



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 22-0931	Date:	April 22, 2022
Prime Sponsors:	Sen. Fields; Sonnenberg Rep. Valdez A.; Tipper	Bill Status:	Senate HHS
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Bill Topic: CHILD CARE SUPPORT PROGRAMS

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

The bill provides funding for a variety of early childhood programs and creates an advisory group and training program for family, friend, and neighbor providers. The bill increases state expenditures in FY 2022-23 and FY 2023-24.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$99.5 million to the Department of Early Childhood.

Fiscal Note Status: The fiscal note reflects the introduced bill. Due to time constraints, this analysis is preliminary and will be updated following further review and any additional information received.

**Table 1
State Fiscal Impacts Under SB 22-213**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	\$49,500,000	-
	Federal Funds	\$50,000,000	-
	Total Expenditures	\$99,500,000	-
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill provides funding for a variety of early childhood programs and creates an advisory group and training program for family, friend, and neighbor (FFN) providers.

Funding for early childhood programs. The bill makes the following appropriations to child care-related programs, assumed to be located in the Department of Early Childhood (DEC):

- \$50.0 million from federal funds for the Child Care Sustainability Grant Program;
- \$19.0 million from the Economic Recovery and Relief Cash Fund (ERRCF) for the Emerging And Expanding Child Care Grant Program, of which \$2.2 million is for early childhood councils;
- \$10.0 million from the ERRCF for the Employer-Based Child Care Facility Grant Program, and extension of the program through September 1, 2024;
- \$1.0 million from the ERRCF to create and implement family-strengthening grant programs; and
- \$15.0 million from the ERRCF for the Early Care Recruitment and Retention Grant and Scholarship Program. Of that amount, \$2.0 million must be dedicated for the home visiting workforce, early childhood mental health consultants, and early intervention providers, divided between non-educator workforce scholarships and loan forgiveness, and workforce pathways.

The appropriations listed above are for FY 2022-23. ERRCF appropriations must be obligated by December 1, 2024, and the CCDF appropriation is available to be spent through FY 2023-24.

Emerging and Expanding Child Care Grant Program. The bill requires that, to the extent practicable, early childhood councils may receive up to 25 percent of an emerging and expanding child care grant in advance to administer grant programs and maintain business operations. It also requires the DEC to offer technical assistance to applicants and grant recipients.

FFN advisory group. The bill creates the FFN advisory group in the DEC to advise the department on the needs of FFN providers and make recommendations on regulations, policies, funding and procedures that would benefit the community. The bill specifies the compensation of the group, and that members may receive compensation and reimbursement for expenses.

FFN training program. The bill creates the FFN training program in the DEC to support community-based and non-profit organizations that provide information, training programs, and technical assistance accessing state programs to FFN providers. The DEC must create a website for the FFN community to access training, technical assistance, and resources, and must make existing state programs available to the FFN community. Existing state programs include home visitation, early intervention, early childhood mental health consultants, workforce recruitment and retention, and family resource center services.

The bill provides \$4.5 million from the ERRCF to the DEC for the FFN advisory group and training program.

State Expenditures

The bill increases state expenditures in the DEC by \$99.5 million in FY 2022-23 from the ERCCF and federal funds. This amount may be spent over two years. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under SB22-213**

	FY 2022-23	FY 2023-24
Department of Early Childhood		
Child Care Sustainability Grant Program	\$50,000,000	-
Emerging & Expanding Child Care Grant Program	\$19,000,000	-
Employer-Based Child Care Facility Grant Program	\$10,000,000	-
Family Strengthening Programs	\$1,000,000	-
Early Care Recruitment & Retention Grant Program	\$15,000,000	-
Family, Friend, and Neighbor Program	\$4,500,000	-
Total Cost	\$99,500,000	-

Department of Early Childhood. The bill specifies the funding amounts for each program, as shown in Table 2, which are assumed to be spent over two years. The fiscal note assumes that a portion of the amounts will be used for administrative expenses, and will be updated if more information becomes available on these costs.

- **Emerging and Expanding Child Care Grant Program.** Of the funding for the Emerging And Expanding Child Care Grant Program, up to \$2.2 million must be used for early childhood councils. The DEC will also incur new workload to provide additional technical assistance.
- **Early Care Recruitment and Retention Grant Program.** Of the funding for the Early Care Recruitment and Retention Grant Program, \$2.0 million must be dedicated to home visiting workforce, early childhood mental health consultants, and early intervention providers. That amount is further divided between non-educator workforce scholarships and loan forgiveness (\$1.4 million), and workforce pathways (\$600,000).
- **FFN program costs.** Costs for the FFN program will include staff, per diem and travel for the advisory group, meeting and website costs, and grants to community organizations for training and informational resources. Workload may also increase to modify existing programs to make them available for the FFN community.

Effective Date

The bill takes effect July 1, 2022.

State Appropriations

In FY 2022-23, the bill requires the following appropriations to the Department of Early Childhood:

- \$50,000,000 from federal Child Care Development Funds; and
- \$49,500,000 from the Economic Recovery and Relief Cash Fund.

State and Local Government Contacts

Human Services