FISCAL NOTE C

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***C**olorado **L**egislative **C**ouncil **S**taff*

STATE

FISCAL IMPACT

No State General Fund Impact

Drafting Number:	LLS 00-0281	**Date:**	December 1, 1999
Prime Sponsor(s):	Sen. Wham	**Bill Status:**	Child Care Interim Committee
	Rep. Alexander	**Fiscal Analyst:**	Janis Baron (303-866-3523)

TITLE: CONCERNING CONSOLIDATED CHILD CARE SERVICES, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2000/2001	FY 2001/2002
State Revenues General Fund		
State Expenditures Federal Fund	$ 559,930	$ 502,438
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: None		
Effective Date: July 1, 2000		
Appropriation Summary for FY 2000-2001: Department of Human Services $ 559,930 FF (Child Care Development Fund)		
Local Government Impact: None		

Summary of Legislation

The bill includes the following provisions:

- *Early Childhood Training Plans* -- requires community consolidated child care pilot site agencies to identify and develop early childhood training plans based upon community needs and available resources; specifies that the plans shall include principal elements of recent credentialing models for early childhood educators when state moneys are a source of funding to the pilot site agency; and requires the plans to be administered through the Department of Education or a not-for-profit association whose primary interest is the education of young children.
- *Outcome-Based Models* -- directs the Department of Human Services to establish a working group representative of the 12 original pilot site agencies to develop up to four models for improved outcome-based licensing, monitoring, and provider support; allows any of the original pilot site agencies to implement one of

the models; and directs the working group to evaluate the models after three years and to recommend which model or combination of models would be best for statewide implementation.
- *Funding* -- allows pilot site agencies to receive grants awarded by the Youth Crime Prevention and Intervention Program board.
- *Assessment* -- urges counties, in cooperation with non-profit and not-for-profit organizations, to assess the success of pilot programs; authorizes counties to match private contributions to the pilot programs with the county block grant moneys received pursuant to the Colorado Works Program.
- *Child Care Credentialing System* -- establishes a voluntary multi-tiered child care credentialing system in the Department of Human Services to be used in the pilot site agencies; requires the department to contract with an entity to administer the system; specifies that the entity shall collect fees to offset the costs of administering the system; and prohibits the General Assembly from appropriating state General Fund moneys for implementation or operation of the system.

State Expenditures

The bill is assessed at having a fiscal impact of $559,930 in FY 2000-01 and $502,438 in FY 2001-02.

Section 26-6.5-103 (3) (b.5) -- Requires each pilot site agency (18) to develop an early childhood training plan. It is assumed that for both FY 2000-01 and FY 2001-02 that all pilots will be ready to implement training programs addressing professional development, work force issues, and accreditation. It is assumed that the cost to implement and conduct each training program per site will be $15,000 annually (18 pilot sites X $15,000 = $270,000).

Section 26-6.5-103 (7) -- Requires DHS to establish a working group to develop up to four models of improved methodologies for outcome-based licensing and monitoring of child care facilities, and allows any or all of the pilot site agencies to implement one of the models. This section of the bill is estimated to cost $261,761 in FY 2000-01 and $204,269 in FY 2001-02, and the cost is based on the following assumptions:

- In addition to the current pilot members who meet periodically and whose expenses are paid from existing appropriations, ten additional members will be part of the working group that will develop the licensing models, and the actual and necessary expenses for these ten members will be paid from existing appropriations.
- A six-month contractor will be required in FY 2000-01 to develop a data base to collect information from the four models ($45 per hour X 1,040 hours = $46,800 for FY 2000-01 only).
- Four contract licensing staff, equivalent to General Professional III level, will be needed to help develop, monitor, collect data for four years (beginning with FY 2000-01), and interface with the Division of Child Care licensing program (Personal Services and Operating Expenses are estimated at $214,961 in FY 2000-01 and $204,269 in FY 2001-02).

Section 26-6.5-202 -- Requires DHS to develop a voluntary child care credentialing system, for use by pilot site agencies only, that recognizes the training and educational achievements of persons providing early childhood care and education. The cost to develop this system is estimated at $28,169 for both FY 2000-01 and FY 2001-02, and is based on the following assumptions:

- A credentialing system is currently under development with federal funds ($35,000) and will be operational beginning in FY 2000-01. The University of Colorado at Denver, Center for Human Investment Policy, is developing a pilot apprenticeship program for child care workers.
- A contracting agency will administer the system, and will incur costs for staff support, operating, travel, computer programming, and marketing, estimated at $35,669 for both fiscal years.
- An estimated 500 credentials will be issued at a cost of $15 per credential per year, with the contractor responsible for collecting fees and using those fees to offset the cost of the contract (500 credentials X $15 = $7,500).

Total credentialing system cost is $28,169 and includes the contracting agency costs ($34,669) minus the credential fees collected ($7,500).

DHS indicates in its budget submission for FY 2000-01, in Change Request #118, that $2,155,045 federal Child Care Development Fund moneys are available for child care quality initiatives. The bill's requirements fall under the child care quality initiatives umbrella, therefore, federal funds are available for appropriation by the General Assembly for this bill.

State Appropriations

The fiscal note indicates that the Department of Human Services should receive an appropriation of $559,930 federal funds for FY 2000-01. Federal welfare reform legislation authorizes the states to appropriate two sources of federal funds: TANF and Child Care Development Fund moneys. Federal Child Care Development Fund moneys are available to fund the bill's requirements.

Departments Contacted

Education

Human Services