



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: NANCY KERRY, TOWN MANAGER
RE: LOCAL FAMILIES AND EMPLOYEES CHILDCARE ASSISTANCE DISCUSSION
DATE: JANUARY 12, 2021

Summary and Background: This item is on the agenda at the request of Town Council to provide an opportunity to discuss the potential of providing financial assistance to local families for childcare and preschool.

For many years, the Town of Frisco has provided direct financial support to Frisco's only privately managed preschool: Summit County Preschool. The Summit County Preschool serves 70 preschool aged children about half of which are children of Frisco residents or employees of businesses located in the Frisco/Copper area.

The Town provides an annual financial contribution in the average amount of \$65,000 although some years additional funding has been provided for specific needs. The funding provided is intended to lower the cost of preschool tuition for local families.

Analysis:

Preschools:

Privately run (non-profit) preschools located within Summit County include: (1) The Summit County Preschool located in the Town of Frisco. One in Dillon (Lake Dillon Preschool) and four in Breckenridge (Timberline Early Learning Center, the Little Red School House, Carriage House Early Learning Center and Breckenridge Montessori School). There is one church preschool, which does not take very young children. There is also the Summit School District Preschool Programs offered in the district, including Frisco Elementary – however, this program is essentially a Pre-K program for the year or two before Kindergarten.

Licensed in-home day care providers:

Licensed in-home day care providers may care for up to eight (8) children with one adult, with a maximum number of two children under the age of two. There are a number of licensed day care providers in Summit County, two are located in the Town of Frisco. There is also only one licensee in the Town of Breckenridge. There are four located in the Dillon, including Dillon Valley/Summit Cove area and five in the Town of Silverthorne.

Note: there are also a variety of state-funded daycare/early childhood programs for children with disabilities, special needs and needing early childhood intervention.

Financial Assistance for Early Childhood Programs

- State-funded assistance is available to local qualifying families with incomes less than 85% of the State Median Income for the County (for example: Summit County's 85% threshold for family of three, is approximately \$5,700/month). These programs are primarily administered through the County's Human and Social Services Department. Families apply, and if qualified, they may obtain financial assistance for approved childcare/preschool programs.
- The state programs are offered under Colorado's Child Care Assistance Program (CCCAP), which oversees early childhood programs to address affordability for families. Funding is directly provided to the schools or approved service providers (through the County) to lower the cost of tuition. Some of the programs include:
 - Early Head Start (EHS). CCCAP provides funding directly to approved EHS programs in the form of grants. Summit County Preschool in Frisco has been a recipient of CCCAP grants for EHS programming, as have the majority of preschools in the County.
 - Colorado Preschool Program (CPP) is a state funded program for qualifying parents of children under the age of 13, who are working, in a training program or seeking employment and will provide funding directly to the CPP-approved daycare/preschool provider.
- Summit County provides funding via the Strong Futures initiative to licensed daycares including the Summit School District Preschool (Pre-K) program. The Summit Pre-K Program (SPK) goal is to help make high quality preschool possible for all Summit County 4-year olds in the year before they enter Kindergarten and to offset the high cost of quality preschool, SPK provides monthly tuition credits to families who meet the required criteria.
- Summit School District has a Pre-K program with tuition assistance for qualifying families. Families qualify based on income and need under the CCCP guidelines. Summit School District Preschool is limited to children age 3 and 4.
- The Summit Foundation also provides scholarship/tuition assistance directly to local preschools and non-profits on behalf of families (they do not provide funding to in-home independent day care providers). The Foundation is a source of funding for the Summit School District Pre-K program and preschools in the County. The Foundation annually donates approximately \$250,000 to help local families.

Town of Breckenridge Tuition Assistance Program

- The Town of Breckenridge has a financial assistance program to support parents who reside or work in Town. Breckenridge's program serves families earning up to 150% of the Area Median Income and whose child attends one of their four preschools (listed previously). The program aims to provide financial assistance to families who don't qualify for the state's CCCAP funding, provided the cost of care exceeds 12-16% of the gross income of the family. The amount of approved funding is paid directly to the preschools for tuition on behalf of the child, which reduces the monthly tuition paid by parents, if any.
- The Town of Breckenridge also provides funding to their local preschools to supplement the cost of teacher's salaries.

- The Town of Breckenridge bears the cost of one employee dedicated to administering the program.

Summary

While there are several funding mechanisms to reduce or eliminate childcare costs for families earning less than 85% of the area median income, the cost of childcare for local families remains high priority among residents and employees of local businesses, and particularly for families earning more than 85% of AMI. Locally, Summit County Preschool is the only privately run preschool in Town serving about 70 local children (35 from Frisco/Copper area). Once a child reaches the age of three, they may be able to obtain entry at Frisco's Elementary School's Pre-K program, although the school is only open four-days a week and not full-time hours; tuition assistance is offered through the County and the Summit Foundation. There are two licensed in-home daycare providers in Town.

Should the Town Council desire to provide financial assistance for families in order to attract and retain working families in Town, or to support local businesses whose employees need childcare, the Town of Breckenridge's program would be the most obvious to replicate as it strives to fill the gap between families qualifying for financial assistance through CCCAP and those not in need. The Summit Foundation also expressed interest in collaborating with the Town to support early childhood daycare and preschool tuition assistance programs as they recognize the need is great, particularly between the ages of newborn to 3 years old.

Financial Impact: Currently, the Town's budget includes \$65,000 granted to Summit County Preschool for general operating expenses. Although the funding does not directly reduce tuition for local families, tuition at the school is lower than other local preschools.

The financial impact of a tuition assistance program will depend on the criteria set forth by the Town Council and the number of families qualifying for assistance. However, it is fairly simple to estimate the cost by understanding an annual contribution per child ranging between \$5,000 and \$10,000 would require a budget allocation of \$100,000 to assist between 10 and 20 children.

Alignment with Strategic Plan: Providing financial assistance for early childcare to families who live and work in Town aligns directly with the Town Council's strategic priority of creating an inclusive community and desire to attract and retain more full-time residents in the community and support the local economy.

Staff Recommendation: Should the Town Council wish to create a mechanism to provide funding in the form of tuition assistance, the Town of Breckenridge's program is a good example. Further, staff recommends families qualifying for state and county assistance first be required to apply for that funding and then Town funding should be provided to families on an income and sliding-scale basis at a not-to-exceed amount set by the Town Council.

Reviews and Approvals:

This report is written by, Town Manager, Nancy Kerry