

Denver Human Services Colorado Child Care Assistance Program (CCCAP)



Safety, Housing, Education &
Homelessness Committee

December 18, 2024



#HumanTogether

Today's Agenda

- CCAP overview
- New Federal Rules Discussion
- Budget
- State/County Responses

How DHS Functions

- Colorado is a **state-supervised, county-administered human services system** – we are one of nine states with this style of system. Counties provide services directly, while state departments supervise and set rules and guidance
- Our relationship with each state department that oversees our work – CO Dept of Human Services (CDHS), Health Care Policy & Financing (HCPF), Behavioral Health Administration (BHA), Department of Labor and Employment (DOLA) and CO Dept of Early Childhood (CDEC) – is incredibly important
- Most of the programs we administer are federal
- Federal and State laws and rules govern most of our work

Colorado Child Care Assistance Program (CCCAP) Overview

- CCCAP is Colorado's state-supervised, county-administered childcare subsidy program that annually serves an average of 28,730 children through 2,462 licensed providers and is administered by 500 county workers.
- Helps low-income families with financial assistance for childcare for children ages 0-13
- Eligible families are working, homeless, involved in TANF, involved in child welfare, searching for work, and/or attending secondary education
- Counties are required to enroll families who receive TANF and child welfare even when on a waitlist or freeze
- Families are eligible from 185%, 225% or 245% Federal Poverty Level (determined from HB18-1335) and become ineligible once they reach 85% state median income
- This program is not an entitlement; however, once a family is enrolled, they cannot be removed from the program until they are no longer eligible
- Denver serves 3,019 children as of 12/16/24 and has 666 active providers.

CCCAP Funding Concerns:

- There has always been insufficient funding for this program (estimates are that Colorado only serves 9-11% of eligible families)
- There has been a significant infusion of pandemic related one time funding from 2020-2024; these funds will be completely exhausted this year
- Significant program changes are being required per the Federal government that will increase costs with limited additional funding

Key Federal Changes

- Limit family parent fees to 7 % of family income, regardless of family size;
- Reimbursing child care providers prospectively based on child enrollment rather than attendance;
- Reimbursing child care providers for reasonable registration fees;
- Increased provider rates (\$20.4 million) (effective 10/1/24 with a phased 3 year rollout)

Implications of Program Changes

- **More robust program that aims to:**
 - lower families' child care costs,
 - improve child care provider payment rates and practices,
 - lead to higher wages for the early childhood workforce, and
 - simplify subsidy eligibility enrollment.
- **However, Colorado will be required to:**
 - spend more per child in the program,
 - serve fewer families overall, and
 - counties will be in a difficult financial position as the average time a child is on CCCAP is three years, so they have few levers to control their spending.

CCCAP Proposed Budget:

- The Governor's proposed budget includes a request for CCCAP for \$11,537,439
 - This increase is a refinancing of federal funding and increasing the county match requirements; no additional state funds requested; increased county share requested
- With the loss of pandemic related funding, there will be a net loss to the program (\$1.6M)

CCCAP Proposed Budget (continued):

Table 4. Total CCCAP Funds Requested with County Proportional Allocation

| Fiscal Year | FY 2025-26 | FY 2026-27 | FY 2027-28 Ongoing |
|--|---------------------|---------------------|---------------------|
| CCCAP Direct Services Required for Waiver | \$10,080,829 | \$10,080,829 | \$10,080,829 |
| Infant/Toddler Payment Based on Enrollment | \$6,926,872 | \$6,926,872 | \$6,926,872 |
| Parent Copays | \$3,153,957 | \$3,153,957 | \$3,153,957 |
| <i>County Proportional Allocation (Cash Funds)</i> | <i>\$1,098,810</i> | <i>\$1,098,810</i> | <i>\$1,098,810</i> |
| <i>CDEC Share (Federal Funds)</i> | <i>\$8,982,019</i> | <i>\$8,982,019</i> | <i>\$8,982,019</i> |
| Additional CCCAP Request Items | \$1,456,610 | \$1,456,610 | \$2,763,220 |
| Direct Services Increase | \$150,000 | \$150,000 | \$150,000 |
| Base County Proportional Allocation Proposed Increase | \$1,306,610 | \$1,306,610 | \$2,613,220 |
| Total CCCAP Request | \$11,537,439 | \$11,537,439 | \$12,844,049 |
| <i>Total CDEC Share (Federal Funds)</i> | <i>\$9,132,019</i> | <i>\$9,132,019</i> | <i>\$9,132,019</i> |
| <i>Total County Proportional Allocation (Cash Funds)</i> | <i>\$2,405,420</i> | <i>\$2,405,420</i> | <i>\$3,712,030</i> |

Colorado County current Waitlists and Freezes

Waitlist

Jefferson (4/15/24)
Gunnison (10/26/22)
San Juan (12/1/24)

Freeze

Adams (10/1/24)
Alamosa (11/18/24)
Boulder (3/1/24)
Broomfield (11/15/24)
Larimer (2/1/24)
Douglas (4/1/24)
Denver (1/1/25)
El Paso (11/6/24)

Questions?

