

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 14-0162.01 Debbie Haskins x2045

**SENATE BILL 14-003**

**SENATE SPONSORSHIP**

**Nicholson**, Kefalas, Ulibarri

**HOUSE SPONSORSHIP**

**Pettersen**, Fields, Exum

**Senate Committees**

Health & Human Services  
Appropriations

**House Committees**

Health, Insurance, & Environment  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING CHILD CARE ASSISTANCE FOR WORKING FAMILIES, AND,**  
102 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)*

**Economic Opportunity Poverty Reduction Task Force.** The bill makes several changes to the statute that created a pilot program to address the cliff effect that occurs when working parents in the Colorado child care assistance program (CCCAP) receive a minor increase in their income that makes them ineligible for child care assistance and the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

SENATE  
3rd Reading Unamended  
April 25, 2014

SENATE  
Amended 2nd Reading  
April 24, 2014

increase in wages is not enough to cover the costs for child care without the child care assistance. The cliff effect pilot program was designed to allow families to remain in the CCCAP program notwithstanding the increase in income. The changes to the statute governing the pilot program include:

- ! Extending the duration of the cliff effect pilot program;
- ! Allowing counties to limit participation in the pilot program to a reasonable percentage of their CCCAP caseload instead of having to cover all of their CCCAP caseload;
- ! Allowing counties to limit participation in the pilot program to families who enter CCCAP with children who are 36 months of age or younger;
- ! Allowing counties to have more flexibility in designing a pilot program that best addresses their specific community needs;
- ! Clarifying the data collection and reporting responsibilities of the county departments of human services and the department of human services (department) about the pilot program.

The bill creates a grant program in the department for the purpose of encouraging counties to undertake activities or strategies that promote access to child care or increase the quality of child care in CCCAP. A county may apply to the department for a grant to fund any of these purposes:

- ! To pay the county's administrative expenses to participate in a cliff effect pilot program and to provide additional benefits to CCCAP parents in the cliff effect pilot program; or
- ! To expand access to child care in CCCAP by providing a full or partial subsidy for child care without a county contribution for more families than those currently served in the county; or
- ! To pay all or a portion of the county's expenses to engage in more than one activity or strategy to promote quality child care in CCCAP in that county.

The state department awards grants from a CCCAP enhancement fund created in the state treasury. To the extent possible and subject to available appropriations, the state department must manage the amount of funds in the enhancement fund and allocate the grants awarded to counties for the purposes or strategies allowed for distributions from the fund with at least 25% of the moneys in the enhancement fund spent on each of the specified purposes. When awarding grants to increase the number of children served in CCCAP, the state department shall distribute the moneys in the enhancement fund among the counties that

are awarded grants in a manner that increases the number of children served statewide by an amount that does not exceed 15% more children than the unduplicated count of the number of children who were served statewide in state fiscal year 2013-14. The bill specifies the types of activities or strategies that may be used to qualify for a grant for activities that promote quality child care.

Grant moneys awarded to a county out of the enhancement fund do not affect the county's block grant for CCCAP and do not affect the county's maintenance of effort for CCCAP. A county is not required to provide local funds to qualify for a grant from the enhancement fund.

Counties are highly encouraged to collaborate with early childhood councils and other community partners as necessary in the development of a grant application.

The executive director of the department or his or her designee must enter into a memorandum of understanding with each county that receives a grant from the CCCAP enhancement fund. The state department may adopt rules as necessary concerning the application process and the administration of the grant program.

The cliff effect program and authority to make grants from the CCCAP enhancement fund for a cliff effect program are repealed, effective July 1, 2020.

The department is directed to report annually about CCCAP and the results of the CCCAP enhancement fund grant program to the house public health care and human services committee and to the senate health and human services committee, or any successor committees. The bill lists the items that should be included in the annual report.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

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4 **SECTION 1.** In Colorado Revised Statutes, 26-2-808, **amend** (2),  
5 (3), (6), (7), and (8); and **add** (2.3), (2.5), and (2.7) as follows:

6 **26-2-808. Pilot program to mitigate cliff effect for low-income**  
7 **families that are working and receiving child care assistance -**       

8 **legislative declaration - county participation - fund - grant program**

9 **- report - repeal.** (2) Beginning on April 13, 2012, the state department

10 is authorized to develop and oversee a pilot program in which the

1 Colorado child care assistance program as outlined in section 26-2-805  
2 is modified to mitigate the cliff effect for low-income families that are  
3 working and receiving child care assistance, referred to in this section as  
4 the "pilot program". County departments of social services may apply to  
5 the executive director or his or her designee to participate in the pilot  
6 program. COUNTIES ARE HIGHLY ENCOURAGED TO COLLABORATE WITH  
7 EARLY CHILDHOOD COUNCILS AND OTHER COMMUNITY PARTNERS AS  
8 NECESSARY IN THE DEVELOPMENT OF THE APPLICATION. The executive  
9 director or his or her designee may select up to ten counties that will  
10 participate in the pilot program as described in this section. In selecting  
11 the counties, the executive director or his or her designee shall seek  
12 diversity in the size of population, regional location, and demographic  
13 composition AND SHALL CONSIDER WHETHER THERE WILL BE ENOUGH  
14 PARTICIPANTS IN EACH PILOT PROGRAM TO ENABLE RESEARCHERS TO  
15 EVALUATE WHETHER THE STRATEGIES USED IN THE PILOT PROGRAM HAVE  
16 ADDRESSED THE CLIFF EFFECT. THE EXECUTIVE DIRECTOR OR HIS OR HER  
17 DESIGNEE SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH  
18 EACH COUNTY DEPARTMENT SELECTED TO PARTICIPATE IN THE PILOT  
19 PROGRAM. THE MEMORANDUM OF UNDERSTANDING GOVERNS THE  
20 IMPLEMENTATION OF THE PILOT PROGRAM IN THAT COUNTY, INCLUDING  
21 BUT NOT LIMITED TO HOW THE COUNTY DECIDES WHICH AND HOW MANY  
22 FAMILIES CAN PARTICIPATE IN THE PILOT PROGRAM.

23 (2.3) A COUNTY DEPARTMENT SELECTED TO PARTICIPATE IN THE  
24 PILOT PROGRAM MAY APPLY TO THE STATE DEPARTMENT FOR A GRANT  
25 THROUGH THE GRANT PROGRAM CREATED IN SUBSECTION (2.7) OF THIS  
26 SECTION AND FUNDED THROUGH THE COLORADO CHILD CARE ASSISTANCE  
27 CLIFF EFFECT PILOT PROGRAM FUND, CREATED IN SUBSECTION (2.5) OF THIS

1 SECTION. GRANT MONEYS MAY BE USED, AT THE COUNTY'S DISCRETION,  
2 TO COVER THE ADMINISTRATIVE COSTS OF PARTICIPATING IN THE PILOT  
3 PROGRAM AND THE COSTS OF PROVIDING CONTINUED BENEFITS TO  
4 FAMILIES PARTICIPATING IN THE PILOT PROGRAM. MONEYS RECEIVED  
5 THROUGH A GRANT PURSUANT TO THIS SUBSECTION (2.3) FOR A COUNTY'S  
6 ADMINISTRATIVE COSTS DO NOT AFFECT THE COUNTY'S BLOCK GRANT FOR  
7 CCCAP AND DO NOT AFFECT THE COUNTY'S MAINTENANCE EFFORTS FOR  
8 CCCAP. A COUNTY IS NOT REQUIRED TO PROVIDE LOCAL MONEYS TO  
9 RECEIVE FUNDING FROM THE STATE DEPARTMENT TO COVER  
10 ADMINISTRATIVE COSTS FOR PARTICIPATING IN THE PILOT PROGRAM.

11 (2.5) THERE IS CREATED IN THE STATE TREASURY THE COLORADO  
12 CHILD CARE ASSISTANCE CLIFF EFFECT PILOT PROGRAM FUND, REFERRED  
13 TO IN THIS SECTION AS THE "FUND", CONSISTING OF ANY MONEYS THAT  
14 MAY BE APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY. THE  
15 MONEYS IN THE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE  
16 GENERAL ASSEMBLY TO THE DEPARTMENT OF HUMAN SERVICES TO  
17 PROVIDE GRANTS TO COUNTY DEPARTMENTS FOR THE PURPOSES SET FORTH  
18 IN SUBSECTION (2.3) OF THIS SECTION. THE STATE TREASURER MAY INVEST  
19 ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS  
20 SECTION AS PROVIDED BY LAW. THE STATE TREASURER SHALL CREDIT ALL  
21 INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF  
22 MONEYS IN THE FUND TO THE FUND. ANY UNEXPENDED AND  
23 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A  
24 FISCAL YEAR REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR  
25 TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

26 (2.7) THE STATE DEPARTMENT SHALL DEVELOP A GRANT PROGRAM  
27 AND AN APPLICATION PROCESS FOR COUNTY DEPARTMENTS TO APPLY FOR

1 GRANTS FROM THE FUND. THE STATE DEPARTMENT MAY ADOPT RULES AS  
2 NECESSARY CONCERNING THE APPLICATION PROCESS AND THE  
3 ADMINISTRATION OF THE GRANT PROGRAM. THE STATE DEPARTMENT  
4 SHALL REVIEW APPLICATIONS AND DETERMINE WHICH APPLICATIONS WILL  
5 RECEIVE GRANTS AND THE AMOUNT OF EACH GRANT. THE GENERAL  
6 ASSEMBLY ENCOURAGES THE STATE DEPARTMENT TO DISTRIBUTE GRANT  
7 MONEYS AMONG THE COUNTIES IN A WAY THAT FAIRLY DISTRIBUTES THE  
8 MONEYS AMONG THE COUNTIES WITH VARYING POPULATIONS AND AMONG  
9 COUNTIES IN DIFFERENT REGIONS OF THE STATE.

10 (3) A COUNTY HAS THE FLEXIBILITY TO DESIGN THE PILOT  
11 PROGRAM IN A MANNER THAT BEST ADDRESSES THE COUNTY'S SPECIFIC  
12 COMMUNITY NEEDS. IN DEVELOPING THE PILOT PROGRAM FOR THE  
13 COUNTY, A COUNTY MAY LIMIT PARTICIPATION IN THE PILOT PROGRAM TO  
14 A REASONABLE PERCENTAGE OF THE COUNTY'S CASELOAD FOR THE  
15 COLORADO CHILD CARE ASSISTANCE PROGRAM. A COUNTY MAY ALSO  
16 LIMIT PARTICIPATION IN THE PILOT PROGRAM TO FAMILIES WHO ENTER THE  
17 COLORADO CHILD CARE ASSISTANCE PROGRAM WITH CHILDREN WHO ARE  
18 THIRTY-SIX MONTHS OF AGE OR YOUNGER. Subject to available  
19 appropriations, a county that is participating in the pilot program shall  
20 continue to provide child care assistance for a period of up to two years  
21 for ~~any person who has~~ A GROUP OF PARTICIPANTS WHO HAVE been  
22 receiving child care assistance from the county and whose income  
23 exceeds the county-adopted income eligibility limit for the county's child  
24 care assistance program. The county shall require a parent who is  
25 receiving extended child care assistance to pay a series of incremental  
26 increases in the portion of the parental share of the child care costs on a  
27 scheduled basis based upon a formula established by the county; except

1 that assistance shall not be provided if said income exceeds the maximum  
2 level for eligibility for services set by federal law for a family of the same  
3 size. The county shall work with the person to provide a gradual transition  
4 off of the child care assistance over a two-year period. Each county  
5 department shall set its own parental fee schedule and may consult with  
6 the state department on setting the parental fee schedule.

7 (6) A county may participate in the pilot program on and after July  
8 1, 2012, and through ~~July 1, 2016~~ JUNE 30, 2019. A county shall operate  
9 the pilot program for at least two years. A county may apply to participate  
10 in the pilot program on or before January 1, ~~2014~~ 2017. Each  
11 participating county SHALL IDENTIFY THE FAMILIES PARTICIPATING IN THE  
12 PILOT PROGRAM IN THAT COUNTY. THE STATE DEPARTMENT shall collect  
13 ALL data on the pilot program. ~~and shall work with~~ The state department  
14 ~~to~~ SHALL evaluate and report on the pilot program using measurable  
15 outcomes.

16 (7) (a) The state department shall compile the data submitted by  
17 the counties pursuant to subsection (6) of this section and submit a report  
18 on the pilot program with the state department's findings and  
19 recommendations to the house PUBLIC health and ~~environment~~ HUMAN  
20 SERVICES committee and to the senate health and human services  
21 committee, or any successor committees. THE STATE DEPARTMENT'S  
22 REPORT MUST INCLUDE, BUT NEED NOT BE LIMITED, TO THE FOLLOWING:

23 (I) THE NUMBER OF FAMILIES THAT PARTICIPATED IN THE PILOT  
24 PROGRAM, BY COUNTY AND STATEWIDE;

25 (II) THE NUMBER OF MONTHS THAT EACH FAMILY PARTICIPATED  
26 IN THE PILOT PROGRAM, BY COUNTY AND STATEWIDE;

27 (III) A SUMMARY AND ANALYSIS BY THE STATE DEPARTMENT OF

1 THE REASONS WHY FAMILIES STOPPED PARTICIPATING IN THE PILOT  
2 PROGRAM, BY COUNTY AND STATEWIDE.

3 (b) THE STATE DEPARTMENT SHALL MAKE ITS REPORT ON THE  
4 PILOT PROGRAM AVAILABLE TO THE PUBLIC ON ITS WEB SITE AND  
5 THROUGH OTHER ELECTRONIC MEANS. The state department shall submit  
6 its report TO THE COMMITTEES on or before October 1, ~~2015~~ 2019.

7 (8) This section is repealed, effective July 1, ~~2016~~ 2020.

8

9 SECTION 2. Appropriation - adjustments to 2014 long bill.

10 (1) In addition to any other appropriation, for the fiscal year beginning  
11 July 1, 2014, there is hereby appropriated, out of any moneys in the  
12 general fund not otherwise appropriated, to the Colorado child care  
13 assistance cliff effect pilot program fund created in section 26-2-808  
14 (2.5), Colorado Revised Statutes, the sum of \$1,200,000, to be used for  
15 purposes consistent with the creation of the fund.

16 (2) In addition to any other appropriation, there is hereby  
17 appropriated, out of the Colorado child care assistance cliff effect pilot  
18 program fund, to the department of human services, for the fiscal year  
19 beginning July 1, 2014, the sum of \$1,200,000, or so much thereof as may  
20 be necessary, to be allocated for grants to counties participating in the  
21 cliff effect pilot program under the Colorado child care assistance  
22 program.

23 (3) In addition to any other appropriation, there is hereby  
24 appropriated, out of any moneys in the general fund, not otherwise  
25 appropriated, to the department of human services, for the fiscal year  
26 beginning July 1, 2014, the sum of \$69,453 and 1.0 FTE, or so much  
27 thereof as may be necessary, to be allocated to the cliff effect pilot



1 program under the Colorado child care assistance program.

2           **SECTION 3. Safety clause.** The general assembly hereby finds,  
3 determines, and declares that this act is necessary for the immediate  
4 preservation of the public peace, health, and safety.