

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 24-0864.01 Megan McCall x4215

HOUSE BILL 24-1237

HOUSE SPONSORSHIP

Bradfield and Lukens,

SENATE SPONSORSHIP

Marchman and Rich,

House Committees

Transportation, Housing & Local Government
Appropriations

Senate Committees

A BILL FOR AN ACT

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

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>.)

The bill creates 3 new programs to be implemented and administered by the division of housing in the department of local affairs (division). The division is required to adopt policies, procedures, and guidelines for each program on or before November 1, 2024. Each program will be available for 4 years. For each program, collaboration

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
April 30, 2024

between the division and the department of early childhood is required for the policies the division develops and adopts to implement the programs. Additionally, the division is required to submit an annual report regarding the programs to specified legislative committees and to the department of early childhood.

The child care facility development toolkit and technical assistance program is created to provide technical assistance from consultants and related professionals to enable interested child care providers, developers, employers, and local governments to understand the technical aspects of planning, developing, building, and co-locating child care facilities. The division must prioritize applications for projects that will meet a demonstrable need for child care in the areas of greatest need across the state and that satisfy one or more purposes of the program. The division is required to annually publish a report regarding the assistance provided under this program and the uses of such assistance by program recipients.

The child care facility development planning grant program is created 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. The division must develop a menu of recommended policy or regulatory tools, and eligible recipients for the grant must intend to implement one or more of such tools off the menu or identify other local policies or programs to implement to streamline the eligible recipient's regulatory environment for the development of child care facilities. The division must publish a report that contains information regarding the amount of grants distributed and a description of recipients' use of the grants.

The child care facility development capital grant program is created to provide eligible entities, which are local governments or public-private partnerships, with money to construct, remodel, renovate, or retrofit a child care facility to meet a demonstrated need for child care in a local government's community. The state housing board within the division will be utilized by the division to review and make recommendations on grant applications. Grant recipients are required to provide a financial match. The financial match for center-based facilities is 50% and the financial match for home-based facilities is 25%. More weight is given to applications that represent geographic diversity, will serve a high percentage of families below the area's median income, commit to providing a well-compensated staff, co-locate with or repurpose facilities with other uses, plan to serve children in regions with low child care capacity, or plan to serve infants and toddlers. The division must publish a report that contains information regarding the amount of grants distributed and a description of recipients' use of the grants.

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

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

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

8 (b) Colorado's economy relies on private child care businesses to
9 support the ability of parents to participate in the workforce, and these
10 businesses struggle to cover their costs while maintaining affordability for
11 parents;

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

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

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

27 (f) Technical assistance and capital support to increase child care

1 capacity has proven to be successful through the employer-based child
2 care facility grant and employer-based child care design lab programs
3 created in Senate Bill 21-236; and

4 (g) The division of housing within the department of local affairs
5 has experience in administering the programs created in House Bill
6 21-1271 and administering grant programs that require collaboration with
7 and among local governments, developers, and housing partners and is by
8 extension equipped to assist, facilitate, and provide expert assistance in
9 reviewing proposed projects and applications for grants to support the
10 development of child care facilities.

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

13 **24-32-705. Functions of division.** (7) The division shall
14 administer:

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

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

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

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

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

25 **PART 37**

26 **PROGRAMS FOR THE DEVELOPMENT OF**

27 **CHILD CARE FACILITIES**

1 **24-32-3701. Definitions.** AS USED IN THIS PART 37, UNLESS THE
2 CONTEXT OTHERWISE REQUIRES:

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

5 (2) "CHILD CARE FACILITY" MEANS:

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

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

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

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

15 (5) "FUND" MEANS THE CHILD CARE FACILITY DEVELOPMENT CASH
16 FUND CREATED IN SECTION 24-32-3705 (1)(a).

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

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

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

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

4 **24-32-3702. Child care facility development toolkit and**
5 **technical assistance program - creation - report - definitions - repeal.**

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

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

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

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

16 (2) THERE IS CREATED IN THE DIVISION THE CHILD CARE FACILITY
17 DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM FOR THE
18 PURPOSES OF CREATING A TOOLKIT FOR THE DEVELOPMENT OF CHILD CARE
19 FACILITIES AND PROVIDING TECHNICAL ASSISTANCE FROM CONSULTANTS
20 AND RELATED PROFESSIONALS TO ENABLE ELIGIBLE RECIPIENTS TO
21 UNDERSTAND THE TECHNICAL ASPECTS OF PLANNING, DEVELOPING,
22 BUILDING, AND CO-LOCATING CHILD CARE FACILITIES.

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

26 (I) CRITERIA ESTABLISHING QUALIFICATIONS FOR AN ELIGIBLE
27 RECIPIENT;

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

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

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

7 (V) REPORTING REQUIREMENTS FOR PROGRAM RECIPIENTS.

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

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

18 (4) ON OR BEFORE JANUARY 1, 2026, JANUARY 1, 2027, AND
19 JANUARY 1, 2028, THE DIVISION SHALL PUBLISH A REPORT SUMMARIZING
20 THE ASSISTANCE THAT WAS APPROVED UNDER THE PROGRAM IN THE
21 PRECEDING FISCAL YEAR AND THE USES OF ASSISTANCE BY PROGRAM
22 RECIPIENTS. THE REPORT MAY CONTAIN RECOMMENDATIONS BY THE
23 DIVISION CONCERNING THE FUTURE ADMINISTRATION OF THE PROGRAM.
24 THE REPORT MUST BE SHARED WITH THE HOUSE OF REPRESENTATIVES
25 EDUCATION COMMITTEE, THE HOUSE OF REPRESENTATIVES
26 TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE, THE
27 SENATE EDUCATION COMMITTEE, AND THE SENATE LOCAL GOVERNMENT

1 AND HOUSING COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND WITH
2 THE DEPARTMENT OF EARLY CHILDHOOD, AND MUST BE POSTED ON THE
3 DIVISION'S WEBSITE.

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

5 **24-32-3703. Child care facility development planning grant**
6 **program - created - report - definitions - repeal.** (1) AS USED IN THIS
7 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

8 (a) "CHILD CARE DEVELOPMENT" MEANS:

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

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

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

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

18 (2) (a) THERE IS CREATED IN THE DIVISION THE CHILD CARE
19 FACILITY DEVELOPMENT PLANNING GRANT PROGRAM TO INCENTIVIZE AND
20 SUPPORT LOCAL GOVERNMENTS IN IDENTIFYING AND MAKING
21 REGULATORY UPDATES OR IMPROVEMENTS TO COMMUNITY PLANNING,
22 DEVELOPMENT, BUILDING, ZONING, AND OTHER REGULATORY PROCESSES
23 TO SUPPORT THE DEVELOPMENT OF CHILD CARE FACILITIES. ELIGIBLE
24 RECIPIENTS THAT INTEND TO IMPLEMENT ONE OR MORE OF THE
25 RECOMMENDED POLICY OR REGULATORY TOOLS SET FORTH IN SUBSECTION
26 (3)(c) OF THIS SECTION OR IDENTIFY OTHER LOCAL POLICIES OR PROGRAMS
27 TO IMPLEMENT TO STREAMLINE THE ELIGIBLE RECIPIENT'S REGULATORY

1 ENVIRONMENT FOR DEVELOPMENT OF CHILD CARE FACILITIES AS SET
2 FORTH IN SUBSECTION (3)(b) OF THIS SECTION AND THAT CAN BENEFIT
3 FROM ADDITIONAL FUNDING FOR IMPLEMENTATION MAY RECEIVE GRANTS
4 PURSUANT TO THE PROGRAM. GRANT MONEY MAY BE USED BY AN
5 ELIGIBLE RECIPIENT TO RETAIN CONSULTANTS OR RELATED PROFESSIONAL
6 SERVICES TO ASSESS THE CHILD CARE NEEDS OF ITS COMMUNITY,
7 INCLUDING CONSIDERATIONS OF EQUITY, OR TO MAKE CHANGES TO ITS
8 POLICIES, PROGRAMS, DEVELOPMENT REVIEW PROCESSES, LAND USE
9 CODES, AND RELATED RULES AND REGULATIONS TO PROMOTE
10 DEVELOPMENT OF CHILD CARE FACILITIES.

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

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

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

27 (b) THE MENU OF RECOMMENDED POLICY OR REGULATORY TOOLS

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

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

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

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

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

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

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

27 (II) IN ADDITION TO THE ITEMS THAT THE MENU OF RECOMMENDED

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

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

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

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

14 (III) PERFORMANCE CRITERIA FOR ELIGIBLE RECIPIENTS; AND

15 (IV) REPORTING REQUIREMENTS FOR ELIGIBLE RECIPIENTS.

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

25 (c) THE DIVISION HAS SOLE DISCRETION IN DETERMINING THE
26 AMOUNT OF GRANTS AND ANY RESTRICTIONS OR CONDITIONS ON THE USE
27 OF GRANTS BY ELIGIBLE RECIPIENTS IN ACCORDANCE WITH THE

1 PROVISIONS OF THIS SECTION.

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

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

17 **24-32-3704. Child care facility development capital grant**
18 **program - creation - report - definitions - repeal.** (1) AS USED IN THIS
19 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

20 (a) "ELIGIBLE ENTITY" MEANS A LOCAL GOVERNMENT, A PUBLIC
21 SCHOOL, AN INSTITUTE OF HIGHER EDUCATION, OR PUBLIC-PRIVATE
22 PARTNERSHIP THAT IS ELIGIBLE TO RECEIVE A GRANT THROUGH THE
23 PROGRAM.

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

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

1 SECTION.

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

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

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

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

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

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

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

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

27 (D) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

1 (II) NOTWITHSTANDING SUBSECTION (3)(a)(I) OF THIS SECTION, IF,
2 BEFORE JULY 1, 2025, THERE IS NOT SUFFICIENT MONEY IN THE FUND TO
3 ADMINISTER AND IMPLEMENT THE PROGRAM, THEN THE POLICIES,
4 PROCEDURES, AND GUIDELINES REQUIRED BY SUBSECTION (3)(a)(I) OF THIS
5 SECTION, SHALL BE ADOPTED BY THE DIVISION ON OR BEFORE NOVEMBER
6 1, 2025.

7 (b) GRANT APPLICATIONS MUST INCLUDE AT LEAST:

8 (I) A BUSINESS PLAN THAT INCLUDES:

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

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

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

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

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

26 (F) THE ESTIMATED TOTAL COST AND BUDGET FOR THE
27 CONSTRUCTION, RENOVATION, REMODELING, OR RETROFITTING OF THE

1 CHILD CARE FACILITY;

2 (G) A DESCRIPTION OF HOW OTHER FUNDING SOURCES ARE BEING

3 UTILIZED AND LEVERAGED TO SUPPORT THE INCLUSION OF CHILD CARE;

4 (H) IF THE ELIGIBLE ENTITY LEASES OR WILL LEASE THE SPACE TO

5 BE RENOVATED, REMODELED, RETROFITTED, OR CONSTRUCTED TO PROVIDE

6 CHILD CARE, A COPY OF THE CURRENT VALID LEASE THAT CONTAINS

7 SPECIFIC AUTHORIZATIONS FROM THE LANDLORD FOR THE PROJECT OR A

8 WRITTEN STATEMENT FROM THE LANDLORD EXPRESSLY CONSENTING TO

9 THE PROJECT;

10 (I) HOW THE PROJECT ALIGNS WITH OTHER COMMUNITY PLANNING,

11 DEVELOPMENT, OR HOUSING EFFORTS UNDERWAY IN THE COMMUNITY;

12 (J) COMMITMENT FROM THE ELIGIBLE ENTITY THAT IT WILL ACCEPT

13 THE GRANT; AND

14 (K) ANY OTHER COMPONENT THE DIVISION REQUIRES TO

15 ADEQUATELY ASSESS A GRANT APPLICATION, INCLUDING REQUIRING A

16 COMMITMENT BY THE ELIGIBLE ENTITY REGARDING THE DURATION FOR

17 WHICH THE ELIGIBLE ENTITY INTENDS TO OCCUPY THE PHYSICAL LOCATION

18 OF THE PROJECT; AND

19 (II) AN AFFIDAVIT THAT THE ELIGIBLE ENTITY HAS OBTAINED A

20 CHILD CARE LICENSE OR WILL OBTAIN A CHILD CARE LICENSE WITH

21 INFORMATION REGARDING THE TIMING AND STATUS OF OBTAINING THE

22 CHILD CARE LICENSE.

23 (c) THE DIVISION SHALL GIVE MORE WEIGHT TO APPLICATIONS

24 THAT:

25 (I) REPRESENT GEOGRAPHIC DIVERSITY;

26 (II) WILL SERVE A HIGH PERCENTAGE OF FAMILIES BELOW THE

27 AREA'S MEDIAN INCOME;

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

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

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

8 (VI) PLAN TO SERVE INFANTS AND TODDLERS.

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

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

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

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

22 (5) ON OR BEFORE JANUARY 1, 2026, JANUARY 1, 2027,
23 JANUARY 1, 2028, AND JANUARY 1, 2029, THE DIVISION SHALL PUBLISH A
24 REPORT SUMMARIZING THE USE OF GRANTS IN THE PRECEDING YEAR. THE
25 REPORT MUST SPECIFY THE AMOUNT OF GRANTS DISTRIBUTED TO
26 RECIPIENTS AND PROVIDE A DESCRIPTION OF EACH RECIPIENT'S USE OF THE
27 GRANT. THE REPORT MAY INCLUDE RECOMMENDATIONS FOR THE FUTURE

1 ADMINISTRATION OF THE PROGRAM. THE REPORT MUST BE SHARED WITH
2 THE HOUSE OF REPRESENTATIVES EDUCATION COMMITTEE, THE HOUSE OF
3 REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT
4 COMMITTEE, THE SENATE EDUCATION COMMITTEE, AND THE SENATE
5 LOCAL GOVERNMENT AND HOUSING COMMITTEE, OR THEIR SUCCESSOR
6 COMMITTEES, AND WITH THE DEPARTMENT OF EARLY CHILDHOOD, AND
7 MUST BE POSTED ON THE DIVISION'S WEBSITE.

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

9 **24-32-3705. Child care facility development cash fund -**
10 **definition - repeal.** (1) (a) THE CHILD CARE FACILITY DEVELOPMENT
11 CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF
12 MONEY CREDITED TO THE FUND PURSUANT TO SUBSECTION (3) OF THIS
13 SECTION, GIFTS, GRANTS, AND DONATIONS RECEIVED BY THE DIVISION
14 PURSUANT TO SUBSECTION (4) OF THIS SECTION, AND ANY OTHER MONEY
15 THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE
16 FUND.

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

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

23 (2) (a) (I) SUBJECT TO THE PROVISIONS SET FORTH IN SUBSECTIONS
24 (2)(b) AND (4) OF THIS SECTION, THE DIVISION SHALL USE MONEY IN THE
25 FUND TO MAKE GRANTS PURSUANT TO THE CHILD CARE FACILITY
26 DEVELOPMENT PLANNING GRANT PROGRAM AND THE CHILD CARE FACILITY
27 DEVELOPMENT CAPITAL GRANT PROGRAM AND TO IMPLEMENT AND

1 ADMINISTER THE GRANT PROGRAMS AND THE CHILD CARE FACILITY
2 DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM.

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

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

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

19 (A) ON OR BEFORE JUNE 30, 2025, THE DIVISION SHALL USE MONEY
20 IN THE FUND PURSUANT TO THE TRANSFER MADE PURSUANT TO
21 SUBSECTION (3) OF THIS SECTION TO MAKE GRANTS UNDER THE CHILD
22 CARE FACILITY DEVELOPMENT PLANNING GRANT PROGRAM AND TO
23 IMPLEMENT AND ADMINISTER SUCH PROGRAM AND THE CHILD CARE
24 FACILITY DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM;

25 (B) ON OR AFTER JULY 1, 2025, BUT BEFORE JULY 1, 2028, THE
26 DIVISION SHALL USE MONEY IN THE FUND PURSUANT TO THE TRANSFER
27 MADE PURSUANT TO SUBSECTION (3) OF THIS SECTION TO MAKE GRANTS

1 PURSUANT TO THE GRANT PROGRAMS AND TO IMPLEMENT AND
2 ADMINISTER THE GRANT PROGRAMS AND THE CHILD CARE FACILITY
3 DEVELOPMENT TOOLKIT AND TECHNICAL ASSISTANCE PROGRAM; AND

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

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

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

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

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

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

27 (b) "CHILD CARE FACILITY DEVELOPMENT PLANNING GRANT

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

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

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

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

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

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

17 **24-32-707. Powers of board.** (4) THE BOARD SHALL ALSO
18 REVIEW AND MAKE RECOMMENDATIONS ON GRANT APPLICATIONS
19 SUBMITTED FOR THE CHILD CARE FACILITY DEVELOPMENT CAPITAL GRANT
20 PROGRAM CREATED IN SECTION 24-32-3704 (2)(a) IN ACCORDANCE WITH
21 THE PROVISIONS SET FORTH IN SECTION 24-32-3704.

22 **SECTION 5. Appropriation.** For the 2024-25 state fiscal year,
23 \$250,000 is appropriated to the department of local affairs. This
24 appropriation is from the child care facility development cash fund
25 created in section 24-32-3705 (1)(a), C.R.S., and is based on the
26 assumption that the department will require another 0.9 FTE. To
27 implement this act, the department may use this appropriation for child

1 care facility development.

2 **SECTION 6. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly; except
5 that, if a referendum petition is filed pursuant to section 1 (3) of article V
6 of the state constitution against this act or an item, section, or part of this
7 act within such period, then the act, item, section, or part will not take
8 effect unless approved by the people at the general election to be held in
9 November 2024 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.