



APS 2026

Faces ^{of} the Future

HB22-1295: Department of Early Childhood and the new Universal Pre-K Program

Presented by:

Brett Johnson, Chief Financial Officer

Date: April 22, 2022

HB22-1295: Department of Early Childhood in a Nutshell

HB1295 creates the new Department of Early Childhood to oversee the new Universal Pre-K Program. A short summary of the mechanics:

- CPP funding would move out of CDE/Total Program into the new DEC office, along with new tobacco revenues established by Prop EE
- DEC would be a new one stop shop for all things ECE – and not just inheriting functions of the current CPP program, but also functions currently managed by Department of Human Services including licensing approvals
- DEC would have a cabinet-level executive director who reports directly to the Governor
- The ED would appoint a 14 member advisory counsel to provide advice as it works to set rates and promulgate rules established by HB1295
- Instead of establishing a large bureaucratic office, the DEC would establish Local Coordinating Organizations (one LCO for all communities) who would work with local school districts and a portfolio of other private or non-profit ECE providers.
- LCOs would oversee both funding as well as licensing and other management duties (currently no appropriation for this)
- A large amount of the operational functions for DEC – including rate setting for future per pupil funding, classroom ratios, and other guidance – will be promulgated through the rules process after the ED is hired

HB22-1295: Department of Early Childhood in a Nutshell

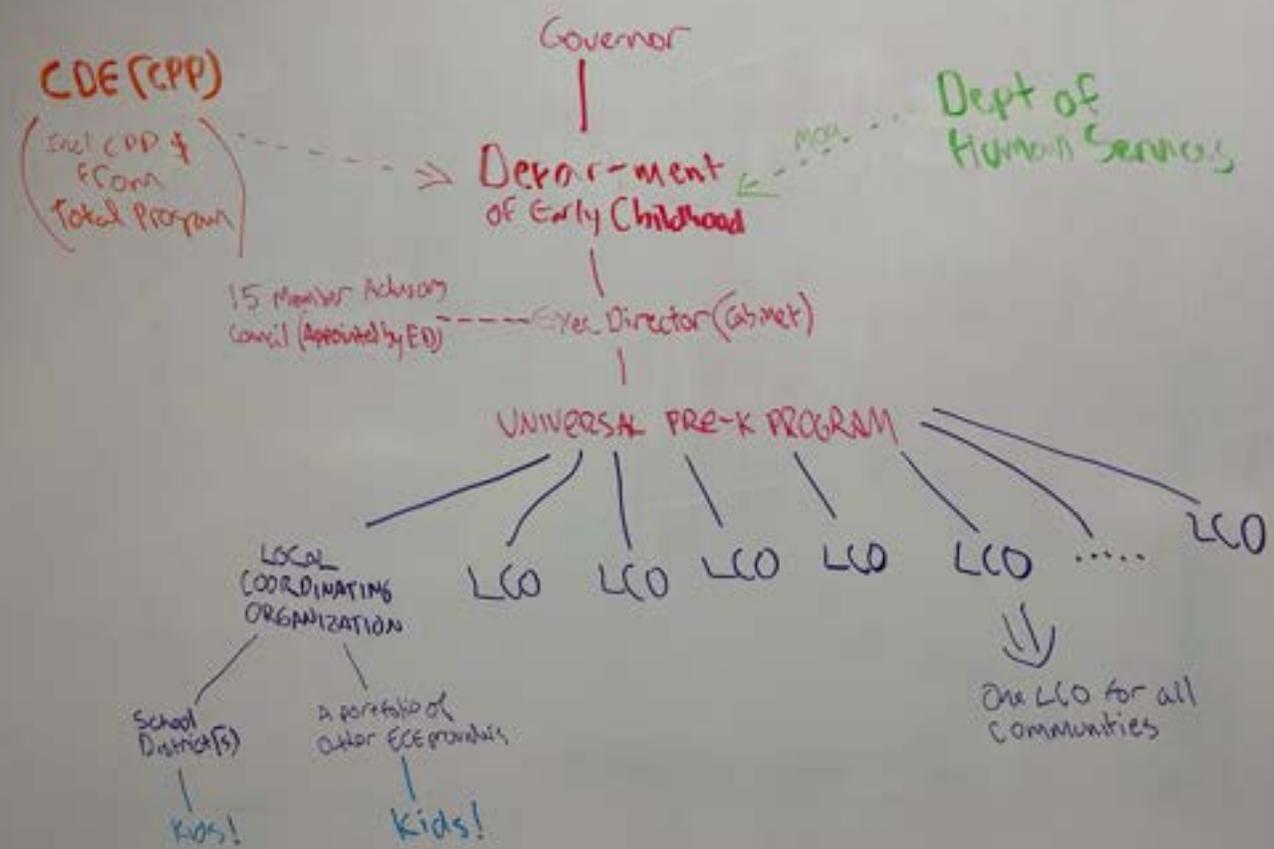
FUNDING:

- CPP From Total Program
- Prop EE Tobacco Taxes
- Other sources as identified

UNIVERSAL PRE-K

MEANS:

Every child qualifies for at minimum 10 hours/week univ pre-k



HB22-1295: Department of Early Childhood in a Nutshell

Biggest concerns about original bill language:

- An assumption that when CPP was transferred to the new DEC, we could continue to pay the same proportionate local share →
- Additionally, a reduction of total program due to CPP leaving total program would have a negative effect on the 25%/30% MLO caps →
- Funding uncertainty: Given there are no projected rates, there was a concern about our funding position starting in July 2023 →
- LCO management: What if a multi-county school district answered to multiple LCO's? →

Amendments that addressed these concerns:

- Language related to local share for school districts under DEC was completely struck out of the bill
- New MLO cap calculation includes 1) total program funding, and 2) UPK funding including both CPP lifted from total program AND tobacco revenues
- In 2023-24, the funding floor will be based on a school district's CPP funding
- Amended language to reflect that no school district will be forced to report to multiple LCOs (unless it wants to)

HB22-1295: Next Steps

Now that HB22-1295 is passed, our work transitions to rules promulgation activities:

- Rates, regulations and overall processes will be largely decided through rules promulgation
- The new DEC Executive Director will have a ton of authority to set rates and rules
- While the ED is required to receive advice from an advisory board, those members are appointed by the ED
- A ton of inputs have not been established that will determine our actual future funding position

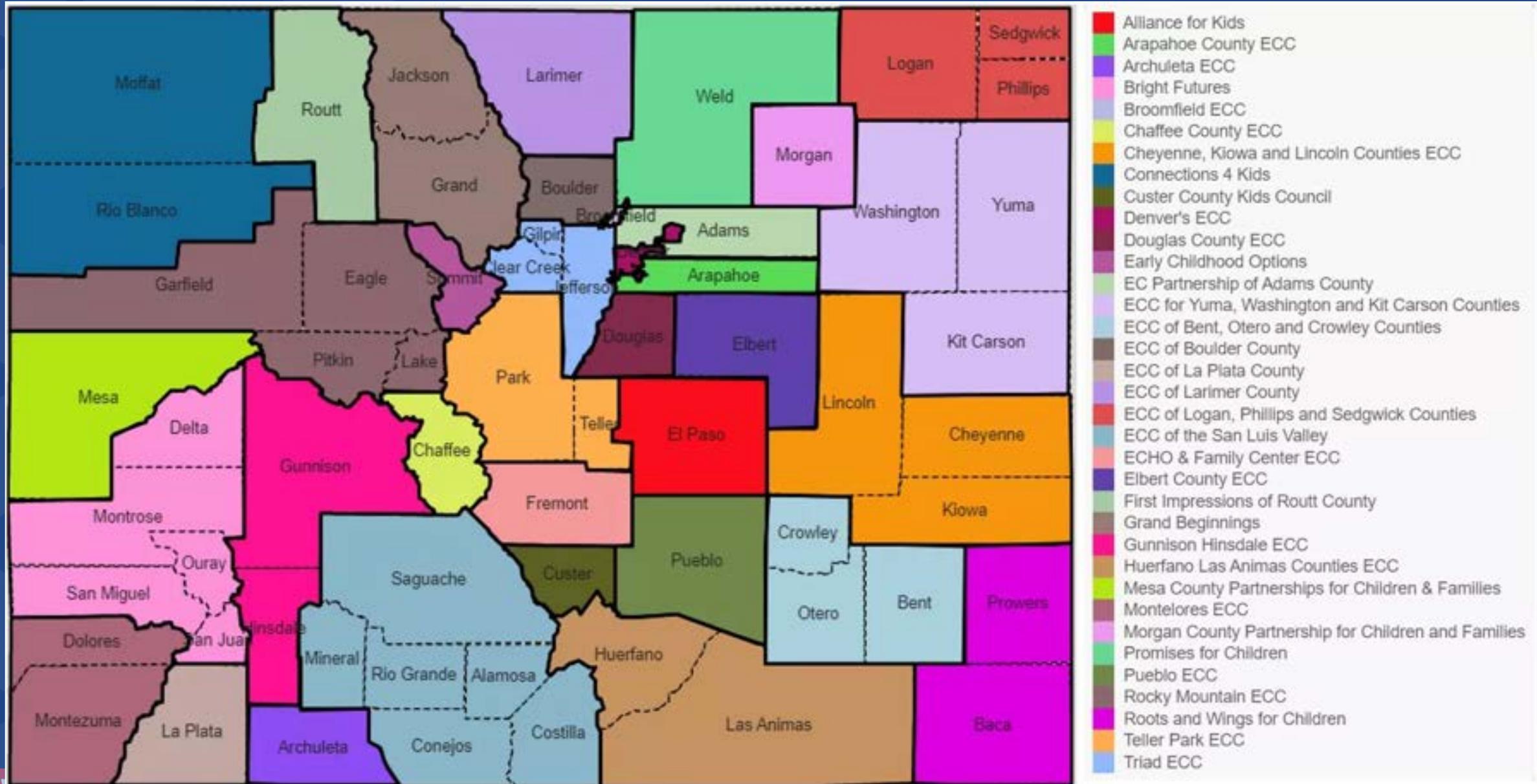
Local Coordinating Organizations

LCO's are the local organizational bodies that will oversee the overall delivery of UPK services:

- Applications are now open as of May 11, and the due date is June 20
- There is an initial “catchment area” of potential LCO boundaries that will be finalized (next page) – but LCO boundaries will ultimately be contingent on applications received
- LCO boundaries are an area where the Governor's office and the new DEC are looking for innovation for program delivery
- Ultimately, each LCO will be the entity that guides pre-k providers through licensing, site approvals, and confirms funding based on populations served

LCO application is found on the LCO page within DEC website: <https://cdec.colorado.gov/local-coordinating-organizations>

LCO – Current Catchment Area Map



Thank You!

