



OPERATION MEMO

Title: Colorado Child Care Assistance Program & Colorado Universal Preschool Fund Stacking Implementation		Office/Division: Office of Program Delivery / Colorado Child Care Assistance Program	
Memo number: OM-CCCAP-2025-0005 / OM-UPK-2025-0003		Program area: Colorado Child Care Assistance Program	
Outcome: To outline the implementation of stacked CCCAP and Universal Preschool payments for dually enrolled children in the 2025-2026 school year, providing key details for LCOs, County Human Services Directors, and child care providers.			
Pertinent statute/rule: 8 CCR 1403-1, 3.125 (I), 8 CCR 1404-1			
Keywords: CCCAP, Universal Preschool, funding, stacking, blending, braiding, provider rates			
Issue date: July 18, 2025	Effective: August 1, 2025		Expires: August 1, 2028

Intended recipients

County Human Services Directors; County Colorado Child Care Assistance Program (CCCAP) Supervisors and Staff; Local Coordinating Organizations (LCOs); Child Care Providers that serve children in CCCAP and Universal Preschool.

Purpose

The purpose of this operation memo is to provide implementation details to LCOs, County Human Services Directors, and child care providers serving children in CCCAP and Universal Preschool for the 2025-2026 school year, on stacking CCCAP and Universal Preschool payments for dually enrolled children. When these funds are stacked, the two funding sources will work together to pay for services, but they will not be utilized during overlapping time periods except for any overlap in hours of services covered by both programs that derives directly from the implementation of the federal requirement that services provided and paid for under CCCAP are provided in part-time and full-time increments rather than hours. This memo outlines the process for stacking funds in the 2025-2026 school year.

Background

To maximize the funding streams available to support Colorado families, the Department will implement stacked payments for CCCAP and Universal Preschool providers. The practice of stacking funding involves using multiple funding sources in a specific order for a designated purpose or service. Each funding source is to be tracked and reported separately for various timeframes. Only one funding source is utilized at a time. For example, if a child eligible for both programs attends full-day care from 8 AM to 5 PM, Monday through Friday, Universal Preschool will fund 30 of those hours. CCCAP will then cover the remaining hours of the child's care.

The first year of stacking (Phase One) will begin on August 1, 2025, for the 2025-2026 school year and include a manual process to implement stacking for a limited scope of children. The limited scope includes children who receive 30 hours of UPK weekly, have at least a Full Time CCCAP authorization, and participate in CCCAP and UPK at the same provider. For the purposes of this memo, a "dually enrolled child" only refers to a child within this limited scope. Based on enrollment for the 2024-2025 school year, the Department estimates Phase One will impact approximately 760 children across 320 providers.

The second year of stacking and beyond (Phase Two) will begin on August 1, 2026, and will be a more automated process, inclusive of the full scope of children enrolled in both CCCAP and UPK. Further guidance about Phase Two will be issued in advance of the 2026-2027 school year.

Providers offering UPK are paid in ten installments throughout the year based on the total annual number of UPK hours offered (900 hours for providers offering 30 hours per week of programming). Payment amount and the process of payment for these hours will remain the same as in previous years. UPK payment is considered the "first in" funding source. CCCAP authorizations will be adjusted so that CCCAP does not overlap with these 900 program hours to the greatest extent possible, given CCCAP's federal requirement to authorize payment in part-time and full-time increments instead of hours.

Families will continue to have all care needed outside of UPK hours covered by CCCAP, including breaks during the UPK program year and summer months. *Fund stacking will not result in any CCCAP families receiving fewer hours of total care or the inability to access the amount of child care they need.* Stacking will positively impact current CCCAP families as they will most likely experience a reduction in their CCCAP parent fee as a result of stacking.

Head Start Preschool (HS) funding is treated as a separate funding source in this stacking implementation and will not be impacted. Providers that participate in all three programs (CCCAP, UPK, and HS) will only have CCCAP and UPK funds stacked as described in this memo. HS programs may coordinate funding with the stacked CCCAP and UPK funding to provide comprehensive early learning services across all hours of planned class operations. For guidance on coordinating funding, HS can refer to [OM-Head Start-2024-0001](#) for additional support.

Other funding sources can and should continue to be blended and include, but are not limited to:

- Federal Grants
- State and Local Funding

- Private Philanthropy, and
- Public-Private Partnerships

As of the issue date of this OM, updated regulations on stacking funds (8 CCR 1404-1) are anticipated to become effective July 24, 2025. These regulations state that: (1) to the greatest extent possible, only CCCAP or UPK is utilized at any time for a designated purpose of service; (2) the funding sources are tracked and reported separately; (3) UPK funds are the first payor for dually enrolled children; and (4) any and all Department procedures related to stacking must be followed. Should the substance of the proposed regulations change upon adoption, a subsequent memo will be issued with the updated rule information.

Action

Counties must use the following process to implement Phase One of CCCAP/UPK stacking for the 2025-2026 School Year:

1. Counties reference the Stacking Report for their county, provided by State CCCAP in the CCCAP Resources folder. This will be available around August 1, 2025. While the Stacking Report will become available at this time, it will not be completely finalized until the end of September, due to the timing of UPK payment reporting. State CCCAP will notify counties when the first report is available. The Stacking Report is used to determine the children for whom stacking funds should be pursued based on the limited Phase One scope. Please note that the children included in this report are likely matches, and their dual enrollment status will be confirmed during the process of family attestation.
2. Once children are identified, counties determine the child's CCCAP and UPK provider. Counties will reference the provider's UPK schedule, as submitted to the UPK team, in the [CCCAP Resources Folder](#). The schedule will outline the number of hours a day and days a week that a provider offers UPK, and also includes program breaks throughout the UPK program year.
3. Referring to the UPK schedule and the child's existing CCCAP authorization, counties make a calculation as follows:

(Daily number of CCCAP hours) - (Daily number of UPK hours) = New number of CCCAP hours

- In cases where the new number of CCCAP hours results in a new care unit (for example, a reduction from 10 hours to 4 hours would result in a change from a Full Time care unit to a Part Time care unit), counties move forward with the following steps. If there are no changes to any care units based on the calculation, counties do not move forward with stacking for this case and add a case comment describing why stacking will not move forward. The full list of care units is listed below.

CCCAP Daily Care Units

Part Time	One (1) second through five (5) hours
Full Time	Five (5) hours, one (1) second through twelve (12) hours
Full Time/Part Time	Twelve (12) hours, one (1) second through seventeen (17) hours
Full Time/Full Time	Seventeen hours, one (1) second through twenty-four (24) hours

4. Counties send a notice to the family and the child care provider when it is determined that stacking could move forward. The template for this communication is linked below in the “Attached” section and will be available in the CCCAP Resources folder. Counties can also call the client or use other contact methods in addition to using the template. Counties must then enter case comments documenting their outreach to the family within two (2) business days according to 8 CCR 1403-1, 3.125 (I).
5. If the family responds to the notice and consents to the change in authorization, counties update the authorization. Authorizations shall not be updated in CHATS until finalized Stacking Reports are available at the end of September 2025. If a family consents prior to the finalized Stacking Report being available, counties shall wait to change the authorization until after confirming that the child is still listed in the finalized report.
6. If no response is received after 45 days, counties enter a case comment that no response was received and no further action will be taken during Phase One. Counties may follow up with families within the 45-day period.
7. If a provider responds to the notice and reports that the child is attending for longer than the amount of time indicated on the notice, the county works with the family to ensure the schedule and provider payment are accurate.
8. Counties monitor the Stacking Report monthly through the school year and complete these steps with any newly identified dually enrolled children.
9. In the case of families that self-identify as dually enrolled in UPK at the time of CCCAP application, re-determination, or making changes to an existing case, counties will wait to confirm dual enrollment status with the next month’s Stacking Report to ensure the provider received payment for 30 hours of UPK. Counties move forward with authorizing care for CCCAP as usual. When the county receives the next month’s Stacking Report, they reference the report to see if the child is included in the Report. If they are, the county moves forward with stacking funds using the steps above.
10. In the case of any manual claims submitted by a provider for a dually enrolled child, counties will reference the updated authorization and the provider’s UPK schedule to determine which hours are payable based on the stacking policy.

For more detailed county guidance, see *Quick Reference Guide (QRG): CCCAP/UPK Stacking* in the CCCAP Learning Management System (LMS). Live, drop-in technical support sessions will be available starting in August 2025.

Attachments

[Template for Dual Enrollment Notice](#)

Supersedes

N/A

Related Memos

[IM-CCCAP-2025-0002 / IM-UPK-2025-0001](#)

Contact

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