

APPENDIX F: CASE STUDY

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

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 a 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 card 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:

Samantha Markovitz, Early Childhood Initiatives Manager: sam.markovitz@eaglecounty.us

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.

