



**Colorado
Legislative
Council
Staff**

Bill 4

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0343
Prime Sponsor(s):

Date: October 23, 2015
Bill Status: Early Childhood and School Readiness
Legislative Commission Bill Request
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: EXPAND CHILD CARE ASSISTANCE CLIFF EFFECT PILOT PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019
State Revenue			
State Expenditures			
General Fund	Potential increase.		
FTE Position Change			
Appropriation Required: None.			
Future Year Impacts: None.			

Summary of Legislation

The bill, *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 Child Care Assistance Cliff Effect Pilot Program. It also removes the two-year participation requirement for counties if the Department of Human Services (DHS) determines that participation during a shorter period will still contribute relevant data to the evaluation of the pilot program.

Background

The Cliff Effect Pilot Program was created by Senate Bill 12-022 to allow counties to modify their child care assistance programs so that families are able to phase out their participation in the program as they enter the workforce and receive higher incomes. Subsequently, Senate Bill 14-003 was enacted, which created a cash fund for the pilot program and appropriated \$1.3 million to fund county pilot programs. Currently, 10 counties are participating in the pilot. The pilot program is scheduled to conclude on June 30, 2019.

State Expenditures

The bill potentially increases costs in the DHS from FY 2016-17 through FY 2018-19 if additional counties choose to participate in the pilot program. The fiscal note assumes these costs will be managed and paid for within existing appropriations for the pilot program. Any additional costs, if incurred, will be paid from the General Fund or from General Fund appropriated to the Colorado Child Care Assistance Cliff Effect Pilot Program Fund.

Local Government Impact

The bill potentially increases revenue to additional counties to cover their costs from participating in the Cliff Effect Pilot Program. Participation in the pilot program and the decision to seek grant funding are at the discretion of counties and subject to approval from the DHS.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Human Services

Counties