



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 10-0311
Prime Sponsor(s): Rep. Massey; Solano
 Sen. Steadman

Date: February 11, 2010
Bill Status: House Health and Human Services
Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING ELIGIBILITY DETERMINATIONS FOR THE COLORADO CHILD CARE ASSISTANCE PROGRAM TO PROMOTE STABILITY IN EARLY CHILDHOOD CARE.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures Federal Funds	\$24,000	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: See Local Government Impact Section.		

Summary of Legislation

The bill, recommended by the Early Childhood and School Readiness Legislative Commission, makes the following changes to the eligibility determination process for the Colorado Child Care Assistance Program in the Department of Human Services (DHS):

- extends the eligibility redetermination period for all program participants from 6 months to 12 months;
- aligns the eligibility redetermination period for children who are enrolled in Head Start so that child care assistance and Head Start eligibility are redetermined at the same time; and
- removes the requirement that a parent report income and activity changes during the twelve-month eligibility period.

The bill also prohibits counties from determining a parent ineligible for child care assistance as a result of:

- taking maternity leave;
- attending an eligible education institution; or
- being a separated spouse or parent where the other spouse or parent has disqualifying financial resources.

Under the bill, an early care or education provider (such as a school district or licensed preschool) may conduct a pre-eligibility determination for child care assistance for a family. The provider must submit its pre-eligibility documentation to the county for final determination. The provider may offer services prior to final determination and be reimbursed for any service provided only if the family is determined eligible.

State Expenditures

The bill increases costs in the Governor's Office of Information Technology (OIT) by \$24,000 in FY 2010-11. These are one-time costs, paid from federal funds, to make modifications to the Child Care Automated Tracking System (CHATS) used by the Department of Human Services. CHATS is currently being developed by a contractor for the DHS and is scheduled for completion in June 2010. The system modification required for this bill will be done after the initial system roll-out in December 2010, and would be completed by June 2011.

Because the bill does not expand the eligibility criteria for receiving child care assistance, it is not expected to increase costs for providing child care assistance. However, by extending the eligibility period and removing the requirement that program participants report changes in income and activity, the bill may result in a smaller number of children and families being served within the existing program resources. Because counties have discretion in setting eligibility, the reduction in children served has not been estimated.

Local Government Impact

The bill could result in counties making changes to their childcare assistance programs in order to control costs and manage program caseloads. The bill make will likely result in families receiving child care assistance for longer periods of time once they are in the program. Some counties may reduce eligibility and start waiting lists to ensure that they do not let too many families into their child care assistance programs. Once a family begins receiving assistance under the bill, they are less likely to be dropped than under current law.

State Appropriations

The Governor's Office of Information Technology will require an appropriation of \$24,000 in federal funds in FY 2010-11 for modifications to the DHS CHATS system.

Departments Contacted

Human Services