

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0965

**Date:** April 8, 2013

**Prime Sponsor(s):** Rep. Duran

**Bill Status:** House Public Health Care and Human Services

**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING EXPANDING THE CAPACITY OF QUALIFIED EARLY HEAD START PROGRAMS IN COLORADO THROUGH THE CREATION OF THE COLORADO EARLY HEAD START GRANT PROGRAM.

| <b>Fiscal Impact Summary</b>   | <b>FY 2013-2014</b> | <b>FY 2014-2015</b> |
|--|---------------------|---------------------|
| <b>State Revenue</b>   |                     |                     |
| <b>State Expenditures</b>  |                     |                     |
| General Fund   |                     |                     |
| Colorado Early Head Start Grant Program Fund   | \$3.0 million       | \$3.0 million       |
| <b>FTE Position Change</b>   | 0.8 FTE             | 0.8 FTE             |
| <b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature. |                     |                     |
| <b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.                   |                     |                     |
| <b>Local Government Impact:</b> None.  |                     |                     |

**Summary of Legislation**

This bill creates the Colorado Early Head Start Grant Program in the Early Childhood Office (office) in the Department of Human Services (DHS). Grants are for approved early head start programs, and are intended to increase the number of recipients receiving early childhood services for infants, toddlers under 3, and pregnant women living in poverty. Administration and management for the program is shared jointly by the office and the Head Start director in the office of the Lieutenant Governor.

The director and the office will jointly determine the application process, eligibility criteria, proposal requirements, and award criteria for the program. An early head start program is eligible for a grant only if it:

- currently receives federal grants and meets quality and monitoring standards of the early head start program;
- demonstrates additional need for early childhood services that will serve an increased number of recipients;

- meets state licencing requirements if the applying program is based in a childcare center; and
- provides a detailed plan describing how the grant will increase the number of infants, toddlers under 3, and pregnant women served.

For FY 2013-14, grant applications must be received by July 31 and awards must be made by September 1. For each subsequent fiscal year, applications must be made by June 30 and grant awards must be allocated by August 1. Grantees must report specified data concerning their early head start program, and the Head Start director must report the activities of the grant program to the office and to 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 0.8 FTE in the Department of Human Services for both FY 2013-14 and FY 2014-15.* The Early Childhood Office requires additional staff to assist the Head Start director to create a request for proposal (RFP) process, provide technical assistance to program applicants, evaluate applications, make awards, and track program accountability. Staff includes a 0.5 FTE program specialist and 0.3 FTE administrative assistance.

This fiscal note assumes total program funding of \$3.0 million although the actual amount could fluctuate without significantly impacting staff requirements. Currently, federal head start funding provides about \$16.5 million which allows services for 1,388 recipients at an average annual grant per child of about \$11,890. Minus administrative expenses, \$3.0 million will allow a similar level of support for about 250 additional recipients. Total costs are identified in Table 1.

| <b>Table 1. Estimated Expenditures Under HB 13-1004</b> |                    |                    |
|---|--------------------|--------------------|
| <b>Cost Components</b>                                  | <b>FY 2013-14</b>  | <b>FY 2014-15</b>  |
| Personal Services                                       | \$39,605           | \$39,605           |
| Standard Operating                                      | 4,522              | 760                |
| Travel & Printing                                       | 4,836              | 4,836              |
| FTE   | 0.8                | 0.8                |
| Early Head Start Grants                                 | 2,951,037          | 2,954,799          |
| <b>TOTAL</b>  | <b>\$3,000,000</b> | <b>\$3,000,000</b> |

**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.

| <b>Table 2. Expenditures Not Included Under HB 13-1291*</b>          |                   |                   |
|--|-------------------|-------------------|
| <b>Cost Components</b>   | <b>FY 2013-14</b> | <b>FY 2014-15</b> |
| Employee Insurance (Health, Life, Dental, and Short-term Disability) | \$5,366           | \$5,366           |
| Supplemental Employee Retirement Payments                            | 2,431             | 2,752             |
| <b>TOTAL</b>   | <b>\$7,797</b>    | <b>\$8,118</b>    |

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

### **State Appropriations**

For FY 2013-14, this bill requires an appropriation of \$3.0 million General Fund to the Colorado Early Head Start Grant Program and 0.8 FTE.

### **Departments Contacted**

Counties

Human Services

Education

Law

Governor