



Legislative Council Staff

Research Note

Version: Final

Date: 3/31/2016

Bill Number

Senate Bill 16-022

Sponsors

**Senator Martinez Humenik
Representative Pettersen**

Short Title

**Child Care Assistance Cliff
Effect Pilot Program**

Research Analyst

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Status

This research note reflects the final version of the bill, which became effective on March 18, 2016.

Summary

The bill, originally recommended by the **Early Childhood and School Readiness Legislative Commission**, removes the existing 10-county cap on the number of counties that may participate in the Colorado Child Care Assistance Cliff Effect Pilot Program. It also removes the two-year participation requirement for counties if the Colorado Department of Human Services (DHS) determines that participation during a shorter period will contribute relevant data to the evaluation of the pilot program. The bill encourages counties to implement cliff effect pilot programs in a way that is revenue neutral for individual families participating in the pilot program.

Background

The Colorado Child Care Assistance Cliff Effect Pilot Program is administered through the Division of Early Care and Learning within the Department of Human Services. The Colorado Child Care Assistance Program (CCCAP) requires that eligible families pay a portion of child care costs based on the family's gross income and number of children, and the program covers the remaining cost. CCCAP is offered to families that have income of 130 percent or less of the federal poverty level and may not serve families that have an income of over 85 percent of the state median income. The cliff effect problem occurs when an increase in income causes a family to become ineligible for the CCCAP. The loss of child care support from the program may be greater than the increase in income.

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The Colorado Child Care Assistance Cliff Effect Pilot Program, created by Senate Bill 12-022, allows counties to modify their child care assistance programs so that families whose income exceeds the eligibility limit could continue to participate in the CCCAP for two additional years, as long as they pay an increasing share of the child care costs. Currently, ten counties are participating in the pilot program. The pilot program is scheduled to conclude on June 30, 2019.

Senate Action

Senate Health and Human Services Committee (January 20, 2016). At the hearing, representatives from the Bell Policy Center and the League of Women Voters of Colorado testified in support of the bill. A representative from the Colorado Department of Human Services testified in a neutral position and responded to questions about the bill. The committee referred the bill to the Senate Committee of the Whole with no amendments.

Senate second reading (January 25, 2016). The Senate passed the bill on second reading with no amendments.

Senate third reading (January 26, 2016). The Senate adopted Amendment No.1, which encourages counties to implement the cliff mitigation to be revenue neutral for participating families. The Senate passed the bill on third reading, as amended.

House Action

House Public Health Care and Human Services (February 16, 2016). At the hearing, representatives from the Bell Policy Center, the Women's Foundation of Colorado, the League of Women Voters of Colorado, and the Colorado Children's Campaign testified in support of the bill. A representative from the DHS testified in a neutral position and responded to questions about the bill. The committee referred the bill to the House Committee of the Whole with no amendments.

House second reading (February 22, 2016). The House passed the bill on second reading with no amendments.

House third reading (February 23, 2016). The House passed the bill on third reading with no amendments.

Relevant Research

Final Report of the Early Childhood and School Readiness Legislative Commission, Research Publication No. 655, December 2015, <http://1.usa.gov/1KpgMO0>