

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2024-25

DEPARTMENT OF EARLY CHILDHOOD

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

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HOW TO USE THIS DOCUMENT

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

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

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

DEPARTMENT OVERVIEW

The Department of Early Childhood 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 throughout the state.

SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$792,508,376	\$303,619,129	\$212,983,095	\$13,954,712	\$261,951,440	231.7
HB 24-1182 (Supplemental)	13,910,976	(116,871)	0	2,857,371	11,170,476	0.0
Other legislation	2,500,000	2,500,000	0	0	0	0.0
TOTAL	\$808,919,352	\$306,002,258	\$212,983,095	\$16,812,083	\$273,121,916	231.7
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$808,919,352	\$306,002,258	\$212,983,095	\$16,812,083	\$273,121,916	231.7
R1/BA1 Universal Preschool Program	54,689,508	7,233,200	47,456,308	0	0	6.6
R2 CDEC departmental operations	5,504,064	3,815,874	131,219	586,628	970,343	25.8
R3 Universal Preschool Program IT	3,260,000	0	3,260,000	0	0	0.0
R4 UPK & child care workforce supports	2,089,229	2,089,229	0	0	0	8.0
R5 CCCAP	21,144,642	0	1,546,701	0	19,597,941	4.0
R6 Expand universal home visiting pilot	3,977,624	3,977,624	0	0	0	0.9
R7 Early Intervention caseload	1,137,166	796,016	0	341,150	0	0.0
R8 Provider rate increase	4,404,693	2,025,939	342,407	0	2,036,347	0.0
S1/BA2 Cost allocation plan	2,771,821	0	0	2,771,821	0	0.0
S2/BA3 Imagination Library Transfer	2,230,266	2,230,266	0	0	0	0.0
Centrally appropriated line items	4,185,405	2,374,039	650,468	600,217	560,681	0.0
Non-prioritized decision item	155,536	61,961	40,766	2,670	50,139	0.0
Annualize prior year budget actions	(126,462,906)	(36,707,860)	4,381	141,498	(89,900,925)	(47.2)
Annualize prior year legislation	(16,410,976)	(2,383,129)	0	(2,857,371)	(11,170,476)	0.0
Technical adjustment	0	3,615,460	0	0	(3,615,460)	0.0
TOTAL	\$771,595,424	\$295,130,877	\$266,415,345	\$18,398,696	\$191,650,506	229.8
INCREASE/(DECREASE)	(\$37,323,928)	(\$10,871,381)	\$53,432,250	\$1,586,613	(\$81,471,410)	(1.9)
Percentage Change	(4.6%)	(3.6%)	25.1%	9.4%	(29.8%)	(0.8%)

DEPARTMENT OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 EXECUTIVE REQUEST	\$777,545,383	\$294,919,782	\$269,667,786	\$18,395,598	\$194,562,217	234.4
Request Above/(Below) Recommendation	\$5,949,959	(\$211,095)	\$3,252,441	(\$3,098)	\$2,911,711	4.6

DESCRIPTION OF INCREMENTAL CHANGES

R1/BA1 UNIVERSAL PRESCHOOL PROGRAM: The recommendation includes an increase of \$54.7 total funds including \$7.2 million General Fund and \$47.5 million cash funds to support additional FTE, LCO funding, and provider payments for the Universal Preschool Program. This differs from the Department’s request primarily due to the utilization of Preschool Program Cash Funds to support the requested FTE instead of the requested additional General Fund.

R2 CDEC DEPARTMENTAL OPERATIONS: The recommendation includes an increase of \$5.5 million total funds including \$3.8 million General Fund, \$131,219 cash funds, \$586,628 reappropriated funds, and \$970,343 federal funds to support departmental technology needs, to provide General Fund for certain FTE currently supported by stimulus funds, and for other purposes. This differs from the Department request due to a denial of certain new FTE requests.

R3 UNIVERSAL PRESCHOOL PROGRAM INFORMATION TECHNOLOGY: The recommendation includes an increase of \$3.26 million cash funds from the Preschool Program Cash Fund to support the maintenance and continued build out of the UPK information technology system and databases. This differs from the Department’s request by appropriating Preschool Program Cash Fund instead of the requested General Fund to support the UPK technology infrastructure.

R4 UPK & CHILD CARE WORKFORCE SUPPORTS: The recommendation includes 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. This differs slightly from the Department’s request due to a partial denial of a request for additional FTE.

R5 COLORADO CHILD CARE ASSISTANCE PROGRAM (CCCAP): The recommendation includes an increase of \$21.1 million total funds including an increase of \$1.5 million local funds which are included in the long bill for informational purposes. This does not differ from the Department’s request.

R6 EXPAND UNIVERSAL HOME VISITING PILOT: The recommendation includes an increase of \$4.0 million General Fund to expand a universal home visiting pilot program that currently serves four counties in Colorado. This differs slightly from the department’s request due to a reduction related to centrally appropriated line items which are not typically appropriated in the first year.

R7 EARLY INTERVENTION CASELOAD: The recommendation includes an increase of \$1.1 million total funds including \$0.8 million General Fund and \$0.3 million cash funds to support Early Intervention caseload increases. This does not differ from the Department’s request.

R8 PROVIDER RATE INCREASE: The recommendation includes an increase of \$4.4 million total funds to provide a 2.5 percent increase to providers per common policy adopted by the JBC. This differs slightly from the Department’s request for a 2.0 percent increase.

S1/BA2 CDEC COST ALLOCATION PLAN: The recommendation includes an increase of \$2.8 million reappropriated funds to reflect the Department’s new cost allocation plan. This does not differ from the Department’s request.

S2/BA3 IMAGINATION LIBRARY TRANSFER: The recommendation includes an increase of \$2.2 million for the Imagination Library Program which will be transferred from the Department of Education beginning in FY 2024-25. The recommendation differs from the Department’s request as it includes an increase to accommodate potential growth within the program.

SI PRESCHOOL PROGRAMS CASH FUND RESERVE: Staff requests permission to pursue legislation which would provide policies and guidance as to the establishment and use of the Preschool Programs Cash Reserve. The legislation would provide clarity regarding the amount and method for establishing the reserve, whether in statute or by footnote, and would provide guidance as to how the reserve funds may be accessed, and how they may be used.

S2 CASH FUND WAIVERS: Staff recommends approval of requested waiver from the cash fund reserve limit and exemption for two cash funds administered by the program.

PRIMARY DIFFERENCES FROM THE REQUEST

The most significant differences between the Department’s request and staff recommendation include:

- Staff denial of a portion of FTE requests for the Department’s R1, R2, and R4 change requests.
- Adjustments to FTE requests based on common policy decisions and standard JBC policies regarding centrally appropriated items.
- Staff recommendation to utilize cash funds instead of General Fund for portions of R1 and for the R3 request.
- Staff recommendation of additional funding for the Imagination Library program.

SUMMARY OF OUT YEAR IMPACT OF CHANGE REQUESTS

Below is a chart indicating the change requests and the out-year impact of those changes as requested. Notes have been included to indicate the impact recommendations may have on the out year impact. The largest out year General Fund impact is to the Universal Preschool Program, part of the Department’s first prioritized request. This is almost entirely due to the projected inflation calculation for the General Fund portion of preschool program funding. The inflation adjustment utilized this year was 5.2 percent and the impact is approximately \$7.2 million. Staff recommendations reduce current and out year costs primarily due to recommended denial of portions of FTE requests in R1, R2, and R4; however, the reductions based on recommendations would be comparatively marginal.

SUMMARY OF CHANGE REQUESTS AND OUT YEAR IMPACTS

REQUEST	FY 2024-25	FY 2025-26	NOTES
R1 Universal Preschool Program	\$61,813,150	\$75,202,462	Cash funds are recommended to support the requested FTE which would reduce current and out year costs to the General Fund. However, General Fund costs will grow by inflation for UPK each year; this year, the inflation rate used to calculate the increase is 5.2 percent, or \$7.2 million. FY 2025-26 GF increase for UPK will be part of figure setting next year. Out year cash fund increase will be based on revenue projections.
<i>General Fund</i>	7,821,843	12,347,038	
<i>Cash Funds</i>	53,991,307	62,855,424	
<i>FTEs</i>	5.7	6.3	
R2 CDEC Departmental Ops	5,699,078	6,308,184	Not all requested FTE are included in recommendations which would marginally reduce out year costs to General Fund.
<i>General Fund</i>	4,010,888	4,245,426	
<i>Cash Funds</i>	131,219	154,256	
<i>Reappropriated Funds</i>	586,628	699,326	
<i>Federal Funds</i>	970,343	1,209,176	
<i>FTEs</i>	25.8	31.0	
R3 UPK Information Technology	3,260,000	3,260,000	Staff recommendation provides cash funds instead of General Fund for this item.
<i>General Fund</i>	3,260,000	3,260,000	
<i>FTEs</i>	0.0	0.0	
R4 UPK and Child Care Workforce Supports	2,262,889	2,375,694	Not all requested FTE are included in recommendations which would marginally reduce out year costs to the General Fund.
<i>General Fund</i>	2,262,889	2,375,694	
<i>FTEs</i>	10.0	12.0	
R5 Colorado Child Care Assistance Program	21,144,642	19,384,213	Not all requested FTE are included in recommendations which would marginally reduce out year costs to the General Fund.
<i>Cash Funds</i>	1,546,701	2,062,268	
<i>Federal Funds</i>	19,597,941	17,321,945	
<i>FTEs</i>	4.0	5.0	
R6 Expand Universal Home Visiting Pilot	4,004,248	4,006,979	Recommendations slightly reduce costs for FY 2024-25, but out year costs would remain unchanged.
<i>General Fund</i>	4,004,248	4,006,979	
<i>FTEs</i>	0.9	1.0	
R7 Early Intervention Caseload	1,137,166	1,137,166	Out year costs will increase, but this will be a function of JBC/legislative decision-making based on updated information next year.
<i>General Fund</i>	796,016	796,016	
<i>Cash Funds</i>	341,150	341,150	
<i>FTEs</i>	0.0	0.0	
R8 Provider Increase	4,382,733	4,382,733	Out year costs will change based on common policy changes during the next legislative session.
<i>General Fund</i>	2,004,107	2,004,107	
<i>Cash Funds</i>	342,279	342,279	
<i>Federal Funds</i>	2,036,347	2,036,347	
<i>FTEs</i>	0.0	0.0	
Total Change Requests	\$103,703,906	\$116,057,431	
<i>General Fund</i>	25,706,692	31,097,528	
<i>Cash Funds</i>	74,403,907	81,015,067	
<i>Reappropriated Funds</i>	586,628	699,326	
<i>Federal Funds</i>	19,662,008	21,141,050	
<i>FTEs</i>	46.4	55.3	

DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

→ R1/BA1 UNIVERSAL PRESCHOOL PROGRAM, R3 UPK TECHNOLOGY, SI PRESCHOOL PROGRAMS CASH FUND [LEGISLATION REQUIRED]

REQUEST

R1/BA1 Universal Preschool Program - As part of its first prioritized request, the Department requests an appropriation of \$354,824,507 total funds, including \$146,921,843 General Fund and \$208,491,307 cash funds to support the Universal Preschool Program.

R3 UPK Information Technology - Additionally, the Department has requested \$3,260,000 General Fund to support Universal Preschool Program technology as part of its third prioritized request.

SI Preschool Program Cash Fund Reserve – Staff initiated a request for the JBC to sponsor legislation that would codify the guidelines and use of the Preschool Program Cash Fund reserve.

RECOMMENDATION

Staff recommends \$351,549,527 total funds, including \$146,333,220 General Fund and \$205,216,307 cash funds to support the Universal Preschool Program and Universal Preschool Program technology. This differs from the requests in that staff does not recommend additional General Fund for departmental staff to support UPK or to support UPK technology but rather that the Preschool Program Cash Fund be utilized to support these portions of the request. It should be noted that this will reduce the number of children that may be served with additional hours of preschool programming. The estimated reserve for the Preschool Program Cash Fund is \$35.2 million, or 10.0% of anticipated expenditures.

Additionally, staff recommends the JBC sponsor legislation that would codify the guidelines and use of the Preschool Program Cash Fund reserve.

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 with a significant portion of future revenues to be 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 effective date of July 1, 2022.

In 2022, the General Assembly moved up the effective 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. See Appendix B for more information regarding this legislation.

FY 2023-24 UPK Funding

For FY 2023-24, the Department requested \$325.0 million total funds for the Universal Preschool Program, \$190.0 million of which was requested cash funds from the Preschool Programs Cash Fund (PPCF), and \$135.0 million of which was requested General Funds. Based on Legislative Council Staff projections of the PPCF, JBC staff recommended a larger appropriation of General Fund to replace part of the cash fund request and help build a reserve in the PPCF. Appropriations for FY 2023-24 totaled \$322.0 million consisting of \$154.5 million PPCF and \$167.5 million General Fund. The appropriation provided an additional \$2.5 million one-time General Fund was provided for provider incentives to entice participation. Of the General Fund, \$28.4 million was intended to offset the need for PPCF to build a reserve in the fund. The anticipated reserve at the end of FY 2023-24 was \$32.2 million (equal to 10.0 percent of total anticipated expenditures for UPK). See Appendix B for more detail regarding the FY 2023-24 funding recommendations. Historical funding along with the FY 2024-25 request for UPK funding is shown in the chart below.

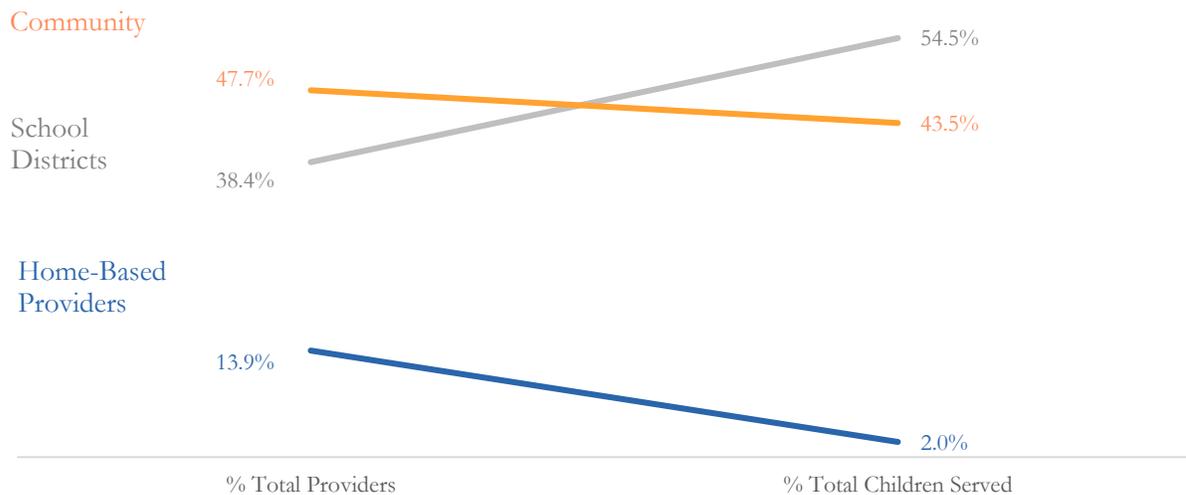
FUNDING FOR UNIVERSAL PRESCHOOL PROGRAM					
	GENERAL FUND	PRESCHOOL PROGRAM CASH FUND	FEDERAL FUNDS	CAPITAL IT FUNDING	TOTAL FUNDS
FY 2021-22 (Supplemental)	\$326,413	\$0		\$ 3,500,000	\$3,826,413
FY 2022-23	0	685,539	171,386	14,650,000	15,506,925
FY 2023-24	170,000,000	154,500,000	0	3,275,000	324,500,000
FY 2024-25 Executive Request	146,921,843	208,491,307	0	0	355,413,150

*** Pending HB 24-1204 HB 24-1215 which transfers \$3,275,000 Preschool Programs Cash Fund to the Capital IT Fund*

FY 2023-24 Universal Preschool Program Provider Participation and Enrollment

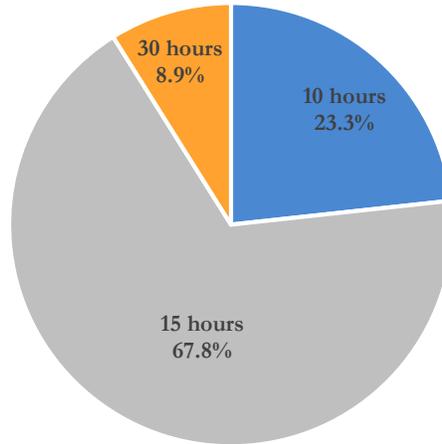
Participation by providers and children has been robust. As of September 30, 2023, just under 1,900 school districts, community centers, and private providers were participating in the Universal Preschool (UPK) program. The chart below demonstrates enrollment by provider type, though percentages may have changed slightly since that time.

As of 9/30/2023, just under half of all Colorado UPK providers are community providers; school districts serve just over half of all enrolled preschool children.



As of January 8, 2024, approximately 5,860 3-year-olds and 39,165 4-year-olds are enrolled in UPK. The chart below demonstrates enrollment of 4-year-olds by number of hours of preschool.

Of the 39,165 4-year-olds enrolled, 67.8% are enrolled for 15 hours of preschool.



Of enrolled 3 and 4-year-old students, approximately 4,332, or 9.8 percent of enrolled students, have an Individualized Education Plan (IEP).

Cost Projection Challenges

The Universal Preschool Program is an open enrollment program meaning that families may enroll eligible children at any point during the school year provided they meet the eligibility criteria. Additionally, provider reimbursements vary by location, by total enrollment, and by the number of hours for which each child is enrolled. As a result of open enrollment, payments to providers may shift from month to month depending on the number of children enrolled, the number of hours in which they are enrolled, and the location of the provider. Additionally, students with Individualized Education Plans (IEPs) are legally entitled to preschool services as dictated by their IEP, independent of any other rule set by the Department. Open enrollment, while clearly beneficial to families and providers, inherently complicates cost projections.

Complicating cost projections further, available funding to be appropriated for the program from the Preschool Program Cash Fund is based on a forecasted of estimated revenue via Proposition EE taxes. This leaves a primary revenue stream for the program vulnerable to external circumstances and shifts. That, along with unpredictable enrollment in the first year, prompted the JBC staff to recommend building a reserve in the fund.

With little previous data to project total implementation costs, the current year appropriation was based on a 50.0 percent uptake rate of eligible preschool children. As of fall enrollment, approximately 60.0% of all eligible preschool children were enrolled in UPK. The FY 2023-24 appropriation was made based on available funding, not on a per pupil cost estimate. To control costs, the Department has two primary levers: provider reimbursement rates and additional hours of preschool for eligible children. The Department is tasked in statute with reviewing and establishing provider rates on an annual basis, and it may promulgate new rules regarding modifying or adding new qualifying factors

which would make a child eligible for additional hours of preschool. This will be discussed further in the discussion of the Department’s request for FY 2024-25.

Breakdown of Estimated Expenditures for UPK

Statute requires the Department to provide a minimum of 10 hours of free preschool program for all children in the year before kindergarten eligibility. Under its rulemaking authority, the Department decided to offer 15 hours as a minimum to any family that wished to participate at that level. Additional hours for children meeting certain eligibility criteria are subject to available appropriation. However, as stated earlier, three and four-year old children with an Individualized Education Programs (IEP) must be offered preschool as dictated by their IEP.

Per statute, payment for enrolled 3-year-olds is based on the total amount received by the provider during the FY 2022-23 school year through the Colorado Preschool Program (CPP). Providers receive a lump-sum payment for 3-year-old enrollment. Reimbursements for 4-year-olds are made on a monthly basis to providers based on enrollment data. Additionally, in the first year of UPK implementation, the Department is required to provide additional reimbursements to ensure providers’ allotments equal that of the historical allotment under the CPP formula.

The chart on the next page demonstrates current enrollment costs and estimated incremental costs of UPK, building on required payments for 3-year olds, 3-year-olds with IEPs, and estimated historical allotment payments. The increments above these required payments calculate provider payments as though all children were enrolled in only 10 hours of preschool with incremental costs calculated based on actual enrollment by number of hours and provider rates. This is to demonstrate the incremental costs of the additional hours of preschool. Estimates of incremental increases provided below include a 2.5 percent provider rate increase for all providers, and the different bars demonstrate the impact of different enrollment growth rates. This does not take into account new qualifying factors, nor does it take into account granular fluctuations of types of enrollment across the state but rather assumes a straight line increase in enrollment. The blue indicates required expenditures for 3 year olds, 3-year-old IEPs, and 10 hours of preschool for all enrolled children. The orange hues demonstrate the incremental costs related to additional hours and remaining appropriations. With General Fund appropriations increasing only by inflation, the use of Preschool Programs Cash fund for other purposes reduces the Department’s ability to serve students with additional hours of preschool.



UPK Appropriations Request for FY 2024-25

The Department requests the statutorily required increase in General Fund for UPK programming as well as an additional \$588,643 to support Departmental UPK staffing. The Department requests an increase of \$57.5 million Preschool Program Cash Fund for UPK programming in FY 2024-25 based on anticipated revenues and maintaining a reserve of 10.0 percent of anticipated expenditures.

Requests for General Fund

Total General Fund requested through R1, Universal Preschool (UPK) Program, is \$146,921,843 General Fund. This includes a statutory increase of General Fund for the UPK program as well additional General Fund to support Departmental personnel that serve the UPK program.

Prior to the implementation of the Universal Preschool Program, the General Assembly provided a per pupil rate appropriation for the Colorado Preschool Program through the State Education Fund. Statute initially required a transfer of funding from the State Education Fund to the Preschool Programs Cash Fund in an amount equal to the appropriation for the per pupil count of preschoolers enrolled in the previous year. For FY 2023-24, this amount was determined to be \$139.1 million. Instead of a transfer from the State Education Fund, this amount was made as a direct General Fund appropriation to the Department of Early Childhood for UPK.

According to statute, the base General Fund amount, \$139.1 million, should be increased by the rate of inflation each year beginning in FY 2024-25. Utilizing the most recent CPI-U for the Denver-Aurora-Lakewood MSA in FY 2023, inflation was calculated at 5.2%. Based on this inflation estimate, the Department requests an additional \$7,233,200 General Fund for the Universal Preschool Program base funding. Of the increase, the Department indicates \$2.8 million would be allocated to support Local Coordinating Organizations. The remainder of the increase, or \$4,433,200 General Fund, would

be used to support provider payments, bring total General Fund support for provider payments to approximately \$143.5 million.

Local Coordinating Organizations

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, 28 of which are also Early Childhood Councils (ECCs).

The Department received \$10.5 million in federal stimulus funds to allocate to LCOs, and in FY 2022-23, the Department contracted with a vendor to support the LCO network in developing their initial community plans. Funding supports costs related to staffing and operations. 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. Operational costs pertain primarily to the production and distribution of outreach materials, website updates, and social media outreach. As stimulus funding rolls off, **the Department requests \$2.8 million General Fund, included in core General Fund support for UPK, to replace federal stimulus funding, thereby maintaining the intended spending level for the LCOs.**

Funding for LCOS was originally allocated based on the number of children eligible for UPK in the LCO catchment area. LCOs with higher numbers of eligible children received a proportionally higher budget allocation. Each LCO received a baseline administrative funding allocation based on the cost of hiring staff in the region and the number of eligible children expected to enroll. This baseline funding supports a half time employee in catchments with the smallest number of children and up to two full time employees for the most populated areas. Additionally, LCOs can apply for additional resources via the community plan. Those resources might include funding for translation services, technology, additional staffing, mileage, or professional development costs. This distribution methodology will continue to be the standard applied by the department in allocating the funds.

Statute does not repeal or scale back the duties of the LCO networks after the implementation of the UPK program but rather suggests an ongoing facilitation role for early childhood programs and services, including the UPK program. According to the Department, initial years will focus on outreach, recruitment, retention, and education. However, over time the responsibilities will shift toward coordination and systems-building within their respective communities to support a robust early education continuum and high quality services, providing coordination, communication, and program delivery services at the local level. **Based primarily on the statutory requirements, staff recommends approval of the request as submitted.**

Staff notes that significant overlap exists between the statutes guiding LCOs and Early Childhood Councils. The Department indicates that the overlap will continue to be evaluated to more clearly define the parameters of each entity under the new programmatic changes. Staff recommends no changes at this time but anticipates working with the Department over the next year to ensure the greatest transparency in regards to what the State is funding and what duplication, if any, exists in the current funding methodology for LCOs and ECCs. Changes at this time would preempt what is still a developing process.

UPK Departmental Staff

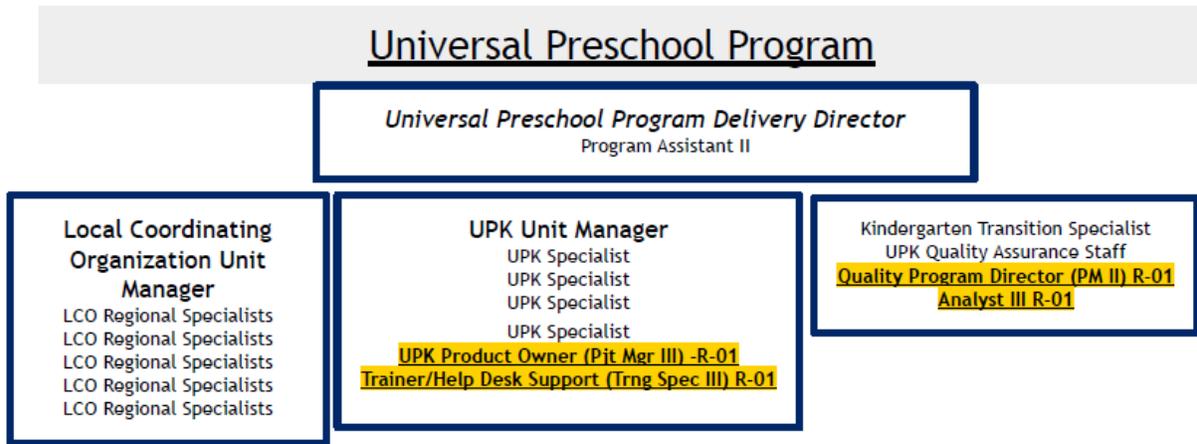
In addition to the General Fund for the UPK program, the Department requests \$588,643 General Fund to support Departmental staff that serve the UPK program. The components of the staffing request are as follows:

R1 - UNIVERSAL PRESCHOOL PROGRAM STAFFING COMPONENT							
JOB CLASS	POSITION TITLE	FY 2024-25	FY 2024-25	FY 2025-26	FY 2025-26	CURRENTLY STIMULUS FUNDED	POSITION DESCRIPTION
Administrator IV	Fiscal Monitor	0.3	\$21,042	0.3	\$21,042	Yes	Responsible for fiscal monitoring for the Universal Preschool Program to ensure compliance and reduce potential for fraud.
Contract Admin. III	Contract Admin	1.0	51,937	1.0	57,708	Yes	Provide support for the program with the contracts with Local Coordinating Organizations and Preschool Providers
Analyst III	Project Manager	1.0	51,937	1.0	57,708	Yes	Responsible for analyzing data for the Universal Preschool Program systems
Training Specialist III	Regional Coach	0.9	51,937	1.0	57,708	No	Responsible for regional coaching with LCO's and for the system user and help desk support for the program.
Program Mgmt II	Product Owner	0.9	51,937	1.0	57,708	No	Responsible for leading the universal preschool quality standards, resource bank, and assurances of best practices in instruction, curriculum, and assessment. This position will coordinate with the LCOs and department teams to ensure quality across programs.
Training Specialist III	UI/UX Trainer	0.9	84,607	1.0	94,008	No	Responsible for regional coaching with LCOs and for the system user and help desk support for the program.
Project Manager III	Tech Owner	0.9	84,607	1.0	94,008	No	Technical product owner for the Universal Preschool Program systems.
Subtotal - Salaries		5.9	\$398,004	6.3	\$439,890		
<i>Additional Personnel Costs</i>			<i>5,771</i>	<i>56,965</i>			
<i>Centrally Appropriated Items</i>			<i>136,957</i>	<i>151,373</i>			

R1 - UNIVERSAL PRESCHOOL PROGRAM STAFFING COMPONENT							
JOB CLASS	POSITION TITLE	FY 2024-25	FY 2024-25	FY 2025-26	FY 2025-26	CURRENTLY STIMULUS FUNDED	POSITION DESCRIPTION
<i>Operating Expenses</i>			47,910		6,895		
Total Requested Amounts			\$588,642		\$655,123		

Currently, the UPK program is overseen by a director and nine program analysts which were funded through the FY 2022-23 Figure Setting process. According to the Department’s request, the current staffing does not align with the proposed future structure of the program, and additional staff are necessary to address the increased workload demands. The goal will be to streamline processes, coordinate efforts for the providers and families, assist with financial accountability, and provide adequate training and software for the positions.

As shown in the chart above, three positions are currently supported with federal stimulus dollars; four are new FTE. Below demonstrates where the four new positions will fall within the organization:



Section 26.5-4-209, C.R.S., which governs the use of the Preschool Programs Cash Fund requires the department to prioritize the preschool programs cash fund to provide funding for ten hours of voluntary preschool services per week, to provide funding for preschool services for children with disabilities, and to provide funding for preschool services for eligible children who are three years of age or younger as described in Section 26.5-4-204(3)(a)9III) and (3)(a)(IV), C.R.S. Statute says that remaining funding shall be used to provide additional preschool services for children who are in low-income families or who meet at least one qualifying factor, and in addition to that purpose, meeting the mandatory 10 hours and provision of services to eligible 3-year-olds and children with disabilities requirement, the department may use remaining money after to ensure the availability of quality, voluntary preschool services provided through a mixed delivery system by means the department deems appropriate. This includes recruiting, training, and retaining professionals; expanding or improving the staff, facilities, equipment, technology, and physical infrastructure of preschool providers to increase preschool access; parent and family outreach; and “such other uses as are consistent with and further the purpose of the preschool program.”

Based on data provided by the department, more than sufficient preschool program cash funds are available to support the mandatory requirements of the provision of 10 hours of preschool services,

the provision of service to children with disabilities and for eligible 3-year-olds or younger children. Therefore, staff believes the requested FTEs fall within the scope of use as described by statute to further the purpose of the preschool program. **Staff recommends approval of the requested FTEs to support the UPK program but recommends \$451,725 cash funds from the Preschool Programs Cash Fund to support the request.** Staff’s recommendation differs from the request to account for centrally appropriated items which are typically not appropriated to departments in the first year for FTE.

UPK Technology

The Department also requests \$3,260,000 General Fund to support the Universal Preschool Program IT, the details of which are shown in the chart below:

R3 - UNIVERSAL PRESCHOOL INFORMATION TECHNOLOGY REQUEST		
	FY 24-25 FUNDING REQUEST	FY 25-26 FUNDING OUT YEAR IMPACT
Data Reporting Capabilities - Integrations to Tableau	\$50,000	\$50,000
Tasking and Comms tracking for "tickets" and Matching/Design and Analysis of Algorithms	339,680	339,680
Technical Support	396,200	396,200
Database and Display costs - integrations with GIS	113,120	113,120
Software Integrations between UPK and other statewide systems	230,000	230,000
Web Services - Hosting Services in Cloud	131,000	131,000
Ongoing O&M	1,500,000	1,500,000
UPK Help Desk	500,000	500,000
Total Funding Requested	\$3,260,000	\$ 3,260,000

The Joint Technology Committee recently approved a supplemental request for \$3.275 million in one-time General Fund for the Department for to enhance the UPK technology. The Joint Budget Committee also approved the request but altered the funding source, transferring \$3.275 million from the Preschool Program Cash Fund to the IT Capitol account to provide funding for the project.

The supplemental request supports immediate technology upgrades to the Universal Preschool Program application system to address concerns raised and lessons learned during Year 1 matching processes. Among other changes, the enhancements will allow families and providers to more appropriately align seat placements with student needs, specifically for students with an Individualized Education Plan (IEP) and qualifying factors; provide greater clarity regarding program offerings, provider seat vacancies, and program time of day for families so they can make more informed choices when ranking preferences; allow modification of applications after submission; provide Administrative Units greater access and information to appropriately place children in the right programs; and provide the Department better data and reporting to make informed, data-driven decisions for the program.

According to information provided in the Department’s supplemental request¹, the R3 technology request “includes ongoing operating budget to support the continued maintenance, enhancements, operations systems costs, associated hardware and software technologies of the Universal Preschool Program information technology system.” According to the Department, what launched in FY 2022-23 to support the FY 2023-24 UPK program rollout was a minimally viable system. It provided a provider portal, a family application portal, performance reporting Tableau integration and dashboard, a family and provider matching algorithm, and integration with the system and licensing. The majority

¹ https://drive.google.com/file/d/1LT47eAC2ftfdu95_rDLmTWZb_mjRI5Nf/view

of troubles encountered during the program rollout related to the IT system. The Department has worked closely with the Office of Information Technology and consulted outside vendors in the development of this request.

Consistent with the previous decision and review by both the JTC and the JBC, and with the understanding that this funding will support the necessary one-time enhancements and ongoing improvements to the system for the UPK program, **staff recommends approval of \$3.26 million cash funds from the Preschool Programs Cash Fund to support the UPK technology request.**

Preschool Program Cash Fund for UPK

The Department requests \$208,491,307 cash funds from the Preschool Programs Cash Fund (PPCF) for FY 2024-25 to support the Universal Preschool Program. Of this amount, \$193,453 (including benefits) would be allocated to support 1.0 FTE to administer waivers for the program, 266,547 would be allocated to support an online resource bank, and \$640,000 would be allocated to support whole child assessments.

FY 2023-24 PPCF Funding for UPK

The Department received \$154.5 million cash funds from the PPCF in FY 2023-24 to support the Universal Preschool Program. Total revenues to the PPCF were anticipated to be \$186.7 million based on the Legislative Council Staff (LCS) March 2023 Revenue Forecast. Therefore, approximately \$32.2 million was estimated to be left in reserve in the PPCF.

The passage of Proposition II restored a transfer to the PPCF of \$18,025,689 and increased the projected revenues beginning in FY 2023-24. This is accounted for in the reserve amount, estimated to be \$37.4 million by the end of the current fiscal year. The Department’s request for FY 2024-25 includes excess revenue above anticipated reserve amounts in the current fiscal year.

The below chart walks through the history of the Preschool Programs Cash Fund and includes the Department’s current request for FY 2024-25.

PRESCHOOL PROGRAM CASH FUND & REQUEST				
	FY 2021-2022	FY 2022-2023	FY 2023-24*	FY 2024-25*
Estimated Prop EE Revenue OSPB	\$186.5	\$215.1	\$205.6	\$238.0
Estimated Prop EE Revenue LCS	194.8	215.8	202.2	240.6
Actual Prop EE Revenue	208.0	235.0	TBD	TBD
<i>Proposition II</i>	<i>21.5</i>			
<i>Preschool Program portion of Prop II</i>	<i>18.1</i>	→	<i>18.1</i>	
Preschool Program Cash Fund Portion	1.4	1.4	190.6	203.0
Preschool Program Cash Fund Appropriation/Request	0.6	0.7	154.5	208.5
Transfer from treasury and interest	0.4	0.7	1.4	4.3
Anticipated Preschool Program Cash Fund Reserve	0.6	0.1	37.5	35.2
<i>Amount above anticipated reserve</i>			<i>5.3</i>	<i>TBD</i>
<i>Supplemental Transfer of Preschool Program Cash Fund to the Capitol IT Cash Fund</i>			<i>3.275</i>	
<i>Amount remaining above anticipated reserve</i>			<i>2.225</i>	

*Forecasted revenues of December 2023. Will be updated in March 2023.

FY 2024-25 PPCF Request for UPK

The Department requests \$208.5 million from the Preschool Program Cash Fund, anticipating \$35.5 million left in reserve based on forecasted revenues. It has requested the majority of this funding be used to support provider payments with an anticipated \$1.0 million allocated to support quality improvement efforts including an FTE to support waiver administration for providers wishing to participate but who are still working to meet certain quality criteria; an online resource bank for preschool providers; and whole child assessments to provide targeted services to children. The request is broken out into its components in the chart below.

UNIVERSAL PRESCHOOL PROGRAM FUNDING CASH FUND REQUEST BREAKDOWN							
	BASE	FY 2024-25 NOVEMBER R1		FY 2024-25 JANUARY BA1		FY 2024-25 REQUEST	
	<i>2023-24 Funding</i>	<i>Add'l Funding</i>	<i>FTE</i>	<i>Add'l Funding</i>	<i>FTE</i>	<i>Total Funding</i>	<i>FTE</i>
Provider Payments	154,500,000	23,964,061	0.0	28,027,246	0.0	207,491,307	0.0
Resource Bank	0	1,000,000	0.0	(1,000,000)	0.0	0	0.0
Waiver Administration Personnel	0	0	0.0	93,453	0.9	93,453	0.9
Online Resource Bank	0	0	0.0	266,547	0.0	266,547	0.0
Whole Child Assessment	0	0	0.0	640,000	0.0	640,000	0.0
Universal Preschool Program Total	\$ 154,500,000	\$24,964,061	0.0	29,027,246	0.9	\$ 208,491,307	0.9

Overview of the Request components

Provider Payments

As stated in a previous section, the Department requests \$146.3 million General Fund based on statutorily required core funding increases of General Fund for UPK. The Department requests that \$2.8 million of that General Fund increase be utilized to support LCOs, which staff recommends approving. The remainder of the increase, or \$4,433,200 General Fund, would be used to support provider payments, bringing total General Fund support for provider payments to approximately \$143.5 million in FY 2024-25.

As identified in the table, the Department requests \$208.5 million cash funds from the Preschool Programs Cash Fund to support the UPK program in FY 2024-25. Included in the total request, the Department would utilize \$1.0 million to support quality efforts to increase UPK quality for children. The remainder, or \$207.5 million, would support provider payments for the program, representing an increase of approximately \$53.0 million or 34.0 percent compared to the current fiscal year.

The Department’s overall request for funding is based primarily on available funds. However, based on current enrollment data and the potential for growth in FY 2024-25, the Department estimates approximately \$5.4 million of the increase would be used to implement a 2.0 percent provider rate increase, and approximately \$12.5 million would support additional hours for children in families living at 100% the Federal Poverty Rate. The remainder would be to support program enrollment growth. Staff notes that the JBC recently approved a 2.5% provider rate increase as part of its common policies. However, statute bestows rulemaking authority regarding provider rates to the Department (described below); therefore, it would need to promulgate this increase as part of its rulemaking and rate setting authority.

Provider Reimbursement Rate Setting

Section 26.5-4-208, C.R.S., requires the department to annually establish per-child rates for UPK services “with the intent specified in Section 26.5-4-202(3).” Additionally, statute requires the Department to consider the cost of providing quality preschool services, the responsibilities of the

state to meet special education funding maintenance of effort requirements, regional economies of scale and workforce constraints, and characteristics of the populations served. Statute lays out multiple considerations that must be made in determining provider reimbursement rates.

Provider payments reimburse schools, centers, and family-based programs for providing preschool programming to children enrolled in the Universal Preschool Program. For the first year, provider rates utilized a cost estimate based on a staff to child ratio of 10:1, taking into account the cost of living, community poverty level, geographical factors, quality of service, and annual adjustments for inflation all calculated based on local catchment areas.

Statute requires the Department to offer no less than 10 hours of preschool for all children in the year before eligibility for kindergarten; however, per its rule-making authority granted in statute, the Department determined to offer 15 hours of preschool for children in the year before kindergarten eligibility to all families. Provider rates have been determined for 10-hour, 15-hour, and 30-hour enrollment and can be seen by county in Appendix D. In FY 2023-24, the average provider reimbursement rate is \$4,837 per student (annually) for 10 hours, \$6,044 for 15 hours, and \$10,655 for 30 hours.

Qualifying Factors Changes

According to statute, additional hours beyond the minimum requirement of 10 hours are subject to available appropriations and prioritized according to the following:

- Hours of preschool established by Department rule for threes who are low-income or meet at least one qualifying factor
- Continuation of service for children under three in school districts operating with a waiver, provided the child is low-income or meets at least one qualifying factor
- Specified purpose, pursuant to 265-4-208(1)(d)
- Additional hours of preschool for four-year-olds who are low-income or meet at least one qualifying factor; and in the event that appropriations are not sufficient, hours are prioritized for those students who are both low income and meet at least one qualifying factor.

Department rules establish the following as qualifying factors:

- Low-income (defined as less than 270 percent of the federal poverty guidelines)
- Non-English speaking family or student
- Individualized Education Program (IEP) for children with disabilities
- Foster care or non-certified kinship care
- Homelessness

The Department is in the process of finalizing rules which would add a new qualifying factor to the list: children of families living at 100% of the poverty level. This additional rule aims to target services for children most at risk of entering kindergarten without being prepared to learn. Research suggests that children of families that are considered low-income are at greater risk, and therefore the Department aims to address what it has learned is a gap in the current qualifying factors. The Department estimates it may serve an additional 2,900 children with full-day preschool as a result of the change, estimated to cost approximately \$12.5 million.

Online Resource Bank

In its original budget request, the Department requested a \$1.0 million cash fund placeholder for an online resource bank of curricula, assessments, screeners, and policies and procedures for Universal Preschool providers. The Department amended its request in a January budget amendment request, allocating a portion of the \$1.0 million to ongoing maintenance of the online resource, and apportioning the remainder of the \$1.0 million to two new items – waiver administration personnel and whole child assessments, both in service of supporting quality standards.

The Department requests \$266,547 cash funds, included in the base increase amount of Preschool Program Cash Funds, to support the online resource bank for providers. In FY 2023-24, the Department received one-time funding of \$2.0 million from the Governor’s Emergency Education Relief Fund to build out this online resource. It was determined that the updated requested amount is what will be required to maintain this resource moving forward.

Waiver Administration Personnel

The Department requests to utilize \$93,453 cash funds to support 1.0 FTE ongoing for waiver administration. Statute permits the Department to waive requirements for certain providers who are working toward quality standard compliance, and the Department anticipates waivers may be needed as new requirements related to whole child screenings are implemented.

During the first year of implementation, the quality standards remained the same as they were under the Colorado Preschool Program. However, the Department plans to promulgate new quality standard rules for providers, and not all providers may be initially equipped to meet the requirements. Providers may request and obtain a waiver for those requirements provided they submit a plan indicating how they intend to come into compliance with quality requirements. This waiver process has not yet been fully fleshed out, but the Department is requesting the funding with the anticipation that it will need to utilize waivers in the first year of the new quality standards as well as in the first year of a provider’s participation in the program.

Whole Child Assessment

The Department requests \$640,000 cash funds, included in the base funding increase of Preschool Program Cash Funds, to support early childhood assessments. Under the Colorado Preschool Program, through Results Matters, early childhood assessments were conducted to improve preschool outcomes for children with disabilities. Federal law requires publicly funded kindergarten and programs serving preschoolers with disabilities to conduct these assessments in efforts to improve the education of these children and to develop interventions.

The requested funding would support whole child assessments as well as training and interrater reliability needs to perform the assessments. A vendor has not been vetted or selected, but the Department indicates an average cost of \$10 per child annually to conduct the assessments. According to the Department, the whole child approach supports social emotional, physical and cognitive development.

Under the guidance of the Department of Education, whole child assessments were provided only for students with disabilities. With this funding, the Department aims to provide these assessments to all preschool children.

Staff Recommendation

Staff recommends an increase of \$50.1 million cash funds from the Preschool Program Cash Fund to include \$49.1 million for provider payments and \$1.0 million for quality improvement initiatives discussed above.

EVIDENCE LEVEL

The Department indicates this request falls in Step 3 of the Evidence Category and Evidence Continuum level, or theory-informed. It cites national analysis of high-quality experimental and quasi-experimental studies of the impact of early childhood education conducted between 1960 and 2015. The studies suggest that participation in early childhood education programs that are comparable to universal preschool leads to statistically significant reductions in special education placement, grade retention, and increases high school graduation rates.

Information provided by Blueprints for Healthy Youth Development stipulates that at least one report cited by the Department is not an evaluation but rather an analysis of how high-quality universal prekindergarten can reduce achievement gaps. In the report, two programs are cited which Blueprints reviewed: Tulsa Universal Pre-K Program and Boston Public Schools Prekindergarten Program. The findings across studies evaluating universal pre-k in both the Tulsa and Boston programs are mixed, and analysis of the design suggests the findings to be inconclusive.

Blueprints provided staff a review of full day preschool involving a randomized control trial conducted in Westminster Public Schools. Findings suggest that children who attended half-day prekindergarten, full-day prekindergarten children demonstrated better literacy at entry to kindergarten, among other things.

STAFF RECOMMENDATIONS SUMMARY

R1/BA1 RECOMMENDATION: Staff **recommends an additional \$7,233,200 General Fund for the Universal Preschool Program base funding** which accounts for an inflation growth rate of 5.2 percent applied to the base General Fund amount of \$139.1. Of the increase, **staff recommends approval of the Department request to allocate \$2.8 million to support Local Coordinating Organizations** with the remainder of the increase directly supporting provider payments. This does not differ from the Department's request.

Staff recommends approval of the requested Departmental FTEs to support the UPK program but recommends \$451,686 cash funds from the Preschool Programs Cash Fund to support the request. This differs from the Department's request in that the item is funded with cash funds instead of the requested General Fund and does not include centrally appropriated amounts for the requested FTE. This does not increase the Preschool Programs Cash Fund request but rather would be included in total appropriations for the UPK program.

Staff recommends an increase of \$50.3 million cash funds from the Preschool Program Cash Fund to include \$49.3 million for provider payments and \$1.0 million for quality improvement initiatives which include 1.0 FTE to support waiver administration, funding to support an online resource bank, and funding to support whole child assessments. This differs from the Department's request in that cash funds have been reduced to account for the supplemental appropriation from the cash fund; cash funds have been diverted from provider payments to support UPK departmental FTE and UPK IT.

R3 RECOMMENDATION: Staff recommends \$3.26 million cash funds from the Preschool Programs Cash Fund to support the UPK technology request.

Total recommendations for R1/BA1 Universal Preschool Program and R3 Universal Preschool Program IT in FY 2024-25 include an increase of \$57.9 million total funds including \$7.2 million General Fund and \$50.7 million Preschool Programs Cash Fund. This differs from the Department’s requests in R1/BA1 and R3 in the following ways:

- Recommendations include a reduction of \$3.275 cash funds in the Preschool Programs Cash Fund to account for the supplemental appropriation for UPK IT which is still pending passage. The supplemental would reduce available funding from the fund while also maintaining a 10.0 percent reserve.
- Recommendations provide Preschool Program Cash Fund appropriations instead of General Fund for UPK departmental staff and UPK IT, reducing the amount available for provider payments from the Preschool Programs Cash Fund.
- Recommendations do not provide centrally appropriated amounts for requested FTE as is the practice of the JBC.

Staff anticipates a comeback may be required in March based on the updated forecast for the Preschool Programs Cash Fund.

→ SI PRESCHOOL PROGRAMS CASH FUND RESERVE

REQUEST: Staff requests approval to work with Legislative Legal Services and the Department to address the need for greater clarity regarding the Preschool Programs Cash Fund reserve.

RECOMMENDATION: In the fall, staff recommended the JBC pursue legislation to address statutory silence regarding the Preschool Program Cash Fund as it pertains to a reserve minimum and its use. After conversations with the Department, several questions remain regarding the best path towards this goal. Given the newness of the UPK program and the need to gather more data, staff agrees with the Department that a footnote may be sufficient at this time to provide better clarity and guidance on the reserve. However, staff believes legislation may still be beneficial to stipulate how the reserve minimum is set, potentially through a Long Bill Footnote, and how the Department might access the funds and for what purpose(s). For the current fiscal year, the reserve minimum was set via figure setting at 10.0 percent of anticipated expenditures. Staff anticipates a similar minimum reserve moving forward.

→ R2 CDEC DEPARTMENTAL OPERATIONS

REQUEST

The Department requests an increase of \$5,699,078 total funds and 29.5 FTE in FY 2024-25, including \$4,010,888 General Fund, to support department operations. This would annualize to \$6,308,184 total funds, including \$4,245,426 General Fund, and 31.0 FTE in FY 2025-26.

RECOMMENDATION:

Staff recommends an increase of \$5.5 million total funds including \$3.8 million General Fund, \$131,219 cash funds, \$586,628 reappropriated funds, and \$970,343 federal funds to support departmental technology needs, to provide General Fund for certain FTE currently supported by

stimulus funds, and for other purposes. This differs from the Department request due to a denial of certain new FTE requests.

ANALYSIS

Funding and the Transition of the Department of Early Childhood

In 2021, House Bill 21-1304 created the Department of Early Childhood effective July 1, 2022, and established the Transition Working Group and the Transition Advisory Group. In the 2022 legislative session, the General Assembly changed the effective date for the department from July 1, 2022, to March 1, 2022, and transferred \$3.5 million from the capital construction fund and \$326,413 from the General Fund for data system capital costs and administrative costs, respectively.

Also in 2022, House Bill 22-1295 codified the creation, responsibilities, and funding for the Department of Early Childhood, officially transferring the Office of Early Childhood and related funding and FTEs from the Department of Human Services. As part of this legislation, \$428.5 million total funds, including \$105.6 million General Fund, \$56.4 million cash funds, \$254.6 million federal funds, and \$11.8 million reappropriated funds, and 160.6 FTE were transferred from DHS to CDEC in FY 2022-23. Additionally, \$651,922 total funds and 6.0 FTE were transferred from the Department of Education to the Department of Early Childhood in the same year. Additional funding was provided to the Department of Early Childhood including \$288,674 General Fund for new costs, \$118,284 of which was reappropriated to the Department of Law. The bill also provided the appropriation of Preschool Programs Cash Funds for FY 2023-24 for the establishment of the Universal Preschool Program. A chart indicating each legislative action for the Department can be found in Appendix B. The chart below demonstrates historical and requested funding for the Department, which includes funding for the UPK program.

DEPARTMENT OF EARLY CHILDHOOD HISTORICAL FUNDING AND FTE				
FUND	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 REQUESTED
General Fund	\$6,335,548	\$112,404,354	\$306,119,129	\$294,919,782
Cash Funds	685,539	108,626,170	212,983,095	269,566,648
Reappropriated Funds	0	11,899,077	13,954,712	18,395,598
Federal Funds	171,386	305,752,558	261,951,440	194,663,355
TOTALS	\$7,192,473	\$538,682,159	\$795,008,376	\$777,545,383
FTEs	30.6	177.4	231.7	234.4

Departmental Operations Request

As the Department continues to establish itself, it identifies needs once met under the umbrella of the larger Department of Human Services. This includes core staffing and technology-related needs to support the programs housed within Early Childhood.

The Department’s request can be broken down as follows:

R2 - CDEC DEPARTMENTAL OPERATIONS			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
Staffing and Operating Expenses	\$2,739,112	\$3,075,207	25.8 FTEs in FY 2024-25 increasing to 31.0 FTEs in FY 2025-26 to support CORA requests, the policy and legislative unit, financial operations, human resources, communications, Early Childhood Mental Health, State Systems Building Initiatives, and departmental IT.

R2 - CDEC DEPARTMENTAL OPERATIONS			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
Department Evaluation	175,000	175,000	Contract for 3rd party vendor to conduct a thorough evaluation of the Department as required by statute.
IT System Enhancements and Maintenance	2,784,966	3,057,977	System enhancements for the Child Care Automated Tracking System, childcare licensing and inspections, Professional Development Information System to provide online training opportunities to child care professionals, and support for multiple programs in the Community and Family Services Division. Also includes ongoing annual funding for existing IT systems. Parts of this request are partially funded with federal stimulus dollars in the current fiscal year.
Total Request	\$5,699,078	\$6,308,184	

Staffing and Operating Expenses

The Department identified needs within the procurement & contracts unit, the accounting and finance unit, the budget unit, the audit and compliance units, human resources, communications, Early Childhood Mental Health, the State Systems Building Initiatives Unit, the IT unit, and related operational costs to support the sustainability of the Department and its programs. Of the requested funding to support FTEs, the Department indicates that 20.0 of the 29.5 FTEs requested are currently supported with stimulus dollars.

R2 CDEC OPERATIONS STAFFING REQUEST					
CLASSIFICATION TITLE	FTE	FY 2024-25 REQUEST	FTE	FY 2025-26 IMPACT	INCREMENTAL CHANGE
ADMINISTRATOR III	\$2	\$92,333	\$2	\$115,416	\$ 23,083
ADMINISTRATOR IV	4.0	231,462	4.0	280,560	\$ 49,098
ANALYST III	4.5	248,144	5.0	288,540	\$ 40,396
ANALYST IV	0.9	63,126	1.0	70,140	\$ 7,014
AUDITOR III	2.0	112,224	2.0	140,280	\$ 28,056
BUDGET & POLICY ANLST III	1.0	64,963	1.0	81,204	\$ 16,241
CONTRACT ADMINISTRATOR IV	4.0	238,476	4.0	280,560	\$ 42,084
DATA MANAGEMENT III	1.8	109,080	2.0	121,200	\$ 12,120
HUMAN RESOURCES SPEC IV	2.0	112,224	2.0	140,280	\$ 28,056
LEGAL ASSISTANT II	0.8	56,112	1.0	70,140	\$ 14,028
MKTG & COMM SPEC IV	3.0	168,336	3.0	210,420	\$ 42,084
PROGRAM MANAGEMENT II	2.0	150,413	2.0	188,016	\$ 37,603
PROJECT MANAGER III	1.7	159,813	2.0	188,016	\$ 28,203
Total Requested	29.7	\$1,806,706	31.0	2,174,772.0	\$ 368,066
<i>Additional Personnel Costs</i>		<i>\$233,968</i>		<i>\$281,633</i>	<i>\$47,665</i>
<i>Centrally Appropriated Items</i>		<i>\$476,342</i>		<i>\$572,767</i>	<i>\$96,425</i>
<i>Operating Expenses</i>		<i>\$222,095</i>		<i>\$46,035</i>	<i>(\$176,060)</i>
Total Requested Appropriation		\$2,739,111		\$3,075,207	\$336,096
Total Recommended		\$2,067,755		\$2,307,426	\$239,671
Difference		(\$671,356)		(\$767,781)	

*A portion of the request includes FTE currently supported with stimulus funds.

Based on analysis of the Department’s organizational structure, the understanding that certain stimulus funding decisions were made to help launch the new Department, and that the positions currently support Departmental Operations, **staff recommends approval of the request to provide General Fund for FTEs currently stimulus-funded.** Information provided by the Department indicates that the requested FTE positions do not support projects which were intended to be time-

limited. Additionally, the Department indicates that an additional 14.0 FTE that are currently stimulus-funded will not continue when stimulus funds officially roll off.

Of the requested FTE for Departmental Operations, the following represent positions not currently stimulus funded for the Department:

R2 CDEC OPERATIONS STAFFING NEW FTES				
CLASSIFICATION TITLE	POSITION	FY 2024-25 REQUEST	FY 2025-26 IMPACT	DESCRIPTION OF RESPONSIBILITIES
ANALYST III	DELLA Product Owner	1.0	1.0	Support the integration of the Universal Preschool Program System with Department Licensing and Administration systems, identify and receive requests, assist in sprint planning, work the technical team on implementation, and develop user stories for development and testing.
ANALYST IV	EC\XI-Data Analyst	0.9	1.0	Oversee data utilization to support ad hoc and ongoing reporting and data requests.
ANALYST III	DCFS Product Owner	0.9	1.0	Support the integration of the Universal Preschool Program System with Department DCFS systems, identify and receive requests, assist in sprint planning, work the technical team on implementation, and develop user stories for development and testing.
ANALYST III	DLAQ Product Owner	0.9	1.0	Support the integration of the Universal Preschool Program System with Department Division of Early Learning Access and Quality systems, identify and receive requests, assist in sprint planning, work the technical team on implementation, and develop user stories for development and testing.
DATA MGMT III	DCFS System Admin/Help Desk	0.9	1.0	Assist with software configuration, account and access management, record management, and user acceptance testing. This moves contract positions for critical and business priority applications to full time positions, increasing the capacity of the team to manage configuration work and creating depth of knowledge.
DATA MGMT III	DLAQ System Admin/Help Desk	0.9	1.0	Assist with software configuration work, technical-related cases such as account and access management, record management, user acceptance testing, and the Professional Development Information System (PDIS) and CCCAP (CHATS) administration program. This moves contract positions for critical and business priority applications to full time positions, increasing the capacity of the team to manage configuration work and creating depth of knowledge.
PROJECT MGR III	Enterprise Coord./Proj. Mgr	0.9	1.0	Manage the Universal Preschool Program System build out and integration as well as vendor communication and management.
LEGAL ASSISTANT II	CORA	0.8	1.0	Oversee CORA requests and administrative appeals – currently handled through CDHS.
ADMINISTRATOR IV	Fiscal Specialist	1.0	1.0	Track expenditures, work with vendors on invoice submission, and enter into the state accounting system.
ANALYST III	Cornerstone (Performance & Learning Mgmt. platform) & HR Procurement Admin	0.8	1.0	Provide department-wide system management to enable creation, management and automation of employee and other human resources files, as well as finance and fiscal documentation.
ANALYST III	OnBase (Content services platform) Admin	0.8	1.0	Provide department-wide system management to enable creation, management and automation of employee and other human resources files, as well as finance and fiscal documentation.

Information Technology Staff

Of the FTE listed above, the Department indicates that all technology related personal services would be new functions within the Department as they bring this skill and expertise into the Department. This includes the first seven positions listed in the chart above. As the Department works to integrate all aspects of the services it provides to families, the need for a more robust internally integrated data system has become apparent. The Department’s third prioritized request for UPK Information Technology addresses only the portions of the systems pertaining to the Universal Preschool Program. But as the Department works to better integrate programs such as Colorado Child Care Assistance Program and Family Services, it will need Departmental support to build out a system that can support that kind of integration. **Staff recommends approval of funding to support 7.0 new Information Technology FTE.**

Legal Assistant - CORA

The Department requested and was not approved funding to hire an FTE to handle CORA appeals in FY 2023-24. However, the Department indicates that total appeals increased significantly with the launch of UPK and that it is on track to reach 36 appeals in this calendar year, up from an average of 10. The Department had been operating through an interagency agreement with DHS to handle the appeals, but the agreement ended in December 2023. Utilizing vacancy savings, the Department hired one FTE to support CORA appeals as a stop-gap measure and is requesting ongoing funding for this position. **Staff recommends approval of the request for funding to support 1.0 FTE to support CORA.**

Fiscal Specialist, Cornerstone & HR Procurement Admin, and OnBase Admin

Based on analysis of the Department’s current structure and its request for funding to support these three FTE with ongoing General Fund, **staff does 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.** Based on the organizational chart provided by the Department as well as its request for funding to support currently stimulus-funded FTE, staff believes the Finance and HR departments will be sufficiently staffed for the time being. The organizational chart suggests that the requested fiscal analyst would bring the finance unit to 11 FTEs. It is less clear based on the information provided by the Department exactly where the Cornerstone/HR and OnBase FTE would be situated within the organization.

IT System Enhancements and Maintenance

The Department requests funding to support enhancements, maintenance and operations, ongoing increased information technology costs which can be broken down into component parts as shown in the chart below:

R2 – CDEC DEPARTMENTAL OPERATIONS - INFORMATION TECHNOLOGY ENHANCEMENTS		
CATEGORY	AMOUNT	DESCRIPTION
CHATS	\$686,093	Child Care Automated Tracking System (CHATS) - Counties interact with to ensure children who are at risk and in need of the Child Care Assistance Program (CCCAP) are covered. CCCAP helps families that are homeless, working, searching for work or in school find low-income child care assistance. Families that are enrolled in the Colorado Works Program can also use CCCAP services.
DECL	847,527	Supports licensing child care programs, data for Qualified Exempt Programs, and stores information about illegally run programs. Includes licensure, inspections, complaints, and injury reporting.

R2 – CDEC DEPARTMENTAL OPERATIONS - INFORMATION TECHNOLOGY ENHANCEMENTS		
CATEGORY	AMOUNT	DESCRIPTION
PDIS	141,255	Professional Development Information System (PDIS) - provide online training to provide opportunities for child care professionals. The system is used to manage online eLearning, webinars, and classroom-based learning events, including the registration for face-to-face professional development opportunities for early childhood educators, CCCAP county workers, and other consultative roles such as quality improvement coaches, early childhood mental health consultants, child care health consultants, and others as determined by the CDEC.
DCFS	343,047	Supports a suite of programs in Community and Family services: Colorado Fatherhood program, Colorado Community Response, Community Based Child Abuse Prevention, Early Childhood Mental Health, Early Intervention, Family Support Services, Promoting Safe and Stable Families and Safecare Colorado.
Total	\$2,017,922	

Of the amounts listed above, \$750,000 is currently funded with stimulus funds.

In addition to the items listed above, the Department is requesting \$767,044 General Fund ongoing for existing information technology systems. This funding would support maintenance and operations, refreshing of personnel hardware and software, vendor costs, infrastructure and software costs, and licensing and contracts with vendors for technology services. This amount is identified as the “cost escalator” for the existing systems which amounts to a 3.0 percent increase. Out year costs include a 3.0 percent escalator for licenses and services as it is the industry standard average.

As the Department has transitioned, it has had the benefit of certain shared services from the Department of Human Services. In this first full year of programming as a stand-alone Department, certain gaps in support for the programs under its purview have been identified. This request is to address those gaps and ensure the sustainability of the new Department.

Staff believes the request for system enhancements and maintenance to be reasonable and recommends approval. However, in light of the significant technology upgrades, enhancements, and funding for buildout requested by the Department, staff recommends the inclusion of a request for information regarding the Department’s technology infrastructure. Specifically, staff would want to know the current disposition of its technology infrastructure and its future plans for any further buildout of systems.

Departmental Evaluation

The Department requests \$175,000 General Fund to support the cost of contracting with a third-party vendor through November 2025 to conduct an evaluation of the Department’s functions and operations. The evaluation process will be managed by the Early Childhood Leadership Commission which is the same entity that developed the Department’s Transition Report and is Colorado’s federally authorized state advisory council that exists to ensure alignment between and across state agencies on matters pertaining to the early childhood system.

Per statute (Section 26.5-1-112), the Department is required to contract with a third-party administrator to conduct a thorough evaluation of the Department’s performance in executing its primary functions, as identified in statute (Section 26.5-1-109), and in operating programs and providing services associated with those functions. According to statute, “The independent evaluator shall complete a review of the operations of the department and the programs that transition from the department of human services and the department of education to the department.” Statute further stipulates each point of evaluation for the independent evaluator. **Based on statutory**

requirements, staff recommends approval of the requested General Fund to support a comprehensive departmental evaluation.

EVIDENCE LEVEL

The Department indicates that this request falls into Step 3: Assess Outcomes, or theory-informed, on the Evidence Category and Evidence Continuum. Staff believes the evidence rating is not applicable to this request as it is primarily for operational support.

STAFF RECOMMENDATION SUMMARY

Staff recommends 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 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 does 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 UNIVERSAL PRESCHOOL AND CHILD CARE WORKFORCE SUPPORTS

REQUEST

The Department requests \$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.

RECOMMENDATION

Staff recommends 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. This differs slightly from the Department’s request due to a partial denial of a request for additional FTE.

ANALYSIS

During the 2023 legislative session, the Department received additional federal Child Care and Development Fund (CCDF) award funding through the American Rescue Plan Act (ARPA) CCDF supplemental discretionary stimulus funds. Portions of this funding, as allowable, were utilized to bolster the early care and early education workforce. With the expiration of stimulus funds, the Department requests ongoing support for certain initiatives

The Department’s request can be broken down into the components highlighted in the chart below:

R4 UNIVERSAL PRESCHOOL AND CHILD CARE WORKFORCE SUPPORTS			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
Staffing and Operating Expenses	\$1,075,229	\$1,188,034	10.0 FTE in FY 2024-25 and 12.0 FTE in FY 2025-26 to support the Early Childhood Workforce unit staff currently supported with stimulus funding. Costs also include related training, professional development software, and professional registry and qualification management of child care personnel.
Early Childhood Councils	1,000,000	1,000,000	Partially sustain 29 existing Early Childhood Council Navigator positions that are currently supported with stimulus funding.

R4 UNIVERSAL PRESCHOOL AND CHILD CARE WORKFORCE SUPPORTS			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
OEDIT Contract	187,660	187,660	Existing contract which provides business training courses and consultation at no cost to existing and prospective child care providers. Currently stimulus-funded.
Total Request	\$2,262,889	\$2,375,694	

Staffing and Operating Expenses

Funding for staffing and operating costs is requested to support the Early Childhood Workforce (ECW) unit as well as two positions within the Division of Early Learning and Access that work closely with the Child Care Resource and Referral and Family Child Care Home Navigators within the Early Childhood Councils.

The ECW unit provides training, coaching, and resources for professional development within the child care workforce. Specifically, it provider regional coaches which travel the state to provide training and coaching, and it offers a peer mentoring training program which pairs new child care professionals with experienced professionals in a mentorship relationship. The requested funding would support 10.0 FTE in FY 2024-25, annualizing to 12.0 FTE in FY 2025-26. Of the 10.0 FTEs, 2.0 FTE would be new positions supported by the Department but hosted within the Early Childhood Councils, the funding for which is discussed more in the Early Childhood Council description. All of the requested positions are currently funded with stimulus funding.

R4 - Universal Preschool and Child Care Workforce Supports					
CLASSIFICATION TITLE	FTE	FY 2024-25 REQUEST	FTE	FY 2025-26 REQUEST	
PROJECT MANAGER I	0.8	\$56,112	1.0	\$70,140	
TRAINING SPECIALIST IV	0.8	56,112	1.0	70,140	
PROGRAM MANAGEMENT I	0.8	71,616	1.0	89,520	
TRAINING SPECIALIST III	5.6	323,165	7.0	403,956	
ADMINISTRATOR IV	1.0	70,140	1.0	70,140	
PROGRAM MANAGEMENT I	1.0	89,520	1.0	89,520	
Subtotal - Salaries	10.0	\$666,665	12.0	\$793,416	
<i>Additional Personnel Costs</i>		<i>86,333</i>		<i>102,748</i>	
<i>Centrally Appropriation Items</i>		<i>234,396</i>		<i>280,050</i>	
<i>Operating Expenses</i>		<i>87,835</i>		<i>11,820</i>	
Total Requested Amounts		\$1,075,229		\$1,188,034	

The responsibilities for each position are described on the following page:

- 0.8 FTE Project Manager I - Provider Support Specialist - responsible for leading efforts to explore the utilization of substitute teachers to accelerate early childhood workforce recruitment, retention, and strengthening strategies.
- 0.8 FTE, Training Specialist IV - Peer Mentor - responsible for the development and growth of the Teacher Peer Mentorship Program to increase early childhood educator retention statewide. This position also identifies existing early childhood directors and educators capable of serving as mentors to new early childhood professionals in the Teacher Peer Mentorship Program.
- 0.8 FTE, Program Manager I - Coaching Manager - responsible for onboarding, training, and employing coaches with adequate training and experience in adult learning and in using assessment

data to drive coaching strategies aligned with program/organization/state-designated local organizations performance goals.

- 5.6 FTE, Training Specialists III –
 - Regional Coaches - responsible for the collection and analysis of data pertaining to coaching and teaching assistant activities, including providing subject matter expertise to identify relevant and predictive data points. Regional coaches pilot and scale up evidence-based coaching, as well as implement foundational coaching models for distance-based coaching. The four positions report to the Coaching Manager.
 - Training Specialist - responsible for the development and implementation of training and technical assistance relevant to the Early Childhood Workforce. In addition to facilitating training, coaching, and support to early childhood professionals across Colorado, this position collects and analyzes data on training and technical assistance activities.
 - Instructional Design Document & Training Specialist - provides training to providers regarding implementation of rules and regulations that directly impact child care providers participating in CCCAP; delivers technical assistance or training by email, telephone, system support tickets, in person meetings, webinars. The position also supports the creation of manuals and desk aids regarding provider rates, fiscal agreements, or other child care provider-facing policies.

Early Childhood Councils

The Department currently provides funding to Early Childhood Councils to support no more than 2 navigator positions each for the Child Care Resource and Referral (CCR&R) program and the Family Child Care Home (FCCH) Navigator program. These are local staff who assist providers and programs through local systems including zoning and health departments, and who provide guidance to providers through the licensing process, PDIS, stabilization grants, ARPA incentive funding (expiring), and other resources. These roles also support Local Coordinating Organizations to facilitate connections with providers and to support families as well.

The CCR&R program serves as a resource hub for families, child care professionals and communities. The FCCH provide targeted support to FCCH providers that offer child care to small groups of children in private homes. As of August 2023, the navigators supported 188 new providers to get licensed with another 288 in varying stages of the process. The strength of these navigator programs lies in their embeddedness in the local communities in which they serve. The Early Childhood Leadership Appliance (ECCLA) provides oversight of these programs.

Additionally, the Department is requesting funding to support 2.0 FTE within the Division of Early Learning Access and Quality work closely with the CCR&R and FCCH local organizations to provide programmatic support and information regarding quality standards. The Department is requesting ongoing funding for these positions as stimulus funds that currently support the positions expire.

- 1.0 FTE - Administrator IV - QRIS Regional Coordinator Position – would provide information and technical assistance to stakeholders in all quality and access programs, work with State-level early childhood stakeholder organizations to revise and administer an application process for local

Quality Incentive grantees to ensure the statutory, regulatory and reporting requirements are met, and serve as the point of contact for information about quality programs. This position would be responsible for developing reporting requirements, coordinating and administering the daily operations of Quality Incentive Programs as well as “global” responsibilities pertaining to program development and implementation.

- 1.0 FTE - Program Management I - QRIS-Colorado Shines Supervisor Position – would oversee the Quality Rating and Improvement System and the Quality Improvement grant funding. This position would supervise four QRIS Regional Coordinators, provide leadership and development, program and fiscal management, personnel management, and supervision as well as data gathering and tracking of quality ratings, communications, and stakeholder engagement. This position would also be responsible for data gathering and tracking of quality ratings, communications, and stakeholder engagement and coordination.

Additionally, the Department requests \$1.0 million to partially support the retention of 29 Early Childhood Council Navigator positions within the Early Childhood Councils’ CCR&R and FCCH programs. These positions are currently supported with stimulus funds and serve to provide information for families seeking childcare by updating openings for programs within the pertinent catchment areas, connect families to care options through referrals, build relationships with providers, and help navigate CCCAP services such as licensing rules and regulations. Staff has been informed by local partners that the requested amount represents less than half of the funding required to support all 29 positions.

Early Childhood Councils receive funding from a variety of sources and are often tasked with finding new sources of funding for programming. Local councils have indicated that if full funding for the positions is not provided, the scope of work requested by the Department for these navigators will need to be adjusted downward to reflect the funding adjustment, and the Department agrees.

OEDIT Contract

The Department collaborates with the Office of Economic Development and International Trade (OEDIT) Small Business Development Center through an Interagency Agreement to provide business training courses and consultation at no cost to existing and prospective child care providers across the state. According to a report issued by the Department which highlighted program offerings as of the end of 2022, 36 trainings were offered, 414 individuals attended trainings, 486 hours of one-on-one consultation were provided, and 228 unique participants received one-on-one consultation. The requested funding supports the cost of the contract with OEDIT which provides the consultants, training, and programming in consultation with the Department.

EVIDENCE Level

The Department indicates this request falls in Step 2, Identify Outputs, or theory-informed. The evidence cited by the Department pertains to holistic student support for adult learners in Health Pathways, and therefore is not related to the pertinent field. However, the Department suggests that this evidence supports the notion of holistic navigation for the purpose of retaining providers and helping new providers through the credentialing process.

RECOMMENDATION

Staff recommends 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 recommends the requested funding for the Early Childhood Council navigators. Staff does not recommend funding to support an additional 2.0 FTE within the Early Childhood Workforce unit that are new FTE requests.

Additionally, staff notes that these initiatives were funded with stimulus dollars that were anticipated to expire. However, staff could not adequately determine legislative intent regarding the continuation of these programs beyond the initial stimulus funding. Staff’s recommendation is based primarily on the needs of the workforce and the merits of the request apart from legislative intent surrounding the initiatives.

→ R8 PROVIDER RATE INCREASE

REQUEST

The Department requests an increase of \$4,382,733 total funds in FY 2024-25 and ongoing, including \$2,004,107 General Fund, \$342,279 cash funds, and \$2,036,347 federal funds to provide a two percent provider rate increase for community-based providers. Included in the request are providers paid through CDECs’ Family Resource Centers, CCCAP, Child Care Licensing, Early Intervention, Nurse Home Visiting Program, Home Visiting for School Readiness, Child Maltreatment Prevention, Early Childhood Mental Health Services, and Social-emotional Language Grant Programs.

RECOMMENDATION

Consistent with the common policy decision regarding provider rate increase, staff recommends an increase of \$4,404,647 total funds in FY 2024-25 and ongoing, including \$2,014,128 General Fund, \$343,990 cash funds, and \$2,046,529 federal funds to provide a 2.5 percent provider rate increase for community-based providers.

ANALYSIS

Included in the request are providers paid through CDEC’s Family Resource Centers, CCCAP, Child Care Licensing, Early Intervention, Nurse Home Visiting Program, Home Visiting for School Readiness, Child Maltreatment Prevention, Early Childhood Mental Health Services, and Social-emotional Language Grant Program staff.

Not included in the calculation are Local Coordinating Organizations (LCOs) and Early Childhood Councils (ECCs). As the LCOs are new with the implementation of Universal Preschool, they have not been in existence long enough to be included in the provider rate increase. ECCs, however, have historically been left out of the provider rate increase for unknown reasons. An argument could be made that both should be included in the provider rate increase.

Currently, significant overlap exists between the two entities, and many ECCs serve as LCOs. The Department has indicated in the past that it is working to assess the overlap to better utilize these resources and ensure efforts are only duplicated where necessary. In future years, as the two entities’ roles and boundaries are better defined, staff recommends they be included in the provider rate increase provided it is not double-counted for certain entities.

EVIDENCE LEVEL

The Department indicates this request falls in Step 3: Assess Outcomes, or theory-informed, on the evidence level continuum. Staff suggests evidence level is not applicable to this request as the funding is to support/increase existing provider reimbursements.

→ S1/BA2 CDEC COST ALLOCATION PLAN/TECHNICAL CORRECTION

REQUEST: The Department requests changes to accurately reflect its cost allocation plan in the current fiscal year. The Department is required have a cost allocation plan in order to administer the federal Child Care Development Funds (CCDF). The change results in an increase of \$2,883,026 in reappropriated funds reflecting the indirect cost assessments for the impacted federally-funded programs. The Department identified an error in its initial request and submitted a technical correction, adjusting the total reappropriated funds down by \$111,205 for a total increase of \$2,771,821 reappropriated funds.

RECOMMENDATION: Staff recommends approval of the correction.

ANALYSIS

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. It must also submit quarterly reports for each award until all funds are expended. Utilizing an operational interagency agreement, the Department has been operating under a cost allocation plan developed by the Department of Human Services. This interagency agreement expired in December 2023; therefore, the Department submitted its revised plan to the federal government on July 11, 2023 and is awaiting approval. The federal government may review plans up to two years after plan submissions.

The purpose of a cost allocation plan is to accurately and equitably divide shared costs across programs to ensure that non-state funding sources are used to cover their fair share of administrative costs. The Department oversees programs with funding sources including, but not limited to, 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 change is cost-neutral in that it will reduce cash and federal funds appropriated directly in the EDO section of the Long Bill and increase the reappropriated funds in the EDO section by equal amounts. This increase will also be reflected as corresponding increases in cash and federal indirect cost lines in the respective divisions where the revenue will be earned. This request impacts all divisions within the Department.

EVIDENCE LEVEL

Evidence level designation is not applicable to this request.

→ SI CASH FUND WAIVERS

REQUEST: The Department requests a one-year and a three-year waiver for the Child Care Licensing Cash Fund and the Records and Reports Cash Fund, respectively, as reserve amounts currently exceed the maximum threshold.

RECOMMENDATION: Staff recommends approval of the requested waivers.

ANALYSIS

Child Care Licensing Cash Fund

The Department request a one-year waiver from the cash fund reserve limit and exemption for FY 2023-24 for the Child Care licensing cash fund. Due to the transition of CDEC from CCDHS, the department incurred excess revenue from administrative underspending. The Department’s updated Public Assistance Cost Allocation Plan will ensure the cash fund covers its share of indirect and administrative costs and bring the fund into compliance.

Records and Reports Fund

The Department requests a three-year waiver from the limit and exemption (FY 2023-24 through FY 2025-26) for the Records and Reports cash fund. When the fund was transferred from CDHS to CDEC as a result of S.B. 23-217, the Department of Early Childhood anticipated certain legal costs would still be supported with the fund; however, this is not the case. The Department is in the process of promulgating rules to reduce background check fees, and a change request before the Committee (R2 CDEC Operations) will include additional spending authority from the fund to cover administrative costs. The Records and Reports cash fund expenditures are from the operations of the abuse and neglect section of the Background Investigation Unit. The waiver will allow the Department to continue conducting timely background investigations for child care providers.

(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						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation						
SB 23-214 (Long Bill)	\$39,653,683	\$19,251,939	\$990,717	\$4,497,249	\$14,913,778	73.8
HB 24-1182 (Supplemental)	(142,526)	(116,871)	(37,521)	2,857,371	(2,845,505)	0.0
TOTAL	\$39,511,157	\$19,135,068	\$953,196	\$7,354,620	\$12,068,273	73.8
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$39,511,157	\$19,135,068	\$953,196	\$7,354,620	\$12,068,273	73.8
BA2 Cost allocation plan	0	0	(37,521)	2,771,821	(2,734,300)	0.0
R2 CDEC departmental operations	5,404,064	3,815,874	31,219	586,628	970,343	25.2
R3 Universal Preschool Program information technology	3,260,000	0	3,260,000	0	0	0.0
Centrally appropriated line items	3,503,043	2,118,819	533,494	600,217	250,513	0.0
Non-prioritized decision item	155,536	61,961	40,766	2,670	50,139	0.0
Annualize prior year budget actions	(5,948,609)	(894,001)	40,305	0	(5,094,913)	(23.8)
Annualize prior year legislation	142,526	116,871	37,521	(2,857,371)	2,845,505	0.0
TOTAL	\$46,027,717	\$24,354,592	\$4,858,980	\$8,458,585	\$8,355,560	75.2
INCREASE/(DECREASE)	\$6,516,560	\$5,219,524	\$3,905,784	\$1,103,965	(\$3,712,713)	1.4
Percentage Change	16.5%	27.3%	409.8%	15.0%	(30.8%)	1.9%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$530,113)	\$3,484,456	(\$3,307,722)	(\$3,098)	(\$703,749)	4.3

LINE ITEM DETAIL — EXECUTIVE DIRECTOR’S OFFICE

(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 \$7.7 million total funds including \$1.7 million General Fund, \$0.1 million cash funds, and \$5.8 million reappropriated funds in FY 2024-25 which includes change requests related to C2 CDEC departmental operations and BA2 Cost allocation plan.

RECOMMENDATION: **The staff recommendation is outline din the table below and includes adjustments for the Department’s second prioritized request (discussed previously).** The recommendation differs from the request primarily related to a denial of portions of the second prioritized request.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$6,790,117	\$1,212,747	\$123,593	\$2,479,109	\$2,974,668	71.8
HB 24-1182 (Supplemental)	\$0	\$0	(\$27,542)	\$2,627,542	(\$2,600,000)	0.0
TOTAL	\$6,790,117	\$1,212,747	\$96,051	\$5,106,651	\$374,668	71.8
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$6,790,117	\$1,212,747	\$96,051	\$5,106,651	\$374,668	71.8
R2 CDEC departmental operations	2,426,112	966,696	28,688	539,063	891,665	25.2
BA2 Cost allocation plan	0	0	(27,542)	2,516,337	(2,488,795)	0.0
Centrally appropriated line items	273,713	119,286	9,460	0	144,967	0.0
Annualize prior year legislation	0	0	27,542	(2,627,542)	2,600,000	0.0
Annualize prior year budget actions	(1,952,813)	(725,475)	1,350	293,817	(1,522,505)	(21.8)
TOTAL	\$7,537,129	\$1,573,254	\$135,549	\$5,828,326	\$0	75.2
INCREASE/(DECREASE)	\$747,012	\$360,507	\$39,498	\$721,675	(\$374,668)	3.4
Percentage Change	11.0%	29.7%	41.1%	14.1%	(100.0%)	4.7%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$174,014	\$174,014	\$0	\$0	\$0	4.3

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. The annual appropriation is based on recommendations

STATUTORY AUTHORITY: Sections 24-50-611, 24-50-603 (9), and 24-50-101 C.R.S.

REQUEST: The Department requests an appropriation of \$3,663,144 total funds including \$1,680,926 General Fund, \$760,780 cash funds, \$23,377 reappropriated funds, and \$1,198,061 federal funds. T

RECOMMENDATION: Staff **recommends the following appropriation, reflected in the table below**, in accordance with the Committee’s decision on compensation common policies. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions items that affect this line item, but are not addressed in this document.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$3,746,336	\$1,220,684	\$501,966	\$0	\$2,023,686	0.0
TOTAL	\$3,746,336	\$1,220,684	\$501,966	\$0	\$2,023,686	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$3,746,336	\$1,220,684	\$501,966	\$0	\$2,023,686	0.0
Centrally appropriated line items	200,897	200,886	203,647	23,377	(227,013)	0.0
Annualize prior year budget actions	(142,045)	129,678	27,583	0	(299,306)	0.0
TOTAL	\$3,805,188	\$1,551,248	\$733,196	\$23,377	\$1,497,367	0.0
INCREASE/(DECREASE)	\$58,852	\$330,564	\$231,230	\$23,377	(\$526,319)	0.0
Percentage Change	1.6%	27.1%	46.1%	n/a	(26.0%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$3,663,144	\$1,680,926	\$760,780	\$23,377	\$1,198,061	0.0
Request Above/(Below) Recommendation	(\$142,044)	\$129,678	\$27,584	\$0	(\$299,306)	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 24-50-611, 24-51-701, and 24-50-603 (9), C.R.S.

REQUEST: The Department requests an appropriation of \$29,377 total funds, including \$12,895 General Fund, \$5,522 cash funds, \$187 reappropriated funds, and \$10,773 federal funds.

RECOMMENDATION: Staff **recommends the following appropriation, reflected in the table below**, in accordance with the Committee’s decision on compensation common policies. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions items that affect this line item, but are not addressed in this document.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$30,481	\$10,630	\$3,343	\$0	\$16,508	0.0
TOTAL	\$30,481	\$10,630	\$3,343	\$0	\$16,508	0.0

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$30,481	\$10,630	\$3,343	\$0	\$16,508	0.0
Centrally appropriated line items	1,429	(305)	1,780	187	(233)	0.0
Annualize prior year budget actions	(1,266)	1,285	200	0	(2,751)	0.0
TOTAL	\$30,644	\$11,610	\$5,323	\$187	\$13,524	0.0
INCREASE/(DECREASE)	\$163	\$980	\$1,980	\$187	(\$2,984)	0.0
Percentage Change	0.5%	9.2%	59.2%	n/a	(18.1%)	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$1,267)	\$1,285	\$199	\$0	(\$2,751)	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 this funding in the current AED and SAED line items.

RECOMMENDATION: **Staff requests permission to reflect the AED and SAED appropriations in the new line item, consistent with the committee's decision related to common policy appropriations.**

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

This line item funds the costs associated with S.B. 04-257 which requires additional state contribution for employees in PERA.

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of \$978,884 total funds, including \$427,133 million General Fund, \$183,696 cash funds, \$6,240 reappropriated funds, and \$361,815 federal funds.

RECOMMENDATION: **Staff recommends the following appropriation, reflected in the table below,** in accordance with the Committee's decision on compensation common policies. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions items that affect this line item, but are not addressed in this document.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$1,012,590	\$355,924	\$112,201	\$0	\$544,465	0.0
TOTAL	\$1,012,590	\$355,924	\$112,201	\$0	\$544,465	0.0

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$1,012,590	\$355,924	\$112,201	\$0	\$544,465	0.0
Centrally appropriated line items	51,430	(9,073)	58,973	6,240	(4,710)	0.0
Annualize prior year budget actions	(42,568)	40,141	6,261	0	(88,970)	0.0
TOTAL	\$1,021,452	\$386,992	\$177,435	\$6,240	\$450,785	0.0
INCREASE/(DECREASE)	\$8,862	\$31,068	\$65,234	\$6,240	(\$93,680)	0.0
Percentage Change	0.9%	8.7%	58.1%	#DIV/0!	(17.2%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$978,884	\$427,133	\$183,696	\$6,240	\$361,815	0.0
Request Above/(Below) Recommendation	(\$42,568)	\$40,141	\$6,261	\$0	(\$88,970)	0.0

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

This line item provides funding for an amortization payment 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 an appropriation of \$978,884 total funds, including \$427,133 million General Fund, \$183,696 cash funds, \$6,240 reappropriated funds, and \$361,815 federal funds.

RECOMMENDATION: Staff **recommends the following appropriation, reflected in the table below**, in accordance with the Committee’s decision on compensation common policies. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions items that affect this line item, but are not addressed in this document.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$1,012,590	\$355,924	\$112,201	\$0	\$544,465	0.0
TOTAL	\$1,012,590	\$355,924	\$112,201	\$0	\$544,465	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$1,012,590	\$355,924	\$112,201	\$0	\$544,465	0.0
Centrally appropriated line items	51,430	(9,073)	58,973	6,240	(4,710)	0.0
Annualize prior year budget actions	(42,568)	40,141	6,261	0	(88,970)	0.0
TOTAL	\$1,021,452	\$386,992	\$177,435	\$6,240	\$450,785	0.0
INCREASE/(DECREASE)	\$8,862	\$31,068	\$65,234	\$6,240	(\$93,680)	0.0
Percentage Change	0.9%	8.7%	58.1%	#DIV/0!	(17.2%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$978,884	\$427,133	\$183,696	\$6,240	\$361,815	0.0
Request Above/(Below) Recommendation	(\$42,568)	\$40,141	\$6,261	\$0	(\$88,970)	0.0

SALARY SURVEY

This line item funds the recommended salary adjustments pursuant to the Department of Personnel's annual compensation study.

STATUTORY AUTHORITY: Sections 24-50-104, 24-75-112(1)(b), C.R.S.

REQUEST: The Department requests an appropriation of \$1.2 million total funds, including \$428,709 General Fund, \$222,822 cash funds, \$6,874 reappropriated funds, and \$527,490 federal funds.

RECOMMENDATION: Staff **recommends the following appropriation, reflected in the table below**, in accordance with the Committee’s decision on compensation common policies. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions items that affect this line item, but are not addressed in this document.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$956,075	\$374,506	\$126,434	\$0	\$455,135	0.0
TOTAL	\$956,075	\$374,506	\$126,434	\$0	\$455,135	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$956,075	\$374,506	\$126,434	\$0	\$455,135	0.0
Centrally appropriated line items	(181,216)	(80,110)	7,489	4,748	(113,343)	0.0
TOTAL	\$774,859	\$294,396	\$133,923	\$4,748	\$341,792	0.0
INCREASE/(DECREASE)	(\$181,216)	(\$80,110)	\$7,489	\$4,748	(\$113,343)	0.0
Percentage Change	(19.0%)	(21.4%)	5.9%	n/a	(24.9%)	n/a
FY 2024-25 EXECUTIVE REQUEST	\$1,185,895	\$428,709	\$222,822	\$6,874	\$527,490	0.0
Request Above/(Below) Recommendation	\$411,036	\$134,313	\$88,899	\$2,126	\$185,698	0.0

STEP PAY [NEW LINE ITEM]

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: None

REQUEST: The Department requests an appropriation of \$467,882 total funds, including \$155,911 General Fund, \$2,474 cash funds, and \$210,773 federal funds for FY 2024-25.

RECOMMENDATION: Staff **recommends the following appropriation, reflected in the table below**, in accordance with the Committee’s decision on compensation common policies. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions items that affect this line item, but are not addressed in this document.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, STEP PAY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	\$467,882	\$155,911	\$98,724	\$2,474	\$210,773	0.0
TOTAL	\$467,882	\$155,911	\$98,724	\$2,474	\$210,773	0.0
INCREASE/(DECREASE)	\$467,882	\$155,911	\$98,724	\$2,474	\$210,773	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
Request Above/(Below) Recommendation	(\$467,882)	(\$155,911)	(\$98,724)	(\$2,474)	(\$210,773)	0.0

PAID FAMILY AND MEDICAL LEAVE [NEW LINE ITEM]

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 an appropriation of \$91,931 total funds, including \$34,829 General Fund, \$15,969 cash funds, and \$562 reappropriated funds, and \$40,571 federal funds for FY 2024-25.

RECOMMENDATION: Staff **recommends the following appropriation, reflected in the table below**, in accordance with the Committee’s decision on compensation common policies. Staff requests permission to adjust this line item in accordance with any decisions the Committee may make regarding common policies or decisions items 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						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	\$91,931	\$34,829	\$15,969	\$562	\$40,571	0.0
TOTAL	\$91,931	\$34,829	\$15,969	\$562	\$40,571	0.0
INCREASE/(DECREASE)	\$91,931	\$34,829	\$15,969	\$562	\$40,571	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$91,931	\$34,829	\$15,969	\$562	\$40,571	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

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 an appropriation of \$66,234 General Fund for FY 2024-25.

RECOMMENDATION: The staff recommendation is **pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$66,234	\$66,234	\$0	\$0	\$0	0.0
TOTAL	\$66,234	\$66,234	\$0	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$66,234	\$66,234	\$0	\$0	\$0	0.0
TOTAL	\$66,234	\$66,234	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$66,234	\$66,234	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PERA DIRECT DISTRIBUTION [NEW LINE ITEM FOR DEPARTMENT]

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 did not request an appropriation for this line item but rather it was requested by DPA in the amounts referenced in the table below.

RECOMMENDATION: **Staff recommends approval of the request.**

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	\$450,190	\$170,561	\$78,202	\$2,750	\$198,677	0.0
TOTAL	\$450,190	\$170,561	\$78,202	\$2,750	\$198,677	0.0
INCREASE/(DECREASE)	\$450,190	\$170,561	\$78,202	\$2,750	\$198,677	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
Request Above/(Below) Recommendation	(\$450,190)	(\$170,561)	(\$78,202)	(\$2,750)	(\$198,677)	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: Section 24-102-302, C.R.S.

REQUEST: The Department requests \$898,270 total funds including \$743,553 General Fund, \$2,181 cash funds, \$109,348 reappropriated funds, and \$43,188 federal funds which includes change requests related to R2 CDEC departmental operations and BA2 Cost allocation plan.

RECOMMENDATION: The staff recommendation is summarized in the table below and incorporates adjustments related to the Department’s second prioritized request and its second prioritized budget amendment. Staff’s recommendation differs from the Department’s request due to a denial of a portion of R2, CDEC departmental operations.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$121,367	\$58,584	\$1,755	\$0	\$61,028	0.0
HB 24-1182 (Supplemental)	\$0	\$0	(\$755)	\$61,783	(\$61,028)	0.0
TOTAL	\$121,367	\$58,584	\$1,000	\$61,783	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$121,367	\$58,584	\$1,000	\$61,783	\$0	0.0
Annualize prior year budget actions	562,917	599,757	(1,350)	0	(35,490)	0.0
R2 CDEC departmental operations	192,986	64,212	2,531	47,565	78,678	0.0
Annualize prior year legislation	0	0	755	(61,783)	61,028	0.0
BA2 Cost allocation plan	0	0	(755)	61,783	(61,028)	0.0
TOTAL	\$877,270	\$722,553	\$2,181	\$109,348	\$43,188	0.0
INCREASE/(DECREASE)	\$755,903	\$663,969	\$1,181	\$47,565	\$43,188	0.0
Percentage Change	622.8%	1,133.4%	118.1%	77.0%	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$898,270	\$743,553	\$2,181	\$109,348	\$43,188	0.0
Request Above/(Below) Recommendation	\$21,000	\$21,000	\$0	\$0	\$0	0.0

LEGAL SERVICES

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

STATUTORY AUTHORITY: Sections 24-31-101(g), 24-31-111, and 26.5.1-104 C.R.S.

REQUEST: The Department requests an appropriation of \$43,877 General Fund for FY 2024-25.

RECOMMENDATION: The staff recommendation is **pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, LEGAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$1,009,460	\$1,009,460	\$0	\$0	\$0	0.0
TOTAL	\$1,009,460	\$1,009,460	\$0	\$0	\$0	0.0

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, LEGAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$1,009,460	\$1,009,460	\$0	\$0	\$0	0.0
Centrally appropriated line items	(965,583)	(965,583)	0	0	0	0.0
TOTAL	\$43,877	\$43,877	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$965,583)	(\$965,583)	\$0	\$0	\$0	0.0
Percentage Change	(95.7%)	(95.7%)	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$43,877	\$43,877	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$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: Sections 24-30-1002, 24-30-1003, C.R.S.

REQUEST: The Department requests an appropriation of \$21,691 General Fund for FY 2024-25.

RECOMMENDATION: The staff recommendation is **pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, ADMINISTRATIVE LAW JUDGE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$55,072	\$55,072	\$0	\$0	\$0	0.0
TOTAL	\$55,072	\$55,072	\$0	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$55,072	\$55,072	\$0	\$0	\$0	0.0
Centrally appropriated line items	(34,706)	(34,706)	0	0	0	0.0
TOTAL	\$20,366	\$20,366	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$34,706)	(\$34,706)	\$0	\$0	\$0	0.0
Percentage Change	(63.0%)	(63.0%)	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$21,691	\$21,691	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$1,325	\$1,325	\$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 continuation of \$3,653 General Fund for FY 2024-25.

RECOMMENDATION: The staff recommendation is **pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

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 continuation of \$7,738 General Fund for FY 2024-25.

RECOMMENDATION: The staff recommendation is **pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, VEHICLE LEASE PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$8,906	\$8,906	\$0	\$0	\$0	0.0
TOTAL	\$8,906	\$8,906	\$0	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$8,906	\$8,906	\$0	\$0	\$0	0.0
Non-prioritized decision item	(1,168)	(1,168)	0	0	0	0.0
TOTAL	\$7,738	\$7,738	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$1,168)	(\$1,168)	\$0	\$0	\$0	0.0
Percentage Change	(13.1%)	(13.1%)	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$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 Department requests \$126,730 General Fund for FY 2024-25.

RECOMMENDATION: The staff recommends approval of the request as shown in the chart below.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, CAPITAL OUTLAY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$146,740	\$140,070	\$0	\$0	\$6,670	0.0
TOTAL	\$146,740	\$140,070	\$0	\$0	\$6,670	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$146,740	\$140,070	\$0	\$0	\$6,670	0.0
Annualize prior year budget actions	(20,010)	(13,340)	0	0	(6,670)	0.0
TOTAL	\$126,730	\$126,730	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$20,010)	(\$13,340)	\$0	\$0	(\$6,670)	0.0
Percentage Change	(13.6%)	(9.5%)	0.0%	0.0%	(100.0%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$126,730	\$126,730	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

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 \$316,685 total funds including \$227,173 General Fund, \$277 cash funds, \$193,701 reappropriated funds, and \$5,534 federal funds for FY 2024-25.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$307,461	\$113,760	\$9,224	\$0	\$184,477	0.0
HB 24-1182 (Supplemental)	\$0	\$0	(\$9,224)	\$193,701	(\$184,477)	0.0
TOTAL	\$307,461	\$113,760	\$0	\$193,701	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$307,461	\$113,760	\$0	\$193,701	\$0	0.0
Centrally appropriated line items	9,224	3,413	277	0	5,534	0.0
BA2 Cost allocation plan	0	0	(9,224)	193,701	(184,477)	0.0
Annualize prior year legislation	0	0	9,224	(193,701)	184,477	0.0
TOTAL	\$316,685	\$117,173	\$277	\$193,701	\$5,534	0.0
INCREASE/(DECREASE)	\$9,224	\$3,413	\$277	\$0	\$5,534	0.0
Percentage Change	3.0%	3.0%	n/a	0.0%	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$316,685	\$117,173	\$277	\$193,701	\$5,534	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

STATEWIDE ADMINISTRATIVE SERVICES [NEW LINE ITEM]

This line item provides funding for payments for statewide administrative services provide by the Department of Personnel’s Executive Director’s Office.

STATUTORY AUTHORITY: Article 50.3 of Title 24, C.R.S.

REQUEST: The Department requests an appropriation of \$23,364 total funds including \$8,951 General Fund, \$6,279 cash funds, \$411 reappropriated funds, and \$7,723 federal funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, STATEWIDE ADMINISTRATIVE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Non-prioritized decision item	\$23,364	\$8,951	\$6,279	\$411	\$7,723	0.0
TOTAL	\$23,364	\$8,951	\$6,279	\$411	\$7,723	0.0
INCREASE/(DECREASE)	\$23,364	\$8,951	\$6,279	\$411	\$7,723	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$23,364	\$8,951	\$6,279	\$411	\$7,723	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

STATE AGENCY SERVICES [NEW LINE ITEM]

This line item provides funding for payments for statewide human resource services provide by the Department of Personnel’s Division of Human Resources.

STATUTORY AUTHORITY: Part 13 of Article 30 of Title 24, C.R.S.

REQUEST: The Department requests an appropriation of \$34,143 total funds, including \$13,080 General Fund, \$9,176 cash funds, \$601 reappropriated funds, and \$11,285 federal funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, STATE AGENCY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Non-prioritized decision item	\$34,142	\$13,080	\$9,176	\$601	\$11,285	0.0
TOTAL	\$34,142	\$13,080	\$9,176	\$601	\$11,285	0.0
INCREASE/(DECREASE)	\$34,142	\$13,080	\$9,176	\$601	\$11,285	0.0

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, STATE AGENCY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$34,142	\$13,080	\$9,176	\$601	\$11,285	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

STATEWIDE TRAINING SERVICES [NEW LINE ITEM]

This line item provides funding for payments to the Center for Organizational Effectiveness, which provides professional development and training services for state employees.

STATUTORY AUTHORITY: Section 24-50-122, C.R.S.

REQUEST: The Department requests an appropriation of \$6,882 total funds including \$2,637 General Fund, \$1,849 cash funds, \$121 reappropriated funds, and \$2,275 federal funds, for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, STATEWIDE TRAINING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Non-prioritized decision item	\$6,882	\$2,637	\$1,849	\$121	\$2,275	0.0
TOTAL	\$6,882	\$2,637	\$1,849	\$121	\$2,275	0.0
INCREASE/(DECREASE)	\$6,882	\$2,637	\$1,849	\$121	\$2,275	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$6,882	\$2,637	\$1,849	\$121	\$2,275	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

FINANCIAL OPERATIONS AND REPORTING SERVICES [NEW LINE ITEM]

This line item provides funding for payments for statewide labor relation services provide by the Department of Personnel’s Division of Human Resources, Labor Relations Unit.

STATUTORY AUTHORITY: Sections 24-30-201 through 24-30-207, C.R.S.

REQUEST: The Department requests an appropriation of \$53,913 total funds including \$20,655 General Fund, \$14,489 cash funds, \$949 reappropriated funds, and \$17,820 federal funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, FINANCIAL OPS AND REPORTING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Non-prioritized decision item	\$53,913	\$20,655	\$14,489	\$949	\$17,820	0.0
TOTAL	\$53,913	\$20,655	\$14,489	\$949	\$17,820	0.0
INCREASE/(DECREASE)	\$53,913	\$20,655	\$14,489	\$949	\$17,820	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$53,913	\$20,655	\$14,489	\$949	\$17,820	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PROCUREMENT AND CONTRACTS SERVICES [NEW LINE ITEM]

This line item provides funding for payments for statewide labor relation services provide by the Department of Personnel’s Division of Human Resources, Labor Relations Unit.

STATUTORY AUTHORITY: Sections 24-102-201 through 207 and 24-102-301, C.R.S.

REQUEST: The Department requests an appropriation of \$33,389 total funds, \$12,792 General Fund, \$8,973 cash funds, \$588 reappropriated funds, and \$11,036 federal funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION, PROCUREMENT AND CONTRACTS SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Non-prioritized decision item	\$33,389	\$12,792	\$8,973	\$588	\$11,036	0.0
TOTAL	\$33,389	\$12,792	\$8,973	\$588	\$11,036	0.0
INCREASE/(DECREASE)	\$33,389	\$12,792	\$8,973	\$588	\$11,036	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$33,389	\$12,792	\$8,973	\$588	\$11,036	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(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 \$11.7 million total funds including \$11.1 million General Fund and \$584,058 federal funds in FY 2024-25. The request includes changes related to the Department’s second and third prioritized requests.

RECOMMENDATION: Staff recommendation is summarized in the table below and incorporates changes related to the Department’s second and third prioritized requests. Staff recommendation differs from the request due to staff recommending cash funds instead of General Fund to support the request.

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY CONTRACTS AND EQUIPMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$8,337,631	\$5,450,199	\$0	\$0	\$2,887,432	0.0
TOTAL	\$8,337,631	\$5,450,199	\$0	\$0	\$2,887,432	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$8,337,631	\$5,450,199	\$0	\$0	\$2,887,432	0.0
R3 UPK IT	3,260,000	0	3,260,000	0	0	0.0
R2 CDEC departmental operations	2,784,966	2,784,966	0	0	0	0.0
Non-prioritized decision item	5,014	5,014	0	0	0	0.0
Annualize prior year budget actions	(2,660,646)	(357,272)	0	0	(2,303,374)	0.0
TOTAL	\$11,726,965	\$7,882,907	\$3,260,000	\$0	\$584,058	0.0
INCREASE/(DECREASE)	\$3,389,334	\$2,432,708	\$3,260,000	\$0	(\$2,303,374)	0.0
Percentage Change	40.7%	44.6%	n/a	n/a	(79.8%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$11,726,965	\$11,142,907	\$0	\$0	\$584,058	0.0
Request Above/(Below) Recommendation	\$0	\$3,260,000	(\$3,260,000)	\$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 continuation of FY 2023-24 funding levels for this item.

RECOMMENDATION: Staff recommends approval of the request.

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SYSTEMS MANAGED BY OTHER DEPARTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$580,895	\$72,461	\$0	\$0	\$508,434	2.0
TOTAL	\$580,895	\$72,461	\$0	\$0	\$508,434	2.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$580,895	\$72,461	\$0	\$0	\$508,434	2.0
TOTAL	\$580,895	\$72,461	\$0	\$0	\$508,434	2.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SYSTEMS
MANAGED BY OTHER DEPARTMENTS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 EXECUTIVE REQUEST	\$580,895	\$72,461	\$0	\$0	\$508,434	2.0
Request Above/(Below) Recommendation	\$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 \$12.9 million total funds including \$10.7 million General Fund and \$0.6 million reappropriated funds for FY 2024-25.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the chart below.

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, PAYMENTS TO OIT

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$9,786,986	\$8,062,663	\$0	\$1,724,323	\$0	0.0
HB 24-1182 (Supplemental)	(142,526)	(116,871)	0	(25,655)	0	0.0
TOTAL	\$9,644,460	\$7,945,792	\$0	\$1,698,668	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$9,644,460	\$7,945,792	\$0	\$1,698,668	\$0	0.0
Centrally appropriated line items	3,142,368	2,588,729	0	553,639	0	0.0
Annualize prior year legislation	142,526	116,871	0	25,655	0	0.0
TOTAL	\$12,929,354	\$10,651,392	\$0	\$2,277,962	\$0	0.0
INCREASE/(DECREASE)	\$3,284,894	\$2,705,600	\$0	\$579,294	\$0	0.0
Percentage Change	34.1%	34.1%	0.0%	34.1%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$12,929,354	\$10,651,392	\$0	\$2,277,962	\$0	0.0
Request Above/(Below) Recommendation	\$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 \$24,631 General Fund for FY 2024-25.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items once Committee policy is established.

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$71,546	\$71,546	\$0	\$0	\$0	0.0
TOTAL	\$71,546	\$71,546	\$0	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$71,546	\$71,546	\$0	\$0	\$0	0.0
Centrally appropriated line items	(55,946)	(55,946)	0	0	0	0.0
TOTAL	\$15,600	\$15,600	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$55,946)	(\$55,946)	\$0	\$0	\$0	0.0
Percentage Change	(78.2%)	(78.2%)	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$24,631	\$24,631	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$9,031	\$9,031	\$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 \$3.9 million federal funds to support CHATS in FY 2024-25.

RECOMMENDATION: The staff recommends approval of the request as outlined in the chart below.

EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY, CHILD CARE AUTOMATED TRACKING SYSTEM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$4,109,933	\$0	\$0	\$0	\$4,109,933	0.0
TOTAL	\$4,109,933	\$0	\$0	\$0	\$4,109,933	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$4,109,933	\$0	\$0	\$0	\$4,109,933	0.0
Annualize prior year budget actions	(150,000)	0	0	0	(150,000)	0.0
TOTAL	\$3,959,933	\$0	\$0	\$0	\$3,959,933	0.0
INCREASE/(DECREASE)	(\$150,000)	\$0	\$0	\$0	(\$150,000)	0.0
Percentage Change	(3.6%)	0.0%	0.0%	0.0%	(3.6%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$3,959,933	\$0	\$0	\$0	\$3,959,933	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(2) PARTNERSHIPS AND COLLABORATIONS

PARTNERSHIPS AND COLLABORATIONS				
	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation				
SB 23-214 (Long Bill)	\$14,585,465	\$2,029,904	\$12,555,561	6.5
HB 24-1182 (Supplemental)	15,200	0	15,200	0.0
TOTAL	\$14,600,665	\$2,029,904	\$12,570,761	6.5
FY 2024-25 RECOMMENDED APPROPRIATION				
FY 2023-24 Appropriation	\$14,600,665	\$2,029,904	\$12,570,761	6.5
BA2 Cost allocation plan	15,200	0	15,200	0.0
R4 Universal preschool and child care workforce supports	1,000,000	1,000,000	0	0.0
R8 Provider rate increase	34,400	34,400	0	0.0
Centrally appropriated line items	23,274	10,506	12,768	0.0
Annualize prior year budget actions	(6,385,840)	0	(6,385,840)	0.0
Annualize prior year legislation	(15,200)	0	(15,200)	0.0
TOTAL	\$9,272,499	\$3,074,810	\$6,197,689	6.5
INCREASE/(DECREASE)	(\$5,328,166)	\$1,044,906	(\$6,373,072)	0.0
Percentage Change	(36.5%)	51.5%	(50.7%)	0.0%
FY 2024-25 EXECUTIVE REQUEST				
Request Above/(Below) Recommendation	(\$171)	(\$171)	\$0	0.0

LINE ITEM DETAIL - PARTNERSHIPS AND COLLABORATIONS

PERSONAL SERVICES

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

STATUTORY AUTHORITY: Sections 26.5-1-104, and 24-50-101, C.R.S.

REQUEST: The Department requests \$822,059 total funds including \$283,139 General Fund and \$538,920 federal funds in FY 2024-25.

RECOMMENDATION: Staff recommends approval of the request adjusted for changes to centrally appropriated line items, and requests permission to adjust centrally appropriated line items as needed to align with common policy decisions of the committee.

PARTNERSHIPS AND COLLABORATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$798,785	\$272,633	\$0	\$0	\$526,152	6.5
TOTAL	\$798,785	\$272,633	\$0	\$0	\$526,152	6.5

PARTNERSHIPS AND COLLABORATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$798,785	\$272,633	\$0	\$0	\$526,152	6.5
Centrally appropriated line items	23,274	10,506	0	0	12,768	0.0
TOTAL	\$822,059	\$283,139	\$0	\$0	\$538,920	6.5
INCREASE/(DECREASE)						
	\$23,274	\$10,506	\$0	\$0	\$12,768	0.0
Percentage Change	2.9%	3.9%	0.0%	0.0%	2.4%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$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 Department requests \$182,766 total funds including \$45,846 General Fund and \$136,920 federal funds as a continuation of FY 2023-24 appropriations.

RECOMMENDATION: Staff recommends approval of the requested continuation funding.

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 \$721,570 federal funds to support LCOs in FY 2024-25. Additional funding is included for LCOs in the Universal Preschool Program line item.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

PARTNERSHIPS AND COLLABORATIONS, LOCAL COORDINATING ORGANIZATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$5,273,021	\$0	\$0	\$0	\$5,273,021	0.0
TOTAL	\$5,273,021	\$0	\$0	\$0	\$5,273,021	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$5,273,021	\$0	\$0	\$0	\$5,273,021	0.0
Annualize prior year budget actions	(4,551,451)	0	0	0	(4,551,451)	0.0

PARTNERSHIPS AND COLLABORATIONS, LOCAL COORDINATING ORGANIZATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$721,570	\$0	\$0	\$0	\$721,570	0.0
INCREASE/(DECREASE)	(\$4,551,451)	\$0	\$0	\$0	(\$4,551,451)	0.0
Percentage Change	(86.3%)	n/a	n/a	n/a	(86.3%)	n/a
FY 2024-25 EXECUTIVE REQUEST	\$721,570	\$0	\$0	\$0	\$721,570	0.0
Request Above/(Below) Recommendation	\$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 \$4.3 million total funds including \$1.0 million General Fund and \$3.3 million federal funds to support the Early Childhood Councils. This includes a \$1.0 million General Fund increase as requested by the Department in its fourth prioritized request.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

PARTNERSHIPS AND COLLABORATIONS, EARLY CHILDHOOD COUNCILS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$3,331,173	\$0	\$0	\$0	\$3,331,173	0.0
TOTAL	\$3,331,173	\$0	\$0	\$0	\$3,331,173	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$3,331,173	\$0	\$0	\$0	\$3,331,173	0.0
R4 UPK & child care workforce supports	1,000,000	1,000,000	0	0	0	0.0
TOTAL	\$4,331,173	\$1,000,000	\$0	\$0	\$3,331,173	0.0
INCREASE/(DECREASE)	\$1,000,000	\$1,000,000	\$0	\$0	\$0	0.0
Percentage Change	30.0%	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$4,331,173	\$1,000,000	\$0	\$0	\$3,331,173	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

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 support 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 26.5-5-324, C.R.S.

REQUEST: The Department requests \$1.2 million federal funds which includes a decrease of \$1.8 million from the previous fiscal year due to the annualization of prior year budget actions.

RECOMMENDATION: Staff recommend approval of the request.

PARTNERSHIPS AND COLLABORATIONS, CHILD CARE RESOURCE AND REFERRALS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$3,046,353	\$0	\$0	\$0	\$3,046,353	0.0
TOTAL	\$3,046,353	\$0	\$0	\$0	\$3,046,353	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$3,046,353	\$0	\$0	\$0	\$3,046,353	0.0
Annualize prior year budget actions	(1,834,389)	0	0	0	(1,834,389)	0.0
TOTAL	\$1,211,964	\$0	\$0	\$0	\$1,211,964	0.0
INCREASE/(DECREASE)	(\$1,834,389)	\$0	\$0	\$0	(\$1,834,389)	0.0
Percentage Change	(60.2%)	0.0%	0.0%	0.0%	(60.2%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$1,211,964	\$0	\$0	\$0	\$1,211,964	0.0
Request Above/(Below) Recommendation	\$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 million General Fund to implement a 2.0 percent provider rate increase for Family Resource Centers.

RECOMMENDATION: Staff recommends \$1,745,825 General Fund to support a 2.5% provider rate increase consistent with common policy decisions approved by the committee which is just slightly above the requested amount.

PARTNERSHIPS AND COLLABORATIONS, FAMILY RESOURCE CENTERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$1,711,425	\$1,711,425	\$0	\$0	\$0	0.0
TOTAL	\$1,711,425	\$1,711,425	\$0	\$0	\$0	0.0

PARTNERSHIPS AND COLLABORATIONS, FAMILY RESOURCE CENTERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$1,711,425	\$1,711,425	\$0	\$0	\$0	0.0
R8 Provider rate increase	34,400	34,400	0	0	0	0.0
TOTAL	\$1,745,825	\$1,745,825	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)						
	\$34,400	\$34,400	\$0	\$0	\$0	0.0
Percentage Change	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$171)	(\$171)	\$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 \$257,142 federal funds for FY 2023-24, taking into account changes requested through the second prioritized budget amendment for the Department’s cost allocation plan.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

PARTNERSHIPS AND COLLABORATIONS, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$241,942	\$0	\$0	\$0	\$241,942	0.0
HB 24-1182 (Supplemental)	\$15,200	\$0	\$0	\$0	\$15,200	0.0
TOTAL	\$257,142	\$0	\$0	\$0	\$257,142	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$257,142	\$0	\$0	\$0	\$257,142	0.0
BA2 Cost allocation plan	15,200	0	0	0	15,200	0.0
Annualize prior year legislation	(15,200)	0	0	0	(15,200)	0.0
TOTAL	\$257,142	\$0	\$0	\$0	\$257,142	0.0
INCREASE/(DECREASE)						
	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(3) EARLY LEARNING ACCESS AND QUALITY

EARLY LEARNING ACCESS AND QUALITY					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation					
SB 23-214 (Long Bill)	\$586,647,064	\$208,374,398	\$170,568,750	\$207,703,916	54.2
Other legislation	2,500,000	2,500,000	0	0	0.0
HB 24-1182 (Supplemental)	12,247,686	0	0	12,247,686	0.0
TOTAL	\$601,394,750	\$210,874,398	\$170,568,750	\$219,951,602	54.2
FY 2024-25 RECOMMENDED APPROPRIATION					
FY 2023-24 Appropriation	\$601,394,750	\$210,874,398	\$170,568,750	\$219,951,602	54.2
R1/BA1 Universal Preschool Program	54,689,508	7,233,200	47,456,308	0	6.6
BA2 Cost allocation plan	966,005	0	0	966,005	0.0
BA3 Imagination Library Transfer	2,230,266	2,230,266	0	0	0.0
R4 Universal preschool and child care workforce supports	1,089,229	1,089,229	0	0	8.0
R5 CCCAP	21,144,642	0	1,546,701	19,597,941	4.0
R8 Provider rate increase	2,865,349	608,940	311,157	1,945,252	0.0
Centrally appropriated line items	232,788	87,606	38,715	106,467	0.0
Annualize prior year budget actions	(111,686,430)	(36,283,952)	(40,673)	(75,361,805)	(16.4)
Annualize prior year legislation	(14,747,686)	(2,500,000)	0	(12,247,686)	0.0
Technical adjustment	0	3,615,460	0	(3,615,460)	0.0
TOTAL	\$558,178,421	\$186,955,147	\$219,880,958	\$151,342,316	56.4
INCREASE/(DECREASE)	(\$43,216,329)	(\$23,919,251)	\$49,312,208	(\$68,609,286)	2.2
Percentage Change	(7.2%)	(11.3%)	28.9%	(31.2%)	4.1%
FY 2024-25 EXECUTIVE REQUEST	\$564,639,574	\$183,240,549	\$226,441,249	\$154,957,776	56.7
Request Above/(Below) Recommendation	\$6,461,153	(\$3,714,598)	\$6,560,291	\$3,615,460	0.3

DECISION ITEMS – EARLY LEARNING ACCESS AND QUALITY

→ R5 COLORADO CHILD CARE ASSISTANCE PROGRAM

REQUEST: The Department requests \$21,144,642 total funds in FY 2024-25, including \$19,597,941 in Child Care Development Funds and \$1,546,701 cash funds, included in long bill appropriations for informational purpose as they are from local government funds, to continue CCCAP policies currently funded with stimulus funds. This would annualize to \$19,384,213 total funds, including \$2,062,268 cash funds from local governments and \$17,321,945 federal CCDF in FY 2025-26.

STAFF RECOMMENDATION: Staff recommends an increase of \$21.1 million total funds including an increase of \$1.5 million local funds which are included in the long bill for informational purposes. This does not differ from the Department’s request.

ANALYSIS:

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 conducted in 2022.

A significant portion of federal CCDF stimulus funding will roll off this year, though not all stimulus funds were utilized for to directly support the CCCAP program. A small portion of the stimulus funds remain through FY 2024-25. However, 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 requests to utilize the increased available CCDF to continue polices currently funded with one-time stimulus funds as well as to support 5.0 FTE currently supported with stimulus funds. The components of this request are broken out in the chart below:

R5 COLORADO CHILD CARE ASSISTANCE PROGRAM FUNDING		
REQUEST	FY 2024-25	FY2025-26
CCCAP staffing	\$399,453	\$464,319
CCCAP Caseload Increase	331,950	442,600
CCCAP 24-25 Rates	8,771,128	11,694,837
Paid Absences	1,839,799	2,453,065
Alternate Rate Methodology	3,247,044	4,329,392
Infant & Toddler Payments	4,189,800	0
Parent Copays	2,365,468	0
Sub-Total	\$21,144,641	\$19,384,213
<i>County Proportional Allocation</i>	<i>\$1,546,701</i>	<i>\$2,062,268</i>
<i>% Historical Share</i>	<i>10.90%</i>	<i>10.90%</i>
<i>Total FF</i>	<i>\$19,597,940</i>	<i>\$17,321,945</i>
<i>Total CF</i>	<i>\$1,546,701</i>	<i>\$2,062,268</i>
Total	\$21,144,641	\$19,384,213

CCCAP Staffing

The Department requests \$399,454 total funds to support 5.0 stimulus-funded positions within the Department. A description of the request and recommendations is shown in the table below. The Department indicates that these positions constitute core support for the CCCAP program.

R5 COLORADO CHILD CARE ASSISTANCE PROGRAM STAFFING REQUESTS							
CLASSIFIED POSITION TITLE	POSITION	FTE	FY 2024-25	FTE	FY 2025-26	CURRENTLY STIMULUS FUNDED?	DESCRIPTION OF RESPONSIBILITIES
SOC SERVICES SPEC III	CCCAP Spec	3.2	\$184,666	4.0	\$230,832	Yes	Social Services Specialists are responsible for recruiting and developing relationships with stakeholders; providing technical assistance to county staff and child care providers; tracking key project deliverables; advising County Departments of Human Services; conducting regular scans of local practice to ensure access to high quality programs; and executing strategies such as the Colorado Shines Brighter program under the federal grant.
SOC SERVICES SPEC IV	CCCAP Spec	0.8	56,112	1.0	70,140	Yes	The CCCAP program lead us responsible for ensuring overall compliance of CCCAP; coordinating with staff for Qualified Exempt Provider inspection visits; analyzing current and historical data; determining necessary steps to implement training events; and creating processes for counties, providers, and clients to access program materials.
Total Salary		4.0	\$240,778	5.0	\$300,972		
<i>Additional Personnel Costs</i>			31,180		38,976		
<i>Centrally Appropriated Items</i>			93,756		117,196		
<i>Operating Expenses</i>			33,740		7,175		
Total Requested Appropriation			\$399,454		\$464,319		
Recommended			305,698		464,319		
Difference			(\$93,756)		\$0		

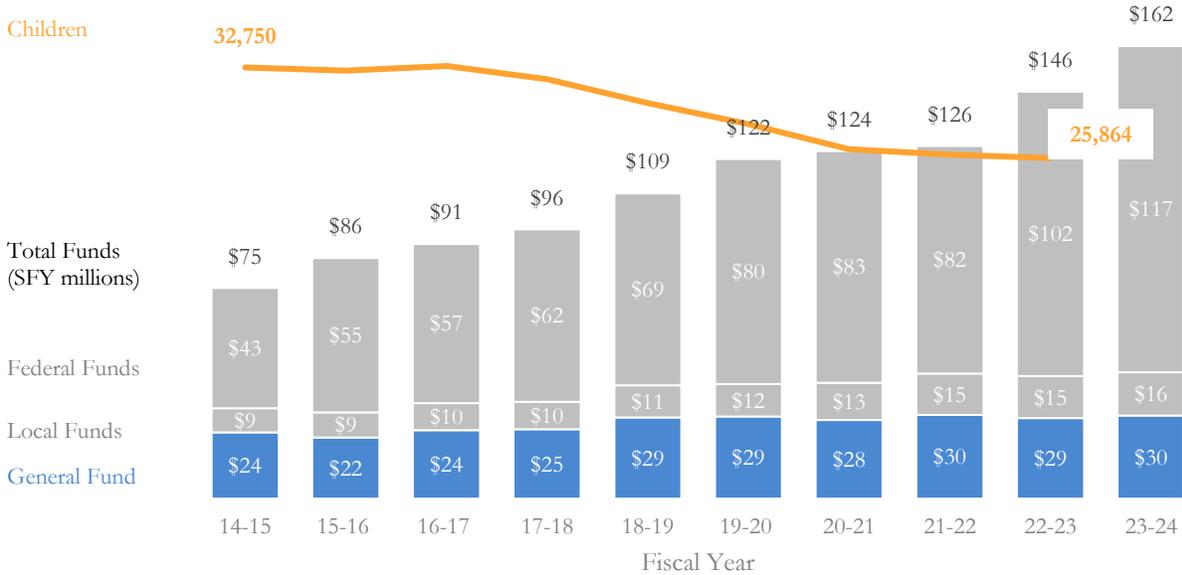
Based on the information provided by the Department, the increase in CCDF funding levels is anticipated to remain elevated for the time being. Additionally, the Department asserts that these FTE support core functions in the Department’s responsibilities for administering the program. Once again, it appears stimulus funds were utilized to support the build out of the Department’s infrastructure as it became an independent Department. Therefore, **staff recommends the request with a slight adjustment downward in the first year to account for centrally appropriated items funding requested which is typically not appropriated in the first year of the request.**

CCCAP Caseload Increase

Caseload numbers decreased significantly over the past 10 years with a significant decrease occurring between FY 2019-20 and FY 2020-21. Recent data suggests increases in utilization, though modest, and the Department anticipates continued modest growth in FY 2024-25. The Department expects that as more children enroll in UPK, eligible families will begin to utilize the service to blend care for children. Additionally, the Department has seen a 10.7 percent increase in providers accepting CCCAP since the implementation of stimulus-funded initiatives.

The chart on the next page demonstrates historical expenditures compared to participation in the program.

Colorado Child Care Assistance Program expenditures grew since FY 2014-15 as the number of children declined, rebounding slightly in FY 2022-23.



The Department indicates that policy changes in the program, to be discussed further below, may be accountable for fewer children in the program despite increased funding and expenditures. Families and children have been remaining in the program longer to promote continuity of care for children, and reimbursement for child care providers has also increase. These changes result in the program serving fewer children for longer periods of time.

The Department requests spending authority for \$331,950 federal Child Care Development Cash Funds to support modest increases in caseload as the rollout of UPK increases family awareness of this program. **Staff recommends approval of the requested spending authority.**

CCCAP Provider Rates

Prior to the identification of stimulus-funded strategies to enhance the program, the Federal Office of Child Care determined the state was out of compliance with equal access provisions and should partially raise rates to meet the intent of the Child Care and Development Block Grant (CCDBG) Act. A September 2021 increase to licensed CCCAP provider reimbursement rates brought Colorado back into compliance, and in October 2022 rates were increased again as the result of the required market rate survey. These increases were implemented with the help of federal stimulus funds. Therefore, the Department requests spending authority of \$8.8 million to support base provider rate increases for CCCAP providers. **Staff recommends approval of the request.**

Paid Absences

As part of a multi-pronged effort to retain and entice provider participation in the CCCAP program, and in part due to federal requirements, the Department increased the number of allowable paid absences for children participating in the CCCAP program. The number of allowable paid absences increases with higher quality ratings for the provider.

CCCAP provides reimbursement to providers based on attendance in the program. However, once deemed eligible, children may remain in the program for 12 months. If a student is absent, the provider does not get reimbursed for care on that day. Payment for a certain number of absences provides greater stability for providers, helping to increase retention of providers in the program and incentivizing higher quality ratings.

Staff recommends approval of the Department’s request for spending authority to support additional paid absences for providers based on the need to retain participating providers in the program and the increased funding stability it provides them.

Alternate Rate Methodology

The Department is in the process of finalizing rules to support an alternate rate methodology which would take into account the cost of providing child care services. Historically, provider reimbursement rates rely on market rate surveys that result in reimbursement rates of 75.0 percent or less of the cost to provide services.

The Department must be promulgated the changes through an extensive review process, and rate setting for the program runs through a committee composed of county participants. The Department believes this alternate methodology will help recruit and retain higher quality providers as well as enhance eligible families’ ability to access higher-quality care than may otherwise have been available to them under the program.

The Department must strike a delicate balance between providing access to higher quality care at a potentially higher cost for fewer children and providing adequate, though potentially lower quality, care at a relatively lower cost and serving more families. For the Department, this methodology increases equity in access to higher quality care; but it could also be suggested that fewer families may have access to any care at all if the increased cost drives down the number of children it can served. It can be argued that without participating providers, the program capacity to serve children will also be diminished. Taking into consideration these concerns, staff recommends approval of the spending authority request and looks forward to reports from the Department regarding the impact of this new methodology.

Infant & Toddler Payments

The Department requests spending authority to provide reimbursement for infant and toddler services based on enrollment rather than attendance. The first year of implementation of payment based on this policy resulted in over 300 additional infants and toddlers served in CCCAP. County representatives surveyed as of July 2023 expressed strong support for the continuation of the policy to provide financial stability for CCCAP providers. This particular policy would only be extended for one more year. **Staff recommends approval of the request.**

Parent Co-Pays

Copayments for CCCAP services are based on a percentage of the household’s gross income. Prior to August 2020, those fees ranged from 1.0 percent to 14.0 percent of the gross income. Beginning in FY 2020-21, fees were capped at 70 percent to help parents continue to afford child care during the pandemic. In July 2-21, the State Board of Human Services passed a rule change for July 1, 2021 through September 30, 2024 that caps family co-pays at a maximum of 10.0 percent for families in the highest income eligible category.

The revised fee formula assesses fees based on marginal rate increases rather than an increased percentage of a family’s gross income. This methodology mitigates steep increases families experienced in past formulas by slowly increasing the fee over time. The required lower parent copay formula will sunset on October 1, 2024, but the State will not be out of compliance with the change, it will be out of alignment with federal guidance. Additionally, significant federal changes to the Child Care Development Fund may establish requirements on the lower parent copay and requiring payment to providers based on a child’s enrollment. Final regulations are expected in spring 2024.

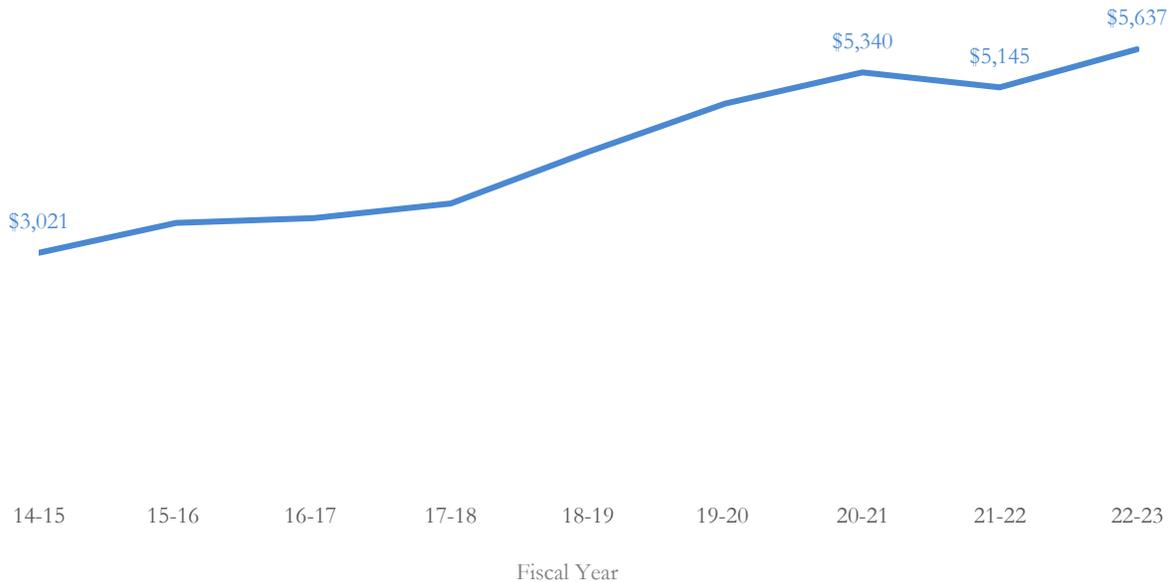
RECOMMENDATION

The Department’s request for this and the previous policy extension will allow time for federal requirements to take shape, preventing the need to reinstate them if they expire, creating a stable policy among providers, and giving a better runway if the federal requirements change. **Based on these considerations, staff recommends approval of the spending authority request.**

Further Consideration

These requested payment policies have unsurprisingly resulted in an increase average cost per child over time as can be seen in the chart below.

Colorado Child Care Assistance Program Average Expenditures per Child in constant FY 2023-24 dollars



According to the Department, the program is currently serving approximately 10.0 percent of all eligible children. Approval of the request comes with the expectation that changes can be made in the future if the impact of increased provider reimbursements is determined to have a disproportionately negative impact on the number of children served in the program.

Certain counties have expressed concern over cost to maintain these policies, believing the Department may not be requesting sufficient funds. However, these counties support the policies and have indicated support for them in general. Counties also have the authority to make county-based policy decisions above and beyond state guidance for the CCCAP program. For example, some may

choose to provide more days of paid absences than required. Counties may use local funds to supplement state and federal funding for the program to support such policies.

If a county anticipates insufficient funding to support increased enrollment, it may request to implement an enrollment freeze and/or to operate with a waitlist. Prior to the pandemic and subsequent influx of stimulus funds, up to a handful of programs requested to freeze or waitlist enrollment at times. However, as stimulus funds subside, counties may need to implement a freeze or waitlist to ensure its ability to meet its financial responsibilities for all participants in the program. Historically, the state allotment was such that funds have reverted each year; additionally, counties that overspend may receive reallocations from counties that underspent their allotment. In recent years, the Department implemented changes to the allotment formula to account for utilization rates. Still, as expected with the roll off of stimulus funds, a return to a more normal balance for the program is expected, and it has some counties concerned.

→ S2/BA3 IMAGINATION LIBRARY TRANSFER

DEPARTMENT REQUEST: As a supplemental request, the Department requested the JBC sponsor supplemental legislation to allow the Imagination Library of Colorado program to partner with other organizations and book publishers to meet its mission of providing one book a month to eligible children aged birth to 5 years old. Additionally, the legislation transfers authority of the ILCO program from the Department of Education to the Department of Early Childhood, including the transfer of any appropriations for the program. Current funding for the ILCO program is \$1,624,365 General Fund. The Department has not requested an increase at this time, indicating it wishes to gauge program uptake under the expanded program before requesting an increase.

RECOMMENDATION: Staff recommends \$2,230,266 General Fund for the Imagination Library Colorado Program in FY 2024-25, which is an increase of \$605,901 over the current fiscal year appropriations.

STAFF ANALYSIS:

BACKGROUND: THE COLORADO IMAGINATION LIBRARY PROGRAM

Senate Bill 20-185 created the Colorado Imagination Library Program to provide books free of charge to children under the age of five. The Colorado program office acts as the state affiliate for the Dolly Parton Imagination Library which has two major roles: (1) work with the national Imagination Library program to obtain program books (which are identified by the national program); and (2) work with local affiliates in each county (e.g., nonprofits such as United Ways, public libraries, and other local entities) to raise matching funds and identify the children who receive books from the program.

Senate Bill 21-269 (Public School Finance) made statutory adjustments to the program, effectively creating an entitlement and requiring the General Assembly to annually appropriate General Fund for the state's share of the cost of providing books. Additionally, statute requires the General Assembly to increase the appropriation in subsequent years as necessary to meet the intention of providing full funding by 2026 for any child wishing to participate. Past documentation provided by the program suggests that nationally, this program tops out around 65 percent participation of the eligible population.

PROGRAM FUNDING

Program funding is a combination of state General Fund and locally-raised donations. The state funds 50.0 percent of the cost of the books (\$1.15 per child per month) and allows 20.0 percent of the State's appropriation to be used for administrative costs, including central program operations and a statutorily-required evaluation of the program. Local affiliates are responsible for 50.0 percent of the costs of the books on an ongoing basis (\$1.15 match per child per month).

Since its inception, state funding has increased over time to meet enrollment growth:

- Senate Bill 21-268 provided an initial appropriation of \$440,210 General Fund, and the fiscal note for the bill indicated that this amount would increase by \$496,919 General Fund to \$907,140 General Fund for FY 2022-23.
- The Long Bill (H.B. 22-1329) provided an appropriation of \$907,140 General Fund for the program, as required by S.B. 21-268, and extended the appropriation provided in the FY 2021-22 School Finance Act (\$440,210 General Fund for FY 2021-22) so that unspent funds could be used in FY 2022-23.
- For the current fiscal year, FY 2023-24, the Department requested an increase of \$569,555 for the Colorado Imagination Library, bringing total funding to \$1,476,695 for FY 2023-24 and ongoing. **Staff recommended, and the Committee approved, an increase of \$717,225 General Fund for a total appropriation of \$1,624,365 General Fund based on the request plus a 10.0 percent buffer to accommodate potentially rapid growth.** Staff anticipated the program may revert funds as payment is only made for books that are distributed, and the program may not grow fast enough to maximize the appropriation. The provision of additional funds was recommended specifically to avoid the need for a supplemental adjustment to the program. According to the State Controller, the program reverted \$375,360 to the General Fund in FY 2023, and staff anticipated the possibility of reversions in the current fiscal year as well.

PROGRAM REACH

In the program's 2022 Annual Report, dated June 30, 2022, the program indicated 55.9 percent growth in the number of children served, from approximately 14,450 children to 22,523 children. Additionally, the program grew from 20 county affiliates to 50 over the same period of time - between October 2021 and June 2022.

According to the program's 2023 Annual Report, the number of children served has grown from 22,523 to 51,205, and the number of counties open to enrollment has grown from 50 to 63. In the report, the ILCO estimates there are approximately 333,296 children age 5 and under in the State. As of the end of June 2023, with 51,205 children served, the program was serving approximately 15.4% percent of eligible children, up from 6.8% in 2022.

REQUEST*SUPPLEMENTAL REQUEST: STATUTORY PERMISSION TO EXPAND PARTNERSHIP*

The Department requested, and was granted, a statutory change to allow the Imagination Library of Colorado contractor to partner with other Colorado nonprofits and additional book publishers for the purpose of providing books to enrolled children. Specifically, the Department identified a potential partner in Reach Out and Read Colorado which serves children birth through 5 by sharing books and early literacy support via pediatric visits. A partnership such as this will allow health care providers to enroll families in ILCO and deliver ILCO books. The Department asserts that this immediate change will prevent the program from reverting approximately \$135,000 General Fund to the state.

RELATED BUDGET AMENDMENT REQUEST TO TRANSFER AUTHORITY AND MAKE MODIFICATIONS

The Department submitted a companion budget amendment request for FY 2024-25 to transfer statutory authority of the program from the Department of Education to the Department of Early Childhood, which would precipitate the transfer of the associated funding of \$1,624,365 General Fund for this purpose. This change, if approved by the legislature, will be made in the supplemental and will provide the Department roll forward authority from FY 2023-24 to FY 2024-25 of any remaining spending authority for the program.

STAFF RECOMMENDATION

Staff recommends \$2,230,266 General Fund for the Imagination Library Colorado Program in FY 2024-25, which is an increase of \$605,901 over the current fiscal year appropriations. The increase is estimated to support 50.0 percent growth in enrollment and 2.0 percent growth in program costs. The below table demonstrates historical enrollment and appropriations for the program.

ILCO PROGRAM METRICS AND PROJECTIONS				
	2021-22	2022-23	2023-24*	2024-25** RECOMMENDED
Appropriations	\$ 440,210	\$ 907,140	\$ 1,624,365	\$ 2,230,266
Children Served	22,523	51,205	96,079	144,119
Eligible population	335,638	333,296	TBD	TBD
Enrollment Growth	54.9%	127.4%	87.6%	50.0%
Percent of eligible population served	6.8%	15.4%	28.6%	43.2%

**In FY 2023-24, children served is based on a target set by ILCO during the 2023 figure setting*

**** In FY 2024-25, the appropriation recommendation incorporates an estimated 50% enrollment growth based on 2023-24 estimates and 2% estimated increase in program costs based on 2022-23 cost projection data. Percent of eligible population served is estimated based on June 2022 population data.*

→ TECHNICAL CORRECTION – CCCAP FUNDING

REQUEST: The Department requests to correct an annualization error for the Colorado Child Care Assistance Program in FY 2024-25 which inadvertently reduced General Fund by \$1,807,730 and increased federal funds by the same amount. The Department wishes to reverse this annualization error by increasing General Fund and reducing federal funds by \$1,807,730.

RECOMMENDATION: Staff recommends approval of the request.

ANALYSIS: In FY 2021-22, the Department of Human Services requested a reduction of \$1,807,730 General Fund and increase of the federal Child Care Development funds by an equal amount to address an over-appropriation of state dollars per federal matching requirements. This request was to last for two years. The Department of Early Childhood inadvertently incorporated the same reduction and increase this year as a technical adjustment. Therefore, the Department double-counted the General Fund reduction and federal funds increase and requests to reverse the adjustment.

Staff recommends approval of the technical correction ensure the state is appropriating the correct amount of General Fund and federal fund for the program.

LINE ITEM DETAIL – EARLY LEARNING ACCESS AND QUALITY

PERSONAL SERVICES

This line item also provides funds to administer the Colorado Child Care Assistance Program (CCCAP). Departmental administrative activities include providing technical support and training for all 64 counties, compliance tracking and monitoring of the usage of CCCAP funds and other related administrative and supervisory support. Costs include contracts to conduct the Colorado Child Care Assistance Program Rate Setting Study, which is used to help establish reimbursement rates for child care providers within Colorado's Child Care Assistance Program (CCCAP) that provide equal access to children and families. 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 \$11.2 million total funds including \$5.4 million General Fund, \$624,544 cash funds, and \$5.2 million federal funds for FY 2024-25 which incorporates changes related to the Departments R1/BA1, BA3, R4, and R5 prioritized request.

RECOMMENDATION: Staff recommends \$11.5 million total funds including \$5.3 million General Fund, \$1.0 million cash funds, and \$5.2 million federal funds. This recommendation differs from the request due to additional funds provided for the Imagination Library program and denial of portions of the R1/BA1 and R4 requests related to staffing as discussed above.

EARLY LEARNING ACCESS AND QUALITY, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$8,851,463	\$2,013,895	\$500,110	\$0	\$6,337,458	50.7
TOTAL	\$8,851,463	\$2,013,895	\$500,110	\$0	\$6,337,458	50.7
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$8,851,463	\$2,013,895	\$500,110	\$0	\$6,337,458	50.7
BA3 Imagination Library Transfer	2,230,266	2,230,266	0	0	0	0.0
R4 UPK child care workforce supports	1,001,394	1,001,394	0	0	0	8.0
R1/BA1 Universal Preschool Program	467,818	0	467,818	0	0	6.6
R5 CCCAP	365,713	0	0	0	365,713	4.0
Centrally appropriated line items	232,788	87,606	38,715	0	106,467	0.0
Annualize prior year budget actions	(1,626,284)	8,182	0	0	(1,634,466)	(12.9)
TOTAL	\$11,523,158	\$5,341,343	\$1,006,643	\$0	\$5,175,172	56.4
INCREASE/(DECREASE)	\$2,671,695	\$3,327,448	\$506,533	\$0	(\$1,162,286)	5.7
Percentage Change	30.2%	165.2%	101.3%	0.0%	(18.3%)	11.2%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$273,607)	\$108,492	(\$382,099)	\$0	\$0	0.3

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 \$392,825 total funds including \$137 General Fund, \$18,535 cash funds, and \$237,195 federal funds in FY 2024-25 which incorporates changes related to the department’s first, fourth, and fifth prioritized requests.

RECOMMENDATION: The staff recommends approval of the request as demonstrated in the chart below. Staff recommendation differs from the request for R1, as discussed previously, which provides Preschool Program Cash Funds to support requested FTE instead of the requested General Fund.

EARLY LEARNING ACCESS AND QUALITY, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$252,373	\$1,350	\$10,800	\$0	\$240,223	0.0
TOTAL	\$252,373	\$1,350	\$10,800	\$0	\$240,223	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$252,373	\$1,350	\$10,800	\$0	\$240,223	0.0
R4 UPK & child care workforce supports	87,835	87,835	0	0	0	0.0
R1/BA1 Universal Preschool Program	55,645	0	55,645	0	0	0.0
R5 CCCAP	33,740	0	0	0	33,740	0.0
Annualize prior year budget actions	(36,768)	0	0	0	(36,768)	0.0
TOTAL	\$392,825	\$89,185	\$66,445	\$0	\$237,195	0.0
INCREASE/(DECREASE)	\$140,452	\$87,835	\$55,645	\$0	(\$3,028)	0.0
Percentage Change	55.7%	6,506.3%	515.2%	0.0%	(1.3%)	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$47,910	(\$47,910)	\$0	\$0	0.0

CAPITAL OUTLAY

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

STATUTORY AUTHORITY: Sections 26.5-104, and 26.5-1-106, C.R.S.

REQUEST: The Department requested annualization of prior year budget actions which eliminates funding in this line item for FY 2024-25.

RECOMMENDATION: Staff recommends the request.

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 \$354.5 total funds including \$146.1 General Fund and \$208.4 million cash funds in FY 2024-25 to support the UPK program. Amounts include changes requested in the Department’s first prioritized request and budget amendment request and also include a decrease of \$30.9 million General Fund pertaining to one-time investments in the program.

RECOMMENDATION: Staff recommends \$347.8 million total funds including \$146.3 million General Fund and \$201.4 million cash funds. This differs from the Department’s initial request to incorporate a slight increase in General Fund to utilize 5.2% inflation increase instead of 5.0%, and it incorporates a downward adjustment of Preschool Programs Cash Funds due to the utilization of the cash fund for supplemental IT and staff recommendation in R3 which utilizes Preschool Programs Cash Fund instead of General Fund to support UPK Information Technology.

EARLY LEARNING ACCESS AND QUALITY, UNIVERSAL PRESCHOOL PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$322,000,000	\$167,500,000	\$154,500,000	\$0	\$0	0.0
Other legislation	\$2,500,000	\$2,500,000	\$0	\$0	\$0	0.0
TOTAL	\$324,500,000	\$170,000,000	\$154,500,000	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$324,500,000	\$170,000,000	\$154,500,000	\$0	\$0	0.0
R1/BA1 Universal Preschool Program	54,166,045	7,233,200	46,932,845	0	0	0.0
Annualize prior year budget actions	(28,400,000)	(28,400,000)	0	0	0	0.0
Annualize prior year legislation	(2,500,000)	(2,500,000)	0	0	0	0.0
TOTAL	\$347,766,045	\$146,333,200	\$201,432,845	\$0	\$0	0.0
INCREASE/(DECREASE)	\$23,266,045	(\$23,666,800)	\$46,932,845	\$0	\$0	0.0
Percentage Change	7.2%	(13.9%)	30.4%	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$354,515,060	\$146,091,915	\$208,423,145	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$6,749,015	(\$241,285)	\$6,990,300	\$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 \$170.7 million total funds including \$28.4 million General Fund, \$17.4 million cash funds, and \$124.8 million federal fund in FY 2024-25. This includes changes requested in the Department’s fifth and eight prioritized requests as well as a technical adjustment to correct a double-counting of the previous year’s CCCAP annualization (discussed earlier).

RECOMMENDATION: The staff recommends approval of the request as demonstrated in the chart below.

EARLY LEARNING ACCESS AND QUALITY, CHILD CARE ASSISTANCE PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$162,095,293	\$29,734,240	\$15,557,840	\$0	\$116,803,213	0.0
TOTAL	\$162,095,293	\$29,734,240	\$15,557,840	\$0	\$116,803,213	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$162,095,293	\$29,734,240	\$15,557,840	\$0	\$116,803,213	0.0
R5 CCCAP	20,745,189	0	1,546,701	0	19,198,488	0.0
R8 Provider rate increase	2,865,349	608,940	311,157	0	1,945,252	0.0
Technical adjustment	0	3,615,460	0	0	(3,615,460)	0.0
Annualize prior year budget actions	(15,028,128)	(1,885,464)	(40,673)	0	(13,101,991)	0.0
TOTAL	\$170,677,703	\$32,073,176	\$17,375,025	\$0	\$121,229,502	0.0
INCREASE/(DECREASE)	\$8,582,410	\$2,338,936	\$1,817,185	\$0	\$4,426,289	0.0
Percentage Change	5.3%	7.9%	11.7%	n/a	3.8%	n/a
FY 2024-25 EXECUTIVE REQUEST	\$170,663,448	\$28,443,461	\$17,375,025	\$0	\$124,844,962	0.0
Request Above/(Below) Recommendation	(\$14,255)	(\$3,629,715)	\$0	\$0	\$3,615,460	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 as a continuation of FY 2023-24 funding.

RECOMMENDATION: Staff recommends approval of the requested continuation funding.

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

This line provides 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 is 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 may be 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.

REQUEST: The Department requests \$6.5 million federal funds which includes a decrease of \$19.7 million from FY 2023-24 due to the roll off of one-time federal Child Care Development Fund stimulus dollars.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

EARLY LEARNING ACCESS AND QUALITY, CHILD CARE ASSISTANCE PROGRAM STIMULUS - ELIGIBILITY EXPANSION AND INFANT AND TODDLER CARE REIMBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$25,970,215	\$0	\$0	\$0	\$25,970,215	0.0
TOTAL	\$25,970,215	\$0	\$0	\$0	\$25,970,215	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$25,970,215	\$0	\$0	\$0	\$25,970,215	0.0
Annualize prior year budget actions	(19,477,661)	0	0	0	(19,477,661)	0.0
TOTAL	\$6,492,554	\$0	\$0	\$0	\$6,492,554	0.0
INCREASE/(DECREASE)	(\$19,477,661)	\$0	\$0	\$0	(\$19,477,661)	0.0
Percentage Change	(75.0%)	0.0%	0.0%	0.0%	(75.0%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$6,492,554	\$0	\$0	\$0	\$6,492,554	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

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 \$1.4 million federal funds which includes a decrease of \$10.0 million federal funds from FY 2023-24 due to the roll off of one-time Child Care Development Fund stimulus funding.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the chart below.

EARLY LEARNING ACCESS AND QUALITY, WORKFORCE RECRUITMENT AND RETENTION GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$11,493,167	\$0	\$0	\$0	\$11,493,167	0.0
TOTAL	\$11,493,167	\$0	\$0	\$0	\$11,493,167	0.0

EARLY LEARNING ACCESS AND QUALITY, WORKFORCE RECRUITMENT AND RETENTION GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$11,493,167	\$0	\$0	\$0	\$11,493,167	0.0
Annualize prior year budget actions	(10,065,000)	0	0	0	(10,065,000)	0.0
TOTAL	\$1,428,167	\$0	\$0	\$0	\$1,428,167	0.0
INCREASE/(DECREASE)	(\$10,065,000)	\$0	\$0	\$0	(\$10,065,000)	0.0
Percentage Change	(87.6%)	0.0%	0.0%	0.0%	(87.6%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$1,428,167	\$0	\$0	\$0	\$1,428,167	0.0
Request Above/(Below) Recommendation	\$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 \$3.4 million total funds including \$75,000 General Fund and \$3.3 million federal funds which includes a decrease of \$3.3 million federal funds related to the roll off of one-time Child Care Development Fund stimulus funding.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the chart below.

EARLY LEARNING ACCESS AND QUALITY, PROFESSIONAL DEVELOPMENT AND TRAINING ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$6,677,166	\$75,000	\$0	\$0	\$6,602,166	0.0
TOTAL	\$6,677,166	\$75,000	\$0	\$0	\$6,602,166	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$6,677,166	\$75,000	\$0	\$0	\$6,602,166	0.0
Annualize prior year budget actions	(3,325,215)	0	0	0	(3,325,215)	0.0
TOTAL	\$3,351,951	\$75,000	\$0	\$0	\$3,276,951	0.0
INCREASE/(DECREASE)	(\$3,325,215)	\$0	\$0	\$0	(\$3,325,215)	0.0
Percentage Change	(49.8%)	0.0%	0.0%	0.0%	(50.4%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$3,351,951	\$75,000	\$0	\$0	\$3,276,951	0.0
Request Above/(Below) Recommendation	\$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 \$12.5 million total funds including \$3.0 million general Fund and \$9.4 million federal funds which includes a decrease of \$10.5 million federal funds from FY 2023-24 due to the roll off of one-time stimulus funds.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

EARLY LEARNING ACCESS AND QUALITY, EARLY CHILDHOOD QUALITY AND AVAILABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$22,961,871	\$3,043,243	\$0	\$0	\$19,918,628	0.0
TOTAL	\$22,961,871	\$3,043,243	\$0	\$0	\$19,918,628	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$22,961,871	\$3,043,243	\$0	\$0	\$19,918,628	0.0
Annualize prior year budget actions	(10,503,626)	0	0	0	(10,503,626)	0.0
TOTAL	\$12,458,245	\$3,043,243	\$0	\$0	\$9,415,002	0.0

EARLY LEARNING ACCESS AND QUALITY, EARLY CHILDHOOD QUALITY AND AVAILABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	(\$10,503,626)	\$0	\$0	\$0	(\$10,503,626)	0.0
Percentage Change	(45.7%)	0.0%	0.0%	0.0%	(52.7%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$12,458,245	\$3,043,243	\$0	\$0	\$9,415,002	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LOCAL CAPACITY BUILDING GRANTS

This line item provides 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.

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

RECOMMENDATION: Staff recommends the request.

EMERGING AND EXPANDING GRANT PROGRAM

This line item provides funding to support grants to local providers which support 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.

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

RECOMMENDATION: Staff recommends the request.

EARLY CARE AND EDUCATION RECRUITMENT AND RETENTION GRANT AND SCHOLARSHIP PROGRAM

This line item supports funding to provide 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.

REQUEST: The Department requests \$500 federal funds which is a continuation of FY 2023-24 funding levels. Changes included in this line item pertain to supplemental decisions made as part of the Department’s 1331 request in the summer of 2023.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

EARLY LEARNING ACCESS AND QUALITY, EARLY CARE AND EDUCATION RECRUITMENT AND RETENTION GRANT AND SCHOLARSHIP PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
HB 24-1182 (Supplemental)	\$5,585,238	\$0	\$0	\$0	\$5,585,238	0.0
SB 23-214 (Long Bill)	\$500	\$0	\$0	\$0	\$500	0.0
TOTAL	\$5,585,738	\$0	\$0	\$0	\$5,585,738	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$5,585,738	\$0	\$0	\$0	\$5,585,738	0.0
Annualize prior year legislation	(5,585,238)	0	0	0	(5,585,238)	0.0
TOTAL	\$500	\$0	\$0	\$0	\$500	0.0
INCREASE/(DECREASE)	(\$5,585,238)	\$0	\$0	\$0	(\$5,585,238)	0.0
Percentage Change	(100.0%)	n/a	n/a	n/a	(100.0%)	n/a
FY 2024-25 EXECUTIVE REQUEST	\$500	\$0	\$0	\$0	\$500	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

EMPLOYER-BASED CHILD CARE FACILITY GRANT AND SCHOLARSHIP PROGRAM

This line item provides funding to support 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.

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

RECOMMENDATION: Staff recommends the request.

CHILD CARE SUSTAINABILITY GRANT PROGRAM

This line item supports funding to provide 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.

REQUEST: The Department requests \$500 federal funds which is a continuation of FY 2023-24 funding levels. Changes included in this line item pertain to supplemental decisions made as part of the Department’s 1331 request in the summer of 2023.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

EARLY LEARNING ACCESS AND QUALITY, CHILD CARE SUSTAINABILITY GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
HB 24-1182 (Supplemental)	\$5,585,238	\$0	\$0	\$0	\$5,585,238	0.0
SB 23-214 (Long Bill)	\$500	\$0	\$0	\$0	\$500	0.0
TOTAL	\$5,585,738	\$0	\$0	\$0	\$5,585,738	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$5,585,738	\$0	\$0	\$0	\$5,585,738	0.0
Annualize prior year legislation	(5,585,238)	0	0	0	(5,585,238)	0.0
TOTAL	\$500	\$0	\$0	\$0	\$500	0.0
INCREASE/(DECREASE)	(\$5,585,238)	\$0	\$0	\$0	(\$5,585,238)	0.0
Percentage Change	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$500	\$0	\$0	\$0	\$500	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

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 \$3.6 million federal funds including changes requested as part of the second prioritized budget amendment related to the Department’s new cost allocation plan.

RECOMMENDATION: Staff recommends approval of the request as shown in the chart below.

EARLY LEARNING ACCESS AND QUALITY, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$2,620,768	\$0	\$0	\$0	\$2,620,768	0.0
HB 24-1182 (Supplemental)	\$1,077,210	\$0	\$0	\$0	\$1,077,210	0.0
TOTAL	\$3,697,978	\$0	\$0	\$0	\$3,697,978	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$3,697,978	\$0	\$0	\$0	\$3,697,978	0.0
BA2 Cost allocation plan	966,005	0	0	0	966,005	0.0
Annualize prior year legislation	(1,077,210)	0	0	0	(1,077,210)	0.0
TOTAL	\$3,586,773	\$0	\$0	\$0	\$3,586,773	0.0
INCREASE/(DECREASE)	(\$111,205)	\$0	\$0	\$0	(\$111,205)	0.0
Percentage Change	(3.0%)	0.0%	0.0%	0.0%	(3.0%)	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$3,586,773	\$0	\$0	\$0	\$3,586,773	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(4) COMMUNITY AND FAMILY SUPPORT

COMMUNITY AND FAMILY SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation						
SB 23-214 (Long Bill)	\$138,641,113	\$71,498,128	\$38,759,095	\$9,457,463	\$18,926,427	26.8
HB 24-1182 (Supplemental)	263,066	0	37,521	0	225,545	0.0
TOTAL	\$138,904,179	\$71,498,128	\$38,796,616	\$9,457,463	\$19,151,972	26.8
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$138,904,179	\$71,498,128	\$38,796,616	\$9,457,463	\$19,151,972	26.8
BA2 Cost allocation plan	263,066	0	37,521	0	225,545	0.0
R6 Expand universal home visiting pilot	3,977,624	3,977,624	0	0	0	0.9
R7 Early Intervention caseload	1,137,166	796,016	0	341,150	0	0.0
R8 Provider rate increase	1,416,920	1,347,127	31,250	0	38,543	0.0
Centrally appropriated line items	123,934	43,318	27,972	0	52,644	0.0
Annualize prior year budget actions	(2,044,559)	470,093	45,054	141,498	(2,701,204)	(3.0)
Annualize prior year legislation	(263,066)	0	(37,521)	0	(225,545)	0.0
TOTAL	\$143,515,264	\$78,132,306	\$38,900,892	\$9,940,111	\$16,541,955	24.7
INCREASE/(DECREASE)	\$4,611,085	\$6,634,178	\$104,276	\$482,648	(\$2,610,017)	(2.1)
Percentage Change	3.3%	9.3%	0.3%	5.1%	(13.6%)	(7.8%)
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$19,528	\$19,656	(\$128)	\$0	\$0	0.0

DECISION ITEMS – COMMUNITY AND FAMILY SUPPORT

→ R6 EXPANDED UNIVERSAL HOME VISITING PILOT

REQUEST: The Department requests \$4,004,248 General Fund in FY 2024-25 and ongoing through FY 2028-29 to support a pilot expansion of the Family Connect program. Family Connect currently operates without state funds in four Colorado counties. The funding would expand the program to five other interested counties with the goal of supporting 12,000 births in Colorado.

RECOMMENDATION

Staff recommends \$3,977,624 General Fund in FY 2024-25 and ongoing through FY 2028-29 to support a pilot expansion of the Family Connect program. This differs from the request slightly, adjusting downward to account for centrally appropriated items which are typically not appropriated in the first year of a new FTE request.

ANALYSIS

Family connect offers three free, universal post-natal home visits in the first three months of a child’s life to conduct comprehensive evaluation of the mother, the child, and the living environment, and to connect families to services as needed. During the home visit, a nurse conducts a comprehensive family assessment, provides referrals to services in the community based on the assessment, and connects families to local safety net programs. According to the request, this program has

demonstrated to reduce expenditures on emergency medical care and perinatal mood disorders in the first year of a child's life.

Currently, Colorado offers nine evidence-based home visiting programs each meeting different needs of families with young children with a small percentage serving families with young children. Two of these programs provide health care services or utilize nurses for the home visits – Healthy Steps and Nurse-Family Partnerships. These programs have targeted eligibility requirements. This would be the first program to offer universal care to any mother wishing to participate.

Current funding for the program flows through a federal Family Support Primary Prevention (FSPP) grant which passes through CDEC. Additionally, the program receives matching local investments in the four participating counties: Boulder, Denver, Eagle, and Jefferson. The goal program would leverage General Fund, federal Medicaid reimbursement, and Health Services Initiatives (HIS_ funds as well as Temporary Assistance for Needy Families (TANF) to support the services. With the additional state funding, the pilot program aims to serve 12,000 births in 12 hospitals located in nine counties: Boulder, Broomfield, Denver, Eagle, Garfield, Jefferson, Pitkin, Summit, and Weld.

The program would operate through Illuminate Colorado, the program model intermediary, under a contract that would support certification fees, external evaluation for a cost study, interpretation/translation for outreach, program supplies, a program medical director, staff training and certification, fidelity monitoring quality improvement processes, data collection, and evaluation activities. The Department requests 1.0 FTE to administer and monitor the program.

According to the department, research suggests that home visiting programs have shown a cost savings of between \$3 to \$5 for every \$1 invested with savings on special education, child welfare, juvenile delinquency and crime, and substance abuse treatment. Additionally, one study shows that for every \$1 of Family Connect program costs, emergency medical care billings costs decrease by \$3.17.

After the 5-year pilot period, the Department would return to the Legislature with a plan of action moving forward which would likely include an ongoing request for state funding at some level.

EVIDENCE LEVEL

The Department indicates this request is Proven. The Department relies heavily on a randomized control trial launched in 2009 which suggests that this program has been shown to “decrease emergency room visits and hospital overnight stays by 50 percent in the first year of life.” Additionally, it touts that this program reduces medical care billing costs by just over \$3 for every \$1 invested. However, a more recent randomized controlled trial launched in 2014 found the program significantly increased emergency utilization for children during the first two years of life. While the study indicates that this program may reduce mothers’ emergency use, it appears it did not reduce overall costs for mothers and children combined.² Blueprints notes major changes in health care/health insurance which occurred between the first and second trials with the rollout of the Affordable Care Act. They suggest that the second randomized control test may be more indicative of the current healthcare environment than the first. Based on their review of the tests, Blueprints for Healthy Youth

² Goodman and Dodge, et. al (2016). A Low-Cost RCT of a Universal Postnatal Nurse Home Visiting Program: Durham Connects. Duke Center for Child and Family Policy. <https://osf.io/3ys4m>

Development suggests that the evidence supporting programs such as Family Connects is inconclusive.

Despite the inconclusive evidence, staff recommends funding for the pilot program as the Department indicates that the expansion will allow the program to gather data on outcomes and to provide enough scale to make a cost savings study meaningful.

➔ R7 EARLY INTERVENTION CASELOAD

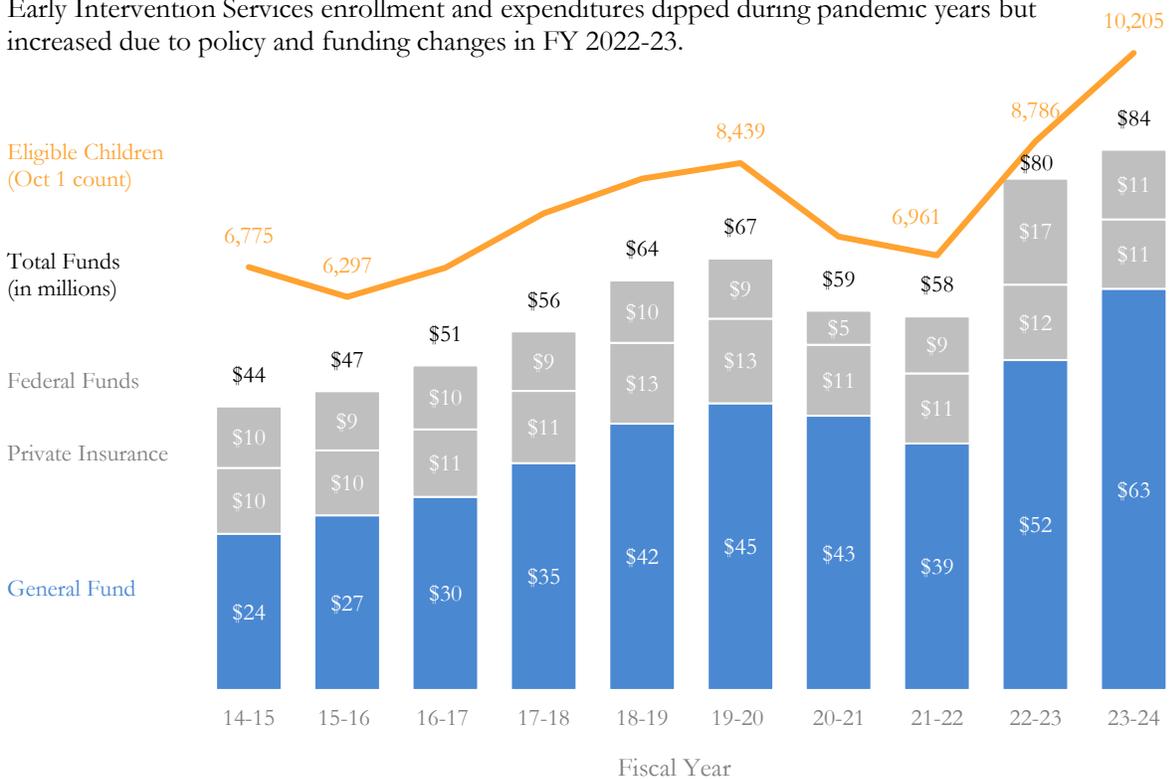
REQUEST: The Department requests \$1,137,16 total funds in FY 2024-25 and ongoing, including \$796,016 General Fund and \$341,150 reappropriated funds to support caseload increases in the Early Intervention program. The program has experienced an 11.0 percent increase in caseload above previous projections. The increase is driven by eligibility changes, a decrease in Medicaid enrollment, and higher acuity needs of eligible children.

RECOMMENDATION: Staff recommends approval of the request.

ANALYSIS:

The Early Intervention Program serves children from birth through age two that have developmental delays or disabilities, and their families to help mitigate, through targeted interventions, the impact the delays may have on the child’s growth and development. The most commonly utilized services are speech therapy, occupational therapy, physical therapy, and behavioral/developmental interventions.

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



The Department contracts with local Certified Early Intervention Service Brokers (EI Entities) to deliver these services statewide. In addition to the therapies, each local EI entity provides coordination service to facilitate transdisciplinary team meetings, connecting families to other supports and services as needed. Contracted service providers are reimbursed by the family's insurance provider when possible. Private pay and insurance coverage must be utilized before state contributions or federal IDEA funds.

Federal mandates stipulate that EI services cannot have a waitlist of eligible children. As a result, the program often adjusts eligibility requirements to stay within funding restrictions and still meet federal waitlist mandates. Prior to the pandemic eligibility definitions for the EI program was 25 percent delay in one or more areas. However, due to pandemic-related funding restrictions and programmatic obstacles, the program restricted eligibility to 33 percent in two or more areas, effectively reducing the number of eligible children.

In 2022, the Department received additional appropriations to increase eligibility in hopes of returning to pre-pandemic eligibility levels and to serve more children. However, in the process of promulgating the new rules, provider feedback indicated that it could not increase capacity to serve that many children due to provider shortages. Therefore, in January 2023, the eligibility definition for the EI program was changed to 25 percent delay in two or more areas or 33 percent in one or more areas, and an additional appropriation of \$3.5 million was provided through FY 2024-25 to invest in the EI workforce to generate greater capacity to serve more children.

The EI Workforce Investment Committee prioritized \$2.5 million to support a 3 percent increase for service coordinators and direct service provider stipends that are billing Medicaid for a speech and/or language session, to develop policies to reimburse various provider expenses, and to provide increases for geographic areas with the lowest provider rates and service coordinator salaries. Additionally, \$1.0 million was utilized to develop and implement strategies for recruitment, retention, and overall capacity of the EI workforce.

The eligibility changes in January 2023, as mentioned above, was anticipated to increase eligible infants and toddlers by 900 in FY 2023-24, and increasing again in FY 2024-2025. Despite this broadening, the program still does not have the capacity to serve all the children needing services. Additionally, decreases in Medicaid reimbursements and coverage will create a need for other sources of funding to support treatment through the program. Finally, the Department indicates that more children are experiencing greater delays that require more intensive services as a residual impact of the pandemic – children born in 2020 through 2022.

The Department's request supports funding to address an anticipated caseload growth, to anticipate a 7.9 percent increase in service level intensity, and to mitigate a decrease in Medicaid reimbursement for services. The program is not requesting an additional rate increase beyond the standard provider rate increase it receives from the state.

RECOMMENDATION

Staff recommends the department's request for additional funding to support caseload increase in the Early Intervention program. The Department indicates that efforts to increase provider capacity are still ongoing and that incremental requests will continue to balance eligibility with provider capacity and appropriations.

LINE ITEM DETAIL – COMMUNITY AND FAMILY SUPPORT

PERSONAL SERVICES

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

STATUTORY AUTHORITY: Sections 26.5-1-104, and 24-50-101 et seq., C.R.S.

REQUEST: The Department requests \$5.6 million total funds including \$3.3 million General Fund, \$0.5 million cash funds, and \$1.9 million federal funds in FY 2024-25 which incorporates changes related to the R6 prioritized request to expand the universal home visiting pilot. The request also incorporates a decrease in funding related to prior year budget actions and an increase in centrally appropriated line items related to common policy decisions.

RECOMMENDATION: Staff recommends \$5.6 million total funds including \$3.3 million General Fund, \$0.5 million cash funds, and \$1.9 million federal funds in FY 2024-25. This differs slightly from the requested amount due to the removal of centrally appropriated items which are not typically appropriated in the first year of a new request.

COMMUNITY AND FAMILY SUPPORT, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$4,549,997	\$2,169,834	\$429,162	\$0	\$1,951,001	26.8
TOTAL	\$4,549,997	\$2,169,834	\$429,162	\$0	\$1,951,001	26.8
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$4,549,997	\$2,169,834	\$429,162	\$0	\$1,951,001	26.8
R6 Expand universal home visiting pilot	1,097,624	1,097,624	0	0	0	0.9
Centrally appropriated line items	123,934	43,318	27,972	0	52,644	0.0
Annualize prior year budget actions	(147,733)	0	0	0	(147,733)	(3.0)
TOTAL	\$5,623,822	\$3,310,776	\$457,134	\$0	\$1,855,912	24.7
INCREASE/(DECREASE)	\$1,073,825	\$1,140,942	\$27,972	\$0	(\$95,089)	(2.1)
Percentage Change	23.6%	52.6%	6.5%	0.0%	(4.9%)	(7.8%)
FY 2024-25 EXECUTIVE REQUEST	\$5,642,711	\$3,329,665	\$457,134	\$0	\$1,855,912	24.7
Request Above/(Below) Recommendation	\$18,889	\$18,889	\$0	\$0	\$0	0.0

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 \$3.2 million total funds including \$3.1 million General Fund, \$52,188 cash funds, and \$92,588 federal funds in FY 2024-25 which includes requested changes related to R6 Expand universal home visiting pilot.

RECOMMENDATION: Staff recommends \$3.2 million total funds including \$3.1 million General Fund, \$52,188 cash funds, and \$92,588 federal funds in FY 2024-25. This differs slightly from the requested amounts due to the reduction of funding for certain startup funds which are not typically appropriated in the first year of a new FTE request.

COMMUNITY AND FAMILY SUPPORT, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$331,111	\$185,233	\$52,188	\$0	\$93,690	0.0
TOTAL	\$331,111	\$185,233	\$52,188	\$0	\$93,690	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$331,111	\$185,233	\$52,188	\$0	\$93,690	0.0
R6 Expand universal home visiting pilot	2,880,000	2,880,000	0	0	0	0.0
Annualize prior year budget actions	(1,102)	0	0	0	(1,102)	0.0
TOTAL	\$3,210,009	\$3,065,233	\$52,188	\$0	\$92,588	0.0
INCREASE/(DECREASE)	\$2,878,898	\$2,880,000	\$0	\$0	(\$1,102)	0.0
Percentage Change	869.5%	1,554.8%	n/a	n/a	(1.2%)	n/a
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$7,735	\$7,735	\$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 \$87.4 million total funds including \$60.5 million General Fund, \$10.9 million cash funds, \$9.9 million reappropriated funds, and \$6.0 million federal funds for FY 2024-25. This incorporates changes related to the R7 and R8 prioritized requests for Early Intervention caseload increase and provider rate increases.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the chart below which differs slightly from the requested amounts due to an increase of \$5,646 General Fund to accommodate a 2.5 percent provider rate increase.

COMMUNITY AND FAMILY SUPPORT, EARLY INTERVENTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$84,429,652	\$58,097,481	\$10,842,123	\$9,457,463	\$6,032,585	0.0
TOTAL	\$84,429,652	\$58,097,481	\$10,842,123	\$9,457,463	\$6,032,585	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$84,429,652	\$58,097,481	\$10,842,123	\$9,457,463	\$6,032,585	0.0
R7 Early Intervention caseload	1,137,166	796,016	0	341,150	0	0.0
R8 Provider rate increase	1,134,893	1,134,893	0	0	0	0.0
Annualize prior year budget actions	656,645	470,093	45,054	141,498	0	0.0
TOTAL	\$87,358,356	\$60,498,483	\$10,887,177	\$9,940,111	\$6,032,585	0.0
INCREASE/(DECREASE)	\$2,928,704	\$2,401,002	\$45,054	\$482,648	\$0	0.0
Percentage Change	3.5%	4.1%	0.4%	5.1%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$87,352,710	\$60,492,837	\$10,887,177	\$9,940,111	\$6,032,585	0.0
Request Above/(Below) Recommendation	(\$5,646)	(\$5,646)	\$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 \$27.6 million total funds including \$628,226 General Fund, \$25.2 million cash funds, and \$1.8 million federal funds which incorporates changes related to R8 Provider rate increase of 2.0 percent.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the chart below which differs slightly from the requested amounts due to an increase of \$137 General Fund to accommodate a 2.5 percent provider rate increase.

COMMUNITY AND FAMILY SUPPORT, HOME VISITING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$27,541,447	\$615,908	\$25,162,202	\$0	\$1,763,337	0.0
TOTAL	\$27,541,447	\$615,908	\$25,162,202	\$0	\$1,763,337	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$27,541,447	\$615,908	\$25,162,202	\$0	\$1,763,337	0.0
R8 Provider rate increase	27,552	12,455	15,097	0	0	0.0
TOTAL	\$27,568,999	\$628,363	\$25,177,299	\$0	\$1,763,337	0.0
INCREASE/(DECREASE)	\$27,552	\$12,455	\$15,097	\$0	\$0	0.0
Percentage Change	0.1%	2.0%	0.1%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$27,568,862	\$628,226	\$25,177,299	\$0	\$1,763,337	0.0
Request Above/(Below) Recommendation	(\$137)	(\$137)	\$0	\$0	\$0	0.0

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 \$14.0 million total funds including \$8.5 million General Fund, \$1.3 million cash funds, and \$4.1 million federal funds in FY 2024-25. The request incorporates a request for a 2.0 percent provider rate increase.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the chart below which differs slightly from the requested amounts due to an increase of \$833 General Fund to accommodate a 2.5 percent provider rate increase.

COMMUNITY AND FAMILY SUPPORT, CHILD MALTREATMENT PREVENTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$13,818,391	\$8,333,777	\$1,346,216	\$0	\$4,138,398	0.0
TOTAL	\$13,818,391	\$8,333,777	\$1,346,216	\$0	\$4,138,398	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$13,818,391	\$8,333,777	\$1,346,216	\$0	\$4,138,398	0.0
R8 Provider rate increase	167,509	167,509	0	0	0	0.0
TOTAL	\$13,985,900	\$8,501,286	\$1,346,216	\$0	\$4,138,398	0.0
INCREASE/(DECREASE)	\$167,509	\$167,509	\$0	\$0	\$0	0.0
Percentage Change	1.2%	2.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$13,985,067	\$8,500,453	\$1,346,216	\$0	\$4,138,398	0.0

COMMUNITY AND FAMILY SUPPORT, CHILD MALTREATMENT PREVENTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Request Above/(Below) Recommendation	(\$833)	(\$833)	\$0	\$0	\$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 \$3.7 million total funds including \$1.6 million General Fund and \$2.1 million federal funds to support a 2.0 percent provider rate increase. The request also incorporates a decrease of \$2.6 million federal funds as one-time CCDF stimulus funds roll off.

RECOMMENDATION: Staff recommends \$3.7 million total funds including \$1.6 million General Fund and \$2.1 million federal funds. This differs very slightly from the requested amounts, providing an additional \$352 General Fund to support a 2.5 percent provider rate increase per the common policy adopted by the committee.

COMMUNITY AND FAMILY SUPPORT, EARLY CHILDHOOD MENTAL HEALTH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$6,171,170	\$1,595,895	\$0	\$0	\$4,575,275	0.0
TOTAL	\$6,171,170	\$1,595,895	\$0	\$0	\$4,575,275	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$6,171,170	\$1,595,895	\$0	\$0	\$4,575,275	0.0
R8 Provider rate increase	70,813	32,270	0	0	38,543	0.0
Annualize prior year budget actions	(2,552,369)	0	0	0	(2,552,369)	0.0
TOTAL	\$3,689,614	\$1,628,165	\$0	\$0	\$2,061,449	0.0
INCREASE/(DECREASE)	(\$2,481,556)	\$32,270	\$0	\$0	(\$2,513,826)	0.0
Percentage Change	(40.2%)	2.0%	n/a	n/a	(54.9%)	n/a
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$352)	(\$352)	\$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 including changes related to R8 provider rate increase.

RECOMMENDATION: Staff recommends \$817,417 cash funds to accommodate a 2.5 percent provider rate increase per the common policy adopted by the committee.

COMMUNITY AND FAMILY SUPPORT, SOCIAL-EMOTIONAL LEARNING PROGRAMS GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$801,264	\$0	\$801,264	\$0	\$0	0.0
TOTAL	\$801,264	\$0	\$801,264	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$801,264	\$0	\$801,264	\$0	\$0	0.0
R8 Provider rate increase	16,153	0	16,153	0	0	0.0
TOTAL	\$817,417	\$0	\$817,417	\$0	\$0	0.0
INCREASE/(DECREASE)	\$16,153	\$0	\$16,153	\$0	\$0	0.0
Percentage Change	2.0%	0.0%	2.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$817,289	\$0	\$817,289	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$128)	\$0	(\$128)	\$0	\$0	0.0

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 in FY 2024-25 which represents a continuation of FY 2023-24 funding levels.

RECOMMENDATION: Staff recommends approval of the request.

INDIRECT COST ASSESSMENT

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

STATUTORY AUTHORITY: Section 26.5-1-108(1)-(2), C.R.S.

REQUEST: The Department requests \$761,147 total funds including \$163,461 cash funds and \$597,686 federal funds in FY 2024-25 which incorporates changes related to the Department’s BA2 Cost allocation plan change request.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the chart below.

COMMUNITY AND FAMILY SUPPORT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$498,081	\$0	\$125,940	\$0	\$372,141	0.0
HB 24-1182 (Supplemental)	\$263,066	\$0	\$37,521	\$0	\$225,545	0.0
TOTAL	\$761,147	\$0	\$163,461	\$0	\$597,686	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$761,147	\$0	\$163,461	\$0	\$597,686	0.0
BA2 Cost allocation plan	263,066	0	37,521	0	225,545	0.0
Annualize prior year legislation	(263,066)	0	(37,521)	0	(225,545)	0.0
TOTAL	\$761,147	\$0	\$163,461	\$0	\$597,686	0.0
INCREASE/(DECREASE)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2024-25 EXECUTIVE REQUEST	\$761,147	\$0	\$163,461	\$0	\$597,686	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(5) LICENSING AND ADMINISTRATION

LICENSING AND ADMINISTRATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation					
SB 23-214 (Long Bill)	\$12,981,051	\$2,464,760	\$2,664,533	\$7,851,758	70.4
HB 24-1182 (Supplemental)	1,527,550	0	0	1,527,550	0.0
TOTAL	\$14,508,601	\$2,464,760	\$2,664,533	\$9,379,308	70.4
FY 2024-25 RECOMMENDED APPROPRIATION					
FY 2023-24 Appropriation	\$14,508,601	\$2,464,760	\$2,664,533	\$9,379,308	70.4
BA2 Cost allocation plan	1,527,550	0	0	1,527,550	0.0
R2 CDEC departmental operations	100,000	0	100,000	0	0.6
R8 Provider rate increase	88,024	35,472	0	52,552	0.0
Centrally appropriated line items	302,366	113,790	50,287	138,289	0.0
Annualize prior year budget actions	(397,468)	0	(40,305)	(357,163)	(4.0)
Annualize prior year legislation	(1,527,550)	0	0	(1,527,550)	0.0

LICENSING AND ADMINISTRATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$14,601,523	\$2,614,022	\$2,774,515	\$9,212,986	67.0
INCREASE/(DECREASE)	\$92,922	\$149,262	\$109,982	(\$166,322)	(3.4)
Percentage Change	0.6%	6.1%	4.1%	(1.8%)	(4.8%)
FY 2024-25 EXECUTIVE REQUEST	\$14,601,085	\$2,613,584	\$2,673,377	\$9,314,124	67.0
Request Above/(Below) Recommendation	(\$438)	(\$438)	(\$101,138)	\$101,138	0.0

LINE ITEM DETAIL – LICENSING AND ADMINISTRATION

PERSONAL SERVICES

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

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

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

STATUTORY AUTHORITY: Sections 26.5-1-104, and 24-50-101 et seq., C.R.S.

REQUEST: The Department requests \$10.2 million total funds including \$2.6 million General Fund, \$1.1 million cash funds, and \$6.5 million federal funds in FY 2024-25 which includes an increase of \$302,366 total funds related to centrally appropriated line items, and increase of \$88,024 total funds pertaining to the R8 provider rate increase prioritized request, offset by a decrease of \$339,169 federal funds annualized out based on prior year budget actions.

RECOMMENDATION: Staff recommends approval of the request with an additional increase of \$438 General Fund to accommodate a 2.5 percent provider rate increase over the 2.0 percent requested. This is to maintain alignment with common policy decisions related to provider rate increases as adopted by the JBC.

LICENSING AND ADMINISTRATION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$10,156,678	\$2,450,141	\$1,093,613	\$0	\$6,612,924	62.4
TOTAL	\$10,156,678	\$2,450,141	\$1,093,613	\$0	\$6,612,924	62.4
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$10,156,678	\$2,450,141	\$1,093,613	\$0	\$6,612,924	62.4
Centrally appropriated line items	302,366	113,790	50,287	0	138,289	0.0
R8 Provider rate increase	88,024	35,472	0	0	52,552	0.0
Annualize prior year budget actions	(339,169)	0	0	0	(339,169)	(4.0)
TOTAL	\$10,207,899	\$2,599,403	\$1,143,900	\$0	\$6,464,596	58.4
INCREASE/(DECREASE)	\$51,221	\$149,262	\$50,287	\$0	(\$148,328)	(4.0)
Percentage Change	0.5%	6.1%	4.6%	0.0%	(2.2%)	(6.4%)
FY 2024-25 EXECUTIVE REQUEST	\$10,207,461	\$2,598,965	\$1,143,900	\$0	\$6,464,596	58.4
Request Above/(Below) Recommendation	(\$438)	(\$438)	\$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 \$0.5 million total funds including \$14,619 General Fund, \$265,915 cash funds, and \$185,520 federal funds in FY 2024-25. This includes a decrease of \$17,994 federal funds due to an annualization of prior year budget actions.

RECOMMENDATION: Staff recommends approval of the request at the requested funding levels as demonstrated in the chart below.

LICENSING AND ADMINISTRATION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$484,048	\$14,619	\$265,915	\$0	\$203,514	0.0
TOTAL	\$484,048	\$14,619	\$265,915	\$0	\$203,514	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$484,048	\$14,619	\$265,915	\$0	\$203,514	0.0
Annualize prior year budget actions	(17,994)	0	0	0	(17,994)	0.0
TOTAL	\$466,054	\$14,619	\$265,915	\$0	\$185,520	0.0
INCREASE/(DECREASE)	(\$17,994)	\$0	\$0	\$0	(\$17,994)	0.0
Percentage Change	(3.7%)	n/a	n/a	n/a	(8.8%)	n/a
FY 2024-25 EXECUTIVE REQUEST	\$466,054	\$14,619	\$265,915	\$0	\$185,520	0.0
Request Above/(Below) Recommendation	\$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 \$1.3 million cash funds in FY 2024-25 which includes changes related to its R2 CDEC departmental operations request and a decrease of \$40,405 due to the annualization of prior year budget actions.

RECOMMENDATION: Staff recommends approval of the request at requested funding levels as demonstrated in the chart below.

LICENSING AND ADMINISTRATION, BACKGROUND INVESTIGATION UNIT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$1,203,867	\$0	\$1,203,867	\$0	\$0	8.0
TOTAL	\$1,203,867	\$0	\$1,203,867	\$0	\$0	8.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$1,203,867	\$0	\$1,203,867	\$0	\$0	8.0
R2 CDEC departmental operations	100,000	0	100,000	0	0	0.6
Annualize prior year budget actions	(40,305)	0	(40,305)	0	0	0.0
TOTAL	\$1,263,562	\$0	\$1,263,562	\$0	\$0	8.6
INCREASE/(DECREASE)						
Percentage Change	5.0%	n/a	5.0%	n/a	n/a	7.5%
FY 2024-25 EXECUTIVE REQUEST	\$1,263,562	\$0	\$1,263,562	\$0	\$0	8.6
Request Above/(Below) Recommendation	\$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 \$2.7 million total funds including \$101,139 cash funds and \$2.6 million federal funds in FY 2024-25. This represents a continuation of funding levels from FY 2023-24.

RECOMMENDATION: Staff recommends approval of the request as demonstrated in the table below.

LICENSING AND ADMINISTRATION, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
HB 24-1182 (Supplemental)	\$1,527,550	\$0	\$0	\$0	\$1,527,550	0.0
SB 23-214 (Long Bill)	\$1,136,458	\$0	\$101,138	\$0	\$1,035,320	0.0
TOTAL	\$2,664,008	\$0	\$101,138	\$0	\$2,562,870	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$2,664,008	\$0	\$101,138	\$0	\$2,562,870	0.0
BA2 Cost allocation plan	1,527,550	0	0	0	1,527,550	0.0
Annualize prior year legislation	(1,527,550)	0	0	0	(1,527,550)	0.0
TOTAL	\$2,664,008	\$0	\$101,138	\$0	\$2,562,870	0.0
INCREASE/(DECREASE)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$2,664,008	\$0	\$101,138	\$0	\$2,562,870	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

Staff recommends **AMENDING** the following footnote to reflect the remainder of the stimulus funds allocated to these programs. The Department anticipates the funds lasting through the first quarter of the next fiscal year. Staff requests permission to work with the Department to make the changes.

8b 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>
(1) Executive Director's Office	
(A) General Administration	
Personal Services	\$1,692,551
Health, Life, and Dental	429,689
Short-term Disability	3,850
Amortization Equalization Disbursement	135,470
Supplemental Amortization Equalization Disbursement	135,470
Operating Expenses	47,565
(B) Information Technology Systems	
Information Technology Contracts and Equipment	1,000,000
Child Care Automated Tracking System	200,000
(2) Partnerships and Collaborations	
Local Coordinating Organizations	5,273,021
Child Care Resource and Referrals	2,382,518
(3) Early Learning Access and Quality	
Personal Services	2,039,309
Operating Expenses	39,524
Child Care Assistance Program	19,540,595
Child Care Assistance Program Stimulus - Eligibility Expansion and Infant and Toddler Care Reimbursement	25,970,215
Workforce Recruitment and Retention Grants	10,365,000
Professional Development Training	4,461,849
Early Childhood Quality and Availability	11,661,222
Local Capacity Building Grants	17,217,078
(4) Community and Family Support	
Personal Services	215,508
Operating Expenses	1,470
Early Childhood Mental Health Service	2,552,369
(5) Licensing and Administration	
Personal Services	397,225
Operating Expenses	18,545
TOTAL	\$105,780,043

In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer any amount of these appropriations that the Department will not be able to obligate prior to September 30, 2023, to the Child Care Sustainability Grant Program line item or to the Early Care and Education Recruitment and Retention Grant and Scholarship Program line item.

REQUESTS FOR INFORMATION

Staff recommends **CONTINUING** 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.

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

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

COMMENT: 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.

- 2 Department of Early Childhood – the Department is requested to submit a report no later than September 1 which describes the current status of its IT infrastructure to support program delivery, particularly as it pertains to the integration of the UPK system with existing internal systems. The requested report shall include the following: (a) estimated expenditures in FY 2023-24 pertaining to 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 has requested, and the General Assembly has provided, significant funding to support the buildout of the Departmental and UPK IT infrastructure. As this is becoming a larger component of the Department and program buildout, staff believes additional information will allow for a more cohesive view of how appropriations are being spent, and how this aspect of the new Department is anticipated to grow.

APPENDIX A: NUMBERS PAGES

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
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DEPARTMENT OF EARLY CHILDHOOD
Executive Director, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) General Administration

Personal Services	<u>34,713</u>	<u>2,468,578</u>	<u>6,790,117</u>	<u>7,711,143</u>	<u>7,537,129</u> *
FTE	0.0	30.4	71.8	79.5	75.2
General Fund	34,713	2,144,852	1,212,747	1,747,268	1,573,254
Cash Funds	0	0	96,051	135,549	135,549
Reappropriated Funds	0	0	5,106,651	5,828,326	5,828,326
Federal Funds	0	323,726	374,668	0	0
Health, Life, and Dental	<u>18,000</u>	<u>437,092</u>	<u>3,746,336</u>	<u>3,663,144</u>	<u>3,805,188</u>
General Fund	18,000	391,411	1,220,684	1,680,926	1,551,248
Cash Funds	0	45,681	501,966	760,780	733,196
Reappropriated Funds	0	0	0	23,377	23,377
Federal Funds	0	0	2,023,686	1,198,061	1,497,367
Short-term Disability	<u>370</u>	<u>4,625</u>	<u>30,481</u>	<u>29,377</u>	<u>30,644</u>
General Fund	370	4,304	10,630	12,895	11,610
Cash Funds	0	321	3,343	5,522	5,323
Reappropriated Funds	0	0	0	187	187
Federal Funds	0	0	16,508	10,773	13,524

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
S.B. 04-257 Amortization Equalization Disbursement	<u>10,883</u>	<u>144,738</u>	<u>1,012,590</u>	<u>978,884</u>	<u>1,021,452</u>
General Fund	10,883	136,029	355,924	427,133	386,992
Cash Funds	0	8,709	112,201	183,696	177,435
Reappropriated Funds	0	0	0	6,240	6,240
Federal Funds	0	0	544,465	361,815	450,785
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>10,883</u>	<u>144,738</u>	<u>1,012,590</u>	<u>978,884</u>	<u>1,021,452</u>
General Fund	10,883	136,029	355,924	427,133	386,992
Cash Funds	0	8,709	112,201	183,696	177,435
Reappropriated Funds	0	0	0	6,240	6,240
Federal Funds	0	0	544,465	361,815	450,785
Unfunded Liability Amortization Equalization					
Disbursement Payments	<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
Federal Funds	0	0	0	0	0
Salary Survey	<u>0</u>	<u>155,062</u>	<u>956,075</u>	<u>1,185,895</u>	<u>774,859</u>
General Fund	0	79,986	374,506	428,709	294,396
Cash Funds	0	0	126,434	222,822	133,923
Reappropriated Funds	0	0	0	6,874	4,748
Federal Funds	0	75,076	455,135	527,490	341,792

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Step Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>467,882</u>
General Fund	0	0	0	0	155,911
Cash Funds	0	0	0	0	98,724
Reappropriated Funds	0	0	0	0	2,474
Federal Funds	0	0	0	0	210,773
Paid Family and Medical Leave Insurance Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>91,931</u>	<u>91,931</u>
General Fund	0	0	0	34,829	34,829
Cash Funds	0	0	0	15,969	15,969
Reappropriated Funds	0	0	0	562	562
Federal Funds	0	0	0	40,571	40,571
Operating Expenses	<u>40,435</u>	<u>37,502</u>	<u>121,367</u>	<u>898,270</u>	<u>877,270</u> *
General Fund	40,435	30,355	58,584	743,553	722,553
Cash Funds	0	0	1,000	2,181	2,181
Reappropriated Funds	0	0	61,783	109,348	109,348
Federal Funds	0	7,147	0	43,188	43,188
Workers' Compensation	<u>0</u>	<u>66,234</u>	<u>66,234</u>	<u>66,234</u>	<u>66,234</u>
General Fund	0	3,839	66,234	66,234	66,234
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	62,395	0	0	0
Federal Funds	0	0	0	0	0
Legal Services	<u>0</u>	<u>694,159</u>	<u>1,009,460</u>	<u>43,877</u>	<u>43,877</u>
General Fund	0	307,513	1,009,460	43,877	43,877
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	386,646	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Administrative Law Judge Services	<u>0</u>	<u>0</u>	<u>55,072</u>	<u>21,691</u>	<u>20,366</u>
General Fund	0	0	55,072	21,691	20,366
Reappropriated Funds	0	0	0	0	0
Payment to Risk Management and Property Funds	<u>0</u>	<u>3,653</u>	<u>3,653</u>	<u>3,653</u>	<u>3,653</u>
General Fund	0	212	3,653	3,653	3,653
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	3,441	0	0	0
Federal Funds	0	0	0	0	0
Vehicle Lease Payments	<u>0</u>	<u>7,156</u>	<u>8,906</u>	<u>7,738</u>	<u>7,738</u>
General Fund	0	83	8,906	7,738	7,738
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	7,073	0	0	0
Federal Funds	0	0	0	0	0
Statewide Administrative Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,364</u>	<u>23,364</u> *
General Fund	0	0	0	8,951	8,951
Cash Funds	0	0	0	6,279	6,279
Reappropriated Funds	0	0	0	411	411
Federal Funds	0	0	0	7,723	7,723
State Agency Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,142</u>	<u>34,142</u> *
General Fund	0	0	0	13,080	13,080
Cash Funds	0	0	0	9,176	9,176
Reappropriated Funds	0	0	0	601	601
Federal Funds	0	0	0	11,285	11,285

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Statewide Training Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,882</u>	<u>6,882</u> *
General Fund	0	0	0	2,637	2,637
Cash Funds	0	0	0	1,849	1,849
Reappropriated Funds	0	0	0	121	121
Federal Funds	0	0	0	2,275	2,275
Financial Ops and Reporting Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,913</u>	<u>53,913</u> *
General Fund	0	0	0	20,655	20,655
Cash Funds	0	0	0	14,489	14,489
Reappropriated Funds	0	0	0	949	949
Federal Funds	0	0	0	17,820	17,820
Procurement and Contracts Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,389</u>	<u>33,389</u> *
General Fund	0	0	0	12,792	12,792
Cash Funds	0	0	0	8,973	8,973
Reappropriated Funds	0	0	0	588	588
Federal Funds	0	0	0	11,036	11,036
Capital Outlay	<u>0</u>	<u>34,176</u>	<u>146,740</u>	<u>126,730</u>	<u>126,730</u>
General Fund	0	34,176	140,070	126,730	126,730
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	6,670	0	0
Operational Support Contract with Department of Human Services	<u>0</u>	<u>1,405,014</u>	<u>351,253</u>	<u>0</u>	<u>0</u>
General Fund	0	229,745	57,436	0	0
Reappropriated Funds	0	1,175,269	293,817	0	0

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Leased Space	<u>0</u>	<u>0</u>	<u>307,461</u>	<u>316,685</u>	<u>316,685</u> *
General Fund	0	0	113,760	117,173	117,173
Cash Funds	0	0	0	277	277
Reappropriated Funds	0	0	193,701	193,701	193,701
Federal Funds	0	0	0	5,534	5,534
Shift Differential	<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
Federal Funds	0	0	0	0	0
Capitol Complex Leased Space	<u>0</u>	<u>239,939</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	22,117	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	217,822	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
SUBTOTAL - (A) General Administration	115,284	5,842,666	15,618,335	16,275,826	16,364,780
<i>FTE</i>	<u>0.0</u>	<u>30.4</u>	<u>71.8</u>	<u>79.5</u>	<u>75.2</u>
General Fund	115,284	3,520,651	5,043,590	5,947,657	5,561,671
Cash Funds	0	63,420	953,196	1,551,258	1,520,778
Reappropriated Funds	0	1,852,646	5,655,952	6,177,525	6,177,873
Federal Funds	0	405,949	3,965,597	2,599,386	3,104,458

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
(B) Information Technology					
Information Technology Contracts and Equipment	<u>0</u>	<u>4,257,926</u>	<u>8,337,631</u>	<u>11,726,965</u>	<u>11,726,965</u> *
General Fund	0	3,341,825	5,450,199	11,142,907	7,882,907
Cash Funds	0	0	0	0	3,260,000
Reappropriated Funds	0	2,214	0	0	0
Federal Funds	0	913,887	2,887,432	584,058	584,058
Information Technology Systems Managed by Other					
Departments	<u>0</u>	<u>0</u>	<u>580,895 2.0</u>	<u>580,895 2.0</u>	<u>580,895 2.0</u>
General Fund	0	0	72,461	72,461	72,461
Federal Funds	0	0	508,434	508,434	508,434
Payments to OIT	<u>0</u>	<u>267,581</u>	<u>9,644,460</u>	<u>12,929,354</u>	<u>12,929,354</u>
General Fund	0	0	7,945,792	10,651,392	10,651,392
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	267,581	1,698,668	2,277,962	2,277,962
Federal Funds	0	0	0	0	0
IT Accessibility	<u>0</u>	<u>0</u>	<u>1,148,357</u>	<u>0 (2.0)</u>	<u>0 (2.0)</u>
General Fund	0	0	551,480	0	0
Federal Funds	0	0	596,877	0	0
CORE Operations	<u>0</u>	<u>33,899</u>	<u>71,546</u>	<u>24,631</u>	<u>15,600</u> *
General Fund	0	2,762	71,546	24,631	15,600
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	31,137	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Child Care Automated Tracking System	0	<u>4,247,400</u>	<u>4,109,933</u>	<u>3,959,933</u>	<u>3,959,933</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	4,247,400	4,109,933	3,959,933	3,959,933
Information Technology Accessibility	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Information Technology	0	8,806,806	23,892,822	29,221,778	29,212,747
FTE	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	3,344,587	14,091,478	21,891,391	18,622,360
Cash Funds	0	0	0	0	3,260,000
Reappropriated Funds	0	300,932	1,698,668	2,277,962	2,277,962
Federal Funds	0	5,161,287	8,102,676	5,052,425	5,052,425
TOTAL - (1) Executive Director's Office	115,284	14,649,472	39,511,157	45,497,604	45,577,527
FTE	<u>0.0</u>	<u>30.4</u>	<u>73.8</u>	<u>79.5</u>	<u>75.2</u>
General Fund	115,284	6,865,238	19,135,068	27,839,048	24,184,031
Cash Funds	0	63,420	953,196	1,551,258	4,780,778
Reappropriated Funds	0	2,153,578	7,354,620	8,455,487	8,455,835
Federal Funds	0	5,567,236	12,068,273	7,651,811	8,156,883

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
(2) PARTNERSHIPS AND COLLABORATIONS					
Personal Services	<u>0</u>	<u>686,794</u>	<u>798,785</u>	<u>822,059</u>	<u>822,059</u>
FTE	0.0	10.4	6.5	6.5	6.5
General Fund	0	214,499	272,633	283,139	283,139
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	472,295	526,152	538,920	538,920
Operating Expenses	<u>0</u>	<u>57,572</u>	<u>182,766</u>	<u>182,766</u>	<u>182,766</u>
General Fund	0	45,180	45,846	45,846	45,846
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	12,392	136,920	136,920	136,920
Local Coordinating Organizations	<u>0</u>	<u>2,842,119</u>	<u>5,273,021</u>	<u>721,570</u>	<u>721,570</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	2,842,119	5,273,021	721,570	721,570
Early Childhood Councils	<u>0</u>	<u>0</u>	<u>3,331,173</u>	<u>4,331,173</u>	<u>4,331,173</u> *
General Fund	0	0	0	1,000,000	1,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	3,331,173	3,331,173	3,331,173

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Child Care Resource and Referrals	0	<u>2,165,464</u>	<u>3,046,353</u>	<u>1,211,964</u>	<u>1,211,964</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	2,165,464	3,046,353	1,211,964	1,211,964
Family Resource Centers	0	<u>1,518,523</u>	<u>1,711,425</u>	<u>1,745,654</u>	<u>1,745,825</u> *
General Fund	0	1,518,523	1,711,425	1,745,654	1,745,825
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	0	0	<u>257,142</u>	<u>257,142</u>	<u>257,142</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	257,142	257,142	257,142
TOTAL - (2) Partnerships and Collaborations	0	7,270,472	14,600,665	9,272,328	9,272,499
<i>FTE</i>	<u>0.0</u>	<u>10.4</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>
General Fund	0	1,778,202	2,029,904	3,074,639	3,074,810
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	5,492,270	12,570,761	6,197,689	6,197,689

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
(3) EARLY LEARNING ACCESS AND QUALITY					
Personal Services	<u>0</u>	<u>8,111,074</u>	<u>8,851,463</u>	<u>11,249,551</u>	<u>11,523,158</u> *
FTE	0.0	59.9	50.7	56.7	56.4
General Fund	0	605,019	2,013,895	5,449,835	5,341,343
Cash Funds	0	500,110	500,110	624,544	1,006,643
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	7,005,945	6,337,458	5,175,172	5,175,172
Operating Expenses	<u>0</u>	<u>518,076</u>	<u>252,373</u>	<u>392,825</u>	<u>392,825</u> *
General Fund	0	0	1,350	137,095	89,185
Cash Funds	0	7,820	10,800	18,535	66,445
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	510,256	240,223	237,195	237,195
Capital Outlay	<u>0</u>	<u>5,563</u>	<u>6,670</u>	<u>0</u>	<u>0</u>
General Fund	0	0	6,670	0	0
Cash Funds	0	2,428	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	3,135	0	0	0
Universal Preschool Program	<u>0</u>	<u>119,197</u>	<u>324,500,000</u> 0.0	<u>354,515,060</u>	<u>347,766,045</u> *
General Fund	0	119,197	170,000,000	146,091,915	146,333,200
Cash Funds	0	0	154,500,000	208,423,145	201,432,845
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Child Care Assistance Program	<u>0</u>	<u>130,725,813</u>	<u>162,095,293</u>	<u>170,663,448</u>	<u>170,677,703</u> *
General Fund	0	28,790,460	29,734,240	28,443,461	32,073,176
Cash Funds	0	0	15,557,840	17,375,025	17,375,025
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	101,935,353	116,803,213	124,844,962	121,229,502
Intrastate Child Care Assistance Program					
Distribution	<u>0</u>	<u>500,000</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	0	500,000	500,000	500,000	500,000
Child Care Assistance Program Stimulus - Eligibility Expansion and Infant and Toddler Care					
Reimbursement	<u>0</u>	<u>19,385,035</u>	<u>25,970,215</u>	<u>6,492,554</u>	<u>6,492,554</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	19,385,035	25,970,215	6,492,554	6,492,554
Workforce Recruitment and Retention Grants	<u>0</u>	<u>10,010,349</u>	<u>11,493,167</u>	<u>1,428,167</u>	<u>1,428,167</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	10,010,349	11,493,167	1,428,167	1,428,167

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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Professional Development and Training Assistance	<u>0</u>	<u>4,568,295</u>	<u>6,677,166</u>	<u>3,351,951</u>	<u>3,351,951</u>
General Fund	0	0	75,000	75,000	75,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	4,568,295	6,602,166	3,276,951	3,276,951
Early Childhood Quality and Availability	<u>0</u>	<u>22,020,808</u>	<u>22,961,871</u>	<u>12,458,245</u>	<u>12,458,245</u>
General Fund	0	2,984,777	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	0	19,036,031	19,918,628	9,415,002	9,415,002
Local Capacity Building Grants	<u>0</u>	<u>15,332,405</u>	<u>17,217,078</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	15,332,405	17,217,078	0	0
Emerging and Expanding Child Care Grant Program	<u>0</u>	<u>3,289,886</u>	<u>3,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	9.9	3.5	0.0	0.0
General Fund	0	0	3,000,000	0	0
Cash Funds	0	3,289,886	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Early Care and Education Recruitment and Retention					
Grant and Scholarship Program	<u>0</u>	<u>0</u>	<u>5,585,738</u>	<u>500</u>	<u>500</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	5,585,738	500	500
Child Care Sustainability Grant Program	<u>0</u>	<u>0</u>	<u>5,585,738</u>	<u>500</u>	<u>500</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	5,585,738	500	500
Employer-Based Child Care Facility Grant Program	<u>0</u>	<u>112,060</u>	<u>3,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	3,000,000	0	0
Cash Funds	0	112,060	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	<u>0</u>	<u>1,568,325</u>	<u>3,697,978</u>	<u>3,586,773</u>	<u>3,586,773</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	1,568,325	3,697,978	3,586,773	3,586,773

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Family, Friend, and Neighbor Training and Support Program	<u>0</u>	<u>59,892</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	59,892	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (3) Early Learning Access and Quality	0	216,326,778	601,394,750	564,639,574	558,178,421
<i>FTE</i>	<u>0.0</u>	<u>69.8</u>	<u>54.2</u>	<u>56.7</u>	<u>56.4</u>
General Fund	0	32,499,453	210,874,398	183,240,549	186,955,147
Cash Funds	0	3,972,196	170,568,750	226,441,249	219,880,958
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	179,855,129	219,951,602	154,957,776	151,342,316

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
(4) COMMUNITY AND FAMILY SUPPORT					
Personal Services	<u>0</u>	<u>2,571,399</u>	<u>4,549,997</u>	<u>5,642,711</u>	<u>5,623,822</u> *
FTE	0.0	25.8	26.8	24.7	24.7
General Fund	0	2,135,321	2,169,834	3,329,665	3,310,776
Cash Funds	0	305,176	429,162	457,134	457,134
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	130,902	1,951,001	1,855,912	1,855,912
Operating Expenses	<u>0</u>	<u>200,801</u>	<u>331,111</u>	<u>3,217,744</u>	<u>3,210,009</u> *
General Fund	0	180,241	185,233	3,072,968	3,065,233
Cash Funds	0	4,241	52,188	52,188	52,188
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	16,319	93,690	92,588	92,588
Early Intervention	<u>0</u>	<u>75,897,645</u>	<u>84,429,652</u>	<u>87,352,710</u>	<u>87,358,356</u> *
General Fund	0	49,822,382	58,097,481	60,492,837	60,498,483
Cash Funds	0	11,763,325	10,842,123	10,887,177	10,887,177
Reappropriated Funds	0	0	9,457,463	9,940,111	9,940,111
Federal Funds	0	14,311,938	6,032,585	6,032,585	6,032,585
Home Visiting	<u>0</u>	<u>23,488,088</u>	<u>27,541,447</u>	<u>27,568,862</u>	<u>27,568,999</u> *
General Fund	0	537,502	615,908	628,226	628,363
Cash Funds	0	20,896,820	25,162,202	25,177,299	25,177,299
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	2,053,766	1,763,337	1,763,337	1,763,337

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Child Maltreatment Prevention	<u>0</u>	<u>9,680,878</u>	<u>13,818,391</u>	<u>13,985,067</u>	<u>13,985,900</u> *
General Fund	0	7,786,371	8,333,777	8,500,453	8,501,286
Cash Funds	0	208,949	1,346,216	1,346,216	1,346,216
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	1,685,558	4,138,398	4,138,398	4,138,398
Early Childhood Mental Health Services	<u>0</u>	<u>5,460,336</u>	<u>6,171,170</u>	<u>3,689,262</u>	<u>3,689,614</u> *
General Fund	0	1,253,946	1,595,895	1,627,813	1,628,165
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	4,206,390	4,575,275	2,061,449	2,061,449
Social-Emotional Learning Programs Grants	<u>0</u>	<u>712,388</u>	<u>801,264</u>	<u>817,289</u>	<u>817,417</u> *
General Fund	0	0	0	0	0
Cash Funds	0	712,388	801,264	817,289	817,417
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>0</u>	<u>494,445</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
General Fund	0	494,445	500,000	500,000	500,000
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 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Indirect Cost Assessment	<u>0</u>	<u>329,139</u>	<u>761,147</u>	<u>761,147</u>	<u>761,147</u> *
General Fund	0	0	0	0	0
Cash Funds	0	16,830	163,461	163,461	163,461
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	312,309	597,686	597,686	597,686
Home Visiting Grant Program	<u>0</u>	<u>25,574</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	25,574	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Children's Mental Health Program	<u>0</u>	<u>40,559</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	40,559	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (4) Community and Family Support	0	118,901,252	138,904,179	143,534,792	143,515,264
FTE	<u>0.0</u>	<u>25.8</u>	<u>26.8</u>	<u>24.7</u>	<u>24.7</u>
General Fund	0	62,210,208	71,498,128	78,151,962	78,132,306
Cash Funds	0	33,973,862	38,796,616	38,900,764	38,900,892
Reappropriated Funds	0	0	9,457,463	9,940,111	9,940,111
Federal Funds	0	22,717,182	19,151,972	16,541,955	16,541,955

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
(5) LICENSING AND ADMINISTRATION					
Personal Services	<u>0</u>	<u>8,544,965</u>	<u>10,156,678</u>	<u>10,207,461</u>	<u>10,207,899</u> *
FTE	0.0	59.1	62.4	58.4	58.4
General Fund	0	2,401,974	2,450,141	2,598,965	2,599,403
Cash Funds	0	1,042,147	1,093,613	1,143,900	1,143,900
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	5,100,844	6,612,924	6,464,596	6,464,596
Operating Expenses	<u>0</u>	<u>472,268</u>	<u>484,048</u>	<u>466,054</u>	<u>466,054</u>
General Fund	0	14,579	14,619	14,619	14,619
Cash Funds	0	59,390	265,915	265,915	265,915
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	398,299	203,514	185,520	185,520
Background Investigation Unit	<u>0</u>	<u>999,824 12.5</u>	<u>1,203,867 8.0</u>	<u>1,263,562 8.6</u>	<u>1,263,562 8.6</u> *
General Fund	0	0	0	0	0
Cash Funds	0	999,824	1,203,867	1,263,562	1,263,562
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	<u>0</u>	<u>18,419</u>	<u>2,664,008</u>	<u>2,664,008</u>	<u>2,664,008</u> *
General Fund	0	0	0	0	0
Cash Funds	0	18,419	101,138	101,138	101,138
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	2,562,870	2,562,870	2,562,870

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
TOTAL - (5) Licensing and Administration	0	10,035,476	14,508,601	14,601,085	14,601,523
<i>FTE</i>	<u>0.0</u>	<u>71.6</u>	<u>70.4</u>	<u>67.0</u>	<u>67.0</u>
General Fund	0	2,416,553	2,464,760	2,613,584	2,614,022
Cash Funds	0	2,119,780	2,664,533	2,774,515	2,774,515
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	5,499,143	9,379,308	9,212,986	9,212,986
TOTAL - Department of Early Childhood	115,284	367,183,450	808,919,352	777,545,383	771,145,234
<i>FTE</i>	<u>0.0</u>	<u>208.0</u>	<u>231.7</u>	<u>234.4</u>	<u>229.8</u>
General Fund	115,284	105,769,654	306,002,258	294,919,782	294,960,316
Cash Funds	0	40,129,258	212,983,095	269,667,786	266,337,143
Reappropriated Funds	0	2,153,578	16,812,083	18,395,598	18,395,946
Federal Funds	0	219,130,960	273,121,916	194,562,217	191,451,829

APPENDIX B: FY 2023-24 UPK FUNDING

	UPK FUNDING	GF	CF	TOTAL	NOTES
1	2023-24 Department Request	\$0	\$325,000,000	\$325,000,000	
	<i>Assumptions in Request</i>		<i>190,000,000</i>		Prop EE Preschool Program Cash Fund Revenue projections - September
	<i>Assumptions in Request</i>	<i>135,000,000</i>			Required SEF Transfer to Preschool Program Cash Fund
2	2023-24 Staff Recommendation in Fig Setting document	\$169,000,000	\$153,000,000	\$322,000,000	
	<i>Assumptions in Recommendation</i>	<i>139,110,672</i>			Required SEF transfer, but recommended as GF direct appropriation
	<i>Assumptions in Recommendation</i>	<i>29,889,328</i>			Proposed General Fund to help build a reserve in the fund
	<i>Assumptions in Recommendation</i>		<i>185,200,000</i>		LCS forecast of Prop EE revenue - December (This was a lower estimate because LSC forecasted additional revenue being returned to taxpayers while OSPB estimated based on the state keeping the additional revenue
	<i>Assumptions in Recommendation</i>		<i>(32,200,000)</i>		Proposed reserve equal to 10 percent of projected program expenditures
3	2023-24 Staff Action Amending Fig Setting Action	(\$1,500,000)	\$1,500,000		See LLS 23-0868 - based on updated forecast of Prop EE Revenue - March
4	FINAL Appropriation in Long Bill	\$ 167,500,000	\$ 154,500,000		
	<i>Assumption</i>	<i>28,389,328</i>			General Fund offset Preschool Program Cash fund expenditures to help build reserve

APPENDIX C: HISTORY OF UNIVERSAL PRESCHOOL

KEY LEGISLATION:

- **H.B. 20-1427:** Groundwork for universal preschool was laid in 2020 with the passage of H.B. 20-1427 which proposed increased and new taxes on cigarettes and other nicotine products, allocating a significant portion of the future intended revenues to the Preschool Programs Cash Fund, also created by the bill. Voters ultimately approved Proposition EE, implementing the provisions of the bill.
- **H.B. 21-1304:** The Transition Working Group and the Transition Advisory Group were created to inform the development of universal preschool recommendations.
- **H.B. 22-1197:** In the 2022 legislative session, the General Assembly changed the effective date for the department of early childhood from July 1, 2022, to March 1, 2022 and transferred \$3.5 million and \$326,413 from the General Fund for data system capital costs and administrative costs, respectively.
- **H.B. 22-1295:** The General Assembly codified the creation, responsibilities, and funding for the Department of Early Childhood, transferring the Office of Early Childhood and related funding and FTEs from the Department of Human Services. It also created the framework for the delivery of free universal preschool. Funding requirements stipulated in Amendment 23 apply.

PRIORITIZATION OF SERVICES

The statutes describe a prioritization of the funding for the provision of services that the Department interprets as follows:

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

Department rules establish the following qualifying factors:

- 5 Low-income (defined as less than 270 percent of the federal poverty guidelines)
- 6 A non-English speaking family or student
- 7 An Individualized Education Program (IEP) for children with disabilities
- 8 Foster care or non-certified kinship care
- 9 Homelessness

PRESCHOOL PROGRAMS CASH FUND

Sources of revenue to the Preschool Programs Cash Fund include:

- 10 The majority of new revenue from Proposition EE, including:
 - A transfer³ from the additional taxes on nicotine products equal to:
 - For FY 2023-24, the total less \$15,000,000
 - For FY 2024-25 through FY 2026-27, the total less \$35,000,000

³ Section 24-22-118 (2), C.R.S.

- For FY 2027-28 and beyond, the total less \$45,000,000
 - A transfer⁴ from the additional sales tax revenue attributable to the minimum price for cigarettes equal to 73 percent of the June estimates by Legislative Council Staff
- 11 Any amount the General Assembly decides to transfer to the fund.

Revenues attributable to Proposition EE exceeded FY 2021-2022 Blue Book estimates, triggering TABOR refunds and possible tax rate reductions unless voters approved Proposition II in November 2023. Voters approved the proposition, allowing the state to retain the excess revenues and maintain tax rates. As a result, the Department anticipates submitting a budget amendment for increased spending authority of the additional Preschool Program Cash Funds in FY 2024-25, estimated at approximately \$18.0 million.

⁴ Section 39-28-116 (6), C.R.S.

APPENDIX D: FY 2023-24 UPK PROVIDER RATES

Local Coordinating Organizations	2023-2024 Part-Time Rate (10h)	2023-2024 Half-Day Rate (15h)	2023-2024 Full-Day Rate (30h)
Arapahoe County Early Childhood Council	\$4,742.88	\$5,926.69	\$10,544.48
Bright Futures	\$4,916.60	\$6,143.77	\$10,723.48
Broomfield Early Childhood Council	\$4,680.51	\$5,848.75	\$10,474.13
Chaffee County Early Childhood Council	\$4,816.14	\$6,018.24	\$10,600.78
Cheyenne, Kiowa & Lincoln Counties ECC	\$4,847.65	\$6,057.62	\$10,581.52
Children First Department of Pueblo Community College/ Pueblo Early Childhood Council	\$5,042.11	\$6,300.61	\$10,873.61
Connections4Kids & Moffat County School District	\$5,072.89	\$6,339.07	\$11,055.08
Custer County School District & Custer County Kids Council	\$4,735.83	\$5,917.88	\$10,474.33
Denver Preschool Program	\$4,883.22	\$6,102.06	\$10,748.93
Douglas County Early Childhood Council	\$4,662.16	\$5,825.82	\$10,449.21
Eagle County School District & Early Childhood Partners	\$4,851.20	\$6,062.05	\$10,762.67
Early Childhood Council for Yuma, Washington and Kit Carson	\$4,779.01	\$5,971.83	\$10,553.20
Early Childhood Council of Boulder County	\$4,842.16	\$6,050.75	\$10,716.69
Early Childhood Council of Larimer County	\$4,757.44	\$5,944.89	\$10,511.26
Early Childhood Council of Logan, Phillips and Sedgwick	\$4,806.31	\$6,005.95	\$10,527.24
Early Childhood Council of the San Luis Valley	\$5,060.23	\$6,323.25	\$10,841.52
Early Childhood Options & Summit County Government	\$4,895.25	\$6,117.09	\$10,872.90
Early Learning Ventures	\$4,792.23	\$5,988.36	\$10,508.05
ECHO & Family Center ECC	\$4,885.88	\$6,105.38	\$10,674.55
Elbert County Early Childhood Council	\$4,724.82	\$5,904.13	\$10,570.18
First Impressions of Routt County	\$4,899.16	\$6,121.98	\$10,864.11
Grand Beginnings	\$4,921.04	\$6,149.32	\$10,885.94
Gunnison-Hinsdale Early Childhood Council	\$4,856.34	\$6,068.47	\$10,669.68
Huerfano-Las Animas Counties Early Childhood Council	\$5,016.18	\$6,268.21	\$10,815.48
Joint Initiatives for Youth and Families	\$4,735.40	\$5,917.35	\$10,469.89
Mesa County Partnership for Children and Families & Mesa County Dept of Human Services	\$4,759.02	\$5,946.85	\$10,428.72
Rocky Mountain ECC & Mountain Valley Development Services	\$4,877.41	\$6,094.80	\$10,830.27
San Juan BOCES	\$4,870.04	\$6,085.59	\$10,681.32
Teller Park Early Childhood Council	\$4,794.32	\$5,990.97	\$10,649.80
Triad Bright Futures	\$4,713.94	\$5,890.53	\$10,513.26
United Way of Weld County	\$4,732.93	\$5,914.25	\$10,459.08
Westminster Public Schools on Behalf of a County Collaborative	\$4,828.39	\$6,017.28	\$10,642.96
AVERAGE:	\$4,837.46	\$6,044.37	\$10,655.45