



February 24, 2021

Ellen Wheatley, Acting Director  
Office of Child Care  
Administration for Children & Families  
U.S. Department of Health and Human Services  
Mary E. Switzer Building, Fourth Floor, MS 4425  
330 C Street, SW  
Washington, DC 20201

Dear Director Wheatley:

As the Lead Agency for the state of Colorado, we are pleased to submit the following plan for the use of the Child Care and Development Funds (CCDF), as appropriated through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. Colorado's proposal aims to support the economic recovery of the State, stabilize the child care sector through a diverse set of strategies that address direct financial support for all child care providers, strengthen provider supports through the subsidy program, enable families to better afford child care and reinvigorate the child care sector through enhanced professional development opportunities, as well as through early childhood workforce and community innovation grants.

### **Direct Child Care Services (Subsidies)**

The Department is planning on using CRRSA funds to support the direct child care services to families enrolled through the Colorado Child Care Assistance Program (CCCAP, the state's CCDF subsidy program) by permanently lowering parent fees for families enrolled through CCCAP, as well as temporarily covering additional paid absences and increasing provider reimbursement rates for all CCCAP providers to support the cost of providing child care, including costs associated with the pandemic.

Affordable Family Co-pays: Funds will be used to lower the cost of child care for the majority of families enrolled in CCCAP by lowering parent fees through a marginal rate approach that more slowly increases commensurate with income. Lowering costs for low-income parents stabilizes these families, allowing them to keep more money in their pockets, while ensuring equal access to quality child care options.

Increased Provider Rates and Paid Absences: Funds will be used to increase economic support to providers that accept CCCAP children through an increased number of paid absences and increased provider reimbursement rates to reflect the higher cost of care due to COVID-related closures, absences, or lower group sizes, particularly for infant and toddler providers.

### **Implementation of Virus Mitigation Policies and Practices**

In addition to the above strategies that support the costs providers have incurred due to the pandemic, the Department is proposing sustainability grants (described below) that will allow providers within the subsidy program, as well as those outside of the subsidy program, to better address the impact of the pandemic. The Department will continue to provide technical assistance through its Child Care Licensing Unit, in partnership with the Colorado Department of Public Health and Environment. Some funding will be used to shore up technical resources within Child Care Licensing as well as through our statewide Early Childhood Council network to improve the Department's response to and support of child care providers.

### **Grants or Assistance (Other than Subsidies) to Stabilize Child Care Providers**

The Department plans on utilizing funds to support several grant programs that benefit the entire sector, inclusive of all child care providers as well as those participating in CCCAP. Details on the proposed programs are below:

Enhanced Professional Development opportunities for the ECE Workforce: Funds will be used to support workforce recruitment and retention strategies in partnership with the Department of Higher Education and the Department of Labor and Employment, to rebuild the early childhood workforce following the COVID-19 pandemic by:

- Allowing any Coloradan to take the minimum coursework required to be a licensed educator (ECE 101 and 103) through the community college system for free;
- Increasing funding for proven recruitment and retention programs, including scholarships to pay for ongoing higher education tuition, apprenticeships for work-based learning, loan forgiveness, and bonuses to reward increased professional development;
- Offering wrap-around peer mentorship to retain educators and streamlining pathways into the early childhood workforce; and
- Providing free online training to attain Director qualifications.

Enhanced Child Care Resource and Referral and Inclusivity: Funding will be provided to Early Childhood Councils to improve child care resource and referral, expand inclusive care environments and expand support for families seeking access to high-quality providers. Activities will include:

- Conduct outreach and report real-time availability of child care slot openings through stronger resource and referral services and grow the licensed provider population, with an emphasis on infant and toddler care;
- Support a mixed-delivery system and strong child care business practices through family child care home navigators; and
- Provide training and grants for inclusive and universally designed environments for children with developmental delays, disabilities, and special needs.

Expanded Early Childhood and Provider Mental Health consultation: Funds will be used to expand the Department's Early Childhood Mental Health program to respond to the mental health needs of children and child care providers impacted by COVID-19 by addressing trauma, grief, loss, emotional distress, and fostering healthy adult-child relationships. While the strategy is limited to supporting children and child care providers within the child care setting through the pandemic, ECMH support aims to build the long-term capacity of early childhood professionals, directors, programs, and systems to prevent, identify, treat and reduce the impact of mental health problems among children from birth to age six and their families.

### **Assistance to Providers Not Participating in the Subsidy System Prior to the Pandemic**

In addition to the grant programs listed above, which are available to all CCDF-eligible providers, the Department is offering competitive grants to communities to directly address issues related to child care affordability, access to child care to support parent choice and sustainable business practices at the local level.

Sustainability Grants for Workforce Retention: Funds will be used to supply grants to all eligible early childhood providers to remain open and recover from the COVID-19 pandemic, with an emphasis on early childhood educator workforce retention. For these grants, providers outline their funding needs and choose from a menu of workforce retention options, such as hazard pay, maintaining hours for employees, paying for benefits, etc. These grants also include bonus amounts for certain criteria, including operating in a child care desert and serving infants and toddlers.

Community Innovation Grants: Funds will be used to support competitive community innovation grants to address systemic challenges for early care and learning providers across the State that have been worsened as a result of the economic, social, and health impacts of COVID-19. The Department will provide grants to CCDF-eligible providers and community-based organizations, such as Early Childhood Councils, to identify and implement transformational solutions to one of the identified focus areas:

- Child Care Affordability: Lowering costs to vulnerable families seeking child care that are not currently being served through subsidy programs (e.g. sliding scale solutions, tuition subsidies or scholarships, developing public-private partnerships; employer-based cost sharing, etc.);
- Infant and Toddler Care: Increasing access to infant and toddler care;
- Sustainable Business Practices: Providing child care providers with business practices that ensure long-term sustainability (e.g., shared services models, trainings); and/or

- Equitable Access to Care: Supporting access to affordable care for children with special needs or other risk factors.

## Other

At this time, no other uses of the funds are planned. The Department will use a small portion of the CCDF CRRSA funds to support the administration and evaluation of the listed programs and strategies.

On behalf of the Colorado Department of Human Services and the State of Colorado, I want to thank you for the opportunity to support our early childhood educators and providers and the families and children of our state.

Sincerely,

/s/

Michelle Barnes  
Executive Director  
Colorado Department of Human Services