

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 26-0822.01 Veronica Parish x2606

HOUSE BILL 26-1260

HOUSE SPONSORSHIP

Garcia and Willford,

SENATE SPONSORSHIP

Cutter and Bright,

House Committees

Health & Human Services
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PROGRAMS FOR CHILD CARE ASSISTANCE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Under existing law, the implementation dates for capping family copayments for child care at 7% of family income, for paying child care providers in advance of the provision of services, and for utilizing grants and contracts to improve access to child care for underserved populations is August 1, 2026. The bill extends the implementation dates to August 1, 2028.

The bill clarifies that no more than 5% of money allocated to counties for child care assistance may be used for administrative costs.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 2nd Reading
March 24, 2026

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 26.5-4-111, **amend**
3 (4)(b) and (12)(a) as follows:

4 **26.5-4-111. Services - eligibility - assistance provided - waiting**
5 **lists - rules - exceptions from cooperating with child support**
6 **establishment.**

7 (4) (b) The executive director by rule shall establish, and at least
8 every five years review and revise, as appropriate, a copayment schedule
9 so that the copayment gradually increases as the family income
10 approaches self-sufficiency income levels, but must be no greater than
11 seven percent of the family's gross monthly income on or before ~~August~~
12 ~~1, 2026~~ AUGUST 1, 2028, regardless of the number of children in care, as
13 determined based on one month of income, unless one month of income
14 does not provide an accurate indication of anticipated income, in which
15 case the county may use evidence of up to the most recent twelve months
16 of income; however, if a federal rule limits copayments to less than seven
17 percent of the family's gross monthly income, the department shall
18 immediately comply with the federal limit. This revised copayment
19 schedule should allow families to retain a portion of their increases in
20 income.

21 (12) Each county:

22 (a) Upon notification to counties by the department that the
23 relevant case management systems, including the Colorado child care
24 automated tracking system, are capable of accommodating this subsection
25 (12)(a), and pursuant to department rules, on or before ~~August 1, 2026~~
26 AUGUST 1, 2028, and subject to available federal appropriations, in

1 addition to regular provider reimbursement rates, the county departments
2 shall pay providers for care in alignment with common practices in the
3 private market for child care, including paying providers weekly for each
4 child based on child enrollment in advance of the provision of services.
5 The department rules governing payment policies must allow daily
6 reimbursement rates only for drop-in child care, back-up child care, and
7 care that is commonly paid on a daily reimbursement basis in the private
8 child care market and must incentivize providers to promote regular
9 program attendance. On or before ~~August 1, 2026~~ AUGUST 1, 2028, and
10 subject to available federal appropriations, the department and county
11 departments shall utilize grants and contracts for underserved
12 populations, including children in underserved geographic areas, infants
13 and toddlers, children with disabilities, and families needing
14 nontraditional-hour care, to improve equitable access for these
15 populations. The department shall annually evaluate data regarding the
16 numbers and percentages of underserved populations being served by
17 CCCAP to determine if equitable access is improved or achieved. The
18 executive director shall ~~promulgate~~ ADOPT rules for the implementation
19 of this subsection (12).

20

21 **SECTION 2.** In Colorado Revised Statutes, 26.5-4-114, **amend**
22 (1) introductory portion, (1)(i), and (1)(j)(V); and **add** (1)(k) as follows:

23 **26.5-4-114. Colorado child care assistance program -**
24 **reporting requirements.**

25 (1) On or before November 1, 2022, and on or before November
26 1 each year thereafter, the department shall prepare a report on CCCAP.
27 Notwithstanding section 24-1-136 (1)(a)(I), the department shall provide

1 the report to the joint budget committee of the general assembly, the
2 ~~public and behavioral~~ health and human services committee of the house
3 of representatives, and the health and human services committee of the
4 senate, or any successor committees. The report must include, at a
5 minimum, the following information related to benchmarks of success for
6 CCCAP:

7 (i) An estimate of unmet need for CCCAP in each county and
8 throughout the state based on estimates of the number of children and
9 families who are likely to be eligible for CCCAP in each county but who
10 are not enrolled in CCCAP, disaggregated by estimated ages from birth
11 through thirteen years of age; and

12 (j) Beginning with the report submitted November 1, 2024, and
13 in each annual report thereafter:

14 (V) An explanation of the quality incentives made available to
15 providers; AND

16 (k) BEGINNING WITH THE REPORT SUBMITTED NOVEMBER 1, 2026,
17 AND IN EACH ANNUAL REPORT THEREAFTER:

18 (I) THE TOTAL AMOUNT OF CCCAP ALLOCATION THAT IS SPENT BY
19 THE DEPARTMENT AND EACH COUNTY ON:

20 (A) ADMINISTRATIVE EXPENSES, INCLUDING SALARIES AND
21 OPERATING EXPENSES OF STAFF WHO PERFORM ADMINISTRATIVE
22 FUNCTIONS;

23 (B) COUNTY INDIRECT EXPENSES, CHARGED IN ACCORDANCE WITH
24 COUNTY COST ALLOCATION PLANS;

25 (C) PROGRAM IMPLEMENTATION COSTS THAT ARE REPORTED AS
26 NONDIRECT SERVICES IN ACCORDANCE WITH FEDERAL CHILD CARE
27 DEVELOPMENT FUND REGULATIONS, SUCH AS SALARIES AND OPERATING

1 EXPENSES FOR CASEWORKERS TO COMPLETE ELIGIBILITY DETERMINATION
2 AND REDETERMINATION, ERROR RATE REVIEWS AND COMPLIANCE, AND
3 OTHER PROGRAM ACTIVITIES NECESSARY TO OPERATE THE PROGRAM; AND
4 (C) DIRECT SERVICE EXPENSES.

5 **SECTION 3. Effective date.** This act takes effect August 1,
6 2026.

7 **SECTION 4. Safety clause.** The general assembly finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, or safety or for appropriations for
10 the support and maintenance of the departments of the state and state
11 institutions.