



LA PLATA COUNTY

EARLY CHILDCARE STRATEGIC INVESTMENT PLAN

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Developed by the **La Plata Economic Development Alliance**, the **Early Childhood Council of La Plata County**, the **Regional Housing Alliance of La Plata County**, and the **City of Durango** in partnership with local consultants (Cass Walker Harvey of CWH Consulting and Cyo Nystrom).

The plan incorporates extensive market research and input from the business and childcare communities



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EXECUTIVE SUMMARY

Due to insufficient childcare capacity, La Plata County experiences economic detriment up to **\$34 million annually in lost wages alone**¹, contributing to Colorado's \$2.2 billion in unrealized economic potential. However, for every dollar invested in solving this crisis, our community can expect up to \$9 in economic return through increased workforce participation and business productivity.

The business impact is immediate and measurable. 60% of employers have lost employees directly to childcare issues, while 54% face ongoing hiring challenges linked to childcare accessibility. More concerning, 26% of employers reported losing five or more employees in the past two years due to childcare gaps. **Only 6% of employers report adequate childcare access for their workforce**, leading some businesses to consider relocation due to workforce instability. These statistics highlight the critical need for systemic childcare solutions to ensure business stability and economic growth in La Plata County.

‘We track exit reasons, and childcare is one of the top two reasons people leave.’

–Participating Employer

Our current childcare capacity falls 47% short of market demand, **a deficit projected to reach 56% by 2030** without strategic intervention. The situation is even more dire for families with children aged 0–3: **only 25% of those children have licensed childcare slots**, and few to none of those providers are in Bayfield or Ignacio. This infrastructure gap forces skilled workers out of the workforce and deters business expansion, risking further economic decline and reduced quality of life for families.

BUSINESS IMPACT OF CHILDCARE GAP in La Plata County



¹ Colorado General Assembly. Attachment C. Colorado General Assembly, 2020, https://leg.colorado.gov/sites/default/files/html-attachments/e03de06186219e808725874a005a2b66_hearing_summary/Attachment%20C.pdf. Accessed 12 Jan. 2025

The La Plata Early Childcare Strategic Investment Plan (Childcare Plan) outlines a \$20M, private-public, and market-driven solution delivered through three strategic investment vehicles. We designed these initiatives to work synergistically to stabilize the workforce, expand childcare capacity, foster community support, and remove operational barriers:



Childcare Investment Fund (\$10M)

- Stabilizes the workforce through wages, tuition assistance, and benefits
- Immediate impact on retention and recruitment



Capital & Infrastructure Fund (\$10M)

- Expands physical capacity via loans/grants for new facilities
- Creates sustainable, long-term solutions



Childcare Champions Initiative

- Offers perks, discounts, and recognition for early childhood educators
- Builds community support and retention

A \$20M investment over five years will reimagine the childcare sector in La Plata County, doubling the number of childcare slots available for children aged 0-3.

The time for action is now.

Through public-sector leadership and private-sector investment, we can turn our childcare crisis into an engine for economic growth.

OUR COMMUNITY-DRIVEN PROCESS

Since July 2024, over 300 community members — including **80% of La Plata County’s licensed childcare providers, 40 major employers, and more than 150 families** across Durango, Bayfield, and Ignacio — have shaped this community-driven strategy. This extensive collaboration ensures our solutions are ambitious and achievable within La Plata County’s unique context.

Our process ensured that we examined every facet of the childcare crisis through multiple lenses. This comprehensive engagement ensured that our recommendations reflected real community needs and incorporated proven solutions from those working directly in childcare.



Business community insights

Surveys and interviews with 34 employers and 16 leading business leaders provided critical insights into the impact of childcare shortages on workforce stability.



Family perspectives

Surveys and focus groups with over 150 families, including diverse and bilingual households, emphasized the urgent need for affordable and culturally responsive childcare options.



Childcare provider expertise

Focus groups with 80% of licensed providers and engagements with over 20 Family, Friend, and Neighbor (FNN) providers highlighted operational challenges and workforce needs.



Public-sector & Nonprofit participation

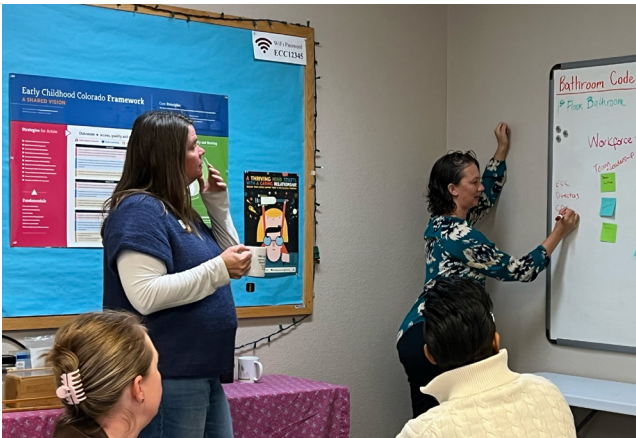
Collaborations, interviews, and focus groups with city officials, public agencies, and key nonprofits ensured our recommendations were comprehensive and actionable.



Community Goals

Our research and community feedback guided us to identifying Interlocking goals to inform all recommended strategies:

1. **Expand childcare capacity** by adding 110 childcare slots through ensuring all existing childcare centers operate at full capacity and the highest quality.
2. **Support a thriving childcare workforce** by ensuring livable wages, competitive benefits, and inclusive, supportive workplace environments for childcare educators.
3. **Increase care for children aged 0-3** catalyzing the opening of 14 new childcare providers, serving an additional 300+ children by 2029 to address the critical shortage for this age group.
4. **Promote equity and access** by providing equitable opportunities, education, and care for diverse communities, including bilingual and culturally responsive childcare options.



THE CRISIS:

Market Analysis & Economic Impact

Due to childcare shortfalls, La Plata County loses up to \$34 million annually in unrealized economic potential, representing our share of Colorado's staggering \$2.2 billion annual loss. These deficits have immediate, measurable impacts on business operations, talent retention, and growth potential across all sectors, including healthcare, education, and small businesses.

-  **Half of Colorado parents report** making sacrifices that affect their employment, including reducing work hours, taking unpaid leave, or entirely leaving their jobs due to lack of affordable childcare options.²
-  The Healthier Colorado 2023 Voter Opinion Survey revealed that **one-third of respondents limited their work hours** because of the high costs of childcare.³
-  **Colorado would realize over \$700 million in lost wages** if the estimated 10,200 Colorado parents could secure childcare and re-enter the workforce. If this occurred, it would generate over \$3.7 billion in GDP and create 29,000 new jobs.⁴
-  To replace an employee costs companies up to 2x an employee's salary⁵, and productivity problems cause **Colorado employers to lose \$780 million annually** due to childcare challenges their workforce faces.⁶

Since 2019, La Plata County has experienced **an 11% decrease in licensed childcare slots**, losing 147 slots over five years. If this trend continues, the county's **licensed childcare capacity will decline by approximately 23%, falling below 1,000 slots by 2030**. This worsening shortfall will further strain families, exacerbate workforce instability, and significantly hinder economic growth.

²[ReadNationCouncilForaStrongAmerica_WanttoGrowColorado'sEconomy?FixtheChildCareCrisis](#)

³[HealthierColorado.org](#)

⁴[ReadNationCouncilForaStrongAmerica_WanttoGrowColorado'sEconomy?FixtheChildCareCrisis](#)

⁵https://momsfirst.us/wp-content/uploads/2024/03/The-Employee-Benefit-That-Pays-for-Itself_March-2024-2.pdf

⁶[ReadNationCouncilForaStrongAmerica_WanttoGrowColorado'sEconomy?FixtheChildCareCrisis](#)

Current Market Status

AGE GROUP	CURRENT LICENSED CAPACITY	NEED	GAP
Infants (0-18 months)	80	656	576
Toddlers (18-36 months)	244	629	385
Preschool (36-60 months)	822	850	28
Total Licensed Care	1,146	2,137	991
Additional FFN Care	250	-	-

Note: FFN Care refers to Family, Friends, and Neighbor Network care options, including informal arrangements with nannies, babysitters, relatives, and unlicensed providers. While these options supplement licensed care, they do not fully bridge the childcare gap.

Business Impact Analysis

Childcare shortfalls disrupt La Plata County’s business ecosystem in several critical ways:

1. Operational Disruption (Productivity & Efficiency)

Operational disruptions caused by childcare shortages ripple through every aspect of business operations. These disruptions hinder daily workflows and impose significant financial burdens on employers. Here’s how:

- **Over 50% of childcare centers operate for fewer than 8 hours daily**, restricting parents’ ability to maintain full-time employment. This limitation is particularly challenging for families that rely on consistent work schedules.
- Critical sectors such as healthcare and law enforcement struggle to find caregivers available for 12-hour shifts, leading to staffing gaps and increased overtime costs.
- **65% of employers report a rise in sick days** and time off requests in the first year after an employee has a child. This amount of days gone disrupts workflows and diminishes overall productivity.
- **59% of employees reduce their working hours** or leave the workforce entirely due to inadequate childcare options, exacerbating labor shortages and increasing recruitment and training costs for businesses.



2. Talent Management Crisis (Recruitment, Retention & Well-being)

The inability to manage talent effectively due to childcare shortages has created a crisis for employers. This crisis manifests in several detrimental ways:

- **60% of employers have lost employees** directly because of childcare gaps. Additionally, 26% have lost five or more employees within the past two years, leading to significant turnover costs reaching up to 200% of an employee's annual salary.
- The scarcity of reliable childcare options makes it challenging to attract new talent. Many candidates decline job offers because they cannot secure adequate childcare, limiting the talent pool and hindering business growth.
- High turnover and recruitment difficulties lead to lower employee morale and engagement, negatively impacting workplace culture and productivity.

3. Growth Constraints (Expansion and Scaling)

Childcare shortages severely limit business growth and competitiveness within La Plata County. These constraints hinder the ability of businesses to thrive and expand, ultimately stifling the local economy:

- Childcare constraints prevent businesses from expanding their operations. Without a stable workforce, companies hesitate to invest in new projects or increase their workforce, stalling economic growth.
- Businesses in La Plata County struggle to compete with regions offering better childcare support, leading to a loss of market share and reduced economic activity.
- Faced with persistent childcare challenges, some businesses are actively considering relocating to areas with more robust childcare infrastructure, which could lead to an economic decline in La Plata County.

Childcare Workforce Stability Analysis

We often have offers declined if it is a young family due to childcare, even when offering good pay and benefits.

— Participating Employer

A stable and well-supported workforce is the backbone of La Plata County’s childcare sector. However, significant economic and operational challenges threaten this stability, creating a precarious environment for educators, childcare businesses, and the wider community. Addressing these issues is crucial for retaining qualified staff and ensuring high-quality care for our children, which supports our region’s broader economic health.

Current Workforce Economics

Local early childhood educators face substantial economic hardships that undermine workforce stability:

- Educators earn 26.5% less than K-8 teachers, making attracting and retaining qualified staff difficult.⁷
- 15.1% of early childhood educators live below the poverty line, compared to 8.6% of the state’s general workforce. This economic strain contributes to high turnover rates and workforce instability.⁸
- With an estimated workforce of 260 early childcare educators, La Plata County meets less than half of the market demand. The significant gap between supply and demand exacerbates staffing shortages and limits childcare centers’ capacity to serve more families.
- Many educators commute from New Mexico or other rural areas due to the high cost of living in La Plata County. This reliance on out-of-county staff further destabilizes the local workforce.

EARLY CHILDCARE WORKFORCE STATISTICS in La Plata County



260

employed as Early
Childcare Educators

\$40,560

median annual income
early childcare employee

15.1%

live below
poverty line

⁷<https://cscce.berkeley.edu/workforce-index-2020/states/colorado/>

⁸<https://cscce.berkeley.edu/workforce-index-2020/states/colorado/>

La Plata County Educator Wage Analysis

Understanding the wage structure is key to addressing workforce stability:

ROLE	WAGE RANGE
Assistant Teachers	\$17.00 - \$19.47/hr
Lead Teachers	\$19.50 - \$26.51/hr
Infant Teachers	\$17.62 - \$22.69/hr
Toddler Teachers	\$16.98 - \$21.00/hr
Assistant Directors	\$18.11 - \$20.00/hr
Directors	\$31.03/hr or approx. \$59,381/year

Context: The median household income in La Plata County is \$85k⁹.



Photo by Markus Spiske

Turnover Impact

High turnover rates in the childcare sector have far-reaching consequences that extend beyond staffing issues:

- A 42% turnover rate is unsustainable, as facilities cannot maintain the stable staffing levels necessary to expand operations and ensure high-quality care.
- Constant workforce churn leads to inconsistencies in childcare quality, affecting child development outcomes and parental satisfaction.
- Children in unstable care environments experience developmental setbacks, which can lead to long-term academic and employment challenges, perpetuating cycles of economic instability within the community.
- These challenges create a self-reinforcing cycle that ultimately affects La Plata County's long-term economic vitality. Addressing workforce stability is crucial to breaking this cycle and fostering a thriving childcare system.

⁹ <https://www.census.gov/quickfacts/fact/table/laplatacountycolorado/PST045224>

Affordability Analysis and the True Cost of Childcare

Childcare affordability remains a critical barrier for Colorado and La Plata County families. According to the United States Department of Health and Human Services, childcare is affordable if it does not exceed 7% of family income. In La Plata County, families spend up to 29% of their income on childcare — four times the federal benchmark.¹⁰

La Plata County childcare tuition ranges from \$12,480 to \$21,294 per year per child. However, **the actual cost of care**, accounting for livable wages, benefits, and overhead, **is between \$18,372 and \$36,061 annually.** Providers subsidize the gap by cutting their own wages, deferring facility maintenance, or relying on unstable grant funding.

Without intervention, these affordability challenges will continue to impact families, educators, and the broader economy, leading to decreased workforce participation and increased economic strain on families.

COST OF CHILDCARE

in La Plata County

Current Tuition Range

\$12,480-\$21,294

29% income spent
on childcare



Actual Cost of Care

\$18,372-\$36,061



Photo by Yan Krukau

¹⁰ <https://www.coloradohealthinstitute.org/blog/new-county-health-data-spotlight-gaps-child-care-and-economic-security>



Photo by Gautam Arora

Current Market Solutions & Limitations

Local businesses recognize the economic imperative of addressing childcare gaps — each dollar spent can yield up to \$9 in improved workforce participation and child development outcomes¹¹. To mitigate these challenges, employers have implemented several strategies:

- Job sharing
- Flexible work hours
- Working from home
- Tuition assistance
- Onsite childcare
- Collaborating with other businesses to fund new childcare options or share facilities
- Changing PTO policies to accommodate childcare needs
- Providing transportation for childcare drop-offs

When asked what employers consider to be adequate childcare for their employees, responses included:

- *“Ability to attend work regularly, come to work on time, and stay the length of shift.”*
- *“Being able to afford enough childcare to be present in their role at work.”*
- *“Access to early childcare facilities, after school, and summer programs so that parents can be productive in their fields of work without the worry for the care of their children.”*

Some have gone to extraordinary lengths, holding roles open for two years or temporarily relocating employees so they can access childcare in other markets.

While these efforts demonstrate real commitment, individual solutions have not produced the systemic change needed. Key barriers remain unaddressed: lack of affordable facilities, unsustainable operating costs, and limited qualified staff. As one employer put it, **“We still lose more people yearly than we gain because childcare is simply unavailable.”** This testimonial underscores the urgent need for comprehensive, county-wide strategies our Strategic Investment Framework aims to provide.

¹¹ [ReadNationCouncilForaStrongAmerica_WanttoGrowColorado’sEconomy?FixtheChildCareCrisis](#)

RESEARCH & CASE STUDIES

From Other Communities

Our research into successful childcare solutions included an extensive literature review and direct engagement with leading statewide and national organizations, such as the Executives Partnering to Invest in Childcare, Local Initiatives Support Organization, First Children's Finance, and Early Learning Ventures. We analyzed existing programs and interviewed industry leaders to identify approaches suitable for adaptation to La Plata County's unique needs. For the complete list of case studies and more details on each one, please refer to the Appendix.

Our analysis revealed five essential principles for success:



1. Quality requires investment

- Childcare cannot exist as a traditional business model
- External financial support is necessary to maintain quality, pay living wages, and keep care affordable



2. Partnership is essential

- No community has solved this crisis through a single organization
- Successful initiatives involve collaboration between multiple partners
- Both public and private sectors must contribute



3. Funding must be diverse

- No single funding approach can solve the childcare crisis
- Success requires combining loans, grants, tax credits, and other tools
- Sustainable solutions blend public and private funding streams



4. Implementation must be comprehensive

- Workforce and facility challenges must be addressed simultaneously
- Solutions must consider accessibility, quality, and sustainability
- Regional coordination improves efficiency and impact



5. Investment shows return

- Communities that invest see measurable economic benefits
- High-functioning childcare systems benefit all sectors
- Returns include improved workforce participation and business growth

Ecosystem Solutions: Levers for Change

Through extensive community engagement and research, we've identified three interconnected areas to drive economic prosperity and build a thriving childcare system, emphasizing increasing care for 0–3-year-olds. The Strategic Investment Framework Strategy will support the implementation of the following identified priorities and levers for change.

1. Creating Space for Growth

If someone wants to open a new childcare center in La Plata County today, they face a nearly impossible task. Our existing centers operate below licensed capacity due to staffing shortages, while those seeking to expand face restrictive real estate and zoning requirements. Even centers with physical space for more children often can't open additional classrooms — like the infant room sitting empty due to a lack of qualified educators. Each center faces unique operational challenges, from facility constraints to regulatory hurdles, creating a complex web of barriers that keeps waitlists growing, particularly for infant and toddler care.

Levers for Change

1. Optimize existing licensed centers to reach full capacity
2. Support physical expansion of current facilities
3. Create new licensed centers and family childcare homes, particularly for underserved areas and populations



Photo by Segun Osunyomi

Recommended Actions:

1. **Strategic Plan & Support**
 - Develop individual financial and strategic plans for centers not at capacity
 - Complete comprehensive planning audit to streamline regulations
 - Create a geo-mapping database of viable properties
 - Establish an incubator program for new family childcare providers
2. **Infrastructure Development**
 - Develop financing for expansions and pathways to building ownership
 - Form a county-wide Childcare Coalition including key partners from the Fire Protection, Planning, and Health Departments
 - Create multi-sector partnerships for housing development integration
 - Provide start-up capital and business model support for new centers

2. Building a Stable Workforce

La Plata County's childcare workforce crisis has deepened since the pandemic. Approximately 260 people work in our early childcare system — less than half the number needed to meet community demand. Most earn \$16-18 per hour without benefits, far below the county's \$85,290 median income and a \$24/hour living wage. Many educators commute from New Mexico because they can't afford local housing. This unsustainable situation drives high turnover, destabilizes programs, and makes expansion impossible.



Photo by Pavel Danilyuk

Levers for Change

1. Raise wages and provide comprehensive benefits
2. Centralize administrative and logistical support
3. Build a sustainable educator pipeline
4. Support educator wellness and prevent burnout

Recommended Actions:

1. Compensation & Benefits

- Implement wage increases starting at \$20/hour, with a path to \$24/hour
- Create a collective benefit model
- Launch shared services model for administrative support
- Establish a centralized substitute teacher pool

2. Professional Development

- Create a mentor/coach teaching program
- Provide scholarships for teachers of color and bilingual educators
- Develop organizational leadership training
- Expand mental health consultation services
- Partner with local businesses for educator wellness benefits

3. Ensuring Quality and Access

La Plata County families face a stark reality: **childcare costs consume 29% of median household income** — four times the federal affordability benchmark. **Our 13% Hispanic/Latinx population has no access to bilingual programs**, and families seeking part-time or flexible care have limited options. The 2023 La Plata Food Equity Coalition Strategic Plan highlighted urgent needs for culturally inclusive early care for Latinx families.¹² There is also a significant need for culturally responsive childcare for Indigenous families with access to bilingual and representative teachers.

Levers for Change

1. Develop culturally responsive, inclusive and bilingual programming
2. Create affordable pricing models
3. Expand alternative care options
4. Provide geographic accessibility

Recommended Actions:

1. Cultural Responsiveness & Inclusivity

- Launch dual language immersion programs or classrooms
- Create a Bilingual Childcare Navigator position
- Provide translation and interpretation services
- Implement culturally responsive teaching practices
- Explore options to provide inclusive care for medically complex or developmentally delayed children

2. Financial & Geographic Access

- Establish sliding-scale tuition models
- Create scholarship programs targeting underserved communities
- Develop sustainable funding streams
- Develop a plan for additional providers in Bayfield and Ignacio

3. Alternative Offerings

- Support part-time care options and expand successful models
- Create partnerships for flexible and alternative childcare solutions
- Replicate proven support models for entrepreneurs/part-time workers

Through the Quality & Access Priority, recommendations from the 2023 La Plata Food Equity Coalition Strategic Plan will be closely followed to serve our Hispanic/Latinx population, primarily by creating bilingual programs that meet language access requirements. Income-based accessibility metrics will be collectively designed with key partners to ensure they are equitable and inclusive.

¹² https://www.goodfoodcollective.org/_files/ugd/235de8_827445801cb040a7b1ba70c7252b6567.pdf

THE SOLUTION:

The Strategic Investment Framework

A \$20M investment over five years will reimagine the childcare sector in La Plata County, doubling the number of childcare slots available for children aged 0-3.

Our \$20M strategy addresses immediate business needs and long-term economic growth through three coordinated initiatives. Each component targets specific market failures identified through community engagement and economic analysis:



Childcare Investment Fund (\$10M)

Stabilizes the workforce by raising educator wages, improving retention and recruitment of qualified childcare educators. Catalyzes 420 new childcare slots over three years.



Capital & Infrastructure Fund (\$10M)

Expands physical capacity by providing loans and grants for new facilities and upgrades. Creates sustainable infrastructure to meet growing childcare demand.



Childcare Champions Initiative

Offers perks, discounts, and recognition to early childhood educators. Builds support and retention by enhancing educator morale and appreciation.

The following strategies (pages 19 -23) will be piloted for five years, during which time we envisage a significant strengthening of La Plata's Childcare system resulting in economic growth for the region.

1. Childcare Investment Fund

This fund will:

- Provide an additional 420 childcare slots in La Plata County over the next three years, doubling current capacity for infant + toddler care.
- Stabilize the childcare educator workforce through increasing educator wages and providing benefits.

This \$10M fund will match catalytic resources from municipal funding sources, employer contributions, and philanthropic support to deliver immediate business impact and significantly increase childcare capacity in La Plata over the next three years. Employer contributions are requested for a three year period, pending increased municipal funding to maintain sustainability. All employer contributions will be eligible for state tax credits equal to 50% of their donation.

Year	Investment	Funding Source	Outcomes
1 (2026)	\$2.2M total investment \$1.2M to increase wages for 260 early childcare educators \$800,000 to catalyze new childcare providers. Priority projects for year one: • Bring existing facilities to capacity • Expansion of existing facilities • Creation of bilingual program • Creation of 3 new in-home family providers • Creation of Bayfield center • Support to alternative providers \$200,000 to complete strategic projects	Public Sector: \$800,000 Private Sector: \$1M Philanthropy: \$400,000	Additional approx. 260 childcare slots created Increased wages by an average of \$4000/year per educator -ensuring all educators are making at least \$20/hour.
2 (2027)	\$2.4M total investment \$1.4M to increase wages for 325 early childcare educators \$800,000 to catalyze new childcare providers. Priority projects for year two: • Creation of 1 new center in Durango • Creation of Ignacio center • Creation of 5 new in-home family providers • Support to alternative providers \$200,000 to provide collective benefits	Public Sector: \$1M Private Sector: \$1M Philanthropy: \$400,000	Additional approx. 140 childcare slots created Increased wages by an average of \$4000/year per educator

Year	Investment	Funding Source	Outcomes
3 (2028)	\$2.15M total investment \$1.55M to increase wages for 360 early childcare educators \$400,000 to catalyze new childcare providers. Priority projects for year three: • Creation of 2 new in-home family providers • Support to alternative providers \$200,000 to provide collective benefits	Public Sector: \$1.2M Private Sector: \$800,000 Philanthropy: 200,000	Additional 20 childcare slots created Increased wages by an average of \$4000/year per educator.
4 (2029)	\$1.77M total investment \$1.57M to increase wages for 365 early childcare educators \$200,000 to provide collective benefits	Public Sector: \$1.57M Philanthropy: \$200,000	Increased wages by an average of \$4000/year per educator Maintain 1,560 licensed childcare slots in La Plata
5 (2030)	\$1.8M total investment \$1.6M to increase wages for 365 early childcare educators \$200,000 to provide collective benefits	Public Sector: \$1.6M Philanthropy: \$200,000	Increased wages by an average of \$4000/year per educator Maintain 1,560 licensed childcare slots in La Plata



Funding Source	Details
Public Dollars	Possible Sources: • La Plata County Lodgers Tax • Municipal Lodgers Tax • Special Tax Districts • Mill Levy • Sales / Property Taxes • Tax exempt revenue bonds or Capital bonds
Employer Donations	Three year commitment
Gold Level	8 businesses contributing \$50k+ each (\$25,000+ back in tax credits ¹³) • Priority access to childcare spots at designated partner providers after year 2 • Childcare contribution state and federal tax credits (50%) • Strategic partner recognition • Business network benefits • Economic impact tracking
Silver Level	8+ businesses contributing \$30k-45k each (15,000+ back in tax credits) • Childcare contribution state and federal tax credits (50%) • Strategic partner recognition • Business network benefits
Bronze Level	10+ businesses contributing \$5k-\$10k each (\$2,500+ back in tax credits) • Childcare contribution state and federal tax credits (50%) • Community partner recognition
Philanthropy	Contributions from philanthropic organizations

Governance

The Early Childhood Council will serve as the central oversight body, managing fund distribution and monitoring progress toward workforce and operational goals through the creation of a new Childcare Investment Coordinator position. The Childcare Coalition will advise on grant distribution and ensure equitable and effective fund allocation

Calculations

Wage increase amounts were calculated using the Colorado Department of Early Childhood Early Childhood Workforce Compensation Guidelines¹⁴, La Plata Living Wage Calculations and feedback from providers. The number of educators required is based on an average of 2.5 educators per 10 childcare slots. This funding framework is based on current data and subject to change with major economic events.

¹³ State: <https://tax.colorado.gov/income-tax-topics-child-care-contribution-credit> ; Federal: <https://www.irs.gov/businesses/small-businesses-self-employed/employer-provided-childcare-credit>

¹⁴ <https://cdec.colorado.gov/early-childhood-workforce-compensation>

2. Childcare Capital & Infrastructure Fund

Expanding childcare capacity requires the acquisition, renovation, and development of physical space. The \$10M Childcare Capital & Infrastructure Fund addresses this need by enabling both new and existing childcare providers to secure properties, expand operations, and renovate outdated facilities to meet the growing demand for services. Operated by [First Southwest Bank](#) and [First Southwest Community Fund](#) (FSWCF), this fund will drive significant improvements to the childcare market's physical infrastructure.

Low-interest Loan Products (4% interest)

- Facilitate **facility acquisition**, renovation, and refinancing.
- Support **infrastructure improvements** or expansions.
- Assist with **business start-up** and **equipment costs**.

Grant Support

- Provide **down payment assistance** up to \$50k to reduce initial financial barriers.
- Cover **pre-development costs** up to \$20k, ensuring a smooth start for new projects.

Technical Assistance

There is a range of deep support for start-up and existing childcare businesses in La Plata. These include:

- **Early Childhood Council:** Guidance on licensing, launching a childcare business, and ensuring quality education.
- **SBDC:** Starting Edge programs tailored to the childcare sector.
- **FSWCF:** Women-led training and accelerator programs focused on empowering local childcare entrepreneurs.

This fund would be available to:



- **Existing Childcare Businesses:** Expanding facilities or purchasing new properties.
- **New Providers:** Acquiring or building properties to start their childcare services.
- **Home Providers:** Expanding home-based childcare operations to meet growing demand.

Governance

First Southwest Bank, in partnership with First Southwest Community Fund, will oversee the administration of this fund, ensuring professional financial management and a strong focus on community impact. Governance will provide the necessary oversight to guarantee that funds are allocated to projects that align with long-term childcare objectives and the overall growth of the sector.

3. Childcare Champions Initiative

This voluntary program brings together employers and local businesses to offer perks, discounts, or services to childcare educators. The initiative fosters community spirit and strengthens retention by addressing morale and recognition. Examples of potential support include:



- Discounts on groceries or meal delivery
- Reduced gym memberships or free fitness classes
- Tax and financial planning services
- Transportation assistance (e.g., gas cards or shuttle services)
- Professional services sharing, such as HR or marketing assistance

Governance

The Early Childhood Council will coordinate this initiative, fostering collaboration between employers and community partners while maintaining recognition programs for participating businesses.



Photo by Andrew Ebrahim

IMPLEMENTATION STRATEGY

Our four-phase implementation plan ensures measurable progress toward economic impact goals.

Phase 1: Market Foundation

January-August 2025

The first phase focuses on building the foundation for long-term childcare improvements by addressing immediate needs and laying the groundwork for implementation.

- Formation of the Childcare Coalition to coordinate cross-sector efforts and oversee progress.
- Completion of the geo-mapping project to identify expansion opportunities across Durango, Bayfield, Ignacio, and unincorporated areas.
- Conducting a childcare planning audit to identify regulatory barriers and opportunities for improvement.
- Development of strategic plans for childcare centers operating below capacity to optimize existing resources.
- Creation of fund guidelines, governance structures, and policies for both investment funds.
- Launch of the capital campaign to achieve the \$20 million fundraising goal.

Phase 2: Fund Launch

August-December 2025

The second phase prioritizes deploying resources and solidifying partnerships.

- Launch of the Childcare Investment Fund and the Childcare Capital & Infrastructure Fund by December 2025.
- Identification and formalization of two to three housing partnerships through signed MOUs.
- Activation of the Childcare Champions Initiative to engage local businesses in supporting the childcare workforce.
- Establishment of measurement frameworks to evaluate the impact of both funds, including specific activation targets.

Phase 3: Operation and Evaluation

2026-2028

The third phase focuses on scaling programs and initiatives to meet the community's childcare needs.

- Operation of the Childcare Investment Fund and the Childcare Capital & Infrastructure Fund with annual allocations.
- Ongoing monitoring and evaluation to assess the effectiveness of funded programs and initiatives.
- Expansion of the Childcare Champions Initiative and housing partnerships based on demonstrated success.
- Regular reporting to the Childcare Coalition and community stakeholders to ensure accountability.

Phase 4: Iteration, Evaluation, and Stage 2

2029-2030

The final phase will assess the strategic investment's outcomes and guide the next steps for childcare in La Plata County.

- Conducting a comprehensive evaluation of the ecosystem's impact on workforce stability, business growth, and childcare capacity.
- Identifying additional supports needed to maintain and expand progress.
- Developing the next-phase strategy in collaboration with the Childcare Coalition and key partners.

EXPECTED OUTCOMES & ECONOMIC IMPACT

We project significant growth in La Plata County's childcare capacity through strategic investment and coordinated action.

Outcomes Include:



Grow childcare capacity to 73% by 2029, including 15 new licensed centers or homes.



Increase wages for all childcare workforce to at least a \$20-\$24/hour, and ensure all childcare educators have access to health benefits.



Stabilize the childcare workforce, reducing the turnover rate to 25-30% and ensuring all facilities are fully staffed.



Establish at least one bilingual Spanish option for families.



Establish at least one licensed center for 0-3 in both Bayfield and Ignacio.



Add at least \$21M in additional earnings annually to La Plata's economy.



Photo by FatCamera

CONCLUSION:

A Call to Action

La Plata County is at a crossroads. Our workforce, economy, and children's futures depend on affordable, quality childcare access. The Childcare Plan outlines immediate solutions to stabilize the workforce and improve business competitiveness while laying the groundwork for long-term economic vitality. By acting now, La Plata County can set the foundation for a thriving, equitable childcare system. The return on investment is clear.

Investments in childcare are not just a social priority — they are an economic imperative. The Childcare Plan provides a structured roadmap to address the county's most pressing challenges through innovative, data-driven solutions. These efforts will:

- Strengthen the workforce by enabling parents to remain in or re-enter the labor market
- Support local businesses by reducing absenteeism, turnover, and recruitment costs
- Expand access to quality childcare, particularly for under-served populations
- Foster a thriving childcare sector through sustainable wages, professional development, and community support

The success of the Childcare Plan depends on coordinated leadership. The Early Childhood Council, the Childcare Coalition, and partners like First Southwest Bank will provide the oversight and expertise needed to ensure funding is deployed effectively and progress is tracked. Key partnerships with local businesses, municipalities, and community organizations will create shared accountability and measurable outcomes.

We invite business leaders, policymakers, and community members to join us in this transformative effort. Together, we can ensure La Plata County creates a childcare system that drives economic growth, supports families, and builds a stronger future. The time to act is now.

How You Can Help Today

Employers: Pledge your support at the Gold, Silver, or Bronze tier to receive immediate tax benefits and ensure workforce stability

Municipal Leaders: Implement lodgers' tax reallocation, streamline zoning, and dedicate staff to participate in the Childcare Coalition

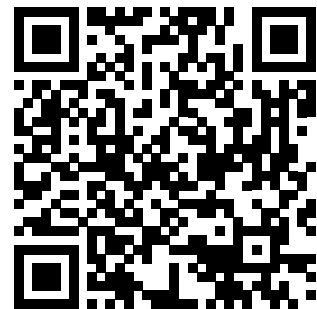
Philanthropic Partners: Match employer contributions to the Childcare Investment Fund, targeting wages for educators and scholarships for children

Community Members: Advocate at council meetings, share personal stories, and champion local childcare as an economic priority



Stay Connected

Learn more and stay up to date on the latest Early Childcare Investment Strategy progress and implementation by visiting the La Plata EconomicDevelopment Alliance website:
yeslpc.com/alliance-programs/childcare-strategy



Key Partners

We developed this Childcare Plan through collaboration with key organizations across La Plata County. We thank our partners for their contributions and continued commitment to implementation:

Childcare Plan Leaders

Early Childhood Council of La Plata
La Plata Economic Development Alliance
City of Durango
Regional Housing Alliance of La Plata County



Supporting Partners



Childcare Centers & Family Childcare Home of La Plata County

APPENDIX

Licensed Childcare Facilities in La Plata County

This comprehensive list includes all licensed providers in La Plata County. Facilities marked with an asterisk (*) actively participated in the community engagement process for this strategic plan.

Independent Providers

1. ALLISON KASTEN*
2. CHILDREN'S HOUSE OF DURANGO, LLC
3. THE GROWING PLACE*
4. JENNIFER CHAMBLEE*
5. LITTLE BEAR CHILDCARE
6. LITTLE GEMS*
7. MARCIA WILLIAMS
8. MEREDITH PORTER
9. RIVENDELL EARLY EDUCATION CENTER*
10. STEPPING STONES EARLY LEARNING*
11. WENDY ESPINOSA

Early Childhood Centers

12. BAYFIELD EARLY EDUCATION PROGRAMS*
13. CAMPBELL CHILD AND FAMILY CENTER*
14. DURANGO COWBOY CHURCH
15. DURANGO EARLY LEARNING CENTER*
16. DURANGO MONTESSORI, INC
17. DURANGO NORTH HEAD START*
18. MERCY EMPLOYEE CHILDCARE*
19. RIVER MIST*
20. RIVERHOUSE CHILDREN'S CENTER*
21. SONFLOWER CHRISTIAN SCHOOL*
22. ST COLUMBA PRESCHOOL AND AFTER SCHOOL
23. SUMMIT EARLY LEARNING CENTER*

School District Programs

24. ANIMAS VALLEY PRESCHOOL/DURANGO DIST 9R*
25. DHS ELC/DURANGO DIST 9R*
26. FLORIDA MESA PRESCHOOL/DURANGO DIST 9R*
27. FORT LEWIS MESA PRESCHOOL/DURANGO DIST 9R*
28. IGNACIO EARLY LEARNING PROGRAM/IGNACIO DIST*
29. NEEDHAM PRESCHOOL/DURANGO DIST 9R*
30. PARK PRESCHOOL/DURANGO DIST 9R*
31. RIVERVIEW PRESCHOOL/DURANGO DIST 9R*
32. SUNNYSIDE PRESCHOOL/DURANGO DIST 9R*

Key “Must Have” Data at a Glance

1. **Childcare Gap:** 1,396 spots vs. 2,137 needed (47% shortfall)
2. **Cost to Families:** 29% of median household income (well above the 7% federal benchmark)
3. **Impact on Employers:**
 - 54% face hiring challenges
 - 60% lost at least one employee
 - 26% lost five or more employees in the last two years
4. **Workforce Shortage:** 15.1% of ECE staff below the poverty line, wages significantly below a living wage
5. **Potential Economic Gain:** \$34 million for La Plata, \$2.2 billion for Colorado

Key Details on Recommended Levers of Change

Please see below for additional details on a number of Recommended Actions for the Levers for Change.

Lever for Change: Creating Space for Growth

Recommended Action: Establish an incubator program for new family childcare providers

Details: The incubator program will be designed based on national models, including The Connecticut Project Childcare Incubator¹⁵. It is recommended this incubator program is established in two stages.

- *Stage 1:* Use existing regional and statewide resources to create an incubator program to support new and growing family childcare providers. These resources include: First Southwest Community Fund Women-Led Business Programming, Small Business Development Center Leading Edge Programming and Consultants, Early Childhood Council Consultants.
- *Stage 2:* Explore possibility of physical incubator space.

Lever for Change: Building a Stable Workforce

Recommended Action: Create a collective benefit model

Details: Explore models of collective benefits such as Association Health Plans to be able to provide health benefits to all early childhood educators in La Plata.

Lever for Change: Building a Stable Workforce

Recommended Action: Launch shared services model for administrative support

Details: Explore partnerships with organizations such as Early Learning Ventures to provide business support through shared services for all childcare providers including HR and Financial services.

¹⁵ <https://tcpactionfund.org/blog/connecticut-child-care-incubators-what-they-are-whats-next>

Lever for Change: Building a Stable Workforce

Recommended Action: Establish a centralized substitute teacher pool

Details: Based on learnings from national and statewide models, partner with Early Learning Ventures to pilot a relevant local model.

Lever for Change: Building a Stable Workforce

Recommended Action: Provide scholarships for teachers of color and bilingual educators

Details: Explore partnerships with local educational institutions, including Fort Lewis College, to develop a scholarship program for educators of color and bilingual educators to incentivize early childhood education opportunities in La Plata. The scholarship program would require a two year commitment to the area post graduation, along with a housing stipend.

Lever for Change: Building a Stable Workforce

Recommended Action: Develop organizational leadership training

Details: Address organizational leadership through regular trainings such as building and managing teams and culture, authentic leadership, and board of director governance.

Case Study Details

Tax Revenue Models			
Location	Revenue Source	Annual Amount	Key Programs
Eagle County, CO	90% Lodgers' Tax	\$3M	• Workforce stipends (\$1.6-1.8M) • Health consultation (\$120K) • Rental assistance (\$600K) • Health/safety grants (\$50-75K) • Teacher ratio support (\$800K-1M) • Infant/toddler expansion (\$200K)
Estes Park, CO	20% Lodgers' Tax	\$1M from \$5M total	• Tuition assistance • Workforce subsidies (targeting \$24.52/hr) • Family provider grants • Out-of-school programs • Facility development
San Miguel County	.75 Mill Levy The cost to homeowners amounts to approximately \$5.40 in taxes annually for every \$100,000 of assessed property value	Approx \$600,000	• Sustain and increase childcare center capacity • Salary supplement • Teacher professional development scholarship • Financial aid

Below is a table summarizing the most common types of revenue and which entities can raise money using that type of revenue:

	Statewide	County	City/Town/ Municipality	School District	Early Ed Special District
Property Tax					
Sales Tax					
Income Tax					
Employer/Payroll/Head Tax					
Excise/Sin/Specific Product Tax (marijuana, alcohol, nicotine, severance, vacation rentals)					
Lodging Tax			Allowed but each muni will vary on what it can be used for		Only allowed in local marketing special districts

Please see Buell Foundation’s “Toolkit for Funding Early Childhood Programs and Services” for more information.¹⁶

¹⁶ https://buellfoundation.org/wp-content/uploads/2024/03/Toolkit-for-Funding-Early-Childhood-Programs-and-Services_FINAL.pdf

Public Private Partnerships			
Program	Location	Structure	Impact
Michigan Tri-Share	Michigan	• Equal cost split between state, employer, and employee • Regional coordination hubs	Made care affordable while reducing employee turnover
Iowa Business Incentive	Iowa	• 50/50 match for businesses (75+ employees) • Funds facility expansion	Expanded capacity through employer-provider partnerships

Direct Workforce Support			
Program	Location	Support Type	Results
NY Retention Grants	New York	• \$2,300-\$3,000 bonuses • Sign-on bonuses • Recruitment support	Supported 13,718 workers by Oct 2024
Smart Start	Illinois	• Guaranteed wage floor • Advance operational funding	Improved staff recruitment and retention
Commonwealth Cares	Massachusetts	• Monthly grants covering • Personnel costs • Benefits • Professional development • Facility costs	Enhanced provider stability

Facility Development			
Program	Location	Support Type	Maximum Funding
BuildUp Oregon	Oregon	- Center development - Family care support - Renovation grants - Pre-development planning	- Centers: \$750,000 - Family care: \$75,000 - Renovation: \$5,000/slot up to \$50,000 - Planning: \$100,000
Rural Homes (RHECI)	Ouray	- Combined housing/childcare - Provider training - Business support	Housing costs plus startup support

The evidence is clear:

Communities investing significantly in childcare see measurable economic vitality and family well-being results.

Capacity Case Studies

Case Study: BuildUp Oregon¹⁷

Location: Oregon

A collaborative of Community Development Financial Institutions (CDFIs) who have joined forces to help build a more child-centered society by preserving, improving, and expanding childcare facilities throughout the state of Oregon. BuildUp Oregon offers a range of funds, including:

- **Facilities Funds:** Supports the planning and development of center-based childcare facilities and sites with grants and loans up to \$75,000 for family childcare and \$750,000 for childcare centers and school districts.
- **Renovation and Repair Family Childcare/Childcare Centers Fund:** Supports the physical renovation of childcare facilities and sites through grants of \$5,000 per slot preserved (up to \$50,000) or created (up to \$250,000) and accessible loans,
- **Pre-Development Grants:** These grants support the planning and development of family – and center-based childcare facilities and sites. They offer up to \$100,000 in funding for childcare centers, up to \$10,000 for family childcare sites, and accessible loans.

Case Study: Rural Homes Early Childhood Initiative¹⁸

Location: Ouray

The Rural Homes Early Childhood Initiative (RHECI) is addressing the housing and childcare shortages of the region by integrating new affordable home construction with new family home childcare operations. The RHECI is doing this by running an intensive training accelerator program that will provide Family Childcare Home Providers (FCHPs) with all the right tools to start stable businesses within the Rural Homes Development in Ouray, alongside a path to homeownership through a partnership with Mission Driven Finance's Care Access Real Estate program. Two new homes were built in Ouray through this program with the requirement they run FCCP locations.

Workforce: Retention & Recruitment Case Studies

Case Study: Commonwealth Cares for Children¹⁹

Location: Massachusetts

The Department of Early Education and Care (EEC) provides monthly grants (determined by enrollment and equity criteria) to support early education and care providers' day-to-day operational and workforce costs. These include personnel costs, benefits, stipends, and other supports for recruitment and retention, professional development, and rent/mortgage assistance.

Case Study: Smart Start Workforce Grants²⁰

Location: Illinois

State-funded Smart Start Workforce Grants offer childcare programs stable, ongoing funds to cover costs and invest in quality staff. Eligible programs receive consistent funding in advance, covering the cost of higher wages and classroom operations. Programs receiving these grants must pay classroom staff a wage floor. These competitive wages will help attract more staff and meet parents' needs at an affordable rate.

Case Study: Workforce Grants²¹

Location: New York

A governor-led program to support New York's childcare workforce through the Workforce Retention Grant program. Funding from the program supports up to 150,000 childcare workers with bonus payments ranging from \$2,300 to \$3,000 to staff in caregiving roles and funding to support childcare programs' efforts to recruit new staff, offer sign-on and referral bonuses, and more. 13,718 applications for funding were approved as of October 2024.

¹⁷ <https://www.builduporegon.org/solutions>

¹⁸ <https://www.ruralhomes.co/early-childhood-initiative>

¹⁹ <https://www.mass.gov/info-details/commonwealth-cares-for-children-c3-grants#overview->

Access & Quality Case Studies

Case Study: Michigan Tri-Share²²

Location: Michigan

An innovative bipartisan program, MI Tri-Share, splits the cost of an employee's childcare equally among the employer, the employee, and the State of Michigan. A MI Tri-Share facilitator hub coordinates the program regionally.

Case Study: Childcare Business Incentive Grant Program²³

Location: Iowa

The Childcare Business Incentive Grant Program, first established in 2022, is targeted at helping employers offer or expand childcare options to benefit their employees. Funds have supported local infrastructure investments and arrangements between employers and childcare facilities to expand childcare options. Grants are available to businesses with a minimum of 75 employees and require a 50/50 private match. Grantees can use the funds for the expansion or new construction of childcare and/or daycare facilities for employees, with the employer as the provider or in partnership with a local childcare provider.

Access & Quality Case Studies (cont.)

Case Study: Choice Bank Childcare Grant Program²⁴

Location: North Dakota

Choice Bank operates in over 22 states, serving customers nationally. In North Dakota, they run a grant program providing up to \$10,000 of financial assistance to rural childcare in home or center facilities so they can continue providing their community with care and education.

Case Study: Partner Up!²⁵

Location: Wisconsin

The Partner Up! Grant Program provides funding to support partnerships between businesses that purchase slots at existing regulated childcare providers. It is an example of public and employer sponsorship of off-site programs. Employers work with the state-led agency to buy childcare slots for their employees in a matching program in which the state pays 75% and the employer 25%. Funding from this program can be used to increase staff compensation, reserve childcare slots for local business employees, improve childcare program quality, and more.

²⁰ <https://www.ilgateways.com/smart-start/672-smart-start-workforce-grants>

²¹ <https://ocfs.ny.gov/programs/childcare/grants/workforce-grant/>

²² <https://www.michigan.gov/mileap/early-childhood-education/mi-tri-share-child-care>

²³ [https://workforce.iowa.gov/opportunities/grants/child-care#:~:text=Back%20to%20top-,Child%20Care%20Business%20Incentive%20Grant%20\(Open%20Now\),a%20benefit%20to%20their%20employees.](https://workforce.iowa.gov/opportunities/grants/child-care#:~:text=Back%20to%20top-,Child%20Care%20Business%20Incentive%20Grant%20(Open%20Now),a%20benefit%20to%20their%20employees.)

Case Study: Imagination Learning Center Corporate Partners²⁶

Location: Iowa

The collaborative effort between ImagiNation Learning Center and its corporate sponsors creates an environment where high-quality care, low child-to-staff ratios, and dedicated professionals are the norm. ImagiNation Learning Center offers four tiered membership levels for corporate partners, including benefits such as priority enrollment and tuition discounts in exchange for financial sponsorship.

Case Study: Aflac's Onsite Childcare program

Location: Columbus, Georgia

Aflac's onsite childcare facility opened its doors in 2005. The center is designed to accommodate the children of Aflac employees and offers a nurturing environment for children aged six weeks to pre-kindergarten. The facility provides flexible hours, allowing parents to drop off and pick up their children based on their work schedules. It is conveniently located within walking distance from the corporate headquarters, making it easy for parents to visit during the workday. The onsite childcare program has significantly improved employee morale and retention at Aflac. Employees experience reduced stress regarding childcare arrangements and are more focused and productive at work, knowing their children are cared for nearby. Additionally, studies indicate that access to onsite childcare can reduce absenteeism and tardiness associated with childcare-related issues.

²⁴ <https://bankwithchoice.com/childcaregrant/>

²⁵ <https://dcf.wisconsin.gov/childcare/projectgrowth/partner-up>

²⁶ <https://imaginationlearning.net/corporate-partnerships/>

Local Taxes Case Studies

Case Study: Lodger's Tax Revenue

Location: Eagle County, Colorado

Eagle County, Colorado, has strategically decided to allocate a significant portion of its lodger's tax revenue to address the pressing needs in early childhood education and housing initiatives. Starting in 2024, Eagle County plans to allocate 90% of its lodger tax revenue to housing and early childcare initiatives, reserving 10% for marketing and promotion. With an anticipated annual budget of approximately \$3 million, these funds will substantially impact the community.

Immediate Funding Initiatives: Beginning in Fall 2023, the County implemented immediate initiatives with annual cost projections between \$1,720,000 and \$1,920,000, focusing on two key areas:

1. **Early Childhood Workforce Stipend Program:** This initiative allocates \$1.6 to \$1.8 million to increase compensation for early childhood educators. It aims to attract and retain qualified staff in a sector often plagued by low wages, thereby enhancing the quality of childcare services.
2. **Childcare Health Consultant:** A budget of \$120,000 was designated to support consultation services for childcare providers within the Eagle Region Valley (ERV) and to reimburse providers in the Roaring Fork Valley (RFV). This support ensures facilities meet health and safety standards, promoting better care environments.

Short-Term Funding Initiatives: Commencing in early 2024, the county will implement short-term initiatives with cost projections of \$1,650,000 to \$1,870,000, including:

- **Rental and Mortgage Assistance:** A dedicated \$600,000 to provide financial assistance to childcare providers, helping to stabilize their operations and reduce overhead costs.
- **Health and Safety Grants:** Between \$50,000 and \$75,000 allocated for childcare facilities to ensure compliance with essential health and safety regulations.
- **Lower Child-to-Teacher Ratio Supplement:** An investment of \$800,000 to \$1 million, intended to improve the quality of care provided by allowing for smaller class sizes and more individualized attention for children.
- **Infant and Toddler Expansion Incentive:** A commitment of \$200,000 to encourage childcare facilities to expand their services specifically for infants and toddlers, addressing a critical area of need in Eagle County.

Long-Term Investment Considerations:

- Looking ahead, Eagle County plans to assess further long-term investments in 2024 and beyond, which may include:
- **Capital Investments:** Focusing on developing and enhancing early childhood facilities to increase capacity and quality.
- **Health and Retirement Benefits:** Exploring comprehensive benefits packages for early childhood professionals to ensure their economic well-being and job satisfaction.
- **ECO Pass Bus Option:** Investigating transportation solutions for early childhood educators to facilitate easier access to their workplaces.

Local Taxes Case Studies (cont.)

Case Study: Lodger's Tax Revenue

Location: City of Estes Park, CO

The lodgers' tax in Estes Park generates an annual budget of \$5 million. Eighty percent of the revenue is allocated to workforce housing and 20 percent to childcare initiatives. This structured approach supports families and aims to enhance the community's well-being.

Key Initiatives Funded:

1. **Tuition Assistance for Families:** A significant portion of the childcare budget goes to tuition assistance programs that help low- to moderate-income families afford quality childcare. This initiative allows providers to charge tuition rates that better reflect the actual care cost without financially burdening families. This support is essential in ensuring families can access reliable childcare services while maintaining a stable income.
2. **Early Childhood Workforce Subsidy:** Established in 2023, this subsidy program addresses the urgent need for competitive wages in the childcare sector. Recipients have used funds to:
 - Increase the minimum wage for all childcare staff.
 - Provide retention bonuses to reduce high turnover rates.
 - Assist with free childcare for educators, encouraging them to continue their roles.
3. **Moving forward,** the subsidy will adapt to align with the 2024 living wage for a single adult, estimated at \$24.52 per hour based on the MIT Living Wage Calculator. While the program has successfully supported childcare centers, it has yet to extend its benefits to Family Childcare Home providers.
4. **Support for Family Childcare Home Providers:** Estes Park has established a grant process for Family Childcare Home Providers to foster stability in the childcare sector. These grants assist with health and safety improvements and initial startup costs, ensuring home-based childcare settings meet essential standards.
5. **Out-of-School Programming:** The town also invests in before-school, after-school, and summer holiday care programs. These initiatives provide children with enriching experiences and support working parents who need flexible childcare options.
6. **Capital and Facilities Development:** The town recognizes the need for adequate childcare infrastructure and is considering establishing an incentive fund to convert existing commercial spaces into childcare facilities. This effort is critical to increasing the availability and accessibility of quality childcare services in the area.

Local Taxes Case Studies (cont.)

Case Study: Fund for Quality²⁷

Location: Philadelphia

Founded in 2014, The Fund for Quality (FFQ) is a partnership between a nonprofit (Public Health Management Corporation), a foundation (William Penn Foundation), and a corporate partner (Vanguard Strong Start for Kids Program). FFQ provides organizational business planning, facility expansion planning, capital grants, and flexible loans to support providers in expanding their services to reach more low-income families. Providers can apply for capital grant awards of up to \$300,000 and loan funds to support the expansion project. As of October 2024, Fund for Quality has added more than 3,650 new childcare seats in Philadelphia.

Case Study: City of San Mateo²⁸

Location: San Mateo, California

The Childcare Facilities Development Fund, created by the City of San Mateo, allows childcare providers and/or developers to borrow funds to develop, expand, or enhance childcare facilities or family childcare homes. The loans are interest-free with no payments and are fully forgiven if annual performance requirements are met.

Case Study: Low Income Investment Fund (LIIF)²⁹

Location: San Francisco, California

LIIF is a Community Development Financial Institution that strengthens the Early Childhood Education sector through lending, grantmaking, and technical assistance to build, expand, and/or renovate facilities. LIIF combines loans and grants to scale new and existing childcare facilities through its Brighter Futures Fund. To date, LIIF has invested over \$537 million in early childcare.

Case Study: King Street Commons³⁰

Location: Rhode Island

In Rhode Island, a CDFI - Local Initiatives Support Corporation (LISC) works with two partners, a non-profit Community Development Corporation and a non-profit child welfare organization, to develop co-located affordable housing and early education services. The King Street Commons initiative uses housing-related resources (Low-Income Housing Tax Credits, state bond funds, and HOME Investment Partnerships Program dollars) to construct new residential buildings with Early Learning Facility space reserved on the first floor of one of those buildings. LISC provided a planning grant, pre-development financing, and a permanent loan to help support all the steps and build-out needed for a high-quality space that will offer five classrooms for children ages birth to five.

²⁷<https://www.fundforquality.org/>

²⁸<https://www.cityofsanmateo.org/4671/Child-Care-Facilities-Fund-Assistance>

²⁹<https://www.liifund.org/strategic-priorities/early-child-care-and-education/>

³⁰<https://www.ncfn.org/about-child-care-facilities>

Key Implementation Lessons



1. Tax-Based Models

- Tourism communities successfully leverage visitor revenue
- Dedicated revenue streams enable long-term planning
- Comprehensive approach covering facilities, workforce, and family support



2. Public-Private Partnerships

- Cost-sharing reduces the burden on any single entity
- Employer involvement ensures program sustainability
- Regional coordination improves efficiency



3. Workforce Support

- Direct compensation support shows immediate results
- Multiple support types (bonuses, wages, benefits) needed
- Professional development is important for retention



4. Facility Development

- Flexible funding options meet varied provider needs
- Technical assistance is crucial for success
- Integration with housing can solve multiple challenges

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