



## MEMORANDUM

---

**P.O. Box 4100 ♦ FRISCO, COLORADO 80443**

---

**TO:** MAYOR AND TOWN COUNCIL  
**FROM:** TONY O'ROURKE, LESLIE EDWARDS  
**RE:** EARLY CHILD CARE  
**DATE:** JANUARY 11, 2022

---

On November 9, 2021 the Town Council reviewed and discussed what role the Town of Frisco should take on meeting the needs of many local families and employees regarding child care. To that end we are seeking Council direction and a validation on the following childcare initiatives.

### **Childcare Budget FY 2022 and Long-term Funding**

The Town Council budgeted \$250,000 in the FY2022 for child care. Of that amount you committed \$65,000 to the Summit Preschool. The balance of \$185,000 is scheduled for the tuition assistance and grant startup funding based on your November 9, 2021 direction.

In addition, the Town Council has available to \$573,000 in Nicotine Tax Fund reserves to fund child care initiatives. These reserve funds are available in FY2022 to supplement your child care budget this year and longer term. In FY2023 and beyond, the Town Council can dedicate Nicotine Tax Part One funds, approximately \$300,000 annually, for future child care expenditures.

### **Tuition Assistance Program**

The Town Council on November 9<sup>th</sup>, directed staff to create a child care tuition assistance program, modeled after the Town of Breckenridge program, for Frisco employees and families, as well as, potentially employees and families in the Ten Mile Basin.

Based on information from the Town of Breckenridge, the estimated the number of families between an AMI of 73% and 150% in Frisco would result in approximately 34 tuition assistance scholarships. If you expanded the tuition assistance program to the Ten Mile Basin it would result in a projected 51 tuition assistance scholarships. Based on the current average tuition assistance of \$6,852 provided by the Town of Breckenridge, it would cost \$232,968 to provide 34 tuition assistance scholarships for Frisco employees and families and \$349,452 for 51 scholarships in the Ten Mile Basin. For your information, the Town of Breckenridge provides

childcare tuition assistance to all employees and families in Breckenridge and the Upper Blue Basin.

The Town Council can fund a Town of Frisco only, or 10 Mile Basin tuition assistance program with \$185,000 in FY2021 budgeted funds, and a supplement of \$47,968 or \$164,452 respectively, from the Nicotine Tax Fund reserves.

The Town of Breckenridge is willing to administer this proposed tuition assistance program at a cost of \$250 per tuition assistance scholarship, or between \$7500 and \$12,252. The Town would enter into a Memorandum of Understanding with Breckenridge to have them administer the Town of Frisco tuition assistance program.

### **Grant Startup Program**

The Town Council on November 9<sup>th</sup>, also expressed interest in providing grants to help encourage the startup of home licensed childcare facilities or expand Summit Preschool facilities. A grant program of \$50,000 could be established to reward child care facility startups or expansion. Eligible costs could include lease expansions, training and capital improvements.

### **Teacher Assistance**

On November 9, 2021 the Town Council chose not to include teacher's assistance in its proposed FY 2022 childcare budget. A concern was raised about directly subsidizing private business labor costs. That concern is valid, however, representatives from Early Childhood Options (ECO) and the Town of Breckenridge officials have emphasized to us that the child care business model in Summit County is not sustainable without both tuition assistance to parents, and teacher assistance to child care providers.

In fact, when the Town of Breckenridge entered the child care sector in 2007, it first subsidized child care teacher salaries up to 30% before expanding into family tuition assistance scholarships.

Breckenridge views child care as a "vital infrastructure" to preserve and sustain Breckenridge as an inclusive and diverse community, similar to workforce housing. It invested approximately \$800,000 annually for child care support.

Today Breckenridge invested \$150,000 annually to support child care teacher wages at its four child care facilities. As a result, the Breckenridge child care facilities have the highest teacher pay, approximately \$21 per hour in Summit County. While they still have some staff shortages, they are not as severe as those at Summit Preschool.

The Summit Preschool has six teacher vacancies, a 16% vacancy rate, out of a staff of 26. As a result, the Summit Preschool is currently operating at a 77% child care capacity, because they cannot maintain their state licensed teacher to child ratio. Instead of operating at full teacher staffing to care for 72 children, they can only care for 56 children daily.

To increase the average staff wage at the Summit Preschool (currently \$16.61 per hour), and two in home licensed child care facilities in Frisco would cost approximately \$60,000 for every one dollar increase in wages.

If the Town Council was to invest in teacher pay assistance, it would have to commit to the strategy long-term to ensure wages did not decline in the absence of the Town's wage assistance. That has been the case in Breckenridge since they started teacher assistance payments in 2007. Jennifer McAtamney, Chair of the Early Childhood Options, and Lucinda Burns, Executive Director of ECO will be available to speak to the Town Council on this matter at the January 11, 2022 Town Council meeting.

### **County-Wide Child Care Assistance**

Summit County, Breckenridge, Dillon and Silverthorne have expressed interest in exploring the feasibility of a County-wide child care assistance program. They have recommended the Early Childhood Options organization take the lead at formulating a County-wide child care support program. If such a program was feasible, there is opportunity to also solicit large Summit County employees such as, Vail Resorts, Copper Mountain, Vail Health, Centura Health and Summit County School District to also help fund child care in Summit County.

If the Early Childhood Options organization takes the lead on a County-wide child care system, we would recommend appointing our Finance Director, Leslie Edwards to represent the Town of Frisco, given her knowledge of Breckenridge child care program model, and significant finance management experience.

### **Staff Recommendations**

Please provide policy direction on the following childcare issues:

- Do you want to provide child care tuition assistance to approximately 34 Frisco employees and families or to approximately 51 employees and families in the Ten Mile Basin, including Frisco. If so do you want to utilize Nicotine Fund reserves to supplement your \$185,000 FY2022 child care budget to absorb this additional cost?
- Do you support the proposed \$50,000 child care grant startup program?
- Do you have an interest in supporting, a teacher assistance program? If so at which of the following levels:
  - \$1 per hour = \$60,000
  - \$2 per hour = \$120,000
  - \$3 per hour = \$180,000
- If you support a teacher assistance option, do you want to support that using our funds from the Nicotine Fund reserve?
- Do you support a county-wide child care assistance program? If so, do you want to recommend the appointment of Leslie Edwards to represent the Town of Frisco on the Early Childhood Option Board?