Public Policy Action Group

Summary of the June 25, 2018 Meeting

The meeting focused on a review of HB18-1335 – CCCAP Reform Bill

1. Presenter: Vance Roper, Budget Analyst, Joint Budget Committee
2. Goals for the legislation:

* Create a uniform funding structure for CCCAP throughout Colorado so the JBC members can better assess how many children will be covered by CCCAP under various funding levels. Current differences among the counties with entry and exit eligibility levels makes it difficult to assess the effects of increases in state funding for CCCAP.
* Eliminate wait lists and fund children aged 5 to 13 whose families have incomes at 185 percent or less of the federal poverty level (FPL) in CCCAP at the same rate as similarly aged children are enrolled in childcare in the general population, roughly 31 percent.
* Using census data, the JBC determined that CCCAP was serving 21 percent of the target population in November 2017 and that every additional $4.5 million in state funding would increase CCCAP coverage by 1 percentage point. The goal is to cover CCCAP eligible kids at the same percent as kids in the general population receiving childcare over 3-5 years.

1. Outline of HB18-1335
   * Sets uniform entry level eligibility throughout the state at 185 percent of FPL and a statewide exit eligibility level at the federal maximum rate of 85 percent of state median income for family type.
   * Will set the market reimbursement rate for child care annually based on an annual survey. Set reimbursement rates that take into account the cost of living in various counties, the quality of care provided and costs of program administration. It is possible to increase reimbursement rates to encourage providers to locate in areas with limited existing providers. Reimbursement rates can also be sent regionally and adjusted to reflect dramatic economic changes in areas such as loss of a major employer.
   * The base reimbursement rate equals population times the market rate with the factors above added. These adjustments create the funding model and these funds are then allocated to each county. New numbers will be available each January so supplemental appropriations can cover additional costs such as inflation and the costs of high-quality care.
   * Adjust all counties uniformly when cuts are made. Counties will not be allowed to opt out and rules will apply uniformly to all counties. Counties are required to allocate matching funds to the program.
   * The JBC will focus on the funding model and how additional state funding will affect the universe of kids covered by CCCAP.
2. Questions and discussion
   * Increasing child care slots in underserved areas – State could pay higher reimbursement rates for providers locating in underserved areas (lawmakers apparently dislike the term “childcare deserts.”) Possible changes in daily vs. weekly pay and contracting with providers for a set number of slots that they could count on for reimbursement.
   * Possible use of shared services – Expand the model used for deaf and hard of hearing students for translator services to other student services. ECC model is also an example.
   * Costs to childcare providers – International building codes adopted by local governments requires sprinkler systems for homes that have six or more kids in care. CDHS is pushing proactive responses focusing on health and safety issues such as fire drills and other efforts to ensure kids can get out of the house safely.
   * Expanding number of childcare slots – Need to look at ways of helping family providers with the capital costs of creating and providing center-based care. Also looking at how to help people get licensed and to expand the number of in-home providers. Consider allowing children aged birth to 3 years old in the same class. Currently, mixed age classrooms are not allowed for very young kids. Also considering the co-op model to provide child care.
   * Providing students in postsecondary education or workforce development with CCCAP- There is limited information on whether and how the counties determine if students are eligible for CCCAP. County plans tell the state what they are doing but the data on how they are implemented is sitting in CHATS (the CCCAP data base) and it is hard to pull data out of CHATS. (The action group has asked for updated CHATS information from CDHS.) All families should receive the same information about being eligible for CCCAP due to postsecondary education and workforce development participation.
   * Allocation of CCCAP funds among counties – Currently some counties overspend their CCCAP allocation while others underspend it. They “buy and sell” allocations between counties but this practice will end under HB18-1335. Unused CCCAP allocations will go back to the state and the JBC will use census data to show how many children in the county are eligible but not being served. They can then see whether counties are underutilizing CCCAP. Some counties might need help in meeting the Maintenance of Effort payments under CCCAP.
   * How can families find out about eligibility for CCCAP – It is possible to use the state website to link information to the counties where people live. The PEAK system is doing that in a way. The state is looking to expand the PEAK system so that is becomes a universal system to make it easier for families to get access to childcare.