

APPENDIX F: CASE STUDY

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.

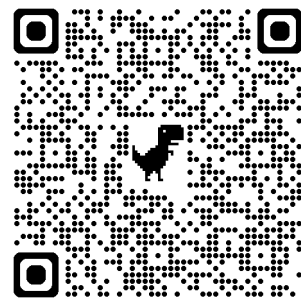
Community Contacts for Further Information:

Denver Preschool Program:

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

Sources:

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



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.