PREAMENDED

This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading

LLS NO. 12-0469.01 Debbie Haskins x2045   **SENATE BILL 12-022**

SENATE SPONSORSHIP

Williams S., Boyd, Hudak

HOUSE SPONSORSHIP

Massey, Fields, Kefalas

Senate Committees   **House Committees**
Health and Human Services

A BILL FOR AN ACT

101   **CONCERNING MAINTAINING CHILD CARE ASSISTANCE FOR WORKING**

102   **FAMILIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

Under the current law, when a person receiving child care assistance under the Colorado child care assistance program (CCCAP) is ineligible due to exceeding the income eligibility level adopted by the county department of social services, the county department is strongly encouraged to continue providing child care assistance for 6 months and

to work with the person to provide a gradual transition off of the child care assistance. This bill eliminates that permissive 6-month option when a person's income exceeds the county-adopted eligibility level and requires that the county continue to provide child care assistance to the person for a period of 2 years while the person pays a series of incremental increases in the portion of the parental share of the child care.

The bill requires the state board of human services to adopt rules establishing a formula for the scheduled increases in the parental share based on income and on the cost of child care with the goal of the parent becoming more self-sufficient, maintaining stable employment, and taking on more of the cost of child care over the 2-year period. A family that receives child care assistance during the extended 2-year period is required to report any income changes during the 2-year period and is subject to a redetermination of eligibility after the first 12 months.

1   *Be it enacted by the General Assembly of the State of Colorado:*

2   **SECTION 1.** In Colorado Revised Statutes, **add** 26-2-808 as

3   follows:

4   **26-2-808. Pilot program to continue child care assistance with**

5   **modifications - legislative declaration - county participation - report**

6   **- repeal.** (1) THE GENERAL ASSEMBLY DECLARES THAT THE PURPOSE OF

7   THIS SECTION IS TO CREATE A PILOT PROGRAM TO STUDY WHETHER A NEW

8   APPROACH TO THE COLORADO CHILD CARE ASSISTANCE PROGRAM CAN

9   MITIGATE THE CIRCUMSTANCE, REFERRED TO IN THIS SECTION AS THE

10   "CLIFF EFFECT", THAT SOMETIMES OCCURS WHEN WORKING PARENTS WHO

11   ARE PARTICIPANTS IN THE COLORADO CHILD CARE ASSISTANCE PROGRAM

12   RECEIVE A MINOR INCREASE IN THEIR INCOME THAT MAKES THEM

13   INELIGIBLE FOR CHILD CARE ASSISTANCE AND THE INCREASE IN WAGES IS

14   NOT ENOUGH TO COVER THE COSTS FOR CHILD CARE WITHOUT THE CHILD

15   CARE ASSISTANCE. THE GENERAL ASSEMBLY FINDS THAT THIS

16   PHENOMENON OFTEN CREATES DISINCENTIVES FOR FAMILIES TO ACHIEVE

17   SELF-SUFFICIENCY. THE GENERAL ASSEMBLY ALSO ENCOURAGES COUNTIES

1 PARTICIPATING IN THE PILOT PROGRAM TO CREATE EFFECTIVE PUBLIC AND

2 PRIVATE PARTNERSHIPS WITH NONPROFIT ORGANIZATIONS AND

3 BUSINESSES TO FIND ADDITIONAL INNOVATIVE WAYS TO CONTINUE CHILD

4 CARE ASSISTANCE FOR WORKING PARENTS AS AN ECONOMIC BENEFIT TO

5 FAMILIES AND FOR CONTINUITY OF QUALITY EARLY EDUCATION FOR THE

6 CHILD. THE GENERAL ASSEMBLY FINDS THAT ALLOWING WORKING

7 PARENTS TO CONTINUE TO RECEIVE CHILD CARE ASSISTANCE THROUGH

8 THE PILOT PROGRAM ESTABLISHED IN THIS SECTION WILL BE BENEFICIAL

9 TO:

10 (a) CHILDREN WHO ARE ABLE TO CONTINUE IN A STABLE DAY CARE

11 ENVIRONMENT;

12 (b) WORKING PARENTS WHO ARE ABLE TO CONTINUE TO WORK AND

13 ADVANCE IN THEIR JOBS AND BECOME MORE SELF-SUFFICIENT; AND

14 (c) EMPLOYERS WHO HAVE A WORK FORCE THAT IS MORE STABLE

15 BECAUSE THEIR EMPLOYEES HAVE CONSISTENT CHILD CARE

16 ARRANGEMENTS AND HAVE AN INCENTIVE TO STAY WITH AND ADVANCE

17 IN THE SAME EMPLOYMENT.

18 (2) BEGINNING ON THE EFFECTIVE DATE OF THIS SECTION, THE

19 STATE DEPARTMENT IS AUTHORIZED TO DEVELOP AND OVERSEE A PILOT

20 PROGRAM IN WHICH THE COLORADO CHILD CARE ASSISTANCE PROGRAM

21 AS OUTLINED IN SECTION 26-2-805 IS MODIFIED TO MITIGATE THE CLIFF

22 EFFECT FOR LOW-INCOME FAMILIES THAT ARE WORKING AND RECEIVING

23 CHILD CARE ASSISTANCE, REFERRED TO IN THIS SECTION AS THE "PILOT

24 PROGRAM". COUNTY DEPARTMENTS OF SOCIAL SERVICES MAY APPLY TO

25 THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE TO PARTICIPATE IN

26 THE PILOT PROGRAM. THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE

27 MAY SELECT UP TO TEN COUNTIES THAT WILL PARTICIPATE IN THE PILOT

1   PROGRAM AS DESCRIBED IN THIS SECTION. IN SELECTING THE COUNTIES,

2   THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE SHALL SEEK

3   DIVERSITY IN THE SIZE OF POPULATION, REGIONAL LOCATION, AND

4   DEMOGRAPHIC COMPOSITION.

5   (3) SUBJECT TO AVAILABLE APPROPRIATIONS, A COUNTY THAT IS

6   PARTICIPATING IN THE PILOT PROGRAM SHALL CONTINUE TO PROVIDE

7   CHILD CARE ASSISTANCE FOR A PERIOD OF UP TO TWO YEARS FOR ANY

8   PERSON WHO HAS BEEN RECEIVING CHILD CARE ASSISTANCE FROM THE

9   COUNTY AND WHOSE INCOME EXCEEDS THE COUNTY-ADOPTED INCOME

10   ELIGIBILITY LIMIT FOR THE COUNTY'S CHILD CARE ASSISTANCE PROGRAM.

11   THE COUNTY SHALL REQUIRE A PARENT WHO IS RECEIVING EXTENDED

12   CHILD CARE ASSISTANCE TO PAY A SERIES OF INCREMENTAL INCREASES IN

13   THE PORTION OF THE PARENTAL SHARE OF THE CHILD CARE COSTS ON A

14   SCHEDULED BASIS BASED UPON A FORMULA ESTABLISHED BY THE COUNTY;

15   EXCEPT THAT ASSISTANCE SHALL NOT BE PROVIDED IF SAID INCOME

16   EXCEEDS THE MAXIMUM LEVEL FOR ELIGIBILITY FOR SERVICES SET BY

17   FEDERAL LAW FOR A FAMILY OF THE SAME SIZE. THE COUNTY SHALL WORK

18   WITH THE PERSON TO PROVIDE A GRADUAL TRANSITION OFF OF THE CHILD

19   CARE ASSISTANCE OVER A TWO-YEAR PERIOD. EACH COUNTY DEPARTMENT

20   SHALL SET ITS OWN PARENTAL FEE SCHEDULE AND MAY CONSULT WITH

21   THE STATE DEPARTMENT ON SETTING THE PARENTAL FEE SCHEDULE.

22   (4) A FAMILY THAT IS RECEIVING CHILD CARE ASSISTANCE FOR AN

23   EXTENDED PERIOD OF TIME UNDER THE PILOT PROGRAM SHALL REPORT

24   INCOME CHANGES TO THE COUNTY DURING THE TWO-YEAR PERIOD AND IS

25   SUBJECT TO A REDETERMINATION BY THE COUNTY AFTER THE FIRST

26   TWELVE MONTHS.

27   (5) AS PART OF THE PILOT PROGRAM, A COUNTY IS ENCOURAGED

1 TO CREATE EFFECTIVE PUBLIC AND PRIVATE PARTNERSHIPS WITH

2 NONPROFIT ORGANIZATIONS AND BUSINESSES TO FIND INNOVATIVE WAYS

3 TO SUPPLEMENT ITS CHILD CARE ASSISTANCE PROGRAM FUNDS TO HELP

4 PARENTS CONTINUE TO PAY FOR CHILD CARE, INCLUDING THE POSSIBILITY

5 OF USING THE COLORADO CHILD CARE CONTRIBUTION CREDIT PURSUANT

6 TO SECTION 39-22-121, C.R.S., TO LEVERAGE ADDITIONAL MONEYS TO

7 PROVIDE A STIPEND TO ASSIST THE FAMILY THROUGH THE TIME PERIOD

8 AFTER THE FAMILY'S INCOME MAKES THEM INELIGIBLE OR AT RISK OF

9 BEING INELIGIBLE FOR CHILD CARE ASSISTANCE.

10 (6) A COUNTY MAY PARTICIPATE IN THE PILOT PROGRAM ON AND

11 AFTER JULY 1, 2012, AND THROUGH JULY 1, 2016. A COUNTY SHALL

12 OPERATE THE PILOT PROGRAM FOR AT LEAST TWO YEARS. A COUNTY MAY

13 APPLY TO PARTICIPATE IN THE PILOT PROGRAM ON OR BEFORE JANUARY 1,

14 2014. EACH PARTICIPATING COUNTY SHALL COLLECT DATA ON THE PILOT

15 PROGRAM AND SHALL WORK WITH THE STATE DEPARTMENT TO EVALUATE

16 AND REPORT ON THE PILOT PROGRAM USING MEASURABLE OUTCOMES.

17 (7) THE STATE DEPARTMENT SHALL COMPILE THE DATA

18 SUBMITTED BY THE COUNTIES PURSUANT TO SUBSECTION (6) OF THIS

19 SECTION AND SUBMIT A REPORT ON THE PILOT PROGRAM WITH THE STATE

20 DEPARTMENT'S FINDINGS AND RECOMMENDATIONS TO THE HOUSE HEALTH

21 AND ENVIRONMENT COMMITTEE AND TO THE SENATE HEALTH AND HUMAN

22 SERVICES COMMITTEE, OR ANY SUCCESSOR COMMITTEES. THE STATE

23 DEPARTMENT SHALL SUBMIT ITS REPORT ON OR BEFORE OCTOBER 1, 2015.

24 (8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2016.

25 **SECTION 2. Safety clause.** The general assembly hereby finds,

26 determines, and declares that this act is necessary for the immediate

27 preservation of the public peace, health, and safety.