



Colorado  
Legislative  
Council  
Staff

SB16-022

FINAL  
FISCAL NOTE

**FISCAL IMPACT:** ☒ State ☒ Local ☐ Statutory Public Entity ☐ Conditional ☐ No Fiscal Impact

**Drafting Number:** LLS 16-0343  
**Prime Sponsor(s):** Sen. Martinez Humenik  
Rep. Pettersen

**Date:** September 6, 2016  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Bill Zepernick (303-866-4777)

**BILL TOPIC:** CHILD CARE ASSISTANCE CLIFF EFFECT PILOT PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019
State Revenue			
State Expenditures	Potential increase.		
General Fund/Cash Funds			
FTE Position Change			
Appropriation Required: None.			
Future Year Impacts: None.			

### Summary of Legislation

The bill, originally recommended by the Early Childhood and School Readiness Legislative Commission, removes the existing 10-county cap on the number of counties that may participate in the Colorado Child Care Assistance Cliff Effect Pilot Program. It also removes the two-year participation requirement for counties if the Department of Human Services (DHS) determines that participation during a shorter period will contribute relevant data to the evaluation of the pilot program. The bill encourages counties to implement cliff effect pilot programs in a way that is revenue neutral for individual families participating in the pilot program.

### Background

The Colorado Child Care Assistance Cliff Effect Pilot Program was created by Senate Bill 12-022 to allow counties to modify their child care assistance programs so that families are able to phase out their participation in the program as they enter the workforce and receive higher incomes. Subsequently, Senate Bill 14-003 was enacted, which created a cash fund for the pilot program and appropriated \$1.3 million to fund county pilot programs. Currently, 10 counties are participating in the pilot. The pilot program is scheduled to conclude on June 30, 2019.

### **State Expenditures**

The bill potentially increases costs in the DHS from FY 2016-17 through FY 2018-19 if additional counties choose to participate in the pilot program. The fiscal note assumes these costs will be managed and paid for within existing cash fund appropriations for the pilot program. Any additional costs in excess of existing appropriations, if incurred, will be paid from the General Fund or from General Fund monies appropriated to the Colorado Child Care Assistance Cliff Effect Pilot Program Fund.

### **Local Government Impact**

The bill potentially increases revenue to additional counties to cover their costs from participating in the Cliff Effect Pilot Program. Participation in the pilot program and the decision to seek grant funding are at the discretion of counties and subject to approval from the DHS.

### **Effective Date**

The bill was signed into law by the Governor and took effect on March 18, 2016.

### **State and Local Government Contacts**

Human Services                      Counties

### **Research Note Available**

An LCS Research Note for SB16-022 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.