

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0965
Prime Sponsor(s): Rep. Duran
 Sen. Kefalas

Date: June 25, 2013
Bill Status: Signed into Law
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING EARLY CHILDHOOD PROGRAMS IN COLORADO, AND, IN CONNECTION THEREWITH, EXPANDING THE CAPACITY AND IMPROVING THE QUALITY OF THE PROGRAMS THROUGH THE CREATION OF THE COLORADO INFANT AND TODDLER QUALITY AND AVAILABILITY GRANT PROGRAM AND MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures		
General Fund	\$3.0 million	\$3.0 million
FTE Position Change	1.0 FTE	1.0 FTE
Effective Date: The bill was signed into law by the Governor and took effect on May 28, 2013.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill creates the Colorado Infant and Toddler Quality and Availability Grant Program in the Department of Human Services (DHS). The grant program will allow early childhood programs to implement a tiered reimbursement pay structure providing an increased rate of reimbursement for "high quality" early childhood programs receiving moneys through the Colorado Child Care Assistance Program (CCCAP). An early childhood program is considered "high quality" if any of the following apply:

- The program receives one of the top two ratings of the state's quality rating and improvement system.
- The program is accredited by an accrediting body approved by the DHS.
- The program is an Early Head Start program meeting federal standards.

The DHS must determine the application process, eligibility criteria, proposal requirements, and award criteria for the program, and notify early childhood councils of grant availability. An applicant is eligible for a grant only if the early childhood programs have contracts with CCCAP, and the grant application:

- is made jointly between an early childhood council and a county department;
- demonstrates need and provides a plan to improve quality and increase the number of infants and toddlers served;

- provides a plan for how the program will provide tiered reimbursement; and
- meets any other criteria developed by the DHS.

For FY 2013-14, grant applications must be received by July 31, 2013, and awards must be made by September 1, 2013. For subsequent fiscal years, applications must be made by June 30 and grant awards allocated by August 1. Within 4 months following the conclusion of a grant, the grant recipient must provide the DHS with an annual report concerning the outcomes of the grant. No later than December 1, 2014, and each December 1 thereafter, the DHS is required to provide a written report on the grant program to the health and human services committees of the General Assembly.

State Expenditures

A grant program meeting the requirements of the bill is expected to increase General Fund expenditures by \$3.0 million and 1.0 FTE in the Department of Human Services for both FY 2013-14 and FY 2014-15. The DHS requires new staff to oversee a request for proposal (RFP) process, evaluate applications, manage tiered reimbursements, and track program accountability. Staff will travel statewide in order to provide technical assistance, ensure quality, and assist with reporting requirements. The remainder of funding, about \$2.93 million per year, will be available for grants to early childhood programs

While this fiscal note assumes the grant funding listed above, the actual amount could fluctuate without significantly impacting the administrative costs of the program. Total costs are identified in Table 1.

Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$52,162	\$52,162
FTE	1.0	1.0
Standard Operating	5,653	950
Travel & Printing	9,180	9,180
Early Childhood Grants	2,933,005	2,937,708
TOTAL	\$3,000,000	\$3,000,000

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under HB 13-1291*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,713	\$6,713
Supplemental Employee Retirement Payments	3,202	3,625
TOTAL	\$9,915	\$10,338

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

Consistent with this final fiscal note, the bill contains an appropriation of \$3.0 million General Fund and 1.0 FTE to the Department of Human Services for FY 2013-14.

Departments Contacted

Counties
Human Services

Education
Law

Governor