

APPENDIX F: CASE STUDIES

from *Supporting Families, Children, and the Caregiving Workforce:
A Local Financing Toolkit for Colorado*

Local Early Childhood Initiative Case Study: Denver Preschool Program

Community: Denver

Size/Type of Community:

- Total population (2021): 711,973
- Children age 5 and under (2021): 39,697
- Urban, capital city of Colorado

Source: [KIDS COUNT! In Colorado 2023 Report](#)

Year Tax Established/Reauthorized and Vote: 2006/2014/2023

Tax Type: Sales

- 2006: .12% sales tax (12 cents on \$100 purchase)
- 2014: .15% sales tax (15 cents on \$100 purchase)
- 2023: .15% sales tax (15 cents on \$100 purchase)

Approximate Revenue Generated Annually:

- 2006 tax projected to generate \$12 million/year
- 2014 tax projected to generate \$20 million/year
- 2023 tax projected to generate \$34 million/year

How Revenue is Allocated or Spent:

Revenue allocation changes annually; however, these estimates give a sense of distribution:

- Tuition credits to families: about 70% of revenue
- Quality improvement grants to providers: about 12% of revenue
- Other activities: about 18% of revenue
 - Community outreach
 - Enrollment support and customer service
 - Evaluation
 - City ordinance caps administration at 7%

Governance: The City and County of Denver is the taxing entity and the authority ultimately responsible for the program. An independent nonprofit corporation, the Denver Preschool Program (DPP) was created for the sole purpose of administering DPP. DPP contracts annually with the City and County of Denver to administer the program and, as part of that contract, commits to upholding public transparency and accountability policies applicable to public entities in Colorado. DPP has a Board of Directors of up to 15 members, which includes one member of the Denver City Council.



When first established, DPP had an Advisory Board of up to 25 members, in addition to a smaller Board of Directors. The Advisory Board consisted mostly of child care/preschool providers, parents, and community members. They played a critical role in establishing the program and building trust with key constituencies in the first years. It was determined that the Advisory Board was no longer needed after the initial phase and was not included in reauthorization. The DPP Board now includes a couple of providers to ensure that it continues to have provider voice in its implementation.

Sunset Provision: It was included for the first 17 years but eliminated in the 2023 reauthorization. The 2006 measure included a 10-year provision, and the 2014 reauthorization measure included a 12-year sunset. The 2023 reauthorization vote eliminated the provision altogether, making the tax and the program permanent unless it is proactively repealed by the Denver City Council.

Evaluation:

- DPP engages an extensive third-party evaluation team that includes independent evaluation of kindergarten readiness, third grade longitudinal analysis, and program operations.
- <https://dpp.org/research-and-results/our-results>

Origin Story and Champions:

- Angel Investor and High Profile Champions: The Sam Gary/Piton Foundation was the original funder, convener, and driver behind the creation of DPP. There was an extensive 18-month process to develop the proposal. Then-Mayor John Hickenlooper championed the measure through the City Council and the campaign.
- Defining Values/Principles: The group that developed the proposal created five priorities/defining values that shaped the development of the policy and are still present in the program:
 - Be independent of local government but accountable to local leaders and taxpayers.
 - Focus on quality and improvement of preschool programs.
 - Empower parents to choose the preschool program that works best for their child/family.
 - Be universal and open to all children in Denver.
 - Prioritize children in the year before kindergarten (most commonly, 4-year-olds).
- Recounted and Established Overwhelming Support for Reauthorizations: The first measure was passed by a very narrow margin (about 1,800 votes) requiring a 10-day recount process before passage was finalized. However, the program's success paved a smooth path to reauthorization. The evaluation data was essential in building support for reauthorization. The 2014 reauthorization measure was approved with just over 55% support and the 2023 reauthorization measure was approved with 78% support.

Other Notes/Insights and Lessons Learned:

- **Education Period Preceding Campaign:** In 2006, there was a 501(c)(3)-funded public education and will-building campaign (paid advertising) to raise awareness of preschool and explain the need and value/benefit. It was about a three-month education campaign with a budget of roughly \$350,000 (in 2005 dollars).
- **Revenue Volatility is an Inevitability, so Plan for It:** Any public revenue system will have some degree of volatility and sales taxes in particular. DPP had to scale back program benefits during the Great Recession of 2008/2009, which was painful and difficult. They developed a robust reserve policy following that experience and increased the tax amount in the 2014 reauthorization to restore benefit levels.
- **Evaluation was Essential in Building Support for Reauthorization:** DPP invested significant resources in independent evaluation, which proved critical in the reauthorization campaign. By being able to quantify the program's impact, champions were able to win over program skeptics who opposed the measure in the first campaign.
- **Flexibility to Allow for Innovation and Evolution:** As DPP has learned from its experience and responded to community feedback, it has evolved its tuition credit model over time. In 2019, DPP added a new supplemental program called the DPP Scholarship to better support Denver's lowest income families attending DPP community sites. This new element of the DPP program was implemented after experience showed that any cost of participation was a barrier for the lowest income families. That kind of flexibility to be responsive to community needs and changing landscape is critical to ensuring long-term program success.

Community Contacts for Further Information:

Denver Preschool Program:

- <https://dpp.org>
- info@dpp.org

Sources:

- [DPP Story Document](#) tells history of DPP 2006-2017

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Local Early Childhood Initiative Case Study: Estes Valley Lodging Tax

Community: Estes Valley—residents of the Estes Park Local Marketing District, which includes the towns of Estes Park, Glen Haven, and Drake

Size/Type of Community:

- Total population: approximately 6,000
 - Estes Park: 5,860 (source: [Data Commons](#))
 - Glen Haven: 215 (source: [Zip-Codes.com](#))
- Children age 5 and under: approximately 500
- Mountain/resort

Year Tax Established/Reauthorized and Vote: 2022 Larimer County Question 6E passed with 60.7% YES (3,658 yes // 2,360 no // 6,018 total votes)

Tax Type: Lodging Tax Increase

- The existing lodging tax was set at 2%; voters approved a 3.5% increase to make the new tax rate 5.5%.

Approximate Revenue Generated Annually:

- The 3.5% lodging tax extension or increase was projected to generate about \$6.3 million/year. Note: Planning documents estimated the revenue at about \$5 million/year, but the official ballot language included a revenue estimate of \$6.3 million.
- Of the extension fund, housing is receiving 88% and child care receives approximately 12% or about \$600,000 per year; the revenue allocation between housing and child care can be revisited annually.

How Early Childhood Portion of Revenue is Allocated or Spent:

In September 2022, the Town of Estes Park released a document titled "A Proposed Framework: Expenditures of Local Marketing District Funds for Workforce Housing and Childcare." This report laid out a vision of how the revenue from the proposed lodging tax extension would be spent in both housing and child care. This was released prior to passage of the lodging tax increase and has served as a foundational document for the implementation of the funding. The funding priorities identified in that framework included:

- Facilities/capital
- Workforce challenges
- Tuition assistance/scholarships



In practice, funding has been allocated to these three priorities, as well as out-of-school time (after-school and summer programming) for preschool, kindergarten, and early elementary school-aged kids. Future revenue allocation will be based on a community needs assessments report, which the Town of Estes Park intends to conduct every three to five years.

Governance: The full lodging tax is collected by the Local Marketing District (doing business as Visit Estes Park) and then funding from the extension portion of the lodging tax is transferred to and administered by the Town of Estes Park, specifically for expenditure on housing and child care. The Town Board retains full authority for revenue allocation between housing and child care.

The Visit Estes Park Annual Operating Plan now includes a section in which the extension funding allocation is outlined annually. That Annual Operating Plan is reviewed and approved by the Visit Estes Park Board, the Town of Estes Park, and Larimer County Commissioners on an annual basis.

Sunset Provision: None

Evaluation: The details of the evaluation are being determined. The first community needs assessment will serve as a baseline for evaluation. Goals and metrics will be determined once that baseline is established.

Origin Story and Champions:

- **Citizen Task Force:** A 16-member Lodging Tax Exploration Task Force was convened by the Local Marketing District, Visit Estes Park, to consider if to increase the lodging tax and, if so, by how much and for what purpose. The task force consisted of local nonprofits, business leaders, and tourism/lodging industry representatives. In the summer of 2022, the Task Force published their recommendations to pursue a 3.5% increase with revenue being used for housing and child care to be administered by the Town of Estes Park.
- **Supported by Multiple Jurisdictions:** On August 1, 2022, a joint meeting was held between Larimer County Board of County Commissioners, Estes Park Town Council and the Visit Estes Park Board. All three bodies agreed to and endorsed the recommendations of the citizen task force to advance a proposal to the November 2022 ballot.
- **Campaign Led by Business Community:** The Chamber of Commerce and Visit Estes Park Board led the campaign effort to support the Lodging Tax Extension. The campaign tagline “The Tax You Don’t Pay” focused heavily on the economic imperative to invest in housing and child care as workforce development and support strategies essential to the local tourism economy.

Other Notes/Insights and Lessons Learned:

- **Persistence Pays Off:** State legislation to expand lodging taxes and to authorize local communities to dedicate lodging tax revenue for purposes other than economic development or tourism was passed in 2022. While this measure advanced to the local ballot within a number of months of that state law change, years of community conversation about the need for local investment in housing and child care preceded the ballot measure. A Housing Needs Assessment report was published in 2016, followed by a Child Care Needs Assessment report in 2018. A Workforce Housing and Child Care Ad Hoc Task Force worked on these issues and published yet another report in 2020. That work was critically important in helping the community understand investing in housing and child care to support the local workforce that supports the community's tourism industry and laid the foundation for this proposal.
- **Don't Waste a Crisis:** The COVID-19 crisis had devastating impacts on the local economy, which is largely tourism-based, and highlighted the critical need to support the local workforce. This created an urgency to act on issues that had long been discussed and explored.
- **Local Perspective Critically Important:** Priorities for child care funding were developed based on input from local providers and parents. The implementation of the fund has been highly responsive to community need and feedback. The flexibility that is available through a local funding source is one of the key advantages and every effort should be made to ensure these dollars are responsive to community needs and structured in a way that maximizes benefit to the local system.

Sources:

- [Visit Estes Park website](#)
- Larimer County [November 2022 Notice of Election Publication](#)
- ["Vote "yes" on the Lodging Tax Extension"](#) Estes Park Trail Gazette, Oct. 28, 2022
- ["More Colorado communities ask voters to approve lodging taxes for child care,"](#) Chalkbeat, Oct. 31, 2023

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Local Early Childhood Initiative Case Study: Strong Start San Miguel County

Community: San Miguel County (Telluride and Norwood Areas)

Size/Type of Community:

- Total population (2021): 8,076
- Children age 5 and under (2021): 315
- Rural/resort mountain, high-value vacation homes in and around Telluride impacting property values of the county

Source: [KIDS COUNT! In COLORADO 2023 Report](#)

Year Tax Established/Reauthorized and Vote: 2017, approved with almost 63% YES vote

Tax Type: Property tax, .75 mill, approximately \$5.40/\$100,000 of assessed value

Approximate Revenue Generated Annually: \$600,000/year

How Revenue is Allocated or Spent:

- Capacity-Building: Increase the number of children that child care providers can serve at one time, funds used to “sustain existing child care centers, especially infant care.”
- Workforce Development: Efforts are focused on recruitment, training, and retention of early childhood professionals; funding used for professional credential recognition grants; scholarships for continuing education; and professional development training.
- Quality Improvement: Strong Start seeks to improve the quality of early childhood care and education programs and facilities distributed through grants.
- Financial Assistance to Families: Help families pay for licensed early care and education programs for infants, toddlers, and preschoolers.
- Other: The program continues ongoing evaluation and administration.

Governance:

- The Early Childhood Council, [Bright Futures for Early Childhood and Families](#), has a memorandum of understanding (MOU) with San Miguel County to manage the Strong Start Program.
- Bright Futures makes funding requests for specific program elements. Once they have decided what funding is required for a specific program component (e.g., financial assistance), a request is made to the BOCC to fund that component. Bright Futures maintains separate bank accounts and financial statements for the Strong Start Program.
- A Bright Futures staff sits on the Early Childhood Advisory Panel (ECAP), which is the advisory board for the Strong Start Program: one County Commissioner, one Early Childhood Council Representative (Council Director), Telluride and Norwood Schools Superintendents, and a community member. ECAP meets quarterly and approves the funding allocations before funding requests are made to BOCC.



Sunset Provision: None

Evaluation: There is a third-party evaluator contracted who works closely with program administrator to collect quantitative and qualitative data.

Origin Story and Champions:

- The EC Council, [Bright Futures for Early Childhood and Families](#) (Kathleen Merritt) and local philanthropic leadership from the [Telluride Foundation](#) (Paul Major) both played key roles.
- In 2007, there was an initial failed attempt where polling was not conducted and the focus was on school readiness.
- The 2017 campaign focused on economic development and workforce support.
- In 2017, polling was conducted in advance of the decision to go to ballot. Also, funding priorities were determined, but revenue allocation amounts were intentionally not assigned to allow for implementation flexibility.
- They decided to go to ballot in June 2017; it was referred to the ballot by County Commissioners in September 2017.
- The 2017 campaign was fast and inexpensive, spending about \$10,000 total

Other Notes/Key Lessons Learned and Insights:

- Plan for Campaign: Polling was essential—let public opinion research determine whether to go to ballot and how to frame the message, a key aspect. The campaign was run by a small, core group of volunteers who managed a larger “action team” that made presentations, sent text messages and emails, etc.
- Maintain Flexibility in Funding Allocations: Determine funding priorities, but maintain as much flexibility as possible in revenue allocations to be nimble and move money around. Flexibility was essential during COVID as more “capacity-building” support was allotted to keep providers in business.
- Set a Reserve Policy: Because there wasn't a detailed policy plan and funding allocation in place before going to the ballot, almost a full year was spent planning. As a result, a healthy reserve fund was built and corresponding management policy was determined.

Community Contacts for Further Information:

- <https://www.strongstartstrongcommunity.org>
- coordinator@strongstartstrongcommunity.org

Sources:

Conversation with Kathleen Merritt and Cathy Barber

News Articles:

- 2018 Program Budget: https://www.tellurideneews.com/news/article_4f6f323e-8f98-11e8-a14f-afed21dfb222.html
- 2017 Campaign: https://www.tellurideneews.com/news/article_d02d1bfe-9a23-11e7-b450-b71220ffaf8d.html

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Local Early Childhood Initiative Case Study: Summit County: Right Start and Strong Future UPK

Community: Summit County

Size/Type of Community:

- Total population (2021): 30,970 people
- Children age 5 and under: 1,278
- Mountain, rural-resort, high-value vacation homes in and around Breckenridge and Keystone impacting property values and voter/tax base

Source: [KIDS COUNT! IN COLORADO Report 2023](#)

Year Tax Established/Reauthorized and Vote:

- Right Start EC Program: 2005 and reauthorized in 2013, both stand-alone measures, both passed with support in the 50% and greater range.
- Strong Future UPK: 2018—62% voter support
Note: The UPK program was one component of a measure that also included funding for wildfire prevention and mitigation; mental health and suicide prevention; recycling and water diversion; and public building repairs and improvements. In all, it was an \$8.8 million/year ask of voters and the UPK component was projected to get \$2.5 million/year or about 28% of the revenue. Additionally, the “public building repairs and improvements” component of the package also benefited a child care center in Silverthorne that was completed in 2023.

Tax Type: Both are property taxes

- 2005 Right Start: .50 mill
- 2018: 4.7 mill levy, \$33.96 for every \$100,000 of property value; early childhood programs were one component that would receive about 28% of revenue generated by this significant tax increase

Approximate Revenue Generated Annually:

- Right Start (2005/2013): Just under \$1 million/year now is generated; it was about \$600,000/year when first approved in 2005. The increase is due entirely to rising property values in the county.
- Strong Future UPK (2018): This generates about \$2.5 million/year.



How Revenue is Allocated or Spent:

Right Start Program Components:

- Access to Child Care
 - Financial assistance: Tuition subsidies for lower income families
 - Capacity/debt buy-down: Capital construction costs for building and expanding programs
- Workforce recruitment/retention/support
 - Salary supplements
 - Scholarships for continuing education and training
 - EC Cares: Innovative partnership with local Federally Qualified Health Center (FQHC) to provide health care services to all teachers working in licensed child care settings with copays set based on average local teacher salary
- Quality initiatives
 - Coaching and training
 - Quality improvement plans
 - Shared back office services: Drive toward efficiency
- Home visitation/parent education: administered separately by Family Resource Center and County Human Services

Strong Future UPK Program Components:

- Preschool for all children in the year before kindergarten (pre-K for 4-year-olds) and some preschool for 3-year-olds
- Mixed delivery: School district and community-based licensed providers
- Sliding scale tuition assistance built around family income: goal of ensuring families don't pay more than 7-10% of income on child care

Governance:

County is the Taxing Entity; the Board of County Commissioners is Ultimately Responsible:

- The Local Early Childhood Council (Early Childhood Options or ECO) has an MOU with the County to administer Right Start and Strong Future UPK program.
- ECO submits an annual budget request to Commissioners with interim supplemental requests as needed.
- The MOU between the County and the Council is revisited as needed/periodically.
 - The MOU outlines the responsibilities and services that Early Childhood Options provides to administer the programs funded by Right Start and Strong Futures UPK Programs; ECO manages almost all programmatic aspects except the home visiting programs, which are managed through the Family Resource Center and the County Human Services.
- There is one County Commissioner and one County staff member who sit on the Early Childhood Options Board.

Sunset Provision:

- Right Start Program: This included a sunset provision of 10 years in the initial measure; the sunset was eliminated in the 2013 reauthorization.
- Strong Future UPK: There is a 10-year sunset provision.

Evaluation:

- Early Childhood Options reports annually to BOCC on finances and expenditures, quality rating data, early childhood program capacity, and staff turnover.
- They have contracted periodically with external consultants to evaluate the program and make recommendations.

Origin Story and Champions:

2005:

- Thomas Davidson worked for Vail Resorts and served on the Board of Early Childhood Options. He was a major champion and pushed ECO to go for local public funding. Davidson convinced Vail Resorts to get behind the idea early; the company was instrumental in getting the measure onto the ballot and in supporting the first campaign-provided funding. There was also other active community leadership (e.g., the head of Breckenridge Ski Resort authored op-eds and was publicly visible and supportive).
- The school district and Commissioners were both supportive in 2005. They were not sure as to whether it would pass, but they helped.
- Summit Foundation's Board of Trustees was visible and supportive during the campaign.

2018:

- Davidson, who had since been elected as a County Commissioner, along with Julie McCluskie, who was working at the School District at the time (now serving in State Legislature) spearheaded policy planning efforts with ECO and Family Resource Center.

Other Notes/Insights and Lessons Learned:

- It's important to work out the details on the front end: ECO didn't have a formal agreement with Commissioners before going to the ballot regarding how the revenue would be administered. Lucinda doesn't think that the Commissioners were confident the measure would pass; they were supportive but not confident. As a result of ambiguity, there were some growing pains in working out the relationship between local funding sources and CCCAP. ECO got some surprises from the County attorneys and staff in the first year or so that required some rethinking while trying to implement. However, the Commissioners were essential in passage and the early days.
- Conduct polling and planning for campaign early: The pre-campaign benchmark voter survey was essential in both efforts. In 2005, much was learned about who supported them and why. They dropped "professional development" and talked instead about workforce recruitment and retention in the first campaign. Vail results hired a consultant in 2005 to develop a campaign strategy, and that person was essential to passage.

- Plan for revenue volatility: Most public funding sources have some volatility in their revenue, so build in reserves and policies to stabilize your revenue over time. ECO works very closely with County staff on revenue projections and planning.

Community Contacts for Further Information:

Early Childhood Options: <https://www.earlychildhoodoptions.org/>

Catherine Schaaf: catherine@earlychildhoodoptions.org

Sources:

- [2018 Council Commissioners Resolution and Ballot Question](#)
- Newspaper articles
 - [Summit Daily: Guide to Summit County Ballot Initiative 1A, Oct. 14, 2018](#)
 - [Summit Daily: Affordable Early Childhood Learning and Care Top Funded Issue on Summit County Ballot Initiative 1A, Oct. 6, 2018](#)

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Local Early Childhood Initiative Case Study: Chaffee County Initial Use of Lodging Tax

Community: Chaffee County

Size/Type of Community:

- Total population (2021): 20,099
- Children age 5 and under (2021): 777
- Rural, major towns include Buena Vista and Salida

[Source: KIDS COUNT! In Colorado 2023 Report](#)

Year Tax Established/Reauthorized and Vote: 2022

Tax Type: Lodging Tax

- 2006 tax projected to generate \$12 million/year 2022: The voters approved Ballot Measure 1A that (without increasing any taxes) allocates 60% of the existing occupational lodging tax for housing and child care, while the other 40% goes toward tourism.
- The measure received approximately 64% yes votes compared to 36% no votes.



Approximate Revenue Generated Annually:

- In 2024, the lodging tax is projected to generate about \$1 million in revenue.

How Revenue is Allocated or Spent:

The lodging tax is only promised on an annual basis. Revenue allocation changes annually; for 2024, \$100,000 is allocated for child care needs.

- Emerging Early Childhood Educators Program: about 10% of revenue:
 - Career navigation
 - Early Childhood Lead Teacher certification
 - Coaching and reflective supervision
 - Substitute teaching

Governance: Chaffee County is the taxing entity and the authority ultimately responsible for funding allocation decisions. To date, early childhood funding is being allocated to the Chaffee County Community Foundation. The Chaffee County Early Childhood Council is contracted to provide ECE workforce supports/programming. The community foundation and council work collaboratively on additional granting and evaluative components.

Sunset Provision: The funds are allocated on an annual basis.

Evaluation:

- There is a workforce program participants' survey (gathering qualitative and quantitative data).

High Profile Champions:

- Chaffee County Early Childhood Council, Chaffee County Community Foundation, Ark Valley Preschool, Chaffee County Economic Development Corporation
- The groups that presented the proposal to County Commissioners centered the presentation on developing a child, youth and family-friendly community, which was aligned with the 2020 County Comprehensive Plan. That plan had the following statement: *We are a great community for children and families. We value being an ideal place to raise a family where we support young people and parents by providing services, affordable housing, a strong educational foundation and safe environment.*
- The presentation focused on the following community goals for ECE:
 - Preserve the child care we already have.
 - Increase the child care workforce.
 - Increase the child care slots available in the community (gap of more than 400 licensed slots to meet age 0-5 needs).

Other Notes/Insights and Lessons Learned:

- Revenue volatility is an inevitability, so plan for it: Any public revenue system will have some degree of volatility. Early childhood advocates should be mindful that lodging tax revenue is not a permanently dedicated funding stream, and year-to-year priorities can shift. Also, the lodging tax revenue can rise and fall with the economy.
- Chaffee County considerations include:
 - The local housing authority has a long-term commitment from County Commissioners and is prioritized over early childhood education.
 - The ECE workforce program plans to take advantage of Career Advance Colorado to reduce costs, but those funds are also not available long term.
 - Funds are approved by County Commissioners who have term limits and new commissioners may have different priorities.
- Persistence Pays Off: While funds weren't available until 2022, the conversation about a child care crisis and affordable housing had been happening for years. The early childhood council regularly presented local data on early childhood challenges. Initial conversations were centered on building capacity locally through capital support. Those conversations shifted the ECE workforce as ECE advocates communicated the lack of caregivers in the county and high rates of turnover.

- **Don't Waste a Crisis:** In January 2023, The Schoolhouse at Poncha Springs was closed unexpectedly for nine months. Although it eventually reopened, families lost care and the local child care sector morale was at all-time lows. Of the 24 children being cared for at the schoolhouse, only four were able to find spots in licensed care. Some families were forced to move from the community due to care challenges, three parents quit their jobs and many others reduced work hours and lost out on pay. This crisis captured the attention of local and state media. Local advocates from the Chaffee County Community Foundation, Chaffee County Early Childhood Council and parents took the opportunity to highlight the role that child care plays as basic infrastructure that the community depended on and took for granted and explain the critical role of staff shortages in rural child care deserts.
- **Building a broader coalition allows for maximizing all of the local assets:** It is essential for early childhood advocates to speak passionately about challenges with community leaders who are not directly engaged in child care. These conversations are allowing Chaffee County to maximize available resources aligned with their goals from the local economic development corporation and higher education institution (Colorado Mountain College).
- **Local advocates need to speak up for child care:** As the lodging tax was made available for additional uses, the ECE community needed to lead the charge for funding. Housing advocates and tourism leaders weren't going to speak up on their behalf.

Community Contacts for Further Information:

Early Childhood Council of Chaffee County:

- ccecc.org
- info@ccecc.org

Sources:

- [Source material for County Commissioner presentation and conversation with the Chaffee County Early Childhood Council](#)
- [Colorado Sun articles on Poncha Springs Schoolhouse. Article 1 and 2](#)

Resource:

- [Chaffee County Community Foundation's ECE partnership](#)

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Local Early Childhood Initiative Case Study: Eagle County Lodging Tax

Community: Eagle County

Size/Type of Community:

- Total Population (2022): 55,650
- Children age 5 and under in the Eagle River Valley (2021): 3,484
- Rural, major towns include Gypsum, Avon, Edwards, and Eagle

Year Tax Established/Reauthorized and Vote: November 2022; tax collections began January 2023

Tax Type: Lodging Tax

November 2022: Voters passed a ballot measure to collect 2% lodging tax from unincorporated Eagle County and the town of Gypsum to support their local workforce and quality of life through early childhood programs and affordable housing.

Approximate Revenue Generated Annually:

2023 tax projected to generate \$3 million/year

How Revenue is Allocated or Spent:

As of 2024, 90% of the lodging tax revenue is dedicated to help fund housing and early childhood services. The remaining 10% is reserved for marketing and promotion. After stakeholder meetings were held, the local department of human services early childhood team presented recommendations to the Eagle County Board of County Commissioners in September 2023. On the next page is a graphic from the presentation that outlines plans for lodging taxes through 2024, with a vision for future expenditures.

Sunset Provision: None

In 2024, lodging tax revenue has been spent on:

- Licensed child care center rental/mortgage assistance, which covers the entire or majority of the cost of rent/mortgages for licensed providers, allowing more revenue to be put toward children, teachers, and/or operational expenses.
- Early childhood workforce stipend program, which is an effort to recruit and retain highly trained early childhood professionals. It is budgeted at \$500 per month per early childhood professional working directly with children.
- Hiring a Child care health consultant. Having a full-time health care consultant, that can serve all licensed providers in the Eagle River Valley, ensures that this licensing requirement is easily met, reduces the administrative burden felt by individual centers, and ensures consistency for children/directors across all providers.



- In the remainder of 2024, there are plans to release additional funding towards supporting health and safety needs, infant and toddler expansion projects, and additional projects as requested.

Immediate (beginning fall 2023) Annual cost projection: \$1,720,000 - \$1,920,000	
» Provide and early childhood workforce stipend	\$1,600,000 - \$1,800,000
» Hire a Child Care Health Consultant for ERV providers and reimburse RFV child care providers	\$120,000
Short Term (beginning early 2024) Annual cost projection: \$1,650,000 - \$1,875,000	
» Continue rental and mortgage assistance to child care providers	\$600,000
» Administer health and safety grants	\$50,000 - \$75,000
» Provide lower child-to-teacher ratio supplement	\$800,000 - \$1,000,000
» Provide infant and toddler expansion incentive	\$200,000
Long Term (to be investigated for possible future investment in 2024 or later) Cost projection: to be determined (TBD)	
» Early childhood capital investments	TBD
» Health and retirement benefits for early childhood professionals	TBD
» Research and address transportation challenges for early childhood professionals	TBD

Governance:

Eagle County is the taxing entity and the authority ultimately responsible for funding allocation decisions. To date, 90% of lodging tax funding is dedicated to early childhood. Funds flow through Eagle County Government, then to Eagle County Department of Human Services for distribution. The Eagle River Valley Local Coordinating Organization (LCO) is an advisory board to the Lodging Tax. Deep collaboration between Eagle County Human Services, the LCO, and additional local collaboratives made of early childhood professionals is critical and ongoing to advise on early childhood lodging tax recommendations.

Evaluation:

Qualitative and quantitative measures are included with each area of funding. Evaluations are currently being made. A data dashboard tracing investments is available through the Eagle County Department of Human Services [here](#).

Origin Story and Champions:

There was a change in legislation that first allowed counties to charge a lodging tax and then additional legislation that allows for the lodging tax to be used to mitigate the effects of visitors. Eagle County had no desire to charge a lodging tax that had to go toward marketing/tourism as had been the requirement prior to the change. With the new authority, they decided to ask voters for the 2% tax to go toward housing and child care. There were no significant efforts to create political will due to the acute awareness of the need for both housing and child care investments.

Nearly a decade before the lodging tax was approved, Vail Valley Partnership, the local association for businesses, started asking members how they were impacted by child care challenges. Having data allowed community leaders to better understand the impacts and speak to the need for proactive solutions.

Additionally, the COVID-19 pandemic made it clear that without child care, essential workers (health care, police, government employees, etc.) and other vital community services were wholly dependent on the basic infrastructure that is child care.

Importantly, Eagle County's County Commissioners have been strong advocates for early childhood, and one commissioner sat on Colorado's Early Childhood Leadership Commission.

Other Notes/Insights and Lessons Learned:

When creating the lodging tax, Eagle County created an advisory committee to regularly review the proposed recommendations and inform County Commissioners and the public of the needs and realities. It is important to have community voice and perspective be included in the decision-making process and for the taxpayers and decision makers to be continually informed.

Eagle County has long been a leader in recognizing the challenges faced by early childhood providers and families with young children. The county's lodging tax supports built on general fund and philanthropic support including the following investments:

- For a few years prior to the lodging tax approval, Eagle County put about 1% of its general fund budget to support ECE. These funds were predominantly used for one-time costs because general fund revenue was never guaranteed. One use is for infant/toddler subsidies, making this type of care a financially viable option. Additional uses have been for small facility improvements as well as recruitment and new hire incentives. A portion of this funding has gone and continues to go to early childhood community organizations who are working with FFN's, providing coaching supports and ensuring quality in early childhood programs, and providing family engagement opportunities.
- In late 2021, Eagle County launched a program to provide licensed early childhood providers with financial assistance for rent, mortgage, and similar overhead costs. In 2021, they distributed over \$313,000 in assistance—providing up to \$3,000 per center for monthly support. In 2022,

philanthropic funds were secured to cover each center's total rent or mortgage costs for two additional years.

- County-level government routinely created needs assessments, which continued to shine a light on the needs and the costs to the community. Most recently, Eagle County, stakeholders, and early childhood partners developed a report that highlights current local early childhood system strengths, identifies needs, and presents solutions to address the current gaps in the early childhood system. Access and view the report [here](#).
- Between 2018 and 2024, Eagle County invested over \$13 million to support local child care needs

Community Contacts for Further Information:

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Sources:

- Conversation with Sam Markovitz and Jeanne McQueeney, local coverage: <https://www.vaildaily.com/news/how-eagle-countys-early-childhood-workforce-stipend-is-benefiting-providers-teachers-and-kids/>
- <https://www.vaildaily.com/news/eagle-county-stipend-child-care-workers/>
- Eagle County Department of Human Services Early Childhood website: https://www.eaglecounty.us/departments_services/human_services/children,_childcare_early_childhood_education/early_childhood_initiatives.php

Local efforts and potential grants should be discussed with the Senior Program Officer | Initiatives, Jason Callegari, jcallegari@buellfoundation.org. More information is available at <https://tinyurl.com/4bj4m2du> or scan the QR code for the online PDF of the toolkit.

