

Support SB 16-022: CCCAP “Cliff Effect” Pilot Program

Sen. Martinez Humenik/Rep. Pettersen

THE ISSUE

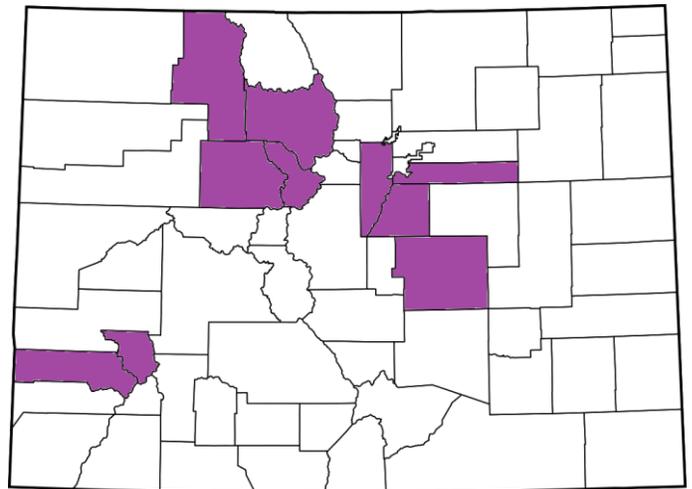
The “Cliff Effect” occurs when an increase in income (thanks to a raise, promotion, or working additional hours) causes a parent to lose all of her child care assistance. Often, the loss of this vital work support is greater than the rather modest increase in income. **As a result, rather than “go over the cliff,” a child care subsidy recipient may choose not to improve their economic well-being in favor of continuing to receive CCCAP.** This is a negative outcome for the parent, the child, business, and government.

In 2014, the legislature authorized 10 counties to participate in a pilot program to better understand the cliff. Unfortunately, this limit on the number of counties has unintentionally hampered our ability to examine how changes to our subsidy program would operate in a diversity of counties and family circumstances.

THE CHALLENGE

Current law limits the pilots to the first ten counties that applied and were approved to participate in the program - Arapahoe, Douglas, Eagle, El Paso, Grand, Jefferson, Ouray, Routt, San Miguel, and Summit.

The absence of participants from the Eastern Plains, Southern Colorado, and parts of the Western Slope will limit the findings of the pilot in informing how to better structure CCCAP to avoid the cliff effect throughout Colorado.



THE OPPORTUNITY

Utilizing *no additional state funding*, this legislation will allow more counties to voluntarily choose to participate in the CCCAP Cliff Effect Pilot Program.

SB 16-022 will give each county the flexibility to design a program that best meets local needs. It will also allow counties to limit participation in the pilot program to manage the pilot *within existing allocations*.

The bill will maintain the requirement that CDHS collect all data, evaluate the program, and report on outcomes to the legislature.

Most importantly, it will help more Colorado families become self-sufficient by reducing the incentives to turn down economic opportunities that would benefit their families.