0 *
Cash Funds	0	0	1,524,812	1,183,422	1,474,387
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>1,136,458</u>	<u>1,136,458</u>	<u>1,136,458</u>
Cash Funds	0	0	101,138	101,138	101,138
Federal Funds	0	0	1,035,320	1,035,320	1,035,320
<b>TOTAL - (5) Licensing and Administration</b>	<b>0</b>	<b>0</b>	<b>13,159,191</b>	<b>12,930,372</b>	<b>13,344,948</b>
FTE	<u>0.0</u>	<u>0.0</u>	<u>71.6</u>	<u>70.0</u>	<u>72.4</u>
General Fund	0	0	2,418,203	2,466,076	2,466,076
Cash Funds	0	0	2,944,077	2,668,020	2,958,985
Federal Funds	0	0	7,796,911	7,796,276	7,919,887

*JBC Staff Figure Setting - FY 2023-24*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
<b>TOTAL - Department of Early Childhood</b>	0	115,284	537,345,815	803,346,887	786,097,878
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>208.0</u>	<u>239.1</u>	<u>233.7</u>
General Fund	0	115,284	110,763,674	140,068,639	294,363,348
Cash Funds	0	0	108,699,670	384,830,500	211,782,885
Reappropriated Funds	0	0	12,129,913	16,184,546	18,281,609
Federal Funds	0	0	305,752,558	262,263,202	261,670,036

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Eric Kurtz, JBC Staff (303-866-4952)  
DATE February 13, 2023  
SUBJECT Roll-forward authority for S.B. 22-213 and H.B. 22-1369

---

The Governor submitted a multi-department request labeled *Statewide S2 ARPA Budget Amendment* that includes components that impact the Department of Early Childhood. This memo details those components in case the JBC is ready to act during figure setting for the Department of Early Childhood. If the JBC needs more time to consider the request, this could be addressed as a comeback.

### REQUEST

The *Statewide S2 ARPA Budget Amendment* includes two proposals for rollforward authority for appropriations from the Economic Recovery and Relief Cash Fund (originally federal funds from the American Rescue Plan Act) to the Department of Early Childhood:

- \$1.0 million appropriated in S.B. 22-213 for the Home Visiting Grant Program
- \$2.0 million appropriated in H.B. 22-1369 for the Children's Mental Health Program

In both cases, the Governor requests rollforward authority to December 31, 2026.

Any money in the Economic Recovery and Relief Cash Fund that is not "obligated" or spent by December 30, 2024, is transferred to the Unemployment Compensation Fund pursuant to Section 24-75-226 (4)(d), C.R.S. Because the money must be "obligated" by December 30, 2024, the appropriation clauses on the bills provided rollforward authority to that date. However, both state and federal statute allow the money to be spent until December 31, 2026.

At the time the appropriation clauses were written, it was assumed that "obligated" meant essentially the same thing as an encumbrance for which the Office of the State Controller can grant rollforward authority. The purpose of the appropriation deadline was to ensure that the Department got the money out the door. However, it now appears there are circumstances where money could be "obligated" pursuant to the federal definition but not meet the criteria where the Office of the State Controller would allow a department to rollforward the funds. According to the Governor, this is creating barriers to completing contracts that would successfully obligate the money pursuant to the federal definition but not spend all the money until after the appropriation expires.

When asked why the Governor requests rollforward authority only for these appropriations, rather than all the appropriations in S.B. 22-213 and H.B. 22-1369 that are designed with a similar format, the Department replied that the executive branch was trying to be responsive to concerns raised by the General Assembly about ceding budget control to the Governor through excessive rollforward authority. According to the Department, this limited request is intended to address the top priorities for rollforward authority.

Neither the Governor nor the Department provided any explanation of what has caused the delay in spending the money by the December 30, 2024, date in the appropriations clause. The request

FEBRUARY 13, 2023

describes the appropriations clause in S.B. 22-213 as a technical error and says there have been program implementation challenges in executing the contract for the appropriation in H.B. 22-1369.

Independent of the Governor's request, Representative Garcia raised concern that the December 30, 2024, deadline in the appropriations clause for S.B. 22-213 might lead to the programs financed from the bill rushing grants rather than spending the money wisely and effectively. Representative Garcia also questioned whether the current structure of the appropriations clause is consistent with the statutory language in the bill that says consistently, "The department shall either spend or obligate such appropriation prior to December 30, 2024, and expend the appropriation on or before December 31, 2026."

### RECOMMENDATION

Staff recommends replacing the language in both bills that provides rollforward authority until December 30, 2024, with the following language:

*Any money appropriated in this section that originated from money the state received from the federal coronavirus state fiscal recovery fund that is obligated prior to December 30, 2024, in accordance with the federal "American Rescue Plan Act of 2021", Pub.L. 117-2, as amended, but not expended prior to December 30, 2024, is further appropriated to the department for use prior to December 31, 2026, for the same purpose.*

In both bills it is clear the General Assembly intended that the money be available for expenditure through December 31, 2026, so long as the money is obligated by December 30, 2024. Staff believes this modified language accomplishes that legislative intent better than the original appropriation clause. It is important to note that this modified language does not eliminate the requirement that the money be "obligated" pursuant to the federal definition by December 30, 2024.

For S.B. 22-213, the staff recommendation provides more rollforward authority than the Governor requested, but is consistent with statutory language in the bill. The Governor only requested rollforward authority for \$1.0 million related to the Home Visiting Grant Program. The staff recommendation would provide rollforward authority for \$49.5 million that includes:

- \$16.0 million for the Emerging and Expanding Child Care Grant Program
- \$10.0 million for the Employer-based Child Care Facility Grant Program
- \$15.0 million for the Early Care and Education Recruitment and Retention Grant and Scholarship Program
- \$7.5 million for the Family, Friend, and Neighbor Training and Support Program
- \$1.0 million for the Home Visiting Grant Program

There is another appropriation in S.B. 22-213 of \$50.0 million for the Child Care Sustainability Grant Program but the staff recommendation would not touch that appropriation clause. The \$50.0 million for the Child Care Sustainability Grant Program is from federal Child Care Development Funds and has a different timeline for obligation and expenditure. Also, the Department did not actually receive the federal Child Care Development Funds appropriated in the bill because the anticipated federal grant did not materialize.