



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DIANE McBRIDE, RECREATION DIRECTOR/ASSISTANT TOWN MANAGER
BONNIE MOINET, FINANCE DIRECTOR
RE: CHILDCARE DISCUSSION
DATE: JULY 13, 2021

Summary and Background: At the January 12, 2021, worksession, Council discussed the potential of providing financial assistance to local families for childcare. During that worksession, Council directed staff to further explore other childcare financial assistance programs and to return for further discussion.

Staff researched two other governmental agencies, the City of Aspen and the Town of Breckenridge, with well-established childcare assistance programs. Information on those programs is presented below.

There is one state-licensed childcare facility in Frisco, Summit County Preschool, and two state-licensed in-home day care providers. The Town of Frisco has provided direct financial support for many years to Summit County Preschool. Annual financial contributions have averaged \$65,000, although some years additional funding has been provided for specific needs and capital requests. There are 71 children enrolled in Summit County Preschool from 65 families. Of the 65 families, a total of 41 families either live and/or work in Frisco. The funding provided by the Town is intended to fund operations, thereby lowering the cost of tuition for local families

The Town does not provide financial assistance to the two in-home providers located in Frisco.

A policy question for Council is: Does Council desire to provide financial assistance to Frisco families for childcare, defined as infant through preschool care? If yes, are there criteria Council would like included in such a financial assistance program?

Analysis: Staff researched two other governmental agencies that have programs that are well established – Town of Breckenridge and City of Aspen.

Town of Breckenridge. In early 2006, the Breckenridge Town Council created a Child Care Task Force in response to parent, employer and childcare provider concerns about the lack of

capacity, long wait lists and the inability of Centers to retain staff, provide quality care and cover their costs through tuition and fund raising. Since 2007, the Town of Breckenridge has a financial assistance program to support parents who reside or work in the Upper Blue Basin and has provided over \$7.3M to their Tuition Assistance Program to support local families and workforce. Their program provides tuition assistance to families who earn less than 150% of the local Area Median Income (AMI) when expenditures exceed 16% of the family's income. The child must attend one of their four Breckenridge preschools (Timberline Early Learning Center, Little Red School House, Carriage House Early Learning Center, Breckenridge Montessori School). They do not provide financial assistance to families who attend a licensed in-home day care. The program overall aims to provide financial assistance to families who don't qualify for the State's CCAP 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.

There are approximately 75-100 kids on the Tuition Assistance Program in Breckenridge. The Town spends ~\$600,000 per year on tuition assistance, which translates into ~\$6,000 per year, per child.

Breckenridge also provides funding to their local preschools to supplement the cost of teacher's salaries, in the current amount of \$150,000. This is the Invest in Teachers program, or the salary supplement.

The Town dedicated \$1M to establish the fund and will continue to fund the preschools, although they are currently looking for long term solutions and are discussing using portions of the tobacco and marijuana taxes. A portion of the marijuana tax revenue, ~\$350k/year, already helps fund the program. Under discussion was a ballot initiative for 2022 to impose a tax on STR properties to help fund the preschools. This ballot initiative has been discontinued.

The Town of Breckenridge bears the cost of one employee who splits her time 50/50 between administering the childcare program and housing.

City of Aspen. Kids First began in 1990 and is funded by a dedicated sales tax of .45% in the City of Aspen. The tax was first passed in 1989, has been renewed three times by voters and is in place until 2038. Kids First is a department of the City with 8 staff members to provide services, programming and support. There is a community-based advisory board that assists the Town in responding to community needs and makes recommendations to the City Council.

There are 14 childcare centers in Pitkin County and 1 private in-home provider. Financial aid is calculated on a sliding scale with a maximum eligibility of childcare costs amounting to 22% of gross income. There is no asset cap and applicants must live or work within Aspen boundaries.

Kids First also gives annual funding for quality improvements, staff development, infant and toddler program operations, accreditation, bus passes and childcare expansion costs. Childcare staff are offered annual incentives based on attained education, employment retention and current early childhood college class enrollment. Kids First provides quality improvement assessments and coaching on site to all licensed childcare programs in Pitkin County, provides a Nurse Consultant to support increased child health in the classrooms by offering training and in person consulting and offers parenting workshops.

Other. There are other financial assistance programs in Summit County available for Early Childcare Programs.

- The Colorado Child Care Assistance Program (CCCAP): State-funded assistance administered through county departments of social/human services under the direction of the CDHS Division of Early Care and Learning. Eligibility requirements include a family income of less than 265% of the Federal Poverty Level, or about \$66,000 for a family of four. Families who qualify are generally responsible for paying 11% of their income towards childcare. *A total of 8 children at Summit County Preschool are currently funded through CCCAP.*
- Early Head Start (EHS): Federally funded programs/services for low-income infants and toddlers under the age of 3, and their families. *A total of 14 children at Summit County Preschool are currently funded through EHS.*
- Colorado Preschool Program (CPP): State-funded assistance administered by the Colorado Department of Education. Funding is for early childhood education for preschoolers considered at-risk for later school failure. CPP is managed by local school districts.
- Summit County Strong Futures initiative. In 2018, the passage of Ballot Initiative 1A devoted funding to early childhood education, mental health and suicide prevention, recycling, wildfire mitigation and county infrastructure. This program supports most Summit County families with 4 year olds. Tuition credits are paid on behalf of families based on income, quality rating of the childcare center, and number of children in care, and generally range from \$300-\$1,100 per month per child.

The County and representatives from Early Childhood Options recently met to discuss staff wages and turnover rates. To help with recruiting and retaining qualified staff, local leaders are researching how reserve funds from the Strong Futures initiative could be used to help with childcare staffing issues County-wide. The group is gathering more data and will meet again in August.

Staff from Early Childhood Options are also conducting a County-wide survey this summer to identify childcare needs. They will be collecting demographic data, issuing parent surveys, hosting focus groups and interviewing current and former teachers to best determine the childcare and school-aged care need in the County.

A total of 12 children at Summit County Preschool are currently funded through Strong Futures.

- The Summit Foundation 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.

Summit County Preschool. For reference, the following are some statistics from Summit County Preschool:

Infant/Toddler Tuition Rates Effective January 1, 2021

# Days/Week	Tuition per Month
1	\$305
2	\$611
3	\$823
4	\$1,222
5	\$1,527

Preschool Tuition Rates Effective January 1, 2021

# Days/Week	Tuition Per Month
1	\$274
2	\$549
3	\$823
4	\$1,098
5	\$1,372

- There are 71 children enrolled in Summit County Preschool from 65 families.
- Of the 65 families, a total of 41 families either live and/or work in Frisco
- As of February, 2021, there were 245 kids on the waitlist
- Staff turnover over the last 3 years was 55%
- Teacher salaries start at \$12.50/hour and increase with education, certifications, and experience.
- Total operating budget for 2021 is \$1.1M. Budgeted revenue projection for 2021 is \$1M. The difference is made up through fundraising, grants and TOF assistance. Personnel accounts for ~89% of the total operating budget.
- Tuition rates will increase September 1, 2021 (7%), and again September 1, 2022 (10-11%).

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 a 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 the Town of Frisco, serving about 71 local children (41 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.

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.

The \$65,000 annual funding for Summit County Preschool comes directly out of the Town's general fund. Should the Council opt to provide additional funding for childcare programs, potential funding could come from other special revenue accounts or a new tax.

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.

Environmental Sustainability: n/a

Staff Recommendation: There are several questions before Council:

- 1) Does Council desire to provide financial assistance to Frisco families for childcare, defined as infant through preschool care?
- 2) If yes, does Council desire to keep this funding at \$65,000/year to Summit County Preschool or, does Council desire to change this funding amount? This funding question could be included in the 2022 annual budget cycle.

Staff recommends the Town continue annual direct support to Summit County Preschool and possibly increasing that amount of funding to \$165,000, \$100,000 of which would provide financial assistance for families and \$65,000 for operations (currently budgeted). Council could also commit to funding specific capital requests over a specified period of time. Staff is of the opinion that the childcare providers are extremely vested in the wellbeing of their families and familiar with each individual's needs and would use the additional and ongoing funding in such a manner as to assure they continue to provide quality childcare and retain quality staff. Under this model, staff would recommend Summit County Preschool administer this program.

- 3) If yes, are there criteria Council would like included in such a financial assistance program?

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. In this case, staff recommends families qualifying for state and county assistance first be required to apply for that funding before Town funding would be provided to families, on an income and sliding-scale basis at a not-to-exceed amount set by the Town Council. Under this scenario, the program would be managed by the Town of Frisco and at least one additional full time staff member would be required to administer the program.

Approved By:

Jeff Durbin, Interim Town Manager