Colorado Senate Bill 19-063
Infant and Family Child Care Action Plan:
A strategic action plan to address infant and family child care home shortages in Colorado.

Colorado Senate Bill 19-063 required the Colorado Department of Human Services (CDHS), in consultation with the Early Childhood Leadership Commission and various stakeholders, to draft a strategic action plan addressing the declining availability of family child care homes and infant child care. As required by SB19-63, this strategic action plan identifies the recommendations supported by the stakeholders named in statute; however it does not reflect the priorities of CDHS for allocating funding or other resources. Any CDHS requests for funding or statutory changes will be developed in collaboration with the Governor's office and communicated to the legislature through the regular budget and legislative processes.

Colorado Senate Bill 19-063
Infant and Family Child Care Action Plan

Strategic Plan Recommendations

Operational Supports
Provide financial, business, and professional support to prospective and existing family child care home providers and centers serving infants.

Professional Development
Increase access to training and professional supports that enable infant care professionals and family child care providers to provide high-quality care.

Child Care Licensing
Add resources to the child care licensing process to increase support and training to providers and decrease time to obtain a background check.

Regulation
Clarify, coordinate, and resolve differences among state and local regulatory agencies to remove administrative and financial burdens and assure safe environments for children in family child care homes.

Policy Review
Examine how early education (and other) policies impact availability of licensed infant care and family child care homes.

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The Issues

Colorado has one of the fastest-growing economies in the country, relying heavily on working parents: 65% of children under 6 have both parents in the workforce.[1] To maintain the momentum of our booming economy we need to support our working families. When that support comes in the form of access to safe, licensed child care, it in turn supports the healthy growth and development of Colorado's next generation of thinkers, innovators, and workers. However, licensed infant care has been decreasing since 2010. Additionally, family child care homes, sometimes the only accessible care option for families, have been declining for years. The loss of family child care homes also means the loss of significant numbers of licensed infant care. Although the decrease in family child care homes is consistent with national trends, Colorado currently exceeds the national average in the rate of overall decline.[2] The impact of these decreases in licensed capacity is reflected in the fact that 25% of centers and 42% of homes reported having a wait list for infants.[3] Without access to needed care, parents and caregivers often have to forgo work opportunities or leave the workforce.[4] To create a Colorado child care landscape where families can afford and access the care they need and want, Colorado must add at least **7000 infant slots in centers and over 200 family child care home providers**.[5]

For Colorado, then, the lack of accessible, high-quality child care for our youngest residents is not only a broader issue for our economic growth and development, but is also critical to prepare our children to be successful in school and throughout life.

Economic impact

Child care is crucial to the Colorado economy.[6]

- Every dollar spent on early care and education contributes $2.25 to the state's economy.
- In 2014, Colorado's early care and education sector generated nearly $640 million in revenue, comparable to the state's advertising industry.
- Woman-owned, small businesses make up most of the market.
- The industry has a special role in the economy: it enables parents to work, generating over $4.4 billion annually in earnings.
- The industry saves the state $832 million each year due to the long-term effect of quality education (e.g., decreased use of special education, decreased juvenile justice costs, and increased lifetime earnings).[7]
- A 2018 report on the Colorado talent pipeline states that *we risk reversing our state's economic growth and undermining our position as a national leader* if we do not address the lack of early childhood educators.[8]

Importance of high-quality early education

- The importance of the brain development that occurs in the first years of life cannot be overstated. In the first few years of life the brain makes over 1 million neural connections each second. When these connections occur within the context of responsive relationships, the developing brain creates a solid, physical foundation for all later learning. [9]
- High-quality child care and increased child care subsidies are associated with decreased child abuse and neglect rates.[10]

The many challenges we face

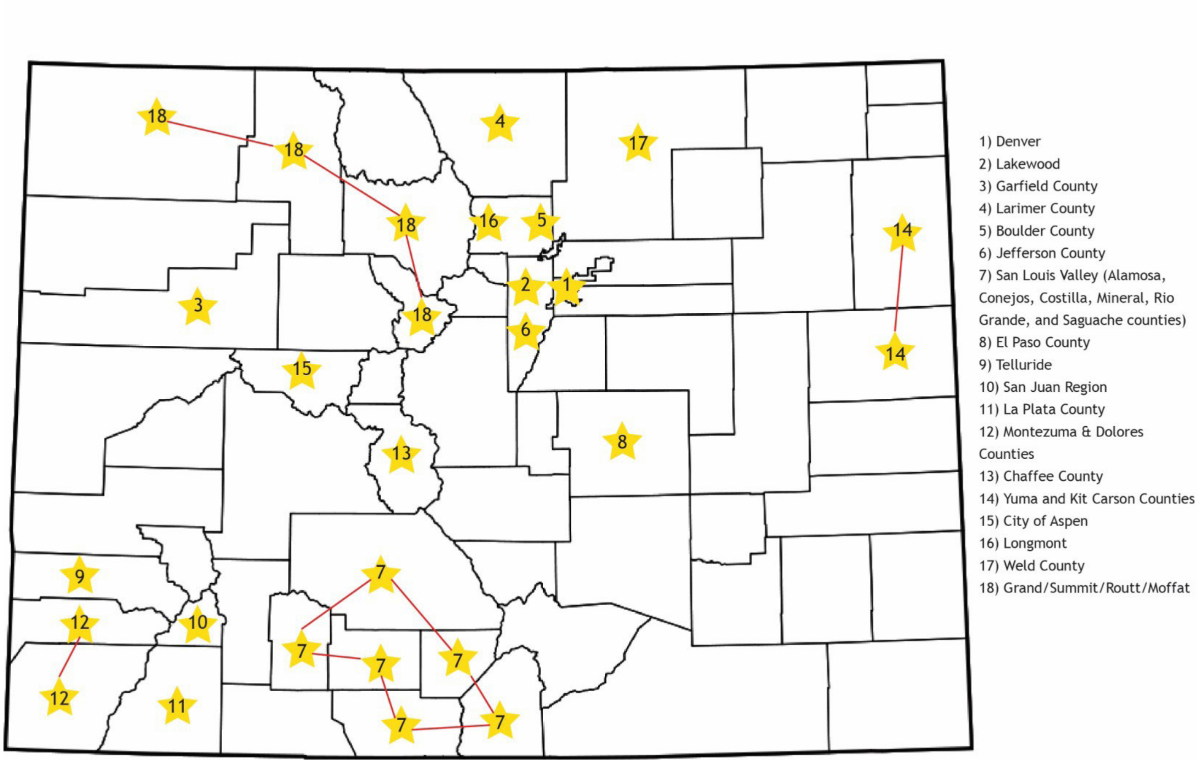
- Quality infant care is labor intensive and expensive to provide. The amount of money parents pay for care is not enough for businesses to provide high-quality care and pay child care providers a living wage.
- Colorado families, on average, pay 21% of their income for infant care; for someone making minimum wage, this could be as high as 66.4% of their income. Colorado is ranked 8th out of 50 states and the District of Columbia for most expensive infant care.[11]

- Caregiver wages lead many *full-time care providers to live below the poverty line and be eligible for public assistance*. In Colorado, public assistance to care providers costs the state $20 million or more annually.[12]
- In summary, the cost to provide infant care is greater than the revenue generated. Providers cannot charge parents for the real cost of care. Providers often carry the cost by working long hours and living in poverty. Subsidies from the Colorado Child Care Assistance Program are based on market rates which may not reflect the true costs of providing care. Infant care is a *failed market*.[13]

There are solutions
The Infant and Family Child Care Action Plan provides a comprehensive set of steps for the state of Colorado to address the declining availability of licensed infant care and family child care homes. This report includes recommendations, created by stakeholders and supported by a thorough literature review, that aim to increase the availability of licensed infant care and family child care. These recommendations are accompanied by supporting strategies and information detailing the necessity for such actions. Achieving the goals of this plan requires the coordinated effort of various stakeholders – the legislature, state agencies, localities, funders, Early Childhood Councils, advocacy organizations, providers and professional associations.

The process
The Colorado Department of Human Services (CDHS) Office of Early Childhood and the Early Childhood Leadership Commission, with our partners at Raise Colorado, worked to ensure that the plan submitted to the legislature would be the result of a diverse, robust, and authentic stakeholder engagement process. Feedback was solicited through multiple venues, including: 18 community conversations in 17 locations across the state[14]; presentations to statewide groups with opportunity for feedback; and follow-up surveys. This process reached over 400 stakeholders and produced a list of key issues affecting the availability of licensed infant care and family child care. Additionally, data was collected through 7 surveys reaching more than 1200 stakeholders.[15] Finally, experts were consulted to evaluate economic models.[16] Final recommendations were developed in response to these key issues and data by a small stakeholder group. The Senate Bill 19-063 Recommendation Group included representation from many of the entities listed in Section 26-6.2-202(2) of the legislation. Additional strategies were added through best practice research. Through this process, information was collected in all statutorily-mandated areas. This plan does not articulate the priorities of CDHS to allocate funding or other resources for the implementation of the recommendations.

SB63 Community Conversations



Operational Support Recommendations

Provide financial, business, and professional support to prospective and existing family child care home providers and centers serving infants.

Strategies:

- Fund grants to prospective and existing family child care home providers and centers serving infants in high risk communities, child care deserts, and/or those providing non-traditional hours.
- Fund business consultants/navigators for the pre-licensing processes that address the start-up process, cost, technical assistance, and other resources associated with starting and maintaining a financially sound licensed child care facility.
- Incentivize centers and family child care home providers to continue to access business resources to assure strong and sustainable business practices.[17]
- Fund local partners to create staffed family child care networks or micro-center networks that support recruitment and retention of providers offering infant slots. Review the statutory and regulatory environments to determine how well they support such options.

"High-quality early care and learning requires a well-trained and supported workforce."

- National Conference of State Legislatures[18]

Robust Operational Supports

Robust financial, business, and professional supports and incentives are needed to increase the supply of licensed infant care and family child care homes.

Providing high-quality infant care can be expensive for a licensed center. One reason is that child care licensing rules require a low staff-to-child ratio for infants. Though expensive, this rule is necessary to ensure safe, nurturing care. Very young children use interactions with responsive adults to learn about themselves, others, and the world. Even when they are busy exploring materials or practicing rolling, crawling, and walking, infants check back often with their trusted adult to be sure they are still safe. Babies need to be held and comforted, talked to about everything around them, fed, changed, and always kept safe and healthy. However, the financial cost of complying with the low staff-to-child ratio can lead a center to opt out of caring for infants. Colorado center-based providers cited the high cost related to lower adult-to-child ratios, difficulty finding qualified staff, and lack of space to meet requirements as major barriers to providing infant care.[19]

Another fundamental barrier to growing the supply of infant care is that providers often live in poverty, work long hours, and have no benefits such as health insurance, sick days, or vacations; these providers are often eligible themselves for income-based subsidies. In family child care homes, one adult provider cares for a small group of children, often alone, for 10-12 hours a day. To offer nurturing care to infants, providers must have their needs met.

Grants to centers serving infants and family child care homes would increase access to care and support three important and highly vulnerable groups of Coloradans: infants during the foundational period of brain development; working families currently unable to find or afford care; and infant-program teachers and family child care providers who are living in poverty while working full-time jobs. These grants could be used to offset the cost of starting and running a center serving infants or a family child care home, or to help existing providers afford benefits and substitute supports necessary to ensure their well-being and avoid burnout.

Many programs, centers and homes, fail because of poor business practices. In addition to grants, access to business supports is important to increasing the availability of licensed infant care and family child care. Many family child care home providers assume they are just going to care for children. They do not have training or experience in business practices, but are nonetheless solely responsible for things like accounting and taxes. Other states have addressed this by providing grants and loans for start-up funding and ongoing entrepreneurial consultation on business acumen.[20] In Colorado, the Small Business Majority and similar resources are underutilized in providing consultation and resources to providers.[21] By funding business consultants to help soon-to-be licensed providers understand business practices and connect with existing resources, Colorado could help ensure the economic viability of licensed infant care and family child care. Additionally, Colorado could further advance economic stability by incentivizing providers to continue accessing these operational supports after being licensed.

In addition to these crucial actions, funded supports such as staffed family child care networks or micro-center networks (described in Appendix C) could provide further operational support to family child care homes or providers interested in serving infants.

Professional Development Recommendations

Increase access to training and professional supports that enable infant care professionals and family child care providers to provide high-quality care.

Strategies:

- Fund the creation of additional accessible professional development trainings that recognize the needs of infant-program teachers and family child care providers utilizing provider input.
- Review and revise rules to assess the frequency of required trainings and provide more opportunity for other professional development options.
- Maximize the use of the Colorado Shines Professional Development Information System to highlight, automate, and track professional development opportunities across the state.

"I am a teacher. I didn't see myself as one before, but I do now, and that gives me confidence to do many things—hold parent conferences, record observations, do assessments, and plan lessons and events for the children and their families."

- Family Child Care Provider[22]

Accessible, Meaningful Professional Development

Infant teachers and family child care home providers need professional development experiences that honor their unique working conditions and necessary skills and knowledge.

Stakeholders reported that some classes are required more frequently than may be necessary. In fact, "training requirements" was among the top barriers to obtaining and maintaining a family child care license.[23] Additionally, they reported that many family child care providers count the classes required annually by child care licensing to fulfill their 15 hours of professional development and never get the benefit of broader and deeper information. Finally, family child care providers expressed frustration that much of the training available was not relevant to their care setting – a grievance also reflected in research of home providers.[24]

Colorado policymakers should consider existing systems and resources to broaden access to professional development. Increased training and professional development opportunities should be offered through the Professional Development and Information System, Early Childhood Councils, Child Care Resource and Referral agencies, and the Expanding Quality in Infant Toddler Care Initiative. Professional development for those working with infants should be based on competencies such as the Zero to Three Critical Competencies for Infant-Toddler Educators and the Michigan Association for Infant Mental Health Competency Guidelines. For family child care homes, professional development opportunities should be specifically geared to home-based programs, such as caring for mixed age groups.[25] In determining which new professional development opportunities to offer, infant-program teachers and family child care providers should provide guidance on their professional development needs. Finally, a review and revision of the rules regarding required training hours could enable access to these more tailored professional development options - if the frequency of the required trainings were reduced, providers could be encouraged to participate in learning experiences that would increase their skills and understanding of providing care and running a business.

Even when training is available, infant teachers in some centers and most family child care providers find it difficult to attend in-person professional development. Center teachers often work long hours and may not have the time or resources to attend in-person trainings, especially in rural areas. Family child care providers "experience significantly more barriers in accessing in-service professional development than do teachers." These barriers include irregular hours, location in rural settings, and a lack of available colleagues nearby.[26] Indeed, "Timing of trainings" and "Distance to trainings" were among the top obstacles to obtaining and continuing a family child care license among surveyed providers.[27] Many barriers reported in research were also shared by Colorado stakeholders. These include an inability to find a substitute to attend trainings and having to take unpaid work days to attend training.[28] Resources should be added to ensure training is available at times and locations, and in formats, most convenient for infant-program teachers and family child care providers. This includes a mix of online, in-person, and hybrid training options. The lack of an online version of the 15 hours of pre-licensing training for family child care providers, for example, arose as a key barrier to obtaining a license through the SB63 community conversations.

In addition to increased funding, there are more promising practices to consider. Home visiting for family child care home providers is promoting quality care and reducing feelings of isolation.[29] Staffed family child care networks can also provide training and some shared services in business and purchasing (described in Appendix C).[30]

Child Care Licensing Recommendations

Add resources to the child care licensing process to increase support and training to providers and decrease time to obtain a background check.

Strategies:

Provide funding to the CDHS Office of Early Childhood to:

- Hire additional state-based licensing specialists to reduce caseloads from the current ratio of 1:85 to the national industry best practice ratio of 1:50, so that licensing specialists can provide technical assistance, guidance, training, and mentoring to prospective and existing providers. Fund additional supervisors to assure licensing specialists are well-trained and supervised, consistent in their understanding of rules, and able to communicate rule and policy changes to providers.
- Create auxiliary licensing materials that explain rules for family child care homes in easy-to-read formats with videos and provide more training to providers and early childhood stakeholders on rule compliance.
- Hire additional background-check staff to allow quicker processing of background checks to shorten the time it takes to become licensed.

"It would have been nice if the inspector walked me through the process and reached out to see how it was going through the process. It would have been helpful if the inspector did a pre-inspection, showing all that I needed to do before I could become a provider, and my house and my grounds. It would have been so helpful, if the required courses, (at that time) were easy to find, and take and covered everything; all the rules, what would happen during an inspection, why all these things are so important, etc..."

- Colorado Provider[31]

Licensing Protects Children and Supports Quality

Providers in Colorado and throughout the nation recognize and respect the need for regulation of their work. Nonetheless, changes to the current Colorado licensing system could improve compliance and increase the supply and quality of licensed infant care and family child care.

Nearly 15% of surveyed providers found the licensing application confusing and 12% did not know how to get help, highlighting these as barriers to obtaining their family child care license. Of providers who discontinued or considered discontinuing their family child care home, 55% cited licensing requirements as a reason.[32] In a survey of former family child care providers, licensing requirements and rules were listed as a primary reason for closing family child care programs.[33]

Colorado should continue building a strength- and relationship-based licensing model. Licensing specialists, who are knowledgeable, experienced early childhood professionals, regularly monitor programs for compliance, but do not currently have the capacity to focus on technical assistance and quality improvement support. With additional state- based specialists, providers' knowledge and experience could consistently be respected and problems resolved and improvements achieved through discussion and collaboration.[34] Licensing specialists would have more opportunity to provide ongoing training and supply resources in the one-on-one setting. Additional supervisors would assure the quality of the licensing specialists' work, maintain consistent understanding and communication of rules, and provide opportunities for ongoing professional development for the specialists.

The number of new state-based licensing staff would be determined by calculating effective caseloads. The CDHS Office of Early Childhood would consider how many programs are within a geographic area, how many children are served, the complaint history, travel time, and the experience of the licensing specialist. The current caseload of Colorado's Licensing Specialists is so high that there is little opportunity to do this supportive and effective work. Colorado's licensing specialists have a caseload of 1:85; the national best practice ratio 1:50.[35]

Stakeholders noted that providers want the state child care licensing rules available to them in easily accessible formats with the information that applies only to family child care homes. Interviews with providers frequently included requests for licensing materials in plain English (and other languages), with accompanying videos, when possible. Prospective providers, in particular, find it challenging to understand what parts of the licensing rules are for all programs, or only for centers or family child care homes. Local differences in other regulatory agencies (zoning, fire, and building codes) add to the confusion. Additional support could be given to prospective family child care providers during the period from recruitment to licensing by licensing specialists, Resource and Referral agencies, or Early Childhood Councils.

Stakeholders and interviews described the wait for background checks as frustrating and delaying the licensing process. However, the federal Office of Child Care now requires additional background checks and may, in the immediate future, actually add time to the process.[36] Additional background check staff and more automated processes to request background checks may help address the time it takes to complete this process.

Regulatory Recommendations

Clarify, coordinate, and resolve differences among state and local regulatory agencies to remove administrative and financial burdens and assure safe environments for children in family child care homes.

Strategies:

- Require the CDHS Office of Early Childhood, local regulatory entities, other relevant state agencies, and professional associations to: develop a coordination strategy about regulatory and policy changes; engage in cross-training; establish the importance of and need for licensed infant care and family child care homes; and study the effect of local regulations on the availability of care.
- Require the CDHS Office of Early Childhood to inform local regulatory agencies of state child care licensing rules and then require local regulatory agencies to review their local zoning, building code and fire regulations to align, where possible, with state child care licensing rules.
- Continue to review state child care licensing rules to eliminate unnecessary, duplicative, and/or outdated licensing rules and address barriers to obtaining or retaining a family child care home license. The health and safety of the children in care must remain a top priority.
- Require the CDHS Office of Early Childhood to create a flow/process chart of the path to licensure that includes navigation of local regulatory systems.
- Establish a single point of access (i.e. 1-800 number) to offer prospective and existing providers guidance on complying with local regulations.
- Fund grants or loans to defray the cost of complying with local regulations.

A family child care provider in Buena Vista was required to post a sign of intent to open a business in a window for two weeks, make a presentation to the Zoning and Planning Commission and the town Board of Commissioners, and pay $200 for a Special Use permit. The process took weeks. In response to this woman's ordeal, the town changed their bylaws. Now, family child care providers only need a business license -- $30 and a visit to the Town Hall.[37]

Resolving Regulatory Conflicts

Family child care homes offer a unique and important setting, especially for infants in out-of-home care. The home environment, the continuity of the relationship with the caregiver, and the small group sizes can give very young children the experiences they need for healthy, secure learning and development. Family child care providers must have access to safe, affordable housing where they can operate quality, sustainable home-based child care businesses.[38]

Unfortunately, conflicting state and local regulations present many challenges to opening and maintaining a licensed family child care home. When a community deems a family child care home to be a small business, rather than a residence, local regulatory agencies assign many more requirements than child care licensing rules require. For example, if localities have adopted the International Business Code, which treats family child care homes as small businesses, they may require a sprinkler system and an additional point of egress be installed. Additionally, some local regulations allow fewer children than the state child care licensing rules, causing a decrease in income for providers.[39] Family child care providers often earn a salary that leaves them eligible for public assistance based on financial need, such as food stamps or the Colorado Health Marketplace; they are not able to afford these high-cost renovations or to reduce the number of children they serve. Even when local regulation does support family child care homes, a Homeowners' Association (HOA) may completely prohibit the operation of family child care. In short, licensing a home can be prohibitive due to conflicting rules, expenses, confusion about the various agencies involved, and failures of the physical space to meet state child care licensing requirements.[40] My Village, a for-profit group that recruits and supports family child care providers, reports that half of their applicants cannot get their homes licensed and walk away from the process.[41]

Resolving these regulatory differences through the listed strategies would help remove this barrier to operating and maintaining a family child care home. In fact, Jefferson County and Loveland already align many local regulations related to family child care homes with child care licensing rules. Additionally, through local collaboration with county officials, the Chaffee County Early Childhood Council was able to change family child care homes to use by right zoning permits, significantly reducing the barriers to opening a family child care home.[42]

Alternative Strategy Proposals:

In addition to the listed strategies, the majority of the Senate Bill 19-063 Recommendation Group put forth an additional strategy: **pass legislation requiring local regulatory entities to treat family child care homes as residences, rather than commercial buildings, for regulatory purposes such as zoning, fire and building codes, and requiring Homeowners' Associations to permit regular family child care homes to operate.**

However, the Group was not unanimous about this strategy and agreed to register an alternative strategy and explanation of the nature of the objection. The objection to the statewide legislation described above is as follows: "Local regulations can be very intentional to address health and safety issues that arise in a particular locality that are not always obvious. The better route would be through education and encouragement rather than blanket adoption." The alternative strategy proposed is: **require the CDHS Office of Early Childhood to educate local entities on the benefits of establishing regulatory landscapes that support the availability of family child care (i.e. adopting Appendix M if they are using the International Building Code).** While not registering their support for any other recommendations or strategies in this report, the Colorado Municipal League and Colorado Counties Incorporated agree with the objection to the statewide legislation approach and support the alternative proposal of educating localities.

Policy Review Recommendations

Examine how early education (and other) policies impact availability of licensed infant care and family child care homes.

Strategies:

- Ensure a mixed delivery system of early childhood education - a system where there is a balance of center child care, home child care, Early Head Start and Head Start and school-district based preschools, to ensure parents have choices that best fit their needs and the need of their child, at any age.
- Develop a policy analysis tool to examine how current and future policies affect availability of infant care with a lens toward equity and impacts on priority populations such as dual language learners and families living in poverty. For example, state-funded preschool slots could be filled in community programs that serve infants, including family child care homes.
- Require the Early Childhood Leadership Commission to examine policies, programs and data through the lens of the impact on the availability of licensed infant care and family child care homes. The Early Childhood Leadership Commission should seek guidance from stakeholder groups (e.g. Providers, Colorado Department of Human Services, Colorado Department of Education, Colorado Municipal League, Colorado Counties Incorporated, Colorado Department of Local Affairs, Homeowners' Associations, planning associations, and other stakeholders called out in SB 19-063).
- Ensure all agencies that participate in regulating infant care in homes or center-based programs engage in policy analysis, and joint review of the outcome, to determine overall benefits. For instance, health and safety should be weighed against the possibility of reducing licensed capacity for infant care and in-home settings.
- Strengthen policies that incentivize providers who serve priority populations, such as infants. For example, consider development and expansion of tax credits, the Colorado Child Care Assistance Program, the Child and Adult Care Food Program, and future initiatives to increase funding for providers who serve priority populations.[43]

"As a state, we must commit to providing the necessary resources to ensure all families can make the choice for high-quality child care that best supports their needs."

-Elsa Holugín, Early Childhood Leadership Commission Co-Chair

Policy Analysis and Review to Increase Licensed Infant and Family Child Care

When new opportunities arise for improving the lives of children and families in Colorado, it is important to consider how changes in access for one age group, such as state-funded universal preschool for 3 and/or 4-year-olds, might affect the availability of licensed infant care and family child care. Existing analysis suggests that how the funding is structured--either school-based model or mixed delivery model-- would likely impact the availability of licensed infant care.[44] For example, funding universal preschool slots in community settings, such as child care centers and family child care homes, can support these providers in continuing to provide infant care.

Any policy changes related to universal preschool, Quality Rating and Improvement Systems, licensing, regulations, Colorado Child Care Assistance Program subsidies, and monitoring should be informed by stakeholder input – particularly those who work directly with children and families.[45] Gathering feedback and ideas from those most directly affected by changes can prevent challenges and unintended consequences which might further reduce the availability of licensed infant and family child care. Additional approaches to understand the impact of policy changes include:

- Conducting fiscal impact analyses to determine how much it will cost centers offering infant care and family child care providers to meet new requirements.
- Coordinating with entities that monitor family child care providers, including child care licensing, state and local fire departments, health departments, Quality Rating and Improvement Systems, and the Child and Adult Care Food Program to develop common language for similar requirements and address inconsistencies among standards.[46]

Further Recommendations

Additional recommendations were made by the stakeholder group that were considered important to present to the legislature for future consideration.

Regularly obtain stakeholder feedback on proposed changes and review existing data, such as waivers, to identify areas where regulatory change could increase licensed infant care and family child care.

Stakeholders and the work group identified, in particular, that changing the family child care home capacity regulation from allowing care of no more than “two (2) children under two (2) years of age” to allowing care of no more than “two (2) children under eighteen (18) months of age” would increase capacity to care for infants without increasing health and safety concerns.[47] Additional infants are frequently allowed through waivers and data supports this as a safe and common practice

Increase awareness of existing resources.

Stakeholders made recommendations for a number of existing resources which identifies the need to more clearly market what is already available. Examples given included the guide to becoming a family child care home which is already on the CDHS Office of Early Childhood website and legislation that created the ability to have a substitute pool, SB18-162.

Reform the Colorado Child Care Assistance Program (CCCAP) to incentivize infant care and family child care homes.

Multiple reports on increasing access to infant care in both centers and family child care settings suggest providing financial incentives for providers who serve priority populations. Strategies might include:

- Increase base subsidy rates for providers to reflect the actual cost of providing high-quality care.[48]
- Expand tiered reimbursement with higher rates for centers serving infants, providers offering non- traditional hour care, and providers serving other priority populations.[49]
- Align practices for subsidy payments to providers so that they match payments made by private clients; such as, payment rates that reflect the true cost of care, paying in full or part-time increments so children experience predictable schedules despite parent schedules, payment for reasonable or justifiable absences or contracting for slots.[50]
- Offer grants or one-time financial incentives to support all providers serving CCCAP students to overcome one-time cost barriers to providing high-quality care. This might include additional education, facilities upgrades, or materials.
- Offer a tax benefit (credit or exemption) to family child care professionals that enroll CCCAP children.
- Lower co-pays for CCCAP families to reduce the financial risks/costs to providers when families cannot pay.

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[3] CDHS Office of Early Childhood. (2019) *Provider Survey. See* Appendix F.

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[14] Community conversations were supported by the creation and distribution of a remote toolkit and funding made possible through the National Governors Association Prenatal to Age Three grant to the Office of Governor Jared Polis, enabling each interested community to hold their own SB63 conversation.

[15] *See* Appendix E.

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[42] CDHS Office of Early Childhood call with Janine Pryor, Chaffee County Early Childhood Council.

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Appendices

APPENDIX A
COST OF STRATEGIES

High

- Fund grants to prospective and existing family child care home providers and centers serving infants in high risk communities, child care deserts, and/or providing non-traditional hours.
- Fund local partners to create staffed family child care networks that support recruitment and retention of infant slots.

Medium

- Provide funding to the CDHS Office of Early Childhood to: Hire additional state-based licensing specialists to reduce caseloads from the current ratio of 1:85 to the national industry best practice ratio of 1:50 so licensing specialists can provide technical assistance, guidance, training, and mentoring to prospective and existing providers. Fund additional supervisors to assure licensing specialists are well-trained and supervised, consistent in their understanding of rules, and able to communicate rule and policy changes to providers.
- Provide funding to the CDHS Office of Early Childhood to: Hire additional background-check staff to allow quicker processing of background checks to shorten the time it takes to become licensed.
- Establish a single point of access (i.e. 1-800 number) to offer prospective and existing providers guidance on complying with local regulations.
- Fund business consultants/navigators for the pre-licensing process that address the start-up process, cost, technical assistance, and other resources associated with starting and maintaining a financially sound licensed child care facility.
- Incentivize centers and family child care home providers to continue to access business resources to assure strong and sustainable business practices.
- Fund the creation of additional accessible professional development trainings that recognize the needs of infant–program teachers and family child care providers utilizing provider input.

Low

- Provide funding to the CDHS Office of Early Childhood to: Create auxiliary licensing materials that explain rules for family child care homes in easy-to-read formats with videos and to provide more training to providers and early childhood stakeholders on rule compliance.
- Require the CDHS Office of Early Childhood, local regulatory entities, other relevant state agencies, and professional associations to: develop a coordination strategy about regulatory and policy changes; engage in cross-training; establish the importance of and need for licensed infant care and family child care homes; and study the effect of local regulations on the availability of care.
- Require the CDHS Office of Early Childhood to inform local regulatory agencies of child care licensing rules and then require local regulatory agencies to review their local zoning, building code and fire regulations to align, where possible, with child care licensing rules.
- Continue to review state child care licensing rules to eliminate unnecessary, duplicative, and/or outdated licensing rules and address barriers to obtaining or retaining a family child care home license. Health and safety of the children in care must remain a top priority.
- Require the CDHS Office of Early Childhood to create a flow/process chart of the path to licensure that includes navigation of local regulatory systems.
- Fund grants or loans to defray the cost of complying with local regulations.
- Review and revise rules to assess the frequency of required trainings and provide more opportunity for other professional development options.
- Maximize the use of the Professional Development Information System to highlight, automate, and track professional development opportunities across the state.
- Ensure a mixed delivery system of early childhood education - a system where there is a balance of center child care, home child care, Early Head Start and Head Start and school-district based preschools, to ensure parents have choices that best fit their needs and the need of their child, at any age.

- Develop a policy analysis tool to examine how current and future policies affect availability of infant care with a lens toward equity and impacts on priority populations such as dual language learners and families living in poverty. For example, state-funded preschool slots could be filled in community programs that serve infants, including family child care homes.
- Require the Early Childhood Leadership Commission to examine policies, programs and data through the lens of the impact on the availability of licensed infant care and family child care homes. The Early Childhood Leadership Commission should seek guidance from stakeholder groups (e.g. Providers, Colorado Department of Human Services, Colorado Department of Education, Colorado Municipal League, Colorado Counties Incorporated, Colorado Department of Local Affairs, Homeowner's Associations, and planning associations, and stakeholders called out in SB 19-063).
- Ensure all agencies that participate in regulating infant care in homes or center-based programs engage in policy analysis, and joint review of the outcome, to determine overall benefits, such as health and safety are weighed against the possibility of reducing licensed capacity for infant care and in-home settings.
- Strengthen policies that incentivize providers who serve priority populations, such as infants. For example, consider development and expansion of tax credits, the Colorado Child Care Assistance Program, the Child and Adult Care Food Program, and future initiatives to increase funding for providers who serve priority populations.

APPENDIX B
SUPPORT FOR RELATED WORK OCCURING SIMULTANEOUSLY

The Senate Bill 19-063 Strategic Action Plan Recommendation Group acknowledges and supports the work currently taking place to address other key issues impacting the availability of licensed infant care and family child care in Colorado. Out of respect for that existing work, the group focused the Strategic Action Plan recommendations on other topics, but wanted to highlight its importance to achieving the goals of the Strategic Action Plan:

- Transforming the Early Childhood Workforce in Colorado is a public-private partnership initiative to develop sustainable and varied approaches to recruit, retain, compensate, and support a well-qualified workforce for the state's young children. This will be done through research, planning, and implementing innovative solutions that will lead to the spread of best practices throughout the state.[1]
- Early Childhood Professional Development Advisory Working Group (under the Program and Quality Alignment subcommittee of the Early Childhood Leadership Committee): The purpose of the Professional Development Advisory Working Group is to develop recommendations regarding a quality, cohesive professional development and career advancement system, including performance metrics to guide continuous improvement processes for professionals working with young children.[2]
- Quality Rating and Improvement System (QRIS) Work Group: This work group will make recommendations to align Colorado Shines Quality Rating and Improvement System framework to focus on outcomes versus outputs and the reinforcement of a theory of change for early learning and care that encourages, enriches, and empowers human interactions within all quality indicators (child health, family partnerships, learning environment, leadership management and administration, and workforce qualifications and professional development). This work group will work with national experts to conduct a review of ways to strengthen the existing quality indicators associated with child development and direct outcomes. The new indicators will be paired with observational indicators already encompassed in Colorado Shines through coaching to better support child learning and human interactions between the teacher, child and parent.[3]
- Professional Qualifications: This work group will examine the current system of early childhood qualifications for Child Care Licensing Personnel (as defined in 12 CCR 2509-8), Early Childhood Professional Credential, and the alignment to educator licenses for Early Childhood Educators serving children birth through age five. Review of alignment will include endorsements for the K-12 educational system, including Early Childhood Educators (birth – age 8), Early Childhood Special Education Educator (birth – age 8), Early Childhood Special Education Specialist (birth – age 8), Elementary Educator (Kinder – Grade 12), and Special Education Generalist (Kinder – Grade 12). Upon the review of alignment, the work group will make recommendations for revised goals of this system, and possible improvements for a system that is research-driven and provides clear career pathways for early childhood professionals serving children birth through five years of age.[4]
- Colorado Competencies: This work group will recommend revisions for the Colorado Competencies for Early Childhood Educators and Administrators to align with current research. The work group will develop specialized competencies that address business practices in early care and education settings and ways of serving vulnerable children, including infants and toddlers. Eight core

[1] Early Milestones Colorado. (n.d.) Transforming the Early Childhood Workforce in Colorado. Retrieved from: https://earlymilestones.org/transforming-ec-workforce/
[2] Early Childhood Leadership Commission. (2019). Current working groups under the program quality and alignment subcommittee. Retrieved from: http://www.earlychildhoodcolorado.org/working-groups
[3] Colorado Association for the Education of Young Children. (2019). Retrieved from: http://www.coloradoaeyc.org/pdg-grant-information.html
[4] Colorado Association for the Education of Young Children. (2019). Retrieved from: http://www.coloradoaeyc.org/pdg-grant-information.html

develop specialized competencies that address business practices in early care and education settings and ways of serving vulnerable children, including infants and toddlers. Eight core competency domains will be revised including updates, where appropriate, to competencies embedded throughout the domains. Embedded competencies are specific to cultural competence, social/emotional health, as well as the inclusion of all children.[5]

- Early Childhood Mental Health: Ongoing efforts exist to expand access to early childhood mental health consultants are underway across the state such as the proposed bill for the 2020 legislative season to create a statewide program of early childhood mental health consultants.[6] The Senate Bill 19-063 Strategic Action Plan Recommendation Group affirms the importance of increasing mental health consultants and ensuring consultants are trained to support those who work with infants in both center and home-based settings.
- The Senate Bill 19-063 Strategic Action Plan Recommendation Group also supports efforts to increase access to health care and affordable benefits including sick and vacation time, family leave, and related options typically not available to infant teachers or family child care providers. Some examples of current initiatives include, the Secure Savings Task Force, the State Option Health Plan, and the FAMLI Task Force.

[5] Colorado Association for the Education of Young Children. (2019). Retrieved from: http://www.coloradoaeyc.org/pdg-grant-information.html

[6] A bill for an act concerning creation of a statewide program of early childhood mental health consultation. (2019). https://leg.colorado.gov/sites/default/files/images/bill_4_20-0360.01_0.pdf

APPENDIX C
STAFFED FAMILY CHILD CARE NETWORKS AND MICRO-CENTER NETWORKS

Staffed Family Child Care Networks typically offer a menu of services to both existing and prospective licensed family child care providers.[7]

Center-based programs have administrators who track and complete paperwork for subsidies and the food program. Center maintenance is contracted, a hired position, or spread among the staff.
Purchasing and preparing food are shared tasks. Recruiting and registering new children and helping families sign up for and maintain child care subsidies are more tasks that are spread among many people in a center. Paperwork, taxes, and reports are ongoing small business requirements. In a family child care home, the provider does all of those tasks along with planning, preparing, nurturing, and teaching the children in her care—and keeping her home available for her own family.

There are currently organizations like Early Learning Ventures (not-for-profit) and My Village (for profit) operating in some areas of Colorado providing the types of services a staffed family child care network would offer. Colorado's Early Childhood Councils are an existing system where these services could be delivered to a broader group of providers including rural areas.

Staffed Family Child Care Networks have been very successful in increasing the number and quality of family child care homes. All Our Kin, a non-profit network in New York City and Connecticut, calls their model a win-win-win: child care providers build better lives for themselves and their own families; parents succeed in the workforce; and most importantly, children from all backgrounds have the chance to succeed. With their supports, Bridgeport increased the supply of family child care homes by 74% while supply in the rest of the state dropped by 34%. Their family child care homes scored over 50% higher on rigorous quality measures; provider incomes increased by $5000 in the first year and $10,000 in year two. The AOK model includes funding for family child care homes; strengths and relationship- based training and supports, and building sustainable businesses.[8]

Micro-center networks provide a hub and spoke model of child care to more sustainably expand access to high-quality infant care.

Micro-center networks are emerging as a new business model of child care to address the high cost of providing high-quality infant care. At the center of the model is a "Network Hub" which leads and supports a network of single classroom centers located in existing structures, such as schools, office buildings, or hospitals. The hub has a director responsible for supporting micro-center teachers with quality instruction, parent engagement, and assessment practices. The hub also provides all administrative services, including enrollment and payment, for the network of micro-centers. Micro- center teachers have access to benefits and career advancement as employees of the hub. Early Learning Connections has been exploring this model in Colorado.[9]

[7] Bromer, J. & Porter, T. (2017). Staffed family child care networks: A research-informed strategy for supporting high-quality family child care. Washington, DC: National Center on Early Childhood Quality Assurance, Office of Child Care, Administration for Children and Families, U.S Department of Health and Human Services. Retrieved from: https://childcareta.acf.hhs.gov/sites/default/files/public/fcc_networks_brief_0.pdf
[8] Viera, N. & Hill., S. (2019). Creating the conditions for family child care to thrive. All our Kin.
[9] Opportunities Exchange. (2019) Micro-center network: A new strategy to scale high-quality care for infants and toddlers. Retrieved from: https://opportunities-exchange.org/wp-content/uploads/OpEx_2019_MicroCenterNetworkStrategy.pdf

APPENDIX D
HOW STRATEGIES ADDRESS THE REQUIREMENTS OF SB19-063

Strategies that will reduce obstacles to obtaining and retaining a family child care home license:

- Provide funding to the CDHS Office of Early Childhood to: hire additional state-based licensing specialists to reduce caseloads from the current ratio of 1:85 to the national industry best practice ratio of 1:50, so that licensing specialists can provide technical assistance, guidance, training, and mentoring to prospective and existing providers. Fund additional supervisors to assure licensing specialists are well-trained and supervised, consistent in their understanding of rules, and able to communicate rule and policy changes to providers.
- Provide funding to the CDHS Office of Early Childhood to: create auxiliary licensing materials that explain rules for family child care homes in easy-to-read formats with videos and provide more training to providers and early childhood stakeholders on rule compliance.
- Provide funding to the CDHS Office of Early Childhood to: hire additional background-check staff to allow quicker processing of background checks to shorten the time it takes to become licensed.
- Require the CDHS Office of Early Childhood to inform local regulatory agencies of child care licensing rules and then require local regulatory agencies to review their local zoning, building code and fire regulations to align, where possible, with child care licensing rules.
- Continue to review state child care licensing rules to eliminate unnecessary, duplicative, and/or outdated licensing rules and address barriers to obtaining or retaining a family child care home license. The health and safety of the children in care must remain a top priority.
- Require the CDHS Office of Early Childhood to create a flow/process chart of the path to licensure that includes navigation of local regulatory systems.
- Establish a single point of access (i.e. 1-800 number) to offer prospective and existing providers guidance on complying with local regulations.
- Fund grants or loans to defray the cost of complying with local regulations.
- Fund business consultants/navigators for the pre-licensing processes that address the start- up process, cost, technical assistance, and other resources associated with starting and maintaining a financially sound licensed child care facility.
- Fund grants to prospective and existing family child care home providers and centers serving infants in high risk communities, child care deserts, and/or those providing non- traditional hours.
- Fund local partners to create staffed family child care networks that support recruitment and retention of providers offering infant slots.

Strategies that will address reasons why providers stop operating licensed family child care homes:

- Provide funding to the CDHS Office of Early Childhood to: hire additional state-based licensing specialists to reduce caseloads from the current ratio of 1:85 to the national industry best practice ratio of 1:50, so that licensing specialists can provide technical assistance, guidance, training, and mentoring to prospective and existing providers. Fund additional supervisors to assure licensing specialists are well-trained and supervised, consistent in their understanding of rules, and able to communicate rule and policy changes to providers.
- Fund grants to prospective and existing family child care home providers and centers serving infants in high risk communities, child care deserts, and/or those providing non- traditional hours.
- Incentivize centers and family child care home providers to continue to access business resources to assure strong and sustainable business practices.
- Fund local partners to create staffed family child care networks that support recruitment and retention of providers offering infant slots.
- Fund the creation of additional accessible professional development trainings that recognize the needs of infant–program teachers and family child care providers utilizing provider input.
- Review and revise rules to assess the frequency of required trainings and provide more opportunity for other professional development options.
- Maximize the use of the Professional Development Information System to highlight, automate, and track professional development opportunities across the state.

Strategies that will <u>address reasons why licensed family child care homes and licensed child care centers do not provide infant care</u>:

- Fund grants to prospective and existing family child care home providers and centers serving infants in high risk communities, child care deserts, and/or those providing non- traditional hours.
- Fund the creation of additional accessible professional development trainings that recognize the needs of infant-program teachers and family child care providers utilizing provider input.
- Fund local partners to create staffed family child care networks that support recruitment and retention of providers offering infant slots.
- Review and revise rules to assess the frequency of required trainings and provide more opportunity for other professional development options.
- Maximize the use of the Professional Development Information System to highlight, automate, and track professional development opportunities across the state.
- Ensure a mixed delivery system of early childhood education - a system where there is a balance of center child care, home child care, Early Head Start and Head Start and school-district based preschools, to ensure parents have choices that best fit their needs and the need of their child, at any age.
- Develop a policy analysis tool to examine how current and future policies affect availability of infant care with a lens toward equity and impacts on priority populations such as dual language learners and families living in poverty. For example, state-funded preschool slots could be filled in community programs that serve infants, including family child care homes.
- Require the Early Childhood Leadership Commission to examine policies, programs and data through the lens of the impact on the availability of licensed infant care and family child care homes. The Early Childhood Leadership Commission should seek guidance from stakeholder groups (e.g. Providers, Colorado Department of Human Services, Colorado Department of Education, Colorado Municipal League, Colorado Counties Incorporated, Colorado Department of Local Affairs,
- Homeowner's Associations, and planning associations, and stakeholders called out in SB 19-063).
- Ensure all agencies that participate in regulating infant care in homes or center-based programs engage in policy analysis, and joint review of the outcome, to determine overall benefits. For instance, health and safety should be weighed against the possibility of reducing licensed capacity for infant care and in-home settings.
- Strengthen policies that incentivize providers who serve priority populations, such as infants. For example, consider development and expansion of tax credits, the Colorado Child Care Assistance Program, the Child and Adult Care Food Program, and future initiatives to increase funding for providers who serve priority populations.

Laws or policies related to building, zoning, land use, business licensing, and property tax laws for state and local jurisdictions that would improve conditions for operating licensed family child care homes or providing infant child care:

- Require the CDHS Office of Early Childhood, local regulatory entities, other relevant state agencies, and professional associations to: develop a coordination strategy about regulatory and policy changes; engage in cross-training; establish the importance of and need for licensed infant care and family child care homes; and study the effect of local regulations on the availability of care.
- Require the CDHS Office of Early Childhood to inform local regulatory agencies of child care licensing rules and then require local regulatory agencies to review their local zoning, building code and fire regulations to align, where possible, with child care licensing rules.
- Continue to review state child care licensing rules to eliminate unnecessary, duplicative, and/or outdated licensing rules and address barriers to obtaining or retaining a family child care home license. The health and safety of the children in care must remain a top priority.
- Require the CDHS Office of Early Childhood to create a flow/process chart of the path to licensure that includes navigation of local regulatory systems.
- Establish a single point of access (i.e. 1-800 number) to offer prospective and existing providers guidance on complying with local regulations.
- Fund grants or loans to defray the cost of complying with local regulations.

APPENDIX E
STAKEHOLDER OUTREACH

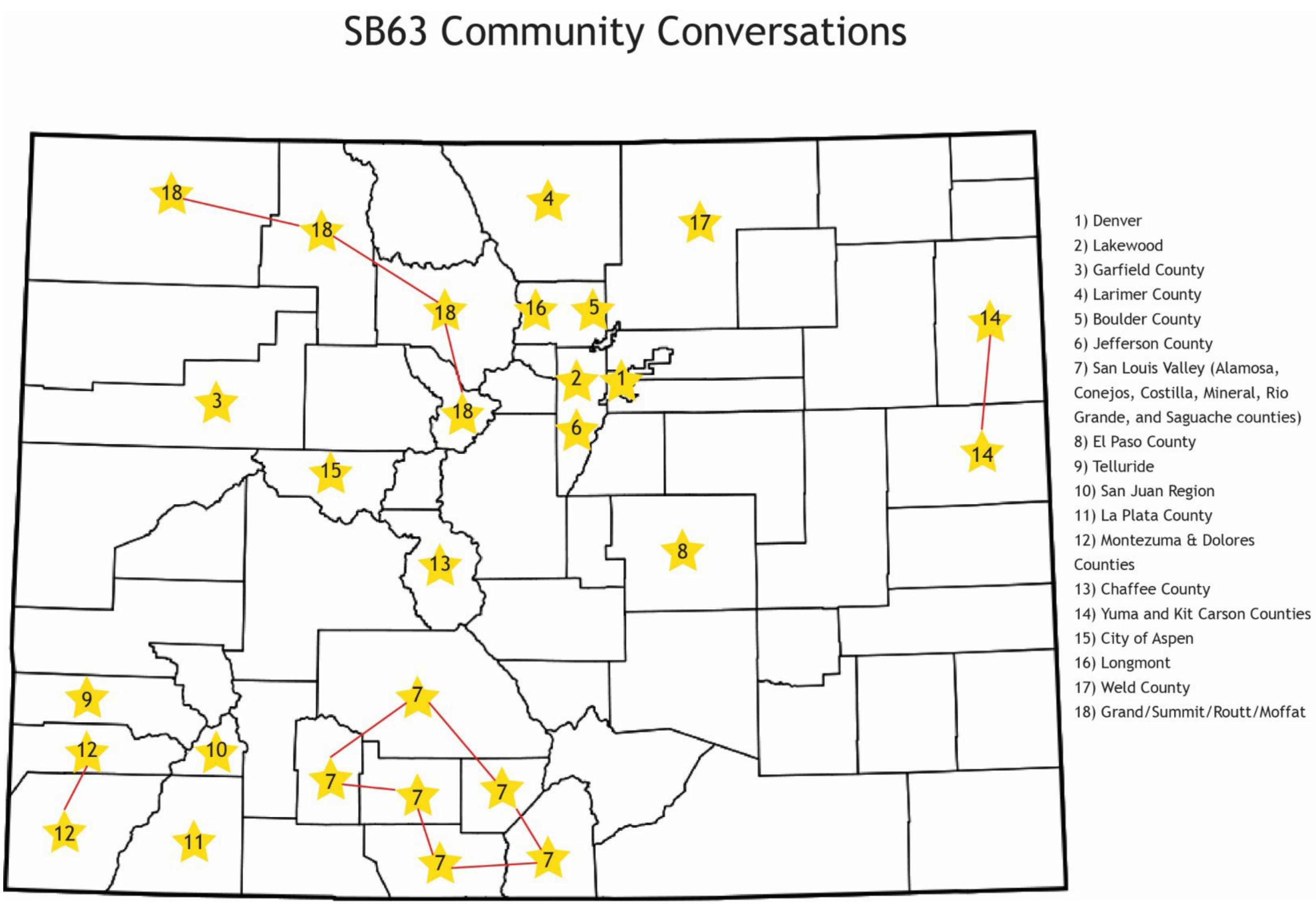
a. Detailed Outreach List
b. Stakeholder-Identified Key Issues

<u>Detailed Outreach List</u>

Individual contacts/discussions (not captured elsewhere):

- My Village
- Family Child Care Home provider & ECC impacted by zoning/regulation
- Small Business Majority
- Colorado Counties, Incorporated
- Colorado Municipal League
- Colorado Human Services Director Association
- Work Life Partnership
- Colorado Workforce Development Council

Denver Metro & Remote Toolkit Conversations - appx. 400 participants [Most a mix of advocates, FCCH and infant providers, parents, state entities, local entities, building code professionals, and funders. Several provider-only conversations.]



Group Presentations:

- Early Education Sub-PAC
- ECLC PQA
- Infant-Toddler Task Force of Raise Colorado
- Early Childhood Councils
- ECLC

Surveys:

- 26 responses to survey of former family child care home providers
- 24 responses of building code professionals
- 34 responses to survey of city and county officials
- 14 Early Childhood Councils
- 961 licensed providers via PDG survey
- 222 CCCAP family survey responses from PDG survey
- 182 responses to Support/Impact Survey [sent to all stakeholders involved in conversations, Departments of Human Services, Early Childhood Councils, and Early Childhood Leadership Commission]

Small group members:

- Small Business Majority
- Colorado Children's Campaign
- RAISE Colorado
- Governor's Office
- Early Childhood Education Association of Colorado
- Early Childhood Council Leadership Alliance
- Colorado Association of Family Child Care
- Colorado Shines Level 5 Family Child Care Provider
- City Fire Marshal
- County Building Code Professional and Colorado Chapter of the International Code Council Member
- Office of Early Education, Division of Early Care and Learning
- Office of Early Education, Expanding Quality in Infant Toddler Care
- Parent and ECLC Commissioner
- Early Childhood Leadership Commission

Stakeholder-Identified Key Issues Contributing to the Declining Availability of Licensed Infant Care and Family Child Care Homes

Child Care Licensing

- The family child care home licensing ratio re: infants is too restrictive (8)
  - » Regular family child care homes – no more than 2 children under two years old
  - » Three under Two family child care homes – no more than 3 children under two years old; of those, no more than 2 children under one year old
  - » Infant-Toddler family child care homes – up to 4 children under three years old (if two teachers, then up to 8); of those, no more than 2 children under one year old (if two teachers, then up to 4)
- Inadequate support to family child care home providers between pre-licensing class and actual licensure (4)
- License-exempt definition allowing care of four unrelated children without them having to do any background check, training, or inspections and lack of consequences for illegal care disincentivize family child care home licensure, especially as licensing requirements continue to increase (12)
- Inconsistency of licensing rule interpretation across licensing specialists (within the same agency, across agencies, etc.) (8)
- Lack of access to pre-licensing training in English and languages of immigrant and refugee communities that may want child care in their native languages (2)
- The number of rules is too high, and there's not enough support to comply with all the rules (9)
- Annual training classes are overly burdensome (5)
- Complying with the cost of becoming a licensed family child care home or center offering infant care, particularly regarding staff-to-child ratio, is expensive (11)
- Pre-licensing classes are too infrequent (3)
- Incentives to increase quality are not enough to offset added time to accomplish them (4)
- Physical requirements of homes in licensing rules make it hard for people interested to comply (i.e. needing access to a fenced-in yard, but you live in a condo or apartment) (5)

Local Regulations: Zoning, Building Code, Taxes, etc

- Zoning has greater restrictions on the number of kids allowed in the home than child care licensing (4)
- Lack of communication with zoning, licensing and building departments (8)
- Local codes are too varied and restrictive (i.e. requiring fire sprinklers in family child care homes, some zones prohibiting family child care homes) (13)
- HOAs and/or public housing not allowing family child care homes or having confusing regulations (10)
- Compliance with local regulations is expensive (6)

Workforce

- Finding, hiring and maintaining a qualified workforce is difficult (13)
- It is hard to find subs/aids who meet the criteria (7)
- Compensation for providers and teachers is too low and parents cannot afford to pay a higher rate to make up for that (13)
- Isolation/lack of support system for family child care providers that fosters appreciation, value and community /village (7)
- PDIS not set up to account for different experience of family child care home providers (i.e. cannot report more than 40 hours of experience/week, although many family child care home providers work 50-60 hours per week) (4)
- Workforce qualifications are more robust for infant teachers, but not reflected in wages, which causes a shortage in availability (4)

*Note: (#) = number of SB63 community conversations at which the issue was cited *

- Lack of access to benefits - need affordable and accessible health care, disability, liability, short-term unemployment retirement, sick time, vacation time (11)
- Burnout (especially as infant-toddler rules like ratio and allowing nap on baby's schedule means no break) (6)
- Colorado Shines Rating Process is difficult for family child care homes and does not make sense to them (3)
- Background check system does not have hours that work for providers and the processing time causes delay in licensure (3)

Business Development & Training

- Providers need more sizeable grants and scholarships, including business financing opportunities and loans, available (3)
- CCCAP structure doesn't support care (reimbursement is not high enough to support quality care; parents' copays go up if they choose lower quality care; is based on attendance and not enrollment; doesn't address late pick-ups) in a way that helps with the revenue model of a business (3)
- Trainings are not provided on topics most relevant to family child care home providers or at times and places most convenient (10)
- Lack of small business support – i.e. business development, budgeting and marketing their quality family child care homes or for center directors (10)

Public Perception & Will

- Parents do not value family child care homes as professionals nor do they understand that they are regulated as much as centers - seen as "babysitters" (12)
- Public does not understand that a lack of available and affordable child care is an economic and workforce issue (5)
- Public does not understand the importance of the early experiences of a child's growth and development (7)
- Public perception is that moms (not dads) should stay home and take care of their children, especially infants (5)

Other

- Providers serving 2-5 year olds lose income from expansion of public preschool (4)
- There is a lack of available, affordable real estate for infant care and family child care homes (6)
- Parent cost and long waitlists in licensed care drives parents to unlicensed care (5)
- The hours of operation of family child care homes and centers are sometimes hard for parents working non-traditional hours (6)
- Poverty lines/lack of transportation (3)

*Note: (#) = number of SB63 community conversations at which the issue was cited *

APPENDIX F
DATA COLLECTED

a.Provider Survey [responsive to C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)]
b.CCCAP Family Survey [responsive to C.R.S. 26-6.2-202(1)(a)]
c.Former Provider Survey [responsive to C.R.S. 26-6.2-202(1)(c)]
d.Survey of City and County Officials [responsive to C.R.S. 26-6.2- 202(1)(e)]
e.Family Home and Infant Child Care Cost Analyses in Support of Colorado SB19-063, Brodsky Research and Consulting [responsive to C.R.S. 26-6.2-202(1)(f),(g)]
f.Memo re: Response to SB63 Analysis Request – Cradle to Kindergarten identify full level of infant child care and family child care homes at scale
- i.e. absent any constraints on supply and affordability, Ajay Chaudry [responsive to C.R.S. 26-6.2-202(1)(g)]
g.Available and Needed Financial Resources, Training and Technical Assistance for Family Child Care Homes [responsive to C.R.S. 26-6.2- 202(1)(h),(i)]

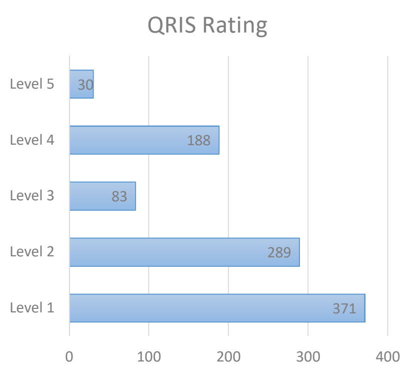
Provider Survey

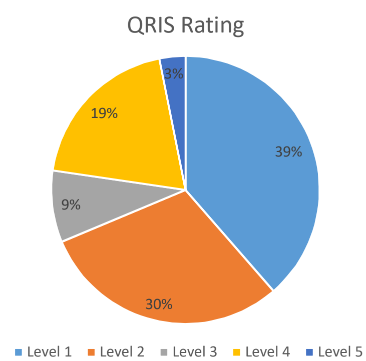
The following reflects analysis by the Office of Early Childhood of a subset of data collected in the fall of 2019 by DU Butler as part of the Preschool Development Grant. Butler surveyed 961 licensed providers, including centers and family child care homes.

RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

Survey Participants

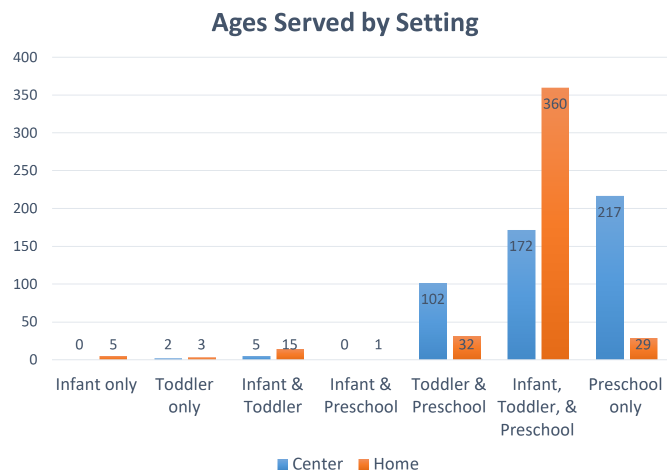
Total n=961 (Center= 512; Home= 449)





RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

What age group(s) does your program serve?



80% of Home- and 34% of Center-based care settings surveyed provided care all three age groups

Less than 2% of surveyed providers served infants only

RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

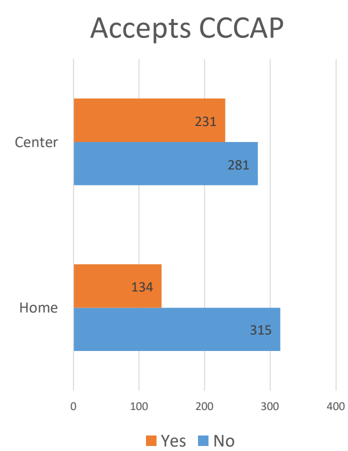
How many children (0-5) are currently on your waiting list? – Infants (birth to 12 months) only

# of infants on waitlist	Center (n=128; 25%)	Home (n=188; 42%)
0	3	2
1-5	36	161
6-10	26	19
11-20	20	4
21-30	11	0
30 or more	32	2
Range	**0-125**	**0-57**

The %s that appear in the table header are relative to the full provider response (e.g., Of all center respondents 25% of 512 provided an infant #)

RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

Use of Funding Supports



Accepts CCCAP			
	Center n (%)	**Home n (%)**	**Total n (%)**
CCCAP	231 (45.1%)	134 (29.8%)	365 (38.0%)

Funding Streams in the Last 12 months			
	Center n (%)	**Home n (%)**	**Total n (%)**
CCCAP	148 (28.9%)	111 (24.7%)	259 (26.1%)
Head Start	2 (0.4%)	2 (0.4%)	4 (0.4%)
CPP	61 (11.9%)	2 (0.4%)	63 (6.6%)
Title 1	2 (0.4%)	1 (0.2%)	3 (0.3%)
Mixed	119 (23.2%)	15 (3.3%)	134 (13.9%)

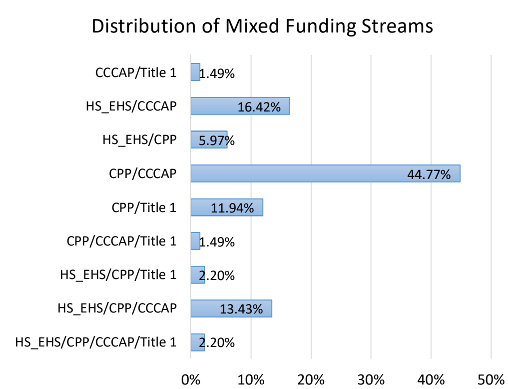
48.2% (463) of providers endorsed one or more sources of funding

RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

Combined Funding Streams

Sources	Center (n=332; 65%)	Home (n=131; 29.2%)	Total (n=463; 48.2%)
One	213	116	329
Two	93	15	108
Three	23	0	23
Four	3	0	3

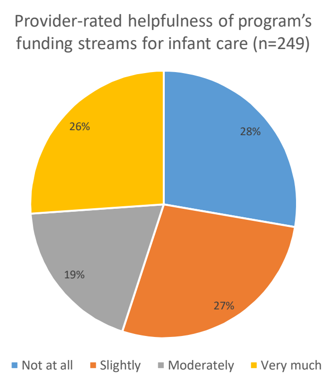
Note. Funding options restricted to HS/EHS, CPP, CCCAP, & Title 1

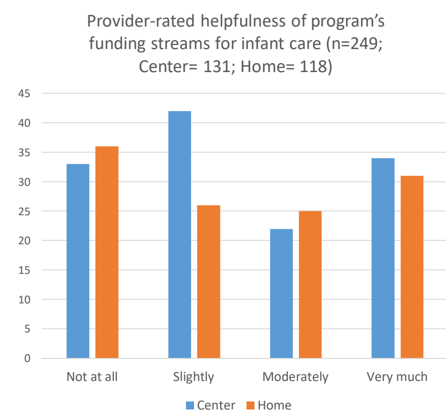


*Multiple funding sources were more common for Centers. For Homes the two sources reported were (14) HS/EHS and CCCAP and (1) CPP and CCCAP

RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

How much do these funding streams (Head Start, CPP, CCCAP and Title 1) help with the financial costs <u>related to providing infant care</u> (0-18 months) at your program?

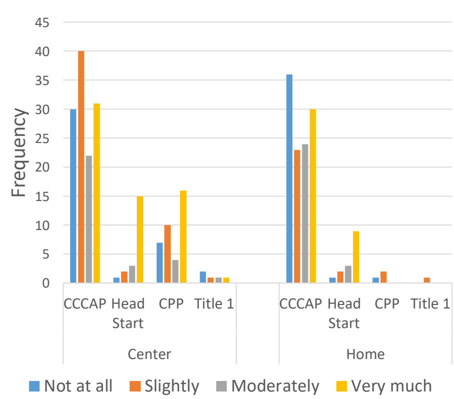


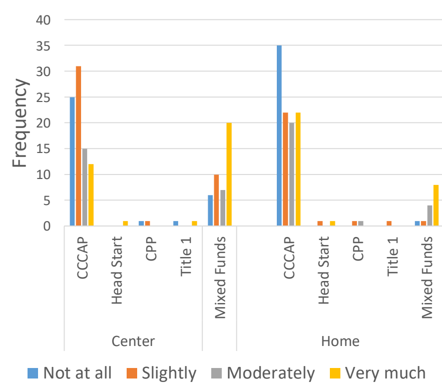


RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

How much does each funding stream help with the financial cost <u>related to providing infant care</u> at your program?

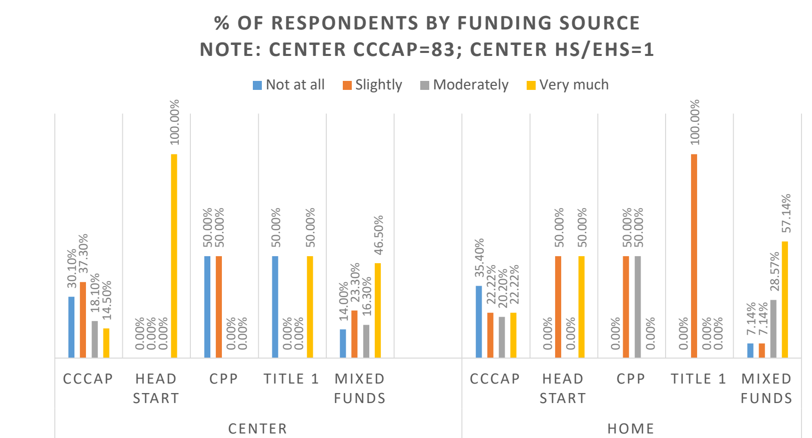
(Raw Count)





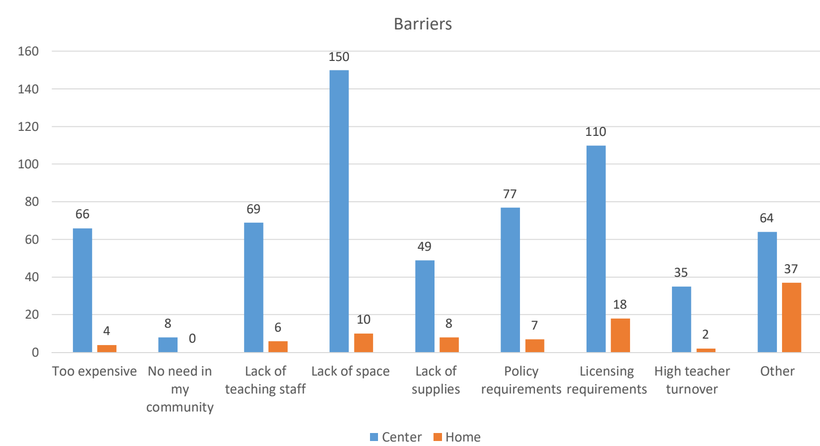
RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

How much does each funding stream help with the financial cost <u>related to providing infant care</u> at your program?



RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

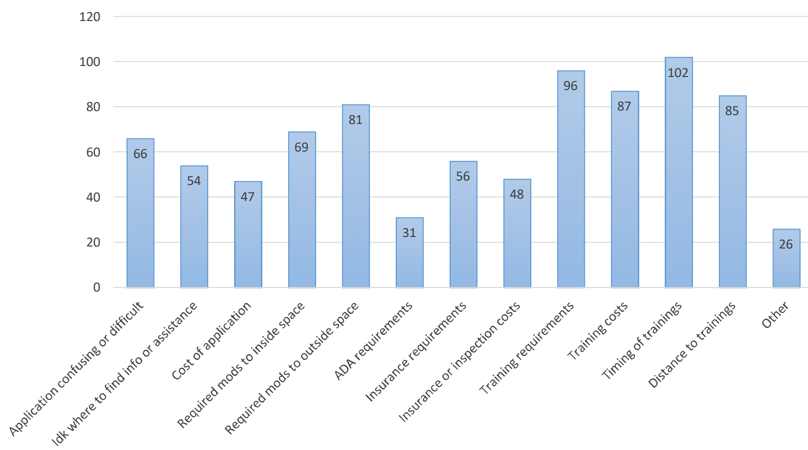
Why does your program <u>not</u> provide infant care (0-18 months)?



RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

What obstacles, if any, did you encounter when <u>obtaining</u> a family child care license?

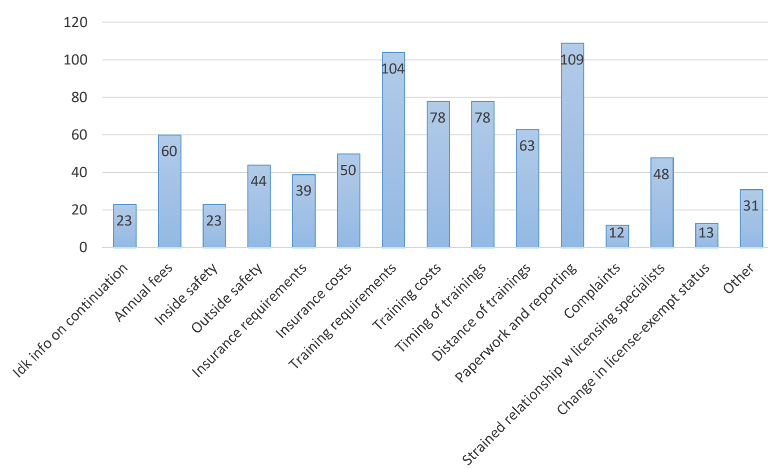
Restricted to current family child care home providers (n=449)



RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

What obstacles, if any, did you encounter when <u>continuing</u> your family child care license?

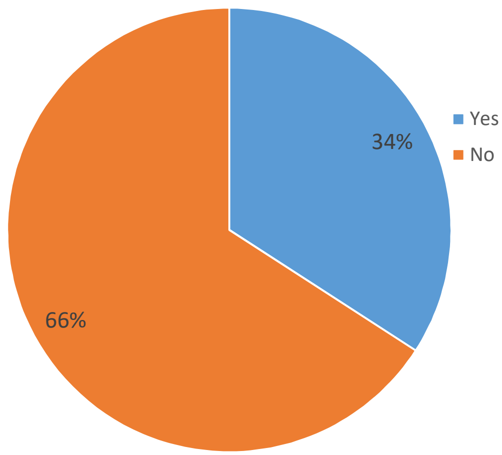
Restricted to current family child care home providers (n=449)



RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

Have you discontinued or considered discontinuing your family child care?

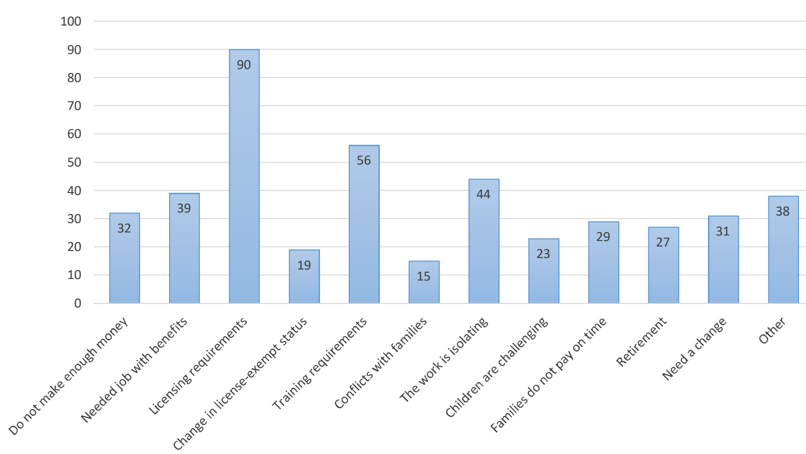
Restricted to current family child care home providers (n=381)



RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

Why have you discontinued or considered discontinuing your family child care license?

Restricted to 'Yes' on previous question (n= 163)

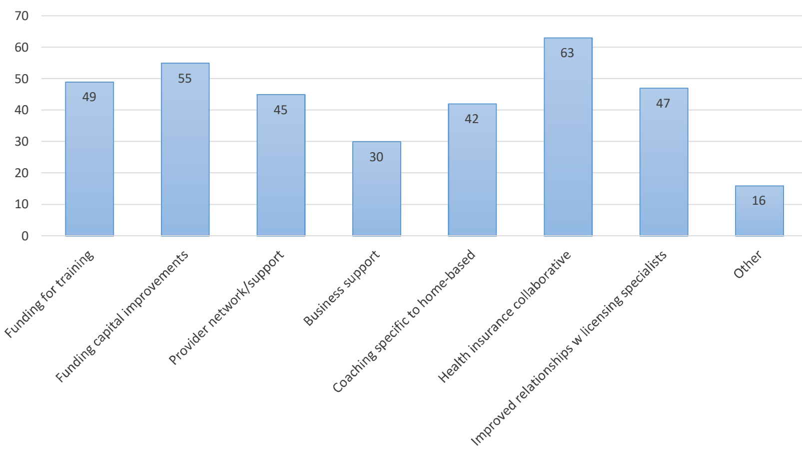


Note. This graph includes both Center (n=33) and Home providers (n=130)

RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

What supports would be/ would have been helpful in remaining a home child care provider?

Restricted to current family child care home providers (n=449)



RE: C.R.S. 26-6.2-202(1)(a)- (d),(g)-(i)

CCCAP Family Survey

The following reflects analysis by the Office of Early Childhood of a subset of data collected in the fall of 2019 by DU Butler as part of the Preschool Development Grant. Butler surveyed 222 families who received or receive the child care subsidy CCCAP (Colorado Child Care Assistance Program).

RE: C.R.S. 26-6.2-202(1)(a), (f)

Were you able to find a child care provider to meet the needs of your family?

- 17.1% (38) reported that they were not able to find a child care provider to meet the needs of their family

Barriers to Finding Child Care (n=38)*	
Respondents marked all that applied:	n (%)
I could not find a provider that accepted CCCAP	8 (21.1%)
My provider charged additional fees (above my CCCAP parent fee) that I could not afford	8 (21.1%)
I could not find a provider that had openings for my child's age group	20 (52.6%)
They did not serve the age groups of all of my children	4 (10.5%)
I wanted to use a family child care provider and could not find one	4 (10.5%)
I wanted to use a child care center and could not find one	7 (18.4%)
I could not find a provider that offered part time care	2 (5.3%)
I could not find a provider that offered evening, overnight or weekend child care	8 (21.1%)
No providers available in the location I wanted	13 (34.2%)
I could not find a program that accepted children with special needs	3 (7.9%)
I could not find a provider that met the language needs of my family*	0 (0%)
Other	10 (26.3%)

Age groups endorsing difficulty finding care (n=20)
- (8) ≤ 2 yrs
- (1) 3-4 yrs
- (2) 5-6 yrs
- (4) mixed ages
- (5) no age provided

*It is important to note that the survey was only administered in English and Spanish. Thus 0% endorsing language match as a barrier should be interpreted with caution

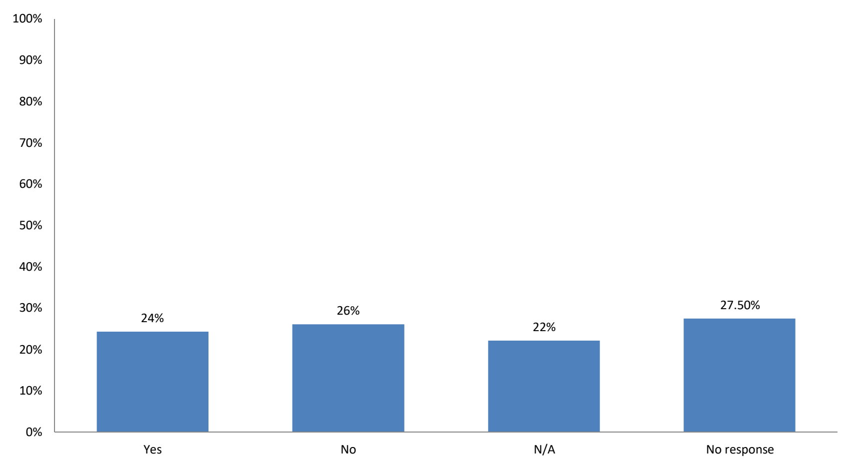
RE: C.R.S. 26-6.2-202(1)(a), (f)

If you had trouble finding a family child care provider, how did that lack of available family child care provider affect your family and child?

- "I could not work the hours my job needed me to. No transportation for my kids to take to school."
- "As a result, my children were watched by different friends and family, essentially leading to me becoming a stay at home mom. My children needed stability."
- "I had to miss out on a new job because of it."

RE: C.R.S. 26-6.2-202(1)(a), (f)

Did you have trouble finding care for your infant (0-18 month old)? n=222



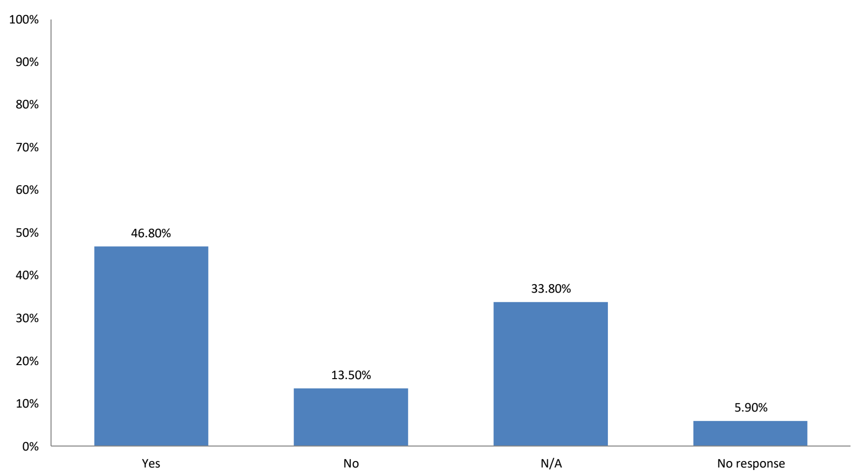
RE: C.R.S. 26-6.2-202(1)(a), (f)

If so, how did that lack of available infant care affect your family and child?

- I had to quit my job to stay home.
- Could not find childcare for 1 year old, so I was not able to work.
- I was out of work because waiting lists were a year long. I had to stay home with my child because no daycare was available.
- I had to stay home.
- Hard to work.
- I couldn't accept full time work.
- Most are 12 mos and walking, didn't affect us much although I had even more limited availability for work hours.
- Remained unemployed for three months until I was able to get child care to start applying for work to provide for my children.
- I couldn't work. I couldn't find anyone when my child was a infant.
- By not being able to go to work because I had no one to help me watch my child.
- It's hard to go to work when there is no child care..
- My daughter went to school with my husband beginning at 10 weeks old. We found an amazing provider that worked as quickly as they could to get us in. Without them he would've had to have quit school which would have affected our family permanently
- Started working the night shift.
- I wasn't able to get a job.
- A lot of places do not accept CCAP for children under 3. As well as the prices for daycares were too high for me to pay before I got CCAP.
- My parents took care of my child temporarily but did not want to. I almost quit my job.
- There were only 2 or 3 centers in my area that took infants as young as 2 months, thankfully one had availability and that is where my kids still go.
- I had to pay out of pocket for child care until I could get him in to daycare at 14 months.
- Couldn't work - single father.
- Yes, much. I had child care for my other son and not for him so I missed out on a great opportunity.
- Inconvenient, had to wait.
- Deprived my child of a consistent routine! Created stress in our family over missing work and constantly having to worry if I was going to be able to work or not and if I'd be able to keep my job due to the lack of care availability.
- 3months
- Can't go to work.
- Couldn't accept jobs.
- Couldn't work.
- Made it harder to find a job.
- I can't work and make my kids leaving if I can't find child care center, I have no family here or friends.
- I was unable to work.
- No puedo conseguir trabajo.
- Couldn't begin work.
- Without child care you can't work and you can't provide for your family on your own.
- It almost cost me my job because I had no child care for my infant.
- Lack of money, can't work if I can't leave my child in a safe place.
- Unable to take different work opportunities.
- Had to give up on child care.
- Stressful.
- Took longer to have care for her.
- I was not able to work.
- Had to drop off at two different daycares for a few months.
- It was very hard not having any help with my child and she is special needs which doubled the load.
- A lot.
- I lost multiple job opportunities and was fired when I did find work because my infant became so sick from a large care facility that she was hospitalized for 4 days.

RE: C.R.S. 26-6.2-202(1)(a), (f)

If you were looking for infant care for your child, were you able to find an affordable CCCAP child care provider? (n=222)



RE: C.R.S. 26-6.2-202(1)(a), (f)

Former Provider Survey

The Office of Early Childhood and Early Childhood Leadership Commission sent a survey in the fall of 2019 to over 400 former family child care providers that voluntarily closed their homes between November 2017 to August 2019. The following analysis is of the 26 responses received.

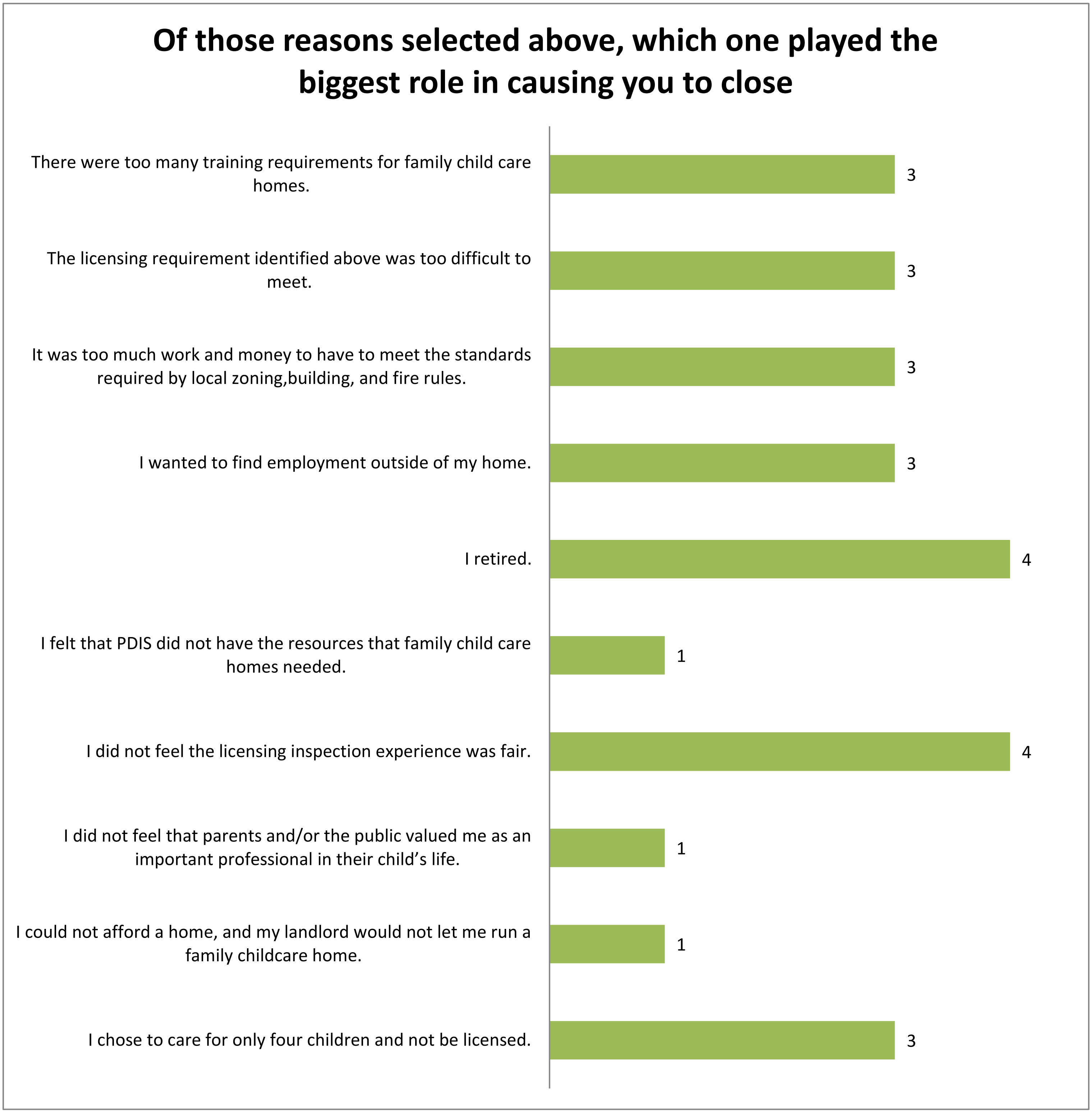
Which of the following were reasons you decided to close your family child care home?

Other:

"Several reasons, but especially that I couldn't keep my 2-5 year old spots filled. Only my infant spots would stay full and people were only looking for infant care. I couldn't make it work financially with only 2 infants and I was pregnant with my own baby."
"CCAP"

Licensing requirement too difficult to meet:

- Length of inspection time
- Infant safe sleep rules
- Annual required training
- Number of required locks and safety features
- Amount of rules


Of those reasons selected above, which one played the biggest role in causing you to close
There were too many training requirements for family child care homes.
3
The licensing requirement identified above was too difficult to meet.
3
It was too much work and money to have to meet the standards required by local zoning,building, and fire rules.
3
I wanted to find employment outside of my home.
3
I retired.
4
I felt that PDIS did not have the resources that family child care homes needed.
1
I did not feel the licensing inspection experience was fair.
4
I did not feel that parents and/or the public valued me as an important professional in their child’s life.
1
I could not afford a home, and my landlord would not let me run a family childcare home.
1
I chose to care for only four children and not be licensed.
3

Survey of City and County Officials

The Office of Early Childhood and Early Childhood Leadership Commission sent two voluntary surveys to city and county officials in the fall of 2019. One survey related to zoning, land use, business license and tax regulations of child care. This survey received 33 responses. The other survey related to building code requirements for family child care homes. This survey received 24 responses.

Zoning, Land Use, Buisness License, and Tax Regulation Survey:

1) **How does a family child care home obtain a business license in your municipality?**
   - 7 of 14 cities that responded did not require a business license.
   - 2 of 14 identified having an online business license application to be completed once a provider passes local inspections and is licensed by the state.
   - 5 of 14 have some other application process, for example:
     - The applicant must first obtain a Conditional Use Permit from the Planning, Zoning and Variance Commission. If successful, they would apply for a business license and need to pass life/safety inspections. Applicants must be state-licensed.
     - An operator would pay a $20 annual fee and complete paperwork through the City's Tax and Licensing Division. This includes a 3-page application and 1-page supplement for home-based businesses. The business license is then routed through the Zoning and Building Divisions for review.
     - Family home child care facilities apply for a home occupation business license at a reduced rate as compared with a normal business license.

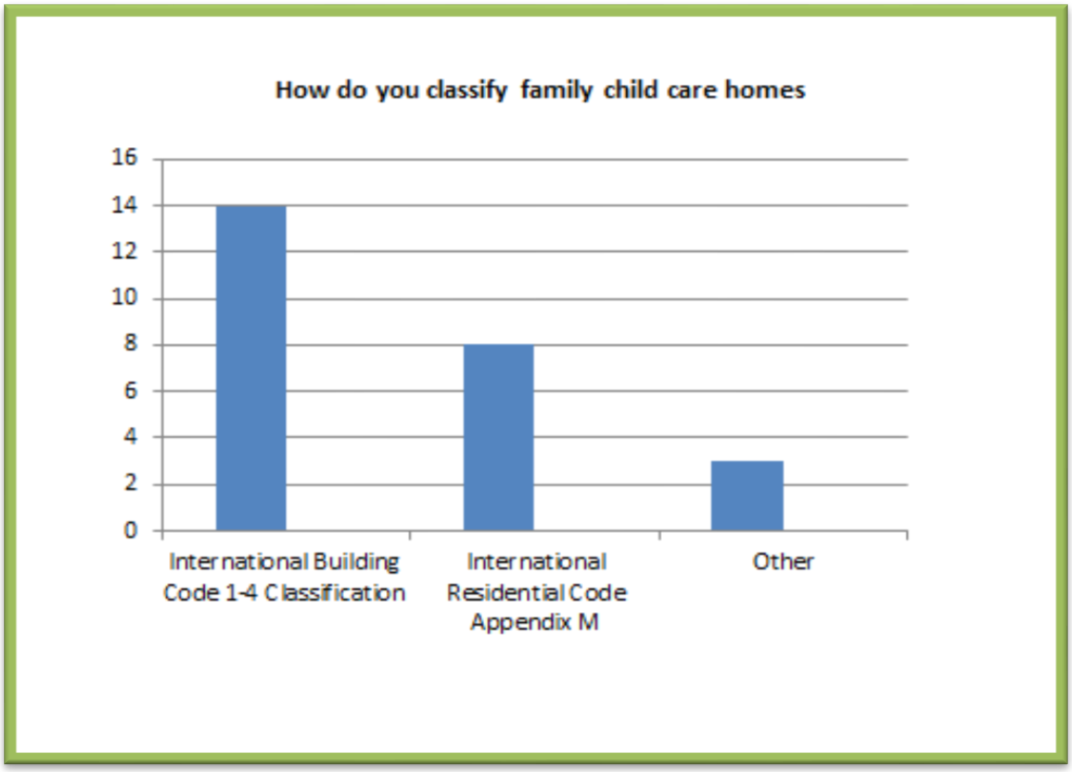
2) **Does your municipality or county have building or land use codes or regulations that affect the ability of child care centers or family child care homes to provide child care? if so, can you please describe how?**
   - 2 of 33 cities/counties do not allow as many children as the typical 6+2 (8 total) family child care home license.
     - i.e. Yes, Family Child Care Homes can only care for 4 children unrelated to the provider. So if the provider is not watching any of their own children related to them they cannot utilize the full capacity of a 6 + 2 license. They cannot be licensed for a large license or an experienced child care provider.
   - 2 of 33 cities/counties do not allow **large** family child care homes because the total number of children in that license type (12) exceeds local limits for home-based care.
   - 1 of 33 cities/counties require a special approval for large family child care homes.
   - 2 of 33 cities/counties require a special approval for 7 or more children.

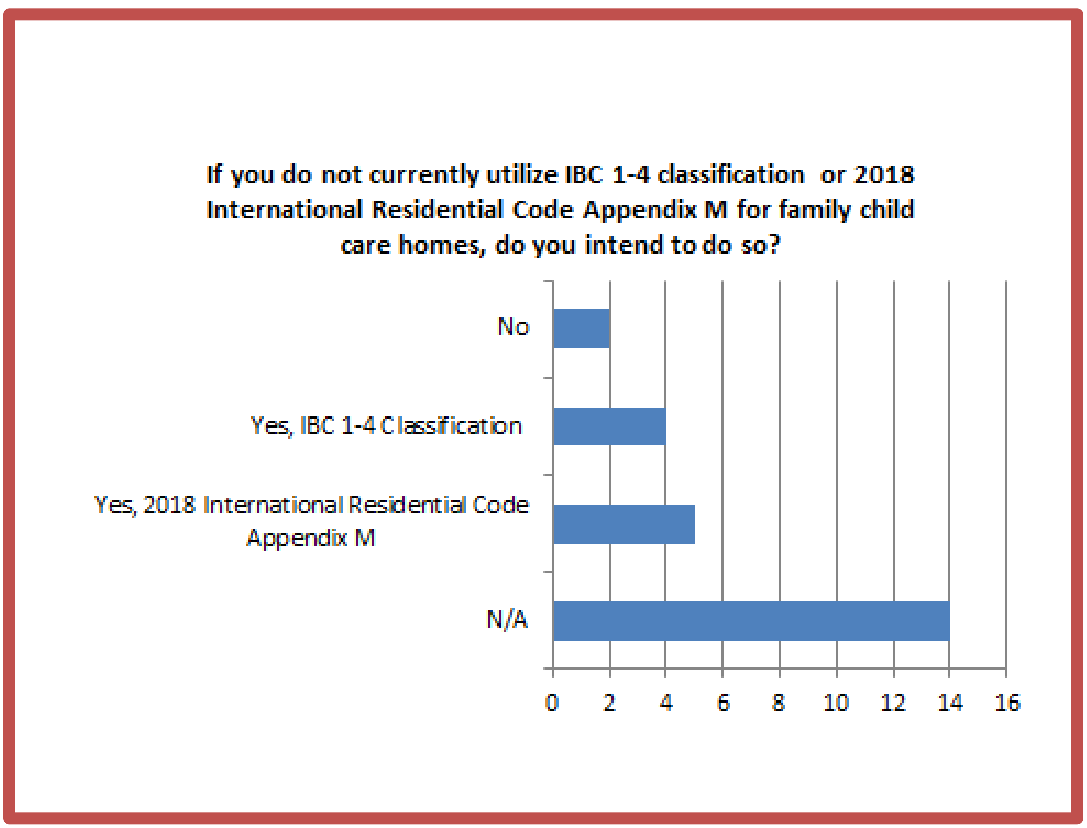
3) **What kind of zoning permit does your municipality or county require family child care homes to obtain?**
   - 9 out of the 31 cities/county permitted family child care homes as a use by right or require no zoning permit throughout the jurisdiction.
   - 22 out of the 31 cities/counties require some type of permit (i.e. conditional/special use) in at least some locations within the jurisdiction.

4) Are family child care homes taxed as commercial or residential entities?

- 16 of 22 cities/ counties tax family child care homes as residential entities.
- 4 of 22 cities/ counties identified they would tax family child care homes as commercial entities depending on circumstance.
- 2 of 22 cities/ counties identified other taxes for family child care homes.
    - The 2 others taxes for family child care homes identified are:
        - Child care would be a non-taxable service, but a business may owe the city’s 3.86% use tax on the purchase of tangible personal property or taxable services for the business if they do not pay sales tax on the initial purchase.
        - Child care facilities in a home would be taxed only for the areas used.

Building Code Survey:





Family Home and Infant Child Care Cost Analyses in Support of Colorado SB19-063

Submitted to the Colorado Department of Human Services

October 2019

Andrew Brodsky

BRODSKY
Research and Consulting

Introduction

Brodsky Research and Consulting (BRC) was retained by the Colorado Department of Human Services (CDHS) to conduct analyses to support the SB19-063 Strategic Action Plan to Address Infant and Family Child Care Home Shortages in Colorado.

The goal of these analyses is to better understand the true costs of family and infant center care in Colorado (the actual costs incurred by a provider to deliver care at a given quality level) and to identify the gap between current subsidy reimbursement and true costs.

This memo addresses the following questions:

1. What is the cost of quality family child care, including how the cost varies by quality rating and urban/rural geography?
2. What is the public investment in family child care, as defined by CCDF reimbursement rates? What is the gap between the actual cost to deliver care and various quality levels and the reimbursement rates?
3. What is the cost of infant care at centers, including how the cost varies by quality rating and urban/rural geography?
4. What is the public investment in infant center-based care, as defined by CCDF reimbursement rates? What is the gap between the actual cost to deliver care and various quality levels and the reimbursement rates?
5. What are the implications of expansion of the state-funded preschool program on the business model for both family and center-based providers?

This memo first provides brief narrative summaries of each of the five research questions, followed by four recommendations. Appendix A contains tables and graphs detailing child care costs and subsidy and market rates for each of the six counties included in the study. Appendix B contains a detailed description of the study's methodology, including details on assumptions used in the cost models.

The analysis includes cost estimates for six counties in Colorado. These counties were selected by CDHS to reflect a range of income levels and geographic types, including city/metro areas, rural communities, and rural resort communities. The six counties selected were Alamosa, Denver, El Paso, Mesa, Morgan, and Routt.

The family child care home model is based upon work conducted by Linda Dunphy, Louise Stoney, and Anne Mitchell in several other states. This model was updated with publicly available data in Colorado on wages and costs of living. Nonpersonnel expenses in the family home model are based on data collected in other states, adjusted for regional cost of living variations.

The center infant model is based on previous work conducted by Dr. Brodsky in several regions in Colorado, including Adams, Summit, Pitkin, and San Miguel counties. This model, in turn, is based on early work conducted by Louise Stoney for the state of Colorado and is based on a framework originally developed by Anne Mitchell and Louise Stoney. The center model was updated for the current analysis with local salary and cost of living adjustments.

The revenue models are based on child care subsidy data received from CDHS in October, 2019. Market rates are drawn from the 2017-2018 Colorado Child Care Market Rate Study. For some cells, market rate data was not reported due to small sample sizes; in these cases, data was imputed from other cells. Annual revenue estimates are based on a 250-day year.

Results

1. What is the cost of quality family child care, including how the cost varies by quality rating and urban/rural geography?

The actual cost to provide child care in a family home in Colorado averages about $7,500 per child. The cost is similar across quality levels. This is because the primary component of child care costs is salary costs, and family home providers are likely to pay themselves the same amount, regardless of quality level. Moreover, the model assumes a fixed number of adults and children (1 adult and 6 children during the day, plus 2 after school) regardless of quality level. Finally, the additional expenses – such as materials and utilities – are fixed and do not vary greatly across quality levels.

The average cost per child to provide care in a family home also does not vary by age. This is because all children, regardless of age, are served in a single group, by a single caretaker. Apart from small one-time expenses incurred by serving infants, such as a crib, the specific age mix does not impact the cost.

The average cost per child to deliver family care does vary slightly across counties, from a low of $7,286 in Alamosa County to a high of $7,718 in Routt County. However, this variation is small relative to overall costs.

2. What is the public investment in family child care, as defined by CCDF reimbursement rates? What is the gap between the actual cost to deliver care at various quality levels and the reimbursement rates?

CCDF reimbursement rates for family care varies substantially by quality level, averaging $7,205 for Level 1, $9,255 for Level 3, and $11,633 for Level 5. Rates also vary dramatically by county; reimbursement rates for Level 3 family homes range from a low of $7,111 (Alamosa County) to a high of $14,956 (Routt County).

The gap between the true cost of care and reimbursement rates varies widely by both quality level and county. Because costs do not increase as quality improves, but reimbursement rates do increase, home providers have much greater revenue surpluses if they provide higher quality care.

For example, in Alamosa County, which has a lower cost of living and thus cannot support high tuition rates, Level 1 providers lose an average of $978 for each subsidized child. However, if that same provider improves to Level 5, they can profit $2,217 per child.

In Routt County, a rural resort community with a stronger child care market and thus much higher reimbursement rates, family providers at all levels can make a profit – from $3,896 per child for Level 1 providers to $11,234 per child for Level 5 providers.

3. What is the cost of infant care at centers, including how the cost varies by quality rating and urban/rural geography?

Infant care is expensive across all quality levels, but is far out of reach for most families at higher quality levels. The true cost of center-based infant care averages $13,191 for Level 1, $15,759 for Level 3, and $21,574 for Level 5 care averaged across the six counties in the study.

The cost to deliver care does vary across counties, but the variation is smaller than the variation across quality levels. In the most expensive county, Level 3 infant care costs $17,815 to deliver, while in the least expensive county, the same care costs $13,799 to deliver. Care tends to be higher in urban areas; The cost to deliver Level 3 care in Denver is about $700 greater than the overall average.

Note that our model estimates that in Morgan County, which is largely rural, care costs even more than in Denver (Level 3 care is $16,933 in Morgan County vs $16,462 in Denver). This is because for some counties in this study – including Morgan -- the BLS reports salary based on multi-county averages, rather than county-specific estimates. The multi-county region on which Morgan County's cost estimate is based also includes Routt County, which is more expensive.

4. What is the public investment in infant center-based care, as defined by CCDF reimbursement rates? What is the gap between the actual cost to deliver care at various quality levels and the reimbursement rates?

Reimbursement rates lag far behind actual costs to deliver infant care at all levels, but are particularly low for high-quality care. Average reimbursement rates are $7,205 for Level 1 care, $9,255 for Level 3 care, and $11,633 for Level 5 care. Because of the high cost to deliver infant care, this means that center-based providers lose money on infant care at every level: they lose $4,179 per infant at Level 1; $5,215 per infant at Level 3, and $8,556 per infant at Level 5. (Note that the gap between reimbursement rates and the true cost of care is narrowed slightly by revenue from the Child and Adult Care Food Program (CACFP)).

The true cost of infant care is far higher than reimbursement rates in all six counties, although the gap is more marked in counties with low reimbursement rates, such as Alamosa County, where Level 5 centers lose $10,830 for each infant enrolled.

5. What are the implications of expansion of the state-funded preschool program on the business model for both family and center-based providers?

Expanding a state-funded preschool program may have several implications for providers in the state. These implications depend on how the new pre-k program is structured, particularly whether the program is a school-based model, in which slots are provided by school districts, or a mixed-delivery model.

The most significant implication of expansion is likely to be for centers that serve infants. Providers count on revenue from preschoolers to offset the high cost of infant care, so if the new program requires funding to flow through school districts, providers may struggle to enroll enough preschoolers to offset costs of infants.

These issues are likely to be less of a concern for family homes than for centers. In family homes the costs to provide care for infants and preschoolers are similar, so home providers do not lose as much money as do centers when providing care for infants. In addition, these providers can provide afterschool care, which increases net revenue. Still, expanding statewide preschool could have negative financial implications for family providers as well. For example, these providers could raise tuition for morning or afterschool care, in order to offset costs. This would mean that parents who use the new preschool program may not save money if they also need wraparound care, which would now cost more.

Recommendations

The analyses presented in this brief reveal two important findings:

1. Costs to provide family home care are similar across quality levels. However, reimbursement rates climb steeply for family home care at higher quality levels, meaning that these rates exceed the actual costs to provide care at high levels.
2. Infant care is very expensive and far exceeds subsidy reimbursement rates in all counties, especially at higher quality levels.

The analyses lead to the following four recommendations:

Recommendation 1: Consider flattening the reimbursement rate for family homes across quality levels.

The current reimbursement structure provides very strong incentives for family providers to improve quality levels as far as possible. While this in itself is a worthy objective, the amount of the incentive may be unjustifiably high at high quality levels. By flattening the family home reimbursement structure and lowering the maximum reimbursement rate for high-quality home providers, the subsidy program could save money that could be invested elsewhere.

Recommendation 2: Increase subsidies for infant center care.

These analyses show that infant care is unaffordably high for families at all quality levels, and that subsidies do not come close to supporting the true cost of care. The result is that providers must subsidize the costs of infant care through preschool tuition, and families are faced with long waiting lists for infant care, as providers are less likely to provide slots for infants.

Raising subsidy levels for infant care – particularly at higher quality levels – can help fix the broken market for infant care and ensure that providers are financially sustainable, while providing quality options for working families.

Recommendation 3: Allow CCCAP rates to exceed market rates in certain counties.

In counties where the true cost of care is far above the market rate, the market is broken, because families are simply not able to pay for the actual cost of care. This is particularly true for infant-based center care, where market rates lag far behind real costs. If the reimbursement rate is set based on the market rate, subsidies will be too low to ensure that providers are financially sustainable. Moreover, CCCAP requires greater administrative overhead for providers and requires them to collect parent fees, which may not always be paid. Both of these factors increase the cost in time and money to accept CCCAP children.

To address these issues, CCCAP subsidies should be allowed to exceed the private pay published rate in counties where a significant gap exists between the true cost of care and the market rate.

Recommendation 4: Provide incentive payments to providers serving infants

If the statewide preschool program results in disincentives for providers to serve infants, these providers will require additional financial incentives to serve infants while remaining financially sustainable. In addition to adjusting subsidy rates, incentives could be provided to providers who serve infants in addition to preschool children, whether or not they accept subsidy.

Appendix A: Child Care Costs and Rates

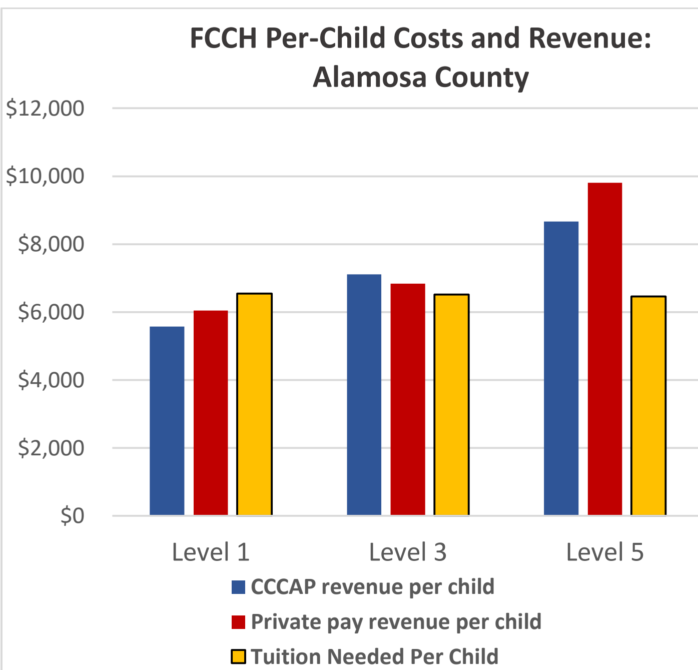
Alamosa County

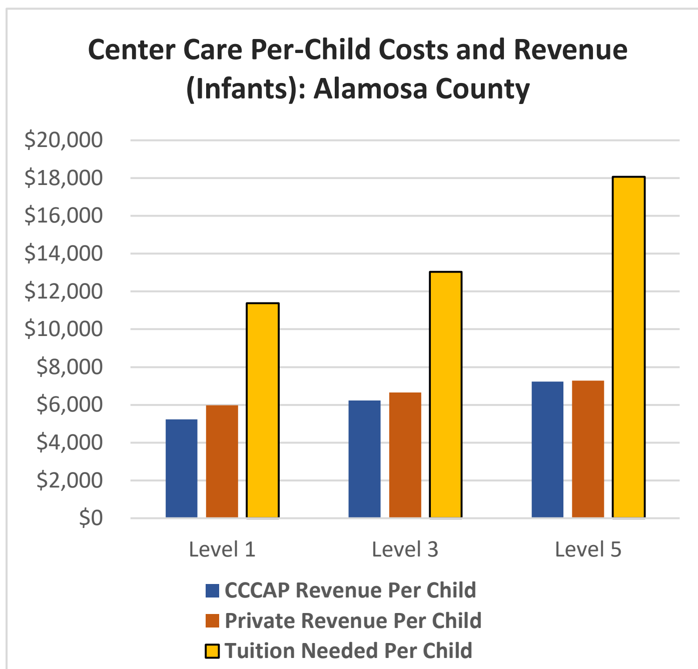
Family Child Care

	Level 1	Level 3	Level 5
CCCAP revenue per child	$5,574	$7,111	$8,672
Private pay revenue per child	$6,050	$6,840	$9,804
Additional (non-tuition) revenue per child	*$732*	*$773*	*$834*
Tuition Needed Per Child	$6,552	$6,513	$6,454
CCCAP revenue surplus (deficit) per child	**($978)**	**$598**	**$2,217**
Tuition revenue surplus (deficit) per child	**($502)**	**$327**	**$3,350**

Infant Center Care

	Level 1	Level 3	Level 5
CCCAP Revenue Per Child	$5,238	$6,235	$7,234
Private Revenue Per Child	$5,974	$6,660	$7,278
CACFP revenue Per Child	*$710*	*$754*	*$821*
Tuition Needed Per Child	$11,373	$13,045	$18,064
CCCAP revenue surplus (deficit) per child	**($6,135)**	**($6,809)**	**($10,830)**
Tuition revenue surplus (deficit) per child	**($5,398)**	**($6,385)**	**($10,786)**





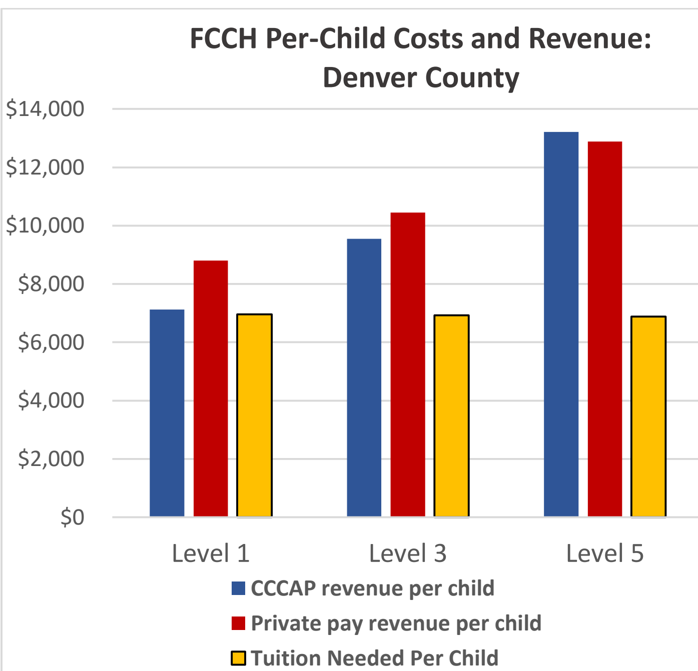
Denver County

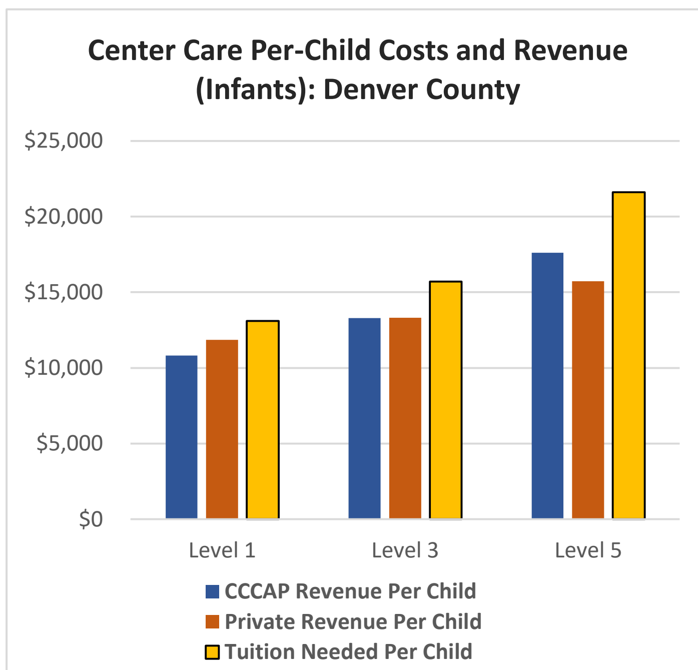
Family Child Care

	Level 1	Level 3	Level 5
CCCAP revenue per child	$7,125	$9,549	$13,216
Private pay revenue per child	$8,804	$10,453	$12,884
Additional (non-tuition) revenue per child	*$732*	*$773*	*$834*
Tuition Needed Per Child	$6,966	$6,927	$6,869
CCCAP revenue surplus (deficit) per child	**$159**	**$2,621**	**$6,347**
Tuition revenue surplus (deficit) per child	**$1,838**	**$3,525**	**$6,016**

Infant Center Care

	Level 1	Level 3	Level 5
CCCAP Revenue Per Child	$10,816	$13,295	$17,609
Private Revenue Per Child	$11,856	$13,320	$15,737
CACFP revenue Per Child	*$710*	*$754*	*$821*
Tuition Needed Per Child	$13,103	$15,708	$21,602
CCCAP revenue surplus (deficit) per child	**($2,288)**	**($2,413)**	**($3,994)**
Tuition revenue surplus (deficit) per child	**($1,247)**	**($2,388)**	**($5,865)**





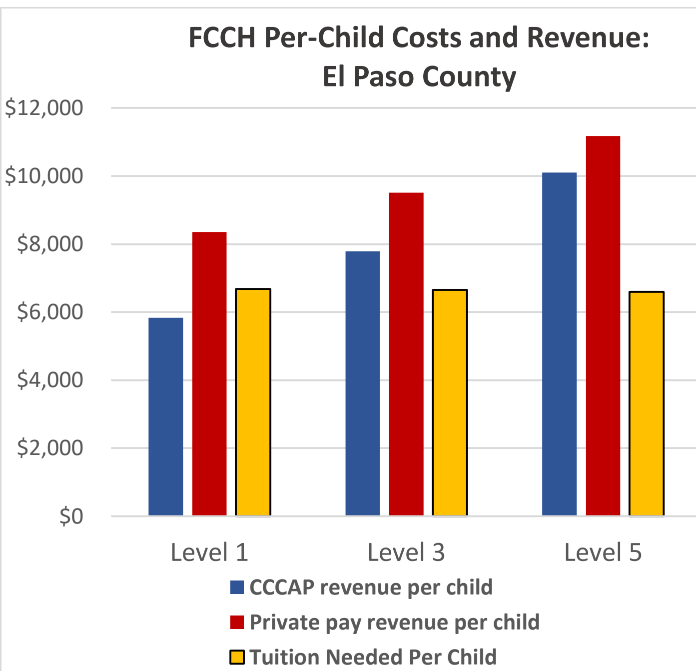
El Paso County

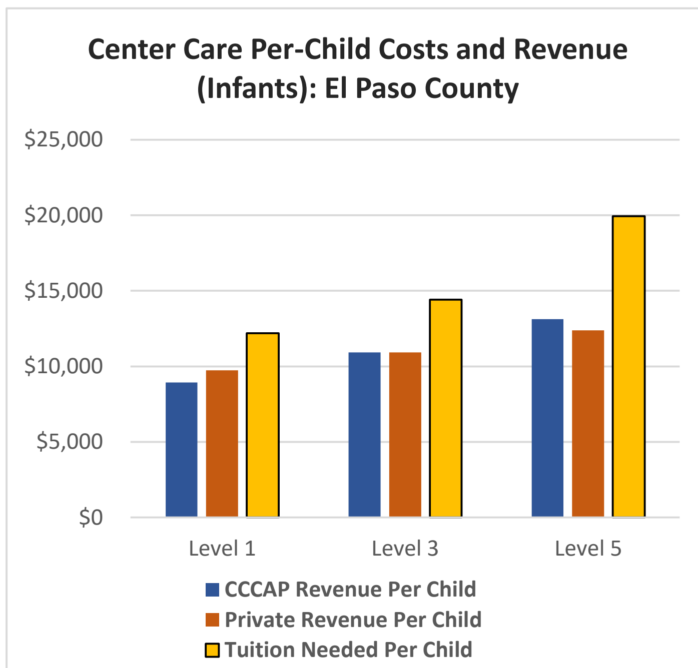
Family Child Care

	Level 1	Level 3	Level 5
CCCAP revenue per child	$5,836	$7,792	$10,102
Private pay revenue per child	$8,351	$9,509	$11,178
Additional (non-tuition) revenue per child	*$732*	*$773*	*$834*
Tuition Needed Per Child	$6,686	$6,647	$6,599
CCCAP revenue surplus (deficit) per child	**($850)**	**$1,144**	**$3,514**
Tuition revenue surplus (deficit) per child	**$1,666**	**$2,862**	**$4,590**

Infant Center Care

	Level 1	Level 3	Level 5
CCCAP Revenue Per Child	$8,924	$10,925	$13,122
Private Revenue Per Child	$9,731	$10,925	$12,382
CACFP revenue Per Child	*$710*	*$754*	*$821*
Tuition Needed Per Child	$12,183	$14,422	$19,944
CCCAP revenue surplus (deficit) per child	**($3,259)**	**($3,498)**	**($6,822)**
Tuition revenue surplus (deficit) per child	**($2,452)**	**($3,498)**	**($7,562)**





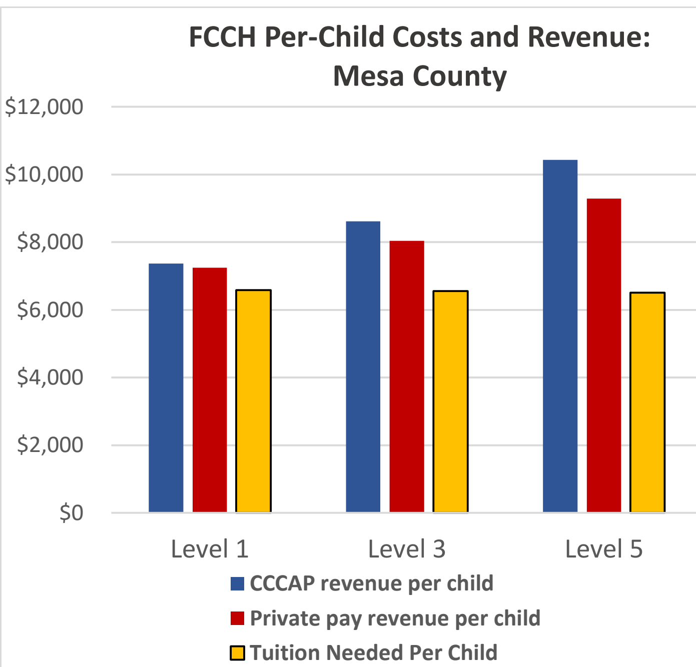
Mesa County

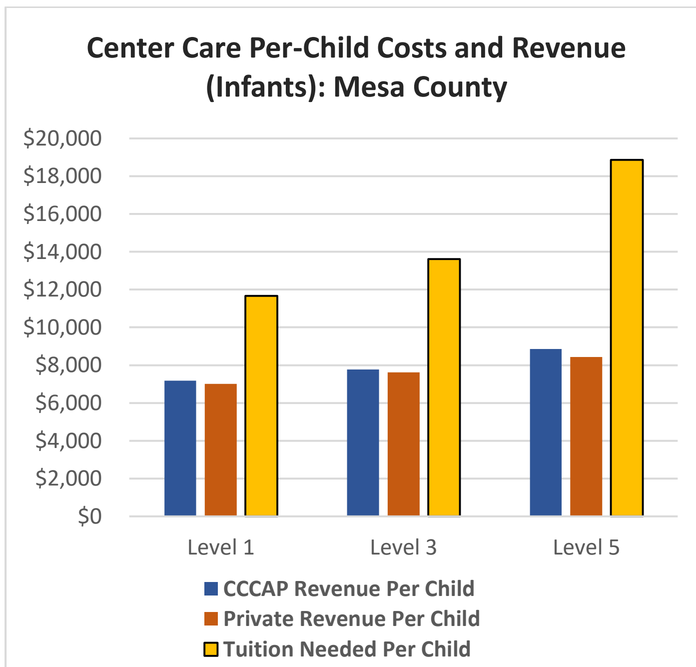
Family Child Care

	Level 1	Level 3	Level 5
CCCAP revenue per child	$7,370	$8,619	$10,437
Private pay revenue per child	$7,243	$8,039	$9,287
Additional (non-tuition) revenue per child	*$732*	*$773*	*$834*
Tuition Needed Per Child	$6,592	$6,554	$6,495
CCCAP revenue surplus (deficit) per child	**$778**	**$2,066**	**$3,942**
Tuition revenue surplus (deficit) per child	**$650**	**$1,485**	**$2,792**

Infant Center Care

	Level 1	Level 3	Level 5
CCCAP Revenue Per Child	$7,178	$7,781	$8,860
Private Revenue Per Child	$7,003	$7,627	$8,434
CACFP revenue Per Child	*$710*	*$754*	*$821*
Tuition Needed Per Child	$11,667	$13,617	$18,859
CCCAP revenue surplus (deficit) per child	**($4,489)**	**($5,836)**	**($9,999)**
Tuition revenue surplus (deficit) per child	**($4,663)**	**($5,990)**	**($10,425)**





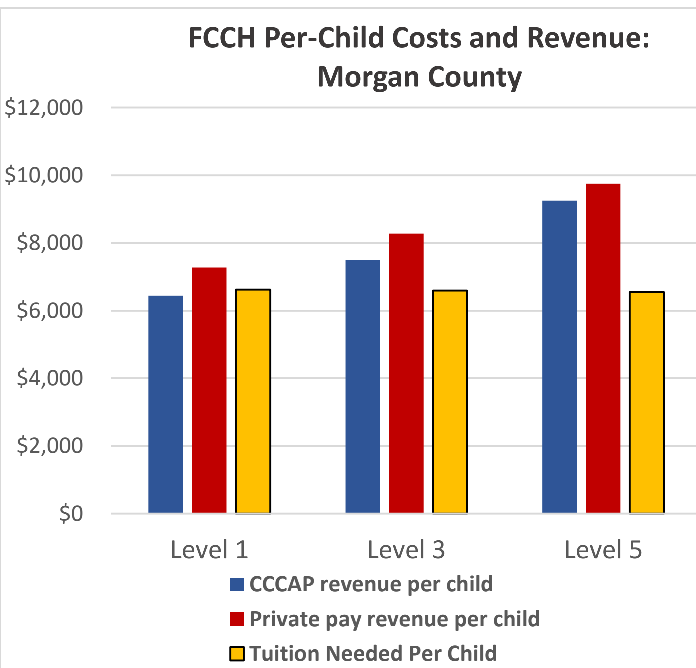
Morgan County

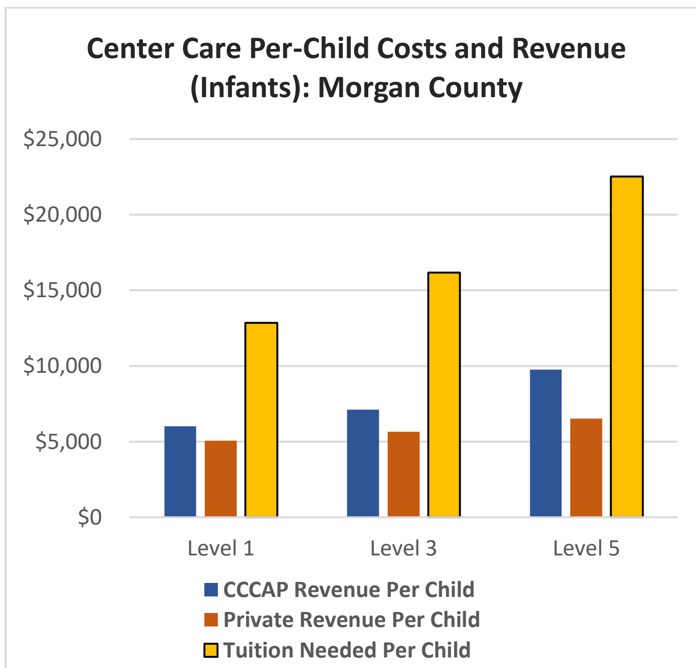
Family Child Care

	Level 1	Level 3	Level 5
CCCAP revenue per child	$6,445	$7,500	$9,249
Private pay revenue per child	$7,271	$8,279	$9,750
Additional (non-tuition) revenue per child	*$732*	*$773*	*$834*
Tuition Needed Per Child	$6,634	$6,595	$6,536
CCCAP revenue surplus (deficit) per child	**($189)**	**$904**	**$2,713**
Tuition revenue surplus (deficit) per child	**$637**	**$1,684**	**$3,213**

Infant Center Care

	Level 1	Level 3	Level 5
CCCAP Revenue Per Child	$6,014	$7,111	$9,758
Private Revenue Per Child	$5,063	$5,644	$6,515
CACFP revenue Per Child	*$710*	*$754*	*$821*
Tuition Needed Per Child	$12,838	$16,179	$22,513
CCCAP revenue surplus (deficit) per child	**($6,824)**	**($9,068)**	**($12,755)**
Tuition revenue surplus (deficit) per child	**($7,775)**	**($10,536)**	**($15,998)**





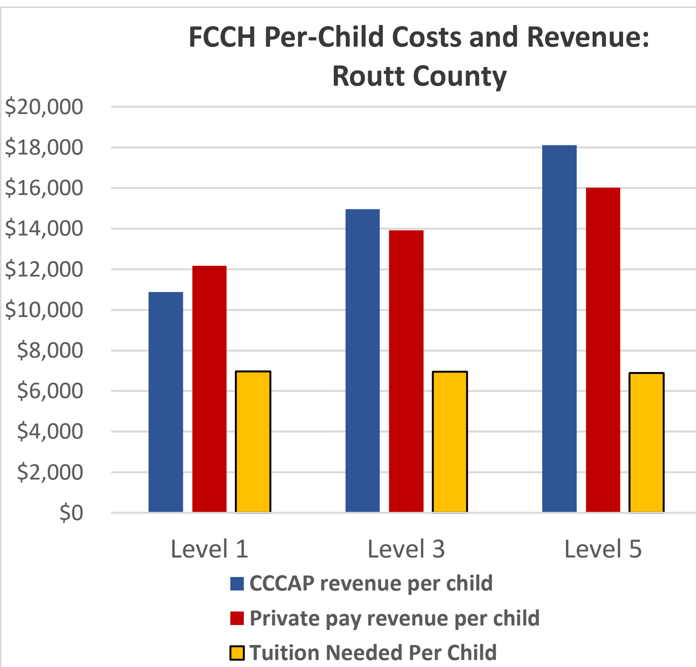
Routt County

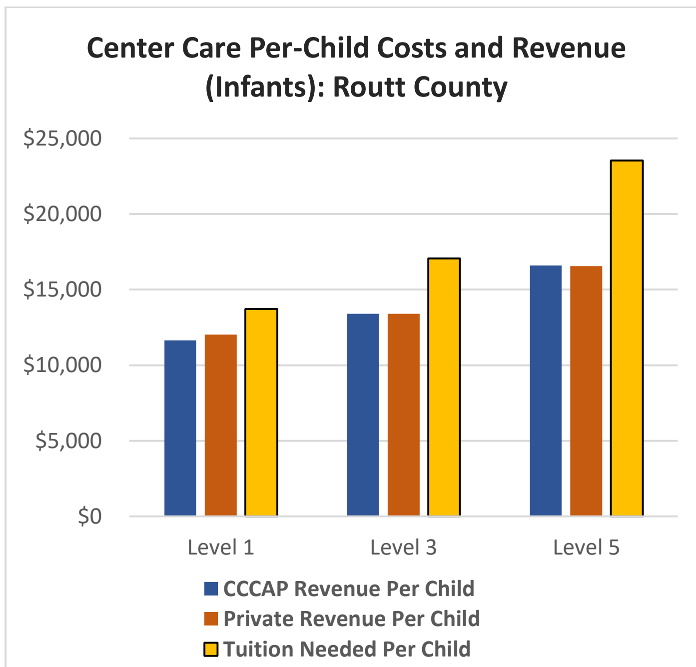
Family Child Care

	Level 1	Level 3	Level 5
CCCAP revenue per child	$10,880	$14,956	$18,121
Private pay revenue per child	$12,166	$13,919	$16,024
Additional (non-tuition) revenue per child	*$732*	*$773*	*$834*
Tuition Needed Per Child	$6,984	$6,945	$6,897
CCCAP revenue surplus (deficit) per child	**$3,896**	**$8,011**	**$11,234**
Tuition revenue surplus (deficit) per child	**$5,193**	**$6,974**	**$9,137**

Infant Center Care

	Level 1	Level 3	Level 5
CCCAP Revenue Per Child	$11,640	$13,398	$16,599
Private Revenue Per Child	$12,019	$13,398	$16,554
CACFP revenue Per Child	*$710*	*$754*	*$821*
Tuition Needed Per Child	$13,720	$17,061	$23,533
CCCAP revenue surplus (deficit) per child	**($2,080)**	**($3,663)**	**($6,934)**
Tuition revenue surplus (deficit) per child	**($1,701)**	**($3,663)**	**($6,979)**





Appendix B: Methodology

The family child care model is adapted from work in other states. The Colorado model does not incorporate original data collection, so estimates of nonpersonnel expenses and other expenses are estimates only.

The center-based model is adapted from previous regional child care studies in Colorado by Andrew Brodsky, which in turn was based on previous modeling by Louise Stoney and Anne Mitchell. T

Both models have been updated to reflect current Colorado wages and county-level cost of living differences, as well as current subsidy rates and market rates.

Estimating Tuition Need

The tuition required is the amount of tuition, either from subsidy or private pay sources, that a provider would need in order to be financial sustainable. This number is calculated by starting with the true cost to provide care at a given quality level, and subtracting other, non-tuition related sources of income, including the Child and Adult Food Care Program (CACFP) and other small revenue sources.

Assumptions: Expenses

Base Wage Data

- Homes: Wages are based on the mean hourly rate for child care workers in Colorado, multiplied by 2080 hours per year.

- **Centers:** Base wages are based on county-specific Bureau of Labor Statistics (BLS) wage data for job titles that most closely match the job titles reflected in the cost model. For Morgan and Routt Counties, which are not reported separately in BLS data, the Northwest Colorado Non-Metropolitan Statistical Area (NMSA) was used.

Wage Increase by Quality Level

- Homes: Wages are assumed to remain the same as quality levels increase.

- **Centers:** Wages are increase in higher QRIS levels, expressed as an increasing percentage of the BLS wage data. This increase is based on the logical assumption that as programs increase quality, wages for staff increase as well. For example, the average salary for a Lead Teacher increases from 90% of the wage for a child care worker in Level 1, to 120% of that wage for Level 5.

Staff Required

- **Homes:** One staff member (the primary provider) is assumed for all quality levels

- **Centers:** The required staff included at each QRIS level is tied to Colorado licensing. The amount of additional staff needed for coverage during release time (to participate in professional development, supervision, lesson planning, etc.) is based on research by Stoney and Mitchell with coaches that are working with providers on Colorado Shines, and reflects a likely increased cost to improve quality levels.

Ratios and Max Group Size

- **Homes:** The group size is set to 6 children during the school day, plus 2 school-aged children before and after school. The group size is the same across all quality levels.

- **Centers:** Ratios and max group size are set to Colorado Shines requirements for QRIS levels 1, 2, and 3 and at NAEYC ratios for 4 and 5. Using NAEYC ratios at 4 and 5 reflects a likely increased cost to improve quality levels.

Ages

- **Homes:** The model assumes 2 children between 0 and 24 months; 2 children between 24 and 36 months; and 2 children between 36 and 60 months; plus 2 school-age children after school

- **Centers:** The model assumes 70 infants (Levels 1 and 3) and 56 infants (Level 5). While it's unlikely that an actual center could be sustainable enrolling only infants, this age distribution is used to estimate the true costs of infant care.

Percent of daily coverage

- **Homes:** Assumes that one adult (the primary provider) is present throughout the day.

- **Centers:** Based on the assumption that a child care center is typically open for 10 hours a day and staff work an 8 hour day, that staff must be given breaks during the day, and that some percentage of staff time will need to be spent outside of the classroom for other miscellaneous duties. Bottom line: centers can never be out of ratio and thus always need additional staff (or floaters/substitutes) to cover during these hours. Percent increases with QRIS levels are based on the assumption that at higher quality, staff need more time off the floor for meetings, coaching, assessment/data work.

Dosage

- **Homes and Centers:** Children are assumed to attend full time for 250 days per year

Base substitute time for staff training

- **Homes:** Assumes a base of 15 hours of staffing training per year, increasing with each QRIS level.

- **Centers:** Staff training hours based on minimum State Regulations (15 hrs/year). Assumes that staff training increases with improved QRIS levels.

Sub time for staff leave

- **Homes:** Assumes 5 days of staff leave per year.
- **Centers:** Based on assumed staff leave time per year, increasing with each QRIS level.

Mandatory Benefits

- **Homes and Centers:** Based on federal and Colorado requirements.

Health Insurance

- **Homes:** Does not assume health insurance contribution
- **Centers:** Assumes that at QRIS levels 3-5, some health care benefits are given to staff.

Non-personnel Costs.

- **Homes:** Baseline costs based on national research by Louise Stoney and Linda Dunphy. Costs take into account time-space percent of home for shared business use.
- **Centers:** Baseline costs are based on national averages defined and detailed in the Provider Cost of Quality Calculator (PCQC): www.ecequalitycalculator.com
- Non-personnel costs were adjusted based on the Cost of Living Index (COLI) per county.

Assumptions: Revenues

Market Prices

- **Homes and Centers:** Market prices (used to set privately paid rates in the model) come from the 2017-2018 Colorado Child Care Market Rate Study. In order to attach the Market Rate survey to QRIS levels in the cost model, the following logical assumptions were made: QRIS Level 1=40th percentile, Level 2=40th %percentile, Level 3=50th percentile, Level 4= 60th percentile, Level 5 = 60th percentile. If the market rate age bands did not match up with the subsidy and general cost model age bands, an average was taken.

Subsidy Rates

- **Homes and Centers:** Subsidy rates are based on current CCCAP reimbursement rates for each county.

Enrollment as a % of staffed capacity (measure of efficiency)

- **Homes and Centers:** Enrollment is assumed to be 82.5% of capacity for Level 1, 85% of capacity for Level 3, and 92.5% for Level 5. Industry standard is to keep enrollment at or above 85%. Achieving 100% efficiency means every seat, in every classroom, is full every day. This is unattainable even for centers with high demand supported by extensive waiting lists, due to gaps in service when children move, leave for the summer, age up to a different classroom, etc. Enrollment is also related to subsidy eligibility policies. If subsidy paperwork is not completed on time or parent's income, employment or life circumstances result in a gap in eligibility, this will affect enrollment.

Bad Debt (as part of efficiency)

- **Homes and Centers:** Industry standard is to keep bad debt (uncollected revenue) at less than 3% of revenue. When subsidy payments are based on attendance the program is not likely to be paid for every day a child is enrolled, even though they incur expenses for that day (e.g. rent, utilities, phone must be paid regardless of attendance; staff can't be sent home and not paid simply because some children are absent).

USDA Child And Adult Care Food Program (CACFP)

- **Homes and Centers:** Model assumes that all programs participate in CACFP, since it is an open-ended, federally-funded entitlement program. Revenue is based on current rates for 2019-2020.

Assumptions: Enrollment

Income mix of children

- **Centers and Homes:** The income mix of children was based on Census data and data from the Administration for Children and Families (ACF).

Attendance

- **Centers and Homes:** 250 days of operation is typical based on national research.

MEMO

To: CDHS Office of Early Childhood
From: Ajay Chaudry, Policy Consultant for Colorado Birth-to-Five Analysis and Policy Development, and co-author of *Cradle to Kindergarten.*
Re: Response to SB63 Analysis Request - *Cradle to Kindergarten* identify full level of infant child care and family child care homes at scale – i.e. absent any constraints on supply and affordability.
Date: October 31, 2019

The CDHS Office of Early Childhood (OEC) requested that the *Cradle to Kindergarten* team provide an analysis of potential need for infant child care and family child care in the state. We provide a summary of the answers to the specific questions. We also provide a longer document providing background analysis and research on the current state of infant child care and family child care, with details about how the estimates for what the state could expect enrollment in infant child care and family child care (FCC) would be in "ideal" circumstances. We define ideal as no constraints whatsoever on availability or affordability of care, and families could access any type of care they choose.

Request 1: *C2K team provides analysis of difference between cost of achieving ideal level of operation of FCCH and infant care across the state and what we currently spend (federal funds, state funds, tax credits, etc.).*

What our analysis includes: We first note that we are able to estimate current spending in federal and state funds used for Colorado's child care subsidy program for infant child care and FCC, and to estimate total projected public spending required to meet the full potential need for infant child care and FCC. There is not an easy way to accurately measure or attribute the proportion of the tax expenditures from federal child and dependent care tax credit or state child care tax credit that goes towards infant child care or FCC. However, the amounts would be much lower in amount than the subsidy expenditures for both areas of child care.

Infant Care: Based on further clarification with OEC on the wording in its request, we clarified or specified how one might consider "ideal" for this analysis as follows: "Ignoring the issues of [current] accessibility and affordability in their community [i.e. assuming a time in the future when through policy supports and public investments more care was available to families in the community and care was affordable through increased assistance to meet the costs of good quality care options through subsidies and tax credits], what could be the expected amount of licensed infant care capacity (whether in homes or centers) that would be needed to serve families?"

We estimate that the amount of licensed infant child care needed for this "ideal" level analysis would be licensed capacity in the range of 16,000 and 22,500 infants younger than 12 months old (13,500 to 18,500 in centers and 2,500 to 4,000 in FCCHs). The state would need to double the current licensed capacity from approximately 8,500 licensed infant care capacity (7,000 in centers and 1,500 in FCCHs).

Family Child Care Homes: Responding to the questions as clarified in follow-up discussion: "Ignoring the issues of [current] accessibility and affordability in their community, what would be the expected amount of family child care homes needed to be available to families assuming all child care options (e.g. center care) were offered at a scale that families could choose from a range of alternatives in their communities?"

We estimate that the potential maximum amount of licensed capacity in family child care homes needed could be in the range of 12,000 and 21,000. This could mean the state would need to make significant

investments to stem the decline in family child care homes and increase the number of licensed providers over time to at least 2,000 FCCHs.

Sub-questions:

1. What level of funding would be required to have as many family child care home providers and infant care slots as we need?

Level of funding required for infant child care - We estimate ***Colorado would require total spending of $164 million to $218 million for the annual direct costs of child care subsidies*** to support the average monthly enrollment of 14,000 to 19,000 infants across care settings, at today's levels for payment rates and distribution for quality rating levels. These new investments would include subsidy provision to families extended to a higher level of family income and ensure that all types of infant child care meeting quality standards for that type of care is affordable.

In addition to direct subsidy costs there would likely need to be increased annual funding for other related system level costs that would increase with many more providers of infant child care for quality investments, licensing additional care settings, and state- and county-level administration of a larger child care system of services. Finally, it is unlikely this level of infant child care supply would be developed over time without some further investment in supporting the development of new facilities and expansions of others. These could be considered one-time start-up costs.

Level of funding required for family child care – ***An estimated total of $37 million to $65 million annually in direct subsidy expenditures would be needed*** to serve the projected maximum potential family child care enrollment. In addition, additional funding would be required for other non-direct system related costs that would also increase with many more family child care providers as well as start-up costs for supporting expansion to new providers.

2. What level of funding do we currently invest to provide family child care and infant care? (federal funds, state funds, tax credits, etc.)

Total current public child care subsidy funding for infant child care (0 to 12 months) is estimated to be nearly $25.5 million. Total direct spending on subsidies is estimated to be $15.6 million in state fiscal year 2019, and 15 percent of total direct subsidy funding was used for infant child care. When adding a proportion of other CCDF spending categories for licensing, quality, administration, information technology, and other non-direct costs this amounts to $8.9 million in spending for infant child care.

Total current public funding for family child care is $11.9 million of which $7.95 million (75%) is federal funding, and $2.95 million is state funding. In SFY 2019 the total direct spending for child care subsidies in family child care homes amounted to $7.9 million ($7,893,037), which was approximately 8 percent of all direct spending on subsidies. When including the proportion of other CCDF spending categories such as licensing, quality, information technology, administration, and other non-direct costs this adds $4.0 million in additional spending for family child care. Of the total of $11.9 million in CCDF funds spent for family child care 75 percent ($7.95 million) were from federal funding sources (federal CCDBG and TANF transfers) and 25 percent were state matching funds ($2.95 million).

3. What is the difference?

Colorado would require an increase of $149 million to $203 million in annual direct spending for child care subsidies for the amount of new licensed infant child care families would use, and an increase of $29 million to $57 million above annual direct spending for the increase in use of family child care.

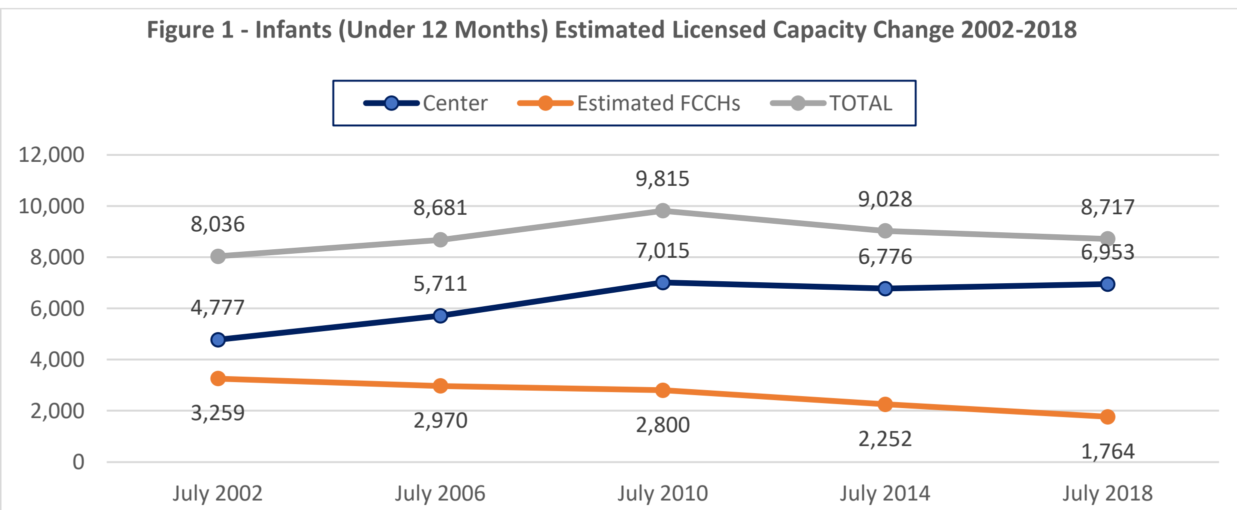
Overview of Current Contexts for Infant Child Care and Family Child Care in Colorado

The CDHS Office of Early Childhood (OEC) has gathered or analyzed a significant amount of data and background research on the current state of infant child care and family child care (FCC), from which this analysis synthesizes information to understand the current care contexts for infant care and FCC. In addition, we draw from a broader understanding of infant care and family child care drawn from prior work the *Cradle to Kindergarten* team has done nationally and in other states. We draw from these sources to provide a brief overview of the current services context first for infant care and then for family child care, and to answer the specific questions we were requested to analyze:

Infant Child Care Supply

We estimate that there is licensed capacity in centers and family child care homes to serve an estimated 8,700 infants (under 12 months). See Figure 1.

- *Licensed Infant Capacity in Centers Serving Infants* – Colorado's administrative data indicates that 35 percent (524 of 1,497) child care centers have licenses that include infant care.[1] The infant capacity in these centers is 6,953 (Figure 1), accounting for 12 percent of the total capacity of 57,580 across these 524 centers. With average birth cohorts of 66,000 – 67,000 in Colorado in recent years this would suggest that the close to 7,000 in center capacity for infants is equal to about 10.5%, which seems right and close to the average licensed capacity in centers for infants nationally.



Source: Analysis of aggregated data "*LicensedSupplyHomeInfant*" supplied by OEC

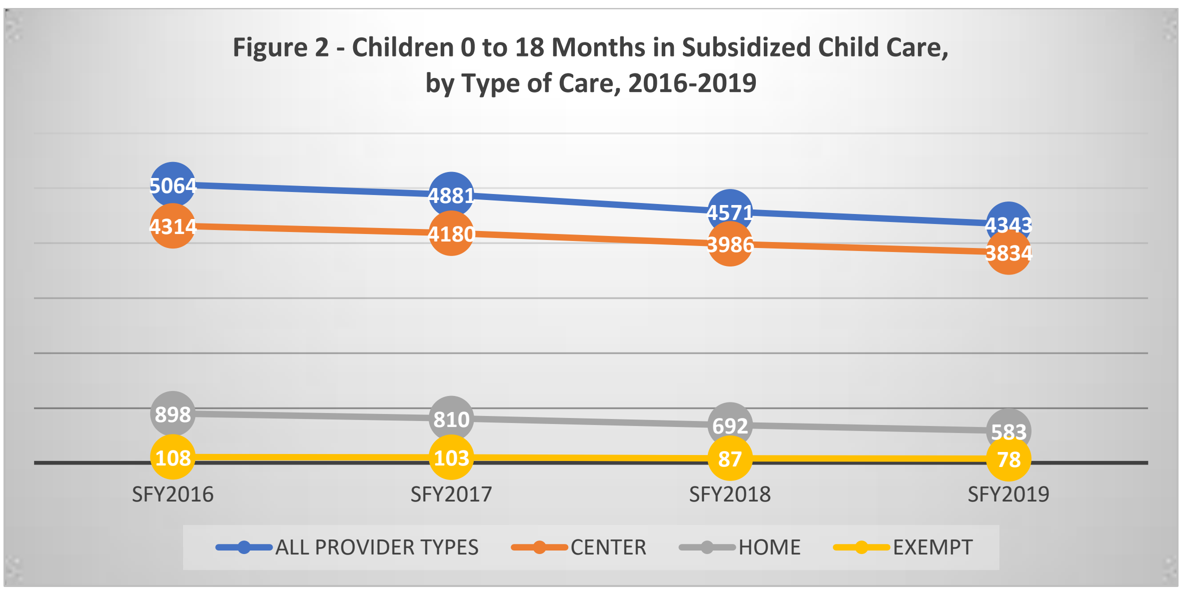
- *Estimated Maximum Licensed FCC Capacity that could be used for infants* – Given the number of children under the age of 2) allowed in a family child care home, we estimate that 1,323 is the estimated effective capacity of infants in family child care homes, and that 1,764 is about a maximum level for current licensed capacity for infants under age 1.[2] With average birth cohorts of 66,000 –

67,000 this would suggest that the estimated 1,300 to 1,700 FCCH capacity for infants is equal to about 2 percent which is below average licensed capacity in FCCHs for infants nationally.[3]

Changes in Infant Child Care Capacity in Centers and FCCHs over time - Infant capacity in centers has increased over time from 4,777 in centers in July 2002 to 6,953 in July 2018 or an increase of 46percent. Over this period there was an estimated decline for infant capacity in family child care homes from a range of capacity to served 3200 to 3800 infants in FCCHs to the 2018 estimate of 1700 to 2000, a decline of between 40 and 50 percent.[4]

- *Most Centers Serving Infants Have Waitlists for Infant Child Care* – In OEC's Provider Survey that of the 521 centers responding, 177 indicated they serve infants, or 34 percent of all centers (this is roughly the share (35%) overall in the licensing data). Of the 177 centers, 128 (or over 70 percent) indicated they have a waitlist for infant care, and one-quarter of these (32 of the 128) indicated they had waitlists of over 30 infants each. Among the 381 FCCs serving infants (of 445 total FCCs responding to the survey), 188 (or approximately 50 percent) indicated they had a waitlist for infants.

- *Infants in Subsidized Child Care and Early Head Start* – 4,343 children 0 to 18 months served in subsidized child care (cumulatively) across state fiscal year 2019 (SFY19); 3834 (~85 percent) in center care; 583 in licensed family child care homes, and 78 children in exempt care (Figure 2). There has been a 14 percent decline for infants in subsidized child care since SFY 2016.[5]



Source: Colorado Administrative Data – CCCAP Utilization by Age Group and Provider Type

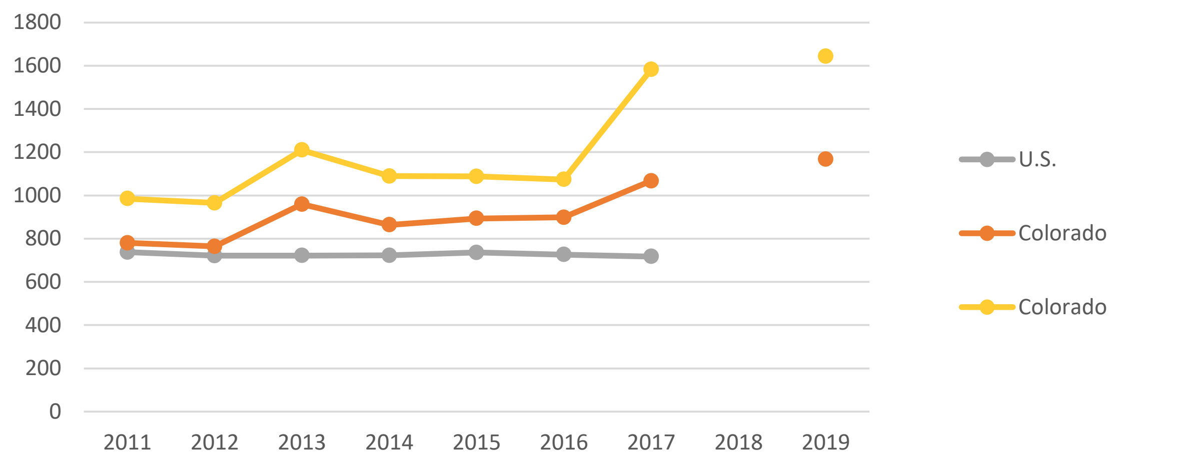
In addition approximately 850 children under age 1 are enrolled in Early Head Start programs overall across Colorado over the course of a program year.[6]

- *Proportion of Direct Subsidy Funding that goes for infant care (*0 to 12 months) - Of total direct spending on subsidies $20.7 million of $101.7 million or roughly 20 percent of total direct subsidy spending went to subsidies for children 0 to 18 months. We estimate the subsidy spending for children younger than 12 months is $15.5 million or 15 percent of total direct subsidy funding was for infant care.[7]

- *Child Care Subsidy Payment Rates to provider for infant child care* – Subsidy payment rates across many states in the U.S. have historically been very low, and in that respect, have limited the number of providers who participate in the subsidy system, restricted the choice of providers families receiving subsidies can use, and likely led to the lower-cost, often lower-quality care participating in state subsidy programs.

  Colorado's subsidy reimbursement rates differ significantly across counties. Overall, for infants in centers (which is the type of child care 85 percent of those with subsidies use for infant care) have been increased several times in recent years, and now exceed the payment rates in the median state by a large margin (see Figure 3).[8]

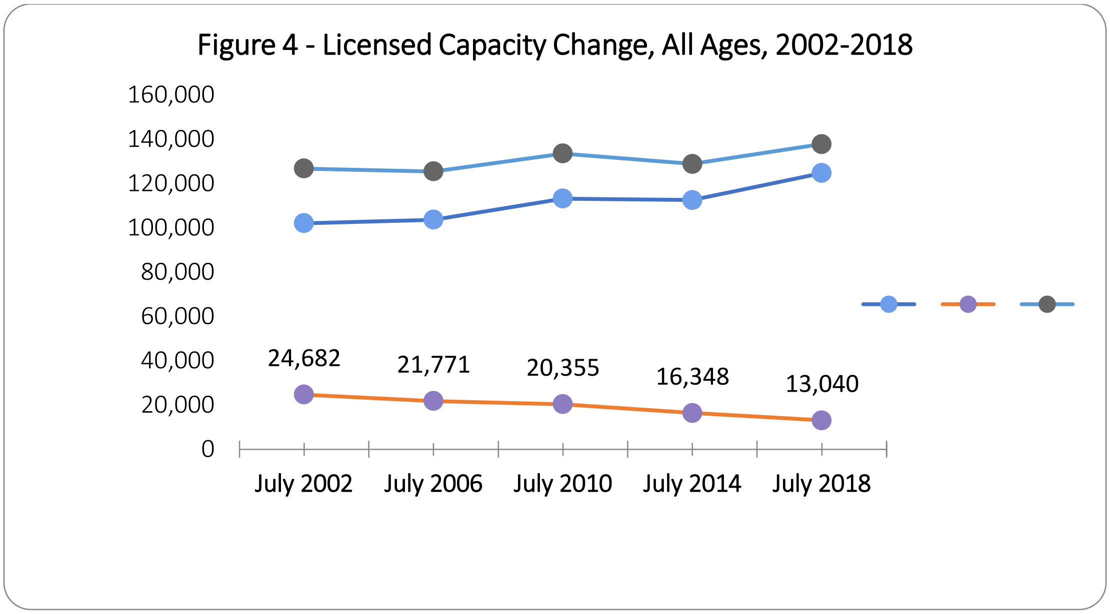
Figure 3 -Center Care Payment Rates for Infants, Colorado and U.S., 2011-2017



Source: Data compiled from CCDF Policy Database and Book of Tables across multiple years; and Colorado's published SFY 2019-20 payment rates. Rates are for Denver County.

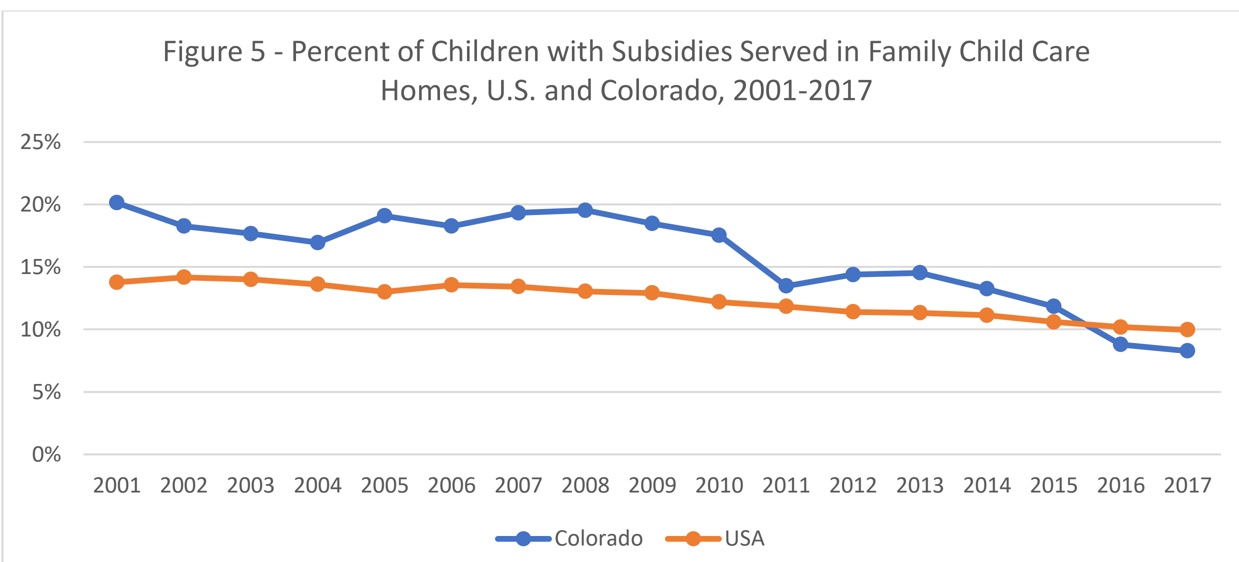
Family Child Care Homes

- *Sharp and Continuous Decline in Licensed Family Child Care Capacity* - The licensed capacity in FCCHs in July 2018 was 13,040. This is a loss of nearly half the total capacity of 24,682 that existed in July 2002 (Figure 4). During this time, while there was a loss of 11,600 in FCCH home capacity, center capacity grew by 22,600, contributing to a net overall growth across licensed center and homes. The rate of decline in FCCHs has accelerated since 2010 compared to the earlier pace of capacity loss.[9]



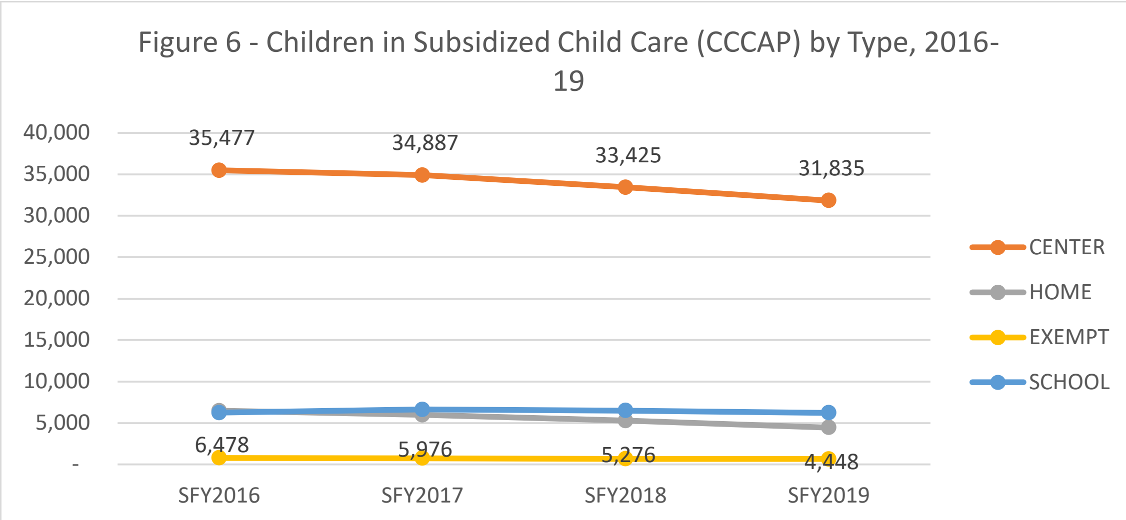
Source: OEC data from spreadsheet "Licensed Supply Home Infant"

- *Colorado's decline in FCC is consistent with, but exceeds the rate of an overall national decline in the use of family child care* - The decline in the use of FCC that has occurred in Colorado is consistent with shifts nationally and across most states towards less use of family child care over the last 20 years. In Colorado, the use of family child care was historically much higher than the national average and the decline has been more rapid and more recent. One can see this in Figure 5, which shows the decline in the use of licensed family child care homes by families using child care subsidies. Nationally there was a steady decline of 30 percent from 14 percent of all subsidized child care in 2001 to 10 percent by 2017. In Colorado, family child care had accounted for 20 percent of all subsidized child care in the state, which declined to 8 percent of subsidies and lower than the national rate.



Source: ACF-801 Data Reported to the Office of Child Care, Administration for Children and Families

Declines in FCC have been continuing in recent years for children in subsidized child care - The 4,448 receiving subsidies in FCC in 2019 was a 30 percent decline in just three years from 6,478 in 2016.[10]



Source: Tabulation of data in “CCCAP Utilization by Age Group and Provider Type”

Estimates for Level of Infant Child Care and Family Child Care that would be expected without constraints

Infant Child Care:

"Ignoring the issues of [current] accessibility and affordability in their community [i.e. assuming a time in the future when through policy supports and public investments more care was available to families in the community and care was affordable through increased assistance to meet the costs of good quality care options through subsidies and tax credits], what could be the expected amount of licensed infant care capacity (whether in homes or centers) that would be needed to serve families?"

- We estimate the amount of licensed infant child care (in centers and family child care homes) that would be needed for this "ideal" level analysis would be in the range of 16,000 and 22,500 (13,500 to 18,500 in centers and 2,500 to 4,000 in FCCHs.) This would mean the state would need double the current licensed capacity of 8,500 (7,000 in centers and 1,500 in FCCHs).

- We estimate total annual spending for direct subsidy assistance for infant child care would be between $164 million and $218 million. An increase in annual spending for direct subsidy assistance of $149 million to $203 million would be required to reach the level of anticipated participation in a child care assistance guarantee to families with incomes up to 150 percent of State Median Income.

Estimating the increase in infant child care that would be needed - The universe of potential need for non-parental child care for infants is generally very consistent with the number of families in which children have all parents employed, which in Colorado was more than 60 percent of infants.[11] For a birth cohort of 66,500 children this suggest 40,000 infants have employed parents and need child care while their parents worked.

We very roughly estimate the current distribution of child care arrangements in Colorado for children with all parents working in Table 1.

Table 1 - Estimation for Current Distribution of Infant Child Care in Colorado

Type of Care Used for Infant Care	**Estimates**	% of all infants with all parents employed and in child care	% of all infants
Licensed Center Care Capacity for Infants (Under 12 months)	**7,000**	17.5%	10.5%
Licensed FCC Capacity for Infants (Under 12 months)	**1,500**	4%	2%
Children in home-based care with a relative or non-relative caregiver	19,000 – 23,500	52.5%	31.5%
Children with parents providing care while parents working	8,000 – 12,000	25%	15%
Estimated Children with all parents currently working requiring child care	**40,000**	100%	60%
Children with at least one parents currently not employed and most of whom providing full-time care	**26,500**		

The majority of infants with employed parents are not in licensed care settings. Of 40,000 infants with employed parents, we estimate about 8,500 are in licensed homes and centers, and the rest are primarily in the care of relative and non-relative caregivers in home settings, as well as parents themselves. Relative caregivers are the most frequently used care among infants accounting for the care of nearly one-third or more of all infants. In national survey data, for almost one-quarter of infants and toddlers with employed mothers, parents provide the primary care, including doing so by dividing their child's care needs between themselves with each working different shifts and providing care while the other works, though this is most often care used when mothers of fathers work part-time hours.[12]

In Table 2, we summarize what the potential expected distribution of infant child care could be if all existing issues of accessibility and affordability in their community were addressed [i.e. through policy supports and public investments there was increased the supply available to families across all communities and care was affordable through increased assistance through subsidies and tax credits for all Colorado families to enroll in the care they most prefer to use absent any supply or cost constraints.

Table 2 - Estimation for Distribution of Infant Child Care in Colorado (in un-constrained scenario)

Type of Care Used for Infant Care	**Estimates**	% of all infants with all parents employed and in child care	% of all infants
Licensed Center Care Capacity for Infants (Under 12 months)	**13,500 – 18,500**	34%	24%
Licensed FCC Capacity for Infants (Under 12 months)	**2,500 – 4,000**	7%	5%
Children in home-based care with a relative or non-relative caregiver	**17,500 – 21,500**	4316/66.5 %	29%
Children with parent providing care while parent(s) working	**6,000 – 9,000**	16%	11%
Estimated Children with all parents currently working requiring child care	40,000		
Additional Children with all parents potentially working and requiring child care if no obstacles to child care (child care is available and affordable to all)	**5,000 – 8,000**		
Estimated Children with all parents working and requiring child care if more available and affordable	**45,000 – 48,000**	100%	
Children with at least one parents currently not employed and most of whom providing full-time care	**18,500 – 21,500**		

We expect that the amount of licensed infant care capacity in centers would increase the most given that this is the type of care for which families face the greatest supply and cost constraints in accessing. It was the type of care that 24 percent of all families with children younger than 12 months indicated is their most preferred type of care and what they would use if they did not face affordability and availability constraints.[13] In national data among families with all parents employed with higher incomes face cost and supply constraints to a lesser degree than other families and use center care for infants and toddlers at twice the rate of middle- and low-income families.[14,15]

- In the CHI Parent Survey, just 6 percent of parents with an infant indicated they would most prefer family child care, and among users of family child care, the 9 percent of families with infants indicating they use family child care, were least likely to likely to say they were satisfied with their child care.

- In the CHI Parent Survey FFN care was most preferred by 34% of those with children less than 12 months. There also is fairly consistent preference and use levels (of 30 percent to 32 percent) for FFN care in the survey across all income groups below $100,000 and 25 percent for those with incomes of 100,000 – 150,000. Families using FFN were also very likely to express satisfaction among those using that type of care.

- The limited supply and lack of affordability of child care limits parental employment and means the number of families using child care is lower than what it would be if there was adequate access to affordable child care. There is substantial economic research that demonstrates a clear relationship between employment levels and the price of child care as well as how responsive employment gains are to reductions in costs to families through child care assistance. Based on the research indicating how responsive parental employment is to increased child care assistance, we would project that between 5,000 to 8,000 parents of infants would be employed and use child care, and account for those in our totals in Table 2.[16]

Estimating the cost for increased use of licensed infant child care.

- Reaching this level of infant child care will require significant investments over time to eliminate most constraints on child care supply and costs, which will likely mean both investments to support facilities development for infant child care and the creation of a child care assistance guarantee so that all low- and middle-income families can afford whatever child care they would prefer to use if all options were available to them. The child care guarantee would likely need to extend up to at least 150 percent of state median income ($142,000 for a family of four in 2019) and provide enough financial support to maintain family co-payments below 7 percent of family income.

Table 3 - Estimation for Distribution of Infant Child Care in Colorado (in un-constrained scenario)

Licensed Care Used for Infant Care	Current Estimate All licensed capacity	Current Estimate Infants in subsidized child care*	Projected Estimate of infant child care licensed capacity in unconstrained scenario	**Projected Estimate of subsidies for infant child care^**
Licensed Center Care Capacity for Infants (Under 12 months)	7,000	2,000 – 2,600	13,500 – 18,500	**12,000 – 16,000**
Licensed FCC Capacity for Infants (Under 12 months)	1,500	300 – 400	2,500 – 4,000	**2,000 – 3,000**
Estimated Children with all parents currently working requiring child care	40,000		45,000 – 48,000	
Total Annual Direct Subsidy Spending for Infant Child Care		$10.4 - $13.8 million		**$164 - $218 million**

* Current Estimate of children in subsidized is annual cumulative enrollment

^ Projected Estimate of children in subsidized care is for average monthly enrollment if all care options available and affordable to all families

- We use a weighted average of the overall state's fiscal year 2019-20 payment rates for infant child care by type in Colorado (Appendix Table 1) in estimating the total costs for the expected distribution of infant child care when expansions are fully implemented.[17] We also apply the current distribution of quality rating levels by type to the potential level of care used.

- Given the high cost of licensed options for infant child care, the majority of families would require subsidies to enroll in these care settings. We estimate annual spending for direct subsidy assistance of $164 million to $218 million would be required to reach the level of anticipated participation in a child care assistance guarantee to families with incomes up to 150 percent of State Median Income (See Table 3). This would mean an increase of $149 to $203 million for subsidies to support the cost of infant child care above the current estimated spending levels.

Family Child Care Homes:

Responding to the questions in OEC's request, and as clarified in follow-up discussion:
"Ignoring the issues of [current] accessibility and affordability in their community, what would be the expected amount of family child care homes available to families assuming all child care options (e.g. center care) were offered at a scale that families could choose from a range of alternatives in their communities?"

- **We estimate that the potential maximum amount of licensed capacity in family child care homes is in the range of 12,000 and 21,000. This could mean the state would need to make significant investments to stem the decline in family child care homes and increase the number of licensed providers over time to at least 2,000 FCCHs.**

- **The funding that could be required to serve this number of children is in the range $37 million to $65 million annually in direct subsidy expenditures. This would be an increase of $29 million to $57 million above current annual spending to reach the level of potential participation in a child care assistance guarantee to families with incomes up to 150 percent of State Median Income.**

- Currently there is estimated licensed capacity for 13,000 children in family child care. According to the CHI Parent Survey 11 percent of families with children under 6 use family child care, including 9 percent for infants, and 13 percent for children ages one and two.

Table 4 - Estimation for Current Distribution of Infant Child Care in Colorado

Use of Family Child Care by Child Age	Estimated Children in FCC	Subsidies Used for FCC*
Infants - Under 12 months	1,500	383
Toddlers - Children Ages 1 and 2	4,000	1,282
Preschool Age Children – Age 3 to Kindergarten Entry	4,000	1,493
School Age Children	3,500	1,290
Total - Children Ages 0 – 12	13,000	4,448

* Current Estimate of children in subsidized is annual cumulative enrollment

- With increased availability and affordability, could potentially lead to a relatively higher and more consistent level of use of family child care, particularly for toddler-age children, who in the CHI Parent Survey were the most likely to use and indicate they prefer and were satisfied with family child care. With increased availability and affordability of early care and education of all types, a greater share of preschool-age children ages three and four would likely attend full-time community- and school-based preschool programs, and use family child care even less, particularly for full-time care.

- There is also the possibility that with increased availability and affordability of all types of child care options for families that those accessing subsidies will continue to primarily seek and use center care and family child care could decline further, or at best plateau and retain its current share of the subsidy population for birth-to-three child care among families who prefer home-based care options for younger children at ages 1 and/or 2, and lack access to relative caregivers.

- Table 5 takes both of the above directions for family child care into account to develop a range for the likely to the maximum level of potential usage (see Table 5). In either scenario, it would require that most children in family child care were receiving child care assistance to support their children's enrollment with eligibility for subsidies increased to serve all fully-employed families with incomes at least up to 150% of SMI ($142,000 for a family of four in 2019) and families' co-payments reduced to no more than 7 percent of family income throughout the income eligibility range for subsidies. At income eligibility levels in which all families up to 85% SMI were served and reduced co-payments to less than 7 percent of family income, we estimate that family child care use could stabilize to current usage levels with an increasing share of all family child care supported by families receiving subsidies.

Table 5 - Estimation for Maximum Potential for Family Child Care in Colorado

Use of Family Child Care by Child Age	Estimated Potential Use	% of all child care and early education used	Subsidies Used for FCC^
Infants - Under 12 months	2,500 – 4,000	7%	2,000 – 3,000
Toddlers - Children Ages 1 and 2	5,000 – 10,000	8%	4,000 – 8,000
Preschool Age Children – Age 3 to Kindergarten Entry	2,500 – 4,000	3%	1,500 - 2,500
School Age Children	2,000 – 3,000	1%	1,500 – 2,000
Children Ages 0 – 12	12,000 – 21,000		9,000 – 15,500

^ Projected Estimate of children in subsidized care is for average monthly enrollment if all care options available and affordable to all families

Estimating the cost for increased use of licensed family child care.

- Reaching this level of family child care will require significant investments over time to eliminate constraints on child care supply and costs, as well as other administrative constraints family child care providers identified in the provider survey OEC conducted. It will likely mean investments to support more family child care providers to meet licensing requirements for infant child care and creation of a guarantee of child care assistance so that every low- and middle-income families can afford whatever child care they would prefer to use if all options were available to them. The child care guarantee would likely need to extend up to 150 percent of state median income ($142,000 for a family of four in 2019) and family co-payments below 7 percent of family income.

- We use a weighted average of the overall state's fiscal year 2019-20 payment rates across all counties for family child care by child age in Colorado in estimating the total costs for the expected distribution of infant child care when expansions are fully implemented, and we net out families' co-payments. We also apply the current distribution of quality rating levels by type to the potential level of care used. The total annual cost for subsidies to support this maximum potential use of family child care would be between $37 million and $65million. This would represent an increase in direct subsidy expenditures of $29 million to $57 million.

EndNotes

[1] Based on administrative data in the spreadsheets OEC provided on "Licensed Capacity by Type and Age," and "Capacities by Child Age," and "Licensed Supply Home Infant." The data in the spreadsheet "Licensed Supply Home Infant" shows the licensed capacity and changes from July 2002 – July 2018. The licensed capacity in centers was 6,953 in July 2018. This corresponds with the data found in the spreadsheet Licensed Capacity by Type and Age, which indicates licensed capacity for 6,951 children across 522 centers (The June 2019 XXX report indicates 524 centers as of that month included infants with total overall capacity in these centers of 57,870 children across age groups) similar to what we find in the June 2019 "Colorado_Licensed_Child_Care_Facilities_Report" report. The 6,953 infant slots represent 12% of the total slots and an average of 13 per center. This would seem a reasonable overall capacity for infant care in centers serving multiple age groups birth to age five.

Licensing rules in Colorado for infant care includes children 0 to 18 months, so all of the children are likely not under 12 months. However, since every center that has infant capacity also has toddler classrooms and capacity, and the licensing age for toddlers (12 months (and walking) to 36 months) overlaps with the infant age span, we assign all of the existing licensed "infant" capacity to infants under 12 months since it is the capacity to served infants. Data from another spreadsheet "QRIS Apps with ages" includes information completed by approximately 450 centers serving infants (licensed providers serving 15 or more children and mostly three or more infants are assumed to be centers, while those indicating they served 2 or less infants and 15 or fewer children were assumed to be family child care homes). The providers supply the age distribution of the children in their care with the 450 centers serving infants indicating that 4,507 children were under the age of one Given this includes information for 450 of the 524 centers with infants it would suggest that roughly 5,000 children or more under 1 were enrolled in centers.

[2] The data from the June 2019 Colorado Licensed Child Care Facility Report indicates that all FCCHs totaled 1,774 providers with total licensed capacity of 13,419. Data from the "QRIS Apps with ages" data file includes information completed by approximately 920 family child care homes. The providers supply the age distribution of the children In their care, which indicates that 655 children across the 920 FCCHs were under the age of one, or roughly 0.75 infants per FCC, or 1323 for the 1,774 FCC providers. To identify a potential "maximum" capacity for FCCHs, if we assumed that in the 887 (regular) FCCHs and 556 Large and Experienced FCCHs there was on average 1 infant (under 12 months), this would be 1443 infants; and in the 214 Three Under Two and Infant-Toddler FCC Home they averaged 1.5 infants (or 321 infants) this would sum to an estimated licensed capacity of 1,764 infants.

[3] According to data from the Survey of Income and Program Participation, in 2011, 5 percent of all children younger than one year were in family child care. Lynda Laughlin, *Who's Minding the Kids? Child Care Arrangements: Spring 2011.* Current Population Reports, P70-135 (Washington DC: U.S. Census Bureau, 2013). There is no published source on what the usage rate of family child care for infants is in more recent years, though state data trends indicate that family child care use nationally may have continued to decline since the 2011 SIPP data was published. However, it is not likely to have declined to as low as 2-3 percent.

[4] Data for the spreadsheet "Licensed Supply Home Infant" shows the licensed capacity and changes from July 2002 – July 2018. Overall the overall licensed capacity for infant care has been nearly level over the last 20 years. Infant child care increased as a result of an increase of 2,250 center care slots serving infants from 2002-2010, exceeding a decline in family child care for infants over this period of an estimated 450 slots. From 2010-2018, the total amount of licensed center capacity remained relatively flat while family child care declined at an accelerated rate

between 2010 and 2018, leading to a recent net decline in overall licensed capacity for capacity, which in 2018 was close to what it was in 2002. A much larger is now in centers.

In addition to understanding the reasons for the continuous decline in Family Child Care for infants and overall during this time, it would be important to understand why did center care growth for infant care stall (while continuing to grow at a modest pace for other age groups)?

[5] The administrative data from the file CCCAP Utilization by Age Group and Provider Type provides the age and type of care breakdown for subsidized child care groups ***children 0 to 18 months***. If we assume that between ½ and 2/3 of the children 0 to 18 months receiving subsidy are under 12 months, this would suggest roughly 2,200 to 3,000 children under 12 months were in subsidized child care in 2019, and nearly all in licensed care in centers and FCCHs. Note that for subsidies this reflects annual cumulative subsidies rather than subsidies at a point in time (while licensed capacity is relatively constant over this time), for a total licensed capacity of 8,700 children under 1).

[6] Annual funded enrollment for Early Head Start in Colorado is for 1,806 children Total annual enrollment of 3,328 of children under three in Early Head Start and proportion (26 percent) under age 1 data from Head Start 2017 Program Information Report (PIR).

[7] According to the data provided in the state's QRIS Apps with Ages data, the number of children under age 1 represented 75 percent of the funded enrollment suggesting this was the proportion of infant licensed capacity (which includes children 0 to 18 months) that was used for children less than 12 months.

[8] In 2011, Colorado's maximum base payment rate for infant child care was less than $800 for full-time care in a center, and very close to the median payment rate across the 50 states and District of Columbia. Colorado has a highest maximum payment rate tied to its QRIS that paid about 20 percent higher. By 2017 Colorado had increased its maximum base payment rate by 37 percent, and further incentivized high quality care by further increasing the highest payment rates.

[9] OEC data in the spreadsheet Licensed Supply Home Infant shows the licensed capacity and changes from July 2002 – July 2018.

[10] Data from Child Care Utilization Data by Age and Type

[11] American Community Survey, 2017 one-year data indicates that children under six had all parents employed, including 62 percent of children under age 1.

[12] Lynda Laughlin, *Who's Minding the Kids? Child Care Arrangements: Spring 2011.* Current Population Reports, P70-135 (Washington DC: U.S. Census Bureau, 2013).

[13] Among those indicating that a child care center would be their most preferred type of care, only 54 percent were currently using center care suggesting that as many as twice could prefer center care if it was available and/or affordable to them.

[14] Ajay Chaudry, Taryn Morrissey, Christina Weiland, and Hirokazu Yoshikawa, *Cradle to Kindergarten: A New Plan to Combat Inequality* (New York: Russell Sage Foundation, 2017).

[15] In the Colorado Health Institute's Parent Survey The use of center care was significantly lower for moderate income families with income between $40,000 - $100,000 who were using center care at much lower rates (just 20 percent of children under 6) than those with income above theirs (more than 40% or twice as many children under 6 in families with incomes over $100,000 were in centers) and below theirs (1/3 of those with incomes below 40,000 and this group is made up of more families potentially eligible and participating in public programs (child care subsidies, CPP, Head Start) that help them access centers).

[16] Francine Blau and Lawrence Kahn, "Female Labor Supply: Why is the United States Falling Behind?", American Economic Review 103 (3) (2013): 251–256; Maria Enchautegui et al., *Effects of the CCDF Subsidy Program on the Employment Outcomes of Low Income Mothers* (Washington D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 2016); Taryn Morrissey, "Child care and parental labor force participation: A review of the research." *Review of Economics of the Household,* 2017.

Appendix

Appendix Table 1 – Statewide SFY 2019 Payment Rates for Infant Child Care

COLORADO (Statewide Weighted Average of County Rates for Infant Care)			
Type	**Age Group**	**QRIS Level**	**State Rate for SFY 2019-20**
CENTER	0-18 months	Level 1 & Level 2	**$53.50**
CENTER	0-18 months	Level 3	**$62.25**
CENTER	0-18 months	Level 4 & Level 5	**$68.00**
HOME	0-24 months	Level 1 & Level 2	**$40.00**
HOME	0-24 months	Level 3	**$45.00**
HOME	0-24 months	Level 4 & Level 5	**$50.00**

Appendix Table 2 – Distribution of Quality Ratings at Baseline for Tiered Reimbursements

Provider Service Types	# providers	# providers with ratings	Level 1	Level 2	Level 3	Level 4	Level 5
Child Care Center	1497	1497	450	366	144	500	37
			30%	24%	10%	33%	2%
All Family Child Care Homes	1774	1774	1154	502	46	48	24
			65%	28%	3%	3%	1%

Early Childhood Council Data re: Available Financial Resources, Training, and Technical Assistance to Prospective or Existing Family Child Care Home Providers

This data reflects the responses of 14 of the 34 Early Childhood Councils to a voluntary survey conducted by the Office of Early Childhood and the Early Childhood Leadership Commission in the fall of 2019.

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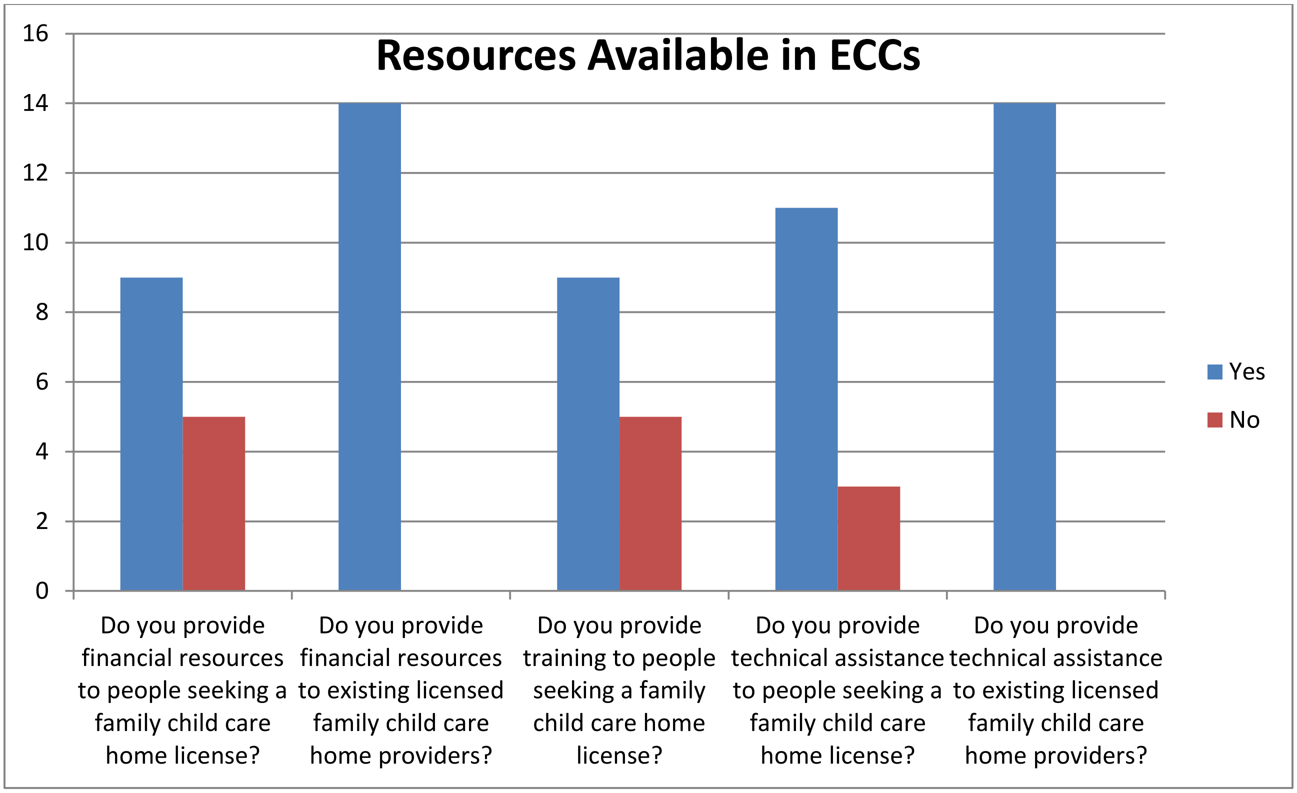

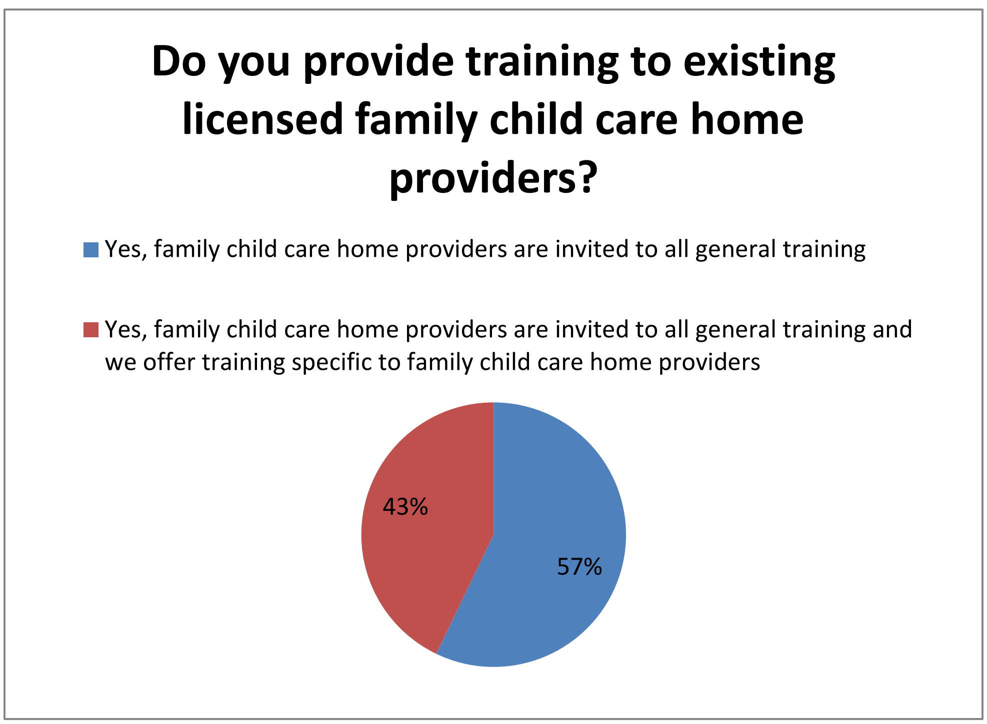

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Descriptions of Financial Resources to Existing FCCH:

Triad Early Childhood Council	via their participation in Colorado Shines Quality Improvement Program
Early Childhood Council of La Plata County	We support Existing FCC Home providers to engage in Colorado Shines to qualify for QI funds if they are willing to pursue a CCAP fiscal agreement
Children First @ Pueblo Community College	Through monies offered from the Colorado Shines grant opportunities
Promises for Children	funding for quality improvement materials, coaching and professional development, scholarships for tuition
Denver's Early Childhood Council	We offer Colorado Shines Quality Improvement (CSQI) grant funding, as well as the Denver Preschool Program (DPP) grant funding to programs if qualify
Early Childhood Council of Larimer County	Capital improvement and CSQI
Early Childhood Options	Quality improvement salad supplements tuition assistance
The Early Childhood Partnership of Adams County	Through the COSQI GAE
Alliance for Kids	Family child homes that have CSQI MOUs with us get funding for assets and capital improvements.
Cheyenne, Kiowa, Lincoln Early Childhood Council	We offer free training & scholarship opportunities for professional development opportunities.
Early Childhood Council of the San Luis Valley	If providers participate in QRIS system & receive coaching or material, depending on funding available, other assist. is available, credential bonuses
Douglas County Early Childhood Council	If they accept CCCAP, FCCH's are eligible to apply for CSQI grant funds.
Rocky Mountain Early Childhood Council	CSQI Funding including coaching and quality improvement. Trainings through other grant funding.
Bright Futures	Through Colorado Shines quality improvement grant if they accept CCCAP

Descriptions of Financial Resources to those Seeking FCCH:

Triad Early Childhood Council	very limited start up assistance in target communities
Early Childhood Council of La Plata County	We have a small amount of funding to help providers participate in Pre-Licensing training, CPR/First Aid, Standard Precautions and Med. Admin
Promises for Children	funding for licensing fees, quality improvement materials, coaching and professional development
Early Childhood Council of Larimer County	Assistance with background check/fingerprinting costs, recruitment incentives. We provide financial support license fee, fingerprinting, costs of all required pre-licensing training, business licenses and fire inspection fees.
Early Childhood Options	Local tax initiative may have funding to support
The Early Childhood Partnership of Adams County	Starting Fall 2019, THB $ will help us to support 4 new providers towards licensing through coaching and navigation, sharing costs of start up, & PD
Alliance for Kids	We provide four scholarships annually for the pre-licensing class that we hold.
Cheyenne, Kiowa, Lincoln Early Childhood Council	Mini grants are offered to help with licensing costs - training, mileage, etc.
Early Childhood Council of the San Luis Valley	Yes, depending on funding, we assist in application fees.

Descriptions of Training to those Seeking FCCH:

Triad Early Childhood Council	Via departmental operations, all required training is available. Prelicensing is also available via webinar
Early Childhood Council of La Plata County	We have 1 approved vendor to provide Pre-Licensing training providers. We also conduct CPR/First Aid, Standard Precautions and Med. Admin 2-3 x year
Children First @ Pueblo Community College	Pre-licensing, technical assistance, universal precautions and access to First Aid/CPR/Med Admin
Promises for Children	funding for quality improvement materials, coaching and professional development, scholarships for tuition
Early Childhood Council of Larimer County	Informational sessions about becoming licensed, facilitate hosting All In One Training, support them on PDIS. Panelists:Licensing and a FCCH provider.
The Early Childhood Partnership of Adams County	As noted with new THB grant we will help pay for training for new providers working on licensure.
Alliance for Kids	We provide a pre-licensing course with community partners embedded.
Cheyenne, Kiowa, Lincoln Early Childhood Council	15 hour pre-licensing course; we assist in scheduling other required training such as standard precautions and medication administration
Early Childhood Council of the San Luis Valley	Personal meeting, mini-handbook is prepared with rules and regulation, and available for guidance during process when needed
Douglas County Early Childhood Council	Child Care Innovations is the CCR&R for Douglas County and they provide pre-licensing trainings for our people seeking a FCCH license.
Rocky Mountain Early Childhood Council	Our licensing specialists offer this training in our region.

Descriptions of Training to Existing FCCH:

None provided.

Descriptions of TA to those Seeking FCCH:

Triad Early Childhood Council	We provide information on access to rules, referrals to required training, or assigned Licensing Specialist
Early Childhood Council of La Plata County	Our CCR&R Coordinator provides TA for potential home providers and centers as they go through the licensing process - examples of documents, etc.
Children First @ Pueblo Community College	Go through the prelicensing packet (indepth), talk about zoning, city fees, HOA, decisions to consider with family input, etc.
Promises for Children	funding for licensing fees, quality improvement materials, coaching and professional development
Early Childhood Council of Larimer County	We have a Child Care Outreach Specialist position for this purpose - PDIS Navigation, licensing navigation
Early Childhood Options	Anything they need we try our best to assist
The Early Childhood Partnership of Adams County	With new grant will prove coaching and navigation to about 4 new providers
Alliance for Kids	We provide technical support with HOA, zoning and building codes; technical support with the licensing application; learning environment set up.
Cheyenne, Kiowa, Lincoln Early Childhood Council	We assist with what we are able and then refer to licensing specialist, rules and regs, and Office of Early Childhood
Douglas County Early Childhood Council	Child Care Innovations is the CCR&R for Douglas County and they provide technical assistance for people seeking a FCCH license.
Rocky Mountain Early Childhood Council	Through our website and also potential providers can call the Council for support.
Bright Futures	One on one, in-person support to navigate licensing and needed credentials

Descriptions of TA to Existing FCCH:

Triad Early Childhood Council	We maintain a QI line where providers can call with questions or to be connected with a Licensing Specialist
Early Childhood Council of La Plata County	Regarding CCAP agreements, marketing their business, licensing regulations, quality improvement, Colorado Shines, PDIS, etc.
Children First @ Pueblo Community College	Colorado Shines, DHS, PDIS, developmental screenings/concerns, etc.
Promises for Children	funding for quality improvement materials, coaching and professional development, scholarships for tuition
Denver's Early Childhood Council	Navigational/Coaching supports through the Council for CO Shines L3-L5 Ratings, and on-going supports.
Early Childhood Council of Larimer County	Support and referrals around various questions, P&Z issues, PDIS and Colorado Shines TA
Early Childhood Options	CSQI PDIS TA
The Early Childhood Partnership of Adams County	Through QI coaching
Alliance for Kids	We provide technical assistance with licensing questions, HOA, building codes, grants and scholarships.
Cheyenne, Kiowa, Lincoln Early Childhood Council	pdis, colorado shines, arrange training
Early Childhood Council of the San Luis Valley	Technical assistance is offered during QRIS, during applications, when needed for professional development/PDIS
Douglas County Early Childhood Council	DCECC contracts with two QI coaches who provide technical assistance to existing FCCH providers should they request it.
Rocky Mountain Early Childhood Council	We provide TA for Colorado Shines, CCR&R and other supports
Bright Futures	Same as above

A LIST AND EXAMINATION OF AVAILABLE FINANCIAL RESOURCES TRAINING, AND TECHNICAL ASSISTANCE THAT MAY BE AVAILABLE TO ASSIST POTENTIAL FAMILY CHILD CARE HOME PROVIDERS IN BECOMING LICENSED AND STAYING IN BUSINESS	
This list was developed through interviews with individuals who regularly assist family child care home providers. It does not purport to be exhaustive and should be built upon.	
Resource	**Notes**
Small Business Development Centers	Offers no-cost consulting and workshops/training to small businesses owners, including FCCHs.
Colorado First and Existing Industry Customized Job Training Grant	Customized job training for companies to avoid layoffs, adapt to new technology and remain competitive. Provided by CCCS/OEDIT.
Sector Partnership Bridge and Growth Funds	CWDC Funding & TA for existing sector partnerships (or those w/ identified industry priorities to support sustainability and growth of partnerships working to address goals of the industry.)
Colorado Work Act Grant	CDLE matching grant providing funds to increase marketing/awareness and enrollment in Colorado's skilled worker training programs (pre-apprenticeship, apprenticeship, boot camps, associate degree programs, certificate programs etc.)
Community Development Financial Institutions Fund	Created to serve community needs that are not served by traditional banking. There is a slightly higher interest rate, but intent is to provide a bridge loan until the individuals are bankable. Helps to build business credit score. Provides technical assistance.
Family Child Care Home Facility Improvement Initiative	Buell awarded ECCLA a grant to administer a Family Child Care Home Facility Improvement Initiative. The initiative will help Colorado families find quality care options for their children by providing funding to family child care homes for facility improvements needed to maintain or get their state child care license.
Credit cards, personal money, money from friends and family	Family child care home providers are often overly reliant on this type of assistance. There is a limited resource pool here because providers tend to be from communities with less access to capital. Additionally, doesn't help them build business credit (which is different from personal credit). Without building business credit, providers are not eligible for a bank loan.
Traditional bank loans	Requires a business credit score and something to underwrite – collateral. Could be only collateral is the home.
My Colorado Journey	Online resource to help prospective providers map their career journey.
Skillful	Online resource offering skill-based hiring guides and trainings to improve hiring and retention.
Colorado Association of Family Child Care	Non-profit membership organization dedicated to the support and education of licensed family child care providers in the state of Colorado.
Early Childhood Councils	Offer mix of training, grants, and technical assistance to prospective and existing providers. Exact availability differs by council. See the following slides for more information.

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Office of Early Childhood	Offers guide on becoming a licensed family child care provider and free web-based training on PDIS.
Early Learning Ventures	Non-profit shared services/EHS-Child Care Partnership organization: offering all Head Start supports to those homes recruited into EHS-CCP. Also offers shared services software to EHS-CCP and other home-based sites with marketing, staff training, classroom, human resources, program administration tools, etc., for a cost to providers.
My Village	For-profit shared services/FCCH recruitment organization: offering coaching, curriculum, mentorship, community, shared platforms, business assistance, etc., for a cost to providers.
Work Life Partnership	Non-profit FCCH recruitment and support through process in the metro area, expanding with Buell funding. Assist with marketing, help with coaching, provide mini-grants to participating providers