

# APPENDIX F: CASE STUDY

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

## 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](http://ccecc.org)
- [info@ccecc.org](mailto: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](#)

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

