

The Child Care Advisory Committee held their monthly meeting on April 5th, 2017. Committee members present included Johanna Gibbs, Erin Gigliello, Greta Shackelford, Shelly Aleshire, Jay Homola, Laura Amedro two of our new committee members Julie Paradysz and Aaron Ness were absent. Town staff present was Peter Grosshuesch, Laurie Best and Jennifer McAtamney.

As the first order of business the committee unanimously appointed Johanna Gibbs as our new committee chair. The December Meeting Report was approved and signed by Johanna Gibbs.

The following agenda items were covered:

We welcomed the new members to the group and performed introductions all around. We launched into a brief conversation about consolidating fundraising projects instead of each school holding multiple fundraisers. Could this be more efficient and raise larger dollar amounts? We deferred this to be put on the list of topics to be addressed by the committee at a future meeting. We also briefed the committee about work being done on universal pre-k which is being discussed at the county level with all the major stake holders involved. We will schedule time to discuss this with the committee once their white paper is available later this spring. It should be noted that Jennifer is serving on this task force so we can be prepared for any impacts to our programs here in Breckenridge.

Annual Review of Tuition Assistance Guidelines

As part of our administrative duties the committee is responsible for reviewing the tuition assistance guidelines on an annual basis. In addition to a general review there are two items staff would like the committee to provide specific recommendations around. The first is our policy for allowing for deductions from gross income when determining a family's tuition assistance. In our recap following the initial round of applications last year we determined that more specific guidelines around deductions for *Exceptional Medical Expenses* were needed so we can treat all applicants in a fair and consistent manner.

Currently our internal policy provides the following guidance

What counts as a deduction against income?

1. Child Support paid
2. Alimony paid
3. Exceptional Medical Expenses- at the sole and absolute discretion of the Internal Review Committee

*Costs related to normal pregnancy, labor, and delivery will not be considered for deductions

If the amount of the onetime medical expense is significant relative to their income the committee may consider deducting it from their gross income.

4. Other extreme circumstances- at the sole discretion of the Internal Review Committee

After an extensive discussion the committee determined that the most equitable approach would use a percentage of income rather than a set dollar amount. Following guidance from our general policies we require families to report changes in income of +/-10%. The purpose of this is to ensure that families are receiving the proper amount of assistance. By using a percentage of income instead of a set dollar amount we can ensure that low income families are not disproportionately burdened by the threshold. With that the committee concluded that a fair approach would be to use 5% of a family's income as a threshold for including exceptional medical expenses as a deduction against the family's gross income for the purpose of calculating the families co-pay. We will update our Internal Practices Guide to reflect this change.

The second matter for consideration is whether the current income cap of 150% of the Area Median Income (AMI) is the appropriate for families to qualify for the program. Our research demonstrates that families over the current 150% cap (\$111,500 for a family of 3, \$122,500 for a family of 4) can be significantly cost burdened when they have multiple children in care for more than 3 days a week. It is due to this issue that we are looking for a recommendation from the committee. Historically AMI data is released in mid to late March and as of this afternoon HUD has not released new information. As a result the committee will need to table this portion of the conversation until we have the 2017 data.

Ideal Budgets & Impacts to Tuition

Jennifer presented the work we have been doing using the large center's normalized budgets to see what impacts the quality initiatives we have indentified (increased salaries, healthcare benefits, professional development and contract services for OT, PT and Speech) would have on budgets and tuition. Looking at implementing budgets with an average salary that is comparable to a 1st year teacher at the school district would require an additional \$90,000 in revenues for a large center. To support just those salaries would require a 10% increase in tuition. If we wanted to support salaries, professional development and average healthcare benefits we would need a 20% increase in tuition.

Without increasing the AMI cap for tuition assistance we would see a similar increase in annual tuition assistance budget to support the families under these scenarios. We recognized that families with tuition assistance would not be impacted but 50% of the families who do not receive any tuition assistance would see increase of up to ~ \$1800 -\$2000/annually for full time care.

When looking at our family budget research this would be a significant expense for families, especially those with multiple children using 4 -5 days of care per week. This type of increase would result in daily tuition at \$75/day for preschool and \$85/day for infants and toddlers. The committee felt strongly that these prices would be a significant burden to families and not an economically realistic approach if we want to keep them in the community.

We discussed the pros and cons of direct subsidies to the centers. While a direct subsidy provides some relief to all families across the board, the true cost of care is hidden. Even more so direct subsidizes create issues with ensuring all schools are budgeting using the same principles, tuition increases, and more. The unintended consequences may also result in families and community members who do not realize there is active assistance from the Town.

As a side note: This work also helped to revealed the true cost of care and the cost differential between providing services to infants and toddlers vs. preschoolers. In looking at the true cost to run these classrooms it costs 2.5 x amounts to deliver a day of care to an infant than it does to the preschooler. The current business model has preschooler's substantially subsidizing infants/ toddlers care.

The committee discussed the current challenges around recruitment and retention. The low wages and lack of true benefits are always a challenge when recruiting new teachers; in fact there regularly multiple ads for teachers from the 5 big centers in the Summit Daily. This situation has been further exasperated by the tight labor market and the lack of affordable housing. We are directly competing with school district paraprofessionals, employees at Wendy's/Noodles and we are far behind the Summit Stage and Free Ride salaries and full benefits.

Experienced and well trained teacher are directly linked to quality in classrooms making it vital to attract and retain qualified teachers. The committee clarified that the purpose of raising salaries is not just for the purpose of recruitment but to acknowledge that the position is being paid based on the commensurate required training, responsibility and the importance of the job caring and educating young children.

The committee brainstormed how we might approach this issue, exploring direct subsidizes, new salary supplements, group fundraising, hiring a grant writer, finding a way to offer housing and more. The committee determined that any increase in salaries need to be complemented with an increase in budget for professional development to ensure continued quality and continuing education. Upon conclusion of our discussion the committee decided that they want to begin by putting together a good explanation of the challenges and options considered along with key elements of a proposed program, supporting data, and framework for supporting the initiatives to share with the committee members in preparation for a conversation with Town Council.

Meeting adjourned at 5:07 p.m.

Next meeting: May 3rd