

# Joint Budget Committee



## Staff Budget Briefing FY 2025-26

### Department of Early Childhood

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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# Contents

Staff Budget Briefing FY 2025-26 .....	1
Department of Early Childhood .....	1
Overview of Early Childhood .....	1
General Factors Driving the Budget.....	5
Summary of Request.....	8
Issue: CO Child Care Assistance Program .....	12
Issue: Universal Preschool Program .....	15
Issue: Preschool Development Grant .....	20
Budget Reduction Options.....	21
Footnotes and Requests for Information .....	30
Department Annual Performance Report .....	38
Appendix A: Numbers Pages.....	A-1
Appendix B: UPK Qualifying Factors .....	B-1
Appendix C: ECC and LCO Statutes .....	C-1

## ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2024 legislative session that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report: <https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The online version of the briefing document may be found by searching the budget documents on the General Assembly’s website by visiting [leg.colorado.gov/content/budget/budget-documents](https://leg.colorado.gov/content/budget/budget-documents). Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

# Overview of Early Childhood

The Department of Early Childhood exists to support the care, education, and well-being of young children. Primary programs operated by the Department include:

- **Universal Preschool Program (UPK)**– Provides funding and access to preschool for all children in the year before kindergarten eligibility and for additional hours as funding allows according to statutory prioritization of services.
- **Child Care Support including Colorado Child Care Assistance Program (CCCAP)** – Provides assistance with child care expenses for low-income families; offers strategic financial support for providers and workforce development.
- **Early Intervention Services** – Provides targeted support services for families with children birth through 2 years with disabilities or risk of developmental delays.
- **Provider licensing, inspection, and monitoring** - Facilitates provider registration, licensing, and monitoring, and includes background checks, vendor training, and quality supervision.

The Department operates several other programs aimed at providing resources, development, and capacity building opportunities to families, children, local communities, and providers. The Department also provides strategic guidance for complimentary programs across the State.

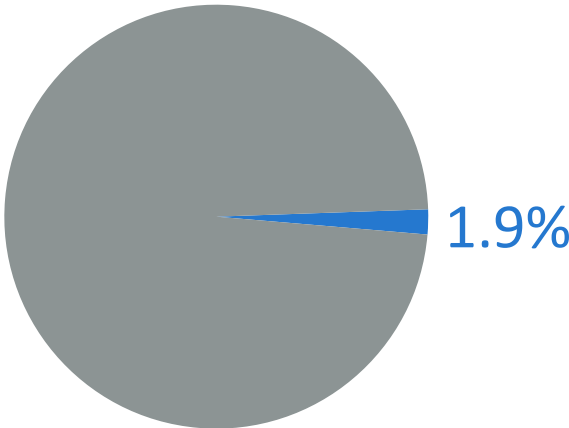
## Recent Appropriations

Department of Early Childhood				
Funding Source	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26*
General Fund	\$110,769,874	\$306,002,258	\$293,764,888	\$301,915,923
Cash Funds	108,699,670	212,983,095	267,711,876	276,404,825
Reappropriated Funds	12,129,913	16,812,083	18,643,712	20,949,659
Federal Funds	305,752,558	273,121,916	191,658,951	182,037,286
<b>Total Funds</b>	<b>\$537,352,015</b>	<b>\$808,919,352</b>	<b>\$771,779,427</b>	<b>\$781,307,693</b>
Full Time Equivalent Staff	208.0	231.7	235.1	244.1

\*Requested appropriation

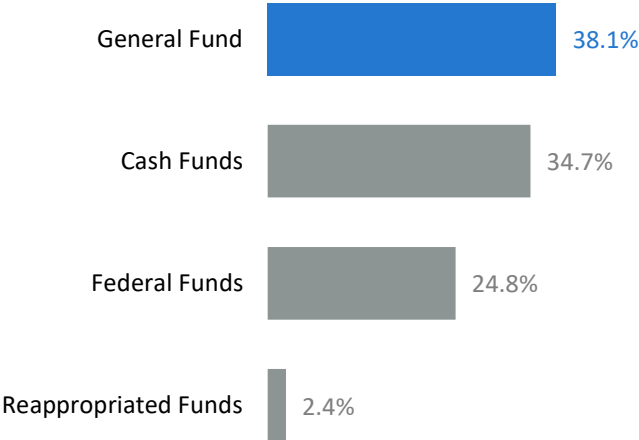
# Graphic Overview

## Department's Share of Statewide General Fund



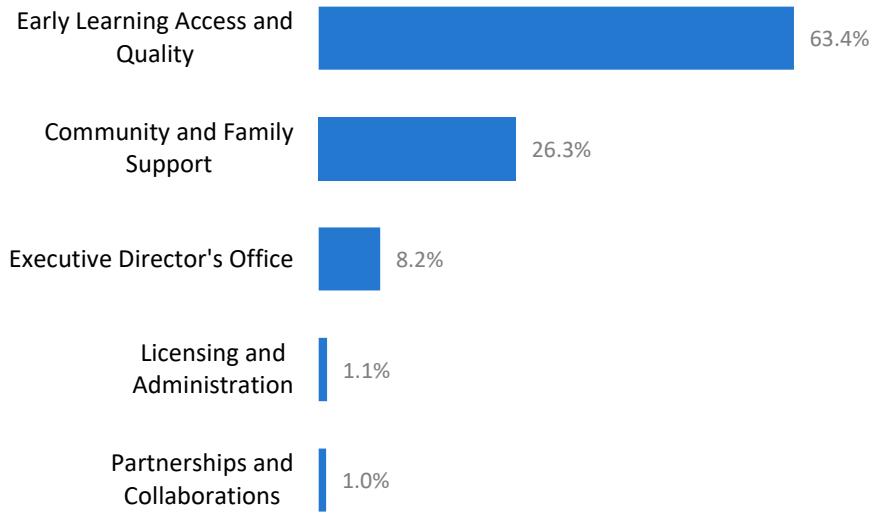
Based on the FY 2024-25 appropriation.

## Department Funding Sources



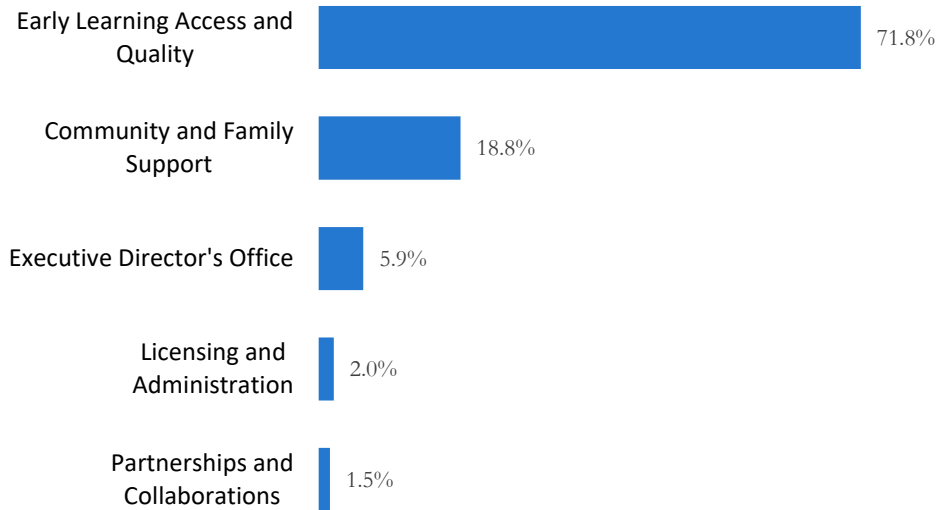
Based on the FY 2024-25 appropriation.

### Distribution of General Fund by Division



Based on the FY 2024-25 appropriation.

### Distribution of Total Funds by Division



Based on the FY 2024-25 appropriation.

# Cash Funds Detail

The Preschool Programs Cash Fund comprises approximately 26.6 percent of the Department’s total funding and provides just over half of total funding for the Universal Preschool Program in FY 2024-25. The Nurse Home Visitor Program Fund receives the majority of its funds from revenues of tobacco settlement funds. The remaining cash funds derive primarily from fees, assessed fines, or payments for services.

Fund Name Or Group	FY 2024-25 Approp.		Primary Sources Of Fund Revenue	Primary Uses In This Department
Preschool Programs Cash Fund	\$205,107,553	<sup>1</sup>	Revenue primarily from nicotine taxes approved by voters per Proposition EE, 2020. May receive appropriations or transfers made by the General Assembly. (24-22-118, C.R.S.; 26.5-4-209, C.R.S.)	Universal Preschool Program; UPK Provider Recruitment; Local Coordinating Organizations
Nurse Home Visitor Program Fund	27,840,808	<sup>1</sup>	Receives 28.7 percent of tobacco settlement revenue annually. (24-75-1104.5, C.R.S.; 26.5-3-507 C.R.S.)	Nurse Home Visitor Program
Local Funds (L)(I)	18,449,425	<sup>1</sup>	Local funds to match state and federal funding for the Child Care Assistance Program. (26.5-4-110 (6), C.R.S.)	Child Care Assistance Program; Child Maltreatment Prevention
Early Intervention Services Trust Fund (I)	10,994,748	<sup>1</sup>	Private insurance payments and interest on deposits. Custodial funds not subject to appropriation. 26.5-3-409 (2)(a), C.R.S. (2022)	Early Intervention Services
Child Care Licensing Cash Fund	1,720,348		Fees for applications, reapplications, and renewals for child care licensure. (26.5-5-311 (4), C.R.S.)	Licensing and Administration
Marijuana Tax Cash Fund	991,266		Fund consists of applicable retail marijuana sales tax revenues. (39-28.8-501 (2)(b)(IV)(B); 26.5-3-603 (5), C.R.S.)	Social-Emotional Learning Grants
Records and Reports Fund	973,029		Fees paid to conduct background checks on people working with children or older adults. Shared services with CDHS. (19-1-307 (2.5), C.R.S.)	Background Investigations
Various Cash Funds	1,634,699		Child Abuse Prevention Trust Fund <sup>2</sup> Child Care Cash Fund (I) Various sources. (26.5-3-206, C.R.S; 26.5-5-323 (4), C.R.S.; and Sections 24-50-601 through 24-50-620, C.R.S. respectively)	Child Maltreatment Prevention; Child Care Quality Improvement; Fines for violations and fees for services. Various
<b>Total</b>	<b>\$267,711,876</b>			

<sup>1</sup> The majority or all of the funds are TABOR exempt. Certain interest income and service charges from external sources may not be TABOR exempt.

<sup>2</sup> The Child Abuse Prevention Trust Fund contains a mixture of exempt and nonexempt funds.

## Nurse Home Visitor Program Fund

The Nurse Home Visitor Program provides community health nursing to eligible first-time pregnant people and their babies. The program is open to all first-time pregnant parents with an annual income below 200% of the federal poverty level in all 64 counties in Colorado. The total number of eligible birthing parents was 7,383 in CY 2023.

Current projections anticipate a funding cliff in FY 2030-31 which would result in a loss of services to approximately 1,350 families. The Department and its partners continue to analyze Medicaid billing revenue as a source of program sustainability. More information about this program can be found in the Request for Information response on page 32.

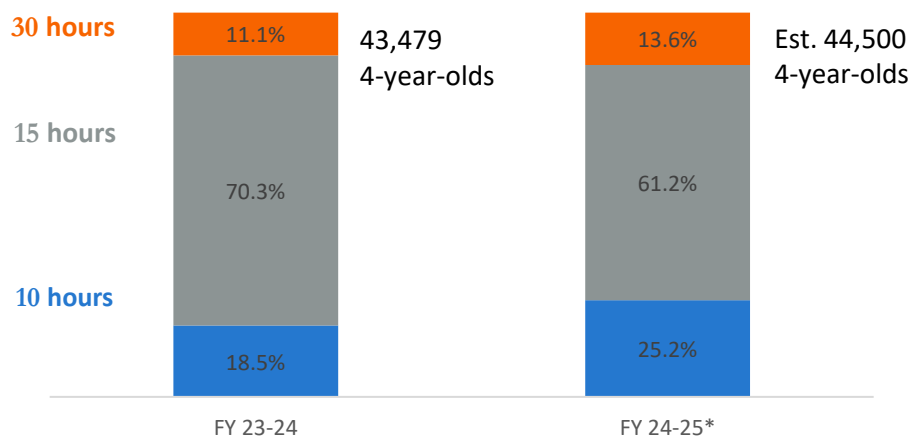
# General Factors Driving the Budget

## Universal Preschool Program

Cost drivers for the Universal Preschool Program (UPK) include the number of children enrolled, the number of hours provided per child, and provider reimbursement rates. Appropriations for UPK generally rely on available Preschool Program Cash Funds plus a base amount of General Fund that is increased each year by the rate of inflation. Provider reimbursement rates are set annually by the Department by enrollment type, number of hours, by catchment area, and take into consideration regional differences in the cost of providing services.

In FY 2024-25, the State provided \$344.1 million total funds for UPK services, including \$146.3 million General Fund and \$197.7 million cash funds from the Preschool Program Cash Fund (PPGM). This represents an increase of approximately \$22.0 million in total funding for UPK from FY 2023-24. This does not include \$2.8 million PPGM appropriated for Local Coordinating Organizations. The State maintains a reserve in the Preschool Program Cash Fund which is set by the JBC. In FY 2024-25, the PPCF reserve was set at 15.0 percent of total forecasted fund revenues in FY 2023-24, or \$37.6 million. More information can be found in a later Issue Brief.

A large majority of 4-year-olds in UPK are served with 15 hours.



\*Requested

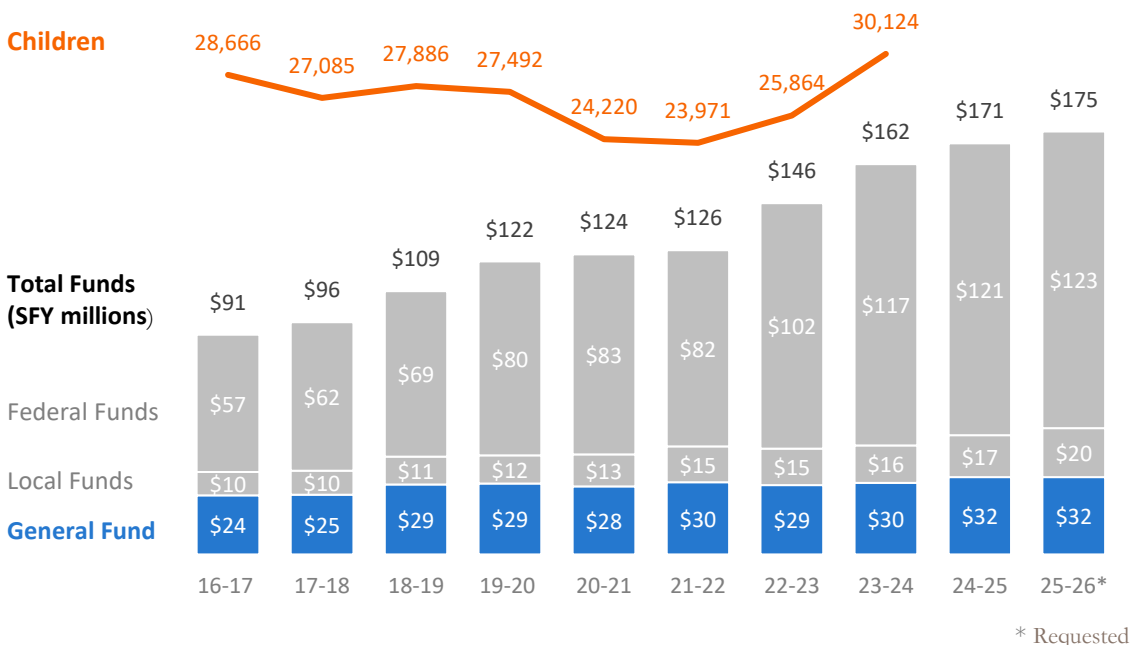
## Colorado Child Care Assistance Program

Colorado Child Care Assistance Program (CCCAP) expenditures are driven by the number of children, the number of hours and type of care provided, and provider reimbursement rates.

CCCAP provides financial assistance for child care to certain low-income families that are working, seeking employment, or participating in training or education. Funding for this program stems primarily from federal grants which require state and local providers to meet maintenance of effort requirements. Past changes in federal and state policy<sup>1</sup> have increased rates, increased quality reimbursements, increased the length of time in care, decreased family copays, and provided funding for absences. These changes result in fewer children served for longer periods of time at higher reimbursement rates. Recent federal changes to rules governing CCDF will increase the cost of CCCAP and decrease the number of families served.

FY 2024-25 appropriations for CCCAP total \$170.7 million, including \$32.1 million General Fund, \$17.4 million cash funds comprised of local dollars, and \$121.2 million federal Child Care Development Funds (CCDF). Expenditures through FY 2023-24, appropriations for FY 2024-25, and requested amounts for FY 2025-26 are shown in the chart below.<sup>2</sup> The increase in child count for FY 2023-24 is partially due to the inclusion of all CCCAP program types, specifically Child Welfare CCCAP cases, which were not historically included in this chart but may better capture the full impact of the program. This program is discussed in a later Issue Brief.

Colorado Child Care Assistance Program expenditures continue to grow as does the number of children served in the program.



<sup>1</sup> i.e., HB 14-1317, HB 18-1335, HB 24-1223

<sup>2</sup> Amounts have been adjusted for inflation.



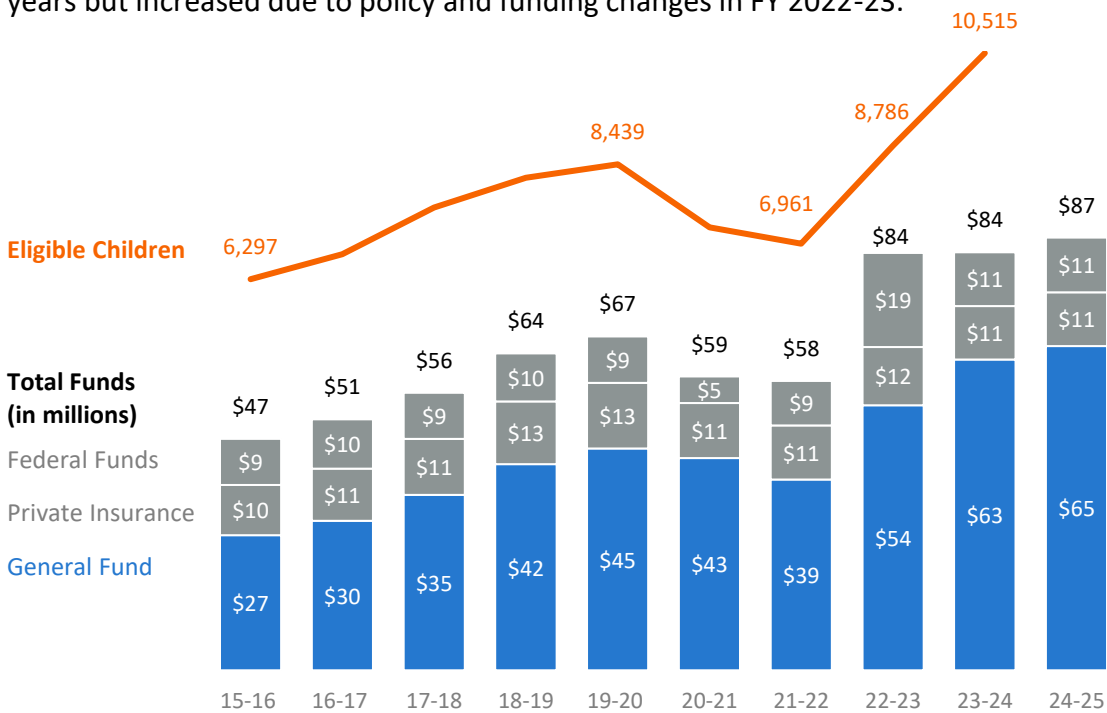
## Early Intervention Services

Early Intervention (EI) Services expenditures are driven by the number of eligible children and the costs associated with providing service to them. The Department contracts with local providers to provide intervention services to children that are birth through two years of age and have a developmental delay or disability diagnosis. Children with certain risk factors for developmental delays or with a parent or caretaker who has a developmental disability may also qualify for services.

The State must provide EI services to all eligible infants and toddlers to maintain funding provided by the federal Individuals with Disabilities Education Act (IDEA). EI Services enhance child development in 15 allowable areas of service. These include cognition, speech, communication, physical development, motor development, vision, hearing, social and emotional development, and self-help skills.

Fiscal Year 2024-25 appropriations for Early Intervention Services total \$87.4 million including \$65.5 million in General Funds. This includes anticipated transfers from HCPF for EI services. Amounts shown in the graph below reflect expenditures through FY 2023-24 and appropriations for FY 2024-25.

Early Intervention Services enrollment and expenditures dipped during pandemic years but increased due to policy and funding changes in FY 2022-23.



# Summary of Request

Department of Early Childhood						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2024-25 Appropriation</b>						
HB 24-1430 (Long Bill)	\$769,036,813	\$292,987,198	\$265,946,952	\$18,443,712	\$191,658,951	230.4
Other legislation	2,742,614	777,690	1,764,924	200,000	0	4.7
<b>Total</b>	<b>\$771,779,427</b>	<b>\$293,764,888</b>	<b>\$267,711,876</b>	<b>\$18,643,712</b>	<b>\$191,658,951</b>	<b>235.1</b>
<b>FY 2025-26 Requested Appropriation</b>						
FY 2024-25 Appropriation	\$771,779,427	\$293,764,888	\$267,711,876	\$18,643,712	\$191,658,951	235.1
R1 CCDF Regulation implementation	11,747,439	0	2,405,420	0	9,342,019	0.0
R2 Universal preschool program	7,758,330	3,658,330	4,100,000	0	0	0.0
R3 Early Intervention caseload	3,600,000	3,500,000	100,000	0	0	0.0
R4 CO Child Abuse Prev. Trust Fund	712,000	-150,000	862,000	0	0	0.0
R5 Language justice	206,488	0	0	103,244	103,244	1.0
R6 Cost allocation	1,500,630	-345,428	220,906	815,351	809,801	0.5
Non-prioritized decision items	-8,768	-5,856	0	0	-2,912	0.0
Centrally appropriated line items	5,826,386	4,369,161	549,207	1,192,187	-284,169	0.0
Prior year legislation	563,711	563,711	0	0	0	2.5
Indirect cost assessment	352,778	0	36,541	176,389	139,848	0.0
Prior year budget actions	-22,730,728	-3,438,883	418,875	18,776	-19,729,496	5.0
<b>Total</b>	<b>\$781,307,693</b>	<b>\$301,915,923</b>	<b>\$276,404,825</b>	<b>\$20,949,659</b>	<b>\$182,037,286</b>	<b>244.1</b>
Increase/-Decrease	\$9,528,266	\$8,151,035	\$8,692,949	\$2,305,947	-\$9,621,665	9.0
Percentage Change	1.2%	2.8%	3.2%	12.4%	-5.0%	0.0

**R1 CCDF Regulation implementation:** The Department requests \$11.7 million total funds including \$2.4 million Cash Funds from local government sources<sup>3</sup> and \$9.3 million federal Child Care Development Funds (CCDF) to support the Colorado Child Care Assistance Program (CCCAP) in FY 2025-26 and ongoing. Approximately \$9.1 million CCDF would support provider reimbursements, and \$210,000 would provide additional resources for the Expanding Quality for Infants and Toddlers (EQIT) program. New federal regulations, as well as a new rate calculation methodology for provider reimbursements, will increase the cost of providing service to families enrolled in the CCCAP in the next two years. The Department designated this request as evidence-informed.

**R2 Universal preschool program (UPK):** The Department requests \$3.7 million General Fund and \$4.1 million Cash Funds for the Universal Preschool Program in FY 2025-26. The General Fund amount is an increase based on inflation as required by statute. Both amounts are placeholders to be updated with the March 2025 revenue forecast and inflation projections.

<sup>3</sup> The amount from local governments is informational only and represents the county proportional share that is required by program rules.

Funding will support payment to providers for preschool services. This program is evidence-informed.

**R3 Early Intervention caseload (requires legislation):** The request includes \$3.5 million General Fund and \$100,000 Cash Funds for the Early Intervention program in FY 2025-26 and ongoing. This funding would support payments to providers for services provided to children enrolled in the program. It would help meet certain maintenance of efforts requirements for federal IDEA funding. The Department is also requesting a statutory change to designate Early Intervention as an entitlement program. This program is evidence-informed.

**R4 CO Child Abuse Prev. Trust Fund:** The Department requests a decrease of \$150,000 General Fund and an increase of \$862,000 spending authority from the Colorado Child Abuse Prevention (COCAP) Trust Fund (cash funds) in FY 2025-26 to expand abuse and neglect prevention programs.<sup>4</sup> Of the cash funds, \$500,000 would be for five years only to spend down the balance of court docket fees deposited into the Fund. The remaining \$362,000 would be ongoing and is related to new revenues from the Federal Family First Prevention Services Act (FFPSA) reimbursements. The Department also requests flexibility in the Long Bill to spend all new revenues generated from the FFPSA reimbursements moving forward. The Department indicates program supported by these funds are evidence informed.

**R5 Language justice:** The request includes \$206,488 total funds including equal amounts reappropriated and federal funds in FY 2025-26 and \$208,606 in federal and reappropriated funds in FY 2026-27 and ongoing to support a Language Justice Coordinator. Currently, this position is supported with federal stimulus dollars. This position supports language access strategies across the Department’s programs and services. An evidence designation is not applicable to this request as it is not a program or practice.

**R6 Cost allocation:** The Department requests an increase of \$1.5 million total funds, including a decrease of \$345,428 General Fund, to accurately reflect the federal cost allocation plan in its Long Bill appropriations. The Department is currently unable to collect indirect costs from all programs and needs to align its indirect cost assessment lines to true up its total compensation-related common policy line items. The request also includes indirect cost collections to support a grant writer for the Department’s programs. An evidence designation is not applicable to this request as it is not a program or practice.

**Non-prioritized decision items:** The request includes decreases related to decision items in other departments as summarized in the table below.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 DPA OAC staffing	\$73	\$73	\$0	\$0	0	0.0
NP3 HCPF NP Contractor	-7,697	-4,785	0	0	-2,912	0.0
NP1 DPA fleet vehicles	-1,144	-1,144	0	0	0	0.0

<sup>4</sup> The request effectively refinances General Fund for the child Sexual Abuse Prevention Training Program by leveraging Colorado Child Abuse Prevention Trust Fund cash funds for this activity.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total	-\$8,768	-\$5,856	\$0	\$0	-\$2,912	0.0

**Centrally appropriated line items:** The request includes a net increase of \$5.8 million total funds, including \$4.4 million General Funds, for centrally appropriated line items, summarized in the table below. The largest increases are for payments to OIT and legal services.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT	\$2,337,885	\$1,925,984	0	\$411,901	\$0	0.0
Legal services	1,324,077	1,324,077	\$0	\$0	\$0	0.0
Health, life, and dental	915,406	407,155	269,569	391,880	-153,198	0.0
Salary survey	673,166	291,654	131,663	70,534	179,315	0.0
AED and SAED	407,472	288,215	123,515	243,894	-248,152	0.0
Step Plan	103,887	51,307	10,378	6,661	35,541	0.0
CORE operations	60,870	60,870	0	0	0	0.0
Paid Family & Medical Leave Insurance	18,336	12,970	5,558	10,975	-11,167	0.0
Leased space	15,835	5,859	14	9,962	0	0.0
Short-term disability	6,112	4,323	1,853	3,659	-3,723	0.0
Risk management & property	1,096	1,096	0	0	0	0.0
Shift differential	81	69	12	0	0	0.0
ALJ services	-17,615	-17,615	0	0	0	0.0
PERA direct distribution	-15,586	17,833	6,645	42,721	-82,785	0.0
Workers' compensation	-4,636	-4,636	0	0	0	0.0
Total	\$5,826,386	\$4,369,161	\$549,207	\$1,192,187	-\$284,169	0.0

**Annualize prior year legislation:** The request includes a net increase of \$563,711 General Fund and 2.5 FTE to reflect the FY 2025-26 impact of bills passed in previous sessions. The changes are summarized in the following table.

Prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB24-1223 Improved access to CCCAP	\$495,661	\$495,661	\$0	\$0	\$0	0.9
HB24-1364 Workforce readiness	85,163	85,163	0	0	0	0.4
SB24-078 Outdoor preschool	27,823	27,823	0	0	0	0.7
HB24-1009 Bilingual child care licensing	-42,130	-42,130	0	0	0	0.3
HB24-1312 Income tax credit - careworkers	-2,806	-2,806	0	0	0	0.2
Total	\$563,711	\$563,711	\$0	\$0	\$0	2.5

**Indirect cost assessment:** The request includes an increase of \$352,778 total funds related to statewide indirect cost recoveries for common policy adjustments. This request is separate and distinct from the Departmental indirect cost allocation changes in R6.

**Annualize prior year budget actions:** The request includes a net decrease of \$22.7 million total funds, including -\$3.4 million General Fund and -\$19.7 million federal funds, in FY 2025-26. These changes reflect the out-year impact of prior year budget actions.

Prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24-25 R2 Dept. core operations	\$165,444	\$170,968	-\$5,524	\$0	\$0	2.2
FY24-25 R4 UPK and child care workforce	11,262	11,262	\$0	\$0	\$0	2.0
FY23-24 R7/BA4 Stimulus funding	-17,335,676	0	0	0	-17,335,676	0.0
FY23-24 R4/BA2 EI caseload	-3,500,000	-3,500,000	0	0	0	0.0
FY24-25 R5 CCCAP	-1,877,625	0	515,567	0	-2,393,192	1.0
FY23-24 R5 Equity in DEC	-83,909	-102,685	0	18,776	0	-1.0
FY24-25 R1 UPK	-77,673	0	-77,673	0	0	0.6
FY24-25 R6 Universal home visiting pilot	-17,800	-17,800	0	0	0	0.1
FY24-25 BA1 UPK	-13,495	0	-13,495	0	0	0.1
FY24-25 NP4 HCPF PEAK	-1,256	-628	0	0	-628	0.0
<b>Total</b>	<b>-\$22,730,728</b>	<b>-\$3,438,883</b>	<b>\$418,875</b>	<b>\$18,776</b>	<b>-\$19,729,496</b>	<b>5.0</b>

The FY 2026-27 impact of FY 2025-26 change requests result in an increase in General Funds of approximately \$840,000 and a decrease in Cash Funds related to estimates of the Preschool Program Cash Fund. Out-year impacts are reflected in the table below.

Out-Year Impact of Departmental Requests		
Item	FY 2025-26 Incremental Request	FY 2026-27 Incremental Request
<b>R1 CCDF Regulation Implementation</b>	<b>\$11,747,439</b>	<b>\$11,747,439</b>
<i>Cash Funds</i>	<i>2,405,420</i>	<i>2,405,420</i>
<i>Federal Funds</i>	<i>9,342,019</i>	<i>9,342,019</i>
<b>R2 Universal Preschool Program</b>	<b>7,758,330</b>	<b>7,299,746</b>
<i>General Fund</i>	<i>3,658,330</i>	<i>4,499,746</i>
<i>Cash Funds</i>	<i>4,100,000</i>	<i>2,800,000</i>
<b>R3 Early Intervention Caseload</b>	<b>3,600,000</b>	<b>3,600,000</b>
<i>General Fund</i>	<i>3,500,000</i>	<i>3,500,000</i>
<i>Cash Funds</i>	<i>100,000</i>	<i>100,000</i>
<b>R4 Child Abuse Prevention Trust Fund</b>	<b>712,000</b>	<b>712,000</b>
<i>General Fund</i>	<i>-150,000</i>	<i>-150,000</i>
<i>Cash Funds</i>	<i>862,000</i>	<i>862,000</i>
<b>R5 Language Justice Coordinator</b>	<b>206,488</b>	<b>208,606</b>
<i>Reappropriated Funds</i>	<i>103,244</i>	<i>104,303</i>
<i>Federal Funds</i>	<i>103,244</i>	<i>104,303</i>
<b>Total</b>	<b>\$24,024,257</b>	<b>\$23,567,791</b>
<i>General Fund</i>	<i>7,008,330</i>	<i>7,849,746</i>
<i>Cash Funds</i>	<i>7,467,420</i>	<i>6,167,420</i>
<i>Reappropriated Funds</i>	<i>103,244</i>	<i>104,303</i>
<i>Federal Funds</i>	<i>9,445,263</i>	<i>9,446,322</i>

# Issue: CO Child Care Assistance Program

The Colorado Child Care Assistance Program provides financial support to eligible families for child care services. This program is administered at the county level with state supervision and state, federal, and local funding. It serves an average of 28,730 children annually. This issue brief discusses recent federal and state changes which will increase the cost of the program.

## Summary

- New federal rules for the Child Care Development Funds and State changes will increase the cost of the Colorado Child Care Assistance Program (CCCAP).
- As of November 1, 2024, six counties have implemented program freezes and 3 have implemented waitlists for CCCAP due to projected over-expenditures for the program.
- The Department projects the number of families served in CCCAP to decline by more than 20% as a result of both the new federal rules and the higher reimbursement rates put in place by the State.

## Discussion

### Child Care Development Funds Federal Regulations

On March 1, 2024, the federal Administration for Children and Families published new rules pertaining to the federal Child Care Development Funds provided to states. The rules aim to improve access, affordability, and stability in the child care sector.

The table below shows new requirements for the program compared to current practice, when possible, as well as estimated costs for implementation. A portion of the costs are one-time, but the majority will be ongoing and incorporate the new provider rate methodology implemented by the Department on October 1, 2024. All estimates are preliminary.

Current Rule	New Rule	Estimated Cost <sup>1</sup>
Family co-payments are capped at 10.0 percent of family income.	Family co-payments capped at 7.0 percent of income, regardless of family size	\$10.3 million
Provider payments for infants/toddlers based on enrollment; all other ages based on attendance with some paid absences.	Provider payments based on enrollment vs. attendance	\$33.0 million
Providers paid after services rendered.	Providers paid in advance	\$1.7 million
Funding allocated to counties for disbursement to providers.	Funding for grants and contracts for underserved populations	\$100,000
Varies by county	Consumer education materials	\$4,600
Varies by county	Paid (reasonable) mandatory registration fees	\$250,000
Robust online application and paper option	Applications and re-determination process simplification	TBD
New rule is a clarifying technical change	Children added to a case/home must be eligible for a minimum of 12 months and family redeterminations reset	TBD

<sup>1</sup> Estimated costs will certainly change over time as the full extent of the cost to implement the changes is still unknown.

The federal rules had an implementation date of April 30, 2024. However, states may apply for a two-year waiver to allow more time to implement the requirements. To access the waiver, Colorado must continue to pay for infant/toddler enrollment rather than attendance, and it must maintain increased provider rates. Colorado will operate on the waiver for the next two years, and must implement all changes no later than August 1, 2026.

## State Changes to CCCAP

In the last year, the State implemented a new provider rate methodology, created a pilot program for unlicensed providers, and added participation in certain substance use disorder treatment programs to the list of eligible activities for CCCAP. Each of these impact the cost of the program to varying degrees.

### Important Changes from a New Provider Rate Methodology

Beginning October 1, 2024, the state began to implement a new provider rate reimbursement methodology estimated to cost approximately \$20.4 million annually, implemented over three years.<sup>5</sup>

Prior to the pandemic, the Federal Office of Child Care (FOCC) determined the State was out of compliance with equal access provisions in CCCAP. To come into compliance, the State needed to partially raise rates and increase paid absences. Effective July 1, 2022, the State paid for additional absences, made reimbursements for infants and toddlers based on enrollment, and increased provider reimbursement rates for CCCAP. The increased cost was met by utilizing stimulus dollars. In October 2023, the FOCC approved the Department's submission for an alternative rate methodology which takes into account the cost of providing care as well as experiences, opinions, and practices of providers. Previously, the Department utilized market rate surveys to determine the rate methodology which took into account prices charged by providers. The full study for the new rate methodology can be found at the following link: <https://docs.google.com/document/d/14vvHZNxWjfabrzlYrTcmZPPnimG6Jf73/edit?pli=1>

### Changes from House Bill 24-1223

Changes made in HB24-1223 (Access to CCCAP) align State law with the new federal rules for CCCAP. However, the bill also included certain changes not conditional upon federal funding. First, the bill allows an applicant to be eligible for CCCAP by participating in a substance use disorder treatment program. The fiscal note for the bill anticipates costs to increase by about \$557,000 annually beginning in FY 2026-27 to provide child care services to an estimated 84 families participating in a substance use disorder treatment program.

Second, the bill created a pilot program for unlicensed providers to seek license-exempt status and become a CCCAP provider. The fiscal note assumes an increase in funding of approximately \$140,000 to support 0.9 FTE in FY 2025-26 to develop the pilot program.

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<sup>5</sup> This is an estimated amount. The Department is analyzing monthly data to further refine estimates.

## Technology Costs

To implement changes to CCCAP, the Department must also modify the Child Care Automated Tracking System (CHATS). This requires both one-time and ongoing cost increases. The fiscal note for HB24-1223 reflects an increase of \$530,828 in FY 2025-26 related to CHATS changes. Included in the funding is a new eligibility category for the substance use disorder treatment and modifications to align the CCCAP application with the UPK program.

In an effort to make the necessary changes to comply with the new federal rules, the Department has submitted a \$1.8 million IT request to Joint Technology Committee. This will augment the current enhancement budget of \$2.9 million. The Department originally estimated total costs of modifications at \$4.0 million. CHATS changes include the following modifications:

- Enrollment & prospective payment updates
- Mandatory registration fees payments
- Copay formula changes
- Slot contracts
- Application simplification & transparency

## County Freezes, Waitlists, and Budget Constraints

Since January 1, 2024, three counties have implemented waitlists for CCCAP, and six counties have implemented enrollment freezes.<sup>6</sup> As of November 1, 2024, 867 families and 1,251 children are impacted by the waitlists and freezes. A waitlist is a list maintained by a county reflecting individuals who have submitted a complete application but are not able to be immediately enrolled. A freeze means a county is no longer enrolling individuals.

To implement a waitlist, the Department's projections must indicate that a county's allocation will be at least 85.0 percent expended by the end of the fiscal year or it demonstrates other fiscal need. Similarly, a county may apply to implement a freeze when projections indicate that the county's allocation will be at least 95.0 percent expended, or it demonstrates other fiscal need.

Prior to this year, stimulus funds bolstered increased payments to providers, payment for infant/toddler enrollment, and additional paid absences. As stimulus funding wanes, provider rates increase, and local budgets are constrained, it's anticipated that all counties will be on either a waitlist or a freeze by the end of the current fiscal year. Projections suggest that the program may serve more than 22.0 percent fewer families due to lack of available funding. This will impact providers to varying degrees, but providers reserving slots for CCCAP families will be most impacted. The Department continues to look for ways to meet provider needs and serve as many families as possible. Part of its R1 request includes raising the county proportional share to the pre-pandemic level of 12.4 percent in the next two years.

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<sup>6</sup> Adams, Alamosa, Boulder, Broomfield, El Paso, and Larimer counties have all frozen enrollment. Douglas, Gunnison, and Jefferson counties are operating with a waitlist.



# Issue: Universal Preschool Program

The State is required by law to offer a minimum of 10 hours of free preschool services to all Colorado children in the year before kindergarten eligibility. Currently, the Department offers 15 hours to all eligible children. Certain 3- and 4-year-old children whose families' household income is 100.0 percent of the federal qualifying factor or two qualifying criteria may receive up to 30 hours of free preschool. Three- and four-year old children with an Individualized Education Plan (IEP) must be offered preschool as dictated by their IEP. IEP provisions are administered by the Colorado Department of Education. This issue brief provides an update on the Universal Preschool Program.

## Summary

- In FY 2023-24, the Department served 43,479 4-year-olds and 5,751 3-year-olds in UPK.<sup>7</sup> This represents 28,302 more preschoolers than were served by the Colorado Preschool Program (CPP) in FY 2021-22.<sup>8</sup>
- Average funding per child for 10 hours in CPP was \$6,937 in FY 2021-22 (adjusted for inflation) compared to \$4,837.5 for 10 UPK hours in FY 2023-24.
- The Department continues to examine ways to leverage UPK and CCCAP funding to serve more children and families.
- Statutory redundancy exists for the Early Childhood Councils and the Local Coordinating Organizations which may lend itself to a consolidation of the two entities.

## Discussion

### Enrollment and Funding

In FY 2023-24, the Universal Preschool Program reported expenditures of \$308.6 million. Of that amount, \$239.4 million was for 4-year-olds, \$22.8 million was for 3-year-olds with IEPs, \$38.9 million was for the 3-year-old historical CPP payment, and \$7.5 million was for hold harmless amounts to providers that previously participated in CPP. These amounts may change slightly as the Department finalizes expenditure reconciliations.

### 4-year olds in UPK

The Legislature appropriated a total of \$322 million to CDEC for the Universal Preschool Program in FY 2023-24, combining \$154.5 million in Preschool Program Cash Funds with \$167.5 million in General Funds. Total enrollment in FY 2023-24 was 49,230 including both 3-and 4-year olds. Families may choose to enroll children for 10 or 15 hours the year before kindergarten eligibility and may alter enrollment type as needs arise. A child may qualify for 30

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<sup>7</sup> All 3-year-olds served through UPK either have an IEP or meet at least one qualifying factor.

<sup>8</sup> FY 2021-22 is the last year for which the Department of Education submitted legislative reporting on the CPP.

hours of preschool provided they meet two qualifying criteria. See Appendix B for information regarding qualifying criteria. Average reimbursements and total expenditures for 4-year olds by type of enrollment are shown in the table below:

4-year-old Reimbursements by Enrollment Type in FY 2023-24		
Enrollment Type	Avg Per Child Reimbursement	Total Expenditures
10 hours (part-time)	\$5,009	\$40,399,283
15 hours (half-day)	\$5,249	\$160,543,880
30 hours (full-day)	\$7,973	\$38,491,679

### 3-year olds in UPK

All 3-year olds served in UPK either have an IEP served in district-based programs or meet at least one of the qualifying factors. In the 2023-24 school year, the Department served 5,751 3-year olds. Of that total, 62.5 percent were enrolled in 10 hours, 25.7 percent were enrolled in 15 hours, and 11.8 percent were enrolled in 30 hours. The Department is required to administer the “CPP Historical Allocation” which guarantees that preschool providers previously participating in CPP would receive at least the same amount of funding in FY 2023-24 as they received from CPP in 2022-23. The FY 2023-24 Historical Allotment totaled \$38,887,285.

Additionally, statute requires hold harmless funding for 3-year-olds with qualifying factors. The final amount was still being reconciled as of September 1, 2024, but is estimated to be \$7,498,553. The State also made payments for students with IEPs, discussed below.

### Students with IEPs

The Department served 11,614 3- and 4-year-olds with IEPs in FY 2023-24. Expenditures for 4-year-olds are included in 4-year-old payments in the section above. Payments for 3-year-olds are in addition to other 3-year old expenditures. Total expenditures for students with IEPs is shown in the table below:

Payments for Students with IEPs, School Year 2023-24			
	3-Year-Olds	4-Year-Olds	Total
Expenditures	\$22,770,398	\$33,466,863	\$56,237,262

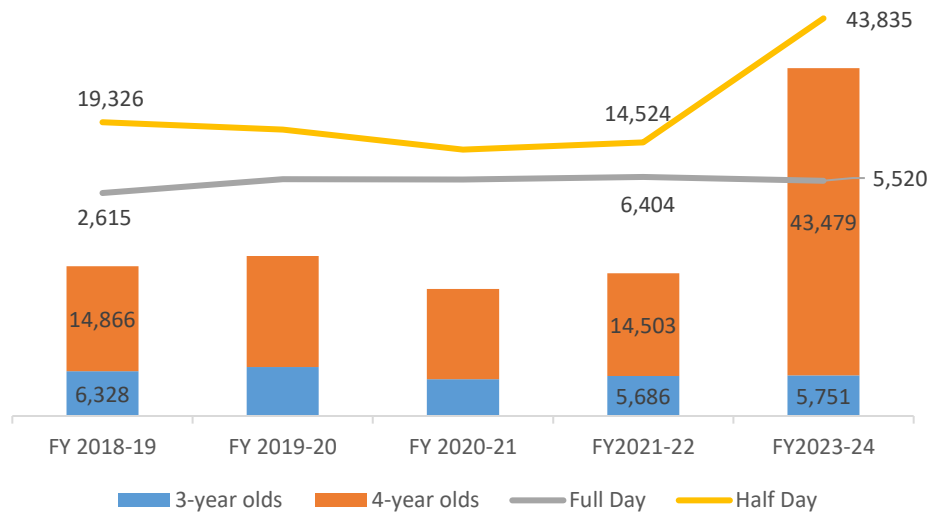
### Universal Preschool Program compared to the Colorado Preschool Program

Beginning in 1988, the Colorado General Assembly authorized the Colorado Preschool Program as a pilot program to serve at-risk 3- and 4-year-olds. In 1992, the General Assembly made the CPP permanent and expanded its target population. The number of children who could be served in the CPP was capped at a level set by the General Assembly. In 2022, the General Assembly approved funding to implement the Universal Preschool Program. The final year of CPP was FY 2022-23.

The most recent year with complete data for the Colorado Preschool Program is FY 2021-22. In that year, the State funded 29,360 slots and served 20,928 children. Of that total, 2.2 percent were infants or toddlers, 25.3 percent were 3-year-olds, 69.3 percent were 4-year olds, and 3.2 percent were 5-year olds participating as preschoolers.

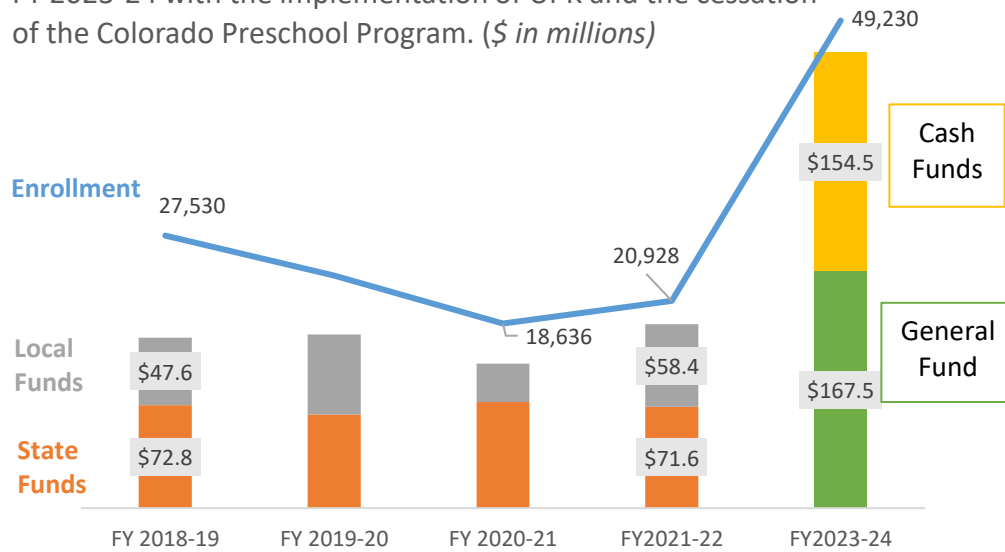
Comparing the two programs poses significant challenges. UPK provides different provider reimbursements that vary across state catchment areas for different types of enrollment. In contrast, the State funded the Colorado Preschool Program on a per-pupil basis and allotted a certain number of slots for CPP students. One slot constituted 10 hours of preschool, and two slots could be utilized to serve certain students with 20 hours. UPK full-day preschool offers 30 hours.

The graph below demonstrates trends in State-provided preschool programs for 3- and 4-year olds and by half or full day. For purposes of this comparison, students enrolled in 10 or 15 hours in UPK are considered half day, and students receiving 20 hours in CPP are considered full day. This excludes any data regarding children under 3 or over 4 that were participants in CPP. FY 2018-19 through FY 2021-22 reflect students served with CPP, and FY 2023-24 is the inaugural year of UPK. The number of kids served with full day preschool services has decreased slightly compared to FY 2021-22 CPP while the number of kids served with at least 10 hours has increased significantly.



Funding for Universal Preschool is more than double the funding for the CPP. Similarly, the number of children served has also more than doubled. The chart below shows CPP enrollment and funding for FY 2018-19 through FY 2021-22 as compared to UPK funding and enrollment in FY 2023-24.

Both funding and enrollment for preschool services doubled in FY 2023-24 with the implementation of UPK and the cessation of the Colorado Preschool Program. (*\$ in millions*)



### CCCAP and UPK Dual Enrollment

With the implementation of UPK, the Department envisioned the blending of UPK and CCCAP to serve eligible children that are dually enrolled. This means a provider may receive funds from both funding sources for these children. As costs increase and counties implement CCCAP freezes, the Department has begun to stack funds in an effort to be good stewards of funding.

Dual enrollment guidance provided by the Department allows counties to reduce the number of authorized care hours for CCCAP for children that are also enrolled in UPK. In certain circumstances, the reduction calculation has re-classified a family as part-time in CCCAP. As a result, some families decline to participate in UPK to ensure the authorized care hours they need through CCCAP.

This guidance may also negatively impact providers who accept CCCAP and participate in UPK. They may be under the impression that both funding streams will pay for the same hours. Department is in the process of selecting a vendor to evaluate how best to blend and braid UPK, CCCAP, and Headstart funds.

As CCCAP faces increasing cost pressures and more counties implement freezes and waitlists, it may be worth considering how UPK might be utilized better to alleviate pressure. If the State were to prioritize children eligible for CCCAP for 15 hours of UPK, and it could ensure that the CCCAP families' full needs are being met even with the stacking of funding, it may help alleviate pressure on CCCAP funding. This is likely to be a heavy logistical lift, but it may be worth discussing with the Department.

Based on FY 2023-24 reimbursements by enrollment type and catchment area, it's estimated that if all students currently enrolled in 15 hours were only enrolled in 10 hours, the State could

find initial savings of as much as \$30 million. Due to the number of factors driving the cost, it's difficult to project potential cost savings with certainty.

### Early Childhood Councils and Local Coordinating Organizations

With the implementation of UPK, the State also created Local Coordinating Organizations to serve as coordinators for UPK enrollment. Early Childhood Councils have served as community resources for families seeking care and support since 2007. Both receive an appropriation from the State with LCOs receiving Preschool Program Cash Fund and ECCs receiving mostly Federal Funds and some General Fund. In FY 2023-24, the majority of Local Coordinating Organizations are also Early Childhood Councils.

There are statutory redundancies between the Early Childhood Councils (ECCs) and Local Coordinating Organizations (LCOs) in terms of their responsibilities. This has not yet been an issue but may present an opportunity for greater efficiency in the future. See Appendix C for a chart provided by the Early Childhood Council Leadership Alliance which attempts to identify the areas of distinction and overlap between ECCs and LCOs given the current context of LCOs focused on UPK implementation.

### Recommendations

Staff recommends the Committee discuss the possibility of consolidating LCOs into ECCs across the State where possible. This may not produce cost savings in the FY 2025-26, but it may reduce competition for funding from two very similar entities in subsequent years.

Finally, the Department is preparing to undergo two 3<sup>rd</sup> party reviews, one for CDEC in general, and one for UPK. Staff suggests the Committee discuss the scope of those reviews including the intended outcomes.

# Issue: Preschool Development Grant

The Preschool Development Grant Birth through Five program provides funding to states and territories through a competitive grant program to bolster early care and education systems. There are two types of grants, Initial and Renewal, which are awarded to states. Colorado recently applied for but was not awarded a renewal grant which may slow growth efforts.

## Summary

- In December 2022, Colorado was awarded an Initial, one-year, \$3.9 million Preschool Development Grant Birth through Five (PDG B-5) Planning Grant.
- The grant supported over 18 strategies to build the state's early childhood infrastructure and programs. Colorado applied for a Renewal grant to continue its efforts.
- The Department recently learned it did not receive the Renewal grant.

## Discussion

Colorado has relied on PDG B-5 grants since as early as 2018 to identify needs and advance strategic efforts to strengthen and build the early child care and education systems in the State. Working closely with a multitude of stakeholders, the Department developed strategies to maximize the availability of early care and education options, improve the quality of care, streamline administrative infrastructure, and improve state-level early care and education funding efficiencies.

In December 2022, the Department was awarded a \$3.9 million PDG B-5 Planning Grant. This was a one-year grant for which the Department received an extension to complete activities through year two. This funding was intended to address gaps in early child care and education systems. It also supported efforts to identify and address challenges and needs resulting from the COVID-19 pandemic.

According to the full report, this funding supported a multitude of initiatives as identified and prioritized with the help of stakeholders across the State. The full report can be found here: <https://drive.google.com/file/d/1bQvP4fx8MwSFEkmQ-jv0sprpUtHKCRke/view>

The Department recently applied for but was not awarded a Renewal PDG B-5 grant. The Department is reviewing its application and identifying each strategy needing an immediate plan for advancement. Progress on the strategies may be paused or slowed as a result of lack of funding. However, the Department will continue work with statutory or regulatory grounding at a slower pace by utilizing existing resources.

The intent of the federal PDG B-5 program is to offer another round of competitive renewal grant funding in the spring of 2025. The Department intends to apply again for the renewal grant.

# Budget Reduction Options

The Executive Budget Request includes a reduction of \$495,428 General Funds related to the R4 and R6 requests. This represents a decrease of 0.17 percent of total General Fund appropriations. This issue brief reviews only the General Fund relief options identified by staff.

## Summary

- The Department of Early Childhood represents 1.9 percent of total state General Fund appropriations in FY 2024-25.
- Staff options for General Fund relief include proposed reductions of \$10,335,470, representing 3.2 percent of the General Fund appropriations in this section of the budget.
- Most options provided by staff would result in a reduction in services to families and children.

## Discussion

### Funding History FY 2018-19 to FY 2024-25

The Department of Early childhood represents 1.9 percent of total state General Fund appropriations in FY 2024-25. As reflected in the table below, General Fund in this section of the budget<sup>9</sup>, has increased by 138.7 percent since FY 2018-19 after adjustments for inflation.<sup>10</sup> This is more than the statewide increase in General Fund appropriations of 11.3 percent over the same period after adjustments. Over the same period total funding in this section of the budget, after adjustments, has changed by 130.0 percent.

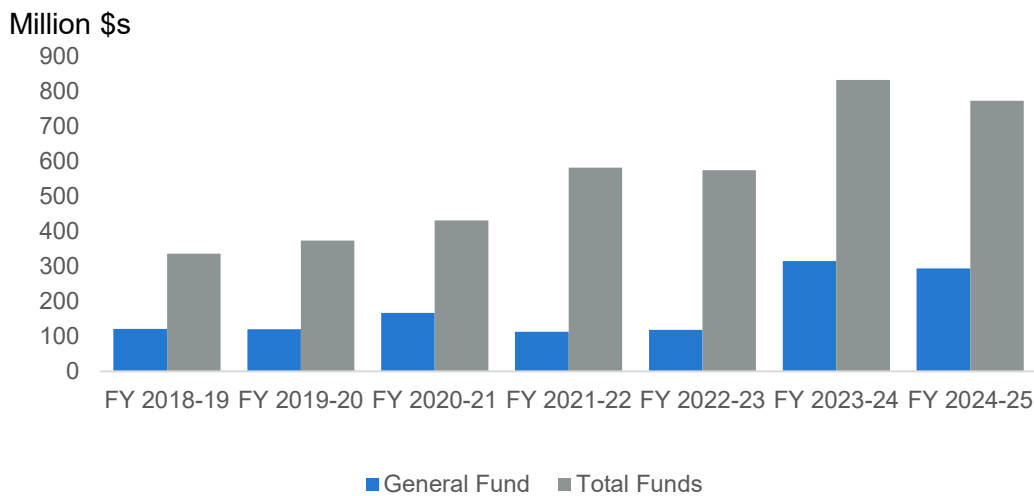
FY 2018-19 to FY 2024-25 Appropriations Comparison - Adjusted for Inflation					
Fund	FY 2018-19		FY 2024-25	Increase/ -Decrease after inflation adjustment	
	Nominal	FY 24-25 Dollars		Amount	Percent
General Fund	\$97,177,072	\$123,078,341	\$293,764,888	\$170,686,547	138.7%
Total Funds	\$264,934,890	\$335,549,795	\$771,779,427	\$436,229,632	130.0%

The Department of Early Childhood was created with the passage of HB22-1295 and Proposition EE. Divisions within the Department of Human Services as well as line items from Health Care Public Financing and the Department of Education were transferred to the new Department in FY 2022-23. Appropriations reflected in the graph below in FY 2018-19 through FY 2021-22 may not capture all transferred appropriations related to centrally appropriated and information technology line items.

<sup>9</sup> This takes into consideration line items transferred from other Departments to the new Department per HB22-1295.

<sup>10</sup> Fiscal year 2018-19 appropriations are adjusted for inflation, calculated based on the Legislative Council Staff September forecast, which reflects an increase in the Denver-Aurora-Lakewood consumer price index of 26.7 percent between FY 2018-19 and FY 2024-25.

## Appropriations in Constant FY 2024-25 Dollars



In its first two fiscal years as a Department, a large portion of its appropriation came from federal stimulus dollars. Additionally, the Department saw a surge in both General Fund and Cash Funds with the implementation of Universal Preschool. The table below shows the growth in General Fund appropriation by Division in constant dollars from FY 2022-23.

Fund	FY 2022-23		FY 2024-25	Increase/ -Decrease after inflation adjustment	
	Nominal	FY 24-25 Dollars		Amount	Percent
Executive Director's Office	7,906,708	8,440,140	\$24,125,100	\$15,684,960	185.8%
Partnerships and Collaborations	2,006,826	2,142,218	\$3,074,639	\$932,421	43.5%
Early Learning Access and Quality	32,709,033	34,915,774	\$186,198,537	\$151,282,763	433.3%
Community and Family Support	65,729,104	70,163,570	\$77,275,338	\$7,111,768	10.1%
Licensing and Administration	2,418,203	2,581,349	\$3,091,274	\$509,925	19.8%
<b>Total Funds</b>	<b>110,769,874</b>	<b>118,243,052</b>	<b>\$293,764,888</b>	<b>\$175,521,836</b>	<b>148.4%</b>

\*Denver-Aurora-Lakewood Consumer Price Index - FY 2024-25 is based on the LCS Sept 2024 forecast

The two Divisions that experienced the most significant growth were the Executive Director's Office and the Division of Early Learning Access and Quality. Increases in the EDO are related to the Department establishing its infrastructure. Increases in the Division of Early Learning Access and Quality are driven by the Universal Preschool Program. Within the Executive Director's office, the Information Technology subdivision has seen the bulk of the growth at approximately 337.1% as the Department continues to build out its IT infrastructure.

Over the same period of time, the Department saw a wave of stimulus funding that is now ebbing. The table below shows the change in Federal Fund appropriations since FY 22-23.

	FY 2022-23	FY 2023-24	FY 2024-25
Federal Funds	326,380,398	280,741,676	191,658,951



## Additional Options for JBC Consideration

A General Fund reduction of 5.0 percent to the sections of the budget covered in this briefing would require a reduction of \$14,688,244. Staff has identified reductions resulting in a 3.2 percent reduction. The table below summarizes options identified by the JBC staff that the Committee could consider for General Fund relief arranged from least disruptive to services to most disruptive.

Additional Options for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Description
<b>Expenditure Reductions</b>				
Enact Hiring Freeze	-\$106,309	-\$460,624	N	This option would reduce General Fund and other funds related to FTE vacancies in the Department. This would freeze 22 vacancies in the Department.
Discontinue the Child Care Services and Substance Use Disorder Treatment Pilot	-500,000	0	Y	This option would end the pilot program which began in 2019 which is a single year award with the option to renew.
Refinance General Fund with Cash Fund for the COCAP Trust Fund	-150,000	0	Y	This option would eliminate General Fund transfers to the COCAP Trust Fund
Reduce funding for Family Resource Centers	-745,654	0	N	This option would reduce funding for Family Resource Centers to \$1.0 million, a 42.7 percent reduction.
Reduce FY24-25 R2 Department Core Operations	-170,968	0	N	This option would reduce funding for certain Departmental operations in FY 2025-26.
Reduce FY24-25 R6 Universal Home Visiting	-565,525	0	N	This option would reduce funding for the Universal Home Visiting pilot program in FY 2025-26 by 20.0 percent.
HB24-1364 Workforce Readiness	-85,163	0	Y	This option would reduce funding for this program in FY 2025-26.
HB24-078 Outdoor Preschool	-27,823	0	Y	This option would reduce funding for this program in FY 2025-26.
Refinance General Fund with Universal Preschool Program Cash Fund Reserve	-3,658,330	3,658,330	Y	This option would refinance the General Fund increase for inflation that is required by statute with Preschool Program Cash Fund reserve.
Reduce Funding for the Division of Early Childhood Quality and Availability	-650,000	0	N	This option would reduce funding for this line item by just over 20.0 percent, allowing the Department to maintain required spending on infant/toddler support.
Reduce funding for Child Maltreatment Prevention	-2,550,136	0	N	This option would reduce funding for child Maltreatment Prevention programs by 30.0 percent.
Reduce funding for Early Childhood Mental Health Services	-325,563	0	N	This option would reduce funding for Early Childhood Mental Health Services by 20.0 percent.
<b>Subtotal - Expenditures</b>	<b>-\$9,535,470</b>	<b>\$3,091,397</b>		
<b>Net General Fund Relief</b>	<b>\$9,535,470</b>	<b>-\$3,091,397</b>		

## Expenditure Reductions

### Enact Hiring Freeze

*Description:* This option would cut funding for department personal services by up to \$566,933 if all 22 current vacancies remain unfilled. Of this amount, \$106,309 is General Fund. Current vacancies exist in the Executive Director's Office (7.0), the Universal Preschool Program (5.0), the Division of Early Learning Access and Quality (5.0), the Division of Community Family and Support (1.0), and the Division of Licensing and Administration (4.0). Of these positions, 11 were approved through decision items and bills in the most recent legislative session.

*Key Considerations:* The Committee could choose to only freeze a portion of the vacancies or all, and the impact to program delivery and services would be dependent on the positions the Department chooses to leave unfilled.

*Additional Background:* Beginning in FY 2022-23, the first year as a stand-alone Department, there were a total of 208.0 FTEs supported by appropriations. In FY 2024-25, that number has grown to 235.1.

### Discontinue the Child Care Services and Substance Use Disorder Treatment Pilot

*Description:* This option would eliminate funding for the Child Care Services and Substance Use Disorder Treatment Pilot, thereby discontinuing the program.

*Key Considerations:* This pilot has been used to gather information and build partnerships with the expectation of expansion and sustainability long-term. Eliminating funding for this program would have an immediate impact on approximately 85 parents with 107 children in 12 substance abuse treatment center sites. The Department indicates elimination of this funding may require a wind-down period to shut down the pilot and sell the RV that is utilized for the program.

*Background:* In 2019, the General Assembly passed House Bill 19-1193 which created the Child Care Services and Substance Use Disorder (SUD) Treatment pilot program. Ultimately, the legislation aimed to keep parents and children together as they received intensive SUD treatment.

The pilot was originally set to expire after three years with a report on the outcome to be delivered before July 1, 2023. Due to the pandemic as well as the creation of the Department of Early Childhood and the transfer of associated funding out of DHS, the pilot program was extended in HB22-1295.

This program provides on-site child care utilizing a mobile Early Childhood Center in an RV. It currently supports 12 behavioral health and family support sites in the Denver Metro Area, Southeast Colorado, and the San Luis Valley. From July 2023 to June 2024, the program engaged a total of 107 children. The program produces an annual legislative report which can be found at the following link:

[https://drive.google.com/file/d/1d3FZwHTpUbz40VZsx83u\\_o5e8WpNqU99/view](https://drive.google.com/file/d/1d3FZwHTpUbz40VZsx83u_o5e8WpNqU99/view)

## Reduce funding for Family Resource Centers

*Description:* This option would reduce funding for Family Resource Centers to \$1.0 million in this line item.

*Key Considerations:* Family Resource Centers receive funding in other line items and, therefore, may deserve further examination to determine how much State funding they receive in total.

*Additional background:* This line item provides direct funding to the FRC program. This program provides training, technical assistance, and grants to establish and maintain FRCs across Colorado. Funding in this line item also supports costs related to management and contracting costs.

## Reduce the FY 2024-25 R2 Department Core Operations

*Description:* This option would not fully annualize the Department Core Operations funding decision made for FY 2024-25, essentially resulting in a reduction for this FY 2024-25 decision item.

*Key Considerations:* This option does not reduce current FY 2024-25 funding for this decision item but rather would not increase the funding related to this decision made last year per the request. However, this reduction would impact the Department's ability to retain IT staff and conduct IT system enhancements as well as ongoing IT maintenance.

*Additional background:* FY 2024-25 R2 CDEC Departmental Operations provided an increase of \$5.4 million total funds including \$3.7 million General Fund, \$131,219 cash funds, \$586,628 reappropriated funds, \$970,343 federal funds, and 25.8 FTE for the general operations. The funds support technology needs as well as funding for FTEs previously funded with expired stimulus funds.

## Reduce the FY 2024-25 R6 Universal Home Visiting Pilot

*Description:* This option would reduce funding for the Universal Home Visiting pilot by 20.0 percent. This program was approved in the most recent legislative session.

*Key Considerations:* Funding provided for this program was intended to expand and build on existing work. While this program is a universal home visiting pilot, the State also funds the Nurse Home Visitor program which provides similar services but targeted to families with the greatest need and lack of access to resources. The JBC may choose to pull back funding entirely from this pilot program which would halt the expansion progress completely and would require some funding for winding-down any incremental progress made.

*Additional background:* In FY 2024-25, the General Assembly approved an increase of \$2.8 million General Fund to support a universal home visiting pilot program. This program offers comprehensive home evaluations to new mothers and infants. Funding was expected to be for 5 years and would support births at participating hospitals in ten counties (Boulder, Broomfield, Denver, Eagle, Garfield, Jefferson, Pitkin, Summit, Weld, and Mesa). Boulder, Eagle, and Jefferson Counties are in a disposition to achieve Family Connects model certification within two years. Funding also would support a cost savings study of the pilot program which would

not be conducted without sufficient funding. Eagle, Mesa, Pitkin, and Weld counties are anticipated to serve approximately 1,500-2,500 families by Year 3 of the pilot.

### Reduce House Bill 24-1364 Education-Based Workforce Readiness

*Description:* This option would reduce funding for the Department for funds related to the creation of the Statewide Longitudinal Data System (SLDS) largely overseen and managed by the Department of Education.

*Key Considerations:* The Department was not appropriated funding FY 2024-25 as part of this bill. Funding provided in FY 2025-26 and FY 2026-27 would support a portion of an FTE and payments to OIT to integrate the Universal Preschool Program into the new system. It's unclear what the exact impact of this reduction would be.

*Additional background:* House Bill 24-1364 requires the Department of Education to complete a financial study on postsecondary and workforce readiness programs. It also created the Colorado Statewide Longitudinal Data System (SLDS) in the Office of Information Technology. CDEC was not appropriated any funding in the current year for this project. The fiscal note anticipated \$92,650 for CDEC in FY 2025-26, of which it has requested only \$85,163. This funding would support 0.4 FTE as well as vendor costs and payments to OIT to develop and manage the connection of the Universal Preschool Program to the SLDS.

### House Bill 24-078 Outdoor Preschool

*Description:* This option would eliminate the increase in funding to support an additional FTE to implement the provisions of the bill in FY 2025-26.

*Key Considerations:* Reducing funding would hamper the Department's ability to implement the provisions of the bill.

*Additional background:* HB24-078 requires CDEC to develop licensing rules, manage licenses, and train professionals for outdoor preschool programs. CDEC indicated it needed 1.8 FTE to develop the licensing rules, to manage the licenses, and to work with outdoor programs to develop their required safety plans. An additional 0.5 FTE in FY 2025-26 would be utilized to develop and provide trainings to outdoor programs on the new licensing regulations.

### Refinance General Fund with Universal Preschool Program Cash Fund

*Description:* This option would refinance the statutorily-required General Fund inflation increase with Universal Preschool Program Cash Fund reserve.

*Key Considerations:* If this option were to be utilized, it would need to be clear that this would reset both the base for future increases such that the State is not faced with greater General Fund pressures next year. Additionally, this option would reduce the amount kept in reserve for unforeseen changes to the UPK program.

*Additional background:* Statue requires an inflation adjustment for General Fund appropriations each year for the Universal Preschool Program. That amount is estimated to be \$3.7 million in FY 2025-26, but is likely to change with revenue forecasts. The majority of appropriations for

this program are from the Preschool Programs Cash Fund which voters approved in Proposition EE. Proposition EE approved a new tax increase for certain tobacco and nicotine products. This revenue stream is anticipated to plateau in the near future.

## Reduce Funding for the Division of Early Childhood Quality and Availability

*Description:* This option would reduce funding for this line item by just over 20.0 percent with varying degrees of impact on the programs it serves.

*Key Considerations:* This line item provides matching contributions required for the federal Child Care Development Funds. Therefore, it cannot be cut beyond the point at which the State would be out of compliance, or the Department risks losing federal funds.

*Additional background:* This line item funds grants and contracts that aim to improve the quality and availability of child care in Colorado. It also supports matching State funds that are required by the federal government for the Child Care Development Funds. This line item supports Early Childhood Councils as well as the Colorado Shines Quality Improvement Program initiatives, sub-programs, and operating and maintenance costs for the Colorado Shines Technology system.

Approximately 1,100 programs are supported with quality improvement funding across the state. Of that amount, approximately 75.0 percent are also UPK providers. Approximately \$220,000 is dedicated to improvement projects supporting infant and toddler classrooms.

This line item also provides funding for the Teacher Salary Grant Program which currently serves nearly 300 professionals with a livable wage increase. Funding for this program cannot be reduced by a specific percentage due to the number of participants in the program. If it were reduced, it would end the study that is part of this program and may exacerbate staffing challenges for participating centers.

## Reduce Funding for Child Maltreatment Prevention

*Description:* This option would reduce funding for the Child Maltreatment Prevention line item by 30.0 percent, potentially impacting multiple programs.

*Key Considerations:* This line item supports a multitude of programs that provide child maltreatment prevention programs and services, some of which have Maintenance of Effort requirements for federal grants. It is the recommendation of staff that if this option is utilized, the Department would have discretion to implement the reduction in the manner that would be least disruptive across programs and protect federal funds for programs.

*Additional background:* This line items includes funding for SafeCare, Family Resource Centers Promoting Safe and Stable Families (PSSF), Community-based Child Abuse Prevention (CBCAP), and the Colorado Child Abuse Prevention Trust Fund Board.

SafeCareColorado is a voluntary home visiting program for parents and caregivers of children ages five years old and younger. It aims to help manage challenging behaviors, identify and

remove household hazards, and help caregivers understand a child's health needs. The program serves 1,230 families in 13 sites across 33 counties and two tribes. The General Fund acts as the Maintenance of Effort requirement for the Federal Maternal Infant Early Childhood Home Visiting grant. Therefore, a reduction in General Fund would have an outsized impact on total funding for the program and would result in a significant reduction of services across the state. Serving fewer families would also decrease the amount that child Welfare is able to claim for reimbursement as part of the Families First Prevention Services plan.

Promoting Safe and Stable Families is a federally funded program that aims to prevent the separation of children from families, aims to improve the quality of care and services to children and their families, and works to reunite parents through adoption or by another permanent living arrangement. This program serves 1,259 families across 36 counties. A reduction of General Fund for this program may have minimal impact.

Beginning July 1, 2024, the Department reinvested resources from the Colorado Community Response program in the Family Resource Center (FRC) Program. This decision was made to increase administrative efficiencies and still achieve desired outcomes for families. State funding supports family development and case management services in centers across the state. Currently, there are 33 FRCs in 46 counties that receive a portion of their funding from this line item. If General Fund appropriations were to be cut from this program, it would result in fewer sites receiving state support and fewer families served.

The Colorado Child Abuse Prevention Trust Fund (COCAP) provides funding for start-up and continuation of primary and secondary child maltreatment prevention programs. General Fund currently supports provider rate increases (\$53,000), Child Sexual Abuse Prevention (\$150,000), and Substance Exposed Newborns (\$150,000). The Department's R4 request would refinance \$150,000 General Fund for Child Sexual Abuse Prevention with Cash Funds.

The Community-Based Child Abuse Prevention Grants program would not be impacted because it is federally-funded.

## Reduce funding for Early Childhood Mental Health Services

*Description:* This option would reduce funding for Early Childhood Mental Health Services by 20.0 percent.

*Key Considerations:* This line item receives federal funding and may require a certain maintenance of effort to ensure all federal funds are retained.

*Additional background:* 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. The aim is to support children's social-emotional development and to identify early any concerns that could lead to future challenges. A federal program

implemented in FY 2015-16 enhanced resources to address the social and emotional needs of children in Colorado to reduce suspension and expulsions.

# Footnotes and Requests for Information

## Update on Long Bill Footnotes

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2024 Long Bill (H.B. 24-1430) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/HB24-1430> The Long Bill footnotes relevant to this document are listed below.

- 11 Department of Early Childhood, Partnerships and Collaborations, Local Coordinating Organizations; Early learning Access and Quality, Universal Preschool Funding – The Department of Early Childhood is authorized to transfer up to \$1.0 million of the total appropriation for Local Coordinating Organizations and Universal Preschool Program between those two line items.

**Comment:** This is the first year this footnote was included in the Long Bill. Local Coordinating Organizations (LCOs) directly support the implementation of Universal Preschool. In response to funding concerns, the Department requested this footnote to allow some flexibility to provide additional funds to LCOs if necessary in FY 2024-25.

- 12 Department of Early Childhood, Early Learning Access and Quality, Personal Services – This line item includes \$1,624,365 General Fund for the Imagination Library program.

**Comment:** This is the first year this footnote was included in the Long Bill. The Imagination Library of Colorado program was transferred from the Department of Education to the Department of Early Childhood for FY 2024-25. Because the line item does not exist for this program, this footnote expresses legislative intent.

- 13 Department of Early Childhood, Community and Family Support, Personal Services – This line item includes \$1,097,624 General Fund for the Universal Home Visiting pilot program.

**Comment:** This is the first year this footnote was included in the Long Bill. R6 Universal Home Visiting pilot program was approved by the General Assembly to begin in FY 2024-25. Because the line item does not exist for this program, this footnote expresses legislative intent.

- 14 Department of Early Childhood, Community and Family Support, Operating Expenses – This line item includes \$1,730,000 General Fund for the Universal Home Visiting pilot program.

**Comment:** This is the first year this footnote was included in the Long Bill. R6 Universal Home Visiting pilot program was approved by the General Assembly to begin in FY 2024-25. Because the line item does not exist for this program, this footnote expresses legislative intent.

- 15 Department of Early Childhood, Grant Totals – The federal funds appropriated from Child Care Development Funds in this part include the following amounts from time-



limited Supplemental Child Care and Development Fund Discretionary Funds appropriated in the federal American Rescue Plan Act of 2021:

<u>Line Item</u>	<u>Amount</u>
<b>(1) Executive Director's Office</b>	
<b>(A) General Administration</b>	
Personal Services	\$423,138
Health, Life, and Dental	130,383
Short-term Disability	1,099
UNFUNDED LIABILITY AMORTIZATION EQUALIZATION DISBURSEMENT	93,000
Operating Expenses	12,075
<b>(B) Information Technology Systems</b>	
Information Technology Contracts and Equipment	250,000
Child Care Automated Tracking System	50,000
<b>(2) Partnerships and Collaborations</b>	
Local Coordinating Organizations	721,570
Child Care Resource and Referrals	548,128
<b>(3) Early Learning Access and Quality</b>	
Personal Services	404,843
Operating Expenses	2,756
Child Care Assistance Program	4,885,148
Child Care Assistance Program Stimulus - Eligibility Expansion and Infant and Toddler Care Reimbursement	6,492,554
Workforce Recruitment and Retention Grants	300,000
Professional Development Training	1,136,634
Early Childhood Quality and Availability	1,757,596
<b>(4) Community and Family Support</b>	
Personal Services	67,775
Operating Expenses	368
<b>(5) Licensing and Administration</b>	
Personal Services	58,056
Operating Expenses	551
<b>TOTAL</b>	<b>17,335,675</b>

**Comment:** This footnote expresses legislative intent regarding federal stimulus funds provided through the Child Care Development funds. It was first included in the FY 2023-24 Long Bill and should be expired after the current fiscal year.

## Update on Requests for Information

The Joint Budget Committee annually submits requests for information (RFIs) to executive departments and the judicial branch via letters to the Governor, other elected officials, and the Chief Justice. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as an Appendix in the annual Appropriations Report (Appendix H in the FY 2024-25 Report):

<https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The RFIs relevant to this document are listed below.

### Requests Affecting Multiple Departments

- 4 Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of Human Services, Division of Child Welfare, Tony Grampas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Department of Military and Veterans Affairs, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of Personnel, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by October 1st of each year for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.

**Comment:** Prior to this year, 26.7 percent of tobacco master settlement money was deposited in the Nurse Home Visitor Program Fund for grants to providers and associated state administrative costs. Beginning in FY 2024-25, that amount was increased to 28.7 percent. Any unused money remains in the fund and is 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." Below are program totals for the previous fiscal year.

Nurse Home Visiting Program	
Total FY 2023-24 MSA Appropriation	\$25,620,074
FY 2023-24 MSA Expenditures	\$22,777,717
Actual Administrative Expenditures	1,091,560
Administrative Expenditures as % of MSA Allocation	4.3%
Maximum % of Admin Expenditures Allowable	5.0%

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.

In FY 2023-24 the Nurse Home Visitor Program served 3,402 children and completed 42,723 visits - 2,994 children and 37,437 visits of which were under state MSA funded NHVP.

Nurse vacancies continue to be the greatest challenge to caseload. Additionally, current projections of MSA revenue in the NHVP anticipates exhaustion of this funding source following FY 2030-31, which would result in a loss of services impacting 1,350 families.

## Department of Early Childhood Requests

- 1 Department of Early Childhood, Early Learning Access and Quality, Universal Preschool Program – the Department is requested to submit bi-annually, on or before September 1 and March 1, a report to the Joint Budget Committee concerning enrollment and expenditure data for the Universal Preschool Program. The requested report shall include the following information: (a) enrollment data by age, number of hours, and type of provider for all students participating in the Universal Preschool Program, (b) expenditures by type of enrollment for all 4-year-olds (i.e. part time, half day, full day), (c) expenditures for 3-years-old and younger students enrolled in preschool services which are supported by UPK funding, (d) enrollment totals of students who have an IEP and are served through the UPK program, and (e) estimated expenditures to support students with IEP through the UPK program.

**Comment:** This report was submitted on time and will be submitted again in March with the most current numbers. The contents of this report were outlined in the Factors Driving the Budget and the Issue Brief sections of this document.

- 2 Department of Early Childhood – the Department is requested to submit a report no later than September 1 which describes the current status of its IT infrastructure to support program delivery, particularly as it pertains to the integration of the UPK system with existing internal systems. The requested report shall include the following: (a) estimated expenditures in FY 2023-24 pertaining to all departmental technology infrastructure building by project with a description of each project and the program(s) it serves, and (b) planned expenditures in the three years following the end of FY 2023-24 pertaining to technology infrastructure buildout and upgrades by project with a description of each project and the program(s) it serves.

**Comment:** The three core aspects of the technology infrastructure for CDEC include family and provider single-system access for programs and services administered by CDEC (the Unified Family Experience), comprehensive qualitative and quantitative data for the State and legislators on all programs (the Early Childhood Integrated Data System), and the delivery of at least 10 hours of Universal Preschool to all eligible children.

With the creation of the Department of Early Childhood, new IT infrastructure had to be constructed building on existing and developing new systems. The Department received appropriations totaling \$14.65 million in FY 2021-22 to build the unified application and integrated data system. It received an additional \$6.776 million in combined appropriations for the creation and enhancement of the UPK IT system with partial funding in FY 2021-22 and the remainder in FY 2023-24.

Six months after its establishment, the Department launched what it terms a “minimal viable” product for the UPK application system to support enrollment in the 2023-24 program year. The system was fraught with issues which the Department has since worked to prioritize system enhancements to better facilitate UPK enrollment.

To date, the following chart provided by the Department indicates amounts expended for current/ongoing projects:

Project	FY 2023-24 Costs	Estimated FY 2024-25 Costs
Comprehensive Analysis	\$5,417,369	\$7,046,211
Universal Preschool Enrollment System	\$1,398,081	\$2,266,373

The Comprehensive Analysis Project includes costs related to both ECIDS and UFE but also includes funding for “rapid deployment” improvements to existing systems as needed. Additionally, it includes funding for an audit of existing external-facing website and platforms to support the unification of services, resources, and information. Both ECIDS and UFE launched in September and will continue to be modified and built out as funding allows.

The Unified Family Experience (UFE) is intended to provide a central hub for families to access all early childhood and family support services. This includes a services finder and application tracking for CCCAP and UPK and tools for families to identify the most appropriate services from over 20 options. The goal is for this to be a one-stop shop for families with young children to find and apply to additional programs and services. Total build cost attributable to the UFE is approximately \$3.6 million in FY 2024-25. Ongoing maintenance is anticipated to be approximately \$500,000 annually which will be absorbed by CDEC.

The Early Childhood Integrated Data System (ECIDS) will connect data across systems and programs with the goal of generating robust data for analysis and accountability. Long term, the Department aims to integrate data from early childhood programs serving birth to eight-year-old children and up to 19 years old for CCCAP. This will include family, classroom, and workforce data. This will be built out in phases with the first focus being a distinct count of children enrolled in CCCAP and UPK over a given period of time. The Department was seeking additional Preschool Development Grant funding to build out two new use cases in the near

term but did not get the grant. Ongoing maintenance is anticipated to be approximately \$220,000 annually for this initial phase. Long-term build out of a robust ECIDS system will undoubtedly require additional funds.

Rapid deployment projects include the deployment of family and provider assistance chatbots, a review of field usage in software, consolidation of content, and other process improvements. Website unification seeks to consolidate and refine the many websites and web pages managed by CDEC. The aim is to focus information for families, providers and professionals and partners, and for people seeking general information about the Department. Both of these projects will be multi-year initiatives and may require additional resources in the future.

The following table shows expenditures in FY 2023-24 as well as estimated expenditures through FY 2026-27 for IT infrastructure:

**Table 1**

	Capital IT		Ongoing Maintenance & Operations		
	FY 2023-24	FY 2024-25*	FY 2024-25*	FY 2025-26*	FY 2026-27*
Vendor and OIT Costs for Overall Project Support					
OIT Shared Deliverables	\$157,181	\$75,859			
Analysis & Support	\$993,486	\$123,030			
Product/Project Management	\$2,468,091	\$984,037			
Org Change Management	\$40,000	\$49,950			
ECIDS	\$1,043,085	\$1,164,826	\$175,592	\$204,000	\$204,000
Unified Family Experience	\$112,500	\$3,564,792	\$397,500	\$500,000	\$500,000
Rapid deployment projects	\$216,026	\$810,717			
Website Unification	\$387,000	\$273,000			
<b>Total Comprehensive Analysis</b>	<b>\$5,417,369</b>	<b>\$7,046,211</b>	<b>\$573,092</b>	<b>\$704,000</b>	<b>\$704,000</b>

\*Estimated costs, Operations & Maintenance costs are not part of the capital IT appropriation and will be covered through existing resources.

The Universal Preschool Program system continues to be refined and modified to suit the needs of families, providers, and partners. In February, three new family application user experiences launched including a pre-registration pathway, a standard application and deferred acceptance algorithm, and a direct placement pathway for students with IEPs. Other enhancements were also implemented to address functionality. Total and estimated expenditures for the UPK IT system are reflected in the table below:

**Table 8**

FY 2023-24 Expenditures	FY 2024-25 Estimated Expenditures
\$1,398,081	\$2,266,373

\* The program spent \$3.1 million in prior fiscal years. Total expenditures through FY 2023-24 are \$4,508,627.

As discussed previously in the CCCAP issue brief, new federal rules will require changes to the Child Care Automated Tracking System and will require additional resources to implement.

- 3 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 report will be submitted on or before January 1.

- 4 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 report will be submitted on or before January 1.

- 5 Department of Early Childhood -- The Department is 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:** The Department submitted the report on November 1 with its budget submission documents and will provide an update in January. The report helps ensure the state does not over-allocate available federal funds, and that it meets federal requirements regarding maintenance of effort, matching funds, and allocations for quality as well as infant and toddler engagement. The table below summarizes the ongoing federal Child Care Development Funds.

On-going Child Care Development Funds (CCDF)			
	FY 23-24 Actual	FY 24-25 Estimate	FY 25-26 Request
Beginning balance	\$ 86,651,163	\$ 102,539,612	\$ 87,398,774
New CCDF award <sup>1</sup>	137,516,771	145,717,494	138,202,371
Expenditures	121,628,322	160,858,332	170,792,080
Ending Balance	102,539,612	87,398,774	54,809,065

<sup>1</sup> Estimated portion of the FFY award available in the relevant SFY.

The Department manages the fund to carry forward a balance of approximately four months' worth of actual spending to avoid cash solvency issues due to federal fund distribution timing as it pertains to the state fiscal year. It's possible the state may not be fully meeting certain infant/toddler quality allocations which would be addressed in the Department's R1 request.

# Department Annual Performance Report

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of Early Childhood is required to publish an **Annual Performance Report** for the *previous state fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2025-26 budget request, the FY 2023-24 Annual Performance Report and the FY 2024-25 Performance Plan can be found at the following link:

<https://www.colorado.gov/pacific/performance/department-performance-plans>



# Appendix A: Numbers Pages

Appendix A details actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source.

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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### Department of Early Childhood Executive Director, Executive Director

#### (1) Executive Director's Office

##### (A) General Administration

Personal Services	<u>2,468,578</u>	<u>5,567,125</u>	<u>7,386,802</u>	<u>8,423,340</u> *
FTE	30.4	71.8	75.8	78.8
General Fund	2,144,852	1,212,747	1,422,927	2,162,347
Cash Funds	0	(9,459)	135,549	180,811
Reappropriated Funds	0	3,933,454	5,828,326	6,080,182
Federal Funds	323,726	430,383	0	0
Health, Life, and Dental	<u>437,092</u>	<u>2,671,938</u>	<u>3,805,188</u>	<u>4,590,211</u> *
General Fund	391,411	1,183,648	1,551,248	1,958,403
Cash Funds	45,681	309,664	733,196	1,002,765
Reappropriated Funds	0	1,178,626	23,377	791,633
Federal Funds	0	0	1,497,367	837,410
Short-term Disability	<u>4,625</u>	<u>21,591</u>	<u>30,644</u>	<u>35,657</u> *
General Fund	4,304	9,630	11,610	15,933
Cash Funds	321	2,370	5,323	7,176
Reappropriated Funds	0	0	187	7,245
Federal Funds	0	9,591	13,524	5,303

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>144,738</u>	<u>717,363</u>	0	0	
General Fund	136,029	319,921	0	0	
Cash Funds	8,709	78,873	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	318,569	0	0	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>144,738</u>	<u>717,363</u>	0	0	
General Fund	136,029	319,921	0	0	
Cash Funds	8,709	78,873	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	318,569	0	0	
Unfunded Liability Amortization Equalization Disbursement Payments	0	0	<u>2,042,904</u>	<u>2,357,376</u> *	
General Fund	0	0	773,984	1,062,199	
Cash Funds	0	0	354,870	478,385	
Reappropriated Funds	0	0	12,480	482,991	
Federal Funds	0	0	901,570	333,801	
Salary Survey	<u>155,062</u>	<u>956,075</u>	<u>718,013</u>	<u>673,166</u>	
General Fund	79,986	374,506	272,798	291,654	
Cash Funds	0	126,434	124,098	131,663	
Reappropriated Funds	0	0	4,400	70,534	
Federal Funds	75,076	455,135	316,717	179,315	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Step Pay	<u>0</u>	<u>0</u>	<u>467,882</u>	<u>103,887</u>	
General Fund	0	0	155,911	51,307	
Cash Funds	0	0	98,724	10,378	
Reappropriated Funds	0	0	2,474	6,661	
Federal Funds	0	0	210,773	35,541	
Paid Family and Medical Leave Insurance Program	<u>0</u>	<u>0</u>	<u>91,931</u>	<u>110,267</u>	*
General Fund	0	0	34,829	47,799	
Cash Funds	0	0	15,969	21,527	
Reappropriated Funds	0	0	562	21,735	
Federal Funds	0	0	40,571	19,206	
PERA Direct Distribution	<u>0</u>	<u>0</u>	<u>450,190</u>	<u>434,604</u>	*
General Fund	0	0	170,561	188,394	
Cash Funds	0	0	78,202	84,847	
Reappropriated Funds	0	0	2,750	95,410	
Federal Funds	0	0	198,677	65,953	
Shift Differential	<u>0</u>	<u>0</u>	<u>0</u>	<u>81</u>	
General Fund	0	0	0	69	
Cash Funds	0	0	0	12	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>37,502</u>	<u>118,838</u>	<u>881,300</u>	<u>846,987</u>	*
General Fund	30,355	57,055	726,583	668,150	
Cash Funds	0	0	2,531	791	
Reappropriated Funds	0	61,783	151,848	177,708	
Federal Funds	7,147	0	338	338	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Workers' Compensation	<u>66,234</u>	<u>66,234</u>	<u>66,234</u>	<u>61,598</u>	
General Fund	3,839	66,234	66,234	61,598	
Cash Funds	0	0	0	0	
Reappropriated Funds	62,395	0	0	0	
Federal Funds	0	0	0	0	
Legal Services	<u>694,159</u>	<u>1,009,460</u>	<u>42,857</u>	<u>1,366,934</u>	
General Fund	307,513	1,009,460	42,857	1,366,934	
Cash Funds	0	0	0	0	
Reappropriated Funds	386,646	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	<u>0</u>	<u>55,072</u>	<u>20,366</u>	<u>2,824</u> *	
General Fund	0	55,072	20,366	2,824	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to Risk Management and Property Funds	<u>3,653</u>	<u>3,653</u>	<u>3,653</u>	<u>4,749</u>	
General Fund	212	3,653	3,653	4,749	
Cash Funds	0	0	0	0	
Reappropriated Funds	3,441	0	0	0	
Federal Funds	0	0	0	0	
Vehicle Lease Payments	<u>7,156</u>	<u>6,939</u>	<u>8,906</u>	<u>7,762</u> *	
General Fund	83	6,939	8,906	7,762	
Cash Funds	0	0	0	0	
Reappropriated Funds	7,073	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Leased Space	<u>0</u>	<u>296,520</u>	<u>316,685</u>	<u>332,520</u>	
General Fund	0	102,819	117,173	123,032	
Cash Funds	0	0	277	291	
Reappropriated Funds	0	193,701	199,235	209,197	
Federal Funds	0	0	0	0	
Statewide Indirect Cost Recoveries	<u>0</u>	<u>0</u>	<u>0</u>	<u>176,389</u>	
Reappropriated Funds	0	0	0	176,389	
Financial Ops and Reporting Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Procurement and Contracts Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Capital Outlay	<u>34,176</u>	<u>36,249</u>	<u>126,730</u>	<u>126,730</u>	
General Fund	34,176	36,249	126,730	126,730	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Operational Support Contract with Department of					
Human Services	<u>1,405,014</u>	<u>80,460</u>	<u>0</u>	<u>0</u>	
General Fund	229,745	51,666	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	1,175,269	28,794	0	0	
Federal Funds	0	0	0	0	
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Capitol Complex Leased Space	<u>239,939</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	22,117	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	217,822	0	0	0	
Federal Funds	0	0	0	0	
<b>SUBTOTAL - (A) General Administration</b>	5,842,666	12,324,880	16,460,285	19,655,082	19.4%
<i>FTE</i>	<u>30.4</u>	<u>71.8</u>	<u>75.8</u>	<u>78.8</u>	4.0%
General Fund	3,520,651	4,809,520	5,506,370	8,139,884	47.8%
Cash Funds	63,420	586,755	1,548,739	1,918,646	23.9%
Reappropriated Funds	1,852,646	5,396,358	6,225,639	8,119,685	30.4%
Federal Funds	405,949	1,532,247	3,179,537	1,476,867	(53.6%)

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
<b>(B) Information Technology</b>					
Information Technology Contracts and Equipment	<u>4,257,926</u>	<u>6,440,951</u>	<u>11,721,956</u>	<u>11,792,150</u>	*
General Fund	3,341,825	4,756,340	7,877,898	7,852,664	
Cash Funds	0	0	3,260,000	3,260,000	
Reappropriated Funds	2,214	0	0	0	
Federal Funds	913,887	1,684,611	584,058	679,486	
Information Technology Systems Managed by Other					
Departments	<u>0</u>	<u>102,003</u>	<u>583,653 0.0</u>	<u>574,700</u>	*
General Fund	0	29,569	73,840	68,427	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	72,434	509,813	506,273	
Payments to OIT	<u>267,581</u>	<u>6,667,081</u>	<u>12,929,354</u>	<u>15,293,618</u>	
General Fund	0	5,669,029	10,651,392	12,603,755	
Cash Funds	0	0	0	0	
Reappropriated Funds	267,581	998,052	2,277,962	2,689,863	
Federal Funds	0	0	0	0	
IT Accessibility	<u>0</u>	<u>392,659 2.0</u>	<u>0 0.0</u>	<u>0 0.0</u>	
General Fund	0	152,255	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	240,404	0	0	



## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
CORE Operations	<u>33,899</u>	<u>71,546</u>	<u>15,600</u>	<u>76,470</u>	
General Fund	2,762	71,546	15,600	76,470	
Cash Funds	0	0	0	0	
Reappropriated Funds	31,137	0	0	0	
Federal Funds	0	0	0	0	
Child Care Automated Tracking System	<u>4,247,400</u>	<u>2,671,600</u>	<u>3,959,933</u>	<u>4,414,382</u>	
General Fund	0	0	0	504,449	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	4,247,400	2,671,600	3,959,933	3,909,933	
Information Technology Accessibility	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
<b>SUBTOTAL - (B) Information Technology</b>	<b>8,806,806</b>	<b>16,345,840</b>	<b>29,210,496</b>	<b>32,151,320</b>	<b>10.1%</b>
<b>FTE</b>	<b><u>0.0</u></b>	<b><u>2.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0%</u></b>
General Fund	3,344,587	10,678,739	18,618,730	21,105,765	13.4%
Cash Funds	0	0	3,260,000	3,260,000	0.0%
Reappropriated Funds	300,932	998,052	2,277,962	2,689,863	18.1%
Federal Funds	5,161,287	4,669,049	5,053,804	5,095,692	0.8%

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
<b>TOTAL - (1) Executive Director's Office</b>	14,649,472	28,670,720	45,670,781	51,806,402	13.4%
<i>FTE</i>	<u>30.4</u>	<u>73.8</u>	<u>75.8</u>	<u>78.8</u>	<u>4.0%</u>
General Fund	6,865,238	15,488,259	24,125,100	29,245,649	21.2%
Cash Funds	63,420	586,755	4,808,739	5,178,646	7.7%
Reappropriated Funds	2,153,578	6,394,410	8,503,601	10,809,548	27.1%
Federal Funds	5,567,236	6,201,296	8,233,341	6,572,559	(20.2%)

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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### (2) Partnerships and Collaborations

Personal Services	<u>686,794</u>	<u>773,097</u>	<u>822,059</u>	<u>852,058</u>	
FTE	10.4	6.5	6.5	6.5	
General Fund	214,499	272,633	283,139	286,380	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	472,295	500,464	538,920	565,678	
Operating Expenses	<u>57,572</u>	<u>132,206</u>	<u>182,766</u>	<u>182,766</u>	
General Fund	45,180	42,929	45,846	45,846	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	12,392	89,277	136,920	136,920	
Local Coordinating Organizations	<u>2,842,119</u>	<u>5,126,336</u>	<u>3,521,570</u>	<u>2,800,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	2,800,000	2,800,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	2,842,119	5,126,336	721,570	0	
Early Childhood Councils	<u>0</u>	<u>3,288,603</u>	<u>4,414,452</u>	<u>4,414,452</u>	
General Fund	0	0	1,000,000	1,000,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	3,288,603	3,414,452	3,414,452	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Child Care Resource and Referrals	<u>2,165,464</u>	<u>2,167,402</u>	<u>1,211,964</u>	<u>663,835</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	2,165,464	2,167,402	1,211,964	663,835	
Family Resource Centers	<u>1,518,523</u>	<u>1,548,122</u>	<u>1,745,654</u>	<u>1,745,654</u>	
General Fund	1,518,523	1,548,122	1,745,654	1,745,654	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>0</u>	<u>125,540</u>	<u>259,355</u>	<u>320,475</u> *	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	125,540	259,355	320,475	
<b>TOTAL - (2) Partnerships and Collaborations</b>	<b>7,270,472</b>	<b>13,161,306</b>	<b>12,157,820</b>	<b>10,979,240</b>	<b>(9.7%)</b>
<i>FTE</i>	<u>10.4</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>0.0%</u>
General Fund	1,778,202	1,863,684	3,074,639	3,077,880	0.1%
Cash Funds	0	0	2,800,000	2,800,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	5,492,270	11,297,622	6,283,181	5,101,360	(18.8%)

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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### (3) Early Learning Access and Quality

Personal Services	<u>8,111,074</u>	<u>8,271,476</u>	<u>10,781,843</u>	<u>10,479,566</u> *
FTE	59.9	50.7	56.4	61.0
General Fund	605,019	2,331,372	4,599,988	4,669,165
Cash Funds	500,110	500,110	1,006,683	993,476
Reappropriated Funds	0	0	0	0
Federal Funds	7,005,945	5,439,994	5,175,172	4,816,925
Operating Expenses	<u>518,076</u>	<u>109,610</u>	<u>391,825</u>	<u>245,326</u>
General Fund	0	28	88,185	19,022
Cash Funds	7,820	10,701	66,445	18,430
Reappropriated Funds	0	0	0	0
Federal Funds	510,256	98,881	237,195	207,874
Capital Outlay	<u>5,563</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0
Cash Funds	2,428	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	3,135	0	0	0
Universal Preschool Program	<u>119,197</u>	<u>311,091,079</u>	<u>344,060,184</u>	<u>351,818,514</u> *
General Fund	119,197	170,000,000	146,333,200	149,991,530
Cash Funds	0	141,091,079	197,726,984	201,826,984
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Child Care Assistance Program	<u>130,725,813</u>	<u>146,437,453</u>	<u>170,663,448</u>	<u>175,490,444</u> *	
General Fund	28,790,460	29,734,240	32,058,921	32,058,921	
Cash Funds	0	0	17,375,025	20,296,012	
Reappropriated Funds	0	0	0	0	
Federal Funds	101,935,353	116,703,213	121,229,502	123,135,511	
Intrastate Child Care Assistance Program Distribution	<u>500,000</u>	<u>115,380</u>	<u>500,000</u>	<u>500,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	500,000	115,380	500,000	500,000	
Child Care Assistance Program Stimulus - Eligibility					
Expansion and Infant and Toddler Care Reimbursement	<u>19,385,035</u>	<u>20,309,046</u>	<u>6,492,554</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	19,385,035	20,309,046	6,492,554	0	
Workforce Recruitment and Retention Grants	<u>10,010,349</u>	<u>10,173,650</u>	<u>1,428,167</u>	<u>1,128,167</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	10,010,349	10,173,650	1,428,167	1,128,167	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Professional Development and Training Assistance	<u>4,568,295</u>	<u>5,217,173</u>	<u>3,351,951</u>	<u>2,425,317</u> *	
General Fund	0	40,000	75,000	75,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	4,568,295	5,177,173	3,276,951	2,350,317	
Early Childhood Quality and Availability	<u>22,020,808</u>	<u>20,504,882</u>	<u>12,458,245</u>	<u>10,700,649</u>	
General Fund	2,984,777	3,042,817	3,043,243	3,043,243	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	19,036,031	17,462,065	9,415,002	7,657,406	
Local Capacity Building Grants	<u>15,332,405</u>	<u>18,949,033</u>	0	0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	15,332,405	18,949,033	0	0	
Emerging and Expanding Child Care Grant Program	<u>3,289,886</u>	<u>6,991,893</u>	0	0	
FTE	9.9	3.5	0.0	0.0	
General Fund	0	2,469,042	0	0	
Cash Funds	3,289,886	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	4,522,851	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Early Care and Education Recruitment and Retention					
Grant and Scholarship Program	<u>0</u>	<u>5,279,400</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	5,279,400	0	0	
Child Care Sustainability Grant Program	<u>0</u>	<u>16,159,991</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	16,159,991	0	0	
Employer-Based Child Care Facility Grant Program	<u>112,060</u>	<u>4,167,878</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	1,883,029	0	0	
Cash Funds	112,060	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	2,284,849	0	0	
Indirect Cost Assessment	<u>1,568,325</u>	<u>2,985,843</u>	<u>3,624,393</u>	<u>4,157,328</u> *	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,568,325	2,985,843	3,624,393	4,157,328	



## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Family, Friend, and Neighbor Training and Support Program	<u>59,892</u>	<u>412,786</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	59,892	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	412,786	0	0	
<b>TOTAL - (3) Early Learning Access and Quality</b>	216,326,778	577,176,573	553,752,610	556,945,311	0.6%
FTE	<u>69.8</u>	<u>54.2</u>	<u>56.4</u>	<u>61.0</u>	<u>8.2%</u>
General Fund	32,499,453	209,500,528	186,198,537	189,856,881	2.0%
Cash Funds	3,972,196	141,601,890	216,175,137	223,134,902	3.2%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	179,855,129	226,074,155	151,378,936	143,953,528	(4.9%)

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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### (4) Community and Family Support

Personal Services	<u>2,571,399</u>	<u>2,420,530</u>	<u>5,623,822</u>	<u>5,476,097</u> *
FTE	25.8	26.8	24.7	24.8
General Fund	2,135,321	2,043,126	3,310,776	3,128,045
Cash Funds	305,176	302,613	457,134	489,586
Reappropriated Funds	0	0	0	0
Federal Funds	130,902	74,791	1,855,912	1,858,466
Operating Expenses	<u>200,801</u>	<u>106,018</u>	<u>2,060,009</u>	<u>2,052,641</u>
General Fund	180,241	102,308	1,915,233	1,908,233
Cash Funds	4,241	3,710	52,188	52,188
Reappropriated Funds	0	0	0	0
Federal Funds	16,319	0	92,588	92,220
Early Intervention	<u>75,897,645</u>	<u>87,355,234</u>	<u>87,352,710</u>	<u>87,452,710</u> *
General Fund	49,822,382	58,094,847	60,492,837	60,492,837
Cash Funds	11,763,325	15,068,806	10,887,177	10,987,177
Reappropriated Funds	0	0	9,940,111	9,940,111
Federal Funds	14,311,938	14,191,581	6,032,585	6,032,585
Home Visiting	<u>23,488,088</u>	<u>26,915,806</u>	<u>29,791,933</u>	<u>29,791,933</u>
General Fund	537,502	586,814	628,226	628,226
Cash Funds	20,896,820	22,441,157	27,400,370	27,400,370
Reappropriated Funds	0	0	0	0
Federal Funds	2,053,766	3,887,835	1,763,337	1,763,337

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Child Maltreatment Prevention	<u>9,680,878</u>	<u>9,969,305</u>	<u>14,185,067</u>	<u>15,097,067</u>	*
General Fund	7,786,371	7,648,828	8,500,453	8,550,453	
Cash Funds	208,949	61,239	1,346,216	2,208,216	
Reappropriated Funds	0	0	200,000	200,000	
Federal Funds	1,685,558	2,259,238	4,138,398	4,138,398	
Early Childhood Mental Health Services	<u>5,460,336</u>	<u>5,553,481</u>	<u>3,689,262</u>	<u>3,689,262</u>	
General Fund	1,253,946	1,595,830	1,627,813	1,627,813	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	4,206,390	3,957,651	2,061,449	2,061,449	
Social-Emotional Learning Programs Grants	<u>712,388</u>	<u>608,363</u>	<u>817,289</u>	<u>817,289</u>	
General Fund	0	0	0	0	
Cash Funds	712,388	608,363	817,289	817,289	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Child Care Services and Substance Use Disorder Treatment Pilot Program	<u>494,445</u>	<u>499,978</u>	<u>500,000</u>	<u>500,000</u>	
General Fund	494,445	499,978	500,000	500,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>329,139</u>	<u>439,951</u>	<u>761,365</u>	<u>830,438</u> *	
General Fund	0	0	0	0	
Cash Funds	16,830	150,126	163,111	256,151	
Reappropriated Funds	0	0	0	0	
Federal Funds	312,309	289,825	598,254	574,287	
Child and Adult Care Food Program Study	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	
General Fund	0	0	100,000	0	
Colorado Child Abuse Prevention Trust Fund	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>0</u> *	
General Fund	0	0	200,000	0	
Home Visiting Grant Program	<u>25,574</u>	<u>116,019</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	25,574	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	116,019	0	0	
Children's Mental Health Program	<u>40,559</u>	<u>503,679</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	40,559	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	503,679	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
<b>TOTAL - (4) Community and Family Support</b>	118,901,252	134,488,364	145,081,457	145,707,437	0.4%
<i>FTE</i>	<u>25.8</u>	<u>26.8</u>	<u>24.7</u>	<u>24.8</u>	<u>0.4%</u>
General Fund	62,210,208	70,571,731	77,275,338	76,835,607	(0.6%)
Cash Funds	33,973,862	38,636,014	41,123,485	42,210,977	2.6%
Reappropriated Funds	0	0	10,140,111	10,140,111	0.0%
Federal Funds	22,717,182	25,280,619	16,542,523	16,520,742	(0.1%)

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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### (5) Licensing and Administration

Personal Services	<u>8,544,965</u>	<u>9,356,755</u>	<u>10,363,855</u>	<u>10,798,873</u> *	
FTE	59.1	62.4	60.4	64.3	
General Fund	2,401,974	2,450,141	2,731,059	2,850,540	
Cash Funds	1,042,147	1,035,613	1,168,200	1,283,751	
Reappropriated Funds	0	0	0	0	
Federal Funds	5,100,844	5,871,001	6,464,596	6,664,582	
Operating Expenses	<u>472,268</u>	<u>295,931</u>	<u>536,422</u>	<u>505,950</u>	
General Fund	14,579	11,387	79,287	49,366	
Cash Funds	59,390	231,148	271,615	271,615	
Reappropriated Funds	0	0	0	0	
Federal Funds	398,299	53,396	185,520	184,969	
Background Investigation Unit	<u>999,824 12.5</u>	<u>1,002,970 8.0</u>	<u>1,263,562 8.6</u>	<u>1,261,344 8.7</u>	
General Fund	0	0	0	0	
Cash Funds	999,824	1,002,970	1,263,562	1,261,344	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Bilingual Licensing Unit	<u>0</u>	<u>0</u>	<u>280,928</u>	<u>0</u>	
FTE	0.0	0.0	2.7	0.0	
General Fund	0	0	280,928	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>18,419</u>	<u>1,742,815</u>	<u>2,671,992</u>	<u>3,303,136</u> *	
General Fund	0	0	0	0	
Cash Funds	18,419	100,449	101,138	263,590	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	1,642,366	2,570,854	3,039,546	
<b>TOTAL - (5) Licensing and Administration</b>	10,035,476	12,398,471	15,116,759	15,869,303	5.0%
<i>FTE</i>	<u>71.6</u>	<u>70.4</u>	<u>71.7</u>	<u>73.0</u>	<u>1.8%</u>
General Fund	2,416,553	2,461,528	3,091,274	2,899,906	(6.2%)
Cash Funds	2,119,780	2,370,180	2,804,515	3,080,300	9.8%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	5,499,143	7,566,763	9,220,970	9,889,097	7.2%
<b>TOTAL - Department of Early Childhood</b>	367,183,450	765,895,434	771,779,427	781,307,693	1.2%
<i>FTE</i>	<u>208.0</u>	<u>231.7</u>	<u>235.1</u>	<u>244.1</u>	<u>3.8%</u>
General Fund	105,769,654	299,885,730	293,764,888	301,915,923	2.8%
Cash Funds	40,129,258	183,194,839	267,711,876	276,404,825	3.2%
Reappropriated Funds	2,153,578	6,394,410	18,643,712	20,949,659	12.4%
Federal Funds	219,130,960	276,420,455	191,658,951	182,037,286	(5.0%)

NOTE: An asterisk (\*) indicates that the FY 2025-26 request for a line item is affected by one or more decision items.

# Appendix B: UPK Qualifying Factors

All children in Colorado can register for up to 15 hours per week of free preschool in the year before kindergarten through the Universal Preschool Program. Certain 3-year-olds may also be served in the program.

## Who is eligible for additional UPK hours?

Depending on available funding, additional hours may be available for children who are “low-income” (defined as household income at or below 270% of the federal poverty guidelines) and have a “qualifying factor” listed below:

- Child is identified as homeless and/or unhoused.
- Child is a multilingual, meaning a child who is learning two or more languages at the same time, or a child who is learning a second language while continuing to develop their first language.
- Child is eligible for special education with an Individualized Education Program (IEP).
- Child is “in poverty,” defined as household income less than 100% of the federal poverty guidelines.
- Child is currently in the custody of a state supervised and county administered foster care home or in non-certified kinship care, meaning a child is being cared for by a relative or kin pursuant to 19-1-103(1032), C.R.S.

The above information is taken directly from the CDEC Universal Preschool website. See <https://cdec.colorado.gov/universal-preschool-qualifying-factors> for complete information.

## What were the qualifying factors for the Colorado Preschool Program?

The Colorado Preschool Program provided half-day services, 10 hours total, for 4-year-olds with one eligibility factor and 3-year-olds with at least three. The eligibility factors are listed below:  
Eligibility Factors:

- The child is identified as homeless/unhoused
- The child’s parent is unmarried and under 18 at child's birth
- There is an abusive adult in home
- There is parental drug/alcohol abuse
- There is frequent relocation of the child/family
- The child is in foster care
- The child has a parent without high school degree
- The child exhibits poor social skills
- The child is eligible for free or reduced-price lunch
- The child is in need of language development

The above information was taken from the final CPP report which can be found here: <https://spl.cde.state.co.us/artemis/edserials/ed55069internet/ed550692023internet.pdf>



# Appendix C: ECC and LCO Statutes

\*See next page.\*

**Side-by-Side Comparison of Early Childhood Council (ECC) and Local Coordinating Organizations (LCO's)**

**Statute and Functions**

	Early Childhood Council Statute HB 22-1295 26.5-2-201	Local Coordinating Organizations HB 22-1295 26.5-2-101
Legislative Declaration Summary	<u>Establish a comprehensive system of early childhood councils to increase and sustain the availability, accessibility, capacity and quality of early childhood services through the state, responsive to local needs and conditions</u> (pp 41).	<u>Support access to and equitable delivery of early childhood and family support programs and services</u> , identify gaps in service, foster partnerships, create alignment among public and private providers and agencies with the community and <u>establish a comprehensive, locally supported plan</u> for providing early childhood and family support programs and services equitably within the community (pp 25).
Definitions	Established locally in communities for the purpose of <u>developing and ultimately implementing a comprehensive system of early childhood services</u> to ensure school readiness of children five years of age or younger (pp 41).	Entity selected by the department to <u>implement a community plan for increasing access to, coordinating, and allocating funding for early childhood and family support programs</u> (pp 29).
Duties and Functions As outlined for the strategic plan (ECC's) and/or community plan (LCO's)	Apply for Early Childhood Funding (pp 47) and shall work toward consolidating and <u>coordinating funding</u> (pp. 45).	<u>Coordinating funding and securing additional local resources and funding to support early childhood and family support programs and services in community</u> (pp31-32).
	<u>Develop and execute a strategic plan that is responsive to local needs and conditions that works to increase and sustain the quality, accessibility, capacity, and affordability of early childhood services for children five years of age or younger and their parents</u> (pp 47).	<u>Adopt a Community Plan that fosters equitable access for families to, and robust participation by providers in early childhood and family support programs and services by increasing access to, coordinating, and allocating funding for said programs</u> (pp 29).
	Create a <u>seamless system of early childhood services representing collaboration among the various public and private stakeholders for the effective delivery of early childhood services</u> that is responsive to local needs and conditions (pp 45)	<u>Work in coordination with local county departments, tribal agencies, and community-based organization to integrate outreach for early childhood and family support services</u> (pp 27, 34).
	<u>Increase and sustain the quality, accessibility, capacity, and affordability</u>	Support and ensure the <u>availability of high-quality early childhood care and</u>

	of early childhood services for children five years of age or younger and their parent in <u>response to local needs and conditions</u> (pp 47).	education for all children including supporting access to training and support for the workforce, recruitment, and retention (pp. 33)
		<u>Increase over time the capacity of high-quality early care and education programs within the community better meet family and community needs</u> (pp33).
	Establish a local system of accountability to measure local progress based on the needs and goals set for program performance (pp 47).	<u>Ensure the collection and reporting to the department key systems level data</u> (pp 34).
	<u>Integrates system of early childhood councils to improve and sustain the availability, accessibility, capacity, and quality of early childhood services</u> (pp 42)	<u>Integrate early childhood and family support programs and services with other efforts to provide holistic services for families</u> (pp 30).

### Functions of Early Childhood Council and Local Coordinating Organizations

#### Based on Scopes of Work

Early Childhood Councils	Both ECC's and LCO's	Local Coordinating Organizations
<p>Implement Colorado Shines Quality Improvement Activities</p> <p>Provide coaching, navigation, and technical assistance to early care and education programs</p> <p>Address early childhood workforce recruitment and retention needs (<a href="#">See Impact Brief</a>)</p> <p>Address early childhood health and wellbeing needs (<a href="#">See Impact Brief</a>)</p> <p>Provide Early Childhood Mental Health Consultation</p> <p>Leverage a variety of funding for local Early Childhood Systems</p> <p>Convene local community members and required stakeholders to assess gaps, coordinate planning, and impementation</p>	<p>Develop and implement a strategic plan/community plan to ensure comprehensive services for children and families.</p> <p>Support Early Care and Education providers within the system, including workforce issues</p> <p>Work to increase capacity for families</p> <p>Connect families to resources including early childhood services and whole family supports</p>	<p>Support family access to preschool providers</p> <p>Recruit preschool providers</p> <p>Coordinate Application and enrollment process for EC programs for families and providers</p> <p>Assist families with applying for wrap around early childhood and family support services</p> <p>Coordinate preschool providers in connecting with other services</p> <p>Manage mixed delivery system of preschool providers</p>