



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

Drafting Number: LLS 11-0065
Prime Sponsor(s): Rep. Looper
 Sen. Newell

Date: February 7, 2011
Bill Status: House SVMA
Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING THE CREATION OF THE DEPARTMENT OF DEFENSE QUALITY CHILD CARE STANDARDS PILOT PROGRAM.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Child Care Licensing Cash Fund	<\$5,000	<\$5,000
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

The bill creates a pilot program in the Department of Human Services (DHS) for licensing child care facilities using federal Department of Defense (DOD) quality standards. Facilities may apply to participate in the pilot program and sites are selected by the DHS with input from local agencies. The pilot facilities are to serve military families. Selected facilities must meet federal DOD standards and comply with DHS rules and requirements of the bill concerning services and staffing. The DHS may charge fees on participating facilities to cover the costs of the pilot program. Gifts, grants, and donations may also be received by the DHS to offset program costs.

The DHS is required to develop an early childhood training plan based on the needs of each pilot site, develop a rating and improvement system for the program by December 30, 2011, and promulgate rules for implementation of the pilot program by January 1, 2012. The DHS is required to report to the legislature by March 1, 2015, on the outcomes of the pilot program.

State Revenue

The bill will result in a minimal increase in revenue (<\$5,000) to the Child Care Licensing Cash Fund in the DHS beginning in FY 2011-12. This revenue is from fees on child care facilities participating in the pilot program. Fee amounts are set to cover the costs of the pilot program.

However, since program costs are not expected to increase significantly, fees will likely not differ from the current child care licensing fee schedule. The bill also allows the DHS to receive gifts, grants, and donations to cover the costs of the pilot. No funding sources for gifts, grants, and donations have been identified at this time.

State Expenditures

Implementing the pilot program will increase workload in the DHS in several areas. The department must make program rules, select pilot sites, and inspect facilities participating in the pilot program at least 2 times per year. Assuming that the rules match DOD guidelines and that the pilot is limited to 5 sites, these tasks can be accomplished within existing resources and no new appropriation is required. Any expansion of the pilot program beyond this level will likely result in the need for additional funding, which would be address in future legislation or through the annual budget process.

Local Government Impact

The bill could increase costs to counties for additional local health inspections of facilities licensed under the pilot program. Any increase in inspections is assumed to be offset by fees paid by facilities for any county health inspections.

Departments Contacted

Human Services

Law