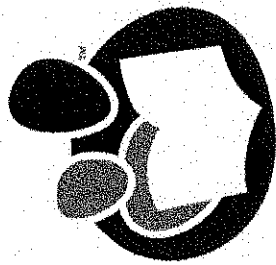


# **Child Care In Colorado: The Provider Perspective *September 2015***



**Early Childhood Education  
Association of Colorado**

*The Voice for Child Care Providers  
& the Children They Educate*

**Presented By:**

**Noel Nelson**

**CEO & President**

**Early Childhood Education Association of Colorado**

Professional trade association which focuses on the needs of early child care education programs. Celebrating 30 years of service in 2015.

Membership consisting of licensed centers serving more than 55,000 children daily.

Dedicated to providing support and guidance in the management, administration, and awareness of private child care centers.

Established in 1985, ECEA is the second-largest state association in the U.S.

Governed by a board of directors consisting of dedicated volunteers who own and operate an early child care center or community professionals supporting ECE.

Continue to be a positive, collaborative partner with ECE stakeholders at local, county, state and federal levels.

Active partners with the national Early Care and Education Consortium .

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## INTRODUCTION THE ECEA



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In 1996, ECEA was asked by the Colorado Department of Education to survey our membership in support of the original Colorado Preschool Program (CPP) implementation. The focus of the survey was to identify the top five concerns of the private provider community:

Department of Human Services (DHS) Rules & Regulations

Staff Credentialing

Professional Development

Quality Improvement Efforts (Universal Pre-K)

DHS Reimbursement Rates

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**TAKING A LOOK BACK: 1996**



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From 2012 to 2014, the number of centers operating statewide has seen a dramatic decrease:

2012: 2,888 Operating Centers = 213,000 slots

2014: 2,000 Operating Centers = 148,000 slots  
888 Center Loss = 65,000 Slots Lost

2015: Closures are continuing to outpace new center openings statewide.

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## FAST FORWARD: 2015-16



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Based on this data, ECEA surveyed the ECE provider community in July 2015 to identify the factors driving this statewide decline:

Inadequate CCAP reimbursement rates.  
(Statewide county average is +/- 55% of current private pay rates).

New public school based programs utilizing tax dollars to directly compete against the private sector.

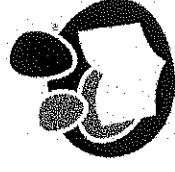
Inability to recruit qualified, high quality staff - shallow talent pool.

Decrease in private pay customers / increase in CCAP customers.

Escalating regulatory & administrative burden.

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**FAST FORWARD: 2015-16**



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# Provider Concerns Spanning 30 Years

1996

Department of Human Services Rules & Regulations

New Staff Credentialing Requirements Negatively Impacting Available Talent Pool

Professional Development Requirements Negatively Impacting Current Employee Retention

Systematic Quality Improvement Efforts Destroying Program Diversity & Parent Choice (Universal Pre-K)

Inadequate County Reimbursement Rates

2015-16

Escalating Administrative & Regulatory Burden

Lack of Qualified Staff Applicants (Shallow Talent Pool)

Decrease in Private Pay Customers / Increase in CCAP Customers Due to Challenging Economic Conditions

Public School Programs in Direct Competition With the Private Sector

Inadequate CCAP Reimbursement Rates

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## FAST FORWARD: 2015-16



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# Colorado Ranks 2<sup>nd</sup> In The Nation For Center-Based Infant Care:

Average Annual Cost For Center Based Infant Care:	\$13,143
State Median Income For Single Mother Family:	\$27,491
Cost of Care / Percentage of Median / Single Mother:	56%
State Median Income for a Married Couple:	\$85,961
Cost of Care / Percentage of Median / Single Mother:	15.3%

\* Child Care Aware America: 2015 Parents & The High Cost of Child Care

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## Cost Of Child Care: Infant



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# Colorado Ranks 6<sup>th</sup> In The Nation For Center-Based 4 Year Old Care:

Average Annual Cost For Center Based Infant Care:	\$9,871
State Median Income For Single Mother Family:	\$27,491
Cost of Care / Percentage of Median / Single Mother:	35.9%
State Median Income for a Married Couple:	\$85,96
Cost of Care / Percentage of Median / Single Mother:	11.5%

\* Child Care Aware America: 2015 Parents & The High Cost of Child Care

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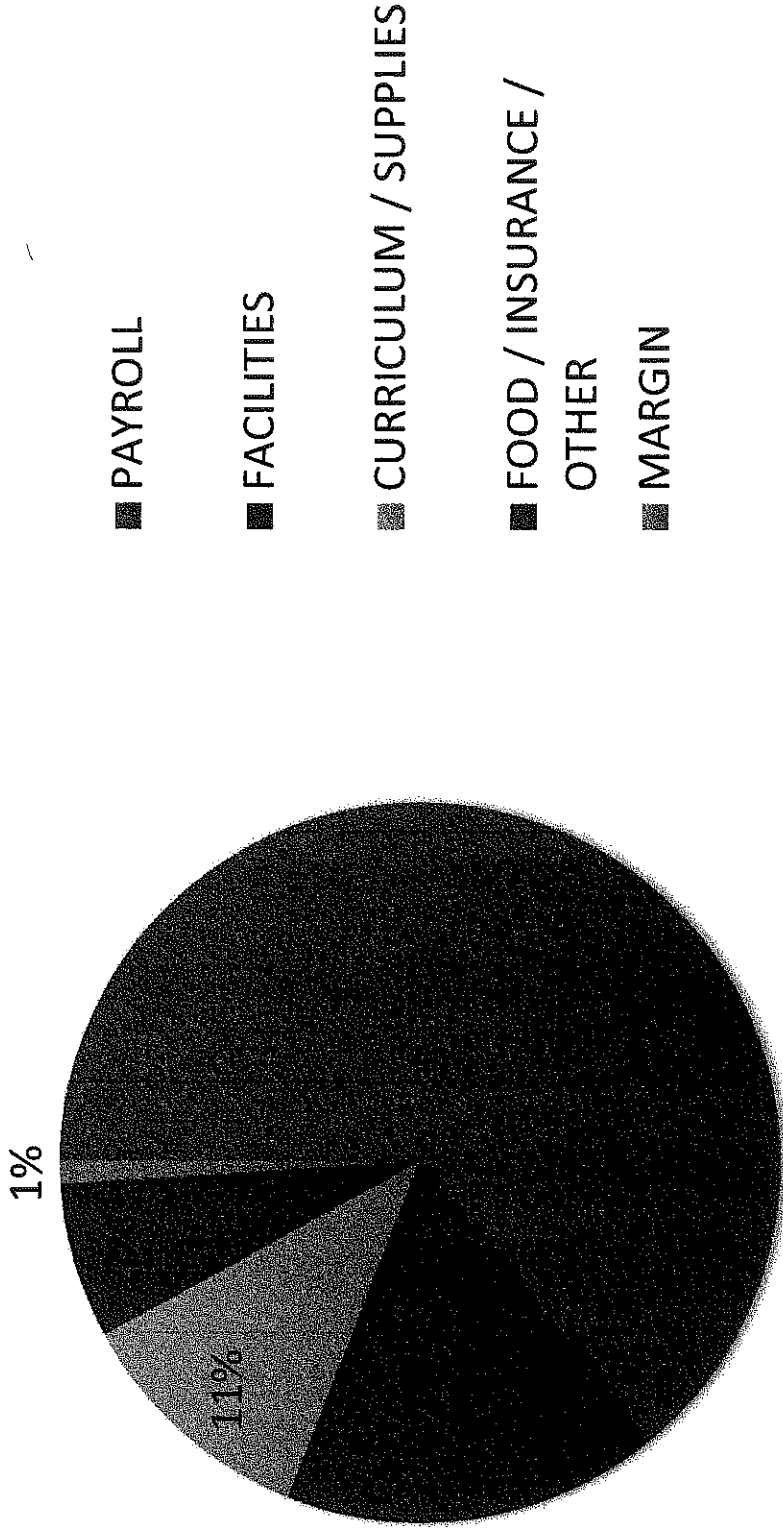
## Cost Of Child Care: 4 Year Old



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# AVERAGE PROVIDER PROGRAM IMPLEMENTATION EXPENSES



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## Cost Of Child Care: Providers



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**22,501** proprietors and wage / salary employees working in the child care sector are estimated to support about **11,800** jobs in other industry sectors through indirect and induced effects.

**\$353.7** million in employee compensation and proprietors' earnings generated directly within the child care industry is estimated to support approximately **\$350** million in additional indirect and induced earnings across the state.

\*Committee For Economic Development: 2015 Child Care in State Economies

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## Economic Impact of Child Care



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There are 10,281 child care establishments with revenue of **\$639.7 million**. This includes 9,187 sole proprietors (family child care home operators) and 1,094 child care centers employing 13,314 individuals.

**\$639.7 million** in direct output generated within the organized child care industry is estimated to support about **\$720 million** in additional indirect and induced output in other industry sectors, for an estimated combined total of approximately **\$1.4 billion** in output in Colorado's economy.

\* Committee For Economic Development: 2015 Child Care in State Economies

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## Economic Impact of Child Care



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The child care industry employs **22,501** individual supporting an additional **11,800** jobs in other industry sectors across Colorado.

It is anticipated that the child care industry employee demand will increase by over **18%** from 2015 to 2020.

Total federal and state child care assistance (both direct subsidies and tax credits) represents **28.3%** of child care industry revenue.

\* Committee For Economic Development: 2015 Child Care in State Economies

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## Child Care Employment Impact



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Access to the organized child care market can increase labor force participation and support state and regional economic growth.

Increased subsidy payments trigger state level responses in wage rates, the mix of low- and high-skilled labor used in the state, prices of goods and services, and trade flows.

\* Committee For Economic Development: 2015 Child Care in State Economies

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## **Child Care's Economic Contribution**



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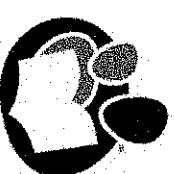
Affordability of child care is central to all discussions, but it is wrongly framed. The real issue isn't what child care costs; but how families are supported and how those costs are to be met by working families.

Policy discussions impacting Early Childhood Education must consider the following areas of impact equally:

- Health, Safety & Welfare of Children
- Honoring Parent Choice & Program Diversity
- Educational Impact For Children
- Small Business Creation & Sustainability
- Workforce Development & Support
- Leveraging Public Dollars To Support Private Industry Instead of Competing Directly Against It

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## **Child Care Policy Considerations**



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## **Internet Resources:**

- <http://childcareaware.org/>
- <https://www.ced.org/>
- <http://www.acf.hhs.gov/programs/occ>
- <http://www.zerotothree.org/public-policy/federal-policy/tracking-federal-child-care.html>
- <https://www.opm.gov/policy-data-oversight/worklife/reference-materials/child-care-resources-handbook/>

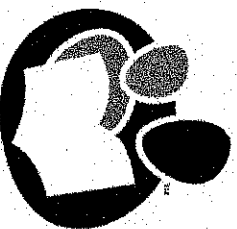
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**For More Information...**



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# THANK YOU!



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