

# Joint Budget Committee



## Staff Figure Setting FY 2025-26

### Department of Early Childhood

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

Prepared by:

Louellen Lowe, JBC Staff

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Joint Budget Committee Staff

200 E. 14<sup>th</sup> Avenue, 3<sup>rd</sup> Floor / Denver, Colorado 80203

Telephone: (303)866-2061 / TDD: (303)866-3472

<https://leg.colorado.gov/agencies/joint-budget-committee>

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**How to Use this Document:** The Department Overview contains a table summarizing the staff recommended changes. Brief explanations of each change follow the table. Each division description includes a similar table but does not repeat the brief explanations. Sections following the Department Overview and the division summary tables provide more details about the changes.

To find decision items, look at the Decision Items Affecting Multiple Divisions or the most relevant division. This applies to both decision items requested by the department and recommended by the staff. Decision items appear in the requested priority order within sections.

## Department Overview

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.

## Summary of Staff Recommendations

| Department of Early Childhood         |                      |                      |                      |                     |                      |              |
|---------------------------------------|----------------------|----------------------|----------------------|---------------------|----------------------|--------------|
| Item                                  | Total Funds          | General Funds        | Cash Funds           | Reapprop. Funds     | Federal Funds        | FTE          |
| FY 2024-25 Appropriation              |                      |                      |                      |                     |                      |              |
| HB 24-1430 (Long Bill)                | \$771,779,427        | \$293,764,888        | \$267,711,876        | \$18,643,712        | \$191,658,951        | 235.1        |
| S.B. 24-090 (Supplemental)            | 1,256,709            | -144,322             | 218,951              | 766,529             | 415,551              | 0.0          |
| Long bill supplemental                | 15,000,000           | 0                    | 0                    | 0                   | 15,000,000           | 0.0          |
| <b>Total</b>                          | <b>\$788,036,136</b> | <b>\$293,620,566</b> | <b>\$267,930,827</b> | <b>\$19,410,241</b> | <b>\$207,074,502</b> | <b>235.1</b> |
| FY 2025-26 Recommended Appropriation  |                      |                      |                      |                     |                      |              |
| FY 2024-25 Appropriation              | \$788,036,136        | \$293,620,566        | \$267,930,827        | \$19,410,241        | \$207,074,502        | 235.1        |
| R1/BA1 CCDF Regulation implementation | 21,747,439           | 5,000,000            | 2,405,420            | 0                   | 14,342,019           | 0.0          |
| R2/BA2 Universal preschool program    | 6,758,330            | 0                    | 6,758,330            | 0                   | 0                    | 0.0          |
| R3 Early Intervention caseload        | 3,600,000            | 3,500,000            | 100,000              | 0                   | 0                    | 0.0          |
| R4 Child Abuse Prevention Trust Fund  | 412,000              | -450,000             | 862,000              | 0                   | 0                    | 0.0          |
| R5 Language justice coord.            | 0                    | 0                    | 0                    | 0                   | 0                    | 0.0          |
| R6 Indirect costs                     | 1,500,630            | -345,428             | 220,906              | 815,351             | 809,801              | 0.5          |
| SI General Fund relief options        | -1,689,417           | -1,689,417           | 0                    | 0                   | 0                    | 0.0          |
| Centrally appropriated items          | 5,761,194            | 4,310,310            | 545,033              | 1,191,795           | -285,944             | 0.0          |
| Statewide indirect costs              | 176,389              | 0                    | 36,541               | 1,204               | 138,644              | 0.0          |
| Technical adjustments new line items  | 0                    | 0                    | 0                    | 0                   | 0                    | 0.0          |
| Annualize prior year budget actions   | -22,730,728          | -3,438,883           | 418,875              | 18,776              | -19,729,496          | 5.0          |

| Department of Early Childhood    |                      |                      |                      |                     |                      |              |
|----------------------------------|----------------------|----------------------|----------------------|---------------------|----------------------|--------------|
| Item                             | Total Funds          | General Funds        | Cash Funds           | Reapprop. Funds     | Federal Funds        | FTE          |
| SI Long bill supplemental        | -15,000,000          | 0                    | 0                    | 0                   | -15,000,000          | 0.0          |
| Annualize prior year legislation | -892,998             | 708,033              | -218,951             | -966,529            | -415,551             | 2.5          |
| Impacts driven by other agencies | -7,697               | -4,785               | 0                    | 0                   | -2,912               | 0.0          |
| <b>Total</b>                     | <b>\$787,671,278</b> | <b>\$301,210,396</b> | <b>\$279,058,981</b> | <b>\$20,470,838</b> | <b>\$186,931,063</b> | <b>243.1</b> |
| Changes from FY 2024-25          | -\$364,858           | \$7,589,830          | \$11,128,154         | \$1,060,597         | -\$20,143,439        | 8.0          |
| Percentage Change                | 0.0%                 | 2.6%                 | 4.2%                 | 5.5%                | -9.7%                | 0.0          |
| FY 2025-26 Executive Request     | \$794,619,531        | \$311,912,532        | \$279,722,221        | \$20,949,267        | \$182,035,511        | 244.1        |
| Staff Rec. Above/-Below Request  | -\$6,948,253         | -\$10,702,136        | -\$663,240           | -\$478,429          | \$4,895,552          | -1.0         |

## Description of Incremental Changes

**R1/BA1 CCDF Regulation implementation/State investment in CCCAP:** The recommendation includes \$21.7 million total funds including \$5.0 million General Fund, \$2.5 million cash funds from local government sources, and \$14.3 million federal Child Care Development Funds (CCDF) to support the Colorado Child Care Assistance Program (CCCAP) in FY 2025-26 and ongoing. The recommendation does not include approval of \$210,000 additional resources for Expanding Quality for Infants and Toddlers program but rather recommends that the maximum amount possible of the increase goes towards direct services for children enrolled in CCCAP.

**R2/BA2 Universal preschool program (UPK):** The recommendation includes an increase of \$6,758,330 cash funds from the Preschool Programs Cash Fund for FY 2025-26 to meet the required inflationary increase applied to the minimum state contribution towards preschool (\$3,658,330) and to provide an additional \$3.1 million cash fund based on anticipated increase in revenues while preserving a 15% reserve of anticipated revenues in the Preschool Program Cash Fund.

**R3 Early Intervention caseload:** The recommendation includes \$3.5 million including \$3.5 million General Fund and \$100,000 cash funds from the interest earned on the Early Intervention Services Trust Fund in FY 2025-26 and ongoing. The recommendation does not include legislation to designate Early Intervention as an entitlement program.

**R4 CO Child Abuse Prev. Trust Fund:** The recommendation includes an increase of \$862,000 spending authority from the Colorado Child Abuse Prevention (COCAP) Trust Fund, of which \$500,000 will be for five years only. Additionally, the recommendation includes a decrease of \$300,000 General Fund and that the JBC sponsor legislation to legislation to end transfers of General Fund to this cash fund.

**R5 Language justice:** The recommendation does not include ongoing funding for a Language Justice Coordinator in the Department to make this position permanent.

**R6 Cost allocation:** The recommendation delays action on changes related to the Department's cost allocation plan. Preliminary recommendations include indirect cost collections to support a grant writer for the Department.

### Staff Initiated Changes:

- Recommendations include bottom line funding for the Executive Director’s Office Division, General Administration Subdivision
- Recommendations include \$15.0 million federal Child Care Development Funds for a supplemental appropriation to the Child Care Assistance Program in FY 2024-25. The maximum amount possible should be allocated to direct services and not to quality or to administrative costs.
- Recommendations include General Fund reductions to multiple divisions and line items for budget balancing. These include reductions to Family Resource Centers, Universal Home Visiting, Early Childhood Mental Health Services, and Child Care Services and Substances Use Disorder Treatment Pilot Program.

## Major Differences from the Request

| JBC Staff Recommendations Compared to Department Requests |                                           |                     |                     |
|-----------------------------------------------------------|-------------------------------------------|---------------------|---------------------|
| Item                                                      |                                           | Request             | Recommendation      |
| R1/BA1 CCDF Regs. Implement/CCCAP state investment        | Total Funds                               | \$21,747,439        | \$21,747,439        |
|                                                           | General Fund                              | 10,000,000          | 5,000,000           |
|                                                           | Cash Funds (local)                        | 2,405,420           | 2,405,420           |
|                                                           | Federal Funds                             | 9,342,019           | 14,342,019          |
| R2/BA2 Universal Preschool                                | Total Funds                               | \$11,058,330        | \$6,758,330         |
|                                                           | General Fund                              | 3,658,330           | 0                   |
|                                                           | Cash Funds (Preschool Programs Cash Fund) | 7,400,000           | 6,758,330           |
| R3 Early Intervention                                     | Total Funds                               | \$3,600,000         | \$3,600,000         |
|                                                           | General Fund                              | 3,500,000           | 3,500,000           |
|                                                           | Cash Funds (EIST)                         | 100,000             | 100,000             |
| R4 COCAP Trust Fund                                       | Total Funds                               | \$712,000           | \$562,000           |
|                                                           | General Fund                              | -150,000            | -300,000            |
|                                                           | Cash Funds                                | 862,000             | 862,000             |
| R5 Language justice coordinator                           | Total Funds                               | \$206,488           | \$0                 |
|                                                           | Reappropriated Funds                      | 103,244             | 0                   |
|                                                           | Federal Funds                             | 103,244             | 0                   |
| R6 Indirect cost plan                                     | Total Funds                               | \$1,500,630         | \$1,500,630         |
|                                                           | General Fund                              | -345,428            | -345,428            |
|                                                           | Cash Funds                                | 220,906             | 220,906             |
|                                                           | Reappropriated Funds                      | 815,351             | 815,351             |
|                                                           | Federal Funds                             | 809,801             | 809,801             |
| Staff initiated General Fund relief items                 | Total Funds                               | \$0                 | \$1,689,417         |
|                                                           | General Fund                              |                     | -1,689,417          |
| <b>FY 2025-26 Total Requested/Recommended Funding</b>     | <b>Total Funds</b>                        | <b>\$35,224,887</b> | <b>\$32,257,816</b> |

| JBC Staff Recommendations Compared to Department Requests |                             |                      |                |
|-----------------------------------------------------------|-----------------------------|----------------------|----------------|
| Item                                                      |                             | Request              | Recommendation |
|                                                           | <i>General Fund</i>         | 16,662,902           | 6,165,155      |
|                                                           | <i>Cash Funds</i>           | 10,988,326           | 10,346,656     |
|                                                           | <i>Reappropriated Funds</i> | 918,595              | 815,351        |
|                                                           | <i>Federal Funds</i>        | 10,255,064           | 15,151,820     |
| Staff initiated supplemental for CCCAP in FY 2024-25      |                             | Total Funds          | \$0            |
|                                                           |                             | <i>Federal Funds</i> | \$15,000,000   |
|                                                           |                             |                      | 15,000,000     |

## Decision Items Affecting Multiple Divisions

### → R5 Language justice coordinator

#### Request

The Department requests \$206,488 total funds including equal amounts reappropriated (indirect cost assessments) and federal funds in FY 2025-26 and \$208,606 in federal Child Care Development Funds and reappropriated funds in FY 2026-27 and ongoing to support the position.

#### Recommendation

Staff does not recommend approval of this request.

#### Analysis

##### Background

In FY 2023-24, as part of its 2023-24 R5/BA2 Equity in the Department of Early Childhood change request, the Department received two years of funding to support 1.0 FTE, a Language Justice Project Manager, to “manage the creation and implementation of the Equity and Language Justice Plan.” This FTE was requested as a time-limited expert within CDEC due to the utilization of stimulus funds to support the position.

According to the FY 2023-24 request, this position would provide expertise and accountability to CDEC leadership and staff regarding language accessibility for the services it provides. The stated responsibilities of this position were to “manage the proposed changes internally, including contract management for language services and community review, development, and implementation of accuracy and quality assurance procedures, participate in interagency collaboration, and provide direct consultation on best practice (e.g., involving end users in material development)... this role [would] support consistency in culturally and linguistically responsive materials at the Department through continuous quality improvement efforts such as creating a glossary of recommended translations for commonly used early childhood words

to be included in the CDEC branding guidelines (e.g., preferred translation for family, home visitor or Department of Early Childhood).”

## Request

The Department requests ongoing funding for this position through indirect cost collections from the divisions and programs it serves. Ultimately, this position would be funded primarily through the use of Child Care Development Funds in the amount of \$103,244 collected through indirect cost assessment lines and reappropriated to the Executive Director’s Office. Approval of this request would reflect a total increase of \$206,488 due to the reappropriation.

To date, this role has developed the framework for language justice as well as improved translation and interpretation strategies across the Department. A language justice plan is in development but has not been finalized, and the main tenants include the following:

- Consultations to support staff throughout the Department in planning language access needs;
- Guidance on using common early childhood terminology and definitions related to language abilities, needs, and access;
- Language style guides in Spanish and initial stages of Arabic
- List of vetted and approved vendors for interpretation and translation services
- Resources for simultaneous interpretation presentations;
- Best practices guide for internal translation request, including a tiered approach to vital and legal documents;
- Growing a resource bank

To fully understand the scope of language needs across the Department’s services and operations, and to inform the development and execution of the language justice plan, this individual has launched a needs assessment strategy comprised of data reviews, interviews, and surveys. This individual also facilitates an internal workgroup of multilingual staff, engaging with community partners with the goal of understanding ongoing language access needs across the Department. The Department believes this position is indispensable to its mission.

According to the Department’s responses to hearing questions, DOC, CDPHE, DHS, and CDLE each has a version of this position in their departments.

## Recommendation

Staff does not recommend approval of this request, primarily due to the funding source. Staff is concerned about the utilization of CCDF as the state faces increased costs for CCDF-funded child care support services and a decrease in federal awards to provide for them. Additionally, with the tenants of a language justice plan in place, staff is unclear as to why the plan cannot be formalized for implementation by the end of the fiscal year. While staff agrees that language accessibility is a key element of this Department’s service delivery, the position was not intended to be ongoing when approved.



## Evidence Designation

This request is not applicable for an evidence designation as it is not a program or practice with defined or replicable elements.

## → R6 Indirect cost allocation plan

### Request

The Department requests an increase of \$1.5 million total funds, including a decrease of \$345,428 General Fund, to accurately reflect the federal indirect cost allocation plan in its Long Bill appropriations. The request also includes indirect cost collections to support 0.5 FTE and fund a grant writer for the Department's programs.

### Recommendation

Staff recommends delayed action on this request to allow staff to further refine cost allocation collections for the Department. Staff does recommend indirect cost collections to support 0.5 FTE for a grant writer for the Department.

### Analysis

#### Background

Created by House Bill 21-1304, the Colorado Department of Early Childhood began operations in July 2022. The new Department was comprised of functions formerly situated within the Colorado Department of Human Services and the Colorado Department of Education. Now, as the state administrator of the federal Child Care Development Funds (CCDF), the Department must submit a cost allocation plan to the federal government for the purpose of equitably and accurately dividing shared costs across programs. Prior to December 2023, the Department had been operating under a cost allocation plan developed by the Department of Human Services. In July 2023, the Department submitted a revised cost allocation plan to the federal government. It is not operating under that provisional plan, as permitted by the federal government, until it is approved or modified.

The Department oversees multiple funding sources, including the following:

- Child Care and Development Block Grant (CCDBG), including Child Care and Development Fund (CCDF)
- Early Intervention (Individuals with Disabilities Education Act (IDEA) Part C)
- Cash funds from the Early Intervention Trust Fund
- Retention and Recruitment of Early Intervention Professionals (RREIP)
- Healthy Marriage and Responsible Fatherhood
- Early Childhood Comprehensive Systems (ECCS)
- Every Student Succeeds Act/Preschool Development Grant (PDG)
- Preschool Program Cash Fund

- Federal Promoting Safe and Stable Families (PSSF) funds
- Federal Community-Based Child Abuse Prevention funds (CBCAP)
- Head Start Collaboration
- Child Welfare Research Training or Demonstration grants
- Maternal, Infant, and Early Childhood Home Visiting (MIECHV)
- Family Support through Primary Prevention (FSPP) grant (demonstration project)
- Marijuana cash funds used for Incredible Years
- Cash funds from Records and Reports Fund
- Child Care Licensing Cash Fund
- Colorado Children’s Trust Fund
- Nurse Home Visitor Program (NHVP) Fund
- Child Care Cash Fund

The Department’s cost allocation plan outlines how it plans to distribute shared costs across its divisions, ensuring that non-State funding sources are utilized to cover their share of the Department’s administrative costs. Reappropriated funds in the Executive Director’s Office must align with the Indirect Cost Assessment line items across each Division. The indirect cost assessments should also align with the federal cost allocation plan. Currently, these are out of alignment, and the Department cannot collect all of the indirect costs from all programs according to its cost allocation plan.

## Request

### *0.5 FTE Grants Specialist II (\$50,777)*

Imbedded within the indirect cost allocation adjustment request is funding to support a primary grant writer for the whole Department that will be responsible for researching, preparing, submitting, and managing grant proposals and reports. This also includes preparing and organizing materials for proposals, submitting and monitoring grant applications, drafting proposals, drafting grant application narratives and budgets, collaborating with program and finance staff to finalize grant applications, exploring funding opportunities, and maintaining all associated grant application files and correspondence.

Until now, the Department utilized federal stimulus and term-limited funding to contract for positions to provide this service. With the expiration of stimulus funding, the Department will no longer have resources to contract out grant writing. The Department has spent an average of approximately \$25k to \$55k per grant application to contract for grant writing services in recent years. The Department intends to utilize this dedicated 0.5 FTE to pull down additional grant funding for all programs offered.

### *Indirect cost allocation plan*

To correctly align the indirect cost allocation plan for the Department, the request includes a total increase of \$1.5 million within the Indirect Cost Assessment lines for all divisions, including a decrease of \$345,428 General Fund offset by increases of \$220,906 cash funds, \$815,351 reappropriated funds, and \$809,801 federal funds in FY 2024-25 and ongoing.

The Department continues to refine its processes for accurately reflecting its federally-approved cost allocation plan through the indirect cost assessment lines, and has limited tools as a new Department to make adjustments internally when needed. In making these adjustments, the Department is decreasing its reliance on General Fund for program indirect costs, freeing it to be used elsewhere.

## Recommendation

Staff will bring an adjusted recommendation for the Department's indirect cost allocation plan through a Comeback at a later date. JBC staff believes further adjustments must and will be made pertinent to decisions in this figure setting document and in other common policies which will impact the cost allocation plan. Furthermore, other recommendations within this document will impact the Department's cost allocation plan.

## Evidence Designation

An evidence designation is not applicable to this request as it is not a program or practice.

# (1) Executive Director's Office

The Executive Director's Office is responsible for the management and administration of the Department, housing core such functions as budget and finance, human resources, policy development, communications, performance monitoring, and other leadership functions. This office includes multiple centrally appropriated line items.

| Executive Director's Office          |              |              |             |                 |               |      |
|--------------------------------------|--------------|--------------|-------------|-----------------|---------------|------|
| Item                                 | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation             |              |              |             |                 |               |      |
| HB 24-1430 (Long Bill)               | \$45,670,781 | \$24,125,100 | \$4,808,739 | \$8,503,601     | \$8,233,341   | 75.8 |
| S.B. 24-090 (Supplemental)           | \$455,678    | \$355,678    | \$0         | \$766,529       | -\$666,529    | 0.0  |
| Total FY 2024-25                     | \$46,126,459 | \$24,480,778 | \$4,808,739 | \$9,270,130     | \$7,566,812   | 75.8 |
| FY 2025-26 Recommended Appropriation |              |              |             |                 |               |      |
| FY 2024-25 Appropriation             | \$46,126,459 | \$24,480,778 | \$4,808,739 | \$9,270,130     | \$7,566,812   | 75.8 |
| R5 Language justice coord.           | 0            | 0            | 0           | 0               | 0             | 0.0  |
| R6 Indirect costs                    | 650,777      | 154,572      | 1,955       | 815,351         | -321,101      | 0.5  |
| Centrally appropriated items         | 4,974,781    | 4,229,336    | 367,084     | 1,191,795       | -813,434      | 0.0  |
| Statewide indirect costs             | 1,204        | 0            | 0           | 1,204           | 0             | 0.0  |
| Annualize prior year budget actions  | -441,985     | 67,655       | -3,306      | 18,776          | -525,110      | 1.1  |
| Annualize prior year legislation     | 160,313      | 260,313      | 0           | -766,529        | 666,529       | 0.4  |
| Impacts driven by other agencies     | -7,697       | -4,785       | 0           | 0               | -2,912        | 0.0  |
| Total FY 2025-26                     | \$51,463,852 | \$29,187,869 | \$5,174,472 | \$10,530,727    | \$6,570,784   | 77.8 |
| Changes from FY 2024-25              | \$5,337,393  | \$4,707,091  | \$365,733   | \$1,260,597     | -\$996,028    | 2.0  |
| Percentage Change                    | 11.6%        | 19.2%        | 7.6%        | 13.6%           | -13.2%        | 2.6% |
| FY 2025-26 Executive Request         | \$51,796,670 | \$29,242,258 | \$5,174,472 | \$10,809,156    | \$6,570,784   | 78.8 |
| Staff Rec. Above/-Below Request      | -\$332,818   | -\$54,389    | \$0         | -\$278,429      | \$0           | -1.0 |

## Decision Items

### → SI Bottom line funding for the Executive Director's Office General Administration

#### Request

The Department did not formally request this change, but in discussions with JBC staff, it was suggested to “bottom line fund” the Executive Director's Office Division, General Administration Subdivision. This should be accompanied by a recommended footnote in other

divisions to allow the Department to collect indirect costs in a more accurate and nimble fashion, eliminating the need for regular indirect cost allocation true-up requests.

## Recommendation

Staff recommends approval of this request.

## Analysis

Currently, the Department is funded by fund source and total for each line item of the Executive Director's Office, General Administration Subdivision. This creates a rigid structure which does not allow the Executive Director's office any flexibility to shuffle fund sources when possible or necessary to account for indirect cost collections.

Staff recommends bottom line funding for the Department's EDO, General Administration Subdivision which sets a total funds amount for each line item, and a total fund source amount for the subdivision. This effectively creates a not-to-exceed total funds amount for each line item within the subdivision, and a not-to-exceed amount for each fund source appropriated to the subdivision. The Department may utilize any fund source for the line items within the subdivision provided total expenditures on the line item do not exceed appropriations, and total expenditures from any fund source do not exceed the appropriations from that fund source for the subdivision. This creates a much-needed flexibility as it pertains to indirect cost collections and subdivision expenditures.

In addition to bottom line funding, a footnote for each division with an indirect cost assessment line would be given authority to transfer up to 10.0 percent of its annual CCDF appropriation to another indirect cost assessment line in a different division for the purpose of indirect cost collections. As indirect cost assessment lines reflect payments to the Executive Director's office from within each division, this does not increase or decrease actual appropriations of the indirect cost collection funds for any of the divisions. Rather this gives the Department flexibility to increase or decrease indirect cost payments to the EDO from programs as they change.

In developing the annual budget, the Department will still account for actual expenditures by fund source for each line item in the EDO and from each Indirect Cost Assessment line, and the JBC staff will still make recommendations for each line item. While this creates complexity for the JBC analyst and the Department to ensure full transparency and accountability, bottom line funding is a tool already utilized by other Departments in the State and is not new.

The Department indicates this could lead to additional General Fund savings as they are able to more accurately charge programs for central services.

# Line Item Detail

## (A) General Administration

### Personal Services

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

*Statutory authority:* Sections 26.5-1-104, and 24-50-101, C.R.S.

*Request:* The Department requests \$8,422,605 total funds including \$2,162,347 General Fund, \$180,811 cash funds, and \$6,079,447 reappropriated funds in FY 2025-26. This includes adjustments related to R6 Indirect cost collections, centrally appropriated items, and annualizations of prior year decisions and legislation.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Personal Services |             |              |            |                 |               |      |
|------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|------|
| Item                                                                   | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation                                               |             |              |            |                 |               |      |
| HB 24-1430 (Long Bill)                                                 | \$7,386,802 | \$1,422,927  | \$135,549  | \$5,828,326     | \$0           | 75.8 |
| S.B. 24-090 (Supplemental)                                             | \$600,000   | \$500,000    | \$0        | \$100,000       | \$0           | 0.0  |
| Total FY 2024-25                                                       | \$7,986,802 | \$1,922,927  | \$135,549  | \$5,928,326     | \$0           | 75.8 |
| FY 2025-26 Recommended Appropriation                                   |             |              |            |                 |               |      |
| FY 2024-25 Appropriation                                               | \$7,986,802 | \$1,922,927  | \$135,549  | \$5,928,326     | \$0           | 75.8 |
| R6 Indirect costs                                                      | 643,409     | 500,000      | 1,671      | 141,738         | 0             | 0.5  |
| Centrally appropriated items                                           | 399,482     | 347,735      | 44,873     | 6,874           | 0             | 0.0  |
| R5 Language justice coord.                                             | 0           | 0            | 0          | 0               | 0             | 0.0  |
| Annualize prior year legislation                                       | -562,020    | -462,020     | 0          | -100,000        | 0             | 0.4  |
| Annualize prior year budget actions                                    | -147,577    | -146,295     | -1,282     | 0               | 0             | 1.1  |
| Total FY 2025-26                                                       | \$8,320,096 | \$2,162,347  | \$180,811  | \$5,976,938     | \$0           | 77.8 |
| Changes from FY 2024-25                                                | \$333,294   | \$239,420    | \$45,262   | \$48,612        | \$0           | 2.0  |
| Percentage Change                                                      | 4.2%        | 12.5%        | 33.4%      | 0.8%            | n/a           | 2.6% |
| FY 2025-26 Executive Request                                           | \$8,422,605 | \$2,162,347  | \$180,811  | \$6,079,447     | \$0           | 78.8 |

| Executive Director's Office, General Administration, Personal Services |             |              |            |                 |               |      |
|------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|------|
| Item                                                                   | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE  |
| Staff Rec. Above/-Below Request                                        | -\$102,509  | \$0          | \$0        | -\$102,509      | \$0           | -1.0 |

## Health, Life, and Dental

This line funds the Department's share of the state's group health, life and dental insurance plans for state employees.

*Statutory authority:* Sections 24-50-611, 24-50-603 (9), and 24-50-101 C.R.S.

*Request:* The Department requests \$4,596,204 total funds including \$1,959,632 General Fund, \$1,002,418 cash funds, \$793,292 reappropriated funds, and \$840,862 federal funds in FY 2025-26. This includes adjustments related to centrally appropriated line items, R6 indirect cost allocation, and the annualization of prior year budget actions and legislation.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Health, Life, and Dental |             |              |             |                 |               |     |
|-------------------------------------------------------------------------------|-------------|--------------|-------------|-----------------|---------------|-----|
| Item                                                                          | Total Funds | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                      |             |              |             |                 |               |     |
| HB 24-1430 (Long Bill)                                                        | \$3,805,188 | \$1,551,248  | \$733,196   | \$23,377        | \$1,497,367   | 0.0 |
| S.B. 24-090 (Supplemental)                                                    | \$0         | \$0          | \$0         | \$376,376       | -\$376,376    | 0.0 |
| Total FY 2024-25                                                              | \$3,805,188 | \$1,551,248  | \$733,196   | \$399,753       | \$1,120,991   | 0.0 |
| FY 2025-26 Recommended Appropriation                                          |             |              |             |                 |               |     |
| FY 2024-25 Appropriation                                                      | \$3,805,188 | \$1,551,248  | \$733,196   | \$399,753       | \$1,120,991   | 0.0 |
| Centrally appropriated items                                                  | 921,399     | 408,384      | 269,222     | 393,539         | -149,746      | 0.0 |
| R6 Indirect costs                                                             | 0           | 0            | 0           | 376,376         | -376,376      | 0.0 |
| Annualize prior year legislation                                              | 0           | 0            | 0           | -376,376        | 376,376       | 0.0 |
| Annualize prior year budget actions                                           | -130,383    | 0            | 0           | 0               | -130,383      | 0.0 |
| Total FY 2025-26                                                              | \$4,596,204 | \$1,959,632  | \$1,002,418 | \$793,292       | \$840,862     | 0.0 |
| Changes from FY 2024-25                                                       | \$791,016   | \$408,384    | \$269,222   | \$393,539       | -\$280,129    | 0.0 |
| Percentage Change                                                             | 20.8%       | 26.3%        | 36.7%       | 98.4%           | -25.0%        | n/a |
| FY 2025-26 Executive Request                                                  | \$4,596,204 | \$1,959,632  | \$1,002,418 | \$793,292       | \$840,862     | 0.0 |
| Staff Rec. Above/-Below Request                                               | \$0         | \$0          | \$0         | \$0             | \$0           | 0.0 |

## Short-term Disability

This line item provides funding for the Department's share of the state's short-term disability which is administered by the Department of Personnel.

*Statutory authority:* Sections 24-50-603 (13), and 24-50-611, C.R.S.

*Request:* The Department requests \$16,054 total funds including \$7,435 General Fund, \$3,349 cash funds, \$5,194 reappropriated funds, and \$76 federal funds in FY 2025-26. This includes adjustments related to centrally appropriated line items, R6 indirect cost allocation, and the annualization of prior year budget actions and legislation.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Short-term Disability |             |              |            |                 |               |     |
|----------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                       | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                   |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                     | \$30,644    | \$11,610     | \$5,323    | \$187           | \$13,524      | 0.0 |
| S.B. 24-090 (Supplemental)                                                 | \$0         | \$0          | \$0        | \$3,399         | -\$3,399      | 0.0 |
| Total FY 2024-25                                                           | \$30,644    | \$11,610     | \$5,323    | \$3,586         | \$10,125      | 0.0 |
| FY 2025-26 Recommended Appropriation                                       |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                   | \$30,644    | \$11,610     | \$5,323    | \$3,586         | \$10,125      | 0.0 |
| R6 Indirect costs                                                          | 0           | 0            | 0          | 3,399           | -3,399        | 0.0 |
| Annualize prior year legislation                                           | 0           | 0            | 0          | -3,399          | 3,399         | 0.0 |
| Centrally appropriated items                                               | -13,491     | -4,175       | -1,974     | 1,608           | -8,950        | 0.0 |
| Annualize prior year budget actions                                        | -1,099      | 0            | 0          | 0               | -1,099        | 0.0 |
| Total FY 2025-26                                                           | \$16,054    | \$7,435      | \$3,349    | \$5,194         | \$76          | 0.0 |
| Changes from FY 2024-25                                                    | -\$14,590   | -\$4,175     | -\$1,974   | \$1,608         | -\$10,049     | 0.0 |
| Percentage Change                                                          | -47.6%      | -36.0%       | -37.1%     | 44.8%           | -99.2%        | n/a |
| FY 2025-26 Executive Request                                               | \$16,054    | \$7,435      | \$3,349    | \$5,194         | \$76          | 0.0 |
| Staff Rec. Above/-Below Request                                            | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Unfunded Liability Amortization Equalization Disbursement Payments

This line item will provide funding for amortization and supplemental amortization payments to increase the funded status of the Public Employees' Retirement Association (PERA).

*Statutory authority:* Section 24-51-411, C.R.S.

*Request:* The Department requests \$2,357,376 total funds including \$1,062,199 General Fund, \$478,385 cash funds, \$482,991 reappropriated funds, and \$333,801 federal funds in FY 2025-



26. This includes adjustments related to centrally appropriated line items, R6 indirect cost allocation, and the annualization of prior year budget actions and legislation.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department’s prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Unfunded Liability Amortization Equalization Disbursement Payments |             |              |            |                 |               |     |
|-------------------------------------------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                                                    | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                                                                |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                                                                  | \$2,042,904 | \$773,984    | \$354,870  | \$12,480        | \$901,570     | 0.0 |
| S.B. 24-090 (Supplemental)                                                                                              | \$0         | \$0          | \$0        | \$226,617       | -\$226,617    | 0.0 |
| Total FY 2024-25                                                                                                        | \$2,042,904 | \$773,984    | \$354,870  | \$239,097       | \$674,953     | 0.0 |
| FY 2025-26 Recommended Appropriation                                                                                    |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                                                                | \$2,042,904 | \$773,984    | \$354,870  | \$239,097       | \$674,953     | 0.0 |
| Centrally appropriated items                                                                                            | 407,472     | 288,215      | 123,515    | 243,894         | -248,152      | 0.0 |
| R6 Indirect costs                                                                                                       | 0           | 0            | 0          | 226,617         | -226,617      | 0.0 |
| Annualize prior year legislation                                                                                        | 0           | 0            | 0          | -226,617        | 226,617       | 0.0 |
| Annualize prior year budget actions                                                                                     | -93,000     | 0            | 0          | 0               | -93,000       | 0.0 |
| Total FY 2025-26                                                                                                        | \$2,357,376 | \$1,062,199  | \$478,385  | \$482,991       | \$333,801     | 0.0 |
| Changes from FY 2024-25                                                                                                 | \$314,472   | \$288,215    | \$123,515  | \$243,894       | -\$341,152    | 0.0 |
| Percentage Change                                                                                                       | 15.4%       | 37.2%        | 34.8%      | 102.0%          | -50.5%        | n/a |
| FY 2025-26 Executive Request                                                                                            | \$2,357,376 | \$1,062,199  | \$478,385  | \$482,991       | \$333,801     | 0.0 |
| Staff Rec. Above/-Below Request                                                                                         | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Salary Survey

The Department uses this line item to pay for annual increases for salary survey and senior executive service positions. Salary survey increases may include across-the-board increases, movement to minimum related to salary range adjustments, and specified classification increases. This line item funds the recommended salary adjustments pursuant to the Department of Personnel's annual compensation study.

*Statutory authority:* Section 24-50-104, C.R.S.

*Request:* The Department requests \$673,166 total funds including \$291,654 General Fund, \$131,663 cash funds, \$70,534 reappropriated funds, and \$179,315 federal funds in FY 2025-26. This includes adjustments related to centrally appropriated line items.

*Recommendation:* The staff recommendation is provided in the table below. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make

regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Salary Survey |             |              |            |                 |               |     |
|--------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                               | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                           |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                             | \$718,013   | \$272,798    | \$124,098  | \$4,400         | \$316,717     | 0.0 |
| Total FY 2024-25                                                   | \$718,013   | \$272,798    | \$124,098  | \$4,400         | \$316,717     | 0.0 |
| FY 2025-26 Recommended Appropriation                               |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                           | \$718,013   | \$272,798    | \$124,098  | \$4,400         | \$316,717     | 0.0 |
| Centrally appropriated items                                       | -44,847     | 18,856       | 7,565      | 66,134          | -137,402      | 0.0 |
| Total FY 2025-26                                                   | \$673,166   | \$291,654    | \$131,663  | \$70,534        | \$179,315     | 0.0 |
| Changes from FY 2024-25                                            | -\$44,847   | \$18,856     | \$7,565    | \$66,134        | -\$137,402    | 0.0 |
| Percentage Change                                                  | -6.2%       | 6.9%         | 6.1%       | 1,503.0%        | -43.4%        | n/a |
| FY 2025-26 Executive Request                                       | \$673,166   | \$291,654    | \$131,663  | \$70,534        | \$179,315     | 0.0 |
| Staff Rec. Above/-Below Request                                    | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Step Pay

This line item provides detail on the amount of funding appropriated to each department as a result of the step pay plan. The step pay plan takes effect in FY 2024-25 and is a result of negotiations between the State of Colorado and Colorado Workers for Innovative and New Solutions (COWINS).

*Statutory authority:* Section 24-50-104, C.R.S.

*Request:* The Department requests \$103,887 total funds including \$51,307 General Fund, \$10,378 cash funds, \$6,661 reappropriated funds, and \$35,541 federal funds in FY 2025-26. This includes adjustments related to centrally appropriated line items.

*Recommendation:* The staff recommendation is provided in the table below. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Step Pay |             |              |            |                 |               |     |
|---------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                          | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                      |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                        | \$467,882   | \$155,911    | \$98,724   | \$2,474         | \$210,773     | 0.0 |
| Total FY 2024-25                                              | \$467,882   | \$155,911    | \$98,724   | \$2,474         | \$210,773     | 0.0 |
| FY 2025-26 Recommended Appropriation                          |             |              |            |                 |               |     |

| Executive Director's Office, General Administration, Step Pay |             |              |            |                 |               |     |
|---------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                          | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                      | \$467,882   | \$155,911    | \$98,724   | \$2,474         | \$210,773     | 0.0 |
| Centrally appropriated items                                  | -363,995    | -104,604     | -88,346    | 4,187           | -175,232      | 0.0 |
| Total FY 2025-26                                              | \$103,887   | \$51,307     | \$10,378   | \$6,661         | \$35,541      | 0.0 |
| Changes from FY 2024-25                                       | -\$363,995  | -\$104,604   | -\$88,346  | \$4,187         | -\$175,232    | 0.0 |
| Percentage Change                                             | -77.8%      | -67.1%       | -89.5%     | 169.2%          | -83.1%        | n/a |
| FY 2025-26 Executive Request                                  | \$103,887   | \$51,307     | \$10,378   | \$6,661         | \$35,541      | 0.0 |
| Staff Rec. Above/-Below Request                               | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Paid Family and Medical Leave

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020 and created a paid family and medical leave insurance program for all Colorado employees administered by the Colorado Department of Labor and Employment. This requires employers and employees in Colorado to pay a payroll premium (.90 percent with a minimum of half paid by the employer) to finance paid family and medical leave insurance benefits beginning January 1, 2023. It will finance up to 12 weeks of paid family and medical leave to eligible employees beginning January 1, 2024.

*Statutory authority:* Section 8-13.3-516, C.R.S.

*Request:* The Department requests \$110,267 total funds including \$47,799 General Fund, \$21,527 cash funds, \$21,735 reappropriated funds, and \$19,206 federal funds in FY 2025-26. This includes adjustments related to centrally appropriated line items, R6 indirect cost allocation, and the annualization of prior year legislation.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Paid Family and Medical Leave Insurance Program |             |              |            |                 |               |     |
|------------------------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                                 | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                                             |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                                               | \$91,931    | \$34,829     | \$15,969   | \$562           | \$40,571      | 0.0 |
| S.B. 24-090 (Supplemental)                                                                           | \$0         | \$0          | \$0        | \$10,198        | -\$10,198     | 0.0 |
| Total FY 2024-25                                                                                     | \$91,931    | \$34,829     | \$15,969   | \$10,760        | \$30,373      | 0.0 |
| FY 2025-26 Recommended Appropriation                                                                 |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                                             | \$91,931    | \$34,829     | \$15,969   | \$10,760        | \$30,373      | 0.0 |
| Centrally appropriated items                                                                         | 18,336      | 12,970       | 5,558      | 10,975          | -11,167       | 0.0 |
| R6 Indirect costs                                                                                    | 0           | 0            | 0          | 10,198          | -10,198       | 0.0 |

| Executive Director's Office, General Administration, Paid Family and Medical Leave Insurance Program |             |              |            |                 |               |     |
|------------------------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                                 | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Annualize prior year legislation                                                                     | 0           | 0            | 0          | -10,198         | 10,198        | 0.0 |
| Total FY 2025-26                                                                                     | \$110,267   | \$47,799     | \$21,527   | \$21,735        | \$19,206      | 0.0 |
| Changes from FY 2024-25                                                                              | \$18,336    | \$12,970     | \$5,558    | \$10,975        | -\$11,167     | 0.0 |
| Percentage Change                                                                                    | 19.9%       | 37.2%        | 34.8%      | 102.0%          | -36.8%        | n/a |
| FY 2025-26 Executive Request                                                                         | \$110,267   | \$47,799     | \$21,527   | \$21,735        | \$19,206      | 0.0 |
| Staff Rec. Above/-Below Request                                                                      | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Shift Differential

This line item provides funding for employees working outside the traditional business hours of 8am to 5pm.

*Statutory authority:* Section 24-50-104 (1)(a), C.R.S.

*Request:* The Department requests \$81 total funds including \$69 General Fund and \$12 cash funds in FY 2025-26.

*Recommendation:* Staff recommends approval of the request.

## Workers' Compensation

This line item is used to pay the Department's share of the state's workers' compensation program run by the Department of Personnel.

*Statutory authority:* Section 24-30-1510.7, C.R.S.

*Request:* The Department requests \$66,499 General Fund in FY 2025-26. This includes adjustments related to centrally appropriated line items.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Workers' Compensation |             |              |            |                 |               |     |
|----------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                       | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                   |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                     | \$66,234    | \$66,234     | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                                           | \$66,234    | \$66,234     | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                       |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                   | \$66,234    | \$66,234     | \$0        | \$0             | \$0           | 0.0 |
| Centrally appropriated items                                               | 66          | 66           | 0          | 0               | 0             | 0.0 |

| Executive Director's Office, General Administration, Workers' Compensation |             |              |            |                 |               |     |
|----------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                       | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Total FY 2025-26                                                           | \$66,300    | \$66,300     | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                                    | \$66        | \$66         | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                          | 0.1%        | 0.1%         | n/a        | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                                               | \$66,499    | \$66,499     | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                            | -\$199      | -\$199       | \$0        | \$0             | \$0           | 0.0 |

## PERA Direct Distribution

This line item is included as a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200.

*Statutory authority:* Section 24-51-414 (2), C.R.S.

*Request:* The Department requests \$434,604 total funds including \$188,394 General Fund, \$84,847 cash funds, \$95,410 reappropriated funds, and \$65,953 federal funds in FY 2025-26. This includes adjustments related to centrally appropriated line items, R6 indirect cost allocation, and the annualization of prior year legislation.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, PERA Direct Distribution |             |              |            |                 |               |     |
|-------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                          | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                      |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                        | \$450,190   | \$170,561    | \$78,202   | \$2,750         | \$198,677     | 0.0 |
| S.B. 24-090 (Supplemental)                                                    | \$0         | \$0          | \$0        | \$49,939        | -\$49,939     | 0.0 |
| Total FY 2024-25                                                              | \$450,190   | \$170,561    | \$78,202   | \$52,689        | \$148,738     | 0.0 |
| FY 2025-26 Recommended Appropriation                                          |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                      | \$450,190   | \$170,561    | \$78,202   | \$52,689        | \$148,738     | 0.0 |
| R6 Indirect costs                                                             | 0           | 0            | 0          | 49,939          | -49,939       | 0.0 |
| Annualize prior year legislation                                              | 0           | 0            | 0          | -49,939         | 49,939        | 0.0 |
| Centrally appropriated items                                                  | -15,586     | 17,833       | 6,645      | 42,721          | -82,785       | 0.0 |
| Total FY 2025-26                                                              | \$434,604   | \$188,394    | \$84,847   | \$95,410        | \$65,953      | 0.0 |
| Changes from FY 2024-25                                                       | -\$15,586   | \$17,833     | \$6,645    | \$42,721        | -\$82,785     | 0.0 |
| Percentage Change                                                             | -3.5%       | 10.5%        | 8.5%       | 81.1%           | -55.7%        | n/a |
| FY 2025-26 Executive Request                                                  | \$434,604   | \$188,394    | \$84,847   | \$95,410        | \$65,953      | 0.0 |
| Staff Rec. Above/-Below Request                                               | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Operating Expenses

The line item supports the annual operating costs associated with the Executive Office operations including but not limited to office supplies, telephone, postage, printing, furniture, and travel expenses.

*Statutory authority:* Sections 24-102-302, 26.5-1-104, C.R.S.

*Request:* The Department requests \$847,722 total funds including \$668,150 General Fund, \$791 cash funds, \$178,443 reappropriated funds, and \$338 federal funds in FY 2025-26. This includes adjustments related to R5 Language justice coordinator, R6 indirect cost allocation, and the annualization of prior year legislation.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for R6 indirect cost allocation.

| Executive Director's Office, General Administration, Operating Expenses |             |              |            |                   |               |     |
|-------------------------------------------------------------------------|-------------|--------------|------------|-------------------|---------------|-----|
| Item                                                                    | Total Funds | General Fund | Cash Funds | Reappropri. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                |             |              |            |                   |               |     |
| HB 24-1430 (Long Bill)                                                  | \$881,300   | \$726,583    | \$2,531    | \$151,848         | \$338         | 0.0 |
| S.B. 24-090 (Supplemental)                                              | \$0         | \$0          | \$0        | \$0               | \$0           | 0.0 |
| Total FY 2024-25                                                        | \$881,300   | \$726,583    | \$2,531    | \$151,848         | \$338         | 0.0 |
| FY 2025-26 Recommended Appropriation                                    |             |              |            |                   |               |     |
| FY 2024-25 Appropriation                                                | \$881,300   | \$726,583    | \$2,531    | \$151,848         | \$338         | 0.0 |
| R6 Indirect costs                                                       | 7,368       | 0            | 284        | 7,084             | 0             | 0.0 |
| R5 Language justice coord.                                              | 0           | 0            | 0          | 0                 | 0             | 0.0 |
| Annualize prior year budget actions                                     | -41,681     | -58,433      | -2,024     | 18,776            | 0             | 0.0 |
| Total FY 2025-26                                                        | \$846,987   | \$668,150    | \$791      | \$177,708         | \$338         | 0.0 |
| Changes from FY 2024-25                                                 | -\$34,313   | -\$58,433    | -\$1,740   | \$25,860          | \$0           | 0.0 |
| Percentage Change                                                       | -3.9%       | -8.0%        | -68.7%     | 17.0%             | 0.0%          | n/a |
| FY 2025-26 Executive Request                                            | \$847,722   | \$668,150    | \$791      | \$178,443         | \$338         | 0.0 |
| Staff Rec. Above/-Below Request                                         | -\$735      | \$0          | \$0        | -\$735            | \$0           | 0.0 |

## Legal Services

This line item is used to pay the Department of Law for the provision of legal services to all divisions.

*Statutory authority:* Sections 24-31-101 (1)(a), C.R.S., and 24-75-112 (1)(i), C.R.S.

*Request:* The Department requests \$1,366,934 General Fund for FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the

Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Legal Services |             |              |            |                 |               |     |
|---------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                            |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                              | \$42,857    | \$42,857     | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                                    | \$42,857    | \$42,857     | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                            | \$42,857    | \$42,857     | \$0        | \$0             | \$0           | 0.0 |
| Centrally appropriated items                                        | 1,324,077   | 1,324,077    | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                                    | \$1,366,934 | \$1,366,934  | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                             | \$1,324,077 | \$1,324,077  | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                   | 3,089.5%    | 3,089.5%     | n/a        | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                                        | \$1,366,934 | \$1,366,934  | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                     | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Administrative Law Judge Services

This line item provides funding for services received from the Division of Administrative Hearings in the Department of Personnel. Appropriations are based upon historical utilization of these services.

*Statutory authority:* Section 24-30-1001 (3), C.R.S.

*Request:* The Department requests \$2,824 General Fund for FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Administrative Law Judge Services |             |              |            |                 |               |     |
|----------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                   | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                               |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                                 | \$20,366    | \$20,366     | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                                                       | \$20,366    | \$20,366     | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                                   |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                               | \$20,366    | \$20,366     | \$0        | \$0             | \$0           | 0.0 |
| Centrally appropriated items                                                           | -17,544     | -17,544      | 0          | 0               | 0             | 0.0 |

| Executive Director's Office, General Administration, Administrative Law Judge Services |             |              |            |                 |               |     |
|----------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                   | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Total FY 2025-26                                                                       | \$2,822     | \$2,822      | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                                                | -\$17,544   | -\$17,544    | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                                      | -86.1%      | -86.1%       | n/a        | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                                                           | \$2,824     | \$2,824      | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                                        | -\$2        | -\$2         | \$0        | \$0             | \$0           | 0.0 |

## Payment to Risk Management and Property Funds

Funding appropriated to this line item is used to reimburse the Department of Personnel for the Department's share of the state's liability and property insurance.

*Statutory authority:* Sections 24-30-1510 and 24-30-1510.5, C.R.S.

*Request:* The Department requests \$3,726 General Fund for FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Payment to Risk Management and Property Funds |             |              |            |                 |               |     |
|----------------------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                               | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                                           |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                                             | \$3,653     | \$3,653      | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                                                                   | \$3,653     | \$3,653      | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                                               |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                                           | \$3,653     | \$3,653      | \$0        | \$0             | \$0           | 0.0 |
| Centrally appropriated items                                                                       | 650         | 650          | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                                                                   | \$4,303     | \$4,303      | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                                                            | \$650       | \$650        | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                                                  | 17.8%       | 17.8%        | n/a        | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                                                                       | \$3,726     | \$3,726      | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                                                    | \$577       | \$577        | \$0        | \$0             | \$0           | 0.0 |

## Vehicle Lease Payments

This line item provides funding for vehicles leased from the Department of Personnel and Administration for staff that must travel to complete their job duties. Funding supports the cost



of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles.

*Statutory authority:* Section 24-30-1104(2)(k), C.R.S.

*Request:* The Department requests \$7,762 General Fund for FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Vehicle Lease Payments |             |              |            |                 |               |     |
|-----------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                        | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                    |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                      | \$8,906     | \$8,906      | \$0        | \$0             | \$0           | 0.0 |
| S.B. 24-090 (Supplemental)                                                  | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                                            | \$8,906     | \$8,906      | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                        |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                    | \$8,906     | \$8,906      | \$0        | \$0             | \$0           | 0.0 |
| Centrally appropriated items                                                | -880        | -880         | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                                            | \$8,026     | \$8,026      | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                                     | -\$880      | -\$880       | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                           | -9.9%       | -9.9%        | n/a        | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                                                | \$7,762     | \$7,762      | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                             | \$264       | \$264        | \$0        | \$0             | \$0           | 0.0 |

## Capital Outlay

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

*Statutory authority:* Sections 26.5-1-104 and 26.5-1-106, C.R.S.

*Request:* The request includes \$126,730 General Fund for capital outlay in FY 2025-26.

*Recommendation:* Staff recommends approval of the request.

## Leased Space

This line item provides funding to support rental payments for office space rented in buildings outside of the capital complex. Currently, the Department leases 14,704 square feet at 710 South Ash Street in Glendale, CO.

*Statutory authority:* Section 26.5-1-104 C.R.S.

**Request:** The Department requests \$332,520 total funds, including \$123,032 General Fund, \$291 cash funds, and \$209,197 reappropriated for FY 2025-26. This includes adjustments related to centrally appropriated items.

**Recommendation:** The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, General Administration, Leased Space |             |              |            |                 |               |     |
|-------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                              | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                          |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                            | \$316,685   | \$117,173    | \$277      | \$199,235       | \$0           | 0.0 |
| Total FY 2024-25                                                  | \$316,685   | \$117,173    | \$277      | \$199,235       | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                              |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                          | \$316,685   | \$117,173    | \$277      | \$199,235       | \$0           | 0.0 |
| Centrally appropriated items                                      | 15,835      | 5,859        | 14         | 9,962           | 0             | 0.0 |
| Total FY 2025-26                                                  | \$332,520   | \$123,032    | \$291      | \$209,197       | \$0           | 0.0 |
| Changes from FY 2024-25                                           | \$15,835    | \$5,859      | \$14       | \$9,962         | \$0           | 0.0 |
| Percentage Change                                                 | 5.0%        | 5.0%         | 5.1%       | 5.0%            | n/a           | n/a |
| FY 2025-26 Executive Request                                      | \$332,520   | \$123,032    | \$291      | \$209,197       | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                   | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Statewide Indirect Cost Assessment [New line item]

This line item finances the Department's indirect cost assessment according to the state plan. The state plan takes costs associated with agencies such as the Governor's Office, the Department of Personnel, and the Department of Treasury that are not directly billed and allocates these costs to each state department. The departments are then responsible for collecting the money from the various sources of revenue that support their activities. Pursuant to JBC policy, the money collected is used to offset the need for General Fund in the executive director's office of each department to ensure that departments have an incentive to make the collections. An increase in the statewide indirect assessment on a department will decrease the need for General Fund in the executive director's office, and vice versa. The indirect cost assessment on a department can change from year to year based on changes in the total statewide indirect cost pool or based on changes in the allocation of costs. The allocation of costs complies with criteria of the Government Accounting Standards Bureau (GASB).

**Statutory authority:** Section 24-75-112, C.R.S.

**Request:** The Department requests \$174,389 reappropriated funds related to statewide indirect cost recoveries.

*Recommendation:* Recommendations include \$1,204 reappropriated funds for statewide indirect cost recoveries.

## (B) Information Technology Systems

### Information Technology Contracts and Equipment

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

*Statutory authority:* Sections 26.5-1-104 and 26.5-1-106, C.R.S.

*Request:* The Department requests \$11,792,150 total funds, including \$7,852,664 General Fund, \$3,260,000 cash funds, and \$679,486 federal funds for FY 2025-26. This includes adjustments related to the annualization of prior year legislation and budget actions and R6 indirect cost allocations.

*Recommendation:* The staff recommendation is provided in the table below.

| Executive Director's Office, Information Technology, Information Technology Contracts and Equipment |              |              |             |                 |               |     |
|-----------------------------------------------------------------------------------------------------|--------------|--------------|-------------|-----------------|---------------|-----|
| Item                                                                                                | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                                            |              |              |             |                 |               |     |
| HB 24-1430 (Long Bill)                                                                              | \$11,721,956 | \$7,877,898  | \$3,260,000 | \$0             | \$584,058     | 0.0 |
| Total FY 2024-25                                                                                    | \$11,721,956 | \$7,877,898  | \$3,260,000 | \$0             | \$584,058     | 0.0 |
| FY 2025-26 Recommended Appropriation                                                                |              |              |             |                 |               |     |
| FY 2024-25 Appropriation                                                                            | \$11,721,956 | \$7,877,898  | \$3,260,000 | \$0             | \$584,058     | 0.0 |
| Annualize prior year legislation                                                                    | 47,183       | 47,183       | 0           | 0               | 0             | 0.0 |
| Annualize prior year budget actions                                                                 | 23,011       | 273,011      | 0           | 0               | -250,000      | 0.0 |
| R6 Indirect costs                                                                                   | 0            | -345,428     | 0           | 0               | 345,428       | 0.0 |
| Total FY 2025-26                                                                                    | \$11,792,150 | \$7,852,664  | \$3,260,000 | \$0             | \$679,486     | 0.0 |
| Changes from FY 2024-25                                                                             | \$70,194     | -\$25,234    | \$0         | \$0             | \$95,428      | 0.0 |
| Percentage Change                                                                                   | 0.6%         | -0.3%        | 0.0%        | n/a             | 16.3%         | n/a |
| FY 2025-26 Executive Request                                                                        | \$11,792,150 | \$7,852,664  | \$3,260,000 | \$0             | \$679,486     | 0.0 |
| Staff Rec. Above/-Below Request                                                                     | \$0          | \$0          | \$0         | \$0             | \$0           | 0.0 |

### Information Technology Systems Managed by Other Departments

This line item supports funding for the expenses associated with the information technology systems managed by other departments.

*Statutory authority:* Section 26.5-1-104, C.R.S.

*Request:* The Department requests \$574,700 total funds, including \$68,427 General Fund, and \$506,273 federal funds for FY 2025-26. This includes adjustments related to the annualization of prior year budget actions and impacts driven by other agencies.

*Recommendation:* The staff recommendation is provided in the table below.

| Executive Director's Office, Information Technology, Information Technology Systems Managed by Other Departments |             |              |            |                 |               |     |
|------------------------------------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                                             | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                                                         |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                                                           | \$583,653   | \$73,840     | \$0        | \$0             | \$509,813     | 0.0 |
| Total FY 2024-25                                                                                                 | \$583,653   | \$73,840     | \$0        | \$0             | \$509,813     | 0.0 |
| FY 2025-26 Recommended Appropriation                                                                             |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                                                         | \$583,653   | \$73,840     | \$0        | \$0             | \$509,813     | 0.0 |
| Impacts driven by other agencies                                                                                 | -7,697      | -4,785       | 0          | 0               | -2,912        | 0.0 |
| Annualize prior year budget actions                                                                              | -1,256      | -628         | 0          | 0               | -628          | 0.0 |
| Total FY 2025-26                                                                                                 | \$574,700   | \$68,427     | \$0        | \$0             | \$506,273     | 0.0 |
| Changes from FY 2024-25                                                                                          | -\$8,953    | -\$5,413     | \$0        | \$0             | -\$3,540      | 0.0 |
| Percentage Change                                                                                                | -1.5%       | -7.3%        | n/a        | n/a             | -0.7%         | n/a |
| FY 2025-26 Executive Request                                                                                     | \$574,700   | \$68,427     | \$0        | \$0             | \$506,273     | 0.0 |
| Staff Rec. Above/-Below Request                                                                                  | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Payments to OIT

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

*Statutory authority:* Sections 24-37.5-102 et. seq., and 24-37.5-501 et seq., C.R.S.

*Request:* The Department requests \$15,293,618 total funds, including \$12,603,755 General Fund, and \$2,689,863 reappropriated funds for FY 2025-26. This includes adjustments related to the annualization of prior year budget actions and impacts driven by other agencies.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, Information Technology, Payments to OIT |              |              |            |                 |               |     |
|----------------------------------------------------------------------|--------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                 | Total Funds  | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                             |              |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                               | \$12,929,354 | \$10,651,392 | \$0        | \$2,277,962     | \$0           | 0.0 |
| S.B. 24-090 (Supplemental)                                           | -144,322     | -144,322     | 0          | 0               | 0             | 0.0 |

| Executive Director's Office, Information Technology, Payments to OIT |              |              |            |                 |               |     |
|----------------------------------------------------------------------|--------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                 | Total Funds  | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Total FY 2024-25                                                     | \$12,785,032 | \$10,507,070 | \$0        | \$2,277,962     | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                 |              |              |            |                 |               |     |
| FY 2024-25 Appropriation                                             | \$12,785,032 | \$10,507,070 | \$0        | \$2,277,962     | \$0           | 0.0 |
| Centrally appropriated items                                         | 2,337,885    | 1,925,984    | 0          | 411,901         | 0             | 0.0 |
| Annualize prior year legislation                                     | 170,701      | 170,701      | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                                     | \$15,293,618 | \$12,603,755 | \$0        | \$2,689,863     | \$0           | 0.0 |
| Changes from FY 2024-25                                              | \$2,508,586  | \$2,096,685  | \$0        | \$411,901       | \$0           | 0.0 |
| Percentage Change                                                    | 19.6%        | 20.0%        | n/a        | 18.1%           | n/a           | n/a |
| FY 2025-26 Executive Request                                         | \$15,293,618 | \$12,603,755 | \$0        | \$2,689,863     | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                      | \$0          | \$0          | \$0        | \$0             | \$0           | 0.0 |

## CORE Operations

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

*Statutory authority:* Sections 26.5-1-104, 24-72.4-102(7), and 24-30-202, C.R.S.

*Request:* The Department requests \$76,470 General Fund for FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and provides adjustments for centrally appropriated items unrelated to the Department's prioritized request. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions that affect this line item, but are not addressed in this document.

| Executive Director's Office, Information Technology, CORE Operations |             |              |            |                 |               |     |
|----------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                 | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                             |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                               | \$15,600    | \$15,600     | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                                     | \$15,600    | \$15,600     | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                 |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                             | \$15,600    | \$15,600     | \$0        | \$0             | \$0           | 0.0 |
| Centrally appropriated items                                         | 5,841       | 5,841        | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                                     | \$21,441    | \$21,441     | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                              | \$5,841     | \$5,841      | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                    | 37.4%       | 37.4%        | n/a        | n/a             | n/a           | n/a |

| Executive Director's Office, Information Technology, CORE Operations |             |              |            |                 |               |     |
|----------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                 | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2025-26 Executive Request                                         | \$76,470    | \$76,470     | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                      | -\$55,029   | -\$55,029    | \$0        | \$0             | \$0           | 0.0 |

## Child Care Automated Tracking System

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

*Statutory authority:* Section 26.5-4-101, C.R.S.

*Request:* The Department requests \$4,414,382 total funds, including \$504,449 General Fund, and \$3,909,933 federal funds for FY 2025-26. This includes adjustments related to the annualization of prior year budget actions and legislation.

*Recommendation:* The staff recommendation is provided in the table below. Staff recommends further discussion regarding the built out of CHATS.

| Executive Director's Office, Information Technology, Child Care Automated Tracking System |             |              |            |                 |               |     |
|-------------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                      | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                                  |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                                    | \$3,959,933 | \$0          | \$0        | \$0             | \$3,959,933   | 0.0 |
| Total FY 2024-25                                                                          | \$3,959,933 | \$0          | \$0        | \$0             | \$3,959,933   | 0.0 |
| FY 2025-26 Recommended Appropriation                                                      |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                                  | \$3,959,933 | \$0          | \$0        | \$0             | \$3,959,933   | 0.0 |
| Annualize prior year legislation                                                          | 504,449     | 504,449      | 0          | 0               | 0             | 0.0 |
| Annualize prior year budget actions                                                       | -50,000     | 0            | 0          | 0               | -50,000       | 0.0 |
| Total FY 2025-26                                                                          | \$4,414,382 | \$504,449    | \$0        | \$0             | \$3,909,933   | 0.0 |
| Changes from FY 2024-25                                                                   | \$454,449   | \$504,449    | \$0        | \$0             | -\$50,000     | 0.0 |
| Percentage Change                                                                         | 11.5%       | n/a          | n/a        | n/a             | -1.3%         | n/a |
| FY 2025-26 Executive Request                                                              | \$4,414,382 | \$504,449    | \$0        | \$0             | \$3,909,933   | 0.0 |
| Staff Rec. Above/-Below Request                                                           | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## (2) Partnerships and Collaborations

The Division of Partnerships and Collaborations includes support for various early childhood coordinating bodies and family support programs including Early Childhood Councils and Local Coordinating Organizations as well as Family Resource Centers and Child Care Resource and Referrals.

| Partnerships and Collaborations             |                     |                    |                    |                    |            |
|---------------------------------------------|---------------------|--------------------|--------------------|--------------------|------------|
| Item                                        | Total Funds         | General Fund       | Cash Funds         | Federal Funds      | FTE        |
| <b>FY 2024-25 Appropriation</b>             |                     |                    |                    |                    |            |
| HB 24-1430 (Long Bill)                      | \$12,157,820        | \$3,074,639        | \$2,800,000        | \$6,283,181        | 6.5        |
| S.B. 24-090 (Supplemental)                  | \$49,169            | \$0                | \$0                | \$49,169           | 0.0        |
| <b>Total FY 2024-25</b>                     | <b>\$12,206,989</b> | <b>\$3,074,639</b> | <b>\$2,800,000</b> | <b>\$6,332,350</b> | <b>6.5</b> |
| <b>FY 2025-26 Recommended Appropriation</b> |                     |                    |                    |                    |            |
| FY 2024-25 Appropriation                    | \$12,206,989        | \$3,074,639        | \$2,800,000        | \$6,332,350        | 6.5        |
| R2/BA2 Universal preschool program          | 1,721,570           | 0                  | 1,721,570          | 0                  | 0.0        |
| R6 Indirect costs                           | 51,222              | 0                  | 0                  | 51,222             | 0.0        |
| SI General Fund relief options              | -745,654            | -745,654           | 0                  | 0                  | 0.0        |
| Centrally appropriated items                | 29,999              | 3,241              | 0                  | 26,758             | 0.0        |
| Statewide indirect costs                    | 9,898               | 0                  | 0                  | 9,898              | 0.0        |
| Annualize prior year budget actions         | -1,269,699          | 0                  | 0                  | -1,269,699         | 0.0        |
| Annualize prior year legislation            | -49,169             | 0                  | 0                  | -49,169            | 0.0        |
| <b>Total FY 2025-26</b>                     | <b>\$11,955,156</b> | <b>\$2,332,226</b> | <b>\$4,521,570</b> | <b>\$5,101,360</b> | <b>6.5</b> |
| Changes from FY 2024-25                     | -\$251,833          | -\$742,413         | \$1,721,570        | -\$1,230,990       | 0.0        |
| Percentage Change                           | -2.1%               | -24.1%             | 61.5%              | -19.4%             | 0.0%       |
| FY 2025-26 Executive Request                | \$12,700,810        | \$3,077,880        | \$4,521,570        | \$5,101,360        | 6.5        |
| Staff Rec. Above/-Below Request             | -\$745,654          | -\$745,654         | \$0                | \$0                | 0.0        |

## Decision Items

### → BA2a Universal Preschool Program – LCO funding

#### Request

The Department requests an increase of \$1,721,570 cash funds from the Preschool Programs Cash Fund to maintain level spending authority from FY 2024-25 to FY 2025-26 for the Local Coordinating Organizations. The full request for BA2 Universal Preschool Program is discussed in the Early Learning Access and Quality Division.

#### Recommendation

Staff recommends approval of this portion of BA2a.

## Analysis

### Background

Local Coordinating Organizations (LCOs) are statutorily required with duties stipulated in Section 26.5-2-104, C.R.S. Broadly, their responsibilities include developing a community plan for early childhood and family support programs and services, fostering equitable access for families to early childhood and family support programs and services, and encouraging robust participation by local providers in said programs within the community. LCOs are to develop community plans with an eye towards increasing equitable access to early childhood care. They serve as resources for families and providers as well as regional partners to oversee implementation of early childhood programs.

Local entities may apply to be LCOs and may be county or municipal government agencies, school districts, boards of cooperative services, early childhood councils, family resource centers, special taxing districts, head start grantees, local nonprofit organizations, charter school networks and collaboratives, and other public institutions. Before terminating a contract with an LCO, the Department must seek its replacement in the community. There are currently 32 LCOs across the state, the majority of which are also Early Childhood councils.

In addition to developing the community plan, LCO staff are required to conduct outreach and support to providers, respond to family inquiries, and travel to locations to provide training and support as necessary. Funding primarily supports staffing and operational costs pertaining to the production and distribution of outreach materials, website updates, and social media outreach.

### Implementation and Funding

House Bill 22-1295 established the role and function of Local Coordinating Organizations (LCOs). In FY 2022-23 and again in FY 2023-24, the Long Bill provided \$5.3 million total funds from federal stimulus dollars for the implementation of the LCOs. In FY 2024-25, the Long Bill provided \$721,570 of the remaining federal stimulus dollars and \$2.8 million cash funds from the Preschool Programs Cash Fund to support their function. As part of a late request for the FY 2024-25 Long Bill, the Department was granted footnote authority to transfer \$1.0 million cash funds from the Preschool Programs Cash Fund appropriated to the Universal Preschool Program line item to the Local Coordinating Organization line item if needed. This flexibility provided a total of \$4.5 million spending authority for Local Coordinating Organizations in the FY 2024-25 Long Bill.

### Request

The Department requests an increase of \$1.7 million cash funds from the Preschool Program cash fund to maintain level funding of \$4.5 million from FY 2024-25 to FY 2025-26 for Local Coordinating Organizations.



## Recommendation

Staff recommends approval of the request. As long as LCOs are utilized for the coordination and implementation for the Universal Preschool Program, it behooves the State to maintain level funding.

## Evidence Designation

An evidence designation is not applicable to this request as it is not a program or practice

## → SI: General Fund Relief: Reduce funding for Family Resource Centers

## Request

The Department did not request a funding reduction for Family Resource Centers as part of its General Fund relief options. However, JBC staff brought forward an option to reduce funding for Family Resource Centers by \$745,654 during the JBC budget briefing on the Department of Early Childhood in the fall.

## Recommendation

Staff recommends a \$745,654 General Fund reduction for Family Resource Centers (FRCs) line item, leaving \$1.0 million General Fund in the line item for FY 2025-26. This represents a 42.7% decrease in funding for this line item, it is an approximate 15.0 decrease in total state funding for FRCs.

## Analysis

### Background

This line item provides direct funding to the Family Resource Centers (FRCs) program to provide training, technical assistance, and grants for the establishment and maintenance of FRCs. This line item also supports costs related to management and contracting.

Family Resource Centers (FRCs) serve as resource hubs for families, connecting them with support services. The services provided by an FRC depend on the needs of the community it serves but may include food and nutrition services, parenting classes, English classes, clothing markets, connection to financial assistance, housing assistance, workforce training, and more. FRCs rely on many sources of funding to support their operations, including state funding.

### Funding

In FY 2022-23, House Bill 22-1295 transferred \$1,661,578 General Fund from the Department of Human Services to the newly-created Department of Early Childhood for Family Resource Centers. That amount increased to \$1,711,425 General Fund in FY 2023-24 and then \$1,745,654

General Fund in the current fiscal year. The Department is not requesting an increase for this line item in FY 2025-26.

## Recommendation

Staff recommends a reduction of \$745,654 General Fund in FY 2025-26 and ongoing. Staff is bringing this recommended reduction solely for the purpose of finding General Fund relief. Family Resource Centers receive funding through this line item as well as program-specific funding through the Child Maltreatment Prevention line item. Any reduction to this line item will reduce the amount of grant funding available for awards.

# Line Item Detail

## Personal Services

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

*Statutory authority:* Sections 26.5-1-104, and 24-50-101, C.R.S.

*Request:* The Department requests \$852,058 total funds, including \$286,380 General Fund, and \$565,678 federal funds for FY 2025-26. This includes adjustments related to centrally appropriated items.

*Recommendation:* The staff recommendation is provided in the table below. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions (such as provider rates) that affect this line item, but are not addressed in this document.

| Partnerships and Collaborations, Personal Services |             |              |            |                 |               |      |
|----------------------------------------------------|-------------|--------------|------------|-----------------|---------------|------|
| Item                                               | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation                           |             |              |            |                 |               |      |
| HB 24-1430 (Long Bill)                             | \$822,059   | \$283,139    | \$0        | \$0             | \$538,920     | 6.5  |
| Total FY 2024-25                                   | \$822,059   | \$283,139    | \$0        | \$0             | \$538,920     | 6.5  |
| FY 2025-26 Recommended Appropriation               |             |              |            |                 |               |      |
| FY 2024-25 Appropriation                           | \$822,059   | \$283,139    | \$0        | \$0             | \$538,920     | 6.5  |
| Centrally appropriated items                       | 29,999      | 3,241        | 0          | 0               | 26,758        | 0.0  |
| Total FY 2025-26                                   | \$852,058   | \$286,380    | \$0        | \$0             | \$565,678     | 6.5  |
| Changes from FY 2024-25                            | \$29,999    | \$3,241      | \$0        | \$0             | \$26,758      | 0.0  |
| Percentage Change                                  | 3.6%        | 1.1%         | n/a        | n/a             | 5.0%          | 0.0% |
| FY 2025-26 Executive Request                       | \$852,058   | \$286,380    | \$0        | \$0             | \$565,678     | 6.5  |
| Staff Rec. Above/-Below Request                    | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0  |

## Operating Expenses

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

*Statutory authority:* Sections 26.5-1-104, and 24-102-302, C.R.S.

*Request:* The request includes \$182,766 total funds including \$45,846 General Fund and \$136,920 federal funds from the Child Care Development Fund for FY 2025-26.

*Recommendation:* Staff recommends approval of the request.

## Local Coordinating Organizations

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

*Statutory authority:* Section 26.5-2-101 et seq., C.R.S.

*Request:* The Department requests \$4,521,570 cash funds from the Preschool Programs Cash Fund funds for LCOs in FY 2025-26. This includes adjustments related to R2/BA2 Universal Preschool Program and reflects the annualization of prior year budget actions.

*Recommendation:* The staff recommendation is provided in the table below.

| Partnerships and Collaborations, Local Coordinating Organizations |             |              |             |                 |               |     |
|-------------------------------------------------------------------|-------------|--------------|-------------|-----------------|---------------|-----|
| Item                                                              | Total Funds | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                          |             |              |             |                 |               |     |
| HB 24-1430 (Long Bill)                                            | \$3,521,570 | \$0          | \$2,800,000 | \$0             | \$721,570     | 0.0 |
| Total FY 2024-25                                                  | \$3,521,570 | \$0          | \$2,800,000 | \$0             | \$721,570     | 0.0 |
| FY 2025-26 Recommended Appropriation                              |             |              |             |                 |               |     |
| FY 2024-25 Appropriation                                          | \$3,521,570 | \$0          | \$2,800,000 | \$0             | \$721,570     | 0.0 |
| R2/BA2 Universal preschool program                                | 1,721,570   | 0            | 1,721,570   | 0               | 0             | 0.0 |
| Annualize prior year budget actions                               | -721,570    | 0            | 0           | 0               | -721,570      | 0.0 |
| Total FY 2025-26                                                  | \$4,521,570 | \$0          | \$4,521,570 | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                           | \$1,000,000 | \$0          | \$1,721,570 | \$0             | -\$721,570    | 0.0 |
| Percentage Change                                                 | 28.4%       | n/a          | 61.5%       | n/a             | -100.0%       | n/a |
| FY 2025-26 Executive Request                                      | \$4,521,570 | \$0          | \$4,521,570 | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                   | \$0         | \$0          | \$0         | \$0             | \$0           | 0.0 |

## Early Childhood Councils

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

*Statutory authority:* Section 26.5-2-101 et seq., C.R.S.

*Request:* The Department requests \$4,414,452 total funds including \$1,000,000 General Fund and \$3,414,452 federal funds from CCDF for ECCs in FY 2025-26. This reflects level funding from FY 2024-25 to FY 2025-26.

*Recommendation:* The staff recommends approval of the requested funding.

## Child Care Resource and Referrals

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

*Statutory authority:* Section 26.5-2-101 et seq., C.R.S.

*Request:* The Department requests \$663,835 federal funds from CCDF for the Child Care Resource and Referrals program in FY 2025-26. This reflects adjustments related to the annualization of prior year budget actions.

*Recommendation:* The staff recommendation is provided in the table below.

| Partnerships and Collaborations, Child Care Resource and Referrals |             |              |            |                 |               |     |
|--------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                               | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                           |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                             | \$1,211,964 | \$0          | \$0        | \$0             | \$1,211,964   | 0.0 |
| Total FY 2024-25                                                   | \$1,211,964 | \$0          | \$0        | \$0             | \$1,211,964   | 0.0 |
| FY 2025-26 Recommended Appropriation                               |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                           | \$1,211,964 | \$0          | \$0        | \$0             | \$1,211,964   | 0.0 |
| Annualize prior year budget actions                                | -548,129    | 0            | 0          | 0               | -548,129      | 0.0 |
| Total FY 2025-26                                                   | \$663,835   | \$0          | \$0        | \$0             | \$663,835     | 0.0 |
| Changes from FY 2024-25                                            | -\$548,129  | \$0          | \$0        | \$0             | -\$548,129    | 0.0 |
| Percentage Change                                                  | -45.2%      | n/a          | n/a        | n/a             | -45.2%        | n/a |

| Partnerships and Collaborations, Child Care Resource and Referrals |             |              |            |                 |               |     |
|--------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                               | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2025-26 Executive Request                                       | \$663,835   | \$0          | \$0        | \$0             | \$663,835     | 0.0 |
| Staff Rec. Above/-Below Request                                    | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Family Resource Centers

This line item provides funding for the Family Resource Center Program (FRCP) which provides training, technical assistance, and grants to establish and maintain family resource centers across Colorado. This line item is funded with General Fund, and supports costs related to managing the program, contracts with program sites, and other contractual costs necessary for the implementation and evaluation of the program.

*Statutory authority:* Sections 26.5-3-101 et seq., and 26.5-3-103, C.R.S.

*Request:* The Department requests \$1,745,654 General Fund for Family Resource Centers in FY 2025-26 which reflects level funding from FY 2024-25 to FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and reflects a reduction of \$745,654 General Fund as a budget balancing measure.

| Partnerships and Collaborations, Family Resource Centers |             |              |            |                 |               |     |
|----------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                     | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                 |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                   | \$1,745,654 | \$1,745,654  | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                         | \$1,745,654 | \$1,745,654  | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                     |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                 | \$1,745,654 | \$1,745,654  | \$0        | \$0             | \$0           | 0.0 |
| SI General Fund relief                                   | -745,654    | -745,654     | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                         | \$1,000,000 | \$1,000,000  | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                  | -\$745,654  | -\$745,654   | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                        | -42.7%      | -42.7%       | n/a        | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                             | \$1,745,654 | \$1,745,654  | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                          | -\$745,654  | -\$745,654   | \$0        | \$0             | \$0           | 0.0 |

## Indirect Cost Assessment

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

*Statutory authority:* Section 26.5-1-108(1)-(2), C.R.S.

*Request:* The Department requests \$320,475 federal funds to reflect indirect cost collections from this Division in FY 2025-26. This includes adjustments related to R6 Indirect costs, statewide indirect cost collections, and the annualization of prior year legislation.

*Recommendation:* The staff recommendation is provided in the table below.

| Partnerships and Collaborations, Indirect Cost Assessment |             |              |            |                 |               |     |
|-----------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                      | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                  |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                    | \$259,355   | \$0          | \$0        | \$0             | \$259,355     | 0.0 |
| S.B. 24-090 (Supplemental)                                | \$49,169    | \$0          | \$0        | \$0             | \$49,169      | 0.0 |
| Total FY 2024-25                                          | \$308,524   | \$0          | \$0        | \$0             | \$308,524     | 0.0 |
| FY 2025-26 Recommended Appropriation                      |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                  | \$308,524   | \$0          | \$0        | \$0             | \$308,524     | 0.0 |
| R6 Indirect costs                                         | 51,222      | 0            | 0          | 0               | 51,222        | 0.0 |
| Statewide indirect costs                                  | 9,898       | 0            | 0          | 0               | 9,898         | 0.0 |
| Annualize prior year legislation                          | -49,169     | 0            | 0          | 0               | -49,169       | 0.0 |
| Total FY 2025-26                                          | \$320,475   | \$0          | \$0        | \$0             | \$320,475     | 0.0 |
| Changes from FY 2024-25                                   | \$11,951    | \$0          | \$0        | \$0             | \$11,951      | 0.0 |
| Percentage Change                                         | 3.9%        | n/a          | n/a        | n/a             | 3.9%          | n/a |
| FY 2025-26 Executive Request                              | \$320,475   | \$0          | \$0        | \$0             | \$320,475     | 0.0 |
| Staff Rec. Above/-Below Request                           | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

### (3) Early Learning Access and Quality

This Division is responsible for the administration of two large early childhood programs, the Colorado Child Care Assistance Program and the Universal Preschool Program, as well as for the administration of various programs that support the early childhood workforce and child care quality improvements.

| Early Learning Access and Quality           |                      |                      |                      |                      |             |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| Item                                        | Total Funds          | General Fund         | Cash Funds           | Federal Funds        | FTE         |
| <b>FY 2024-25 Appropriation</b>             |                      |                      |                      |                      |             |
| HB 24-1430 (Long Bill)                      | \$553,752,610        | \$186,198,537        | \$216,175,137        | \$151,378,936        | 56.4        |
| S.B. 24-090 (Supplemental)                  | \$587,126            | -\$100,000           | \$0                  | \$687,126            | 0.0         |
| Long bill supplemental                      | \$15,000,000         | \$0                  | \$0                  | \$15,000,000         | 0.0         |
| <b>Total FY 2024-25</b>                     | <b>\$569,339,736</b> | <b>\$186,098,537</b> | <b>\$216,175,137</b> | <b>\$167,066,062</b> | <b>56.4</b> |
| <b>FY 2025-26 Recommended Appropriation</b> |                      |                      |                      |                      |             |
| FY 2024-25 Appropriation                    | \$569,339,736        | \$186,098,537        | \$216,175,137        | \$167,066,062        | 56.4        |
| R1/BA1 CCDF Regulation implementation       | 21,747,439           | 5,000,000            | 2,405,420            | 14,342,019           | 0.0         |
| R2/BA2 Universal preschool program          | 5,036,760            | 0                    | 5,036,760            | 0                    | 0.0         |
| R5 Language justice coord.                  | 0                    | 0                    | 0                    | 0                    | 0.0         |
| R6 Indirect costs                           | 604,937              | -100,000             | 0                    | 704,937              | 0.0         |
| Centrally appropriated items                | 226,226              | 23,919               | 29,946               | 172,361              | 0.0         |
| Statewide indirect costs                    | 76,462               | 0                    | 0                    | 76,462               | 0.0         |
| Technical adjustments new line items        | 0                    | 0                    | 0                    | 0                    | 0.0         |
| Annualize prior year budget actions         | -17,352,806          | 11,262               | 424,399              | -17,788,467          | 3.7         |
| SI Long bill supplemental                   | -15,000,000          | 0                    | 0                    | -15,000,000          | 0.0         |
| Annualize prior year legislation            | -522,293             | 164,833              | 0                    | -687,126             | 0.9         |
| <b>Total FY 2025-26</b>                     | <b>\$564,156,461</b> | <b>\$191,198,551</b> | <b>\$224,071,662</b> | <b>\$148,886,248</b> | <b>61.0</b> |
| Changes from FY 2024-25                     | -\$5,183,275         | \$5,100,014          | \$7,896,525          | -\$18,179,814        | 4.6         |
| Percentage Change                           | -0.9%                | 2.7%                 | 3.7%                 | -10.9%               | 8.2%        |
| <b>FY 2025-26 Executive Request</b>         | <b>\$568,545,311</b> | <b>\$199,856,881</b> | <b>\$224,734,902</b> | <b>\$143,953,528</b> | <b>61.0</b> |
| Staff Rec. Above/-Below Request             | -\$4,388,850         | -\$8,658,330         | -\$663,240           | \$4,932,720          | 0.0         |

## Decision Items

### → R1/BA1 CCDF regulation implementation and State investment in CCCAP

#### Request

The Department requests \$21.7 million total funds including \$10.0 million General Fund, \$2.4 million cash funds from local government sources, 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.

#### Recommendation

Staff recommends \$21.7 million total funds including \$5.0 million General Fund, \$2.5 million cash funds from local government sources, and \$14.3 million federal Child Care Development Funds (CCDF) to support the Colorado Child Care Assistance Program (CCCAP) in FY 2025-26 and ongoing. To provide additional resources for the Expanding Quality for Infants and Toddlers (EQIT) program, staff recommends a decrease in the Early Childhood Quality and Access line item to provide the increase in the Professional Development and Training line item through which the EQIT program is funded. This would require the Department to shuffle current quality expenditures to support the increase for infant/toddler quality improvements.

#### Analysis

##### Background

The Colorado Child Care Assistance Program (CCCAP) provides child care assistance to low-income families who are income eligible and are employed, searching for employment, or are in post-secondary education or training; are receiving Temporary Assistance for needy Families (TANF) basic cash assistance and/or state diversion and who need child care services to support efforts towards self-sufficiency, or per county rules have an open protective services child welfare case. The program is designed to allow eligible families to choose child care settings and schedules to best meet their needs. CCCAP is administered through local county Departments of Human Services, and funding is a mixture of federal, state, and county funds.

Utilizing stimulus funds during the COVID pandemic, the Department implemented several changes to address increased costs of providing child care, to decrease the burden of payment on families, to provide reimbursements based on enrollment rather than absences for infants and toddlers and increasing the number of paid absences for older enrolled children, and to adjust for the federally required market rate survey provider rate increase.



A significant portion of federal CCDF stimulus funding rolled off at the end of FY 2023-24, and a smaller portion of the stimulus funds remained through FY 2024-25. In April 2023, after appropriations were set by the General Assembly, the Department received a retroactive federal award, increasing available funds by approximately \$17.7 million in CCDF. The Department received an appropriation to use this increase in FY 2024-25 to continue the stimulus-funded polices as well as to support 5.0 FTE previously supported with stimulus funds.

## 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 FY 2024-25, 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.

### *New Provider Rate Methodology*

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>

Beginning October 1, 2024, the state implemented the new provider rate reimbursement methodology estimated to cost approximately \$20.4 million annually, implemented over three years.<sup>1</sup> After implementation, it became clear that the actual cost of the new provider rate reimbursement is greater than estimated. Given the budget constraints and the county freezes and waitlists recently implemented, the Department intends to have conversations with federal counterparts to determine whether the State may implement a different reimbursement plan that would lower costs to the State but still satisfy the requirement to increase pay. The result of those conversations likely won't be known in the near future.

#### *House Bill 24-1223*

Changes made in HB24-1223 (Access to CCCAP) align State law with the new federal rules for CCCAP. Essentially, this bill codifies the new federal requirements into state law with the caveat that it is "subject to federal appropriations." The federal requirements are already in place, even though the Department is operating on a waiver, and the legislation made any changes subject to federal appropriations. If the federal government does not provide additional federal funds and does not repeal the new rule, this will be an unfunded mandate to the State. It's unclear what repercussions may be in store should the State not implement the new requirements.

This 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.

#### *Technology Costs*

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<sup>1</sup> This is an estimated amount. The Department is analyzing monthly data to further refine estimates.

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.

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 budget of \$2.9 million for this project. The Department originally estimated total costs of modifications at \$4.0 million. Required changes include the following:

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

## Enrollment & Expenditures

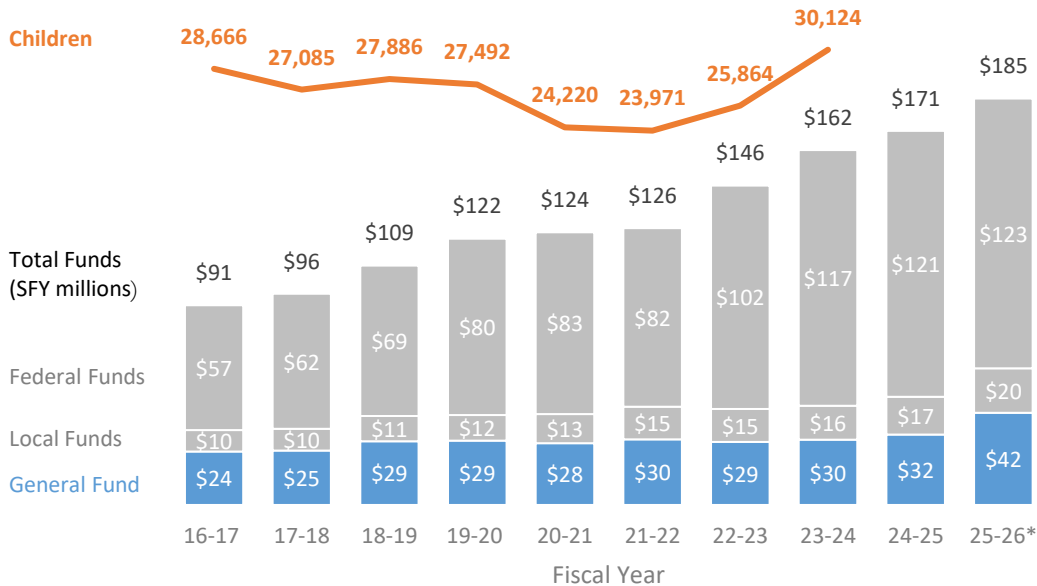
CCCAP serves an average of 28,730 children each year through 2,462 licensed providers. There are three cohorts of eligible families: income eligible, families who receive TANF, and, at the county option, families with an open protective services child welfare case. The table below shows the FY 2023-24 service count by type:

| FY 2023-24 CCCAP Caseload Based on Authorizations                                                                                                                                                       |            |               |                            |                                 |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------|----------------------------|---------------------------------|--------|
|                                                                                                                                                                                                         | Low-Income | TANF<br>CCCAP | Child<br>Welfare<br>CCCAP* | Protective<br>Services<br>CCCAP | Total  |
| Families                                                                                                                                                                                                | 16,450     | 3,666         | 1,192                      | 414                             | 21,722 |
| Children                                                                                                                                                                                                | 25,123     | 5,615         | 1,616                      | 535                             | 32,889 |
| * Child welfare CCCAP is funded through child welfare funds unlike the other three types of CCCAP which are funded through the CCCAP allocation formula with a mixture of CCDF, state, and local funds. |            |               |                            |                                 |        |

As of 12/1/2024, 36 counties offered protective services CCCAP. As of 2/1/2025, 34 counties offered the protective services CCCAP, and of those 34, five counties anticipate expending more than their allocation for CCCAP services. County optional policies will be discussed further in a later portion of this document.

Total caseload numbers for CCCAP decreased significantly between FY 2019-20 and FY 2020-21, bouncing back in FY 2022-23. The increase from FY 2022-23 to FY 2023-24 is largely attributable to the inclusion of the count of children served through child welfare, which previously had not been included in totals. Preliminary totals for the current fiscal year are not available but are anticipated to decline precipitously in the next few years due to higher costs, children remaining in care longer, and stagnant federal appropriations. The table below shows the number of children and families enrolled in FY 2023-24 by enrollment type:

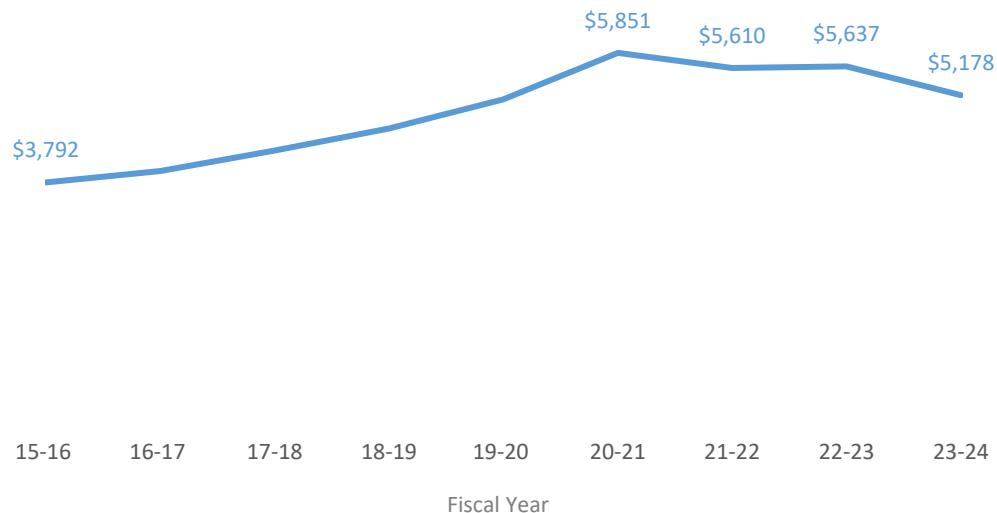
### Colorado Child Care Assistance Program and number of children served over time.



\*Note: 2025-26 reflects the total amounts requested by the Department, not recommendations

Below is a chart demonstrating the average expenditure per child in constant FY 2024-25 dollars. The average expenditure per child grew over time, peaking in FY 2020-21 as participation declined, stimulus dollars were infused into the program, and reimbursements to providers increased. The decline in constant dollar expenditures per child may be largely attributable to the inflation experienced in recent years.

### Colorado Child Care Assistance Program Average Expenditures per Child in constant FY 2024-25 dollars



## Request

The Department requests a total of \$21,747,439 in FY 2025-26 and ongoing, including \$10.0 million General Fund, \$9,132,019 federal Child Care Development Fund (CCDF), and \$2,405,420 from local government maintenance of effort payments for the CCCAP program. Of this amount, \$210,000 would be utilized for the Expanding Quality for Infants and Toddlers (EQIT) Professional Development Intervention.

The requested increase would continue CCCAP policies related to lower parent copays and infant-toddler provider payments based on enrollment to maintain the federal waiver to implement the new CCDF rules. It also includes funding for the second year phase-in of the new provider reimbursement payments.

### *Expanding Quality for Infants and Toddlers (EQIT)*

EQIT is an in-service professional development intervention designed for center-and home-based child care providers. EQIT works with Early Childhood councils and EQIT trainers to increase the quality and availability of responsive care for infants and toddlers. Completion of the course helps professionals progress toward higher levels of Early Childhood Professional Credential which may create access to tax credits. A total of 19,604 professionals have completed the EQIT course since 2000 with an average of 831 trained per year.

Currently, there are four active Spanish-speaking trainers and four Arabic-speaking instructors for EQIT. These EQIT training classes fill before courses officially open and maintain persistent waitlists. The requested \$210,000 in CCDF spending authority in FY 2025-26 and ongoing would be utilized to develop a cohort of bilingual EQIT trainers, focusing first on Spanish- and Arabic-speaking trainers with the potential to expand to additional languages in future years.

Half of the requested funding would provide 9 additional EQIT courses in languages other than English for an estimated 226 participants. The other half would be utilized to onboard and train cohorts of 25 new EQIT trainers, of which 6 speak a language other than English. This funding request would also allow the state to meet its spending requirement for Infant/Toddler Quality initiatives.

According to federal rules, the Department must expend 70.0 percent of federal dollars on direct services, 12.0 percent on quality improvements of which 3.0 percent must be for infant and toddlers, and it may spend up to 5 percent for administration, leaving the remaining 13.0 percent for direct or indirect services. Currently, the Department's projected expenditures on quality outstrip required expenditures by a cumulative \$11.6 million in FY 2024-25. The chart below reflects required and actual or anticipated quality expenditures for CCDF based on the Department's response to RFI #5 for the CCDF funds.

| Required and Actual/Anticipated Quality Expenditures for CCDF |            |            |            |
|---------------------------------------------------------------|------------|------------|------------|
|                                                               | FY 2023-24 | FY 2024-25 | FY 2025-26 |
| Infant/Toddler Required                                       | 4,986,613  | 6,310,916  | 6,696,559  |
| Infant/Toddler Anticipated Expenditures                       | 4,600,355  | 6,564,936  | 6,771,743  |
| Expenditures Above/-Below requirement                         | -386,258   | 254,020    | 75,184     |
| Other Quality Required                                        | 16,472,990 | 17,080,435 | 16,682,378 |

| Required and Actual/Anticipated Quality Expenditures for CCDF |            |            |            |
|---------------------------------------------------------------|------------|------------|------------|
|                                                               | FY 2023-24 | FY 2024-25 | FY 2025-26 |
| Other Quality Anticipated Expenditures                        | 23,045,927 | 28,455,893 | 27,710,053 |
| Expenditures Above/-Below requirement                         | 6,572,937  | 11,375,458 | 11,027,675 |

As expenditures increase, the Department must ensure that the proportionate share of expenditures on quality enhancement is maintained.

Quality improvement activities may include offering training and professional development, providing technical assistance to providers, facilitating compliance with licensing standards, and “other activities determined by the State to improve the quality of child care services.” Counties may also transfer portions of their TANF block grant for these activities. Current quality expenditures include the following:

| Name of Initiative                                 | Amount toward Quality Target | Amount Toward Infant/Toddler Target | Total For Initiative |
|----------------------------------------------------|------------------------------|-------------------------------------|----------------------|
| Early Childhood Council Systems Building           | 1,816,502                    | 810,643                             | 2,627,145            |
| Child Care Home Navigator                          | 710,000                      | 290,000                             | 1,000,000            |
| CCR&R (plus call center)                           | 638,964                      | 192,512                             | 831,476              |
| Workforce Recruitment & Retention Grants           | 317,167                      | 185,000                             | 502,167              |
| CSQI Base Implementation Contracts                 | 1,600,432                    | 1,026,713                           | 2,627,145            |
| CSQI GAE awards                                    | 2,284,795                    | 2,251,206                           | 4,536,001            |
| Quality Ratings & Interrater Reliability Contracts | 1,259,947                    | 491,998                             | 1,751,945            |
| Consumer Education & Outreach                      | 278,500                      |                                     | 278,500              |
| Expanding Quality for Infants & Toddlers (EQIT)    |                              | 811,000                             | 811,000              |
| Teacher Salary Grant Program                       | 2,919,947                    |                                     | 2,919,947            |
| Licensing & Administration (Contracts & FTE)       | 8,187,469                    | 573,861                             | 8,761,330            |
| Background Checks                                  | 290,533                      |                                     | 290,533              |
| Early Childhood Mental Health Consultation         | 2,061,449                    |                                     | 2,061,449            |
| Child Care Health Consultant Support               | 129,541                      |                                     | 129,541              |
| Early Childhood Leadership Commission              | 136,920                      |                                     | 136,920              |
| PDIS Contracts                                     | 768,895                      |                                     | 768,895              |
| Salaries & Operating related to above initiatives  | 3,335,878                    | 138,810                             | 3,474,688            |
| <b>Total</b>                                       | <b>26,736,939</b>            | <b>6,771,743</b>                    | <b>33,508,682</b>    |

\*The difference between totals and RFI amounts are transfers of TANF at the local level as permitted by federal rule.

## Recommendation

Staff recommends \$21,747,439 total funds, including \$5.0 million General Fund, \$14,132,019 federal Child Care Development Funds, and \$2,405,420 local funds from the county maintenance of effort funding for the CCCAP program. Staff recommends that the maximum amount of dollars be directed towards direct services for children and families, that quality expenditures not increase in aggregate unless the state falls below the required 12.0 percent, and that counties and the State work to minimize the administrative dollars spent as the 5.0 percent is permissive and not required. Staff recommendations shift \$210,000 CCDF from the Early Childhood Quality and Access to the Professional Development and Training line item to provide for an increase for infant/toddler quality initiatives.

## Evidence Designation

Both the Colorado Child Care Assistance Program and Expanding Quality for Infants and Toddlers Program are evidence-based programs.

## → R2/BA2b Universal Preschool

### Request

The Department requests \$3.7 million General Fund and \$7.4 million cash funds from the Preschool Programs Cash Fund to support the Universal Preschool Program in FY 2025-26. The requested General Fund is meant to address the required inflationary increase for the constitutional minimum amount required to be spent on preschool services. Both amounts are placeholders to be updated with the March 2025 revenue forecast and inflation projections. Funding will support payment to providers for preschool services.

### Recommendation

Staff recommends an increase of \$6,758,330 cash funds from the Preschool Programs Cash Fund for FY 2025-26 to meet the required inflationary increase applied to the minimum state contribution towards preschool (\$3,658,330) and to provide an additional \$3.1 million cash fund based on anticipated increase in revenues while preserving a 15% reserve of anticipated revenues in the Preschool Program Cash Fund. Of the recommended increase, \$1,721,570 cash funds will be used to maintain level funding for Local Coordinating Organizations as stipulated above in BA2.

### Analysis

#### Background

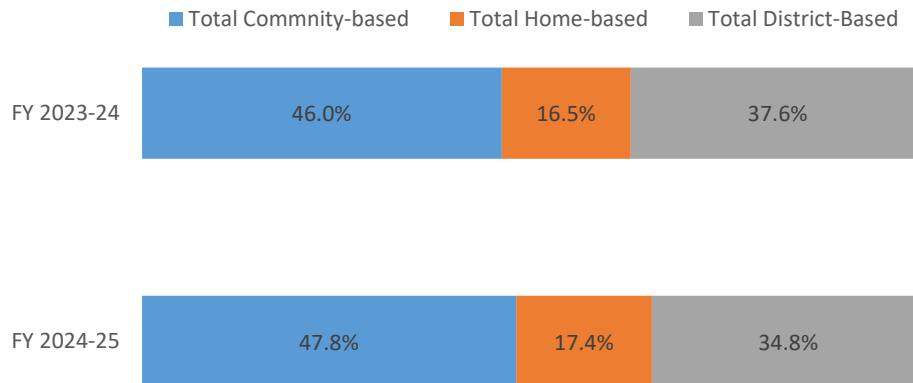
In 2020, the General Assembly proposed, and voters ultimately approved, Proposition EE which proposed increased and new taxes on cigarettes and other nicotine products. A significant portion of the revenues are deposited in the Preschool Programs Cash Fund. Having secured voter approval for the funding for a Universal Preschool Program, in 2021, the General Assembly passed legislation to form a Transition Working Group and Transition Advisory Group to inform the development of universal preschool recommendations. The General Assembly also stated its intent to create a new Department of Early Childhood with an anticipated launch date of July 1, 2022.

In 2022, the General Assembly moved up the launch date for the Department of Early Childhood from July 1, 2022, to March 1, 2022, and transferred funds for administrative and data system capital costs. Also in 2022, the General Assembly passed legislation to create the Department in statute, officially transferring the Office of Early Childhood out of the Department of Human Services. This legislation also created the framework for the delivery of free universal preschool.

## Providers and Enrollment

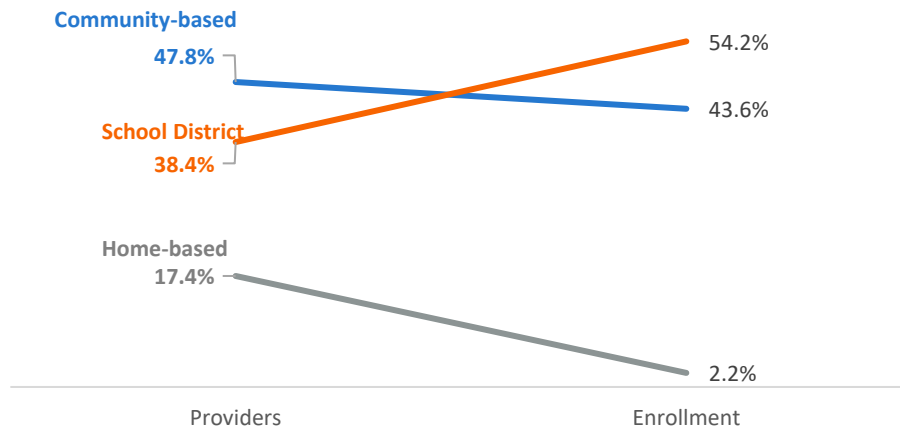
According to the Department’s Provider Information Dashboard [here](#)<sup>2</sup>, in FY 2023-24, there were 1,925 UPK providers. As of 1/17/2025, the Department indicates there are 2,121 providers for FY 2024-25. The table below shows the percent of UPK providers by type:

UPK Providers by Type Year over Year Comparison



Enrollment by provider type continues to be led by school districts as shown in this graph:

UPK provider participation and enrollment by provider type



## Enrollment and expenditures

Enrollment in the Universal Preschool Program is open, meaning students may enroll and modify the number of service hours at any time in the school year. Therefore, what’s reflected

<sup>2</sup> <https://cdec.colorado.gov/universal-preschool-provider-information>



in the table below for FY 2024-25 is as of December payments but should not be considered final enrollment numbers, especially as it pertains to 3-year-olds. The 3-year-old count is typically finalized much later through a verification process.

| UPK Enrollment SY 2023-24 to SY 2024-25 (as of December payment) |                                  |                                  |                                  |                                  |                     |                     |
|------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------|---------------------|
|                                                                  | 2023-24<br>Enrolled<br>3-yr olds | 2023-24<br>Enrolled<br>4-yr olds | 2024-25<br>Enrolled<br>3-yr olds | 2024-25<br>Enrolled<br>4-yr olds | Change<br>3-yr olds | Change<br>4-yr olds |
| 10 hours                                                         | 3,673                            | 8,065                            | 2,213                            | 9,145                            | -1,460              | 1,080               |
| 15 hours                                                         | 1,511                            | 30,586                           | 1,385                            | 23,536                           | -126                | -7,050              |
| 30 hours                                                         | 692                              | 4,828                            | 2                                | 8,925                            | -690                | 4,097               |
| <i>IEP</i>                                                       | <i>5,751</i>                     | <i>5,863</i>                     | <i>3,600</i>                     | <i>4,965</i>                     | <i>-2,151</i>       | <i>-898</i>         |

In FY 2023-24, the Department reported expenditures of \$40.4 million for 4-year olds enrolled in 10 hours, \$160.5 million for 4-year olds enrolled in 15 hours, and \$38.5 million for 4-year olds enrolled in 30 hours of preschool services. Estimates for this year anticipate a significant increase in total expenditures for 30 hours due to the enrollment increase. Staff estimates, and the Department concurred in its hearing responses, that if children enrolled in 15 hours of free preschool services were limited to ten, up to approximately \$30 million in savings could be found.

### UPK historical and requested funding

For FY 2023-24, statute required that the state appropriate an amount of funding equal to the difference of the State Share of Total Program for FY 2022-23 calculated with and without the enrollment in the Statewide Preschool Program and the three- and four-year old pupils with disabilities receiving services through the Exceptional Children’s Educational Act. For FY 2024-25 and beyond, the appropriation should be equal to the FY 2023-24 minimum state contribution to preschool plus inflation with no annual adjustment for changes in enrollment.

In FY 2023-24, the General Assembly provided an appropriation of \$139,110,672 General Fund to meet this minimum state contribution to preschool to ensure that the state spend at least the same amount on preschool services as it would have under the previous Colorado Preschool Program. The Department received an additional appropriation of \$28.4 million General Fund to seed a reserve in the Preschool Program Cash Fund for a total General Fund appropriation of \$167.5 million General Fund for the UPK program in FY 2023-24. The \$139.1 million minimum state contribution to the universal preschool program must grow annually by inflation. In addition to the General Fund appropriation, the Department was appropriated \$154.5 million cash funds from the Preschool Programs Cash Fund for the delivery of UPK in FY 2023-24.

In FY 2024-25, the Department received an increase of \$7.2 million General Fund to reflect an inflationary increase to the minimum state contribution, calculated at 5.2 percent. The Department was appropriated an additional \$44.7 million cash funds from the Preschool Programs Cash Fund for the program in FY 2024-25, reflecting an almost 30% increase in cash funds. The significant increase is due in large part to revenues coming in above estimates and voters approving Proposition II which allowed the State to keep the revenue.

For the FY 2025-26 Universal Preschool Program school year, the Department has requested an increase of \$7,421,570 cash funds from the Preschool Programs Cash Fund and \$3,658,330 General Fund to reflect the inflationary increase to the minimum state contribution.

The chart below demonstrates Universal Preschool Program funding since FY 2023-24 and the amounts requested for FY 2025-26.

| Preschool Programs Cash Fund Revenues & UPK Appropriations |            |            | Requested          |
|------------------------------------------------------------|------------|------------|--------------------|
| Preschool Program Cash Funds                               | FY 2023-24 | FY 2024-25 | FY 2025-26         |
| Starting Balance                                           | 75,482     | 43,017,648 | 39,763,173         |
| Est. Prop EE Preschool Program Cash Fund Portion OSPB      | 192.8      | 200.9      | 202.4              |
| Est. Prop EE Preschool Program Cash Fund Portion LCS       | 186.6      | 198.6      | 208.6              |
| Actual Prop EE Revenue                                     | 207.8      | TBD        | TBD                |
| Total Estimated Cash Fund Balance                          | 186.6      | 241.6      | 242.2              |
| Preschool Program Cash Fund Appropriation/Request          | 154.5      | 205.1      | 212.6*             |
| Anticipated remaining balance                              |            | 36.5       | 29.6               |
|                                                            |            |            | *7.4 m CF increase |
| General Fund Appropriations                                | FY 2023-24 | FY 2024-25 | FY 2025-26         |
| UPK Line Item GF                                           | 170.0      | 146.3      | 150.0**            |
|                                                            |            |            | ** 2.5% Inflation  |
| Total Funds Appropriations                                 | FY 2023-24 | FY 2024-25 | FY 2025-26         |
| Total Funds UPK                                            | 324.5      | 351.4      | 362.6              |
| Minimum state contribution                                 | 139.1      | 146.3      | 150.0              |
| 15% reserve based on anticipated revenue                   | 48.7       | 29.8       | 30.4               |
| Anticipated balance (reserve) based on total expenditures  | 32.1       | 36.5       | 29.6               |
| Anticipated % reserve based on anticipated revenue         | 17.2%      | 18.4%      | 14.6%              |

## Recommendation

In the JBC staff briefing, staff suggested as a General Fund relief measure that the state refinance the General Fund increase with cash funds, and that it would require legislation to do so. After further research, it became evident that statute does not stipulate the source of the required inflationary increase.

Below is Section 26.5-4-204(6)(a) and (b), C.R.S. describing the required increase:

*“(6) To preserve the general assembly’s historic commitment to preschool program funding, the general assembly shall appropriate to the department for the Colorado universal preschool program:*

- a) For the 2023-24 fiscal year, an amount at least equal to the difference between the amount of the state share of total program calculated pursuant to article 54 of title 22 for the 2022-23 budget year, after application of the budget stabilization factor and after any mid-year adjustment, and the amount that the state share of total program, after application of the budget stabilization factor and after any mid-year adjustment, would be for the 2022-23 budget year if calculated without including the statewide preschool program enrollment, as defined in section 22-54-103, for the 2022-23 budget year and*

*the number of three- and four-year-old pupils with disabilities receiving an educational program under the “Exceptional Children’s Educational Act” article 20 of title 22, for the 2022-23 budget year.*

- b) *For the 2024-25 fiscal year, and each fiscal year thereafter, an amount at least equal to the amount described in subsection (6)(a) of this section increased annually by the rate of inflation.”*

Total funds appropriation for the Universal Preschool Program is \$344.1 million in FY 2024-25; total requested for FY 2025-26 would be \$362.6 million total funds including the requested General Fund increase.

Staff recommends the minimum state contribution inflationary increase of \$3.7 million be appropriated from the Preschool Programs Cash Fund, and an additional \$3.1 million cash funds related to increased revenue. This meets the requirement in statute and preserves a 15.0 percent reserve in the cash fund. The table below shows staff recommendation compared to current funding and the request.

| Preschool Programs Cash Fund Revenues & UPK Appropriations |            |            | Staff Rec     | Requested       |
|------------------------------------------------------------|------------|------------|---------------|-----------------|
| Preschool Program Cash Funds                               | FY 2023-24 | FY 2024-25 | FY 2025-26    | FY 2025-26      |
| Starting Balance                                           | 75,482     | 43,017,648 | 39,763,173    | 39,763,173      |
| Est. Prop EE Preschool Program Cash Fund Portion OSPB      | 192.8      | 200.9      | 202.4         | 202.4           |
| Est. Prop EE Preschool Program Cash Fund Portion LCS       | 186.6      | 198.6      | 208.6         | 208.6           |
| Actual Prop EE Revenue                                     | 207.8      | TBD        | TBD           | TBD             |
| Total Estimated Cash Fund Balance                          | 186.6      | 241.6      | 242.2         | 242.2           |
| Preschool Program Cash Fund Appropriation/Request          | 154.5      | 205.1      | 211.8*        | 212.6*          |
| Anticipated remaining balance                              |            | 36.5       | 30.5          | 29.6            |
|                                                            |            |            | *CF inflation | *7.4 m CF incr. |
| General Fund Appropriations                                | FY 2023-24 | FY 2024-25 | FY 2025-26    | FY 2025-26      |
| UPK Line Item GF                                           | 170.0      | 146.3      | 146.3         | 150.0**         |
|                                                            |            |            |               | **GF Inflation  |
| Total Funds Appropriations                                 | FY 2023-24 | FY 2024-25 | FY 2025-26    | FY 2025-26      |
| Total Funds UPK                                            | 324.5      | 351.4      | 358.1         | 362.6           |
| Minimum state contribution                                 | 139.1      | 146.3      | 150.0         | 150.0           |
|                                                            |            |            |               |                 |
| 15% reserve based on anticipated revenue                   | 48.7       | 29.8       | 30.4          | 30.4            |
| Anticipated balance (reserve) based on total expenditures  | 32.1       | 36.5       | 30.5          | 29.6            |
| Anticipated % reserve based on anticipated revenue         | 17.2%      | 18.4%      | 15.0%         | 14.6%           |

The Joint Budget Committee sets the reserve amount for the Preschool Program Cash Fund via figure setting every year. During the briefing, staff suggested that the JBC may decide to refinance the requested General Fund increase with cash funds while still providing the full cash fund request made by the Department. However, this action would result in a reserve amount of 12.8 percent. Staff believes maintaining a reserve in the Preschool Programs Cash Fund is prudent given the scarcity of General Fund in the immediate future. The table below demonstrates the impact of this alternative funding decision which provides the total amount of Preschool Programs Cash Fund requested by the Department *and* refinances the Department’s General Fund request with the cash fund:

| Preschool Program Cash Fund Revenues & UPK Appropriations |            |            | Alternative      | Staff Rec     | Requested       |
|-----------------------------------------------------------|------------|------------|------------------|---------------|-----------------|
| Preschool Program Cash Funds                              | FY 2023-24 | FY 2024-25 | FY 2025-26       | FY 2025-26    | FY 2025-26      |
| Starting Balance                                          | 75,482     | 43,017,648 | 39,763,173       | 39,763,173    | 39,763,173      |
| Est Prop EE Preschool Program Cash Fund OSPB              | 192.8      | 200.9      | 202.4            | 202.4         | 202.4           |
| Est Prop EE Preschool Program Cash Fund LCS               | 186.6      | 198.6      | 208.6            | 208.6         | 208.6           |
| Actual Prop EE Revenue                                    | 207.8      | TBD        | TBD              | TBD           | TBD             |
| Total Est Cash Fund Balance                               | 186.6      | 241.6      | 242.2            | 242.2         | 242.2           |
| Preschool Program Cash Fund Appropriation/Request         | 154.5      | 205.1      | 216.3*           | 211.8*        | 212.6*          |
| Anticipated remaining balance                             |            | 36.5       | 25.9             | 30.5          | 29.6            |
|                                                           |            |            | *7.4M CF + infl. | *CF inflation | *7.4 m CF       |
| General Fund Appropriations                               | FY 2023-24 | FY 2024-25 | FY 2025-26       | FY 2025-26    | FY 2025-26      |
| UPK Line Item General Funds                               | 170.0      | 146.3      | 146.3            | 146.3         | 150.0**         |
|                                                           |            |            |                  |               | ** GF Inflation |
| All Funds Appropriations                                  | FY 2023-24 | FY 2024-25 | FY 2025-26       | FY 2025-26    | FY 2025-26      |
| Total UPK Funding                                         | 324.5      | 351.4      | 362.6            | 358.1         | 362.6           |
| Minimum state contribution                                | 139.1      | 146.3      | 150.0            | 150.0         | 150.0           |
|                                                           |            |            |                  |               |                 |
| 15% reserve based on anticipated revenue                  | 48.7       | 29.8       | 30.4             | 30.4          | 30.4            |
| Anticipated balance (reserve) based on total expends      | 32.1       | 36.5       | 25.9             | 30.5          | 29.6            |
| Anticipated % reserve based on anticipated revenue        | 17.2%      | 18.4%      | 12.8%            | 15.0%         | 14.6%           |

Staff does not recommend the alternative funding scenario for the Universal Preschool Program due to the impact on the cash fund reserve.

## Evidence Designation

The Universal Preschool Program is designated as evidence-informed.

## → SI: Supplemental Funding for CCCAP

## Recommendation

Staff recommends the Joint Budget Committee provide a \$15.0 million supplemental appropriation from the Child Care Development Funds reserve for direct services and minimum necessary administrative costs for the CCCAP program.

## Analysis

It has come to JBC Staff's attention that costs associated with providing CCCAP are on track to exceed the total state appropriation for the Colorado Child Care Assistance Program (CCCAP) by approximately \$17.0 million in the current fiscal year (FY 2024-25). That amount is changing daily as freezes and waitlists have been enacted, and as counties change program policies. As of February 1, 2025, eighteen counties have enacted freezes, and two counties have enacted waitlists for their CCCAP programs.

As of February 1, 2025, 14 out of all 64 counties are projected to incur expenses greater than their state allocations of CCCAP funding by an aggregate amount of \$25.0 million based on

straight line estimates provided by the Department. The remaining 50 counties are projected to underspend their CCCAP allocations by an aggregate amount of approximately \$8.0 million, resulting in the \$17.0 million total. The total appropriation to counties for the CCCAP program in FY 2024-25 is \$177.2 million.

These projections are a best estimate at a specific point in time and cannot account for changes in county or family disposition for the duration of the fiscal year. For example, some families may “roll off” eligibility for CCCAP, and other families may become newly-eligible through programs such as Colorado Works (TANF). Families eligible through Colorado Works must be served, thereby bypassing the freezes and waitlists. Future year federal award amounts are also estimates and may not reflect actual award amounts.

The Department reports carrying a balance of approximately \$85.0 million Child Care Development Funds into FY 2025-26. The question has been raised as to whether the State should utilize some of the CCDF reserve to address incurred expenses over appropriations in the current fiscal year.

## Background

### *County Freezes, Waitlists, and Budget Constraints*

As of February 17, 2025, two counties are operating with waitlists for CCCAP, and eighteen counties have frozen enrollment completely. Approximately 2,038 families and 2,942 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.

According to Department rules, 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 for FY 2026-27 suggest that the program may serve more than 22.0 percent fewer families due to lack of available funding.

### CCCAP Allocation Methodology

CCDF appropriations for the CCCAP program are run through a CCCAP allocation formula, apportioning funds to all counties. This formula takes into account eligible population by county, reimbursement rates set by the state, a measure of cost of living, the cost of high quality child care, and may include an adjustment for geographic differences. The CCCAP Allocation Task Group, comprised of 12 voting members, of which 9 are from counties and 3 are

from the state, designs the allocation formula and makes annual recommendations to the Finance Policy Advisory Committee for implementation.

Federal requirements stipulate that, of the total amounts awarded to States, no less than 70.0 percent must be spent on direct services, 12.0 percent must be spent on quality improvement initiatives, and up to 5.0 percent may be spent on administration. The remaining 13.0 percent is used primarily for non-direct services such as operations, costs associated with CHATS, CFMS, county eligibility workers, training and monitoring, and federal data reporting.

House Bill 18-1335 made significant changes to the allocation methodology, some of which aimed at creating parity across counties. This required the methodology to take into account the number of eligible children and attempt to reach parity in the saturation of the program (the percent of eligible children served).

There are lingering questions regarding the exact amount that must be spent on quality initiatives and administration as the State currently spends more on quality initiatives than is required (except in regards to infant/toddler), and the State may be able to absorb some of the administrative increase. Counties, however, may still bill the fund for CCCAP administration according to their cost allocation plans. Still, JBC staff recommends that the funding support direct services to the maximum extent possible.

### Financial Disposition of the CCCAP Program

CCCAP expenditures are driven primarily by the number of children served in the program, the number of hours and type of care provided, length of time in care, and provider reimbursement rates. Federal regulations passed in March 2024 will further increase the cost of the program beginning in FY 2026-27. More information regarding the new federal regulations and their impact on the program can be found in an Issue Brief on the subject in the JBC Staff [Briefing](#) for the Department of Early Childhood.<sup>3</sup>

A decrease in federal stimulus dollars as well as sluggish change management have both played a role in the current circumstances for CCCAP.

#### *Stimulus Funding and Federal Requirements*

During the pandemic, the Department received well over \$500.0 million in stimulus Child Care Development Funds, most of which were expended on one-time programs. A portion of those funds were utilized to help pay for increased costs to the program that were encouraged, but not required, by federal regulations. This ultimately resulted in better pay for providers, less financial burden for families, and the retention of providers in the CCCAP program. As pandemic-era funding rolls off and certain pandemic-era policies are either continued or are pending federal rule enforcement, the State and counties are facing almost insurmountable cost increases without additional federal funding to support them. Exacerbating the issue is the new increased provider rate which was implemented after a federal audit found that the state was not meeting the minimum threshold for provider payments.

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<sup>3</sup> [https://leg.colorado.gov/sites/default/files/fy2025-26\\_earbrf\\_0.pdf](https://leg.colorado.gov/sites/default/files/fy2025-26_earbrf_0.pdf)

### *County Optional Policies*

Colorado is one of the few states that allow certain county optional policies. This allows the counties to set provider rates for certain non-standard care, to offer care to certain populations, and to pay additional absences to providers. By rule, these policies can only be decided at the individual county level. Counties may also enact waitlists and freezes but only with permission from the Department and after projected expenditure thresholds have been met.

Currently, there are 17 different county-optional policies that impact each counties' cost of the program. Since each county has a different base for each of the 17 policies, it would require 1,088 individual analyses to get to the total cost savings if all counties only offered the minimum required by the state. Appendix A shows a list of the county option policies.

County optional policies provide opportunities to entice providers to participate, to offer services to target populations, and to meet the unique circumstances of their constituents. At this point, many if not most counties have scrapped any county optional policies in order to reduce expenditures. However, the impact on costs of county optional policies should be examined and taken into consideration for the long-term stability of CCCAP.

### *Continuous Eligibility*

Continuous eligibility is not new; however, it is contributing to counties' inability to manage projected over-expenditures. Once deemed eligible for CCCAP, a child must receive 12-months of continuous care. A family is only unenrolled from CCCAP when they are no longer participating in an eligible activity (working, job searching, or education) or their income has risen above 85% of the State Median Income (SMI). However, statute requires that if the income level of the participant/family rises above the level set by department rule, the county must continue providing the CCCAP subsidy until the next 12-month redetermination. The continuous enrollment means that counties cannot rely as easily on children rolling off eligibility to help relieve cost pressures. Historical data shows a child's average time receiving CCCAP is 35 months.

Counties are in the difficult position of managing family and provider expectations as the state faces funding challenges for the program. It's unclear the extent to which the Department was aware of the magnitude of impending fiscal challenges after FY 2023-24 and into FY 2024-25, and whether it communicated concerns properly to counties. It's clear the Department underestimated the full impact of the newly-implemented provider rate increase in FY 2024-25. The Department has been working feverishly with counties to find ways to reduce costs in the current fiscal year.

### **CCDF Reserve**

The Department carries a balance each year to ensure the cash solvency of the CCDF grant. This is due to the timing difference between the federal award distribution and the state fiscal year. The federal government disburses 85% of the annual award during the first 3 quarters of the federal fiscal year (October to June) and 15 percent in the last quarter. The Department maintains a minimum balance of 10 percent of the award to ensure there are adequate funds



to cover the entire quarter. In the current fiscal year, this is equivalent to approximately \$14.0 million.

The Department has been moderating its CCDF appropriations requests to provide a “soft landing” from the pandemic-era influx of funding. Appendix B shows the Department’s expenditures and roll-forward amounts over time and its projections through FY 2027-28. This projection does not include projected costs related to the new federal requirements passed in March 2024 which are to be implemented by August 1, 2026.

Per information provided by the Department, base appropriations (expenditures) for CCDF are estimated to outstrip the new federal award by \$17.1 million in the current fiscal year. This estimate grows to over \$32.0 million in FY 2025-26. Without additional federal funds, the reserve balance carried forward each year will continue to dwindle. Again, this is without taking into account the cost of new federal requirements which are estimated to cost an additional \$55-\$65 million beginning in FY 2026-27 and ongoing.

### Historical Practices for Funding CCCAP

Historically, the allocation methodology provides ways for counties to over-spend their allocation from the CCCAP formula. Counties may purchase other counties’ allocations, and counties that do not use their full allocation are not required to pay the county matching maintenance of effort. Any allocation not spent by a county may be utilized to pay for a portion or all of another county’s over-expenditures. Historically, larger counties in particular have budgeted in such a way that would necessitate the purchase of other counties’ allocations or to find other sources of funding for CCCAP. In years prior, over-expenditures were possible with minimal issue as other counties would under-spend their state allocations. However, as the cost of the program overall has increased, there is less under-spending in the program by all counties.

Additionally, counties may also utilize a certain portion of the TANF grant to support the CCCAP program which has assisted counties in providing more services through CCCAP. However, changes to the TANF program have taxed reserves, leaving counties with few options to make themselves whole. Appendix C shows historical allocations and over-expenditures as well as projected over-expenditures for the current fiscal year.

According to the Department, “the last time the state overspent the CCCAP allocation was in FY 2016-17 and FY 2017-18. In order to offset these over-expenditures, the program received a supplemental in FY 2016-17 approved via S.B. 17-163 for an increase of \$524,482 in General Fund and \$1,069,475 in Federal Funds as well as a supplemental in FY 2017-18 approved via H.B. 18-1162 for an increase of \$5,750,000 in Federal Funds and \$1,500,000 in cash funds which are local funds. In both years, the supplemental only partially offset the county over-expenditure and the overspent counties used TANF reserves or other county funds to cover the difference.”



## Funding projections

As shown in Appendix B, the Department’s projections for out-year expenditures outstrip available federal funding for the program. Again, this is before taking into account expected cost increases related to the new federal requirements. (Costs related to new federal regulations are anticipated to drive up the per-child expenditure average from \$6K to \$18K in FY 2026-27.) Based on current program operations, below are the Department’s projections for the funding should the reserve be used in the current fiscal year as a supplemental appropriation to the counties.

| CCDF Sustainability Projection  |               |               |               |               |                       |
|---------------------------------|---------------|---------------|---------------|---------------|-----------------------|
| Updated 1/28/2025               |               |               |               |               |                       |
|                                 | FY 2023-24    | FY 2024-25    | FY 2025-26    | FY 2026-27    | FY 2027-28            |
| Federal CCDF Funds              | Actual        | Estimate      | Request       | Projection    | Projection            |
| CCDF Carryforward (Balance)     | \$86,651,163  | \$102,539,612 | \$68,030,374  | \$35,076,292  | \$8,190,449           |
| New Annual CCDF Award           | \$137,516,771 | \$145,717,494 | \$138,202,371 | \$141,045,246 | \$142,808,312         |
| Total Funds Available           | \$224,167,934 | \$248,257,106 | \$206,232,745 | \$176,121,538 | \$150,998,761         |
| Base (Long Bill) Appropriations | \$121,628,322 | \$163,226,732 | \$171,156,453 | \$169,374,897 | \$169,374,897         |
| \$17M CCDF Supplemental         |               | \$17,000,000  |               |               |                       |
| Estimated underspending         |               |               |               | -1,443,808    | -1,443,808            |
| Total Expenditures              | \$121,628,322 | \$180,226,732 | \$171,156,453 | \$167,931,089 | \$167,931,089         |
| Roll Forward Balance            | \$102,539,612 | \$68,030,374  | \$35,076,292  | \$8,190,449   | <b>(\$16,932,328)</b> |

As is shown in the table above, supplemental spending authority from the CCDF reserves will accelerate the spend down of available CCDF funding. Additionally, it’s anticipated that every county will fully expend its state allotment in future fiscal years due to the rising costs; however, the pressures of waitlists and freezes may result in very limited under-expenditure in the program.

## Unknown Factors

It’s possible that the federal government will either relent on the new requirements or provide additional funding to meet them. It’s also possible that access to federal funds will become more challenging. There are too many unknowns at the federal level to make an accurate prediction of what may happen.

## Recommendation

Staff believes there are compelling reasons both for and against providing a supplemental appropriation from the federal CCDF reserves in the current fiscal year. It should be clear that a supplemental will not have the impact of lifting waitlists and freezes, other than what may naturally occur as a matter of eligibility within the program. However, staff believes a supplemental appropriation from the reserve would provide necessary relief to the counties and allow more time to discuss stabilization measures for the CCCAP program.

This decision should require changes to the administration of the program to ensure that any stability provided through a supplemental is not undercut by business-as-usual practices. This should include administrative rule changes which allow counties maximum flexibility to manage

their budgets and a requirement that county optional policies only be enacted with county funds and not through the use of the state CCCAP allocation.

According to statute, “Starting with the 2023-24 state fiscal year, and subject to available appropriations, the department, upon receiving recommendations from the child care assistance program allocation committee, shall annually establish the amount of each county’s block grant for CCCAP based on an allocation formula agreed upon by the department and the child care assistance program allocation committee. *Counties are only required to spend the state CCCAP allocation and the maintenance of effort for that allocation.*” 26.5-4-110(2)(a), C.R.S. This can be interpreted to mean that counties cannot be required to spend beyond the allocation and that the state may be on the hook for any over-expenditures. However, it could also mean that counties do not have to provide services beyond that which would over-extend their state allocation. If the latter is true, then Department rules should be constructed in such a way to allow counties to manage their programs as necessary. This may mean a change to the threshold for freezes and waitlists. Furthermore, there is a question as to where in statute counties are required to accept certain populations even after waitlists and freezes. This should be clarified to assist in ensuring the long-term stability of this program.

The consequences of this decision should also be clear. Accelerating the spend-down of the CCDF reserve will result in less funding for all counties as the program experiences greater costs in the near future. Furthermore, the state will effectively further shorten the “runway” off of stimulus CCDF funding.

If the state does not provide any supplemental funds, counties have indicated they will not be able to absorb the cost and may argue they should not be required to pay (per statute cited above). Additionally, families are already feeling the impact of the CCCAP challenges, and this will have ripples in the broader economy as individuals that need and want to work cannot due to lack of access to child care. If the state provides this supplemental, it *may* provide *some* relief through turnover. It will certainly give counties and the Department more time to chip away at the long-term financial challenges through administrative and rule changes.

## → SI: Long-term funding for CCCAP

### Recommendation

For the 2026-27 school year, staff recommends the Committee require the Department to adhere to statute governing the Universal Preschool Program by guaranteeing only 10 hours of free preschool to children and prioritizing lower income families for any additional hours above 10. Staff recommends the Committee require the Department to provide possibilities for this no later than the June 2025 JBC hearing with a plan to implement the modified delivery in FY 2026-27. Additionally, staff recommends a thorough investigation of whether General Fund reductions to the UPK program may be permissible and/or appropriate, and that the savings be

applied to support the Colorado Child Care Assistance Program (CCCAP). This may be done either through a Request for Information or a letter to the Executive Branch.

## Analysis

### Background

During the JBC staff briefing on the Department of Early Childhood budget request in November 2024, staff floated the possibility that the Universal Preschool Program may be a delivery tool to alleviate budget concerns and constraints for CCCAP. The discussion then centered around requiring the Department to adhere to statute, provide 10 hours of preschool services to all eligible children, and then mirror qualifications for additional UPK hours to those which would accommodate as many children eligible for CCCAP as possible. The Department indicated this would only save approximately \$5.0 million in the CCCAP program. Additionally, as the Department works with counties to stack CCCAP and UPK funds, this would not have the intended impact of freeing up additional services for CCCAP children. Therefore, staff has begun considering whether savings might be found in the UPK program in such a way that would allow the state to prioritize and therefore maximize access to services for those who can least afford them in both UPK and CCCAP.

#### *Proposition EE*

In 2020, voters approved Proposition EE which established a state tax on nicotine products, raised taxes on cigarettes and tobacco products, and modified the regulation of these products. The proposition identified multiple uses of the increased revenues including three years of allocations to rural schools, K-12 education, housing development, and eviction legal assistance. Ongoing support is to be provided through the revenues for universal preschool, certain health care programs, tobacco education, and general state spending.

As it pertains to universal preschool, the measure required that the new funding be used to offer at least 10 hours per week of free preschool to every child in their final year before kindergarten with the program launch in the 2023-24 school year. Remaining revenue was to be used to expand preschool opportunities for low-income families and children at risk of not being ready for kindergarten.

#### *Preschool Programs Cash Fund*

Section 26.5-4-209, C.R.S., lays out the revenues and use of the newly-created Preschool Programs Cash Fund, prioritizing the delivery of preschool services as stipulated in Proposition EE. It then allows the department to use remaining money annually appropriated for other purposes including recruiting, training, and retaining early childhood education professionals; expanding or improving the staff, facilities, equipment, technology, and physical infrastructure of preschool providers; parent and family outreach; and “other such uses as are consistent with and further the purpose of the preschool program.” Additionally, the Department may use money from the cash fund for the administrative costs of local coordinating organizations which were created to help facilitate the enrollment of and payment processing for the program.

Statute also requires that a reserve be kept in the Preschool Programs Cash Fund in an amount to be stipulated annually through the figure setting process.

#### *Department Rule-making Authority and UPK*

House Bill 22-1295 (Department of Early Childhood and Universal Preschool Program) created the Colorado Universal Preschool Program, granting the Department the “rights, powers, duties, functions, and obligations concerning a statewide preschool program.”

Additionally, statute grants the Executive Director of the Department to adopt rules and implement the preschool program, including setting income levels and qualifying factors for additional hours of preschool services, determining the number of hours of additional preschool services that an eligible child may receive, establishing quality standards, setting reimbursement formulas, and establishing other rules as “may be necessary to implement the preschool program.”

With broad rule-making authority, and in collaboration with providers, families, and advocacy groups, the Department determined that all children should be eligible for 15 hours of preschool services, and additional services would be determined based on the qualifying factors 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(102), C.R.S., who has a significant relationship with the child in circumstances when there is a safety concern by a county department of human or social services and where the relative or kin has not met the foster care certification requirements for a kinship foster care home or has chosen not to pursue that certification process.

#### *Overview of UPK funding*

The full history and overview of UPK funding is provided above in the discussion of R2/BA2 Universal Preschool Program. In summary, when the state created the Universal Preschool Program, it established a minimum state contribution towards preschool services that is required to grow annually by inflation.

#### **Timing of program delivery changes**

Family enrollment for the 2025-26 UPK school year began in December of 2024 while enrollment in the current school year is ongoing. Due to this timing and in consideration of the families already enrolling for FY 2025-26, staff’s recommendation is not for the current fiscal

year. However, with an eye towards FY 2026-27, the recommendation requires the Department to investigate how it might better implement only what's in statute for UPK delivery, prioritizing *any* additional hours over 10 for lower-income families. This recommendation is in line with Statute and does not require a bill to make changes. This will, however, require significant rules changes on the part of the Department which, to be done well, would require time and significant communications.

Additionally, staff recommends a thorough investigation of whether General Fund reductions to UPK are permissible, and whether those savings may be better utilized in support of the Colorado Child Care Assistance Program (CCCAP). Staff recommends the Committee require the Department to provide possibilities for modified UPK delivery no later than June 2025 with a plan to implement the changes for the 2026-27 school year.

## Line Item Detail

### Personal Services

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

*Statutory authority:* Sections 26.5-1-104, 26.5-4-201, and 26.5-6-101, C.R.S.

*Request:* The Department requests \$10,479,566 total funds, including \$4,669,165 General Fund, \$993,476 cash funds, and \$4,816,925 federal funds for FY 2025-26. This includes adjustments related to centrally appropriated items, R6 indirect costs, and the annualization of prior year legislation and budget actions.

*Recommendation:* The staff recommendation is provided in the table below. Adjustments include a technical adjustment to move the Imagination Library of Colorado out of Personal Services line item and into its own line item. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions (such as provider rates) that affect this line item, but are not addressed in this document.

| Early Learning Access and Quality, Personal Services |              |              |             |                 |               |      |
|------------------------------------------------------|--------------|--------------|-------------|-----------------|---------------|------|
| Item                                                 | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation                             |              |              |             |                 |               |      |
| HB 24-1430 (Long Bill)                               | \$10,781,843 | \$4,599,988  | \$1,006,683 | \$0             | \$5,175,172   | 56.4 |

| Early Learning Access and Quality, Personal Services |              |              |             |                 |               |      |
|------------------------------------------------------|--------------|--------------|-------------|-----------------|---------------|------|
| Item                                                 | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE  |
| S.B. 24-090 (Supplemental)                           | -200,000     | -100,000     | 0           | 0               | -100,000      | 0.0  |
| Total FY 2024-25                                     | \$10,581,843 | \$4,499,988  | \$1,006,683 | \$0             | \$5,075,172   | 56.4 |
| FY 2025-26 Recommended Appropriation                 |              |              |             |                 |               |      |
| FY 2024-25 Appropriation                             | \$10,581,843 | \$4,499,988  | \$1,006,683 | \$0             | \$5,075,172   | 56.4 |
| Annualize prior year legislation                     | 257,011      | 157,011      | 0           | 0               | 100,000       | 0.9  |
| Centrally appropriated items                         | 226,226      | 23,919       | 29,946      | 0               | 172,361       | 0.0  |
| Technical adjustments new line items                 | -1,624,365   | -1,624,365   | 0           | 0               | 0             | 0.0  |
| Annualize prior year budget actions                  | -385,514     | 88,247       | -43,153     | 0               | -430,608      | 3.7  |
| R6 Indirect costs                                    | -200,000     | -100,000     | 0           | 0               | -100,000      | 0.0  |
| Total FY 2025-26                                     | \$8,855,201  | \$3,044,800  | \$993,476   | \$0             | \$4,816,925   | 61.0 |
| Changes from FY 2024-25                              | -\$1,726,642 | -\$1,455,188 | -\$13,207   | \$0             | -\$258,247    | 4.6  |
| Percentage Change                                    | -16.3%       | -32.3%       | -1.3%       | n/a             | -5.1%         | 8.2% |
| FY 2025-26 Executive Request                         | \$10,479,566 | \$4,669,165  | \$993,476   | \$0             | \$4,816,925   | 61.0 |
| Staff Rec. Above/-Below Request                      | -\$1,624,365 | -\$1,624,365 | \$0         | \$0             | \$0           | 0.0  |

## Operating Expenses

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

*Statutory authority:* Section 26.5-1-104, C.R.S.

*Request:* The Department requests \$245,326 total funds, including \$19,022 General Fund, \$18,430 cash funds, and \$207,874 federal funds for FY 2025-26. This includes adjustments related to the annualization of prior year legislation and budget actions.

*Recommendation:* The staff recommendation is provided in the table below.

| Early Learning Access and Quality, Operating Expenses |             |              |            |                 |               |     |
|-------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                  | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                              |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                | \$391,825   | \$88,185     | \$66,445   | \$0             | \$237,195     | 0.0 |
| Total FY 2024-25                                      | \$391,825   | \$88,185     | \$66,445   | \$0             | \$237,195     | 0.0 |
| FY 2025-26 Recommended Appropriation                  |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                              | \$391,825   | \$88,185     | \$66,445   | \$0             | \$237,195     | 0.0 |
| Annualize prior year legislation                      | 7,822       | 7,822        | 0          | 0               | 0             | 0.0 |
| Annualize prior year budget actions                   | -154,321    | -76,985      | -48,015    | 0               | -29,321       | 0.0 |
| Total FY 2025-26                                      | \$245,326   | \$19,022     | \$18,430   | \$0             | \$207,874     | 0.0 |

| Early Learning Access and Quality, Operating Expenses |             |              |            |                 |               |     |
|-------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                  | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Changes from FY 2024-25                               | -\$146,499  | -\$69,163    | -\$48,015  | \$0             | -\$29,321     | 0.0 |
| Percentage Change                                     | -37.4%      | -78.4%       | -72.3%     | n/a             | -12.4%        | n/a |
| FY 2025-26 Executive Request                          | \$245,326   | \$19,022     | \$18,430   | \$0             | \$207,874     | 0.0 |
| Staff Rec. Above/-Below Request                       | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Universal Preschool Program

This line item provides funding to administer the Colorado Universal Preschool Program.

*Statutory authority:* Section 26.5-4-204, C.R.S.

*Request:* The Department requests \$353,418,514 total funds, including \$149,991,530 General Fund, and \$203,426,984 cash funds from the Preschool Programs Cash Fund for UPK in FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below as discussed earlier.

| Early Learning Access and Quality, Universal Preschool Program |               |               |               |                 |               |     |
|----------------------------------------------------------------|---------------|---------------|---------------|-----------------|---------------|-----|
| Item                                                           | Total Funds   | General Fund  | Cash Funds    | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                       |               |               |               |                 |               |     |
| HB 24-1430 (Long Bill)                                         | \$344,060,184 | \$146,333,200 | \$197,726,984 | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                               | \$344,060,184 | \$146,333,200 | \$197,726,984 | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                           |               |               |               |                 |               |     |
| FY 2024-25 Appropriation                                       | \$344,060,184 | \$146,333,200 | \$197,726,984 | \$0             | \$0           | 0.0 |
| R2/BA2 Universal preschool program                             | 5,036,760     | 0             | 5,036,760     | 0               | 0             | 0.0 |
| Total FY 2025-26                                               | \$349,096,944 | \$146,333,200 | \$202,763,744 | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                        | \$5,036,760   | \$0           | \$5,036,760   | \$0             | \$0           | 0.0 |
| Percentage Change                                              | 1.5%          | 0.0%          | 2.5%          | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                                   | \$353,418,514 | \$149,991,530 | \$203,426,984 | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                | -\$4,321,570  | -\$3,658,330  | -\$663,240    | \$0             | \$0           | 0.0 |

## Child Care Assistance Program

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



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

*Statutory authority:* Sections 26.5-4-104, and 26.5-4-105, C.R.S.

*Request:* The Department requests \$185,490,444 total funds, including \$42,058,921 General Fund, and \$20,296,012 cash funds which are local county contributions for the program maintenance of effort, and \$123,135,511 federal funds from the Child Care Development Fund for CCCAP delivery in FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below as discussed earlier.

| Early Learning Access and Quality, Child Care Assistance Program |               |              |              |                 |               |     |
|------------------------------------------------------------------|---------------|--------------|--------------|-----------------|---------------|-----|
| Item                                                             | Total Funds   | General Fund | Cash Funds   | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                         |               |              |              |                 |               |     |
| HB 24-1430 (Long Bill)                                           | \$170,663,448 | \$32,058,921 | \$17,375,025 | \$0             | \$121,229,502 | 0.0 |
| Long bill supplemental                                           | \$15,000,000  | \$0          | \$0          | \$0             | \$15,000,000  | 0.0 |
| Total FY 2024-25                                                 | \$185,663,448 | \$32,058,921 | \$17,375,025 | \$0             | \$136,229,502 | 0.0 |
| FY 2025-26 Recommended Appropriation                             |               |              |              |                 |               |     |
| FY 2024-25 Appropriation                                         | \$185,663,448 | \$32,058,921 | \$17,375,025 | \$0             | \$136,229,502 | 0.0 |
| R1/BA1 CCDF Regulation implementation                            | 21,747,439    | 5,000,000    | 2,405,420    | 0               | 14,342,019    | 0.0 |
| SI Long bill supplemental                                        | -15,000,000   | 0            | 0            | 0               | -15,000,000   | 0.0 |
| Annualize prior year budget actions                              | -6,710,443    | 0            | 515,567      | 0               | -7,226,010    | 0.0 |
| Total FY 2025-26                                                 | \$185,700,444 | \$37,058,921 | \$20,296,012 | \$0             | \$128,345,511 | 0.0 |
| Changes from FY 2024-25                                          | \$36,996      | \$5,000,000  | \$2,920,987  | \$0             | -\$7,883,991  | 0.0 |
| Percentage Change                                                | 0.0%          | 15.6%        | 16.8%        | n/a             | -5.8%         | n/a |
| FY 2025-26 Executive Request                                     | \$185,490,444 | \$42,058,921 | \$20,296,012 | \$0             | \$123,135,511 | 0.0 |
| Staff Rec. Above/-Below Request                                  | \$210,000     | -\$5,000,000 | \$0          | \$0             | \$5,210,000   | 0.0 |

## Intrastate Child Care Assistance Program

This line item provides funding for child care activities allowable under the Child Care and Development Fund grant which addresses specific challenges related to equal access to early child care and education including child care deserts, workforce development, and provider retention. It also supports regulation monitoring and delivery improvements of Colorado's Child Care Assistance Program, including enhancements to the CCCAP IT system, Child Care Automated Tracking System (CHATS). It receives funding through the federal Child Care and Development Fund grant.



*Statutory authority:* Section 26.5-4-104, C.R.S.

**Request:** The Department requests \$500,000 federal funds from the Child Care Development Fund for the Intrastate child Care Assistance Program Distribution in FY 2025-26, which maintains level funding from FY 2024-25.

*Recommendation:* Staff recommends approval of the request.

## Workforce Recruitment and Retention Grant

This line item provides funding to support recruitment and retention grants to support access to early childhood education, credentialing, and training with the goal of increasing and keeping workers in the early childhood workforce.

*Statutory authority:* Section 26.5-3-805, C.R.S.

**Request:** The Department requests \$1,428,167 federal funds from the Child Care Development Fund for Workforce Recruitment and Retention Grants in FY 2025-26. This reflects a decrease related to the annualization of prior year budget actions as stimulus funds are expired.

*Recommendation:* Staff recommends approval of the request.

| Early Learning Access and Quality, Workforce Recruitment and Retention Grants |             |              |            |                 |               |     |
|-------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                          | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                      |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                        | \$1,428,167 | \$0          | \$0        | \$0             | \$1,428,167   | 0.0 |
| Total FY 2024-25                                                              | \$1,428,167 | \$0          | \$0        | \$0             | \$1,428,167   | 0.0 |
| FY 2025-26 Recommended Appropriation                                          |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                      | \$1,428,167 | \$0          | \$0        | \$0             | \$1,428,167   | 0.0 |
| Annualize prior year budget actions                                           | -300,000    | 0            | 0          | 0               | -300,000      | 0.0 |
| Total FY 2025-26                                                              | \$1,128,167 | \$0          | \$0        | \$0             | \$1,128,167   | 0.0 |
| Changes from FY 2024-25                                                       | -\$300,000  | \$0          | \$0        | \$0             | -\$300,000    | 0.0 |
| Percentage Change                                                             | -21.0%      | n/a          | n/a        | n/a             | -21.0%        | n/a |
| FY 2025-26 Executive Request                                                  | \$1,128,167 | \$0          | \$0        | \$0             | \$1,128,167   | 0.0 |
| Staff Rec. Above/-Below Request                                               | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Professional Development and Training

This line item provides funding for the Colorado Shines Professional Development Information System (PDIS), which is the statewide workforce registry and learning management system supporting professional development for Colorado's early childhood workforce. Effective December 2021, all staff in licensed programs are required to be registered in the PDIS. The funds support the costs of resources for the ongoing oversight and development of ongoing

training, and professional development opportunities for early childhood educators, and operating and maintenance costs for the PDIS technology system.

*Statutory authority:* Sections 26.5-1-106(1)(a)(I)(B), 26.5-3-805, 26.5-5-101, and 26.5-1-104, C.R.S.

*Request:* The Department requests \$2,425,317 total funds, including \$75,000 General Fund, and \$2,350,317 federal funds from the Child Care Development Fund for Professional Development and Training Assistance, a quality initiative of CCCAP, in FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below as discussed earlier.

| Early Learning Access and Quality, Professional Development and Training Assistance |             |              |            |                 |               |     |
|-------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                            |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                              | \$3,351,951 | \$75,000     | \$0        | \$0             | \$3,276,951   | 0.0 |
| Total FY 2024-25                                                                    | \$3,351,951 | \$75,000     | \$0        | \$0             | \$3,276,951   | 0.0 |
| FY 2025-26 Recommended Appropriation                                                |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                            | \$3,351,951 | \$75,000     | \$0        | \$0             | \$3,276,951   | 0.0 |
| R1/BA1 CCDF Regulation implementation                                               | 210,000     | 0            | 0          | 0               | 210,000       | 0.0 |
| Annualize prior year budget actions                                                 | -1,136,634  | 0            | 0          | 0               | -1,136,634    | 0.0 |
| Total FY 2025-26                                                                    | \$2,425,317 | \$75,000     | \$0        | \$0             | \$2,350,317   | 0.0 |
| Changes from FY 2024-25                                                             | -\$926,634  | \$0          | \$0        | \$0             | -\$926,634    | 0.0 |
| Percentage Change                                                                   | -27.6%      | 0.0%         | n/a        | n/a             | -28.3%        | n/a |
| FY 2025-26 Executive Request                                                        | \$2,425,317 | \$75,000     | \$0        | \$0             | \$2,350,317   | 0.0 |
| Staff Rec. Above/-Below Request                                                     | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Early Childhood Quality and Availability

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

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

The federal government currently requires 3 percent of the total CCDF expenditures to be targeted for infant/toddler care to provide specialized training, technical assistance, improve

the quality, or expand the supply of child care programs serving infants and toddlers. This funding includes, but is not limited to, the ITQA program and the Expanding Quality for Infants and Toddlers (EQIT) program.

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

*Statutory authority:* Sections 26.5-2-201 et seq., 26.5-5-101 et seq., and 26.5-5-201 et seq., C.R.S.

*Request:* The Department requests \$10,700,649 total funds, including \$3,043,243 General Fund, and \$7,657,406 federal funds from the Child Care Development Fund for Early Childhood Quality and Availability in FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and includes adjustments related to CCCAP as discussed earlier.

| Early Learning Access and Quality, Early Childhood Quality and Availability |              |              |            |                 |               |     |
|-----------------------------------------------------------------------------|--------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                        | Total Funds  | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                    |              |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                      | \$12,458,245 | \$3,043,243  | \$0        | \$0             | \$9,415,002   | 0.0 |
| Total FY 2024-25                                                            | \$12,458,245 | \$3,043,243  | \$0        | \$0             | \$9,415,002   | 0.0 |
| FY 2025-26 Recommended Appropriation                                        |              |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                    | \$12,458,245 | \$3,043,243  | \$0        | \$0             | \$9,415,002   | 0.0 |
| Annualize prior year budget actions                                         | -1,757,596   | 0            | 0          | 0               | -1,757,596    | 0.0 |
| R1/BA1 CCDF Regulations & invest.                                           | -210,000     | 0            | 0          | 0               | -210,000      | 0.0 |
| Total FY 2025-26                                                            | \$10,490,649 | \$3,043,243  | \$0        | \$0             | \$7,447,406   | 0.0 |
| Changes from FY 2024-25                                                     | -\$1,967,596 | \$0          | \$0        | \$0             | -\$1,967,596  | 0.0 |
| Percentage Change                                                           | -15.8%       | 0.0%         | n/a        | n/a             | -20.9%        | n/a |
| FY 2025-26 Executive Request                                                | \$10,700,649 | \$3,043,243  | \$0        | \$0             | \$7,657,406   | 0.0 |
| Staff Rec. Above/-Below Request                                             | -\$210,000   | \$0          | \$0        | \$0             | -\$210,000    | 0.0 |

## Imagination Library of Colorado [New Line Item]

This line item provides funding for the Imagination Library of Colorado, transferred to the Department of Early Childhood from the Department of Education beginning in FY 2024-25. This program provides books free of charge to children 0-5 years old.

*Statutory authority:* Section 26.5-1-115, C.R.S. (added 2024)

**Request:** The Department requested \$1,624,365 General Fund for the Imagination Library of Colorado Program in FY 2025-26. This maintains level funding for the program from FY 2024-25.

**Recommendation:** Staff recommends approval of the requested funding but moves funding for the program into a separate line item.

## Indirect Cost Assessment

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

**Statutory authority:** Section 26.5-1-108(1)-(2), C.R.S.

**Request:** The Department requests \$4,157,328 federal funds to reflect indirect cost collections from this Division in FY 2025-26. This includes adjustments related to R6 Indirect costs, statewide indirect cost collections, R5 Language justice coordinator, and the annualization of prior year legislation.

**Recommendation:** The staff recommendation is provided in the table below.

| Early Learning Access and Quality, Indirect Cost Assessment |                    |              |            |                      |                    |            |
|-------------------------------------------------------------|--------------------|--------------|------------|----------------------|--------------------|------------|
| Item                                                        | Total Funds        | General Fund | Cash Funds | Reappropriated Funds | Federal Funds      | FTE        |
| <b>FY 2024-25 Appropriation</b>                             |                    |              |            |                      |                    |            |
| HB 24-1430 (Long Bill)                                      | \$3,624,393        | \$0          | \$0        | \$0                  | \$3,624,393        | 0.0        |
| S.B. 24-090 (Supplemental)                                  | \$787,126          | \$0          | \$0        | \$0                  | \$787,126          | 0.0        |
| <b>Total FY 2024-25</b>                                     | <b>\$4,411,519</b> | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b>           | <b>\$4,411,519</b> | <b>0.0</b> |
| <b>FY 2025-26 Recommended Appropriation</b>                 |                    |              |            |                      |                    |            |
| FY 2024-25 Appropriation                                    | \$4,411,519        | \$0          | \$0        | \$0                  | \$4,411,519        | 0.0        |
| R6 Indirect costs                                           | 804,937            | 0            | 0          | 0                    | 804,937            | 0.0        |
| Statewide indirect costs                                    | 76,462             | 0            | 0          | 0                    | 76,462             | 0.0        |
| R5 Language justice coord.                                  | 0                  | 0            | 0          | 0                    | 0                  | 0.0        |
| Annualize prior year legislation                            | -787,126           | 0            | 0          | 0                    | -787,126           | 0.0        |
| Annualize prior year budget actions                         | -415,744           | 0            | 0          | 0                    | -415,744           | 0.0        |
| <b>Total FY 2025-26</b>                                     | <b>\$4,090,048</b> | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b>           | <b>\$4,090,048</b> | <b>0.0</b> |
| Changes from FY 2024-25                                     | -\$321,471         | \$0          | \$0        | \$0                  | -\$321,471         | 0.0        |
| Percentage Change                                           | -7.3%              | n/a          | n/a        | n/a                  | -7.3%              | n/a        |
| FY 2025-26 Executive Request                                | \$4,157,328        | \$0          | \$0        | \$0                  | \$4,157,328        | 0.0        |
| Staff Rec. Above/-Below Request                             | -\$67,280          | \$0          | \$0        | \$0                  | -\$67,280          | 0.0        |

## Expired/Expiring Line Items:

Child Care Assistance Program Stimulus – Eligibility Expansion and Infant and Toddler Care Reimbursement

Provided funding to support increased program costs associated with reimbursing infant and toddler care based on enrollment and expanding income eligibility thresholds for the Colorado Child Care Assistance Program (CCCAP). This item was funded through federal stimulus funds from the Child Care and Development Fund (CCDF) grant to supplement funding for the Child Care Assistance Program (CCCAP). The funds were spent only on direct services for children participating in CCCAP.

*Statutory authority:* Sections 26.5-1-104, 26.5-1-108, and 26.5-4-101 et. seq., C.R.S.

*Reason for Expiration:* Stimulus dollars fully expended at the end of FY 2024-25.

### Local Capacity Building Grants

Provided funding to support the evaluation of local capacity and building community readiness for launching universal preschool.

*Statutory authority:* Sections 26.5-1-12, and 26.5-1-106, C.R.S.

*Reason for Expiration:* Stimulus dollars fully expended at the end of FY 2024-25.

### Emerging and Expanding Grant Program

Provided funding to support grants to local providers which supported expenses related to the expansion of current licensed child care capacity or the opening of a new licensed child care program.

*Statutory authority:* Section 26.5-3-803, C.R.S.

*Reason for Expiration:* Stimulus dollars fully expended at the end of FY 2024-25.

### Early Care and Education Recruitment and Retention Grant and Scholarship Program

Supported grants to increase the number of qualified early childhood educators throughout the state and to retain existing licensed early childhood educators including those working in Early Intervention, home visiting, and Early Childhood Mental Health (ECMH).

*Statutory authority:* Section 26.5-3-805, C.R.S.

*Reason for Expiration:* Stimulus dollars fully expended at the end of FY 2024-25.

### Employer-Based Child Care Facility Grant and Scholarship Program

Supported grants to eligible entities for the construction, remodeling, renovation, or retrofitting of a child care center on site or near the site of the employer for the purpose of providing licensed child care services to the entity's employees.

*Statutory authority:* Section 26.5-3-804, C.R.S.

*Reason for Expiration:* Stimulus dollars fully expended at the end of FY 2024-25.

### Child Care Sustainability Grant Program

Supported grants to increase the number of qualified early childhood educators throughout the state and to retain existing licensed early childhood educators including those working in Early Intervention, home visiting, and Early Childhood Mental Health (ECMH).

*Statutory authority:* Section 26.5-3-805, C.R.S.

*Reason for Expiration:* Stimulus dollars fully expended at the end of FY 2024-25.

## (4) Community and Family Support

This division provides funding and support to multiple family and child support programs delivered at the local level including but not limited to Early Intervention services, Nurse Home Visitor program, and Child Maltreatment Prevention programs.

| Department of Early Childhood        |               |              |              |                 |               |      |
|--------------------------------------|---------------|--------------|--------------|-----------------|---------------|------|
| Item                                 | Total Funds   | General Fund | Cash Funds   | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation             |               |              |              |                 |               |      |
| HB 24-1430 (Long Bill)               | \$145,081,457 | \$77,275,338 | \$41,123,485 | \$10,140,111    | \$16,542,523  | 24.7 |
| S.B. 24-090 (Supplemental)           | -141,830      | -200,000     | 84,237       | 0               | -26,067       | 0.0  |
| Total FY 2024-25                     | \$144,939,627 | \$77,075,338 | \$41,207,722 | \$10,140,111    | \$16,516,456  | 24.7 |
| FY 2025-26 Recommended Appropriation |               |              |              |                 |               |      |
| FY 2024-25 Appropriation             | \$144,939,627 | \$77,075,338 | \$41,207,722 | \$10,140,111    | \$16,516,456  | 24.7 |
| R3 Early Intervention caseload       | 3,600,000     | 3,500,000    | 100,000      | 0               | 0             | 0.0  |
| R4 Child Abuse Prevention Trust Fund | 412,000       | -450,000     | 862,000      | 0               | 0             | 0.0  |
| R6 Indirect costs                    | -134,030      | -200,000     | 84,237       | 0               | -18,267       | 0.0  |
| SI General Fund relief options       | -943,763      | -943,763     | 0            | 0               | 0             | 0.0  |
| Centrally appropriated items         | 130,850       | 28,069       | 32,452       | 0               | 70,329        | 0.0  |
| Statewide indirect costs             | 11,341        | 0            | 8,803        | 0               | 2,538         | 0.0  |
| Technical adjustments new line items | 0             | 0            | 0            | 0               | 0             | 0.0  |
| Annualize prior year budget actions  | -3,594,181    | -3,517,800   | 0            | 0               | -76,381       | 0.1  |
| Annualize prior year legislation     | -158,170      | 100,000      | -84,237      | -200,000        | 26,067        | 0.0  |
| Total FY 2025-26                     | \$144,263,674 | \$75,591,844 | \$42,210,977 | \$9,940,111     | \$16,520,742  | 24.8 |
| Changes from FY 2024-25              | -\$675,953    | -\$1,483,494 | \$1,003,255  | -\$200,000      | \$4,286       | 0.1  |
| Percentage Change                    | -0.5%         | -1.9%        | 2.4%         | -2.0%           | 0.0%          | 0.4% |
| FY 2025-26 Executive Request         | \$145,707,437 | \$76,835,607 | \$42,210,977 | \$10,140,111    | \$16,520,742  | 24.8 |
| Staff Rec. Above/-Below Request      | -\$1,443,763  | -\$1,243,763 | \$0          | -\$200,000      | \$0           | 0.0  |

## Decision Items

### → R3 Early Intervention caseload

#### Request

The Department requests \$3.5 million General Fund and \$100,000 cash funds from the Early Intervention Services Trust Fund interest earnings 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.

## Recommendation

Staff recommends \$3.5 million including \$3.5 million General Fund and \$100,000 cash funds from the interest earned on the Early Intervention Services Trust Fund in FY 2025-26 and ongoing. Staff does not recommend the JBC carry legislation to designate Early Intervention as an entitlement program.

## Analysis

### Background

The Department's FY 2023-24 budget request included \$3.5 million ongoing for workforce investments in Early Intervention. JBC staff recommended in favor of the request, but the Joint Budget Committee ultimately decided on a two-year appropriation for this purpose after an OSPB comeback.

During the pandemic, eligibility qualifications were narrowed to reduce caseload as a budget balancing measure. In FY 2022-23, those qualifications were gain broadened to increase caseload and to begin serving more children. The Department requested supplemental funding for FY 2022-23 and ongoing funding in FY 2023-24 to address caseload increases. The BA2 Early Childhood Intervention Workforce included \$4.0 million in FY 2022-23, annualizing to \$3.5 million in FY 2023-24 to grow workforce capacity through targeted provider increases and incentives.

In its request, the Department indicated that, though providers had received incremental increases in line with common policies for the state, there existed significant salary and compensations differences between service provider coordinators and direct service providers in the market which were exacerbating the provider capacity shortage. This funding was explicitly intended to increase provider compensation.

In the OSPB comeback, the Governor's office indicated that the supplemental funding in FY 2022-23 would support one-time bonuses, but that funding in FY 2023-24 was to support longer-term workforce strategies. Those strategies would be recommended through the Workforce Investment Committee. AT that time, short-term strategies included targeted rate increases to provide competitive salaries, to offer travel and mileage reimbursement for sub-contracted providers, and to review the administrative burden for billing private insurance that doesn't participate in the Early Intervention Services Trust. Additionally, the committee would develop strategies for long-term recruitment and retention efforts, including increased opportunities for professional development for sub-contracted providers and creating a plan to train and implement a primary provider model for EI that encourages teaming and cross-training. Other strategies considered were pathways into higher education through scholarships, loan forgiveness, and apprenticeships.



## Funding Utilization and Impact

Ultimately, the Committee determined to use the funding in the following ways:

- Provide a 3.0 percent salary increase for service coordinator and employed direct service provider personnel lines in EI Broker contracts (\$832,668)
- Provide a 3.0 percent increase in subcontracted provider rates (\$494,172)
- Increase the employed service coordinator, direct service provider, and subcontracted provider rates for areas where there were significant disparities in salaries and rates. This includes a \$30 stipend for subcontracted providers that are billing Medicaid for a speech and/or language session to help support the monitoring of Individualized Family Service Plan (IFSP) outcomes (\$1,012,669)
- Reimburse subcontracted providers for scheduled visits or an IFSP meeting where the family cancels or does not show less than 24 hours from the scheduled visit (\$500,000)
- Compensate new subcontracted providers for completing the required 15-hour EI Provider Training (\$250) and, if the provider remains in Early Intervention after 6 months, provide an additional \$250 after completion of a follow up survey (\$118,000)
- Provide travel and mileage reimbursements (\$100,000)
- Implement a primary provider, transdisciplinary teaming model of service delivery (\$442,492)

The Department indicates that this funding will continue to assist with estimated caseload growth, serving an additional 1,267 children in FY 2025-26. Additionally, during a site visit over the summer, JBC staff learned that retention and recruitment *has* been positively impacted by this funding, growing EI provider capacity and leading to better staffing.

In the current fiscal year, the Department is averaging 11,455 children enrolled in services each month. The estimate for FY 2025-26 is 12,722 and 13,990 for FY 2026-27. As the number of children enrolled increases, so must the capacity to provide services. Private pay and insurance coverage must be used before the state contributes General Fund or federal IDEA funds. As enrollment increases, the Department is seeing a decline in the portion of children who are also enrolled in Medicaid, and Medicaid's coverage is not increasing with costs. The yearly cost per family is increasing, of which the Department's cost is approx. 80.0 percent with 20.0 percent covered by Medicaid or the Early Intervention Services Trust (EIST). Estimates suggest that the number of children enrolled in Medicaid is lower than the general caseload growth trajectory which will increase financial pressures on the Department.

Children enrolled in the EI program receive comprehensive services based on the individualized needs of the child and the families. Services may include assistive technology services/devices, audiology, developmental intervention, health, medical, nursing, nutrition, occupational therapy, physical therapy, psychological services, sign language and cued speech services, social and emotional intervention services, speech/language pathology, transportation, and vision services. On average, children have 1.7 needed services, and for children who have more than one, the average is 2.6. The average yearly CDEC share of cost per child is \$4,568, but actual costs will vary greatly depending on services provided.

## Request

Per the JBC approval in 2023 the Department shows a decrease of \$3.5 million General Fund in its budget request for FY 2025-26. The Department's request for an increase of \$3.5 million General Fund would extend that funding in perpetuity to assist with caseload increases in the program. Additionally, the Department indicates that because this funding, though only appropriated by the General Assembly for two years, was expended for EI services in FY 2024-25, the State must continue this funding to meet its federal Maintenance of Effort requirement for Part C funding. Failure to do so could result in the State being required to pay back to the federal government the State's unmet match requirement.

Additionally, the Department requests \$100,000 cash funds from the Early Intervention Trust Fund which would give them spending authority for interest accrued in the Early Intervention Services Trust to pay for direct services within the EI program. This amount is the Department's estimate of that interest. While the funds deposited in the EIST must be returned to the insurance company if they are not utilized, the Colorado Office of the Attorney General determined that associated interest could be used for EI direct services. The Department indicates these funds could offset direct services costs for approximately 22 children, reducing the program's reliance on General Fund.

The Department also requests that the JBC sponsor legislation for the State to recognize the EI program as an entitlement program. The Department argues that while the federal government does not call this program an entitlement, federal law prohibits the program from having a waitlist. With the fluctuation of caseload, this can create challenges for expenditure projections. If this program were recognized in statute as an entitlement program, the Department could exceed its appropriation on direct services as long as it adheres to eligibility criteria and provider rates approved by the JBC through the budget process. The Department indicates that this would allow it to submit more conservative EI budget requests and reduce administrative burdens while "[working] towards a consistent methodology for EI caseload forecasting.

## Recommendation

Staff recommends approval of the funding requests with a note that future requests for time-limited funding for this program should be heavily scrutinized and the purposes put forward in a footnote. Staff does not recommend approval of the request to make the program an entitlement.

Though the federal government has promulgated rules regarding waitlists, it does not treat this program as an entitlement. Additionally, since FY 2006-2007, the Department has submitted only three supplemental requests to increase funds by an average of \$3.2 million due to caseload growth being larger than anticipated. Those were in consecutive fiscal years, FY 2017-18, FY 2018-19, and FY 2019-20. Staff is also uncomfortable with the notion that a more conservative budget request would be submitted as was stated in the request, given that it could exceed its appropriation at will. Staff does not feel that the waitlist constraint and enrollment dynamic negates the need for oversight of expenditures for this program, even if

requiring a supplemental request. Therefore, staff does not recommend the JBC sponsor legislation to make this program an entitlement.

## Evidence Designation

The Early Intervention Services program is designated as evidence-informed

## → R4 Colorado Child Abuse Prevention Trust Fund

## Request

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. 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.

## Recommendation [requires legislation]

Staff recommends an increase of \$862,000 spending authority from the Colorado Child Abuse Prevention (COCAP) Trust Fund, of which \$500,000 will be for five years only. Additionally, staff recommends a decrease of \$300,000 General Fund and legislation to end transfers of General Fund to this cash fund.

## Analysis

### Background

Established in 1989, the Colorado Child Abuse Prevention Trust Fund (COCAP) was created to prevent the abuse and neglect of Colorado's children. The COCAP is overseen by a board of 19 members that serve a term of three years. Statute dictates how the board is comprised and its responsibilities. The board meets regularly to develop recommendations and guide initiatives that support and strengthen families in efforts to prevent child abuse.

The Board priorities are to direct investments, raise capital, and align and accelerate programs that aim to strengthen families. It has identified nine recommendations in support of these efforts:

- Invest in Family Resource Centers
- Invest in evidence-based practices and their state intermediaries
- Invest in strategies to match families to appropriate services and decrease barriers to access
- Invest in strategies from Child Maltreatment Prevention Plans
- Position the Trust Fund to be a depositing ground for unspent prevention funds

- Increase endowments and other gifts to the Trust Fund
- Promote strategies to maximize federal drawdown in Family First
- Endorse and advise on recommendations by aligned prevention partners
- Support policies and practices that expand economic and concrete support for families.

The COCAP Trust Fund receives revenues from divorce docket fees, federal funds pursuant to the federal “Family First Prevention Services Act of 2018, any funding appropriated to it by the state, and any grants or donations collected by the board. The fund is subject to appropriation, after which the Department, through the direction of the Board and in alignment with prevention investment strategies, provides the funds as grants to local entities for evidence-based programs.

### Trust Fund Structure and Balance

The COCAP Trust Fund consists of the Principal Account, the Family First Subaccount, and the Reserve. For FY 2024-25, the balances of each component of the Trust Fund are as follows:

| Colorado Child Abuse Prevention Trust Fund (COCAP) |                    |
|----------------------------------------------------|--------------------|
| COCAP Account- Cash Funds                          | FY 2024-25 Amounts |
| Principal Account                                  | \$389,663          |
| Family First Sub Account                           | \$340,819          |
| Reserve Fund                                       | \$3,042,444        |
| Total                                              | \$3,772,926        |

The Principal Account consists of both General Fund and divorce docket fees credited pursuant to Section 13-32-101 (5)(a)(I), C.R.S., which has produced, on average, approximately \$360,000 in revenue per year. The Family First Subaccount consists of reimbursements from the Family First Prevention Services Act (FFPSA) of 2018. The FFPSA reformed the federal child welfare financing streams, Title IV-E and Title IV-B of the Social Security Act, providing funding for services to families who are at risk of entering the child welfare system by allowing federal reimbursement for mental health services, substance use treatment, and in-home parenting skill training as aligned with the state’s plan.

Colorado’s FFPSA plan includes the following approved programs from the Administration for children and Families’ Title IV-E Prevention Services clearinghouse:

- Nurse-Family Partnership
- SafeCare
- Child First
- Healthy Families America
- Parent-Child Interaction Therapy (PCIT)
- Fostering Healthy Futures for Preteens
- Multisystemic Therapy
- Functional Family Therapy

The Family First Subaccount is meant to build capacity to implement the plan and expand evidence-based Family First services, and there are now sufficient FFPSA funds to begin using

the reimbursement funding to provide approximately 2 or 3 grants for these programs and services beginning in July 2025.

The Reserve Fund accumulated over the years at the directive of the Legislature. Prior to 2021, statute required the COCAP Trust Fund to retain 25.0 percent of divorce docket fee money credited to the Trust Fund until assets exceeded \$5.0 million. In 2021, through House bill 21-1248 (Colorado Children's Trust Fund Act), the Legislature repealed that requirement. Over time, the Trust Fund has accrued a balance of approximately \$3.3 million as a result of the set-aside requirement, an amount which has not been spent since the Department does not have spending authority without appropriation and a plan was not in place for the expenditure of those funds.

According to the Department, current support for the COCAP trust fund from the General Fund is \$353,000, of which \$150,000 is allocated for Child Sexual Abuse Prevention (CSAP), \$200,000 is for Substance Exposed Newborns (SEN), and \$3,000 is related to provider rate increases. The Departments FY 2025-26 request refinances \$150,000 for CSAP, leaving \$200,000 for SEN and \$3,000 for provider rates.

## Request

The Department requests \$862,000 increased spending authority from the COCAP Trust Fund and a decrease of \$150,000 General Fund appropriated to the fund as well as an (I) note denoting the source of the FFPSA funds and their exemption from annual appropriation requirements.

The Board, in coordination with the Colorado Evaluation and Action Lab and the Department, has developed a five-year strategy for future COCAP investments into evidence-based programs. The Board plans to direct \$2.5 million over five years to award grants for start-up costs for local, evidence-based prevention programs. To be eligible for an award, applicants must demonstrate how the programs will be financially sustainable over the long-term.

Of the \$862,000 cash funds requested, \$500,000 would be for 5 years only to implement the new investment strategy of providing grants to local entities to cover start-up costs for evidence-based programs in support of the strategic investments plan created by the board. This amount includes the refinanced \$150,000 General Funds.

The remaining \$362,000 cash funds would be ongoing and from the Federal Family First Prevention Services Act/Title IV (FFPSA) reimbursements deposited to the fund. Statute requires that funds from this source of funding must be used to provide additional funding for evidence-based strategies within the Title IV-E Prevention Services Clearinghouse, as outlined in the state plan. The disbursement of funds to eligible programs must be done on an annual basis due to the timing of FFPSA reimbursement deposits in the COCAP Trust Fund. This prevents the Department from providing multi-year grant awards due to the unpredictability of funding. The Department also requests an (I) not in the Long Bill on the FFPSA Title IV-E portion of the cash fund noting the source and indicating that it is not subject to appropriation by the General Assembly.

## Recommendation

Staff recommends the increased spending authority from the COCAP Trust Fund to spend down the reserves and a reduction of \$150,000 General Fund to be refinanced with the cash funds. Staff recommends an (I) note denoting the source of the Title IV-E funds but does not recommend their exemption from annual appropriation.

Staff believes an (I) note is appropriate given that Title IV-E funds are shown for informational purposes only and are required to be reflected in other instances per statute. However, because the funds are deposited into the Trust Fund, and because the COCAP Trust Fund *is* subject to appropriation by the General Assembly, staff does not recommend exempting the source from annual appropriations at this time. Additionally, given that the deposits will be unpredictable regardless of annual appropriation due to the timing of the deposits as stated above, staff does not believe it to be appropriate.

In 2024, the Legislature passed HB 24-1045 (Treatment for Substance Use Disorders) which requires the General Assembly to appropriate \$150,000 to the Trust Fund each year for programs to reduce the occurrence of prenatal substance exposure. Additionally, the bill requires the General Assembly to appropriate \$50,000 in FY 2024-25 and FY 2025-26 to convene a stakeholder group to identify strategies to increase access to child care for families seeking substance use disorder treatment and recovery services.

The total amount of General Fund in the Trust Fund is \$353,000, of which the Department is requesting to refinance \$150,000 annually for at least the next 5 years leaving \$203,000 General Fund in the Trust Fund annually. This effectively leaves the General Fund provided through HB 24-1045 plus a small amount related to provider rate increases.

Given that the legislation to support the Substance Use Disorder Treatment/Substance Exposed Newborns was only enacted in the current fiscal year, the Committee could decide to undo all or a portion of the annual appropriation now provided in statute which would require a bill.

## Evidence Designation

The programs supported by funding through the COCAP Trust Fund must be evidence-based to receive funding.

→ SI General Fund Relief: Reduce funding for Universal Home Visiting

## Request

The Department did not request the following budget reduction.

## Recommendation

Staff recommends a reduction of \$280,982 General Fund in FY 2025-26 and ongoing from the Universal Home Visiting Program, a 10.0 percent reduction in total program funding for FY 2025-26.

## Analysis

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.

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 to winding-down any incremental progress made.

## → SI General Fund Relief: Reduce funding for Early Childhood Mental Health Svcs

## Request

The Department did not request the following budget reduction.

## Recommendation

Staff recommends a reduction of \$162,781 General Fund in FY 2025-26 and ongoing from the Early Childhood Mental Health line item, a 10.0 percent reduction in total line item funding. Staff recommendation allows the Department to apportion the reduction across programs.

## Analysis

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.

A reduction in funding for this program would result in a reduction of services for children and families.

## → SI General Fund Relief: Eliminate funding for Child Care Services and Substance Use Disorder Treatment Pilot

### Request

The Department did not request the following budget reduction.

### Recommendation

Staff recommends a reduction of \$500,000 General Fund for the Child Care Services and Substance Use Disorder Treatment Pilot, thereby discontinuing the program.

### Analysis

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)

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 that the program has been looking at other philanthropic support for services provided and has requested that a portion of the funding be retained to maintain the RV asset acquired for the program. The necessary amount is unknown at this time, but the RV used to provide services will be sold if program funding is eliminated.



# Line Item Detail

## Personal Services

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

*Statutory authority:* Sections 26.5-1-104, and 24-50-101 et seq., C.R.S.

*Request:* The Department requests \$5,476,097 total funds, including \$3,128,045 General Fund, \$489,586 cash funds, and \$1,858,466 federal funds for FY 2025-26. This includes adjustments related to centrally appropriated items, R6 indirect costs, and the annualization of prior year legislation and budget actions.

*Recommendation:* The staff recommendation is provided in the table below. Adjustments include a technical change to move the Universal Home Visiting pilot program out of the Personal Services and Operating Expenses line items and in to its own line item. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions (such as provider rates) that affect this line item, but are not addressed in this document.

| Community and Family Support, Personal Services |              |              |            |                 |               |       |
|-------------------------------------------------|--------------|--------------|------------|-----------------|---------------|-------|
| Item                                            | Total Funds  | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE   |
| FY 2024-25 Appropriation                        |              |              |            |                 |               |       |
| HB 24-1430 (Long Bill)                          | \$5,623,822  | \$3,310,776  | \$457,134  | \$0             | \$1,855,912   | 24.7  |
| S.B. 24-090 (Supplemental)                      | -200,000     | -200,000     | 0          | 0               | 0             | 0.0   |
| Total FY 2024-25                                | \$5,423,822  | \$3,110,776  | \$457,134  | \$0             | \$1,855,912   | 24.7  |
| FY 2025-26 Recommended Appropriation            |              |              |            |                 |               |       |
| FY 2024-25 Appropriation                        | \$5,423,822  | \$3,110,776  | \$457,134  | \$0             | \$1,855,912   | 24.7  |
| Annualize prior year legislation                | 200,000      | 200,000      | 0          | 0               | 0             | 0.0   |
| Centrally appropriated items                    | 130,850      | 28,069       | 32,452     | 0               | 70,329        | 0.0   |
| Technical adjustments new line items            | -1,097,624   | -1,097,624   | 0          | 0               | 0             | -0.9  |
| R6 Indirect costs                               | -200,000     | -200,000     | 0          | 0               | 0             | 0.0   |
| Annualize prior year budget actions             | -67,775      | 0            | 0          | 0               | -67,775       | 0.0   |
| Total FY 2025-26                                | \$4,389,273  | \$2,041,221  | \$489,586  | \$0             | \$1,858,466   | 23.8  |
| Changes from FY 2024-25                         | -\$1,034,549 | -\$1,069,555 | \$32,452   | \$0             | \$2,554       | -0.9  |
| Percentage Change                               | -19.1%       | -34.4%       | 7.1%       | n/a             | 0.1%          | -3.6% |
| FY 2025-26 Executive Request                    | \$5,476,097  | \$3,128,045  | \$489,586  | \$0             | \$1,858,466   | 24.8  |
| Staff Rec. Above/-Below Request                 | -\$1,086,824 | -\$1,086,824 | \$0        | \$0             | \$0           | -1.0  |

## Operating Expenses

This line item provides funding to support operations tools such as telephones, computers, office furniture, employee supplies as well as in- and out-of-state travel, records storage, postage costs, and subscriptions to publications.

*Statutory authority:* Section 26.5-1-104, C.R.S.

*Request:* The Department requests \$2,052,641 total funds, including \$1,908,233 General Fund, \$52,188 cash funds, and \$92,220 federal funds for FY 2025-26. This includes adjustments related to the annualization of prior year budget actions.

*Recommendation:* The staff recommendation is provided in the table below. Adjustments include a technical change to move the Universal Home Visiting pilot program out of the Personal Services and Operating Expenses line items and in to its own line item.

| Community and Family Support, Operating Expenses |              |              |            |                 |               |     |
|--------------------------------------------------|--------------|--------------|------------|-----------------|---------------|-----|
| Item                                             | Total Funds  | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                         |              |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                           | \$2,060,009  | \$1,915,233  | \$52,188   | \$0             | \$92,588      | 0.0 |
| Total FY 2024-25                                 | \$2,060,009  | \$1,915,233  | \$52,188   | \$0             | \$92,588      | 0.0 |
| FY 2025-26 Recommended Appropriation             |              |              |            |                 |               |     |
| FY 2024-25 Appropriation                         | \$2,060,009  | \$1,915,233  | \$52,188   | \$0             | \$92,588      | 0.0 |
| Technical adjustments new line items             | -1,730,000   | -1,730,000   | 0          | 0               | 0             | 0.0 |
| Annualize prior year budget actions              | -368         | 0            | 0          | 0               | -368          | 0.0 |
| Total FY 2025-26                                 | \$329,641    | \$185,233    | \$52,188   | \$0             | \$92,220      | 0.0 |
| Changes from FY 2024-25                          | -\$1,730,368 | -\$1,730,000 | \$0        | \$0             | -\$368        | 0.0 |
| Percentage Change                                | -84.0%       | -90.3%       | 0.0%       | n/a             | -0.4%         | n/a |
| FY 2025-26 Executive Request                     | \$2,052,641  | \$1,908,233  | \$52,188   | \$0             | \$92,220      | 0.0 |
| Staff Rec. Above/-Below Request                  | -\$1,723,000 | -\$1,723,000 | \$0        | \$0             | \$0           | 0.0 |

## Early Intervention

This line item provides funding for the Early Intervention Services program, which is codified in state and federal statute, at Section 26.5-3-401 et seq., C.R.S. (2022) and the Individuals with Disabilities Education Act (2004), 34 C.F.R. Section 303.101 (a)(1). The funding supports contracts with community agencies to provide service coordination and direct services to eligible children and families as well as other costs necessary to implement the Early Intervention program including public awareness, training, information technology, and state staff responsible for oversight and implementation of the program.

Early Intervention services conduct evaluations and provide support to children from birth through age two and their families who are determined eligible based on a developmental delay or disability. These services and supports enhance child development in the areas of adaptive skills, cognitive skills, communication, motor development including vision and hearing and social and emotional development. The Early Intervention program also includes

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

*Statutory authority:* Section 26.5-3-401 et seq., C.R.S. and 34 C.F.R. Section 303.101(a)(1).

*Request:* The Department requests \$87,452,710 total funds, including \$60,492,837 General Fund, \$10,987,177 cash funds from the Early Intervention Services Trust, \$9,940,111 reappropriated funds from HCPF, and \$6,032,585 federal funds from Title IV federal funds in FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and includes adjustments related to R3 Early Intervention caseload as discussed earlier.

| Community and Family Support, Early Intervention |              |              |              |                 |               |     |
|--------------------------------------------------|--------------|--------------|--------------|-----------------|---------------|-----|
| Item                                             | Total Funds  | General Fund | Cash Funds   | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                         |              |              |              |                 |               |     |
| HB 24-1430 (Long Bill)                           | \$87,352,710 | \$60,492,837 | \$10,887,177 | \$9,940,111     | \$6,032,585   | 0.0 |
| Total FY 2024-25                                 | \$87,352,710 | \$60,492,837 | \$10,887,177 | \$9,940,111     | \$6,032,585   | 0.0 |
| FY 2025-26 Recommended Appropriation             |              |              |              |                 |               |     |
| FY 2024-25 Appropriation                         | \$87,352,710 | \$60,492,837 | \$10,887,177 | \$9,940,111     | \$6,032,585   | 0.0 |
| R3 Early Intervention caseload                   | 3,600,000    | 3,500,000    | 100,000      | 0               | 0             | 0.0 |
| Annualize prior year budget actions              | -3,500,000   | -3,500,000   | 0            | 0               | 0             | 0.0 |
| Total FY 2025-26                                 | \$87,452,710 | \$60,492,837 | \$10,987,177 | \$9,940,111     | \$6,032,585   | 0.0 |
| Changes from FY 2024-25                          | \$100,000    | \$0          | \$100,000    | \$0             | \$0           | 0.0 |
| Percentage Change                                | 0.1%         | 0.0%         | 0.9%         | 0.0%            | 0.0%          | n/a |
| FY 2025-26 Executive Request                     | \$87,452,710 | \$60,492,837 | \$10,987,177 | \$9,940,111     | \$6,032,585   | 0.0 |
| Staff Rec. Above/-Below Request                  | \$0          | \$0          | \$0          | \$0             | \$0           | 0.0 |

## Home Visiting

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

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

Funding for the Home Visiting for School Readiness program, originally known as Healthy Steps for young Children, supports contracts with agencies to implement the national Healthy Steps

and Home Instruction for Parents of Preschool Youngsters models. Healthy Steps is delivered through the pediatric care system and provides support and education, developmental screening, instruction in safe sleep practices, family protective and risk factor screening, and connections to services.

*Statutory authority:* Sections 26.5-3-501 et seq., 26.5-3-903, 26.5-3-904, and 26.5-3-603, C.R.S.

*Request:* The Department requests \$29,791,933 total funds, including \$628,226 General Fund, \$27,400,370 cash funds from the Nurse Home Visitor Trust Fund, and \$1,763,337 federal funds from Title IV federal funds in FY 2025-26. This reflects level funding from FY 2024-25 to FY 2025-26.

*Recommendation:* Staff recommends approval of the request.

## Universal Home Visiting Pilot Program [New Line Item]

This line item provides funding for the Universal Home Visiting Pilot Program, the funding for which began in FY 2024-25. This program provides prenatal and post-partum visits to families to ensure the well-being of the mother and child as well as to identify opportunities for additional services that may be beneficial for the family. Funding supports up to nine counties and was provided for five years, through FY 2028-29.

*Statutory authority:* 26.5-3-901, C.R.S.

*Request:* The Department requests \$2,528,842 General Fund to support the Universal Home Visiting Pilot Program in FY 2025-26. This reflects a decrease related to the annualization of one-time funding.

*Recommendation:* Staff recommendations move the funding for the Universal Home Visiting Pilot Program from the Personal Services and Operating Expenses line items and into its own line item. Staff recommends a decrease of \$280,982 related to budget balancing as discussed earlier in the document.

| Community and Family Support, Universal Home Visiting Pilot Program |             |              |            |                 |               |     |
|---------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Technical adjustments new line items                                | 2,827,624   | 2,827,624    | 0          | 0               | 0             | 0.9 |
| SI General Fund relief options                                      | -280,982    | -280,982     | 0          | 0               | 0             | 0.0 |
| Annualize prior year budget actions                                 | -17,800     | -17,800      | 0          | 0               | 0             | 0.1 |
| Total FY 2025-26                                                    | \$2,528,842 | \$2,528,842  | \$0        | \$0             | \$0           | 1.0 |
| Changes from FY 2024-25                                             | \$2,528,842 | \$2,528,842  | \$0        | \$0             | \$0           | 1.0 |
| Percentage Change                                                   | n/a         | n/a          | n/a        | n/a             | n/a           | n/a |
| Staff Rec. Above/-Below Request                                     | \$2,528,842 | \$2,528,842  | \$0        | \$0             | \$0           | 1.0 |

## Child Maltreatment Prevention

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

SafeCare Colorado is a voluntary in-home prevention service for parents to assist them with the challenges of parenting and inter-family relationships. Services offered include child behavior management, planned activities training, home safety training, and child health care skills, all designed to stabilize families and prevent child maltreatment. Program resources include home visits, family coaches, and access to other services that may be of need to a family, including but not limited to food assistance, work assistance, and child care assistance. Funding is used to support sites across the State that provide services under the SafeCare Colorado model.

The Colorado Community Response Program is a voluntary program serving families that have been reported to a county child protective agency for alleged child abuse or neglect but are screened out without an offer of services. The family receives needed referrals, financial literacy coaching, and access to flex funding in order to increase economic self-reliance.

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

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

This program also receives cash funds from divorce docket fees and are utilized for primary child abuse prevention strategies with two priorities identified in the statute: child sexual abuse prevention and the prevention of drug-exposed newborns. H.B. 18-1064 added a requirement to utilize additional state funds for a training program to prevent child sexual abuse.

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

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

*Statutory authority:* Sections 26.5-3-903, and 26.5-3-201 et seq., C.R.S.

**Request:** The Department requests \$15,097,067 total funds, including \$8,550,453 General Fund, \$2,208,216 cash funds from various sources, and \$4,138,398 federal funds from Title IV federal funds in FY 2025-26. The Department’s request annualizes HB 24-1045, reflecting the General Fund appropriated to the COCAP Trust Fund as a direct appropriation rather than a reappropriation.

**Recommendation:** The staff recommendation is provided in the table below and includes adjustments related to R4 COCAP Trust Fund as discussed earlier.

| Community and Family Support, Child Maltreatment Prevention |              |              |             |                 |               |     |
|-------------------------------------------------------------|--------------|--------------|-------------|-----------------|---------------|-----|
| Item                                                        | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE |
| <b>FY 2024-25 Appropriation</b>                             |              |              |             |                 |               |     |
| HB 24-1430 (Long Bill)                                      | \$14,185,067 | \$8,500,453  | \$1,346,216 | \$200,000       | \$4,138,398   | 0.0 |
| Total FY 2024-25                                            | \$14,185,067 | \$8,500,453  | \$1,346,216 | \$200,000       | \$4,138,398   | 0.0 |
| <b>FY 2025-26 Recommended Appropriation</b>                 |              |              |             |                 |               |     |
| FY 2024-25 Appropriation                                    | \$14,185,067 | \$8,500,453  | \$1,346,216 | \$200,000       | \$4,138,398   | 0.0 |
| R4 Child Abuse Prevention Trust Fund                        | 562,000      | -300,000     | 862,000     | 0               | 0             | 0.0 |
| Annualize prior year legislation                            | -150,000     | 50,000       | 0           | -200,000        | 0             | 0.0 |
| Total FY 2025-26                                            | \$14,597,067 | \$8,250,453  | \$2,208,216 | \$0             | \$4,138,398   | 0.0 |
| Changes from FY 2024-25                                     | \$412,000    | -\$250,000   | \$862,000   | -\$200,000      | \$0           | 0.0 |
| Percentage Change                                           | 2.9%         | -2.9%        | 64.0%       | -100.0%         | 0.0%          | n/a |
| FY 2025-26 Executive Request                                | \$15,097,067 | \$8,550,453  | \$2,208,216 | \$200,000       | \$4,138,398   | 0.0 |
| Staff Rec. Above/-Below Request                             | -\$500,000   | -\$300,000   | \$0         | -\$200,000      | \$0           | 0.0 |

## Early Childhood Mental Health Services

This line item supports the Early Childhood Mental Health Consultation (ECMHC) program which aims to increase the availability of mental health consultation services to young children, birth through age five, and provide coaching and training to families and early care and learning environments that will help adults support children’s social-emotional development and to identify early in a child’s life any concerns that could lead to greater challenges in the future. The line supports costs associated with state staff responsible for administering the program, and managing the associated contracts and budgets.

**Statutory authority:** Section 26.5-3-701 et seq., C.R.S.

**Request:** The Department requests \$3,689,262 total funds, including \$1,627,813 General Fund, and \$2,061,449 federal funds for Early Childhood Mental Health Services in FY 2025-26.

**Recommendation:** The staff recommendation is provided in the table below and includes a General Fund reduction for budget balancing as discussed earlier.

| Community and Family Support, Early Childhood Mental Health Services |             |              |            |                 |               |     |
|----------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                 | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                             |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                               | \$3,689,262 | \$1,627,813  | \$0        | \$0             | \$2,061,449   | 0.0 |
| Total FY 2024-25                                                     | \$3,689,262 | \$1,627,813  | \$0        | \$0             | \$2,061,449   | 0.0 |
| FY 2025-26 Recommended Appropriation                                 |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                             | \$3,689,262 | \$1,627,813  | \$0        | \$0             | \$2,061,449   | 0.0 |
| SI General Fund relief options                                       | -162,781    | -162,781     | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                                     | \$3,526,481 | \$1,465,032  | \$0        | \$0             | \$2,061,449   | 0.0 |
| Changes from FY 2024-25                                              | -\$162,781  | -\$162,781   | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                    | -4.4%       | -10.0%       | n/a        | n/a             | 0.0%          | n/a |
| FY 2025-26 Executive Request                                         | \$3,689,262 | \$1,627,813  | \$0        | \$0             | \$2,061,449   | 0.0 |
| Staff Rec. Above/-Below Request                                      | -\$162,781  | -\$162,781   | \$0        | \$0             | \$0           | 0.0 |

## Social Emotional Learning Programs Grants

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

*Statutory authority:* Section 26.5-3-603, C.R.S.

*Request:* The Department requests \$817,289 cash funds from the Marijuana Tax Cash Fund for Social-Emotional Learning programs grants in FY 2025-26. This reflects level funding from FY 2024-25.

*Recommendation:* Staff recommends approval of the request.

## Child Care Services and Substance Use Disorder Treatment Pilot Program

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



a regional mobile child care model and serves children under five years of age in at least three facilities that provide substance use disorder treatment to parents.

*Statutory authority:* Section 26.5-3-302, C.R.S.

*Request:* The Department requests \$500,000 General Fund to continue the Child Care Services and Substance Use Disorder Treatment Pilot Program in FY 2025-26.

*Recommendation:* The staff recommendation is provided in the table below and includes a General Fund reduction for budget balancing as discussed earlier.

| Community and Family Support, Child Care Services and Substance Use Disorder Treatment Pilot Program |             |              |            |                 |               |     |
|------------------------------------------------------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                                                                 | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                                                                             |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                                                               | \$500,000   | \$500,000    | \$0        | \$0             | \$0           | 0.0 |
| Total FY 2024-25                                                                                     | \$500,000   | \$500,000    | \$0        | \$0             | \$0           | 0.0 |
| FY 2025-26 Recommended Appropriation                                                                 |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                                                                             | \$500,000   | \$500,000    | \$0        | \$0             | \$0           | 0.0 |
| SI General Fund relief options                                                                       | -500,000    | -500,000     | 0          | 0               | 0             | 0.0 |
| Total FY 2025-26                                                                                     | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |
| Changes from FY 2024-25                                                                              | -\$500,000  | -\$500,000   | \$0        | \$0             | \$0           | 0.0 |
| Percentage Change                                                                                    | -100.0%     | -100.0%      | n/a        | n/a             | n/a           | n/a |
| FY 2025-26 Executive Request                                                                         | \$500,000   | \$500,000    | \$0        | \$0             | \$0           | 0.0 |
| Staff Rec. Above/-Below Request                                                                      | -\$500,000  | -\$500,000   | \$0        | \$0             | \$0           | 0.0 |

## Indirect Cost Assessment

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

*Statutory authority:* Section 26.5-1-108(1)-(2), C.R.S.

*Request:* The Department requests \$830,438 total funds including \$256,151 from various sources, and \$574,287 federal funds from various sources to reflect indirect cost collections from this Division in FY 2025-26. This includes adjustments related to R6 Indirect costs, statewide indirect cost collections, R5 Language justice coordinator, and the annualization of prior year legislation and budget actions.

*Recommendation:* The staff recommendation is provided in the table below.

| Community and Family Support, Indirect Cost Assessment |             |              |            |                 |               |     |
|--------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                   | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |



| Community and Family Support, Indirect Cost Assessment |             |              |            |                 |               |     |
|--------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                   | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                               |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                 | \$761,365   | \$0          | \$163,111  | \$0             | \$598,254     | 0.0 |
| S.B. 24-090 (Supplemental)                             | \$58,170    | \$0          | \$84,237   | \$0             | -\$26,067     | 0.0 |
| Total FY 2024-25                                       | \$819,535   | \$0          | \$247,348  | \$0             | \$572,187     | 0.0 |
| FY 2025-26 Recommended Appropriation                   |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                               | \$819,535   | \$0          | \$247,348  | \$0             | \$572,187     | 0.0 |
| R6 Indirect costs                                      | 65,970      | 0            | 84,237     | 0               | -18,267       | 0.0 |
| Statewide indirect costs                               | 11,341      | 0            | 8,803      | 0               | 2,538         | 0.0 |
| Annualize prior year legislation                       | -58,170     | 0            | -84,237    | 0               | 26,067        | 0.0 |
| Annualize prior year budget actions                    | -8,238      | 0            | 0          | 0               | -8,238        | 0.0 |
| Total FY 2025-26                                       | \$830,438   | \$0          | \$256,151  | \$0             | \$574,287     | 0.0 |
| Changes from FY 2024-25                                | \$10,903    | \$0          | \$8,803    | \$0             | \$2,100       | 0.0 |
| Percentage Change                                      | 1.3%        | n/a          | 3.6%       | n/a             | 0.4%          | n/a |
| FY 2025-26 Executive Request                           | \$830,438   | \$0          | \$256,151  | \$0             | \$574,287     | 0.0 |
| Staff Rec. Above/-Below Request                        | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## (5) Licensing and Administration

This Division oversees the general administration of the licensing of various early childhood care and education centers across the State. This function includes inspecting centers and homes as required by State statute and Department rule.

| Licensing and Administration         |              |              |             |                 |               |      |
|--------------------------------------|--------------|--------------|-------------|-----------------|---------------|------|
| Item                                 | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation             |              |              |             |                 |               |      |
| HB 24-1430 (Long Bill)               | \$15,116,759 | \$3,091,274  | \$2,804,515 | \$0             | \$9,220,970   | 71.7 |
| S.B. 24-090 (Supplemental)           | 306,566      | (200,000)    | 134,714     | 0               | 371,852       | 0.0  |
| Total FY 2024-25                     | \$15,423,325 | \$2,891,274  | \$2,939,229 | \$0             | \$9,592,822   | 71.7 |
| FY 2025-26 Recommended Appropriation |              |              |             |                 |               |      |
| FY 2024-25 Appropriation             | \$15,423,325 | \$2,891,274  | \$2,939,229 | \$0             | \$9,592,822   | 71.7 |
| R5 Language justice coord.           | 0            | 0            | 0           | 0               | 0             | 0.0  |
| R6 Indirect costs                    | 327,724      | -200,000     | 134,714     | 0               | 393,010       | 0.0  |
| Centrally appropriated items         | 399,338      | 25,745       | 115,551     | 0               | 258,042       | 0.0  |
| Statewide indirect costs             | 77,484       | 0            | 27,738      | 0               | 49,746        | 0.0  |
| Annualize prior year budget actions  | -72,057      | 0            | -2,218      | 0               | -69,839       | 0.1  |
| Annualize prior year legislation     | -323,679     | 182,887      | -134,714    | 0               | -371,852      | 1.2  |
| Total FY 2025-26                     | \$15,832,135 | \$2,899,906  | \$3,080,300 | \$0             | \$9,851,929   | 73.0 |
| Changes from FY 2024-25              | \$408,810    | \$8,632      | \$141,071   | \$0             | \$259,107     | 1.3  |
| Percentage Change                    | 2.7%         | 0.3%         | 4.8%        | 0.0%            | 2.7%          | 1.8% |
| FY 2025-26 Executive Request         | \$15,869,303 | \$2,899,906  | \$3,080,300 | \$0             | \$9,889,097   | 73.0 |
| Staff Rec. Above/-Below Request      | -\$37,168    | \$0          | \$0         | \$0             | -\$37,168     | 0.0  |

## Decision Items

The Department's R6 Indirect cost allocation plan, discussed previously, is the only change item that impacts this division.

## Line Item Detail

### Personal Services

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

providers and establishes educational and experience requirements for child care providers in all facilities. The licensing program is federally required to conduct annual licensing inspections for all facilities.

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

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

*Statutory authority:* Sections 26.5-1-104, and 24-50-101 et seq., C.R.S.

*Request:* The Department requests \$10,798,873 total funds, including \$2,850,540 General Fund, \$1,283,751 cash funds, and \$6,664,582 federal funds for FY 2025-26. This includes adjustments related to centrally appropriated items, R6 indirect costs, and the annualization of prior year legislation and budget actions.

*Recommendation:* The staff recommendation is provided in the table below. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions (such as provider rates) that affect this line item, but are not addressed in this document.

| Licensing and Administration, Personal Services |              |              |             |                 |               |      |
|-------------------------------------------------|--------------|--------------|-------------|-----------------|---------------|------|
| Item                                            | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation                        |              |              |             |                 |               |      |
| HB 24-1430 (Long Bill)                          | \$10,363,855 | \$2,731,059  | \$1,168,200 | \$0             | \$6,464,596   | 60.4 |
| S.B. 24-090 (Supplemental)                      | -200,000     | -200,000     | 0           | 0               | 0             | 0.0  |
| Total FY 2024-25                                | \$10,163,855 | \$2,531,059  | \$1,168,200 | \$0             | \$6,464,596   | 60.4 |
| FY 2025-26 Recommended Appropriation            |              |              |             |                 |               |      |
| FY 2024-25 Appropriation                        | \$10,163,855 | \$2,531,059  | \$1,168,200 | \$0             | \$6,464,596   | 60.4 |
| Annualize prior year legislation                | 493,736      | 493,736      | 0           | 0               | 0             | 3.9  |
| Centrally appropriated items                    | 399,338      | 25,745       | 115,551     | 0               | 258,042       | 0.0  |
| R6 Indirect costs                               | -200,000     | -200,000     | 0           | 0               | 0             | 0.0  |
| Annualize prior year budget actions             | -58,056      | 0            | 0           | 0               | -58,056       | 0.0  |
| Total FY 2025-26                                | \$10,798,873 | \$2,850,540  | \$1,283,751 | \$0             | \$6,664,582   | 64.3 |
| Changes from FY 2024-25                         | \$635,018    | \$319,481    | \$115,551   | \$0             | \$199,986     | 3.9  |
| Percentage Change                               | 6.2%         | 12.6%        | 9.9%        | n/a             | 3.1%          | 6.5% |

| Licensing and Administration, Personal Services |              |              |             |                 |               |      |
|-------------------------------------------------|--------------|--------------|-------------|-----------------|---------------|------|
| Item                                            | Total Funds  | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE  |
| FY 2025-26 Executive Request                    | \$10,798,873 | \$2,850,540  | \$1,283,751 | \$0             | \$6,664,582   | 64.3 |
| Staff Rec. Above/-Below Request                 | \$0          | \$0          | \$0         | \$0             | \$0           | 0.0  |

## Operating Expenses

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

*Statutory authority:* Section 26.5-1-104, C.R.S.

*Request:* The Department requests \$505,950 total funds, including \$49,366 General Fund, \$271,615 cash funds, and \$184,969 federal funds for FY 2025-26. This includes adjustments related to the annualization of prior year legislation and budget actions.

*Recommendation:* The staff recommendation is provided in the table below.

| Licensing and Administration, Operating Expenses |             |              |            |                 |               |     |
|--------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                             | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                         |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                           | \$536,422   | \$79,287     | \$271,615  | \$0             | \$185,520     | 0.0 |
| Total FY 2024-25                                 | \$536,422   | \$79,287     | \$271,615  | \$0             | \$185,520     | 0.0 |
| FY 2025-26 Recommended Appropriation             |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                         | \$536,422   | \$79,287     | \$271,615  | \$0             | \$185,520     | 0.0 |
| Annualize prior year legislation                 | -29,921     | -29,921      | 0          | 0               | 0             | 0.0 |
| Annualize prior year budget actions              | -551        | 0            | 0          | 0               | -551          | 0.0 |
| Total FY 2025-26                                 | \$505,950   | \$49,366     | \$271,615  | \$0             | \$184,969     | 0.0 |
| Changes from FY 2024-25                          | -\$30,472   | -\$29,921    | \$0        | \$0             | -\$551        | 0.0 |
| Percentage Change                                | -5.7%       | -37.7%       | 0.0%       | n/a             | -0.3%         | n/a |
| FY 2025-26 Executive Request                     | \$505,950   | \$49,366     | \$271,615  | \$0             | \$184,969     | 0.0 |
| Staff Rec. Above/-Below Request                  | \$0         | \$0          | \$0        | \$0             | \$0           | 0.0 |

## Background Investigation Unit

This line item provides funding for the background investigation unit which provides a comprehensive criminal and child abuse and neglect background check program for the Colorado Department of Early Childhood to reduce risks to vulnerable persons. This unit screens applicants who are applying for employment within child care facilities licensed by CDEC, foster care, adoptions, kinship care, volunteers, interns, camps, community mental health, residential child care facilities, and individuals to provide better protection for children in the State of Colorado.

This unit provides information for interpretation of background check statutes, and functions as a statewide authority in background screening program development, operation, and updates.

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

*Statutory authority:* Sections 26.5-1-104, 26.5-1-106, 26.5-5-301 et seq., C.R.S.

*Request:* The Department requests \$1,261,344 cash funds from licensing fees for the Background Investigation Unit in FY 2025-26. This includes adjustments related to the annualization of prior year budget actions.

*Recommendation:* The staff recommendation is provided in the table below.

| Licensing and Administration, Background Investigation Unit |             |              |             |                 |               |      |
|-------------------------------------------------------------|-------------|--------------|-------------|-----------------|---------------|------|
| Item                                                        | Total Funds | General Fund | Cash Funds  | Reapprop. Funds | Federal Funds | FTE  |
| FY 2024-25 Appropriation                                    |             |              |             |                 |               |      |
| HB 24-1430 (Long Bill)                                      | \$1,263,562 | \$0          | \$1,263,562 | \$0             | \$0           | 8.6  |
| Total FY 2024-25                                            | \$1,263,562 | \$0          | \$1,263,562 | \$0             | \$0           | 8.6  |
| FY 2025-26 Recommended Appropriation                        |             |              |             |                 |               |      |
| FY 2024-25 Appropriation                                    | \$1,263,562 | \$0          | \$1,263,562 | \$0             | \$0           | 8.6  |
| Annualize prior year budget actions                         | -2,218      | 0            | -2,218      | 0               | 0             | 0.1  |
| Total FY 2025-26                                            | \$1,261,344 | \$0          | \$1,261,344 | \$0             | \$0           | 8.7  |
| Changes from FY 2024-25                                     | -\$2,218    | \$0          | -\$2,218    | \$0             | \$0           | 0.1  |
| Percentage Change                                           | -0.2%       | n/a          | -0.2%       | n/a             | n/a           | 1.2% |
| FY 2025-26 Executive Request                                | \$1,261,344 | \$0          | \$1,261,344 | \$0             | \$0           | 8.7  |
| Staff Rec. Above/-Below Request                             | \$0         | \$0          | \$0         | \$0             | \$0           | 0.0  |

## Indirect Cost Assessment

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

*Statutory authority:* Section 26.5-1-108(1)-(2), C.R.S.

*Request:* The Department requests \$3,303,136 total funds including \$263,590 from various sources, and \$3,039,546 federal funds from various sources to reflect indirect cost collections from this Division in FY 2025-26. This includes adjustments related to R6 Indirect costs, statewide indirect cost collections, R5 Language justice coordinator, and the annualization of prior year legislation and budget actions.

*Recommendation:* The staff recommendation is provided in the table below.

| Licensing and Administration, Indirect Cost Assessment |             |              |            |                 |               |     |
|--------------------------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Item                                                   | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY 2024-25 Appropriation                               |             |              |            |                 |               |     |
| HB 24-1430 (Long Bill)                                 | \$2,671,992 | \$0          | \$101,138  | \$0             | \$2,570,854   | 0.0 |
| S.B. 24-090 (Supplemental)                             | \$506,566   | \$0          | \$134,714  | \$0             | \$371,852     | 0.0 |
| Total FY 2024-25                                       | \$3,178,558 | \$0          | \$235,852  | \$0             | \$2,942,706   | 0.0 |
| FY 2025-26 Recommended Appropriation                   |             |              |            |                 |               |     |
| FY 2024-25 Appropriation                               | \$3,178,558 | \$0          | \$235,852  | \$0             | \$2,942,706   | 0.0 |
| R6 Indirect costs                                      | 527,724     | 0            | 134,714    | 0               | 393,010       | 0.0 |
| Statewide indirect costs                               | 77,484      | 0            | 27,738     | 0               | 49,746        | 0.0 |
| R5 Language justice coord.                             | 0           | 0            | 0          | 0               | 0             | 0.0 |
| Annualize prior year legislation                       | -506,566    | 0            | -134,714   | 0               | -371,852      | 0.0 |
| Annualize prior year budget actions                    | -11,232     | 0            | 0          | 0               | -11,232       | 0.0 |
| Total FY 2025-26                                       | \$3,265,968 | \$0          | \$263,590  | \$0             | \$3,002,378   | 0.0 |
| Changes from FY 2024-25                                | \$87,410    | \$0          | \$27,738   | \$0             | \$59,672      | 0.0 |
| Percentage Change                                      | 2.7%        | n/a          | 11.8%      | n/a             | 2.0%          | n/a |
| FY 2025-26 Executive Request                           | \$3,303,136 | \$0          | \$263,590  | \$0             | \$3,039,546   | 0.0 |
| Staff Rec. Above/-Below Request                        | -\$37,168   | \$0          | \$0        | \$0             | -\$37,168     | 0.0 |

# Additional Balancing Options

As part of staff budget briefings in November and December 2024, staff identified budget reduction options for each department that the JBC could consider in addition to or instead of the options presented in the budget request. **Items staff recommends and items that agencies have requested formally are addressed earlier in this packet.** Other items that could be considered, if needed to bring the budget into balance, are listed below.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this figure setting packet equates to reduction of \$14,688,244. The Staff recommendations included in this figure setting packet, if adopted by the JBC, provide budget reductions and revenue enhancements totaling \$6.0 million.

## Expenditure Reductions

In previous portions of this document, staff has offered the following reductions.

| Recommendations for General Fund Relief                                        |                                     |                             |              |                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------|-------------------------------------|-----------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Item                                                                           | Total Requested<br>GF Appropriation | Recommended<br>GF Reduction | Bill?<br>Y/N | Description                                                                                                                                                                                                                                                                                                                         |
| <b>Expenditure reductions</b>                                                  |                                     |                             |              |                                                                                                                                                                                                                                                                                                                                     |
| Universal Preschool Program General Fund refinance                             | \$149,991,530                       | -\$3,658,330                | N            | The recommendation refinances the General Fund increase with cash funds from the Preschool Programs Cash Fund in FY 2025-26.                                                                                                                                                                                                        |
| Family Resource Centers Line Item Reduction                                    | 1,745,654                           | -745,654                    | N            | The recommendation reduces the appropriation for FRCs in this line item; however, FRCs receive funding through other line items in the Department which would be a total requested amount of \$4.2 million in FY 2025-26. This funding is specific to supporting the FRCs administratively while other funding is program-specific. |
| Reduce universal home visiting pilot program funds                             | 2,809,824                           | -280,982                    | N            | The recommendation reduces the appropriation for the Universal Home Visiting pilot program by 10.0 percent.                                                                                                                                                                                                                         |
| Early Childhood Mental Health Services                                         | 1,627,813                           | -162,781                    | N            | The recommendation reduces the appropriation for Early Childhood Mental Health Services by 10.0 percent                                                                                                                                                                                                                             |
| End the Child Care Services and Substance Use Disorder Treatment Pilot Program | 500,000                             | -500,000                    | Y            | The recommendation ends the Child Care Services and Substance Use Disorder Treatment Pilot program early.                                                                                                                                                                                                                           |
| Subtotal - Expenditures                                                        | \$156,674,821                       | -\$5,347,747                |              |                                                                                                                                                                                                                                                                                                                                     |

If the Committee wanted to make further reductions in this Department, staff recommends considering further reducing these line items. In this Department, any reductions will result in changes to services provided to children and families across the State. Therefore, Staff has recommended modest reductions over sweeping.

In the JBC Staff Briefing on the Department of Early Childhood budget request in November 2024, staff offered a reduction to the Child Maltreatment Prevention Line item as a possible reduction.

This line item 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. The Promoting Safe and Stable Families program and the Community-based Child Abuse Prevention programs are federally funded and receive no General Fund.

SafeCare Colorado (\$5.1 million General Fund) 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 for this program acts as the Maintenance of Effort requirement for the Federal Maternal Infant Early Childhood Home Visiting grant. Therefore, a reduction in General Fund would impact federal funding for the program and would result in a 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.

Beginning July 1, 2024, the Department reinvested resources from the Colorado Community Response program in the Family Resource Center (FRC) Program (\$3.2 million). 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 (\$3,000), Child Sexual Abuse Prevention (\$150,000), and Substance Exposed Newborns (\$200,000). The Department's R4 request would refinance \$150,000 General Fund for Child Sexual Abuse Prevention with Cash Funds.

Staff has already recommended a General Fund reduction in this line item as well as a reduction to Family Resource Centers which receive funding in this line item. If further reductions were to be found in this line item, it would either further reduce funding for FRCs, impact the MIECHV federal funds, or both. Therefore, if additional savings are to be found in the Child Maltreatment Prevention line item, they should be taken with these two things in mind.



## Long Bill Footnotes

Staff recommends the following **new** footnotes.

- N Department of Early Childhood, Partnerships and Collaboration; Early Learning Access and Quality; Community and Family Support; Licensing and Administration -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department of Early Childhood may transfer up to 10.0 percent of the total amount appropriated to the indirect cost assessment line items in these divisions to the indirect cost assessment line items in any of the other divisions.

**Comment:** Staff recommends this footnote to provide the Department flexibility to collect indirect costs when funding for certain programs fluctuates.

Staff recommends **eliminating** the following footnotes.

- 11 Department of Early Childhood, Partnerships and Collaborations, Local Coordinating Organizations; Early Learning Access and Quality, Universal Preschool Program -- 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:** Staff recommends deletion as the LCOs will be direct funded in FY 2025-26 and this flexibility is no longer needed.

- 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:** Staff recommends deletion as this program will be in its own line item for FY 2025-26.

- 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:** Staff recommends deletion as this program will be in its own line item for FY 2025-26.

- 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:** Staff recommends deletion as this program will be in its own line item for FY 2025-26.

- 15 Department of Early Childhood, Grand 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:** Staff recommends deletion as this program these stimulus funds have been fully expended.

## Requests for Information

Staff recommends **continuing and modifying** the following requests for information.

### Requests Affecting Multiple Departments

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

federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.

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

## Department of Early Childhood

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

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

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

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

- 3 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 enrollment information including actual, estimate, and request years: (a) enrollment data by age; (b) enrollment by number of hours; (c) ~~and~~ enrollment by type of provider (i.e. community-based, school district, or home-based) for all students participating in the Universal Preschool Program; and (d) total enrollment of students with

an IEP broken down by age. The report shall also include the following expenditure information including actuals for the most recent completed fiscal year and full year projections for the upcoming fiscal year: ~~(b)~~ (a) expenditures by type of enrollment for all 4-year-olds (i.e. part time, half day, full day), ~~(c)~~ (b) expenditures for 3-years-old and younger students enrolled in preschool services which are supported by UPK funding; and ~~(d)~~ enrollment totals of students who have an IEP and are served through the UPK program, and ~~(e)~~ (c) estimated expenditures to support students with IEP through the UPK program. For estimate and request years, full-year projections should be provided.

**Comment:** As the Universal Preschool (UPK) Program continues beyond its inaugural year, staff believes additional point-in-time data may be useful to provide greater insight into the growth and implementation of the program. Changes made in this requirement are to refine the questions and responses for this program.

Staff recommends **eliminating** the following requests for information.

- 4 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 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 Department responded to this request and will continue to be monitored through the Figure Setting process.

## Appendix A: CCCAP County Options

## Appendix A: County Optional Policies

| Option Area      | County Option                                                   | Definition/Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | County Cost Savings Consideration                                                                                                                                                                 | Provider Impact                                                                                                                          | Family Impact                                                                                                                                                                                                    |
|------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Payment | Activity Fees<br>Registration Fees<br>Transportation Fees       | Counties have the option to pay for activity, registration, and transportation (ART) fees if the child care provider is licensed and if the fiscal agreement contains the child care provider's policy on the fees.                                                                                                                                                                                                                                                                                                                                               | Counties that currently pay for these fees could reduce the amount they pay or stop covering the cost of the fees altogether to save their allocation.                                            | Reducing or stopping payment of these fees has a negative impact on provider payment.                                                    | Providers may not charge families in excess of the agreed fees. In the instance that a county does not cover these fees, they may not be charged to CCCAP households.                                            |
|                  | <a href="#">*Future Federal Requirement*</a>                    | Counties set their own limit on fees in the County Rate Plan in CHATS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | It's important to note that the payment of Registration Fees will soon become required so it would only be recommended that counties stop or reduce payment for Activity and Transportation Fees. |                                                                                                                                          |                                                                                                                                                                                                                  |
| Provider Payment | County Absence Payout                                           | Counties must pay for absences as follows:<br>- No fewer than three (3) absences per month if they are in levels one (1) or two (2) of the Department's quality rating and improvement system.<br>- No fewer than four (4) absences per month if they are in levels three (3), four (4), or five (5) of the Department's quality rating and improvement system.<br>- No fewer than three (3) absences per month if they are school-age age child care program that does not have a quality rating through the Department's quality rating and improvement system. | Retaining the minimum amount of absences as noted ensure payout will only be incurred for the minimum amount. Counties could reduce the number of absences paid out to reduce costs.              | Maintaining the minimum can often adversely affect provider payment when families have monthly absences that exceed the minimum amounts. | The provider can directly bill the family for the additional absences that are incurred but not paid by the county, resulting in the family being required to pay out of pocket.                                 |
| Provider Payment | Holiday Pay<br><br><a href="#">*Future Federal Requirement*</a> | Counties may pay licensed child care providers for holidays. Counties choose which holidays they pay in the County Rate Plan in CHATS.                                                                                                                                                                                                                                                                                                                                                                                                                            | Counties may opt out of paying some or all holidays to reduce costs.                                                                                                                              | Reducing or stopping the payment of holidays has a negative impact on provider payment.                                                  | Because the holiday payment goes out instead of an absence, a provider may bill the family if they are open to provide care and they do not attend, resulting in the family being required to pay out of pocket. |

## Appendix A: County Optional Policies

| Option Area      | County Option                                                      | Definition/Explanation                                                                                                                                                                                                                                                                                                                                                                                              | County Cost Savings Consideration                                                                                                                                                           | Provider Impact                                                                                                                                                                                                   | Family Impact                                                                                                                                                                                                                                                      |
|------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Payment | Hold Slots                                                         | Hold slots are intended to hold a child's slot with a provider due to extended absence from care.                                                                                                                                                                                                                                                                                                                   | Counties may reduce the number of hold slot days they pay for or opt out of paying hold slots to reduce costs.                                                                              | Reducing or stopping the payment of hold slots has a negative impact on provider payment.                                                                                                                         | If a provider does not receive a hold slot payment when the child is out due to an extended absence, the provider may choose to no longer accept that child, resulting in the family having to find a new provider.                                                |
| Provider Payment | Drop in Days                                                       | Drop-in days are intended to allow a child to attend care, even if it is a day that isn't authorized. Drop-in days allow a parent with an irregular schedule to receive care exactly when they need it. If a county doesn't use drop-in days, they must authorize every day of possible care to ensure care is covered. Drop-in days ultimately ensure absence payments can be made when the child is truly absent. | Reducing or stopping the use of drop-in days may result in an increase in expenditures as more absence payments are likely to be paid even if it doesn't align with the child's care needs. | Reducing or stopping the payment of drop-in days has a negative impact on provider payment if the parent needs care on days that aren't already authorized due to factors such as an irregular activity schedule. | If a county doesn't offer drop in days and the county doesn't authorize all of the days that the child could potentially work, the parent has to regularly ensure that they report their schedule changes to the county to ensure the correct days are authorized. |
| Provider Payment | Slots Contract<br><br><a href="#">*Future Federal Requirement*</a> | Counties may pay for vacant slots at a licensed child care provider for children enrolled in CCCAP in communities where quality care may not otherwise be available to county-identified target populations and areas or to incentivize or maintain quality. When a slot is filled, the provider is reimbursed based on attendance or enrollment depending on the age of the child.                                 | Not paying for Slot Contracts reduces the amount of payment that counties are making.                                                                                                       | Stopping the use of Slot Contracts reduces provider payment since they would revert to only receiving attendance/enrollment-based payments.                                                                       | Families receiving CCCAP may not be able to access providers as easily since a vacant spot is not being held for them.                                                                                                                                             |

## Appendix A: County Optional Policies

| Option Area      | County Option                         | Definition/Explanation                                                                                                                                                                                                                                                                                                                                                                                             | County Cost Savings Consideration                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Provider Impact                                                                                                                                                                                                                                                                                                                                                                                                                            | Family Impact                                                                                                                                                                           |
|------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Payment | Alternative Rates                     | Counties may choose to set alternative rates based on care provided that more closely supports the level of care given. These rates include:<br>After School; Before School; Before and After School; Disability; Evening; Out-of-County; Overnight; and Weekend. Non-traditional care (evening, weekend, and overnight) is typically paid at a higher reimbursement rate than the state-established regular rate. | Reducing the rate paid or not offering alternative rates that provide higher reimbursement could reduce expenditures.                                                                                                                                                                                                                                                                                                                                                                      | <p>Provider reimbursement may be reduced.</p> <p>Ex - Boulder County 10.1.24 Fiscal Agreement Before and After part-time Tier 1=24.68 vs. Regular (state-established) School Age part-time Tier 1=22.17. Thus the provider receives \$2.51 more with the Before and After rate type vs. using the Regular rate for School Age part-time care.</p> <p>Ex - Disability Rate - This rate is set higher to support a higher level of care.</p> | Families may not be able to access providers/alternative care types as easily as the providers may choose to not accept CCCAP if they don't receive this higher level of reimbursement. |
| Eligibility      | Initial Income Eligibility Thresholds | A county may set their initial income eligibility thresholds higher than what is set by the Department, so long as it does not exceed the maximum federal level for eligibility for services of eighty-five percent of the state median income for a family of the same size and the county is serving all eligible families who have applied for CCCAP and whose income level is below that requirement.          | <p>If a county currently has an initial income eligibility threshold that is higher than what was established by the state, it can lower the threshold to the state-determined level to reduce the number of families that are eligible to apply for the program.</p> <p>Families already approved to receive services are not impacted by any reduction in the initial income threshold as they are to be considered income-eligible until they reach 85% of the State Median Income.</p> | No direct impact                                                                                                                                                                                                                                                                                                                                                                                                                           | Fewer families are eligible to apply for Low Income Child Care services.                                                                                                                |



## Appendix A: County Optional Policies

| Option Area | County Option          | Definition/Explanation                                                                                                                                                                                                                                                                                                                                                                                             | County Cost Savings Consideration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Provider Impact                                                                                           | Family Impact                                                                                                |
|-------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Eligibility | Homeless Stabilization | Households that meet the definition of “families experiencing homelessness” must be provided a child care authorization during a stabilization period of at least sixty (60) consecutive calendar days, within a twelve (12) month period, to allow the household the opportunity to submit verification for ongoing child care benefits.                                                                          | <p>Counties that offer a stabilization period that is longer than 60 days could offer less time or reduce it to the state minimum, reducing the amount of time they are required to not assess a parent fee. Families may also roll off the program sooner as they have less time to provide necessary documentation.</p> <p>Counties that offer longer stabilization periods may not see drastic cost savings immediately. Counties that reduce their stabilization period to a lesser amount of time or the state minimum are not allowed to roll families off that are currently receiving the longer stabilization period, however. For example, if a county reduces its time limit from 90 days to 60 days, a family initially approved to receive 90 days of stabilization must receive the entire 90 days even after the county makes the reduction.</p> | Providers could have fewer families receiving CCCAP enrolled if this population become ineligible sooner. | Families may lose services sooner and families experiencing homelessness will have decreased access to care. |
| Eligibility | Job Search             | Counties must provide families no fewer than thirteen (13) weeks of child care for each instance of non-temporary cessation of activity. This includes at application, during the eligibility period, and at redetermination. There are no limits on what causes the cessation of activity and we cannot restrict this. If a client is no longer in their eligible activity, the Job Search time must be provided. | <p>Counties that offer more than 13 weeks could offer less time or reduce it to the state minimum, possibly reducing the amount of time a family is eligible for the program.</p> <p>Counties that offer longer job search time limits may not see drastic cost savings immediately. Counties that reduce their job search time limit to a lesser amount of time or the state minimum are not allowed to roll families off that are currently receiving the longer job search time limit. For example, if a county reduces its time limit from 26 weeks to 13 weeks, a family initially approved to receive 26 weeks must receive the entire 26 weeks even after the county makes the reduction.</p>                                                                                                                                                            | Providers could have fewer families receiving CCCAP enrolled if this population become ineligible sooner. | Families would lose services sooner.                                                                         |

## Appendix A: County Optional Policies

| Option Area | County Option                                                                                                          | Definition/Explanation                                                                                                                                                                                                                                                                                                | County Cost Savings Consideration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Provider Impact                                                                                           | Family Impact                                                                                                                                                                                                                                                          |
|-------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility | Education Time Limits                                                                                                  | <p>1) Counties must offer no less than 104 weeks (two years) of post-secondary education and vocational/workforce/technical job skills training but may offer up to 208 weeks (four years).</p> <p>2) Counties must offer up to 52 weeks (one year) of basic education</p>                                            | <p>Counties that offer higher amounts of time for education may reduce it to the state minimum or lower amounts, possibly reducing the number of families that are eligible for the program.</p> <p>Counties that offer longer education time limits may not see drastic cost savings immediately. Counties that reduce their education time limit to a lesser amount of time or the state minimum are not allowed to roll families off that are currently receiving the longer education limit. For example, if a county reduces its post-secondary education time limit from 208 weeks to 104 weeks, a family initially approved to receive 208 weeks must receive the entire 208 weeks even after the county makes the reduction.</p> | Providers could have fewer families receiving CCCAP enrolled if this population become ineligible sooner. | Families would lose services sooner.                                                                                                                                                                                                                                   |
| Eligibility | <p>Orientation or interview for new applicants may be required</p> <p><i>*Will be removed in 2026 (HB24-1223)*</i></p> | An orientation or interview for new applicants as a county option. Counties shall ensure that the orientation or interview process is not burdensome to families by allowing a family to complete the process via phone or electronic tools or by offering extended office hours to hold the orientation or interview | Counties that require orientations or interviews may have the need for a slightly different model of intake/staffing. Counties that have dedicated intake teams to perform this task could see a cost reduction in admin costs if they do away with this process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | No direct impact                                                                                          | Families may receive services sooner if they are able to attend an interview and provide information. Not utilizing this option may result in more applications being denied or applications may take longer to approve if multiple pieces of verification are needed. |

## Appendix A: County Optional Policies

| Option Area | County Option                         | Definition/Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | County Cost Savings Consideration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Provider Impact                                                                                                                                                                          | Family Impact                                                                                                                                                                            |
|-------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility | Parent Fees                           | <p>The household's contribution to the total cost of child care paid directly to the child care provider(s) prior to any state/county child care funds being expended. Counties have the following options which are outlined in their County Plan:</p> <p>1) Offering parent fee hardships and reducing the fee to \$5 for up to 6 months. The hardship may be extended for another 6-month period if the client requests it and the county policy allows for it.</p> <p>2) Offering to waive parent fees if the child is dually enrolled in Head Start/Early Head Start.</p> <p>3) Offering to waive parent fees for teen parent households</p> | <p>Counties that utilize one or more of these options may see a reduction in cost as the parent would cover more of the cost of care.</p> <p>Counties that waive or reduce parent fees for a high number of families may not see drastic cost savings immediately. If a county has waived or reduced a fee and not provided notice of the higher fees that the family may have to pay via CHATS correspondence, the parent fee must remain at zero or the reduced amount for the remainder of the family's 12-month eligibility period.</p> | <p>If a parent cannot afford their parent fee, they are unlikely to pay the provider resulting in a hardship for the provider.</p>                                                       | <p>Not waiving fees or granting hardships increases the cost of care for families.</p>                                                                                                   |
| Eligibility | Protective Services Child Care (PSCC) | <p>Counties may offer Protective Services Child Care (PSCC) for children that have been placed by the county in foster home care, kinship foster home care, or non-certified kinship care; and have an open child welfare case. If counties elect to offer PSCC, the cost of care for these families is covered through CCDF rather than the Child Welfare Block Grant.</p>                                                                                                                                                                                                                                                                       | <p>Counties that offer PSCC could opt to no longer utilize this option, freeing up more CCDF dollars. Opting out of using PSCC would increase their Child Welfare Block Grant expenditures.</p> <p>Counties that offer PSCC to a high number of families may not see drastic cost savings immediately. The county will have to cover the cost of care through PSCC until the family is no longer eligible for PSCC due to 12-month eligibility requirements under CCDF.</p>                                                                 | <p>Opt out of PSCC the county must use Child Welfare funding to support this care. The county is either spending the money from their Child Welfare funding or their CCDF allocation</p> | <p>Opt out of PSCC the county must use Child Welfare funding to support this care. The county is either spending the money from their Child Welfare funding or their CCDF allocation</p> |

## Appendix A: County Optional Policies

| Option Area | County Option | Definition/Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | County Cost Savings Consideration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Provider Impact                                                                                                   | Family Impact                                          |
|-------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Eligibility | Waitlist      | <p>Counties may implement a waitlist via their County Plan in CHATS when: Department-generated projections indicate that a county's allocation will be at least eighty-five percent (85%) expended by the end of the fiscal year; or, a county is able to demonstrate a fiscal need that includes factors that are not accounted for in the Department-generated projections for county CCAP expenditures, such as, but not limited to, drastic economic changes.</p> <p>If your county has not hit the thresholds outlined in rule for this State Fiscal Year, please still reach out to CDEC to start the process. Given the average number of years a child receives CCCAP (35 months) and the costs of the new changes coming in August 2026, CDEC will help generate longer-term projections for your county.</p> | <p>Counties save funds by implementing a waitlist as it slows enrollment ultimately reducing the cost of care for families going onto the program.</p> <p>Please note that families qualifying for Child Welfare CCCAP, Colorado Works CCCAP, or are transitioning from Colorado Works to Low Income CCCAP bypass the waitlist and are required to be served.</p> <p>Counties are still required to cover the cost of care to families who are already approved for Low Income CCCAP including continuing services for families that remain eligible at redetermination.</p> | <p>Providers could have fewer families receiving CCCAP enrolled as the newly eligible population will reduce.</p> | <p>Families will have a delay in getting services.</p> |

## Appendix A: County Optional Policies

| Option Area | County Option           | Definition/Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | County Cost Savings Consideration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Provider Impact                                                                                                   | Family Impact                                      |
|-------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Eligibility | Freeze                  | <p>Counties may implement a freeze via their County Plan in CHATS when:<br/>A county may apply to the Department to implement a freeze when: Department-generated projections indicate that a county's allocation will be at least ninety-five percent (95%) expended by the end of the fiscal year; or a county is able to demonstrate a fiscal need that includes factors that are not accounted for in the Department-generated projections for county CCCAP expenditures, such as, but not limited to drastic economic changes.</p> <p>If your county has not hit the thresholds outlined in rule for this State Fiscal Year, please still reach out to CDEC to start the process. Given the average number of years a child receives CCCAP (35 months) and the costs of the new changes coming in August 2026, CDEC will help generate longer-term projections for your county.</p> | <p>Counties save funds by implementing a freeze as it stops enrollment ultimately reducing the cost of care for families going onto the program.</p> <p>Please note that families qualifying for Child Welfare CCCAP, Colorado Works CCCAP, or are transitioning from Colorado Works to Low Income CCCAP bypass the freeze and are required to be served.</p> <p>Counties are still required to cover the cost of care to families who are already approved for Low Income CCCAP including continuing services for families that remain eligible at redetermination.</p> | <p>Providers could have fewer families receiving CCCAP enrolled as the newly eligible population will reduce.</p> | <p>Families are unable to access services.</p>     |
| Eligibility | Presumptive Eligibility | Counties have the option to cover the cost of care for a family who has not yet been fully determined eligible for the program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No impact as counties do not currently offer this.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No impact as counties do not currently offer this.                                                                | No impact as counties do not currently offer this. |

## Appendix B: CCDF Awards and Expenditures

# Appendix B: Federal Child Care Development Funds

| Federal Child Care Development Funds (CCDF) - Roll Forward Analysis |                |                |                |                |                |                |                |                |                |
|---------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                                     | Actuals        |                |                |                |                | Estimated      | Requested      | Projected      |                |
|                                                                     | FY 2019-20     | FY 2020-21     | FY 2021-22     | FY 2022-23     | FY 2023-24     | FY 2024-25     | FY 2025-26     | FY 2026-27     | FY 2027-28     |
| CCDF Federal Grant (Unspent Balance)                                | \$ 51,966,439  | \$ 49,567,689  | \$ 57,471,949  | \$ 68,113,309  | \$ 86,651,163  | \$ 102,539,612 | \$ 85,030,374  | \$ 52,076,292  | \$ 25,190,449  |
| New Annual CCDF Award                                               | \$ 101,982,614 | \$ 123,610,881 | \$ 120,853,381 | \$ 129,946,015 | \$ 137,516,771 | \$ 145,717,494 | \$ 138,202,371 | \$ 141,045,246 | \$ 142,808,312 |
| Total Funds Available                                               | \$ 153,949,053 | \$ 173,178,570 | \$ 178,325,330 | \$ 198,059,323 | \$ 224,167,934 | \$ 248,257,106 | \$ 223,232,745 | \$ 193,121,538 | \$ 167,998,761 |
| Expenditures/Base Appropriations                                    | \$ 104,381,364 | \$ 115,706,621 | \$ 110,212,021 | \$ 111,408,160 | \$ 121,628,322 | \$ 163,226,732 | \$ 171,156,453 | \$ 169,374,897 | \$ 169,374,897 |
| Roll Forward Balance                                                | \$ 49,567,689  | \$ 57,471,949  | \$ 68,113,309  | \$ 86,651,163  | \$ 102,539,612 | \$ 85,030,374  | \$ 52,076,292  | \$ 23,746,641  | \$ (1,376,136) |
| <i>Anticipated under-expenditures</i>                               |                |                |                |                |                |                |                | \$ 1,443,808   | \$ 1,443,808   |
| <i>Adjusted Roll-Forward Balance</i>                                |                |                |                |                |                |                |                | \$ 25,190,449  | \$ 67,672      |
| <i>Roll forward as % of award</i>                                   | 48.6%          | 46.5%          | 56.4%          | 66.7%          | 74.6%          | 58.4%          | 37.7%          | 17.9%          | 0.0%           |
| <i>Roll forward as % of expenditures</i>                            | 47.5%          | 49.7%          | 61.8%          | 77.8%          | 84.3%          | 52.1%          | 30.4%          | 14.9%          | 0.0%           |

\*\*A roll forward balance is needed each year to ensure the cash solvency of the grant, due to timing differences between federal award distribution and State Fiscal Year.

| Federal Child Care Development Funds (CCDF) - New Award Less Expenditures |                |                |                |                |                |                 |                 |                 |                 |
|---------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
|                                                                           | Actuals        |                |                |                |                | Estimated       | Requested       | Projected       |                 |
|                                                                           | FY 2019-20     | FY 2020-21     | FY 2021-22     | FY 2022-23     | FY 2023-24     | FY 2024-25      | FY 2025-26      | FY 2026-27      | FY 2027-28      |
| New Annual CCDF Award                                                     | \$ 101,982,614 | \$ 123,610,881 | \$ 120,853,381 | \$ 129,946,015 | \$ 137,516,771 | \$ 145,717,494  | \$ 138,202,371  | \$ 141,045,246  | \$ 142,808,312  |
| Expenditures                                                              | \$ 104,381,364 | \$ 115,706,621 | \$ 110,212,021 | \$ 111,408,160 | \$ 121,628,322 | \$ 163,226,732  | \$ 171,156,453  | \$ 169,374,897  | \$ 169,374,897  |
| Difference                                                                | \$ (2,398,750) | \$ 7,904,260   | \$ 10,641,360  | \$ 18,537,855  | \$ 15,888,449  | \$ (17,509,238) | \$ (32,954,082) | \$ (28,329,651) | \$ (26,566,585) |

## Appendix C: CCCAP Allocation Projections



# Appendix C: CCCAP Allocations and Over-Expenditures

| County      | SFY 2022 (All Funding Sources) |                |                 | Over-Expenditures |
|-------------|--------------------------------|----------------|-----------------|-------------------|
|             | Allocation                     | Expenditures   | % To Allocation |                   |
| Adams       | 19,500,242.00                  | 15,893,018.52  | 81.50%          | \$ (3,607,223.48) |
| Alamosa     | 730,164.00                     | 538,002.03     | 73.70%          | \$ (192,161.97)   |
| Arapahoe    | 20,085,198.00                  | 17,591,918.54  | 87.60%          | \$ (2,493,279.46) |
| Archuleta   | 255,447.00                     | 132,675.59     | 51.90%          | \$ (122,771.41)   |
| Baca        | 92,807.00                      | 17,873.23      | 19.30%          | \$ (74,933.77)    |
| Bent        | 171,444.00                     | 90,846.15      | 53.00%          | \$ (80,597.85)    |
| Boulder     | 7,590,772.00                   | 11,747,269.74  | 154.80%         | \$ 4,156,497.74   |
| Broomfield  | 1,072,742.00                   | 788,757.14     | 73.50%          | \$ (283,984.86)   |
| Chaffee     | 225,201.00                     | 100,973.52     | 44.80%          | \$ (124,227.48)   |
| Cheyenne    | 40,184.00                      | 4,057.35       | 10.10%          | \$ (36,126.65)    |
| Clear Creek | 174,251.00                     | 83,000.21      | 47.60%          | \$ (91,250.79)    |
| Conejos     | 373,915.00                     | 199,781.49     | 53.40%          | \$ (174,133.51)   |
| Costilla    | 180,300.00                     | 45,399.47      | 25.20%          | \$ (134,900.53)   |
| Crowley     | 94,487.00                      | 42,649.23      | 45.10%          | \$ (51,837.77)    |
| Custer      | 92,577.00                      | 19,809.73      | 21.40%          | \$ (72,767.27)    |
| Delta       | 1,057,254.00                   | 406,422.32     | 38.40%          | \$ (650,831.68)   |
| Denver      | 27,337,484.00                  | 31,184,072.11  | 114.10%         | \$ 3,846,588.11   |
| Dolores     | 47,901.00                      | 17,269.57      | 36.10%          | \$ (30,631.43)    |
| Douglas     | 3,905,258.00                   | 4,107,024.55   | 105.20%         | \$ 201,766.55     |
| Eagle       | 2,430,739.00                   | 1,542,414.23   | 63.50%          | \$ (888,324.77)   |
| Elbert      | 255,798.00                     | 211,432.52     | 82.70%          | \$ (44,365.48)    |
| El Paso     | 19,592,151.00                  | 20,785,669.71  | 106.10%         | \$ 1,193,518.71   |
| Fremont     | 1,071,041.00                   | 892,331.06     | 83.30%          | \$ (178,709.94)   |
| Garfield    | 2,370,523.00                   | 1,226,054.85   | 51.70%          | \$ (1,144,468.15) |
| Gilpin      | 108,178.00                     | 113,280.53     | 104.70%         | \$ 5,102.53       |
| Grand       | 392,004.00                     | 170,354.71     | 43.50%          | \$ (221,649.29)   |
| Gunnison    | 262,106.00                     | 201,660.00     | 76.90%          | \$ (60,446.00)    |
| Hinsdale    | 28,775.00                      | 16,828.74      | 58.50%          | \$ (11,946.26)    |
| Huerfano    | 135,458.00                     | 78,911.03      | 58.30%          | \$ (56,546.97)    |
| Jackson     | 24,973.00                      | 4,871.41       | 19.50%          | \$ (20,101.59)    |
| Jefferson   | 13,157,776.00                  | 10,987,794.97  | 83.50%          | \$ (2,169,981.03) |
| Kiowa       | 37,018.00                      | 12,818.92      | 34.60%          | \$ (24,199.08)    |
| Kit Carson  | 112,476.00                     | 29,205.12      | 26.00%          | \$ (83,270.88)    |
| Lake        | 193,441.00                     | 75,628.53      | 39.10%          | \$ (117,812.47)   |
| La Plata    | 924,873.00                     | 724,495.32     | 78.30%          | \$ (200,377.68)   |
| Larimer     | 7,258,357.00                   | 6,726,826.43   | 92.70%          | \$ (531,530.57)   |
| Las Animas  | 384,933.00                     | 333,554.16     | 86.70%          | \$ (51,378.84)    |
| Lincoln     | 126,587.00                     | 45,223.11      | 35.70%          | \$ (81,363.89)    |
| Logan       | 741,560.00                     | 444,604.35     | 60.00%          | \$ (296,955.65)   |
| Mesa        | 4,399,166.00                   | 3,952,539.32   | 89.80%          | \$ (446,626.68)   |
| Mineral     | 10,610.00                      | 14.95          | 0.10%           | \$ (10,595.05)    |
| Moffat      | 353,106.00                     | 169,833.94     | 48.10%          | \$ (183,272.06)   |
| Montezuma   | 927,457.00                     | 696,850.82     | 75.10%          | \$ (230,606.18)   |
| Montrose    | 1,356,167.00                   | 1,061,569.22   | 78.30%          | \$ (294,597.78)   |
| Morgan      | 798,485.00                     | 627,297.38     | 78.60%          | \$ (171,187.62)   |
| Otero       | 914,077.00                     | 318,691.52     | 34.90%          | \$ (595,385.48)   |
| Ouray       | 55,321.00                      | 13,128.59      | 23.70%          | \$ (42,192.41)    |
| Park        | 246,920.00                     | 128,884.43     | 52.20%          | \$ (118,035.57)   |
| Phillips    | 90,914.00                      | 66,888.49      | 73.60%          | \$ (24,025.51)    |
| Pitkin      | 382,348.00                     | 173,636.79     | 45.40%          | \$ (208,711.21)   |
| Prowers     | 428,968.00                     | 209,405.23     | 48.80%          | \$ (219,562.77)   |
| Pueblo      | 5,045,724.00                   | 3,828,731.65   | 75.90%          | \$ (1,216,992.35) |
| Rio Blanco  | 142,724.00                     | 49,307.36      | 34.50%          | \$ (93,416.64)    |
| Rio Grande  | 324,423.00                     | 292,217.43     | 90.10%          | \$ (32,205.57)    |
| Routt       | 601,354.00                     | 687,113.60     | 114.30%         | \$ 85,759.60      |
| Saguache    | 171,757.00                     | 29,862.09      | 17.40%          | \$ (141,894.91)   |
| San Juan    | 13,088.00                      | 2,850.00       | 21.80%          | \$ (10,238.00)    |
| San Miguel  | 164,463.00                     | 127,218.42     | 77.40%          | \$ (37,244.58)    |
| Sedgwick    | 82,885.00                      | 71,026.09      | 85.70%          | \$ (11,858.91)    |
| Summit      | 887,524.00                     | 535,039.48     | 60.30%          | \$ (352,484.52)   |
| Teller      | 447,874.00                     | 381,766.90     | 85.20%          | \$ (66,107.10)    |
| Washington  | 108,102.00                     | 110,842.19     | 102.50%         | \$ 2,740.19       |
| Weld        | 7,947,389.00                   | 8,461,913.97   | 106.50%         | \$ 514,524.97     |
| Yuma        | 278,112.00                     | 127,977.91     | 46.00%          | \$ (150,134.09)   |
| Total       | 158,815,353.00                 | 149,759,387.96 | 94.30%          | \$ (9,055,965.04) |

\* Counties shaded in gray are currently on freezes for the CCCAP program

# Appendix C: CCCAP Allocations and Over-Expenditures

| County      | SFY 2023 (All Funding Sources) |                |                 | Over-Expenditures  |
|-------------|--------------------------------|----------------|-----------------|--------------------|
|             | Allocation                     | Expenditures   | % To Allocation |                    |
| Adams       | 23,680,738.00                  | 18,253,336.62  | 77.10%          | \$ (5,427,401.38)  |
| Alamosa     | 742,190.00                     | 602,827.29     | 81.20%          | \$ (139,362.71)    |
| Arapahoe    | 20,300,982.00                  | 19,885,702.20  | 98.00%          | \$ (415,279.80)    |
| Archuleta   | 344,891.00                     | 146,541.86     | 42.50%          | \$ (198,349.14)    |
| Baca        | 102,607.00                     | 12,949.88      | 12.60%          | \$ (89,657.12)     |
| Bent        | 215,687.00                     | 73,579.29      | 34.10%          | \$ (142,107.71)    |
| Boulder     | 8,639,714.00                   | 12,976,379.67  | 150.20%         | \$ 4,336,665.67    |
| Broomfield  | 1,260,449.00                   | 848,838.73     | 67.30%          | \$ (411,610.27)    |
| Chaffee     | 270,047.00                     | 148,758.94     | 55.10%          | \$ (121,288.06)    |
| Cheyenne    | 49,909.00                      | 5,563.03       | 11.10%          | \$ (44,345.97)     |
| Clear Creek | 241,903.00                     | 96,666.22      | 40.00%          | \$ (145,236.78)    |
| Conejos     | 522,335.00                     | 182,819.30     | 35.00%          | \$ (339,515.70)    |
| Costilla    | 229,521.00                     | 59,554.27      | 25.90%          | \$ (169,966.73)    |
| Crowley     | 106,705.00                     | 49,671.87      | 46.60%          | \$ (57,033.13)     |
| Custer      | 105,661.00                     | 23,863.05      | 22.60%          | \$ (81,797.95)     |
| Delta       | 1,346,949.00                   | 240,587.35     | 17.90%          | \$ (1,106,361.65)  |
| Denver      | 31,946,991.00                  | 33,066,403.36  | 103.50%         | \$ 1,119,412.36    |
| Dolores     | 64,066.00                      | 16,675.47      | 26.00%          | \$ (47,390.53)     |
| Douglas     | 4,930,083.00                   | 4,543,337.83   | 92.20%          | \$ (386,745.17)    |
| Eagle       | 3,314,127.00                   | 1,957,613.91   | 59.10%          | \$ (1,356,513.09)  |
| Elbert      | 374,250.00                     | 283,709.68     | 75.80%          | \$ (90,540.32)     |
| El Paso     | 22,773,983.00                  | 22,819,540.02  | 100.20%         | \$ 45,557.02       |
| Fremont     | 1,084,205.00                   | 971,236.11     | 89.60%          | \$ (112,968.89)    |
| Garfield    | 3,623,923.00                   | 1,071,585.30   | 29.60%          | \$ (2,552,337.70)  |
| Gilpin      | 105,539.00                     | 118,406.72     | 112.20%         | \$ 12,867.72       |
| Grand       | 498,511.00                     | 200,202.41     | 40.20%          | \$ (298,308.59)    |
| Gunnison    | 299,802.00                     | 192,279.18     | 64.10%          | \$ (107,522.82)    |
| Hinsdale    | 25,594.00                      | 12,213.76      | 47.70%          | \$ (13,380.24)     |
| Huerfano    | 166,747.00                     | 107,040.32     | 64.20%          | \$ (59,706.68)     |
| Jackson     | 27,564.00                      | 4,219.69       | 15.30%          | \$ (23,344.31)     |
| Jefferson   | 13,691,562.00                  | 12,827,893.48  | 93.70%          | \$ (863,668.52)    |
| Kiowa       | 45,305.00                      | 5,391.10       | 11.90%          | \$ (39,913.90)     |
| Kit Carson  | 171,525.00                     | 22,695.36      | 13.20%          | \$ (148,829.64)    |
| Lake        | 306,270.00                     | 89,891.22      | 29.40%          | \$ (216,378.78)    |
| La Plata    | 1,368,951.00                   | 789,195.17     | 57.60%          | \$ (579,755.83)    |
| Larimer     | 8,947,561.00                   | 7,588,251.18   | 84.80%          | \$ (1,359,309.82)  |
| Las Animas  | 350,822.00                     | 252,457.10     | 72.00%          | \$ (98,364.90)     |
| Lincoln     | 173,493.00                     | 50,747.95      | 29.30%          | \$ (122,745.05)    |
| Logan       | 858,809.00                     | 480,033.36     | 55.90%          | \$ (378,775.64)    |
| Mesa        | 4,474,441.00                   | 4,225,563.28   | 94.40%          | \$ (248,877.72)    |
| Mineral     | 12,632.00                      | 3,430.87       | 27.20%          | \$ (9,201.13)      |
| Moffat      | 702,814.00                     | 216,282.72     | 30.80%          | \$ (486,531.28)    |
| Montezuma   | 928,877.00                     | 629,888.83     | 67.80%          | \$ (298,988.17)    |
| Montrose    | 1,450,382.00                   | 1,052,917.92   | 72.60%          | \$ (397,464.08)    |
| Morgan      | 1,042,476.00                   | 805,460.36     | 77.30%          | \$ (237,015.64)    |
| Otero       | 1,140,343.00                   | 268,591.55     | 23.60%          | \$ (871,751.45)    |
| Ouray       | 53,819.00                      | 14,119.52      | 26.20%          | \$ (39,699.48)     |
| Park        | 335,948.00                     | 159,518.28     | 47.50%          | \$ (176,429.72)    |
| Phillips    | 118,894.00                     | 82,040.77      | 69.00%          | \$ (36,853.23)     |
| Pitkin      | 491,616.00                     | 196,660.41     | 40.00%          | \$ (294,955.59)    |
| Prowers     | 555,646.00                     | 255,938.71     | 46.10%          | \$ (299,707.29)    |
| Pueblo      | 5,328,657.00                   | 4,714,874.30   | 88.50%          | \$ (613,782.70)    |
| Rio Blanco  | 216,351.00                     | 70,571.75      | 32.60%          | \$ (145,779.25)    |
| Rio Grande  | 339,491.00                     | 275,695.35     | 81.20%          | \$ (63,795.65)     |
| Routt       | 724,738.00                     | 596,332.51     | 82.30%          | \$ (128,405.49)    |
| Saguache    | 222,201.00                     | 26,220.67      | 11.80%          | \$ (195,980.33)    |
| San Juan    | 12,323.00                      | 2,076.16       | 16.80%          | \$ (10,246.84)     |
| San Miguel  | 180,588.00                     | 175,975.54     | 97.40%          | \$ (4,612.46)      |
| Sedgwick    | 92,190.00                      | 51,072.40      | 55.40%          | \$ (41,117.60)     |
| Summit      | 1,140,078.00                   | 624,365.98     | 54.80%          | \$ (515,712.02)    |
| Teller      | 490,449.00                     | 404,375.82     | 82.50%          | \$ (86,073.18)     |
| Washington  | 133,837.00                     | 88,086.12      | 65.80%          | \$ (45,750.88)     |
| Weld        | 10,035,288.00                  | 8,998,656.32   | 89.70%          | \$ (1,036,631.68)  |
| Yuma        | 352,741.00                     | 151,059.24     | 42.80%          | \$ (201,681.76)    |
| Total       | 183,886,791.00                 | 165,168,434.63 | 89.80%          | \$ (18,718,356.37) |

\* Counties shaded in gray are currently on freezes for the CCCAP program

# Appendix C: CCCAP Allocations and Over-Expenditures

| County      | SFY 2024 (All Funding Sources) |                |                 | Over-Expenditures |
|-------------|--------------------------------|----------------|-----------------|-------------------|
|             | Allocation                     | Expenditures   | % To Allocation |                   |
| Adams       | 21,680,293.00                  | 21,981,979.81  | 101.39%         | \$ 301,686.81     |
| Alamosa     | 702,232.00                     | 727,397.14     | 103.58%         | \$ 25,165.14      |
| Arapahoe    | 20,064,439.00                  | 21,123,072.80  | 105.28%         | \$ 1,058,633.80   |
| Archuleta   | 383,583.00                     | 246,167.75     | 64.18%          | \$ (137,415.25)   |
| Baca        | 90,883.00                      | 9,346.27       | 10.28%          | \$ (81,536.73)    |
| Bent        | 200,556.00                     | 122,747.67     | 61.20%          | \$ (77,808.33)    |
| Boulder     | 9,170,506.00                   | 14,128,423.82  | 154.06%         | \$ 4,957,917.82   |
| Broomfield  | 1,095,309.00                   | 1,014,218.77   | 92.60%          | \$ (81,090.23)    |
| Chaffee     | 316,102.00                     | 160,088.23     | 50.64%          | \$ (156,013.77)   |
| Cheyenne    | 41,207.00                      | 19,316.40      | 46.88%          | \$ (21,890.60)    |
| Clear Creek | 237,580.00                     | 85,098.26      | 35.82%          | \$ (152,481.74)   |
| Conejos     | 454,646.00                     | 215,328.45     | 47.36%          | \$ (239,317.55)   |
| Costilla    | 213,308.00                     | 77,298.31      | 36.24%          | \$ (136,009.69)   |
| Crowley     | 91,432.00                      | 63,977.80      | 69.97%          | \$ (27,454.20)    |
| Custer      | 90,644.00                      | 33,077.15      | 36.49%          | \$ (57,566.85)    |
| Delta       | 1,088,463.00                   | 302,348.89     | 27.78%          | \$ (786,114.11)   |
| Denver      | 31,459,154.00                  | 35,918,274.72  | 114.17%         | \$ 4,459,120.72   |
| Dolores     | 52,472.00                      | 29,211.20      | 55.67%          | \$ (23,260.80)    |
| Douglas     | 5,093,418.00                   | 5,088,985.81   | 99.91%          | \$ (4,432.19)     |
| Eagle       | 3,319,369.00                   | 2,891,883.30   | 87.12%          | \$ (427,485.70)   |
| Elbert      | 377,792.00                     | 247,932.00     | 65.63%          | \$ (129,860.00)   |
| El Paso     | 24,516,327.00                  | 23,595,960.40  | 96.25%          | \$ (920,366.60)   |
| Fremont     | 1,266,339.00                   | 1,028,205.91   | 81.20%          | \$ (238,133.09)   |
| Garfield    | 3,292,959.00                   | 1,525,562.60   | 46.33%          | \$ (1,767,396.40) |
| Gilpin      | 165,823.00                     | 143,655.00     | 86.63%          | \$ (22,168.00)    |
| Grand       | 451,969.00                     | 144,432.94     | 31.96%          | \$ (307,536.06)   |
| Gunnison    | 289,191.00                     | 246,974.78     | 85.40%          | \$ (42,216.22)    |
| Hinsdale    | 24,607.00                      | 9,946.47       | 40.42%          | \$ (14,660.53)    |
| Huerfano    | 141,892.00                     | 46,307.23      | 32.64%          | \$ (95,584.77)    |
| Jackson     | 22,037.00                      | 3,189.78       | 14.47%          | \$ (18,847.22)    |
| Jefferson   | 12,154,463.00                  | 13,293,679.46  | 109.37%         | \$ 1,139,216.46   |
| Kiowa       | 47,179.00                      | 5,784.86       | 12.26%          | \$ (41,394.14)    |
| Kit Carson  | 182,800.00                     | 13,369.90      | 7.31%           | \$ (169,430.10)   |
| Lake        | 215,300.00                     | 170,131.41     | 79.02%          | \$ (45,168.59)    |
| La Plata    | 1,592,267.00                   | 843,722.44     | 52.99%          | \$ (748,544.56)   |
| Larimer     | 8,269,758.00                   | 9,466,201.51   | 114.47%         | \$ 1,196,443.51   |
| Las Animas  | 483,715.00                     | 293,881.81     | 60.76%          | \$ (189,833.19)   |
| Lincoln     | 200,178.00                     | 79,348.01      | 39.64%          | \$ (120,829.99)   |
| Logan       | 759,018.00                     | 523,588.20     | 68.98%          | \$ (235,429.80)   |
| Mesa        | 4,761,051.00                   | 4,673,980.38   | 98.17%          | \$ (87,070.62)    |
| Mineral     | 9,646.00                       | 14,531.45      | 150.65%         | \$ 4,885.45       |
| Moffat      | 716,035.00                     | 308,188.41     | 43.04%          | \$ (407,846.59)   |
| Montezuma   | 964,462.00                     | 569,221.78     | 59.02%          | \$ (395,240.22)   |
| Montrose    | 1,338,081.00                   | 1,025,230.77   | 76.62%          | \$ (312,850.23)   |
| Morgan      | 1,033,673.00                   | 1,090,986.30   | 105.54%         | \$ 57,313.30      |
| Otero       | 1,047,857.00                   | 253,797.09     | 24.22%          | \$ (794,059.91)   |
| Ouray       | 48,987.00                      | 16,889.92      | 34.48%          | \$ (32,097.08)    |
| Park        | 268,893.00                     | 170,280.96     | 63.33%          | \$ (98,612.04)    |
| Phillips    | 122,444.00                     | 51,855.36      | 42.35%          | \$ (70,588.64)    |
| Pitkin      | 435,605.00                     | 194,759.70     | 44.71%          | \$ (240,845.30)   |
| Prowers     | 489,202.00                     | 256,299.09     | 52.39%          | \$ (232,902.91)   |
| Pueblo      | 5,886,797.00                   | 5,043,347.64   | 85.67%          | \$ (843,449.36)   |
| Rio Blanco  | 245,805.00                     | 71,264.79      | 28.99%          | \$ (174,540.21)   |
| Rio Grande  | 305,942.00                     | 253,534.69     | 82.87%          | \$ (52,407.31)    |
| Routt       | 818,759.00                     | 736,452.54     | 89.95%          | \$ (82,306.46)    |
| Saguache    | 195,116.00                     | 30,819.86      | 15.80%          | \$ (164,296.14)   |
| San Juan    | 9,692.00                       | 13,163.35      | 135.82%         | \$ 3,471.35       |
| San Miguel  | 238,390.00                     | 306,294.08     | 128.48%         | \$ 67,904.08      |
| Sedgwick    | 89,765.00                      | 43,693.41      | 48.68%          | \$ (46,071.59)    |
| Summit      | 999,757.00                     | 673,859.73     | 67.40%          | \$ (325,897.27)   |
| Teller      | 604,410.00                     | 366,898.21     | 60.70%          | \$ (237,511.79)   |
| Washington  | 158,221.00                     | 69,782.50      | 44.10%          | \$ (88,438.50)    |
| Weld        | 10,179,219.00                  | 10,092,808.81  | 99.15%          | \$ (86,410.19)    |
| Yuma        | 298,487.00                     | 156,281.19     | 52.36%          | \$ (142,205.81)   |
| Total       | 181,565,506.00                 | 182,404,339.27 | 100.46%         | \$ 838,833.27     |

\* Counties shaded in gray are currently on freezes for the CCCAP program



# Appendix C: CCCAP Allocations and Over-Expenditures

| County      | SFY 2025 Estimates (All Funding Sources) |                |                 | Over-Expenditures |
|-------------|------------------------------------------|----------------|-----------------|-------------------|
|             | Allocation                               | Expenditures   | % To Allocation |                   |
| Adams       | 20,840,718.00                            | 25,552,627.37  | 122.61%         | 4,711,909.37      |
| Alamosa     | 659,863.00                               | 781,079.88     | 118.37%         | 121,216.88        |
| Arapahoe    | 19,875,205.00                            | 23,786,209.15  | 119.68%         | 3,911,004.15      |
| Archuleta   | 399,658.00                               | 332,542.01     | 83.21%          | -67,115.99        |
| Baca        | 90,020.00                                | 8,202.74       | 9.11%           | -81,817.26        |
| Bent        | 180,500.00                               | 115,672.68     | 64.08%          | -64,827.32        |
| Boulder     | 8,647,942.00                             | 13,003,405.42  | 150.36%         | 4,355,463.42      |
| Broomfield  | 985,778.00                               | 1,257,144.14   | 127.53%         | 271,366.14        |
| Chaffee     | 293,698.00                               | 205,290.55     | 69.90%          | -88,407.45        |
| Cheyenne    | 37,086.00                                | 12,625.99      | 34.05%          | -24,460.01        |
| Clear Creek | 213,822.00                               | 115,192.46     | 53.87%          | -98,629.54        |
| Conejos     | 412,756.00                               | 196,432.42     | 47.59%          | -216,323.58       |
| Costilla    | 191,977.00                               | 125,517.74     | 65.38%          | -66,459.26        |
| Crowley     | 97,313.00                                | 69,710.06      | 71.63%          | -27,602.94        |
| Custer      | 81,580.00                                | 44,655.58      | 54.74%          | -36,924.42        |
| Delta       | 979,617.00                               | 337,800.10     | 34.48%          | -641,816.90       |
| Denver      | 29,948,512.00                            | 35,851,779.29  | 119.71%         | 5,903,267.29      |
| Dolores     | 47,225.00                                | 41,215.34      | 87.27%          | -6,009.66         |
| Douglas     | 4,914,760.00                             | 5,097,132.19   | 103.71%         | 182,372.19        |
| Eagle       | 3,525,554.00                             | 3,213,689.62   | 91.15%          | -311,864.38       |
| Elbert      | 370,693.00                               | 308,236.18     | 83.15%          | -62,456.82        |
| El Paso     | 24,130,746.00                            | 26,179,786.39  | 108.49%         | 2,049,040.39      |
| Fremont     | 1,364,735.00                             | 924,317.35     | 67.73%          | -440,417.65       |
| Garfield    | 2,963,663.00                             | 1,630,694.74   | 55.02%          | -1,332,968.26     |
| Gilpin      | 161,114.00                               | 128,865.74     | 79.98%          | -32,248.26        |
| Grand       | 406,772.00                               | 196,952.76     | 48.42%          | -209,819.24       |
| Gunnison    | 260,272.00                               | 322,656.14     | 123.97%         | 62,384.14         |
| Hinsdale    | 22,146.00                                | 15,552.26      | 70.23%          | -6,593.74         |
| Huerfano    | 137,846.00                               | 82,139.42      | 59.59%          | -55,706.58        |
| Jackson     | 26,023.00                                | 5,165.47       | 19.85%          | -20,857.53        |
| Jefferson   | 11,802,095.00                            | 13,321,093.42  | 112.87%         | 1,518,998.42      |
| Kiowa       | 42,461.00                                | 7,057.56       | 16.62%          | -35,403.44        |
| Kit Carson  | 164,520.00                               | 12,366.24      | 7.52%           | -152,153.76       |
| Lake        | 193,770.00                               | 156,391.10     | 80.71%          | -37,378.90        |
| La Plata    | 1,508,557.00                             | 1,004,401.44   | 66.58%          | -504,155.56       |
| Larimer     | 8,389,285.00                             | 9,146,304.26   | 109.02%         | 757,019.26        |
| Las Animas  | 435,344.00                               | 323,119.13     | 74.22%          | -112,224.87       |
| Lincoln     | 180,160.00                               | 43,522.66      | 24.16%          | -136,637.34       |
| Logan       | 683,116.00                               | 656,280.55     | 96.07%          | -26,835.45        |
| Mesa        | 4,873,657.00                             | 5,499,873.98   | 112.85%         | 626,216.98        |
| Mineral     | 13,357.00                                | 7,122.02       | 53.32%          | -6,234.98         |
| Moffat      | 644,432.00                               | 424,571.30     | 65.88%          | -219,860.70       |
| Montezuma   | 995,926.00                               | 606,545.11     | 60.90%          | -389,380.89       |
| Montrose    | 1,321,687.00                             | 1,164,961.99   | 88.14%          | -156,725.01       |
| Morgan      | 1,257,599.00                             | 978,460.42     | 77.80%          | -279,138.58       |
| Otero       | 943,071.00                               | 263,725.63     | 27.96%          | -679,345.37       |
| Ouray       | 44,088.00                                | 22,586.09      | 51.23%          | -21,501.91        |
| Park        | 242,004.00                               | 189,554.93     | 78.33%          | -52,449.07        |
| Phillips    | 110,200.00                               | 52,214.69      | 47.38%          | -57,985.31        |
| Pitkin      | 392,045.00                               | 244,555.92     | 62.38%          | -147,489.08       |
| Prowers     | 440,282.00                               | 286,434.02     | 65.06%          | -153,847.98       |
| Pueblo      | 5,978,330.00                             | 5,881,001.14   | 98.37%          | -97,328.86        |
| Rio Blanco  | 225,032.00                               | 154,156.46     | 68.50%          | -70,875.54        |
| Rio Grande  | 275,348.00                               | 262,138.27     | 95.20%          | -13,209.73        |
| Routt       | 753,713.00                               | 744,745.46     | 98.81%          | -8,967.54         |
| Saguache    | 175,604.00                               | 29,650.75      | 16.89%          | -145,953.25       |
| San Juan    | 8,867.00                                 | 8,310.31       | 93.72%          | -556.69           |
| San Miguel  | 240,159.00                               | 286,680.17     | 119.37%         | 46,521.17         |
| Sedgwick    | 80,789.00                                | 33,538.90      | 41.51%          | -47,250.10        |
| Summit      | 899,781.00                               | 736,308.38     | 81.83%          | -163,472.62       |
| Teller      | 602,235.00                               | 444,507.62     | 73.81%          | -157,727.38       |
| Washington  | 144,867.00                               | 80,571.29      | 55.62%          | -64,295.71        |
| Weld        | 10,538,499.00                            | 11,011,808.33  | 104.49%         | 473,309.33        |
| Yuma        | 287,528.00                               | 138,815.11     | 48.28%          | -148,712.89       |
| Total       | 177,156,002.00                           | 194,165,665.83 | 109.60%         | 17,009,663.83     |

\* Counties shaded in gray are currently on freezes for the CCCAP program

## Appendix D: Numbers Pages

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Numbers Pages**

|  | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

**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>7,986,802</u> | <u>8,422,605</u> | <u>8,320,096</u> * |
| FTE                      | 30.4             | 71.8             | 75.8             | 78.8             | 77.8               |
| General Fund             | 2,144,852        | 1,212,747        | 1,922,927        | 2,162,347        | 2,162,347          |
| Cash Funds               | 0                | (9,459)          | 135,549          | 180,811          | 180,811            |
| Reappropriated Funds     | 0                | 3,933,454        | 5,928,326        | 6,079,447        | 5,976,938          |
| Federal Funds            | 323,726          | 430,383          | 0                | 0                | 0                  |
| Health, Life, and Dental | <u>437,092</u>   | <u>2,671,938</u> | <u>3,805,188</u> | <u>4,596,204</u> | <u>4,596,204</u> * |
| General Fund             | 391,411          | 1,183,648        | 1,551,248        | 1,959,632        | 1,959,632          |
| Cash Funds               | 45,681           | 309,664          | 733,196          | 1,002,418        | 1,002,418          |
| Reappropriated Funds     | 0                | 1,178,626        | 399,753          | 793,292          | 793,292            |
| Federal Funds            | 0                | 0                | 1,120,991        | 840,862          | 840,862            |
| Short-term Disability    | <u>4,625</u>     | <u>21,591</u>    | <u>30,644</u>    | <u>16,054</u>    | <u>16,054</u> *    |
| General Fund             | 4,304            | 9,630            | 11,610           | 7,435            | 7,435              |
| Cash Funds               | 321              | 2,370            | 5,323            | 3,349            | 3,349              |
| Reappropriated Funds     | 0                | 0                | 3,586            | 5,194            | 5,194              |
| Federal Funds            | 0                | 9,591            | 10,125           | 76               | 76                 |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                              | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|----------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| S.B. 04-257 Amortization Equalization        |                      |                      |                             |                       |                              |
| Disbursement                                 | <u>144,738</u>       | <u>717,363</u>       | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                                 | 136,029              | 319,921              | 0                           | 0                     | 0                            |
| Cash Funds                                   | 8,709                | 78,873               | 0                           | 0                     | 0                            |
| Reappropriated Funds                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                | 0                    | 318,569              | 0                           | 0                     | 0                            |
| S.B. 06-235 Supplemental Amortization        |                      |                      |                             |                       |                              |
| Equalization Disbursement                    | <u>144,738</u>       | <u>717,363</u>       | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                                 | 136,029              | 319,921              | 0                           | 0                     | 0                            |
| Cash Funds                                   | 8,709                | 78,873               | 0                           | 0                     | 0                            |
| Reappropriated Funds                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                | 0                    | 318,569              | 0                           | 0                     | 0                            |
| Unfunded Liability Amortization Equalization |                      |                      |                             |                       |                              |
| Disbursement Payments                        | <u>0</u>             | <u>0</u>             | <u>2,042,904</u>            | <u>2,357,376</u>      | <u>2,357,376</u> *           |
| General Fund                                 | 0                    | 0                    | 773,984                     | 1,062,199             | 1,062,199                    |
| Cash Funds                                   | 0                    | 0                    | 354,870                     | 478,385               | 478,385                      |
| Reappropriated Funds                         | 0                    | 0                    | 239,097                     | 482,991               | 482,991                      |
| Federal Funds                                | 0                    | 0                    | 674,953                     | 333,801               | 333,801                      |
| Salary Survey                                | <u>155,062</u>       | <u>956,075</u>       | <u>718,013</u>              | <u>673,166</u>        | <u>673,166</u>               |
| General Fund                                 | 79,986               | 374,506              | 272,798                     | 291,654               | 291,654                      |
| Cash Funds                                   | 0                    | 126,434              | 124,098                     | 131,663               | 131,663                      |
| Reappropriated Funds                         | 0                    | 0                    | 4,400                       | 70,534                | 70,534                       |
| Federal Funds                                | 75,076               | 455,135              | 316,717                     | 179,315               | 179,315                      |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                     | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|-----------------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Step Pay                                            | <u>0</u>             | <u>0</u>             | <u>467,882</u>              | <u>103,887</u>        | <u>103,887</u>               |
| General Fund                                        | 0                    | 0                    | 155,911                     | 51,307                | 51,307                       |
| Cash Funds                                          | 0                    | 0                    | 98,724                      | 10,378                | 10,378                       |
| Reappropriated Funds                                | 0                    | 0                    | 2,474                       | 6,661                 | 6,661                        |
| Federal Funds                                       | 0                    | 0                    | 210,773                     | 35,541                | 35,541                       |
| <br>Paid Family and Medical Leave Insurance Program | <br><u>0</u>         | <br><u>0</u>         | <br><u>91,931</u>           | <br><u>110,267</u>    | <br><u>110,267</u> *         |
| General Fund                                        | 0                    | 0                    | 34,829                      | 47,799                | 47,799                       |
| Cash Funds                                          | 0                    | 0                    | 15,969                      | 21,527                | 21,527                       |
| Reappropriated Funds                                | 0                    | 0                    | 10,760                      | 21,735                | 21,735                       |
| Federal Funds                                       | 0                    | 0                    | 30,373                      | 19,206                | 19,206                       |
| <br>PERA Direct Distribution                        | <br><u>0</u>         | <br><u>0</u>         | <br><u>450,190</u>          | <br><u>434,604</u>    | <br><u>434,604</u> *         |
| General Fund                                        | 0                    | 0                    | 170,561                     | 188,394               | 188,394                      |
| Cash Funds                                          | 0                    | 0                    | 78,202                      | 84,847                | 84,847                       |
| Reappropriated Funds                                | 0                    | 0                    | 52,689                      | 95,410                | 95,410                       |
| Federal Funds                                       | 0                    | 0                    | 148,738                     | 65,953                | 65,953                       |
| <br>Shift Differential                              | <br><u>0</u>         | <br><u>0</u>         | <br><u>0</u>                | <br><u>81</u>         | <br><u>81</u>                |
| General Fund                                        | 0                    | 0                    | 0                           | 69                    | 69                           |
| Cash Funds                                          | 0                    | 0                    | 0                           | 12                    | 12                           |
| Reappropriated Funds                                | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| <br>Operating Expenses                              | <br><u>37,502</u>    | <br><u>118,838</u>   | <br><u>881,300</u>          | <br><u>847,722</u>    | <br><u>846,987</u> *         |
| General Fund                                        | 30,355               | 57,055               | 726,583                     | 668,150               | 668,150                      |
| Cash Funds                                          | 0                    | 0                    | 2,531                       | 791                   | 791                          |
| Reappropriated Funds                                | 0                    | 61,783               | 151,848                     | 178,443               | 177,708                      |
| Federal Funds                                       | 7,147                | 0                    | 338                         | 338                   | 338                          |



**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                               | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|-----------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Workers' Compensation                         | <u>66,234</u>        | <u>66,234</u>        | <u>66,234</u>               | <u>66,499</u>         | <u>66,300</u> *              |
| General Fund                                  | 3,839                | 66,234               | 66,234                      | 66,499                | 66,300                       |
| Cash Funds                                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                          | 62,395               | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Legal Services                                | <u>694,159</u>       | <u>1,009,460</u>     | <u>42,857</u>               | <u>1,366,934</u>      | <u>1,366,934</u>             |
| General Fund                                  | 307,513              | 1,009,460            | 42,857                      | 1,366,934             | 1,366,934                    |
| Cash Funds                                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                          | 386,646              | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Administrative Law Judge Services             | <u>0</u>             | <u>55,072</u>        | <u>20,366</u>               | <u>2,824</u>          | <u>2,822</u> *               |
| General Fund                                  | 0                    | 55,072               | 20,366                      | 2,824                 | 2,822                        |
| Cash Funds                                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                          | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Payment to Risk Management and Property Funds | <u>3,653</u>         | <u>3,653</u>         | <u>3,653</u>                | <u>3,726</u>          | <u>4,303</u>                 |
| General Fund                                  | 212                  | 3,653                | 3,653                       | 3,726                 | 4,303                        |
| Cash Funds                                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                          | 3,441                | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Vehicle Lease Payments                        | <u>7,156</u>         | <u>6,939</u>         | <u>8,906</u>                | <u>7,762</u>          | <u>8,026</u> *               |
| General Fund                                  | 83                   | 6,939                | 8,906                       | 7,762                 | 8,026                        |
| Cash Funds                                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                          | 7,073                | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

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|                                      | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|--------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Leased Space                         | <u>0</u>             | <u>296,520</u>       | <u>316,685</u>              | <u>332,520</u>        | <u>332,520</u>               |
| General Fund                         | 0                    | 102,819              | 117,173                     | 123,032               | 123,032                      |
| Cash Funds                           | 0                    | 0                    | 277                         | 291                   | 291                          |
| Reappropriated Funds                 | 0                    | 193,701              | 199,235                     | 209,197               | 209,197                      |
| Federal Funds                        | 0                    | 0                    | 0                           | 0                     | 0                            |
| Statewide Indirect Cost Recoveries   | <u>0</u>             | <u>0</u>             | <u>0</u>                    | <u>176,389</u>        | <u>1,204</u>                 |
| Reappropriated Funds                 | 0                    | 0                    | 0                           | 176,389               | 1,204                        |
| Financial Ops and Reporting Services | <u>0</u>             | <u>0</u>             | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                           | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                        | 0                    | 0                    | 0                           | 0                     | 0                            |
| Procurement and Contracts Services   | <u>0</u>             | <u>0</u>             | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                           | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                        | 0                    | 0                    | 0                           | 0                     | 0                            |
| Capital Outlay                       | <u>34,176</u>        | <u>36,249</u>        | <u>126,730</u>              | <u>126,730</u>        | <u>126,730</u>               |
| General Fund                         | 34,176               | 36,249               | 126,730                     | 126,730               | 126,730                      |
| Cash Funds                           | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                        | 0                    | 0                    | 0                           | 0                     | 0                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                 | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|-------------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Operational Support Contract with Department of |                      |                      |                             |                       |                              |
| Human Services                                  | <u>1,405,014</u>     | <u>80,460</u>        | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                                    | 229,745              | 51,666               | 0                           | 0                     | 0                            |
| Cash Funds                                      | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                            | 1,175,269            | 28,794               | 0                           | 0                     | 0                            |
| Federal Funds                                   | 0                    | 0                    | 0                           | 0                     | 0                            |
| Merit Pay                                       | <u>0</u>             | <u>0</u>             | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                      | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                            | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                   | 0                    | 0                    | 0                           | 0                     | 0                            |
| Capitol Complex Leased Space                    | <u>239,939</u>       | <u>0</u>             | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                                    | 22,117               | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                      | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                            | 217,822              | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                   | 0                    | 0                    | 0                           | 0                     | 0                            |
| <b>SUBTOTAL - (A) General Administration</b>    | 5,842,666            | 12,324,880           | 17,060,285                  | 19,645,350            | 19,367,561                   |
| FTE                                             | <u>30.4</u>          | <u>71.8</u>          | <u>75.8</u>                 | <u>78.8</u>           | <u>77.8</u>                  |
| General Fund                                    | 3,520,651            | 4,809,520            | 6,006,370                   | 8,136,493             | 8,137,133                    |
| Cash Funds                                      | 63,420               | 586,755              | 1,548,739                   | 1,914,472             | 1,914,472                    |
| Reappropriated Funds                            | 1,852,646            | 5,396,358            | 6,992,168                   | 8,119,293             | 7,840,864                    |
| Federal Funds                                   | 405,949              | 1,532,247            | 2,513,008                   | 1,475,092             | 1,475,092                    |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|------------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| <b>(B) Information Technology</b>              |                      |                      |                             |                       |                              |
| Information Technology Contracts and Equipment | 4,257,926            | 6,440,951            | 11,721,956                  | 11,792,150            | 11,792,150 *                 |
| General Fund                                   | 3,341,825            | 4,756,340            | 7,877,898                   | 7,852,664             | 7,852,664                    |
| Cash Funds                                     | 0                    | 0                    | 3,260,000                   | 3,260,000             | 3,260,000                    |
| Reappropriated Funds                           | 2,214                | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                  | 913,887              | 1,684,611            | 584,058                     | 679,486               | 679,486                      |
| Information Technology Systems Managed by      |                      |                      |                             |                       |                              |
| Other Departments                              | 0                    | 102,003              | 583,653 0.0                 | 574,700               | 574,700 *                    |
| General Fund                                   | 0                    | 29,569               | 73,840                      | 68,427                | 68,427                       |
| Cash Funds                                     | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                           | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                  | 0                    | 72,434               | 509,813                     | 506,273               | 506,273                      |
| Payments to OIT                                | 267,581              | 6,667,081            | 12,785,032                  | 15,293,618            | 15,293,618                   |
| General Fund                                   | 0                    | 5,669,029            | 10,507,070                  | 12,603,755            | 12,603,755                   |
| Cash Funds                                     | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                           | 267,581              | 998,052              | 2,277,962                   | 2,689,863             | 2,689,863                    |
| Federal Funds                                  | 0                    | 0                    | 0                           | 0                     | 0                            |
| IT Accessibility                               | 0                    | 392,659 2.0          | 0 0.0                       | 0 0.0                 | 0 0.0                        |
| General Fund                                   | 0                    | 152,255              | 0                           | 0                     | 0                            |
| Cash Funds                                     | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                           | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                  | 0                    | 240,404              | 0                           | 0                     | 0                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                              | <b>FY 2022-23<br/>Actual</b> | <b>FY 2023-24<br/>Actual</b> | <b>FY 2024-25<br/>Appropriation</b> | <b>FY 2025-26<br/>Request</b> | <b>FY 2025-26<br/>Recommendation</b> |
|----------------------------------------------|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| CORE Operations                              | <u>33,899</u>                | <u>71,546</u>                | <u>15,600</u>                       | <u>76,470</u>                 | <u>21,441</u>                        |
| General Fund                                 | 2,762                        | 71,546                       | 15,600                              | 76,470                        | 21,441                               |
| Cash Funds                                   | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                         | 31,137                       | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                | 0                            | 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>              | <u>4,414,382</u>                     |
| General Fund                                 | 0                            | 0                            | 0                                   | 504,449                       | 504,449                              |
| Cash Funds                                   | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                         | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                | 4,247,400                    | 2,671,600                    | 3,959,933                           | 3,909,933                     | 3,909,933                            |
| Information Technology Accessibility         | <u>0</u>                     | <u>0</u>                     | <u>0</u>                            | <u>0</u>                      | <u>0</u>                             |
| FTE                                          | 0.0                          | 0.0                          | 0.0                                 | 0.0                           | 0.0                                  |
| General Fund                                 | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Cash Funds                                   | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                         | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| <b>SUBTOTAL - (B) Information Technology</b> | <b>8,806,806</b>             | <b>16,345,840</b>            | <b>29,066,174</b>                   | <b>32,151,320</b>             | <b>32,096,291</b>                    |
| <b>FTE</b>                                   | <b>0.0</b>                   | <b>2.0</b>                   | <b>0.0</b>                          | <b>0.0</b>                    | <b>0.0</b>                           |
| General Fund                                 | 3,344,587                    | 10,678,739                   | 18,474,408                          | 21,105,765                    | 21,050,736                           |
| Cash Funds                                   | 0                            | 0                            | 3,260,000                           | 3,260,000                     | 3,260,000                            |
| Reappropriated Funds                         | 300,932                      | 998,052                      | 2,277,962                           | 2,689,863                     | 2,689,863                            |
| Federal Funds                                | 5,161,287                    | 4,669,049                    | 5,053,804                           | 5,095,692                     | 5,095,692                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

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|                                                | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|------------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| <b>TOTAL - (1) Executive Director's Office</b> | 14,649,472           | 28,670,720           | 46,126,459                  | 51,796,670            | 51,463,852                   |
| <i>FTE</i>                                     | <u>30.4</u>          | <u>73.8</u>          | <u>75.8</u>                 | <u>78.8</u>           | <u>77.8</u>                  |
| General Fund                                   | 6,865,238            | 15,488,259           | 24,480,778                  | 29,242,258            | 29,187,869                   |
| Cash Funds                                     | 63,420               | 586,755              | 4,808,739                   | 5,174,472             | 5,174,472                    |
| Reappropriated Funds                           | 2,153,578            | 6,394,410            | 9,270,130                   | 10,809,156            | 10,530,727                   |
| Federal Funds                                  | 5,567,236            | 6,201,296            | 7,566,812                   | 6,570,784             | 6,570,784                    |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                            | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|--------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| <b>(2) PARTNERSHIPS AND COLLABORATIONS</b> |                      |                      |                             |                       |                              |
| Personal Services                          | <u>686,794</u>       | <u>773,097</u>       | <u>822,059</u>              | <u>852,058</u>        | <u>852,058</u>               |
| FTE                                        | 10.4                 | 6.5                  | 6.5                         | 6.5                   | 6.5                          |
| General Fund                               | 214,499              | 272,633              | 283,139                     | 286,380               | 286,380                      |
| Cash Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                              | 472,295              | 500,464              | 538,920                     | 565,678               | 565,678                      |
| Operating Expenses                         | <u>57,572</u>        | <u>132,206</u>       | <u>182,766</u>              | <u>182,766</u>        | <u>182,766</u>               |
| General Fund                               | 45,180               | 42,929               | 45,846                      | 45,846                | 45,846                       |
| Cash Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                              | 12,392               | 89,277               | 136,920                     | 136,920               | 136,920                      |
| Local Coordinating Organizations           | <u>2,842,119</u>     | <u>5,126,336</u>     | <u>3,521,570</u>            | <u>4,521,570</u>      | <u>4,521,570</u> *           |
| General Fund                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                 | 0                    | 0                    | 2,800,000                   | 4,521,570             | 4,521,570                    |
| Reappropriated Funds                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                              | 2,842,119            | 5,126,336            | 721,570                     | 0                     | 0                            |
| Early Childhood Councils                   | <u>0</u>             | <u>3,288,603</u>     | <u>4,414,452</u>            | <u>4,414,452</u>      | <u>4,414,452</u>             |
| General Fund                               | 0                    | 0                    | 1,000,000                   | 1,000,000             | 1,000,000                    |
| Cash Funds                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                              | 0                    | 3,288,603            | 3,414,452                   | 3,414,452             | 3,414,452                    |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                    | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|----------------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Child Care Resource and Referrals                  | <u>2,165,464</u>     | <u>2,167,402</u>     | <u>1,211,964</u>            | <u>663,835</u>        | <u>663,835</u>               |
| General Fund                                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                      | 2,165,464            | 2,167,402            | 1,211,964                   | 663,835               | 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>      | <u>1,000,000</u>             |
| General Fund                                       | 1,518,523            | 1,548,122            | 1,745,654                   | 1,745,654             | 1,000,000                    |
| Cash Funds                                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                      | 0                    | 0                    | 0                           | 0                     | 0                            |
| Indirect Cost Assessment                           | <u>0</u>             | <u>125,540</u>       | <u>308,524</u>              | <u>320,475</u>        | <u>320,475</u> *             |
| General Fund                                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                      | 0                    | 125,540              | 308,524                     | 320,475               | 320,475                      |
| <b>TOTAL - (2) Partnerships and Collaborations</b> | <b>7,270,472</b>     | <b>13,161,306</b>    | <b>12,206,989</b>           | <b>12,700,810</b>     | <b>11,955,156</b>            |
| <b>FTE</b>                                         | <b><u>10.4</u></b>   | <b><u>6.5</u></b>    | <b><u>6.5</u></b>           | <b><u>6.5</u></b>     | <b><u>6.5</u></b>            |
| General Fund                                       | 1,778,202            | 1,863,684            | 3,074,639                   | 3,077,880             | 2,332,226                    |
| Cash Funds                                         | 0                    | 0                    | 2,800,000                   | 4,521,570             | 4,521,570                    |
| Reappropriated Funds                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                      | 5,492,270            | 11,297,622           | 6,332,350                   | 5,101,360             | 5,101,360                    |



**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                              | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|----------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| <b>(3) EARLY LEARNING ACCESS AND QUALITY</b> |                      |                      |                             |                       |                              |
| Personal Services                            | <u>8,111,074</u>     | <u>8,271,476</u>     | <u>10,581,843</u>           | <u>10,479,566</u>     | <u>8,855,201</u> *           |
| FTE                                          | 59.9                 | 50.7                 | 56.4                        | 61.0                  | 61.0                         |
| General Fund                                 | 605,019              | 2,331,372            | 4,499,988                   | 4,669,165             | 3,044,800                    |
| Cash Funds                                   | 500,110              | 500,110              | 1,006,683                   | 993,476               | 993,476                      |
| Reappropriated Funds                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                | 7,005,945            | 5,439,994            | 5,075,172                   | 4,816,925             | 4,816,925                    |
| Operating Expenses                           | <u>518,076</u>       | <u>109,610</u>       | <u>391,825</u>              | <u>245,326</u>        | <u>245,326</u>               |
| General Fund                                 | 0                    | 28                   | 88,185                      | 19,022                | 19,022                       |
| Cash Funds                                   | 7,820                | 10,701               | 66,445                      | 18,430                | 18,430                       |
| Reappropriated Funds                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                | 510,256              | 98,881               | 237,195                     | 207,874               | 207,874                      |
| Capital Outlay                               | <u>5,563</u>         | <u>0</u>             | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| General Fund                                 | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                   | 2,428                | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                | 3,135                | 0                    | 0                           | 0                     | 0                            |
| Universal Preschool Program                  | <u>119,197</u>       | <u>311,091,079</u>   | <u>344,060,184</u>          | <u>353,418,514</u>    | <u>349,096,944</u> *         |
| General Fund                                 | 119,197              | 170,000,000          | 146,333,200                 | 149,991,530           | 146,333,200                  |
| Cash Funds                                   | 0                    | 141,091,079          | 197,726,984                 | 203,426,984           | 202,763,744                  |
| Reappropriated Funds                         | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                                | 0                    | 0                    | 0                           | 0                     | 0                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                  | <b>FY 2022-23<br/>Actual</b> | <b>FY 2023-24<br/>Actual</b> | <b>FY 2024-25<br/>Appropriation</b> | <b>FY 2025-26<br/>Request</b> | <b>FY 2025-26<br/>Recommendation</b> |
|--------------------------------------------------|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| Child Care Assistance Program                    | <u>130,725,813</u>           | <u>146,437,453</u>           | <u>185,663,448</u>                  | <u>185,490,444</u>            | <u>170,700,444</u> *                 |
| General Fund                                     | 28,790,460                   | 29,734,240                   | 32,058,921                          | 42,058,921                    | 37,058,921                           |
| Cash Funds                                       | 0                            | 0                            | 17,375,025                          | 20,296,012                    | 20,296,012                           |
| Reappropriated Funds                             | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                    | 101,935,353                  | 116,703,213                  | 136,229,502                         | 123,135,511                   | 113,345,511                          |
| Intrastate Child Care Assistance Program         |                              |                              |                                     |                               |                                      |
| Distribution                                     | <u>500,000</u>               | <u>115,380</u>               | <u>500,000</u>                      | <u>500,000</u>                | <u>500,000</u>                       |
| General Fund                                     | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Cash Funds                                       | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                             | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                    | 500,000                      | 115,380                      | 500,000                             | 500,000                       | 500,000                              |
| 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>              | <u>1,128,167</u>                     |
| General Fund                                     | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Cash Funds                                       | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                             | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                    | 10,010,349                   | 10,173,650                   | 1,428,167                           | 1,128,167                     | 1,128,167                            |
| 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>              | <u>2,425,317</u> *                   |
| General Fund                                     | 0                            | 40,000                       | 75,000                              | 75,000                        | 75,000                               |
| Cash Funds                                       | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                             | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                    | 4,568,295                    | 5,177,173                    | 3,276,951                           | 2,350,317                     | 2,350,317                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                           | <b>FY 2022-23<br/>Actual</b> | <b>FY 2023-24<br/>Actual</b> | <b>FY 2024-25<br/>Appropriation</b> | <b>FY 2025-26<br/>Request</b> | <b>FY 2025-26<br/>Recommendation</b> |
|-----------------------------------------------------------|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| 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>             | <u>10,490,649</u>                    |
| General Fund                                              | 2,984,777                    | 3,042,817                    | 3,043,243                           | 3,043,243                     | 3,043,243                            |
| Cash Funds                                                | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                                      | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                             | 19,036,031                   | 17,462,065                   | 9,415,002                           | 7,657,406                     | 7,447,406                            |
| Imagination Library of Colorado                           | <u>0</u>                     | <u>0</u>                     | <u>0</u>                            | <u>0</u>                      | <u>1,624,365</u>                     |
| General Fund                                              | 0                            | 0                            | 0                                   | 0                             | 1,624,365                            |
| Indirect Cost Assessment                                  | <u>1,568,325</u>             | <u>2,985,843</u>             | <u>4,411,519</u>                    | <u>4,157,328</u>              | <u>4,090,048</u> *                   |
| General Fund                                              | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Cash Funds                                                | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                                      | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                             | 1,568,325                    | 2,985,843                    | 4,411,519                           | 4,157,328                     | 4,090,048                            |
| Family, Friend, and Neighbor Training and Support Program | <u>59,892</u>                | <u>412,786</u>               | <u>0</u>                            | <u>0</u>                      | <u>0</u>                             |
| FTE                                                       | 0.0                          | 0.0                          | 0.0                                 | 0.0                           | 0.0                                  |
| General Fund                                              | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Cash Funds                                                | 59,892                       | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                                      | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                             | 0                            | 412,786                      | 0                                   | 0                             | 0                                    |
| <b>TOTAL - (3) Early Learning Access and Quality</b>      | <b>178,207,392</b>           | <b>505,319,332</b>           | <b>562,847,182</b>                  | <b>568,545,311</b>            | <b>549,156,461</b>                   |
| <b>FTE</b>                                                | <u>59.9</u>                  | <u>50.7</u>                  | <u>56.4</u>                         | <u>61.0</u>                   | <u>61.0</u>                          |
| General Fund                                              | 32,499,453                   | 205,148,457                  | 186,098,537                         | 199,856,881                   | 191,198,551                          |
| Cash Funds                                                | 570,250                      | 141,601,890                  | 216,175,137                         | 224,734,902                   | 224,071,662                          |
| Reappropriated Funds                                      | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                             | 145,137,689                  | 158,568,985                  | 160,573,508                         | 143,953,528                   | 133,886,248                          |

***JBC Staff Figure Setting - FY 2025-26***  
***Staff Working Document - Does Not Represent Committee Decision***

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|  | <b>FY 2022-23<br/>Actual</b> | <b>FY 2023-24<br/>Actual</b> | <b>FY 2024-25<br/>Appropriation</b> | <b>FY 2025-26<br/>Request</b> | <b>FY 2025-26<br/>Recommendation</b> |
|--|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
|--|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                         | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|-----------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| <b>(4) COMMUNITY AND FAMILY SUPPORT</b> |                      |                      |                             |                       |                              |
| Personal Services                       | <u>2,571,399</u>     | <u>2,420,530</u>     | <u>5,423,822</u>            | <u>5,476,097</u>      | <u>4,389,273</u> *           |
| FTE                                     | 25.8                 | 26.8                 | 24.7                        | 24.8                  | 23.8                         |
| General Fund                            | 2,135,321            | 2,043,126            | 3,110,776                   | 3,128,045             | 2,041,221                    |
| Cash Funds                              | 305,176              | 302,613              | 457,134                     | 489,586               | 489,586                      |
| Reappropriated Funds                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                           | 130,902              | 74,791               | 1,855,912                   | 1,858,466             | 1,858,466                    |
| Operating Expenses                      | <u>200,801</u>       | <u>106,018</u>       | <u>2,060,009</u>            | <u>2,052,641</u>      | <u>329,641</u>               |
| General Fund                            | 180,241              | 102,308              | 1,915,233                   | 1,908,233             | 185,233                      |
| Cash Funds                              | 4,241                | 3,710                | 52,188                      | 52,188                | 52,188                       |
| Reappropriated Funds                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                           | 16,319               | 0                    | 92,588                      | 92,220                | 92,220                       |
| Early Intervention                      | <u>75,897,645</u>    | <u>87,355,234</u>    | <u>87,352,710</u>           | <u>87,452,710</u>     | <u>87,452,710</u> *          |
| General Fund                            | 49,822,382           | 58,094,847           | 60,492,837                  | 60,492,837            | 60,492,837                   |
| Cash Funds                              | 11,763,325           | 15,068,806           | 10,887,177                  | 10,987,177            | 10,987,177                   |
| Reappropriated Funds                    | 0                    | 0                    | 9,940,111                   | 9,940,111             | 9,940,111                    |
| Federal Funds                           | 14,311,938           | 14,191,581           | 6,032,585                   | 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>     | <u>29,791,933</u>            |
| General Fund                            | 537,502              | 586,814              | 628,226                     | 628,226               | 628,226                      |
| Cash Funds                              | 20,896,820           | 22,441,157           | 27,400,370                  | 27,400,370            | 27,400,370                   |
| Reappropriated Funds                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                           | 2,053,766            | 3,887,835            | 1,763,337                   | 1,763,337             | 1,763,337                    |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                | <b>FY 2022-23<br/>Actual</b> | <b>FY 2023-24<br/>Actual</b> | <b>FY 2024-25<br/>Appropriation</b> | <b>FY 2025-26<br/>Request</b> | <b>FY 2025-26<br/>Recommendation</b> |
|------------------------------------------------|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| Child Maltreatment Prevention                  | <u>9,680,878</u>             | <u>9,969,305</u>             | <u>14,185,067</u>                   | <u>15,097,067</u>             | <u>14,597,067</u> *                  |
| General Fund                                   | 7,786,371                    | 7,648,828                    | 8,500,453                           | 8,550,453                     | 8,250,453                            |
| Cash Funds                                     | 208,949                      | 61,239                       | 1,346,216                           | 2,208,216                     | 2,208,216                            |
| Reappropriated Funds                           | 0                            | 0                            | 200,000                             | 200,000                       | 0                                    |
| Federal Funds                                  | 1,685,558                    | 2,259,238                    | 4,138,398                           | 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>              | <u>3,526,481</u>                     |
| General Fund                                   | 1,253,946                    | 1,595,830                    | 1,627,813                           | 1,627,813                     | 1,465,032                            |
| Cash Funds                                     | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                           | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                  | 4,206,390                    | 3,957,651                    | 2,061,449                           | 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>                | <u>817,289</u>                       |
| General Fund                                   | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Cash Funds                                     | 712,388                      | 608,363                      | 817,289                             | 817,289                       | 817,289                              |
| Reappropriated Funds                           | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                  | 0                            | 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>                | <u>0</u>                             |
| General Fund                                   | 494,445                      | 499,978                      | 500,000                             | 500,000                       | 0                                    |
| Cash Funds                                     | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Reappropriated Funds                           | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                  | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Child and Adult Care Food Program Study        | <u>0</u>                     | <u>0</u>                     | <u>100,000</u>                      | <u>0</u>                      | <u>0</u>                             |
| General Fund                                   | 0                            | 0                            | 100,000                             | 0                             | 0                                    |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                            | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|--------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Indirect Cost Assessment                   | <u>329,139</u>       | <u>439,951</u>       | <u>819,535</u>              | <u>830,438</u>        | <u>830,438</u> *             |
| General Fund                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                 | 16,830               | 150,126              | 247,348                     | 256,151               | 256,151                      |
| Reappropriated Funds                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                              | 312,309              | 289,825              | 572,187                     | 574,287               | 574,287                      |
| Colorado Child Abuse Prevention Trust Fund | <u>0</u>             | <u>0</u>             | <u>200,000</u>              | <u>0</u>              | <u>0</u> *                   |
| General Fund                               | 0                    | 0                    | 200,000                     | 0                     | 0                            |
| Universal Home Visiting Pilot Program      | <u>0</u>             | <u>0</u>             | <u>0</u>                    | <u>0</u>              | <u>2,528,842</u>             |
| FTE                                        | 0.0                  | 0.0                  | 0.0                         | 0.0                   | 1.0                          |
| General Fund                               | 0                    | 0                    | 0                           | 0                     | 2,528,842                    |
| Home Visiting Grant Program                | <u>25,574</u>        | <u>116,019</u>       | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| FTE                                        | 0.0                  | 0.0                  | 0.0                         | 0.0                   | 0.0                          |
| General Fund                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                 | 25,574               | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                              | 0                    | 116,019              | 0                           | 0                     | 0                            |
| Children's Mental Health Program           | <u>40,559</u>        | <u>503,679</u>       | <u>0</u>                    | <u>0</u>              | <u>0</u>                     |
| FTE                                        | 0.0                  | 0.0                  | 0.0                         | 0.0                   | 0.0                          |
| General Fund                               | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                                 | 40,559               | 0                    | 0                           | 0                     | 0                            |
| Reappropriated Funds                       | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                              | 0                    | 503,679              | 0                           | 0                     | 0                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

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|                                                 | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|-------------------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| <b>TOTAL - (4) Community and Family Support</b> | 118,901,252          | 134,488,364          | 144,939,627                 | 145,707,437           | 144,263,674                  |
| <i>FTE</i>                                      | <u>25.8</u>          | <u>26.8</u>          | <u>24.7</u>                 | <u>24.8</u>           | <u>24.8</u>                  |
| General Fund                                    | 62,210,208           | 70,571,731           | 77,075,338                  | 76,835,607            | 75,591,844                   |
| Cash Funds                                      | 33,973,862           | 38,636,014           | 41,207,722                  | 42,210,977            | 42,210,977                   |
| Reappropriated Funds                            | 0                    | 0                    | 10,140,111                  | 10,140,111            | 9,940,111                    |
| Federal Funds                                   | 22,717,182           | 25,280,619           | 16,516,456                  | 16,520,742            | 16,520,742                   |



**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                         | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Appropriation | FY 2025-26<br>Request | FY 2025-26<br>Recommendation |
|-----------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| <b>(5) LICENSING AND ADMINISTRATION</b> |                      |                      |                             |                       |                              |
| Personal Services                       | <u>8,544,965</u>     | <u>9,356,755</u>     | <u>10,163,855</u>           | <u>10,798,873</u>     | <u>10,798,873</u> *          |
| FTE                                     | 59.1                 | 62.4                 | 60.4                        | 64.3                  | 64.3                         |
| General Fund                            | 2,401,974            | 2,450,141            | 2,531,059                   | 2,850,540             | 2,850,540                    |
| Cash Funds                              | 1,042,147            | 1,035,613            | 1,168,200                   | 1,283,751             | 1,283,751                    |
| Reappropriated Funds                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                           | 5,100,844            | 5,871,001            | 6,464,596                   | 6,664,582             | 6,664,582                    |
| Operating Expenses                      | <u>472,268</u>       | <u>295,931</u>       | <u>536,422</u>              | <u>505,950</u>        | <u>505,950</u>               |
| General Fund                            | 14,579               | 11,387               | 79,287                      | 49,366                | 49,366                       |
| Cash Funds                              | 59,390               | 231,148              | 271,615                     | 271,615               | 271,615                      |
| Reappropriated Funds                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                           | 398,299              | 53,396               | 185,520                     | 184,969               | 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>  | <u>1,261,344 8.7</u>         |
| General Fund                            | 0                    | 0                    | 0                           | 0                     | 0                            |
| Cash Funds                              | 999,824              | 1,002,970            | 1,263,562                   | 1,261,344             | 1,261,344                    |
| Reappropriated Funds                    | 0                    | 0                    | 0                           | 0                     | 0                            |
| Federal Funds                           | 0                    | 0                    | 0                           | 0                     | 0                            |
| Bilingual Licensing Unit                | <u>0</u>             | <u>0</u>             | <u>280,928</u>              | <u>0</u>              | <u>0</u>                     |
| FTE                                     | 0.0                  | 0.0                  | 2.7                         | 0.0                   | 0.0                          |
| General Fund                            | 0                    | 0                    | 280,928                     | 0                     | 0                            |

**JBC Staff Figure Setting - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                 | <b>FY 2022-23<br/>Actual</b> | <b>FY 2023-24<br/>Actual</b> | <b>FY 2024-25<br/>Appropriation</b> | <b>FY 2025-26<br/>Request</b> | <b>FY 2025-26<br/>Recommendation</b> |
|-------------------------------------------------|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| Indirect Cost Assessment                        | <u>18,419</u>                | <u>1,742,815</u>             | <u>3,178,558</u>                    | <u>3,303,136</u>              | <u>3,265,968</u> *                   |
| General Fund                                    | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Cash Funds                                      | 18,419                       | 100,449                      | 235,852                             | 263,590                       | 263,590                              |
| Reappropriated Funds                            | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                   | 0                            | 1,642,366                    | 2,942,706                           | 3,039,546                     | 3,002,378                            |
| <b>TOTAL - (5) Licensing and Administration</b> | 10,035,476                   | 12,398,471                   | 15,423,325                          | 15,869,303                    | 15,832,135                           |
| FTE                                             | <u>71.6</u>                  | <u>70.4</u>                  | <u>71.7</u>                         | <u>73.0</u>                   | <u>73.0</u>                          |
| General Fund                                    | 2,416,553                    | 2,461,528                    | 2,891,274                           | 2,899,906                     | 2,899,906                            |
| Cash Funds                                      | 2,119,780                    | 2,370,180                    | 2,939,229                           | 3,080,300                     | 3,080,300                            |
| Reappropriated Funds                            | 0                            | 0                            | 0                                   | 0                             | 0                                    |
| Federal Funds                                   | 5,499,143                    | 7,566,763                    | 9,592,822                           | 9,889,097                     | 9,851,929                            |
| <b>TOTAL - Department of Early Childhood</b>    | 329,064,064                  | 694,038,193                  | 781,543,582                         | 794,619,531                   | 772,671,278                          |
| FTE                                             | <u>198.1</u>                 | <u>228.2</u>                 | <u>235.1</u>                        | <u>244.1</u>                  | <u>243.1</u>                         |
| General Fund                                    | 105,769,654                  | 295,533,659                  | 293,620,566                         | 311,912,532                   | 301,210,396                          |
| Cash Funds                                      | 36,727,312                   | 183,194,839                  | 267,930,827                         | 279,722,221                   | 279,058,981                          |
| Reappropriated Funds                            | 2,153,578                    | 6,394,410                    | 19,410,241                          | 20,949,267                    | 20,470,838                           |
| Federal Funds                                   | 184,413,520                  | 208,915,285                  | 200,581,948                         | 182,035,511                   | 171,931,063                          |



Joint Budget Committee Staff

# Memorandum

To: Joint Budget Committee Members  
From: Louellen Lowe, JBC Staff (303-866-2981)  
Date: Wednesday, February 19, 2025  
Subject: Department of Early Childhood Annualizations

As the Committee has requested the specifics of the Departments' annualizations, and because staff inadvertently left this itemization out of the Figure Setting document, below is provided the itemization of annualizations for the Department of Early Childhood with brief explanations for increases following each table.

| Annualize 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  |
| Total                                    | -\$22,730,728 | -\$3,438,883 | \$418,875  | \$18,776        | -\$19,729,496 | 5.0  |

**R2 Department Core Operations** – The annualization reflected above represents increases related primarily to FTE as these are prorated in the first year to account for hiring start times.

For the 2024-25 fiscal year, the Department requested an increase of \$5.7 million total funds, including \$4.0 million General Fund, to support multiple aspects of the Department's core operating functions. The request included General Fund for certain FTE which were supported with stimulus funds when the Department was established. It also included funding for core technology needs.

Staff recommended \$5.5 million total funds, including \$3.8 million General Fund, for this request. Staff recommendation did not include funding for all new FTE requested, but did support funding for new IT-related FTE. Staff recommended approval of the request to provide General Fund for FTEs currently stimulus-funded, approval of funding to support 7.0 new Information Technology FTE, approval of the request for funding to support 1.0 FTE to support

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CORA, approval of the request for system enhancements and maintenance, and approval of the requested General Fund to support a comprehensive evaluation of the department as required by statute. Staff did not recommend approval of the department's request for funding to support an additional fiscal specialist, a Cornerstone & HR procurement admin, and an OnBase admin.

**R4 UPK and Child Care Workforce** – The annualization is related to the annualization of certain FTE which was prorated for year 1.

For the 2024-25 fiscal year, the Department requested \$2,262,889 General Fund and 10.0 FTE in FY 2024-25, annualizing to \$2,375,694 General Fund and 12.0 FTE in FY 2025-26, to support preschool and child care workforce development programs.

Staff recommended an increase of \$2.1 million General Fund to support ongoing efforts to attract and retain high quality providers and educators into the early childhood workforce. Staff recommended the Department's request for ongoing funding of 10.0 FTE currently supported with federal stimulus dollars and for the Department's contract with OEDIT. Staff also recommended the requested funding for the Early Childhood Council navigators. Staff did not recommend funding to support an additional 2.0 FTE within the Early Childhood Workforce unit that were new FTE requests.

| Annualize 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 |

**House Bill 24-1223 (Improved access to CCCAP)** – this bill made changes to the Child Care Assistance Program (CCCAP), including to the application process, the reimbursement methodology, and eligibility requirements. Many of the changes were to align statute with federal regulations which were announced in March 2024. The state is currently operating on a waiver to delay implementation of the federal regulations as they will come at a very significant cost and no additional federal funds. The bill also authorized a pilot program to allow unlicensed providers to seek license-exempt status and be eligible providers through CCCAP. The program should start July 1, 2025, and operate in at least one urban county and one rural county.

The bill appropriated \$100,000 in FY 2024-25 for the Department to study the de-linking of eligibility for the child and Adult Care Food Program (CACFP) from CCCAP. That funding was one-time.

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According to the fiscal note, this bill would annualize to \$670,922 and 0.9 FTE for the Department of Early Childhood in FY 2025-26. The new FTE would be to develop the pilot program and the process for unlicensed providers to seek license-exempt status, the process to support those providers, and the process for conducting safety inspections and related work. The bulk of the increase (\$504,000) is to contract for system updates to the Child Automated Tracking System (CHATS). This includes adding a new eligibility category and aligning the CCCAP application with the UPK application/program as required by the changes.

**House Bill 24-1364 (Workforce Readiness)** – This bill requires the Colorado Department of Education to complete a financial study on postsecondary and workforce readiness programs. It also creates the Colorado Statewide Longitudinal Data System (SLDS) in the Office of Information Technology. The annualization reflects costs related to integrating the SLDS with the Universal Preschool Program.

The fiscal note assumes that CDEC requires \$17,283 in FY 2025-26 and \$39,750 in subsequent years to complete the integration. However, the note assumes that the Professional Development Information System (PDIS) will not be initially connected to the SLDS. A departmental difference was submitted for this bill, indicating that an additional \$233,068 in FY 2025-26 and \$47,086 in subsequent years would be required for OIT staff to support the integration of CDEC systems into SLDS.

**Senate Bill 24-078 (Outdoor Preschool)** – This bill adds outdoor nature-based preschool programs to the definition of child care center for the purposes of obtaining a license. The bill appropriated \$179,569 total funds, including \$149,569 General Fund, to the Department of Early Childhood and 1.8 FTE. Of the total, \$30,000 is from the Child Care Licensing Cash Fund. According to the fiscal note, the amount would annualize to \$254,264 total funds in FY 2025-26 to support an additional 0.5 FTE to develop and provide trainings to outdoor programs on the new licensing regulations. Staff costs were prorated for an August 1, 2024, start date.

The annualization reflected in the table is related to FTE costs that were prorated and the addition of 0.5 FTE per the changes in the bill.