

An Act

HOUSE BILL 24-1237

BY REPRESENTATIVE(S) Bradfield and Lukens, Bird, Brown, Clifford, deGruy Kennedy, Duran, English, Hamrick, Kipp, Lieder, Marvin, Mauro, McCormick, McLachlan, Parenti, Sirota, Titone, Woodrow, Young; also SENATOR(S) Marchman and Rich, Bridges, Buckner, Cutter, Exum, Ginal, Jaquez Lewis, Michaelson Jenet, Mullica, Priola, Zenzinger.

CONCERNING THE CREATION OF PROGRAMS FOR THE DEVELOPMENT OF CHILD CARE FACILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) According to data compiled by "ReadyNation", the Colorado economy loses approximately \$2.2 billion annually due to a severe shortage of child care, and 51% of all Coloradans, and 53% of rural Coloradans, live in a licensed child care desert;

(b) Colorado's economy relies on private child care businesses to support the ability of parents to participate in the workforce, and these

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businesses struggle to cover their costs while maintaining affordability for parents;

(c) Policies and programs that can reduce the cost of facilities for child care businesses by supporting the technical planning, building, construction, and development aspects of child care facility creation will allow the businesses to keep their doors open and to direct funds to other critical areas such as increased wages for staff;

(d) Coloradans who seek to build, remodel, or renovate child care facilities face many challenges, and reducing or removing these barriers can help to increase child care capacity in the state;

(e) Incentivizing community-level regulatory alignment allows local governments to lead in considering and meeting the unique needs of their communities. Technical assistance and an incentive-based partnership approach with local governments to streamline local regulations have proven to be successful strategies for supporting affordable housing with the affordable housing planning grant program created in House Bill 21-1271;

(f) Technical assistance and capital support to increase child care capacity has proven to be successful through the employer-based child care facility grant and employer-based child care design lab programs created in Senate Bill 21-236; and

(g) The division of housing within the department of local affairs has experience in administering the programs created in House Bill 21-1271 and administering grant programs that require collaboration with and among local governments, developers, and housing partners and is by extension equipped to assist, facilitate, and provide expert assistance in reviewing proposed projects and applications for grants to support the development of child care facilities.

SECTION 2. In Colorado Revised Statutes, 24-32-705, **amend** (7)(c); and **add** (7)(e), (7)(f), and (7)(g) as follows:

24-32-705. Functions of division. (7) The division shall administer:

(c) Local investments in the transformational affordable housing grant program created in section 24-32-729 (2)(a); ~~and~~

(e) THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM CREATED IN SECTION 24-32-3702 (2);

(f) THE CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM CREATED IN SECTION 24-32-3703 (2)(a); AND

(g) THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM CREATED IN SECTION 24-32-3704 (2)(a).

SECTION 3. In Colorado Revised Statutes, **add** part 37 to article 32 of title 24 as follows:

PART 37
PROGRAMS FOR THE DEVELOPMENT OF
CHILD CARE FACILITIES

24-32-3701. Definitions. AS USED IN THIS PART 37, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CHILD CARE CENTER" HAS THE SAME MEANING SET FORTH IN SECTION 26.5-5-303 (3).

(2) "CHILD CARE FACILITY" MEANS:

(a) A COMMERCIAL OR RESIDENTIAL PROPERTY THAT IS EITHER A NEW OR EXISTING CHILD CARE CENTER OR A NEW OR EXISTING FAMILY CHILD CARE HOME AND THAT IS LICENSED OR IS SEEKING A LICENSE; OR

(b) A NEIGHBORHOOD YOUTH ORGANIZATION AS DEFINED IN SECTION 26.5-5-303 (17).

(3) "DIVISION" MEANS THE DIVISION OF HOUSING CREATED IN SECTION 24-32-704 (1) WITHIN THE DEPARTMENT OF LOCAL AFFAIRS.

(4) "FAMILY CHILD CARE HOME" HAS THE SAME MEANING SET FORTH IN SECTION 26.5-5-303 (7).

(5) "FUND" MEANS THE CHILD CARE FACILITY DEVELOPMENT CASH

FUND CREATED IN SECTION 24-32-3705 (1)(a).

(6) "INSTITUTION OF HIGHER EDUCATION" MEANS A PRIVATE INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102 (9), OR A STATE INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102 (10), THAT OFFERS CHILD CARE OR THE AURARIA HIGHER EDUCATION CENTER.

(7) "LICENSED" HAS THE SAME MEANING AS "LICENSE" SET FORTH IN SECTION 26.5-5-303 (13).

(8) "LOCAL GOVERNMENT" MEANS A COUNTY, A MUNICIPALITY, A CITY AND COUNTY, A TRIBAL GOVERNMENT, OR AN EARLY CHILDHOOD DEVELOPMENT SERVICE DISTRICT CREATED PURSUANT TO ARTICLE 21 OF TITLE 32.

(9) "PUBLIC SCHOOL" MEANS A SCHOOL, INCLUDING A DISTRICT CHARTER SCHOOL, OF A SCHOOL DISTRICT; A SCHOOL OPERATED BY A BOARD OF COOPERATIVE SERVICES; OR AN INSTITUTE CHARTER SCHOOL.

24-32-3702. Child care facility development toolkit and technical assistance program - creation - report - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ELIGIBLE RECIPIENT" MEANS A CHILD CARE PROVIDER, DEVELOPER, EMPLOYER, LOCAL GOVERNMENT, PUBLIC SCHOOL, OR INSTITUTION OF HIGHER EDUCATION.

(b) "PROGRAM" MEANS THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

(c) "PROGRAM RECIPIENT" MEANS AN ELIGIBLE RECIPIENT OF AN APPROVED APPLICATION TO RECEIVE ASSISTANCE UNDER THE PROGRAM.

(2) THERE IS CREATED IN THE DIVISION THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM FOR THE PURPOSES OF CREATING A TOOLKIT FOR THE DEVELOPMENT OF CHILD CARE FACILITIES AND PROVIDING TECHNICAL ASSISTANCE FROM CONSULTANTS AND RELATED PROFESSIONALS TO ENABLE ELIGIBLE RECIPIENTS TO

UNDERSTAND THE TECHNICAL ASPECTS OF PLANNING, DEVELOPING, BUILDING, AND CO-LOCATING CHILD CARE FACILITIES.

(3) (a) ON OR BEFORE NOVEMBER 1, 2024, THE DIVISION SHALL ADOPT POLICIES AND PROCEDURES FOR THE PROGRAM THAT, AT A MINIMUM, INCLUDE:

(I) CRITERIA ESTABLISHING QUALIFICATIONS FOR AN ELIGIBLE RECIPIENT;

(II) PROCEDURES AND TIMELINES FOR AN ELIGIBLE RECIPIENT TO APPLY FOR ASSISTANCE UNDER THE PROGRAM;

(III) CRITERIA FOR DETERMINING THE AMOUNT OR NATURE OF THE ASSISTANCE THAT A PROGRAM RECIPIENT RECEIVES;

(IV) PERFORMANCE CRITERIA FOR PROGRAM RECIPIENTS' PROJECTS; AND

(V) REPORTING REQUIREMENTS FOR PROGRAM RECIPIENTS.

(b) IN EVALUATING APPLICATIONS FOR ASSISTANCE UNDER THE PROGRAM, THE DIVISION SHALL PRIORITIZE PROJECTS THAT WILL, IN THE DISCRETION OF THE DIVISION, MEET A DEMONSTRABLE NEED FOR CHILD CARE IN THE AREAS OF GREATEST NEED ACROSS THE STATE AND WILL SATISFY ONE OR MORE OF THE PURPOSES OF THE PROGRAM SET FORTH IN SUBSECTION (2) OF THIS SECTION.

(c) THE DIVISION SHALL CONSULT WITH THE DEPARTMENT OF EARLY CHILDHOOD, CREATED IN SECTION 26.5-1-104 (1), IN DEVELOPING THE POLICIES AND PROCEDURES REQUIRED TO BE ADOPTED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION.

(4) ON OR BEFORE JANUARY 1, 2026, JANUARY 1, 2027, AND JANUARY 1, 2028, THE DIVISION SHALL PUBLISH A REPORT SUMMARIZING THE ASSISTANCE THAT WAS APPROVED UNDER THE PROGRAM IN THE PRECEDING FISCAL YEAR AND THE USES OF ASSISTANCE BY PROGRAM RECIPIENTS. THE REPORT MAY CONTAIN RECOMMENDATIONS BY THE DIVISION CONCERNING THE FUTURE ADMINISTRATION OF THE PROGRAM. THE REPORT MUST BE SHARED WITH THE HOUSE OF REPRESENTATIVES EDUCATION COMMITTEE, THE

HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE, THE SENATE EDUCATION COMMITTEE, AND THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND WITH THE DEPARTMENT OF EARLY CHILDHOOD, AND MUST BE POSTED ON THE DIVISION'S WEBSITE.

(5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2028.

24-32-3703. Child care facility development planning grant program - created - report - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CHILD CARE DEVELOPMENT" MEANS:

(I) THE DEVELOPMENT OR CREATION OF A NEW CHILD CARE FACILITY;
OR

(II) REMODELING OR RETROFITTING AN EXISTING BUILDING OR SPACE TO BE A CHILD CARE FACILITY.

(b) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT THAT IS ELIGIBLE TO RECEIVE A GRANT THROUGH THE PROGRAM.

(c) "PROGRAM" MEANS THE CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM THAT IS CREATED IN SUBSECTION (2)(a) OF THIS SECTION.

(2)(a) THERE IS CREATED IN THE DIVISION THE CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM TO INCENTIVIZE AND SUPPORT LOCAL GOVERNMENTS IN IDENTIFYING AND MAKING REGULATORY UPDATES OR IMPROVEMENTS TO COMMUNITY PLANNING, DEVELOPMENT, BUILDING, ZONING, AND OTHER REGULATORY PROCESSES TO SUPPORT THE DEVELOPMENT OF CHILD CARE FACILITIES. ELIGIBLE RECIPIENTS THAT INTEND TO IMPLEMENT ONE OR MORE OF THE RECOMMENDED POLICY OR REGULATORY TOOLS SET FORTH IN SUBSECTION (3)(c) OF THIS SECTION OR IDENTIFY OTHER LOCAL POLICIES OR PROGRAMS TO IMPLEMENT TO STREAMLINE THE ELIGIBLE RECIPIENT'S REGULATORY ENVIRONMENT FOR DEVELOPMENT OF CHILD CARE FACILITIES AS SET FORTH IN SUBSECTION (3)(b) OF THIS SECTION AND THAT CAN BENEFIT FROM ADDITIONAL FUNDING FOR IMPLEMENTATION MAY RECEIVE GRANTS PURSUANT TO THE PROGRAM.

GRANT MONEY MAY BE USED BY AN ELIGIBLE RECIPIENT TO RETAIN CONSULTANTS OR RELATED PROFESSIONAL SERVICES TO ASSESS THE CHILD CARE NEEDS OF ITS COMMUNITY, INCLUDING CONSIDERATIONS OF EQUITY, OR TO MAKE CHANGES TO ITS POLICIES, PROGRAMS, DEVELOPMENT REVIEW PROCESSES, LAND USE CODES, AND RELATED RULES AND REGULATIONS TO PROMOTE DEVELOPMENT OF CHILD CARE FACILITIES.

(b) IN ADMINISTERING THE PROGRAM, THE DIVISION SHALL PROVIDE ASSISTANCE TO ELIGIBLE RECIPIENTS ON BEST PRACTICES AND TOOLS FOR INCENTIVIZING THE DEVELOPMENT OF CHILD CARE FACILITIES.

(c) THE DIVISION SHALL CONSULT WITH THE DEPARTMENT OF EARLY CHILDHOOD, CREATED IN SECTION 26.5-1-104(1), IN DEVELOPING THE MENU OF RECOMMENDED POLICY OR REGULATORY TOOLS PURSUANT TO SUBSECTION (3) OF THIS SECTION AND THE POLICIES AND PROCEDURES REQUIRED TO BE ADOPTED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION.

(3) (a) IN CONNECTION WITH THE POLICIES, PROCEDURES, AND GUIDELINES THAT THE DIVISION IS REQUIRED TO ADOPT FOR THE PROGRAM PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE DIVISION SHALL DEVELOP A MENU OF RECOMMENDED POLICY OR REGULATORY TOOLS THAT ELIGIBLE RECIPIENTS CAN ADOPT TO PROMOTE DEVELOPMENT OF CHILD CARE FACILITIES WITHIN THEIR TERRITORIAL BOUNDARIES OR ACROSS THEIR REGION.

(b) THE MENU OF RECOMMENDED POLICY OR REGULATORY TOOLS THAT THE DIVISION IS REQUIRED TO DEVELOP PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION MUST INCLUDE KNOWN OR PROMISING BEST PRACTICES. IMPLEMENTATION OF ANY RECOMMENDED POLICY OR REGULATORY TOOLS IS AT THE DISCRETION OF THE ELIGIBLE RECIPIENT BASED ON COMPATIBILITY WITH COMMUNITY NEEDS AND DESIRES. ELIGIBLE RECIPIENTS MAY SELECT FROM THE MENU OF RECOMMENDED POLICY OR REGULATORY TOOLS OR IDENTIFY OTHER LOCAL POLICIES OR PROGRAMS TO STREAMLINE THE ELIGIBLE RECIPIENT'S REGULATORY ENVIRONMENT FOR DEVELOPMENT OF CHILD CARE FACILITIES.

(c) (I) THE MENU OF RECOMMENDED POLICY OR REGULATORY TOOLS DEVELOPED BY THE DIVISION PURSUANT TO THIS SUBSECTION (3) MUST SET FORTH STRATEGIES TO PROMOTE DEVELOPMENT OF CHILD CARE FACILITIES

INCLUDING:

(A) THE USE OF VACANT PUBLICLY OWNED REAL PROPERTY FOR CHILD CARE FACILITY DEVELOPMENT;

(B) EXAMINING OR REVISING LOCAL LAND USE POLICIES AND REGULATIONS TO INCENTIVIZE THE DEVELOPMENT OR CREATION OF CHILD CARE FACILITIES;

(C) CREATING A LOCAL PUBLIC FUNDING SOURCE DEDICATED TO CHILD CARE FACILITIES;

(D) ALIGNING LOCAL RULES AND REGULATIONS, SUCH AS BUILDING CODES OR ZONING CODES, WITH STATE LICENSING REQUIREMENTS; AND

(E) ANY OTHER STRATEGIES DETERMINED BY THE DIVISION THAT MEET THE INTENT OF THE PROGRAM FOR ALIGNING AND STREAMLINING THE REGULATORY ENVIRONMENT FOR CHILD CARE TO INCENTIVIZE THE DEVELOPMENT OF CHILD CARE FACILITIES.

(II) IN ADDITION TO THE ITEMS THAT THE MENU OF RECOMMENDED POLICY OR REGULATORY TOOLS MAY INCLUDE SET FORTH IN SUBSECTION (3)(c)(I) OF THIS SECTION, DEVELOPMENT OF THE MENU BY THE DIVISION MUST ALSO ALLOW FOR THE ADOPTION BY AN ELIGIBLE RECIPIENT OF ADDITIONAL POLICY OR REGULATORY TOOLS THAT PROVIDE NOVEL, CREATIVE, OR INNOVATIVE INCENTIVES FOR THE DEVELOPMENT OF CHILD CARE FACILITIES.

(4) (a) ON OR BEFORE NOVEMBER 1, 2024, THE DIVISION SHALL ADOPT POLICIES, PROCEDURES, AND GUIDELINES FOR THE PROGRAM, INCLUDING:

(I) PROCEDURES AND TIMELINES FOR LOCAL GOVERNMENTS TO APPLY FOR GRANTS;

(II) CRITERIA FOR EVALUATING APPLICATIONS FOR APPROVAL AND THE AMOUNT OF GRANTS;

(III) PERFORMANCE CRITERIA FOR ELIGIBLE RECIPIENTS; AND

(IV) REPORTING REQUIREMENTS FOR ELIGIBLE RECIPIENTS.

(b) EVALUATION CRITERIA ESTABLISHED PURSUANT TO THIS SUBSECTION (4) MUST INCLUDE FAVORABLE CONSIDERATION FOR APPLICATIONS IN WHICH THE LOCAL GOVERNMENT DEMONSTRATES COMMITMENT TO EVALUATING AND IMPLEMENTING ONE OR MORE OF THE RECOMMENDED POLICY OR REGULATORY TOOLS SET FORTH IN SUBSECTION (3)(c)(I) OF THIS SECTION AND, THE MORE RECOMMENDED POLICY OR REGULATORY TOOLS THE APPLICANT DEMONSTRATES A COMMITMENT TO EVALUATING AND IMPLEMENTING, THE MORE WEIGHT THE DIVISION SHALL GIVE THE APPLICATION.

(c) THE DIVISION HAS SOLE DISCRETION IN DETERMINING THE AMOUNT OF GRANTS AND ANY RESTRICTIONS OR CONDITIONS ON THE USE OF GRANTS BY ELIGIBLE RECIPIENTS IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

(5) ON OR BEFORE JANUARY 1, 2026, JANUARY 1, 2027, AND JANUARY 1, 2028, THE DIVISION SHALL PUBLISH A REPORT THAT SUMMARIZES THE USE OF ALL GRANTS FROM THE PROGRAM IN THE PRECEDING FISCAL YEAR. THE REPORT MUST INCLUDE THE AMOUNT OF GRANTS DISTRIBUTED TO ELIGIBLE RECIPIENTS AND A DESCRIPTION OF EACH ELIGIBLE RECIPIENT'S USE OF THE GRANT. THE REPORT MAY CONTAIN RECOMMENDATIONS OF THE DIVISION FOR FUTURE ADMINISTRATION OF THE PROGRAM. THE REPORT MUST BE SHARED WITH THE HOUSE OF REPRESENTATIVES EDUCATION COMMITTEE, THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE, THE SENATE EDUCATION COMMITTEE, AND THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND WITH THE DEPARTMENT OF EARLY CHILDHOOD, AND MUST BE POSTED ON THE DIVISION'S WEBSITE.

(6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2028.

24-32-3704. Child care facility development capital grant program - creation - report - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ELIGIBLE ENTITY" MEANS A LOCAL GOVERNMENT, A PUBLIC SCHOOL, AN INSTITUTION OF HIGHER EDUCATION, OR PUBLIC-PRIVATE

PARTNERSHIP THAT IS ELIGIBLE TO RECEIVE A GRANT THROUGH THE PROGRAM.

(b) "PRIVATE PARTNER" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-94-102 (6).

(c) "PROGRAM" MEANS THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM CREATED IN SUBSECTION (2)(a) OF THIS SECTION.

(d) "PUBLIC-PRIVATE PARTNERSHIP" MEANS AN AGREEMENT BETWEEN A LOCAL GOVERNMENT AND ONE OR MORE PRIVATE PARTNERS IN WHICH A LOCAL GOVERNMENT AND A PRIVATE PARTNER HAVE ENTERED INTO AN AGREEMENT TO PARTNER ON A PROJECT. THE PARTNERSHIP MAY BE FINANCIAL, OPERATIONAL, OR OTHERWISE DEFINED IN THE AGREEMENT BETWEEN THE PUBLIC AND PRIVATE PARTNERS.

(e) "STATE HOUSING BOARD" MEANS THE STATE HOUSING BOARD CREATED IN SECTION 24-32-706 (1).

(2) (a) THERE IS CREATED IN THE DIVISION A CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM TO PROVIDE ELIGIBLE ENTITIES MONEY TO SUPPORT THE DEVELOPMENT OF LICENSED CHILD CARE AND TO CONSTRUCT, REMODEL, RENOVATE, OR RETROFIT A CHILD CARE FACILITY TO MEET A DEMONSTRABLE NEED FOR CHILD CARE IN THE ELIGIBLE ENTITY'S COMMUNITY.

(b) THE DIVISION SHALL UTILIZE THE STATE HOUSING BOARD TO REVIEW AND MAKE RECOMMENDATIONS ON GRANT APPLICATIONS.

(3) (a) (I) ON OR BEFORE NOVEMBER 1, 2024, THE DIVISION SHALL ADOPT POLICIES, PROCEDURES, AND GUIDELINES IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION FOR THE PROGRAM INCLUDING:

(A) PROCEDURES AND TIMELINES FOR AN ELIGIBLE ENTITY TO APPLY FOR A GRANT;

(B) CRITERIA FOR EVALUATING APPLICATIONS FOR APPROVAL AND THE AMOUNT OF GRANTS;

(C) PERFORMANCE CRITERIA FOR GRANT RECIPIENTS' PROJECTS; AND

(D) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

(II) NOTWITHSTANDING SUBSECTION (3)(a)(I) OF THIS SECTION, IF, BEFORE JULY 1, 2025, THERE IS NOT SUFFICIENT MONEY IN THE FUND TO ADMINISTER AND IMPLEMENT THE PROGRAM, THEN THE POLICIES, PROCEDURES, AND GUIDELINES REQUIRED BY SUBSECTION (3)(a)(I) OF THIS SECTION, SHALL BE ADOPTED BY THE DIVISION ON OR BEFORE NOVEMBER 1, 2025.

(b) GRANT APPLICATIONS MUST INCLUDE AT LEAST:

(I) A BUSINESS PLAN THAT INCLUDES:

(A) A DESCRIPTION OF THE CONSTRUCTION, RENOVATION, REMODELING, OR RETROFITTING OF A CHILD CARE FACILITY;

(B) A COMMITMENT TO PROVIDE A FINANCIAL MATCH AS SET FORTH IN SUBSECTION (4) OF THIS SECTION AND A DESCRIPTION OF HOW EACH PUBLIC AND PRIVATE PARTNER WILL CONTRIBUTE TO THE REQUIRED MATCH;

(C) A DESCRIPTION OF HOW THE ELIGIBLE ENTITY WILL ADDRESS THE PARTICULAR CHILD CARE NEEDS OF THE COMMUNITY, SUCH AS NONTRADITIONAL-HOUR CARE OR INFANT AND TODDLER CARE FOR HOUSEHOLDS WITH LOW TO MODERATE INCOME;

(D) A DESCRIPTION OF HOW THE ELIGIBLE ENTITY WILL SUPPORT SMALL CHILD CARE BUSINESS OWNERS AND OPERATORS, INCLUDING WOMEN AND POPULATIONS WITH LIMITED ACCESS TO OPPORTUNITY AND RESOURCES;

(E) A DESCRIPTION OF HOW THE ELIGIBLE ENTITY WILL FINANCIALLY SUSTAIN THE CHILD CARE FACILITY APART FROM ANY ANTICIPATED GRANTS FROM THE PROGRAM;

(F) THE ESTIMATED TOTAL COST AND BUDGET FOR THE CONSTRUCTION, RENOVATION, REMODELING, OR RETROFITTING OF THE CHILD CARE FACILITY;

(G) A DESCRIPTION OF HOW OTHER FUNDING SOURCES ARE BEING UTILIZED AND LEVERAGED TO SUPPORT THE INCLUSION OF CHILD CARE;

(H) IF THE ELIGIBLE ENTITY LEASES OR WILL LEASE THE SPACE TO BE RENOVATED, REMODELED, RETROFITTED, OR CONSTRUCTED TO PROVIDE CHILD CARE, A COPY OF THE CURRENT VALID LEASE THAT CONTAINS SPECIFIC AUTHORIZATIONS FROM THE LANDLORD FOR THE PROJECT OR A WRITTEN STATEMENT FROM THE LANDLORD EXPRESSLY CONSENTING TO THE PROJECT;

(I) HOW THE PROJECT ALIGNS WITH OTHER COMMUNITY PLANNING, DEVELOPMENT, OR HOUSING EFFORTS UNDERWAY IN THE COMMUNITY;

(J) COMMITMENT FROM THE ELIGIBLE ENTITY THAT IT WILL ACCEPT THE GRANT; AND

(K) ANY OTHER COMPONENT THE DIVISION REQUIRES TO ADEQUATELY ASSESS A GRANT APPLICATION, INCLUDING REQUIRING A COMMITMENT BY THE ELIGIBLE ENTITY REGARDING THE DURATION FOR WHICH THE ELIGIBLE ENTITY INTENDS TO OCCUPY THE PHYSICAL LOCATION OF THE PROJECT; AND

(II) AN AFFIDAVIT THAT THE ELIGIBLE ENTITY HAS OBTAINED A CHILD CARE LICENSE OR WILL OBTAIN A CHILD CARE LICENSE WITH INFORMATION REGARDING THE TIMING AND STATUS OF OBTAINING THE CHILD CARE LICENSE.

(c) THE DIVISION SHALL GIVE MORE WEIGHT TO APPLICATIONS THAT:

(I) REPRESENT GEOGRAPHIC DIVERSITY;

(II) WILL SERVE A HIGH PERCENTAGE OF FAMILIES BELOW THE AREA'S MEDIAN INCOME;

(III) INCLUDE A STATED COMMITMENT TO AND A BUSINESS PLAN FOR A WELL-COMPENSATED CHILD CARE STAFF;

(IV) CO-LOCATE WITH OR REPURPOSE FACILITIES WITH OTHER USES, SUCH AS AFFORDABLE HOUSING DEVELOPMENTS, MIXED-USE OR MIXED-COMMERCIAL BUILDINGS, OR CHURCHES;

(V) INCLUDE A PLAN TO SERVE CHILDREN IN CHILD CARE DESERTS OR REGIONS WITH LOW CHILD CARE CAPACITY; OR

(VI) PLAN TO SERVE INFANTS AND TODDLERS.

(d) THE DIVISION SHALL COLLABORATE WITH THE STATE HOUSING BOARD AND CONSULT WITH THE DEPARTMENT OF EARLY CHILDHOOD, CREATED IN SECTION 26.5-1-104 (1), IN DEVELOPING THE POLICIES AND PROCEDURES REQUIRED TO BE ADOPTED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION.

(4) TO RECEIVE A GRANT, ELIGIBLE ENTITIES SHALL PROVIDE A FINANCIAL MATCH WHICH MAY BE FUNDED BY THE ELIGIBLE ENTITY OR FROM CONTRIBUTIONS FROM OTHER PUBLIC OR PRIVATE ENTITIES AS FOLLOWS:

(a) A DEVELOPMENT PROJECT FOR A CENTER-BASED FACILITY SHALL PROVIDE A FIFTY PERCENT MATCH; AND

(b) A DEVELOPMENT PROJECT FOR A HOME-BASED FACILITY SHALL PROVIDE A TWENTY-FIVE PERCENT MATCH.

(5) ON OR BEFORE JANUARY 1, 2026, JANUARY 1, 2027, JANUARY 1, 2028, AND JANUARY 1, 2029, THE DIVISION SHALL PUBLISH A REPORT SUMMARIZING THE USE OF GRANTS IN THE PRECEDING YEAR. THE REPORT MUST SPECIFY THE AMOUNT OF GRANTS DISTRIBUTED TO RECIPIENTS AND PROVIDE A DESCRIPTION OF EACH RECIPIENT'S USE OF THE GRANT. THE REPORT MAY INCLUDE RECOMMENDATIONS FOR THE FUTURE ADMINISTRATION OF THE PROGRAM. THE REPORT MUST BE SHARED WITH THE HOUSE OF REPRESENTATIVES EDUCATION COMMITTEE, THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE, THE SENATE EDUCATION COMMITTEE, AND THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND WITH THE DEPARTMENT OF EARLY CHILDHOOD, AND MUST BE POSTED ON THE DIVISION'S WEBSITE.

(6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2029.

24-32-3705. Child care facility development cash fund - definition - repeal. (1) (a) THE CHILD CARE FACILITY DEVELOPMENT CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND PURSUANT TO SUBSECTION (3) OF THIS SECTION, GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE DIVISION PURSUANT TO SUBSECTION (4) OF THIS SECTION, AND ANY OTHER MONEY THAT THE

GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE DIVISION MAY EXPEND MONEY FROM THE FUND FOR THE PURPOSES SET FORTH IN SUBSECTION (2) OF THIS SECTION.

(2) (a) (I) SUBJECT TO THE PROVISIONS SET FORTH IN SUBSECTIONS (2)(a)(II), (2)(b), AND (4) OF THIS SECTION, THE DIVISION SHALL USE MONEY IN THE FUND TO MAKE GRANTS PURSUANT TO THE CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM AND THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM AND TO IMPLEMENT AND ADMINISTER THE GRANT PROGRAMS AND THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM.

(II) UNTIL JUNE 30, 2025, THE DIVISION SHALL PRIORITIZE MONEY IN THE FUND FIRST TO IMPLEMENT THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM.

(b) (I) THE DIVISION MAY EXPEND UP TO SEVENTY THOUSAND DOLLARS OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO PAY FOR THE DIRECT AND INDIRECT COSTS IN ADMINISTERING THE PROGRAMS. ALL ADMINISTRATIVE COSTS MUST BE PAID OUT OF THE MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (3) OF THIS SECTION; EXCEPT THAT ADMINISTRATIVE COSTS FOR THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM MAY ALSO BE PAID OUT OF THE MONEY CREDITED TO THE FUND PURSUANT TO SUBSECTION (4) OF THIS SECTION.

(II) THE DIVISION SHALL EXPEND MONEY APPROPRIATED OR TRANSFERRED TO THE FUND THAT IT DOES NOT EXPEND FOR DIRECT AND INDIRECT COSTS IN ADMINISTERING THE PROGRAMS BASED ON NEED OR DEMAND FOR EACH PROGRAM; EXCEPT THAT:

(A) ON OR BEFORE JUNE 30, 2025, THE DIVISION SHALL USE MONEY IN THE FUND PURSUANT TO THE TRANSFER MADE PURSUANT TO SUBSECTION (3) OF THIS SECTION TO MAKE GRANTS UNDER THE CHILD CARE FACILITY

DEVELOPMENT PLANNING GRANT PROGRAM AND TO IMPLEMENT AND ADMINISTER SUCH PROGRAM AND THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM;

(B) ON OR AFTER JULY 1, 2025, BUT BEFORE JULY 1, 2028, THE DIVISION SHALL USE MONEY IN THE FUND PURSUANT TO THE TRANSFER MADE PURSUANT TO SUBSECTION (3) OF THIS SECTION TO MAKE GRANTS PURSUANT TO THE GRANT PROGRAMS AND TO IMPLEMENT AND ADMINISTER THE GRANT PROGRAMS AND THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM; AND

(C) ON OR AFTER JULY 1, 2028, BUT BEFORE JULY 1, 2029, THE DIVISION SHALL USE MONEY IN THE FUND PURSUANT TO THE TRANSFER MADE PURSUANT TO SUBSECTION (3) OF THIS SECTION TO MAKE GRANTS PURSUANT TO THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM.

(3) ON AUGUST 15, 2024, THE STATE TREASURER SHALL TRANSFER TWO HUNDRED FIFTY THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND.

(4) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF IMPLEMENTING AND ADMINISTERING THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM AND TO MAKE GRANTS UNDER SUCH PROGRAM. THE DIVISION SHALL TRANSMIT ALL MONEY RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

(5) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND ON JUNE 30, 2029, TO THE GENERAL FUND.

(6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM" MEANS THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM CREATED IN SECTION 24-32-3704 (2)(a).

(b) "CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT

PROGRAM" MEANS THE CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM CREATED IN SECTION 24-32-3703 (2)(a).

(c) "CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM" MEANS THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM CREATED IN SECTION 24-32-3702 (2).

(d) "GRANT PROGRAMS" MEANS THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM AND THE CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM.

(e) "PROGRAMS" MEANS THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM, THE CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM, AND THE CHILD CARE FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM.

(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2029.

SECTION 4. In Colorado Revised Statutes, 24-32-707, **add** (4) as follows:

24-32-707. Powers of board. (4) THE BOARD SHALL ALSO REVIEW AND MAKE RECOMMENDATIONS ON GRANT APPLICATIONS SUBMITTED FOR THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT PROGRAM CREATED IN SECTION 24-32-3704 (2)(a) IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN SECTION 24-32-3704.

SECTION 5. Appropriation. For the 2024-25 state fiscal year, \$250,000 is appropriated to the department of local affairs. This appropriation is from the child care facility development cash fund created in section 24-32-3705 (1)(a), C.R.S., and is based on the assumption that the department will require another 0.9 FTE. To implement this act, the department may use this appropriation for child care facility development.

SECTION 6. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act

within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO