



AUGENBLICK,
PALAICH AND
ASSOCIATES

Breckenridge Child Care Program Evaluation Final Report

APA Consulting
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Executive Summary

In March 2018, the Town of Breckenridge hired APA Consulting, a private consulting firm specializing in education policy research and analysis, to conduct an evaluation of the Town's child care program. The two primary components of the child care program are: 1) the tuition assistance program, which provides subsidies to parents living and/or working in Breckenridge to help them afford child care, and 2) teacher salary support, which provides funds to four local child care centers to supplement teacher salaries and assist with retention and recruitment. In the course of this evaluation, APA conducted interviews with the program's administrator and the Child Care Advisory Committee, as well as with the directors and teachers at the four child care centers in Breckenridge. To gain additional context about child care in Summit County, APA interviewed the director of Early Childhood Options Summit County as well as child care teachers from Dillon and Frisco. APA also interviewed municipal leaders from similar mountain communities to understand how the Town's program compares to child care support efforts in those communities. Finally, APA interviewed directors of high-quality child care programs in other mountain resort communities to understand how they supported teacher retention and quality.

APA's primary finding is that the Town's child care program is a high-quality program that is respected and admired by leaders of other mountain communities. The tuition assistance and teacher salary components help both parents and teachers cope with the very high cost of living in the area. Without these programs, it would not be possible for some parents to continue contributing to the community and workforce, or possible for many teachers to continue pursuing their passion to teach and support young children in the area. Overall, the Town of Breckenridge's investment in the Breckenridge Child Care Program is well-conceived and helps to address several of the most critical challenges to building a sustainable, high-quality early childhood care and education system.

At the same time, APA also finds that several challenges which the Breckenridge Child Care Program seeks to address are pressing, complex, and ongoing. Key amongst those challenges is the ongoing need to ensure that child care centers serving the Breckenridge community are able to attract and retain high-quality teachers. Indeed, APA's data gathering from center directors, community leaders, and early childhood educators in Breckenridge unanimously emphasize the critical importance of teacher quality, and a stable teaching workforce, to the ongoing provision of high-quality early childhood education. This input is corroborated nationally by early childhood education studies and by APA's research and evaluation of early childhood education programs throughout Colorado and across the United States.

While the town's child care program has taken a critically important step towards addressing the challenge of attracting and retaining early childhood educators, significant challenges remain. In particular, health care costs in the Breckenridge area remain some of the highest in the country. This poses a direct threat to the ability of early childhood education teachers to remain in the area. This is because, as young teaching professionals reach the point where they want to start families of their own and commit long-term to remaining in the Breckenridge area, they often find that family health care costs are a significant, unaddressed barrier. A lack of affordable housing and the need for access to

retirement savings programs are also challenges that force these teachers to leave the Breckenridge community in order to best meet long-term needs for themselves, their children, and their families.

As such teachers leave, they take with them the significant resource investment that Breckenridge's early childhood education centers have made in training them to become effective educators. This forces these centers to continually reinvest valuable staff time and resources into training and developing quality replacement teachers. The loss of such teachers and their families also reduces the capacity of these programs to produce the type of long-term community stability that Breckenridge community leaders consistently expressed as a high priority for the town in interviews and focus groups with APA.

The following recommendations offer suggestions on ways to further refine, enhance, and improve the Breckenridge child care program to address some of the ongoing challenges discussed above. These recommendations are premised on APA's primary conclusion that the program is a powerful and essential force in ensuring high-quality care for young children in Breckenridge that other, similar mountain communities now seek to learn from and emulate.

1. *Plan for sustainability of funding.* The Town should identify or pursue a dedicated and permanent funding stream to ensure sustainable funding over time for its Child Care Program. Establishing such sustainability will send a strong signal to early childhood educators and leaders that the community's investment will remain intact over time. One potential funding stream to explore is expanding the program's access to available marijuana tax money.
2. *Continue to strengthen policies supporting teacher recruitment and retention.* This factor was identified by a variety of stakeholders as the key to improving and maintaining child care quality. In order to ensure successful recruitment and retention of high-quality and experienced teachers, the Town should consider increasing the overall teacher compensation package, including expanded health care and retirement benefits. The Town should also protect working conditions by not increasing class sizes and by providing increased staffing and professional support for teachers and additional training and administrative support for centers.
3. *Increase efficiency through shared services.* The Town should explore one of several models for shared services across the four child care centers. Shared services could include contracted services such as cleaning or snow removal; business services, such as payroll, tax support and grant writing; a shared substitute teacher pool; outreach and communication with Spanish-speaking families; initial screening and background checks for hiring; and/or centralized support staff.
4. *Maintain and refine the Tuition Assistance Program.* The Town should streamline the documentation required for parents to apply and develop an online calculator that could provide potential applicants with an estimate of their projected subsidy amount before application. Consider additional subsidies to centers to offer more infant and toddler slots.

5. *Collect additional data on critical program metrics.* The child care centers should complete the Program Administration Scale assessment and Colorado Shines rating process, as well as track students from the child care program into kindergarten.
6. *Review communication between the Town of Breckenridge and the child care centers.* Center directors should be invited to attend Child Care Advisory Committee meetings. The program should consider offering a quarterly meeting between the program administrator and directors.
7. *Conduct a facility space review at all of the child care centers.* The Town should support the centers in reviewing facility space to improve space utilization and potentially expand facilities.
8. *Prepare for the possibility of universal Pre-K.* The Town should consider how centers will manage multiple funding streams and which funds will take priority.

This report provides a number of recommendations for improving the quality, efficiency, affordability and capacity of child care in Breckenridge. Many of the recommendations have associated costs, while the costs of other recommendations may be offset by both improved efficiency and quality. APA recommends that the Breckenridge Child Care Advisory Committee prioritize next steps for continued improvements to its existing child care program by: (1) determining the costs of implementing the highest priority improvements, (2) determining the potential cost savings associated with such improvements including the potential beneficial impacts on children, families, schools, and the larger community; and (3) implementing appropriate changes with input from the center directors, teachers, and families served.

Introduction

APA Background

Founded in 1983, APA Consulting (APA) is a privately owned, Denver-based consulting firm that specializes in education policy research and analysis. The company is a federally recognized small Colorado business that has focused exclusively on research and analysis of education policy and practices over its 35 years of existence. APA has detailed knowledge of early childhood structures, policies, and practices and many years of experience with early childhood education evaluations, research, and financial analysis. In this study, APA partnered with Early Learning Ventures (ELV), a Colorado organization that provides services to more than 600 child care and preschool businesses, serving more than 40,000 children.

The Challenges of Providing High Quality Child Care in Breckenridge

Breckenridge faces a combination of factors that make the provision of high-quality child care a particular challenge. Several of these factors, including child care service capacity, child care affordability, and cost of living, are discussed below.

Access to Child Care

The Breckenridge Child Care Program was designed to ensure that parents who need child care for their young children can access it. There are two parts to access: capacity and affordability. With the high rate of working parents in the city and county, access to child care is a necessity for keeping families in the community. If parents need to work to afford the cost of living, they likely need child care to enable them to work.

With regard to capacity, the number of available child care slots is critical. A recent needs assessment study (currently in draft form) being conducted for the Town of Breckenridge indicates there are 154 children on waitlists across the four centers (BBC Research and Consulting, 2018). Such a waitlist indicates that expanding quality child care capacity is an ongoing need for the town. One way to expand such capacity is to ensure that the facilities used by current centers are of adequate size to accommodate enrollment demand. The Breckenridge Child Care Program has already taken positive steps in this regard. For instance, the program has paid off the mortgages of existing child care centers and helped build a new facility for one of the centers. The program also continues to examine the possibilities for further improving and expanding child care facility capacity.

Affordability is the other key part of access to child care and is particularly critical in a locality such as Breckenridge that has high housing costs and a high overall cost of living. The U.S. Census reports that for 2016, 77.6 percent of the Breckenridge adult population with children under six years old were in the labor force, compared to 62.6 percent in Colorado as a whole, and 65.0 percent nationally (United States Census Bureau, 2016). These higher percentages point to a similarly higher than average need for affordable child care in Breckenridge. Indeed, according to the Program's 2016 Annual Report, 46 percent of families surveyed (by the program) would have to leave the county if they could not afford the cost of child care (Town of Breckenridge, 2016). The Breckenridge Child Care Program aims to limit

the family contribution to 16 percent of household income, and therefore plays an important role in improving overall child care affordability.

High Costs of Living for Child Care Teachers

The cost of living in Breckenridge is very high compared to most other areas of the state. In fact, a recent report ranked Summit County as having the second highest cost of living in Colorado (Pacey Economics, Inc., 2018). High costs for housing are a particular concern for early childhood educators who might wish to start families of their own and who are interesting in remaining in the community long-term. Such long-term residents are important to maintaining a stable, non-transient population in the community.

Median rent, however for apartments in Breckenridge from July 12 to August 12, 2018 was \$3,400 and the median home sales price from May 9 to August 8 was \$600,000 (Trulia, 2018). At current interest rates, a 20 percent down payment of \$120,000 with a 30-year fixed rate loan amounts to a monthly mortgage payment of \$2,968. Such as cost poses a significant challenge for early childhood educators earning \$15-16 per hour.

In addition to high housing costs, health insurance premiums in Summit County are among the highest in the country (Aschwanden, 2017). For a 40-year-old with a silver level health insurance plan in 2018, the average lowest cost option was \$616 per month for an individual in Summit County. This amount was 43 percent higher than the comparable average for Denver (Colorado Department of Regulatory Agencies, 2017).

Housing and health care costs make living in Breckenridge a challenge for all residents including child care workers. A full-time child care teacher making (for example) \$16.36 per hour (the average child care teacher salary in the region) (U.S. Bureau of Labor Statistics, 2017) would earn pre-tax income of \$34,029 or \$2,836 monthly. Without other income or financial assistance, such teachers are unlikely to be able to afford housing, health care, or other necessities. The Breckenridge Child Care Program correctly aims to help mitigate these challenges through a teacher salary supplement provided to centers to increase teacher salaries. However, more support is needed to address the overall cost of living challenges which the town's early childhood educators face.

Program Description

The Breckenridge Child Care Program aims to address several of the key challenges discussed above. For instance, the program seeks to improve access to care by increasing the number of available child care slots and seeks to address affordability by providing tuition assistance to make care more affordable to working parents. The program also hopes to improve child care center quality by decreasing teacher turnover.

The key components of the Breckenridge Child Care Program are its Tuition Assistance Program (TA) and its teacher salary support program. The TA program was created to provide financial assistance to families living or working in the Upper Blue Basin, which includes Breckenridge. The TA program is also explicitly intended to support the workforce by making child care more affordable to working parents.

There is an extensive application and verification process required for families seeking TA, including submission of all W-2s, tax returns, and a full list of financial assets and liabilities. Reviewing applications requires a full review and verification of all submitted financial documents. Financial assistance is available to families earning up to 150 percent of the Area Median Income (AMI).

The teacher salary supplement program consists of payment directly to the four child care centers in Breckenridge: Carriage House, Timberline, Little Red Schoolhouse, and Breckenridge Montessori. The directors of those centers have the discretion (within limits) on how to allocate those funds among teachers to best support teacher recruitment and retention. As described later in this report, directors can and do make different decisions on how to use those funds, with some consistently raising teacher salaries and other using the funds to offer higher salaries to aid recruitment in times of dire staffing need.

In addition to these primary components, the program has also taken significant steps to increase the number of available enrollment slots by: 1) paying off the mortgages of the existing centers; 2) helping to build a new facility for one of the centers; and 3) looking for other opportunities for additional facility growth.

Evaluation Overview

In March of 2018, the Town of Breckenridge hired APA to conduct an evaluation of the Town's Child Care Program. Specifically, the purpose of the evaluation study is to examine the efficacy of the four participating child care centers, analyze the Town's financial support, compare the program to other innovative programs and high performing child care centers in Colorado, and to analyze how Early Childhood Options and Right Start could potentially impact the program.

The remainder of this report is structured as follows: an overview of the methodology used in the evaluation; a high-level summary of findings and recommendations stemming from the evaluation; and a detailed review of each interview, focus group, and data collection source.

Methodology

This evaluation and this report rely primarily on interviews and focus groups of child care staff and administrators in Breckenridge and other mountain towns, as well as data analysis of existing data provided by the Town of Breckenridge Child Care Program. APA began this study by reviewing historical, budgetary, and statistical data provided by Jennifer McAtamney, Program Administrator of the Child Care Program. This provided some context for initial interviews as well as a comparison for analysis.

APA then conducted a number of interviews and focus groups with stakeholders and employees of the four child care centers in Breckenridge. Other interviews included early childhood education experts external to the program, such as Lucinda Burns, director of Early Childhood Options Summit County. To gain additional context about child care in Summit County, APA conducted a focus group with child care/preschool teachers from Dillon and Frisco. Additionally, APA interviewed early childhood leaders in four Colorado communities that are currently exploring or implementing innovative practices in early childhood. APA identified these communities through discussions with Early Learning Ventures (ELV),

which collects data from child care and preschool programs across the state and is knowledgeable about innovative practices in early childhood. In order to obtain other sources of comparison, APA interviewed the directors of five child care and preschool programs that are both high-quality and located in communities that can be considered comparable to Breckenridge.

Over the course of the study, APA completed the following interviews and focus groups:

1. To understand the Breckenridge Child Care Program and the child care context in Summit County:
 - An interview with Jennifer McAtamney, Breckenridge Child Care Program Administrator;
 - A focus group with the Breckenridge Child Care Advisory Committee;
 - An interview with Lucinda Burns, Director of Early Childhood Options;
 - Interviews with each of the directors of the four child care centers in Breckenridge and one assistant director;
 - Focus groups with teachers at each of the four child care centers in Breckenridge (a total of 20 teachers); and
 - A focus group with three teachers at Lake Dillon Preschool and Summit Preschool in Frisco.
2. To gather information on innovative child care practices in similar mountain communities:
 - An interview with Telluride early childhood leaders: Paul Major, President and CEO of the Telluride Foundation and Kathleen Merritt, Director of Bright Futures for Early Childhood and Families;
 - An interview with Roaring Fork Valley early childhood leaders: Shirley Ritter, Kids First Director (Aspen) and Joni Goodwin, Executive Director of the Early Childhood Network (Garfield County); and
 - An interview with Estes Park early childhood leaders: Michael Moon and Charles Dickey, Co-Chairs of the Child Care Services Committee.
3. To identify practices of high-quality child care centers in similarly situated communities:
 - An interview with Amy Drummet, Director of the Eagle Valley Child Care Association, who oversees two centers in Vail;
 - An interview with Lesley Lach, Director of the Durango Early Learning Center;
 - An interview with Ben Poswalk, Director of Paradise Place Preschool (Crested Butte);
 - An interview with Maggie Swonger, Director of Children’s Garden of Early Learning (Vail); and
 - An interview with Kim Martin, Director of Young Tracks Preschool and Child Care Center (Steamboat Springs).

Findings and Recommendations

The Town of Breckenridge has made substantial investments to improve child care quality, capacity, and access. Through their investments in the salaries of child care teachers, tuition assistance for parents, and efforts to increase the number of slots available for children, the Town hopes to make it possible for working families and child care teachers to remain a part of the community.

Breckenridge is one of the first Colorado mountain communities to make these types of investments in child care. Early childhood stakeholders across the state are aware of the Town's efforts to support early childhood education, and as a result now look to Breckenridge as a model for child care policy innovation. Indeed, the Town's investments in child care have increased access to child care for families and have helped to recruit and retain teachers. However, challenges remain. The extremely high costs of living and of health care in Breckenridge and nearby communities make it difficult for child care teachers to afford to live and raise families in the area, even with the teacher salary supplement. In order to increase teacher quality and decrease teacher turnover, it may be necessary to make further investment into the program and to expand teacher compensation packages.

The remainder of this section details APA's primary findings from the evaluation, coupled with recommendations for further improvement. Later sections detail and summarize the evidence gathered from each set of interviews or focus groups.

Overall, a key finding from APA's research is that the Breckenridge Child Care Program is a high-quality, highly regarded program that has had a significant, positive impact on the early childhood education centers it seeks to support. Teachers and directors in the Breckenridge child care centers universally reported strong support for both the tuition assistance and teacher salary support components of the program. Directors reported that the program has boosted the financial sustainability of their centers. Teachers further reported that the salary support made it possible for them in many cases to continue pursuing their passion to teach and support young children in Breckenridge. The additional salary which the program provides not only makes working in Breckenridge early child care facilities more attractive than similar positions in surrounding communities, it also sends a clear message to the directors and their teachers that Breckenridge values them as professionals, and that the Town has made an important extra effort to pay them more appropriately as professionals. This message alone has a positive impact on teacher morale in the Breckenridge early childhood education community.

Additionally, the program appears to be meeting a key Advisory Committee goal, which is to support child care in order to enhance stability in the Breckenridge larger community. A review of data on families who received tuition assistance, discussed in more depth in the body of the report, below, indicated that the program is primarily used by families who live in Breckenridge and have been in the area for an extended period of time (8.5 years on average). Another, smaller, group of families using tuition assistance have lived in the area for under one year and are likely seeking care for their children upon arrival to the area. This indicates that the program is useful both in helping establish families new to the area and in serving families who have lived in the area for a significant amount of time.

The program is also a strong support for the local economy, as families receiving tuition assistance work in a wide array of industries, including local and county governments, tourist organizations, restaurants, professional services, and others. There were more than 120 unique businesses employing working parents who received tuition assistance, including restaurants, medical providers, schools, realtors, and other community services. All of these businesses benefit indirectly from the improved child care supports provided to these families.

APA reviewed data on the tuition assistance program to assess whether the current system was the best approach for providing tuition assistance. The Advisory Committee has also considered providing a direct subsidy to each center that could be used to offset the costs for all parents instead of only qualifying parents. The current tuition assistance program limits parents' contribution for child care to 16 percent of their income for families whose household income is below 150 percent of AMI.

APA concludes that the needs-based tuition assistance approach is the best option for distributing tuition assistance for several reasons. The goal of tuition assistance is to improve access and therefore affordability of child care for those families that might not be able to afford it without the tuition assistance. Distributing the tuition assistance to all parents with enrolled children would reduce the amount available for those families who need it the most, and some may no longer be able to afford the cost of child care. This type of distribution to all parents might also result in some tuition assistance going to those who do not need the assistance to afford care. In order to fully examine the impacts of a change in the tuition assistance distribution to include all parents, APA would first need to examine the data on parents who do not currently qualify using the 150 percent AMI threshold. Data on these non-qualifiers is not available at this time.

The Denver Preschool Program (DPP) provides an example of a program that distributes tuition assistance to all families instead of only low- and middle-income preschools/child care facilities. DPP calculates tuition credits based on income, family size, preschool quality rating, and child participation rate. In 2017-18, all families with a 4-year old enrolled in a DPP Preschool who completed the DPP paperwork were eligible to receive at least \$81 per month. (Denver Preschool Program, 2018). In its role as DPP's evaluator, APA administered surveys to DPP parents for eight years and found that most (64-80 percent) of parents reported that they would have enrolled their children in preschool even without the DPP tuition credit. This suggests that the remaining 20-36 percent of parents had greater need for the assistance. These parents would likely have benefited even more significantly if they had access to additional funding support. Data from the DPP evaluation in 2016 indicated that higher income families (those making more than \$72,080 in 2016) were more likely than those in lower income categories (below \$47,701) to enroll in preschool without the DPP tuition credit. In other words, families who earned more were less likely to base their enrollment decision on the availability of the tuition credit. Based on this lesson learned from DPP, APA recommends that Breckenridge continue to administer tuition assistance based on need.

One question about the current needs-based tuition assistance distribution is whether the limits are appropriate. Tuition assistance is limited to families within 150 percent of AMI. A family of four with income at or above 150 percent of AMI is earning at least \$135,900 annually or \$11,325 monthly (in

2018). At this income and average child care, families would be paying 13 percent of their income for child care, an amount which seems reasonable compared to the state average of 24.2 percent of household income for center-based child care (ChildCare Aware of America, 2017; U.S. Census Bureau, 2016).

The five high performing centers interviewed for this study all subsidize some parent tuition. These centers either offered tuition assistance for all parents below a certain income level or for parents whose income was just above the threshold for receiving Child Care Assistance Program (CCCAP) funding. Aspen also funds child care based on family need. Specifically, Aspen's tuition assistance program is geared toward families whose income is above the threshold for receiving CCCAP funding. Aspen's tuition assistance may be used to fund families with incomes up to 500 percent of the federal poverty level. There is however, no evidence to suggest that one particular limit is more appropriate than any other. Until new data becomes available that suggests a lower or higher limit would be more appropriate, APA recommends that the Town not adjust the 16 percent limit.

It is clear from the data APA collected from key stakeholders that the program is an essential foundation of support for high-quality child care in Breckenridge. This sentiment was also echoed in APA's interviews with child care leaders in comparable mountain communities. All of these leaders pointed to the Breckenridge program as not only a model, but as a source of inspiration for continuing to improve the early childhood education programs in their own communities. Leaders in Estes Park explicitly stated that they were considering replicating the Breckenridge model in their own community after seeing it successfully implemented.

Interestingly, all of the leaders in the comparable mountain communities interviewed by APA indicated that their primary area of focus was increasing child care capacity to meet the demands of families in their jurisdiction. In contrast, the Breckenridge center directors and teachers reported that their primary focus was increasing and supporting the *quality* of care. This focus on quality becomes more possible when a community has taken significant steps to address the initial challenge of limited capacity. This also indicates that the Breckenridge Child Care Program has allowed child care in the community to become secure and stable enough to focus primarily on quality improvements. While capacity issues still exist in Breckenridge and are not completely resolved, this shifted focus expands the opportunity for continued quality improvements.

APA found that the two main components of the Breckenridge Child Care Program – tuition assistance and salary supplements – properly target what early childhood educators, directors, and leaders believe should be two of the highest priorities for early childhood education in any community: 1) maintaining adequate center capacity to meet the demands of families; and 2) supporting centers in moving towards the highest quality of care. The tuition assistance program allows centers to charge for the actual cost of care while still improving affordability for parents who cannot afford that true cost. The teacher salary support program provides centers extra funding to help attract and retain high-quality teachers. All directors and teachers interviewed agreed that attracting and retaining such teaching talent is the most important factor in enabling facilities to offer effective, high-quality early childhood education.

Taking all of these observations and findings together, APA's primary finding is that the Town of Breckenridge's investment in the Breckenridge Child Care Program is well-conceived, and well-targeted towards addressing the most critical factors in building a sustainable, high-quality early childhood education system.

The following recommendations offer suggestions on ways to further refine, enhance, and improve the fundamental program, but are premised on the primary conclusion that the program is a powerful and essential force in ensuring high-quality care for young children in Breckenridge that other, similar mountain communities now seek to learn from and emulate. These recommendations should be considered optional ways of improving the program. APA believes that these recommendations would improve the quality, capacity, affordability, and efficiency of the program over time.

Recommendation 1: Plan for Sustainable Funding

Analysis of existing fiscal data suggests that the program has varying revenue sources with changing amounts derived from each source. In 2017, the program stopped receiving money from the excise fund, which had averaged about \$1,473,624 a year. The excise fund revenue is not likely to be available for the Child Care Program again in the next three years. The program also receives money from the Town's marijuana tax fund. This revenue has averaged \$448,873 each year but varies greatly from year to year. The revenues received from this fund will end in 2019 unless renewed.

Currently program expenditures for tuition assistance funding, teacher salary subsidies, and administering the program, are greater than the revenues received. There have been some funding changes as staffing for the program has shifted.¹ If the revenue sources do not increase or expenditures do not decrease, the program will expend all of its existing revenues by 2022. The Town could reduce spending on it's the Child Care Program in order to cut costs and address the budget gap. Such a reduction, however, would not be supported by the input APA received from teachers and leaders within Breckenridge or from experts and early childhood education leaders outside of Breckenridge who reside in similar Colorado mountain communities across the state. This input suggests that the current salary support for teachers provided by the Town is an effective start to professionalizing early childhood instruction across the four Breckenridge centers.

Input gathered by APA indicates that the current level of support provided by Breckenridge is not at a sufficiently high level to stem teacher turnover, which is complicated by a host of financial challenges that have not yet been completely addressed. These financial challenges, about which APA heard directly from Breckenridge child care center teachers and directors, include high housing costs, extremely high health care costs, a lack of retirement benefits, and a lack of paid vacation leave time for teachers. Adequately addressing these ongoing financial challenges for teachers will require more, not less, future funding support from the town.

¹ The program originally had a 0.5 FTE staff person from Early Childhood Options (ECO). When that role became inconsistent with ECO's mission, that position was filled with an independent contractor, then reabsorbed into the Town's staffing. These shifts all affected the program's budget and capacity.

This suggests that to sustain the program at the current funding level, the Town should consider pursuing more dedicated funding streams for the program. This could, for example, involve dedicating the entire current marijuana fund to support the program. Currently, only a portion (about half) of the existing marijuana fund currently goes to the child care program. Allocating all of the existing marijuana fund dollars to the program could provide a significant new annual funding stream. Another option for providing the program with more sustainable funding is to pursue a new funding stream, likely through a ballot measure, to support the program into the future.

Recommendation 2: Continue to Strengthen Policies Supporting Teacher Recruitment and Retention

The teachers and center directors participating in APA's focus groups and interviews consistently identified the recruitment and retention of high-quality early childhood teachers as the primary method for ensuring high-quality care and education for children.² Teachers and center directors indicate that working with well-trained and experienced teachers allows them to focus more on supporting and developing children, rather than on hiring, training, and supervising newer teachers. Directors indicated that more experienced teachers bring a wealth of knowledge and insight to working with children that elevates overall instructional quality. Both teachers and directors recognize that teacher compensation is critical to attracting and retaining such experienced and qualified teachers. APA's findings in this area led to three groups of recommendations to further improve teacher recruitment and retention:

- 1) increase the overall teacher compensation package;
- 2) strengthen teacher job support; and
- 3) increase center support.

Increase the Overall Teacher Compensation Package

When teachers and directors discussed the barriers posed by low compensation, they spoke not only of teacher salaries, but also of health care and retirement benefits, paid time off, and flexible scheduling during the day. Based on the input received, APA offers the following recommendations in this area:

- The first, and potentially most costly recommendation, is for the Breckenridge Child Care Program to further increase both minimum and maximum teacher salaries. Increasing minimum salaries will help with recruitment, while increasing maximum salaries will help with retention. Teachers universally believe that the current salary supplement is critically important and beneficial, but most teachers indicate that it is not high enough to allow centers to recruit sufficient numbers of qualified teachers or to provide a living wage for existing teachers without teachers having to work multiple outside jobs or to rely on having income from a significant other in order to make ends meet.

² See, for example, Early, D. M., Maxwell, K. L., Burchinal, M., Alva, S., Bender, R. H., Bryant, D., & Henry, G. T. (2007). Teachers' education, classroom quality, and young children's academic skills: Results from seven studies of preschool programs. *Child development*, 78(2), 558-580. This study found that improved teacher interactions with children, which come with experience and professional development, are the primary predictor of children's gains during early childhood education.

- Consider pooling staff across sites to offer small group health insurance and consider making a contribution toward that health insurance. Not all employees will use this benefit, but it is likely to improve retention. For comparison purposes, APA conducted an analysis of five high performing early childhood education centers across Colorado. This comparison found that all five high performing centers, offered a contribution toward health insurance for their employees.
- Provide a retirement option such as a 403b and consider an employer match contribution. Teachers of all ages in APA's Breckenridge focus groups indicated that a lack of a retirement plan offered through their center made it difficult for them to view the job as a long-term sustainable career. For comparison purposes, APA conducted an analysis of five high performing early childhood education centers across Colorado and four out of the five offered their employees access to a retirement plan, with two of the centers offering an employer match.
- Pay employees for holidays even if they are not scheduled to work on that day of the week. This makes teachers feel valued, improves the perception of equity within each center, and places the teachers on par with other professions.
- Provide at least one week of leave that employees can use during their first year of employment for vacation. Consider providing more leave as employees remain working at the center. Time outside of work is important for mental health and to prevent teacher burnout. Consider reviewing leave policies across centers for equity.
- Provide paid time off for staff to attend trainings. This respects and values staff member time and ensures that they do not have to spend their own free time improving skills on behalf of the center. It is also likely to decrease the time it takes for teachers to earn credentials.

Provide Increased Support for Teachers

Teachers discussed the pressure and stress placed on them by staffing shortages and the need for additional supportive feedback to help them improve. Recommendations in this area include:

- Consider hiring a permanent floating substitute who can fill in for teachers in any classroom. This provides flexibility for staff to take accrued leave and to ensure each center can comply with licensing ratios even when there is an unexpected absence. A floating substitute is a less costly alternative to maintaining more full-time teachers per classroom.
- Consider hiring an instructional coach to serve in a non-evaluative role to work closely with teachers to improve their instruction. Such a coach provides not only instructional guidance to teachers, but can also provide experienced, constructive support in a safe and trusted coaching relationship that does not impact job performance reviews.
- A structured performance review process with employee input into growth goals would be helpful for improving employee buy-in while also improving teaching quality. Regular staff meetings that allow opportunities for staff to provide input into center-wide decisions would also improve accountability and workplace culture.

There is sometimes a tendency for budget-conscious policy makers to suggest increasing class size as a means of enrolling more students and thus increasing revenue. Best practices research on the early

elementary grades and preschool does not suggest this would be beneficial to quality (Kruger, A.B., 1999). In fact, research indicates that increasing class sizes may decrease one-on-one teacher-child interactions and can make working conditions more stressful for teachers (Blatchford, Bassett, Goldstein, & Martin, 2003; Vandell & Wolfe, 2000). The teachers in this Breckenridge study also suggest that adding additional children to existing classrooms could significantly increase stress, decrease teacher retention, and decrease interactions with children.

Provide Additional Support for Centers

Conversations with teachers and directors also revealed that increased center support would free up staff time, allowing employees to focus more on instructional concerns. These are the recommendations in this area:

- Provide funding to support trainings and resources for center directors to improve their business and leadership skills. Child care center directors often move from teaching positions into management without any training in how to manage staff effectively or how to complete critical business tasks. The center director position is extraordinarily demanding and requires multiple skill sets in order to manage multiple, competing priorities each and every day. Additional trainings for center directors will likely further improve the ability of directors to be effective leaders in all capacities.
- For the three larger centers, an administrative employee to work at the reception area, answer phones, complete paperwork, and fulfill other administrative duties would take some of this burden off of other staff. This already exists at some of the centers but would be helpful at all three.

Recommendation 3: Increase Efficiency through Shared Services

All four child care center directors report that they communicate regularly and have cooperative professional relationships with each other. The directors were receptive to exploring the idea of sharing some services to increase efficiency at their centers. One of the most frequently mentioned possibilities for shared services was contracted services such as cleaning, snow removal, and grounds maintenance. Creating a joint services arrangement to handle these contracted services across all four centers offers an opportunity to save each individual center time in finding appropriate contractors, negotiating terms, and overseeing contract compliance. A joint services arrangement might also allow the centers to jointly leverage a reduced overall contractor cost to execute the required services.

The process for managing contractor sharing across the four centers could be accomplished in several ways. For instance, the process could be managed by the Town of Breckenridge or another entity on behalf of the centers, in return for a management fee. Alternatively, the centers could contract with a local property management company to oversee these contracted services, as is common in other industries. The cost of any fees could be divided across the centers in proportion to their enrollment or facility size, depending on the service provided. Alternatively, the four centers could work together to identify the list of services for which they would like to create joint contracts, and each listed service could be managed by a different center director. In this way, redundancy in staff and director time allocated to managing specific services could be reduced or eliminated across the centers.

Regardless of the approach taken to organize the sharing of services, it is likely that a facilitation mechanism will be needed to provide space for leaders from all four centers to come together in identifying their highest priorities for shared contractor services and the approach to jointly managing such contractors that makes the most sense. Providing a facilitator to facilitate meetings of center directors will be critical in this regard. It may also be prudent to select one high priority service area to serve as a pilot for the shared service approach. Additional shared service areas could then be targeted and added based on lessons learned from the pilot.

Another suggestion for shared services involves business services. Such services may include payroll, accounting, tax support, handbooks/manuals, staff background checks, family waiting lists, joint purchasing, and others. Early Learning Ventures (ELV) offers a shared-services platform to which all of the Breckenridge centers currently have access. The centers appear to be using parts of the ELV platform, including child attendance functions, staff training functions, child immunization tracking, parent communication features, and reporting features. None of them however, are fully using Alliance Core, which provides functions to assist with online enrollment, parent data requests, staff attendance, teacher-child ratios, billing, and a parent portal. Revisiting this platform is likely to be a useful exercise in any effort to consolidate such business services.

Further, all of the directors interviewed by APA spend significant time writing grants to raise money for their school as part of their regular activities. A shared, experienced grant writer would take some of this obligation off of directors, freeing up their time for other activities. A shared grant writer might also increase the success of grant applications, since proposals could be crafted to benefit an even larger population of students and their families. Again, in order to make such a shared service feasible, a mechanism would be needed to provide opportunities for center directors to identify shared priorities and to prioritize fundraising goals across centers. A portion of a shared grant writer's time could still be allocated for grant writing tailored to the specific needs of each center.

Several directors in APA's interviews mentioned that a shared substitute pool would be useful for times when a teacher is either sick or otherwise temporarily unavailable. The directors acknowledged there were challenges in implementing such a pool. For instance, high-quality substitutes are often hired by child care centers as permanent teachers and thus removed from the substitute pool. In addition, there is an administrative burden associated with maintaining current and accurate contact information. Until recently, directors needed to conduct and place background checks for substitutes on file at each center. However, a recently passed Colorado law (SB-18-162) allows a single organization to consolidate that paperwork and compliance. This new law would let the Town of Breckenridge or Early Childhood Options hold a single license for a substitute pool, reducing the administrative burden on centers and making it easier to implement this recommendation. Regardless of these challenges, feedback received through APA's interviews and focus groups strongly suggest that the centers should consider collaborating to create an active, shared pool of substitutes to help alleviate staffing pressures when ECE teachers and staff are unavailable to work.

Additionally, the center directors acknowledged that there is the potential need to expand participation in center-based early childhood care for the approximately 6.3 percent of Summit County residents who

are native Spanish-speakers.³ Addressing language barriers with these residents could pose significant challenges for teacher-parent and center-parent communications. Although three out of the four centers had one or more Spanish-speaking staff, few if any written communications are typically provided to Spanish-speaking families. The lack of written communication in Spanish may impact outreach to these families as well as their access to, and enrollment in, center-based child care. A shared capacity to translate key documents and communications into Spanish across the four centers would be a cost-effective way to improve the centers' ability to reach out to the area's Spanish-speaking community. The platform of supports offered through ELV includes a variety of documents and materials which are available in both Spanish and English. The centers could benefit from a review of these available ELV materials to help support outreach to Spanish-speaking parents and families.

For the three larger centers in particular, hiring takes a substantial amount of time and resources. Many of the same processes such as advertising and screening of candidates are repeated at each center. If directors can agree on a list of basic teacher candidate qualifications, then initial screening and later background checks could be performed centrally by an administrative assistant shared across the centers. Centralizing this process would also help the Breckenridge Child Care Advisory Committee to better identify strengths and weaknesses of the teacher candidate pool in general.

Shared services may also help address director concerns and recruitment and retention of board members. Most board members of the Breckenridge child care centers are parents of children who attend the center, which leads to high turnover rate (as their children come and go) and may mean that board members have little board training or experience. Centralizing board recruitment and/or training and support for board members could improve board functioning.

Finally, APA recommends that the child care program explore the use of centralized staff positions. As discussed later in this report, such a shared service model has been either explored or implemented in similar Colorado mountain communities, including Estes Park and Aspen. For example, Aspen uses part of their child care funding for two full-time quality improvement coaches, a nurse, a resource substitute teacher, tuition assistance coordinator, and an office manager, all available to help any child care center in Aspen.

Specific APA recommendations are summarized below:

- Explore sharing contractors for services such as snowplowing, cleaning, and grounds maintenance.
- Explore the use of shared business services for payroll, accounting, tax support, paperwork for licensing and compliance, handbooks/manuals, background checks, joint purchasing and other services. Early Learning Ventures (ELV) provides a menu of options for shared online business services as well as training in how to utilize these services effectively. The Breckenridge centers currently have paid access to these services but may not be using them regularly. APA recommends that the Program explore the best options to increase use of these services. The

³ U.S. Census 2012-2016 American Community Survey 5-Year Estimates (U.S. Census Bureau, 2017).

centers could, for instance, request more training on ELV services for center directors or administrative staff. Another option is to hire a central business administrator to handle administrative services for all four of the child care centers.

- Explore the feasibility of creating and managing a shared substitute teacher pool.
- The Town should consider helping to recruit center board members who are not parents with children enrolled in the center. Ideally, these board members would have some experience on nonprofit boards and agree to a minimum tenure. Training for board members is another option to help board members understand their responsibilities.
- Look into the possibility of contracting with a Spanish-speaking ECE teacher to help improve communication with Spanish-speaking parents. Ideally, this teacher would work across all four centers and be funded with Child Care Assistance Program funds. Translating documents into Spanish is a valuable service that is not offered frequently in any of the centers. This type of position could also provide verbal translation as needed to improve access to center-based child care for Spanish-speaking parents in the community.
- An alternative (or addition) to translating documents is to utilize documents already available through the ELV online platform. ELV provides a host of common forms and documents that have been vetted and translated into Spanish. These documents can be downloaded and customized easily for each center. Centers have access to these ELV documents already (through Right Start funding).
- Explore whether there are centralized functions that could be provided to streamline staff recruitment and hiring practices. Shared advertising of positions for instance could save both time and money. Initial screening of applicants and background checks could also be performed centrally.
- Evaluate the need for centralized staff that could provide assistance across centers. These might include instructional coaches, a grant writer, a nurse, a mental health professional, assistant administrators, or an emergency teacher substitute.

Recommendation 4: Maintain and Refine the Tuition Assistance Program

While the Breckenridge tuition assistance program is designed to help enable centers to charge the true cost of care – and, as shown in Table 8 later in the report, Breckenridge centers do charge more than other high-performing centers in similar communities – center directors report that the current tuition rates still may not entirely reflect the actual cost of care. One Breckenridge child care center director noted that they still “do not charge the full cost of care because parents simply would not be able to afford it.” Raising tuition costs further would help the centers increase teacher salary and benefits but might not be sustainable for parents who pay those full tuition rates and are not eligible for tuition assistance.

While interviewing parents was outside the scope of APA’s current evaluation, some teachers reported that the extensive documentation required to complete the tuition assistance application may discourage some eligible families from applying, particularly because many parents do not understand what their tuition assistance amount is likely to be. Teachers who had their own children enrolled in the tuition assistance program reported that gathering the required documentation took more than a week.

A recent needs assessment study (currently in draft form) being conducted separately for the Town of Breckenridge indicates there are 154 children on waitlists across the four centers. About 42 percent of those children on waiting lists are infants and 44 percent are toddlers (BBC Research and Consulting, 2018). This suggests that there is a particular capacity problem for infants and toddlers. Aspen implements an infant/toddler subsidy to offset the costs of care for infants and toddlers and leaders from that community report that this subsidy helps to encourage centers to offer added enrollment slots for infants and toddlers. At this time, APA does not recommend further large increases in tuition. Instead, APA offers the following recommendations with regard to Breckenridge's existing tuition assistance program:

- Conduct a detailed survey of parents to help the Town understand more about the affordability of child care tuition for all parents, including those parents who do not receive tuition assistance. APA could help develop, administer, and analyze results from this type of survey.
- Develop an online calculator that could be used to provide estimates of the tuition assistance and total tuition amounts after the assistance is applied. This would allow parents to estimate the amount of financial assistance they are likely to receive before they complete the lengthy application process. It would also likely inform parents who may not think they are eligible to understand that they could receive some level of assistance.
- Review the list of required documentation to see if the requirements could be reduced or streamlined. The primary goal of tuition assistance is to make child care affordable, and if eligible parents are discouraged from applying for the assistance, then it hinders the main purpose it was designed for.
- Consider whether to offer additional financial assistance to centers to offer more infant and toddler enrollment slots. This may include implementing an infant/toddler subsidy to offset the costs of care for these youngest children, as Aspen does.

Recommendation 5: Collect Additional Data on Critical Program Metrics

APA recommends that the Town and the Breckenridge child care centers collect more data that can be used to support the program, analyze business operations across providers, and identify added potential opportunities for increased efficiencies and quality improvement. In particular, providers should consider completing both the Program Administration Scale (PAS) process and the Colorado Shines formal rating process.

PAS is a tool that has been widely used and has been tested for its reliability and validity. It includes 25 items clustered in 10 subscales which measure both leadership and management functions of center-based early child care and education programs. It provides data on early childhood center operations on a variety of criteria, including funding per child, cost per child, staff turnover, teacher/child ratios, ECE teacher qualifications and training, operating policies and procedures, hiring practices, and other business practices. PAS is designed to identify areas where administrative practices could be improved.

APA investigated using PAS data to examine and compare the four Breckenridge child care centers to other child care centers, but current data is unavailable. Implementation of the PAS requires a trained observer to conduct site visits and these site visits can be completed by organizations such as Qualistar. PAS assessment data could be useful in a variety of ways. For example, PAS data from the four Breckenridge centers could be compared with PAS data from other providers in similar Colorado mountain communities.

Colorado Shines rating data can also be obtained from across a comparison group of providers to focus the PAS comparison on highly-rated providers. A resulting comparison matrix could then be created which would allow for a detailed analysis of center operations across a wide range of operational and quality categories. Although the Breckenridge centers have met the requirements associated with the early steps of Colorado Shines, they have not yet gone through the formal Colorado Shines rating process. As a result, there is not a standardized set of data to use to compare these centers' efficiency and effectiveness to other centers across the state.

APA also recommends that the centers collect additional data if possible from teachers who leave the child care centers regarding their reasons for leaving and dates of departure. Data on teacher turnover would help the Child Care Advisory Committee make more informed decisions about teacher salary supplements and benefits, and whether teacher turnover is reduced or affected by changes in salary or benefits amounts.

Similarly, while the Town currently has anecdotal evidence about why families leave the area, it would be useful to collect more structured data on this. Thus, APA suggests that the child care centers consider developing and distributing brief surveys to families who pull their children out of child care to inquire about their reasons for leaving. Such surveys could be administered online.

Finally, APA recommends that the Town track students who attend the child care program as they enter kindergarten in Summit County. Tracking students in this fashion would enable the Town to study how students perform in kindergarten, and potentially throughout elementary school. It would also potentially allow for a comparison of the performance of students who participated in the Town's child

care programs with those who did not. This type of data has been used in other locations such as Denver to demonstrate the value of child care programs and to support initiatives that work to improve existing early childhood programs. APA has experience with collecting this type of data and would be happy to assist or advise in these data collection and analysis efforts.

Recommendation 6: Review Communication between the Town of Breckenridge and the Child Care Centers

Directors were clearly appreciative of all the support provided by the Town of Breckenridge. Several suggestions were offered to further expand communication amongst themselves, and to ensure transparency and inclusiveness and provide more two-way feedback with the Town's program:

- Invite all of the center directors to attend the Breckenridge Child Care Advisory Committee meetings. Regular attendance from directors could improve communication and enhance existing relationships, while giving center directors a clearer view of Committee priorities.
- Consider holding a quarterly meeting between the Program Administrator and the center directors to provide ongoing two-way communication.
- Ensure that all directors are aware when the meeting minutes from committee meetings are approved and posted on the internet.⁴

Recommendation 7: Conduct a Facility Space Review at All Centers

Several of the centers expressed their needs regarding facility space and usage. Following are recommendations to help address and further study these needs.

- Conduct a review of facility space for all four centers to collect more detailed data on what each center needs and their ideas for how to improve space utilization and to expand facilities to best meet community demand.
- Review the current payment arrangements for facility space across the four centers. This review should focus on ensuring parity and consistency in leasing arrangements across the four centers to ensure that all are operating on comparable terms with the Town of Breckenridge.
- Investigate the possibility of hiring a surveyor to work with Timberline Learning Center to determine if an additional classroom could be added and to ascertain the costs of such an addition. A surveyor may also be useful to the other centers as they explore space expansion and increasing capacity.
- Assist Carriage House as they plan for the modification of their existing space to accommodate the children they currently serve and hope to serve in the future. Include teachers as well as the directors in this process to ensure that the modifications will meet the needs of the center.

⁴ The minutes are available online at: <http://www.townofbreckenridge.com/your-government/councils-and-commissions/child-care-advisory-committee/-toggle-allpast>

- Explore the need to launch a capital campaign to build new facilities or to expand existing ones. Such an effort could increase capacity and would help mitigate any perceived inequity across centers.

Recommendation 8: Prepare for the Possibility of Universal Pre-K

In 2017, Early Childhood Options began working with Early Milestones Colorado to determine the costs and challenges associated with making universal pre-K available to all 4-year-olds. If implemented, universal pre-K would provide tuition assistance for families with 4-year-olds in Summit County on a sliding scale based on income. Currently, Early Childhood Options is waiting to review data on the potential costs of universal pre-K, before the Summit County commissioners survey voters to determine likely voter support for this universal pre-K program. If voters appear likely to support such a program, it may appear as a property tax measure on 2018 or 2019 voter ballots in Summit County.

According to experts interviewed by APA, if universal pre-K was approved by voters for Summit County, the biggest challenge to implementation would be figuring out how the multiple funding streams for child care/preschool (such as the Colorado Preschool Program, Colorado Child Care Assistance, Head Start, and of course the Breckenridge tuition assistance program) would work together.

The Denver Preschool Program (DPP) may provide lessons on managing multiple funding streams. DPP funding cannot supplant other sources of funding and DPP staff refer to DPP funding as the ‘last dollars in.’ A 2009 report by the Center for Policy Research found that the four existing funding streams providing financial assistance for preschool in Denver did not coordinate with each other and that this caused confusion and inefficiencies for families and early education providers (Center for Policy Research, 2009). This 2009 report advocated for a universal application all funding sources. Such an application now appears to be in place for families who attend preschool in one of the Denver Public School sites (Padres & Jovenes Unidos, 2016).

Some experts interviewed by APA believe that if a universal pre-K measure was approved by voters, the universal pre-K funding would be the “first dollars in.” That is, universal pre-K would supplant the Breckenridge Child Care Program tuition assistance for 4-year-olds. Similar to DPP, universal pre-k funding would, in fact, be used to provide tuition assistance to all 4-year-olds in Summit County on a sliding scale. It would provide assistance to all parents, including the parents of 4-year-olds already receiving tuition assistance from Breckenridge. The measure would therefore allow the Child Care Program the option to shift its funding to other purposes, such as higher salary supplements for early childhood education teachers, or for professional development or expanded health care coverage. The Town could also shift existing support for 4-year-olds to support younger children without making care for 4-year-olds more expensive for parents.

Details on Collected Data

This section reviews the specific information generated by each data collection effort, detailed in the Methodology section, that support the primary findings and recommendations already presented.

Review of Town of Breckenridge Data and Policies

An analysis of application data from requests for tuition assistance for the 2017-18 school year indicates that the average family applying for tuition assistance (TA) had a household size of 3.5 people and a mean income of \$84,617. Since 100 percent of the area median income (AMI) for a household size of four in Breckenridge is \$88,600, this indicates that the average applying family is close to, but below 100 percent of AMI.

Table 1, below, displays each AMI level and mean income level of TA applicants, by household size. Single-parent households with one child who apply for TA are far below 100 percent of AMI, with an average income of about 72 percent of AMI. Larger household sizes have average income that either exceeds or is very near to 100 percent of AMI. This indicates that while the program serves families with incomes up to 150 percent of AMI, the majority of families served are closer to the 100 percent of AMI income level.

It is important to note that these income levels are self-reported by families. The Breckenridge Child Care Program has audited these reported levels using following year tax records. This analysis indicated that families over-report their expected income by 13 to 20 percent. This means that the income actually received by these families is most likely lower than the numbers reported in Table 1, below.

Table 1: Households Applying for TA Are Near 100% AMI

Household Size	100% AMI	Mean Income of TA Applications
2	\$70,400	\$50,539
3	\$79,100	\$83,353
4	\$88,600	\$88,490
5	\$95,100	\$97,948

The goal of the tuition assistance program is to ensure that working families pay no more than 16 percent of their income in child care costs. The subsidy size is calculated to keep families who receive tuition assistance from paying more than that amount in child care costs. The precise amount of TA provided to a family depends on income, number of children, number of days of care, and other variables. Across the state, families pay an average of 24.2 percent of household income for center-based child care (ChildCare Aware of America, 2017; U.S. Census Bureau, 2016). This means that Breckenridge families who receive tuition assistance pay a lower proportion of their household income on child care.

Table 2, below, shows the number of households receiving TA by the number of children in each household. Most families (70 percent) had only one child in care, while another 29 percent had 2 children. Only two families had more than 2 children in care.

Table 2: Most Households Applying for TA Have One Child in Care

Number of Children	Number of Households
1	124
2	52
3	0
4	1
5	1

A small minority of families, about 14 percent, were expecting to have a new baby (through either birth or adoption) within the 2017-18 school year. For the other families, the average age of their child(ren) in care was 2.3 years. Families asked for an average of 3.8 days of care for their children. Table 3, below, details the total number of applicants requesting specific days of care.

Table 3: Most Families Applying for TA Request 4 or 5 Days of Care

Number of Days of Care Requested	Number of Households	Percent of all Households
1	3	2%
2	12	9%
3	29	22%
4	49	37%
5	41	31%

As described above, the TA program is aimed at families who live and/or work in Breckenridge and the Upper Blue Valley. As outlined in Table 4, below, the majority of families applying for TA (69 percent) live in Breckenridge.

Table 4: The Majority of TA Applicants Live in Breckenridge

Residence City	Number of Households	Percentage of Households
Alma	7	4%
Breckenridge	123	69%
Blue River	5	3%
Dillon	16	9%
Fairplay	4	2%
Frisco	6	3%
Leadville	1	1%
Silverthorne	15	8%

Families who live in Breckenridge have lived there, on average, for 8.5 years. Twenty-one families, or 12 percent, have lived in the area for less than one year and are likely seeking care for their children when first arriving in the area. However, a number of families, 44 percent, have lived in the area for 10 years or more. This indicates that the program is useful both in helping establish families new to the area and serving families who have lived in the area for over a decade.

Similarly, as displayed in Table 5 below, the majority of families applying for TA (76 percent) work in Breckenridge. Eighty-four families, or 47 percent, both live and work in Breckenridge.

Table 5: The Majority of TA Applicants Work in Breckenridge

Employment City	Number of Households	Percentage of Households
Breckenridge	135	76%
Blue River	6	3%
Dillon	11	6%
Frisco	19	11%
Keystone	3	2%
Silverthorne	3	2%

Families receiving TA work in a variety of industries, including local and county governments, tourist organizations, restaurants, professional services, and others. There were over 120 unique businesses employing family members who received TA, including restaurants, medical providers, schools, realtors, and other community services. Table 6 shows the top five employers and the number of employees receiving TA who work there. These employees are clearly important to the functioning of the town, from a financial, governmental, and services perspective.

Table 6: Top Five Employers of TA-Receiving Families

Employer	Number of TA Employees
Vail Resorts	12
Breckenridge Grand Vacations	9
Summit School District	8
Town of Breckenridge	6
Summit County Government	4

Interviews and Focus Groups

APA conducted interviews and focus groups to gather information in three primary areas:

1. The Breckenridge Child Care Program and the child care context in Summit County;
2. Innovative child care practices in similar mountain communities in Colorado; and
3. Practices of high-quality child care centers in similarly situated communities.

Within each of these areas, APA interviewed and conducted focus groups with multiple individuals. This section reviews the data collection methods and findings in each of these three major areas.

Breckenridge Child Care Program and the Child Care Context in Summit County

To gather information about the Breckenridge Child Care Program and the child care context in Summit County, APA interviewed staff from the Town of Breckenridge, from each of the four child care centers in Breckenridge (Carriage House, Timberline, Little Red Schoolhouse, and Breckenridge Montessori), from Early Childhood Options, and from child care centers in Dillon and Frisco. Interview protocols were developed to ensure consistency across interviews and focus groups. In almost all interviews, at least two APA staff members were present to facilitate notetaking. APA staff noted that interview and focus group participants appeared to be very candid and forthcoming in their responses. APA assured participants that their individual identities and the centers where they work would remain confidential. It was possible for APA to provide this confidentiality because the purpose of this report is to identify impacts of the Breckenridge Child Care Program on centers in Breckenridge and to identify potential recommendations for further improving the program, not to identify any shortcomings of a particular center. This means that this report does not often mention the child care centers by name and instead discusses the challenges facing the child care centers as a group.

Breckenridge Child Care Program Administrator

APA began the project with a detailed interview with Jennifer McAtamney, who has served as the program administrator of the Breckenridge Child Care Program since May 2016. She provided a history of the child care program, details on how the program is implemented, and an overview of the challenges associated with child care in Breckenridge.

The high cost of living makes it challenging for Breckenridge child care teachers to stay in the profession. There is a lack of affordable housing and health insurance rates are among the highest in the country. Another large challenge is that it is challenging to explain the child care program to parents and the general public. Right now, the program is not sustainable because it relies on a marijuana tax allocation that may end after 2019 and annual allocations from the Breckenridge Town Council. In 2013, voters just barely voted against a ballot measure that would have provided longer-term funding for the program. Ms. McAtamney believes that all four of the centers provide high-quality care and education, and she is hopeful that the program will be able to obtain more sustainable funding.

The child care program was largely implemented to expand child care capacity and improve teacher quality. The hope was that high-quality child care would allow working parents to remain in the area after having young children. To improve capacity, the program paid off the mortgages of the existing centers and helped build a new facility for one of the centers. In order to improve teacher quality, the Town has increased teacher salaries through a teacher salary supplement. There is also tuition assistance available to about 60 percent of parents, those who meet the income threshold of 150 percent of AMI or lower.

Breckenridge Child Care Advisory Committee

APA also conducted a focus group with the members of the Breckenridge Child Care Advisory Committee. This Committee oversees the broad policies and procedures of the program and is made up of community members including one child care center director and several parents who have or have

had their children cared for in the centers. The purpose of the focus group with the Child Care Advisory Committee was to understand the challenges associated with child care in Breckenridge and to identify priorities for the evaluation. The committee spoke extensively about the unique character of the Breckenridge community and how, compared to other mountain resort communities, it felt and functioned as an authentic town, rather than a residential area attached to a ski resort. All of the committee members emphasized how providing child care to support people staying in the community, where they could develop roots, create social networks, and contribute to the local workforce, was an essential goal of the Child Care Program. Committee members talked about parents and children developing relationships in child care that would last for decades, strengthening the fabric of the community. They also talked about centers supporting children to develop into community citizens who care about their neighbors. For the committee, these community factors are some of the primary goals of the Child Care Program.

When asked about challenges to maintaining the program and, in turn, the community, committee members identified the cost of living as a huge challenge. They believe that many families leave town because of the cost of living and the inability to find affordable child care even when both parents work. The committee members discussed the need for increased and targeted outreach about the tuition assistance program to ensure that eligible families who could benefit from the subsidy know about it and how to access it. They also discussed the need for greater community publicity and information about the purposes and impacts of the program, so community members who do not access child care can understand how the program benefits and strengthens the community as a whole. Recruiting and retaining high-quality child care staff is difficult because of this cost of living, the relatively low salaries, and the cost of health care. Even with the teacher salary supplements, the committee is concerned about teacher recruitment and retention. The committee hoped to learn more from the evaluation about the reasons for teacher turnover. In addition, the committee hoped that the evaluation would give them some ideas about how to define child care quality. Another important question is how to invest their funds effectively to result in the highest return on investment.

Breckenridge Child Care Center Directors

APA interviewed the directors from each of the four child care centers. One assistant director from Carriage House also participated in the interviews. Each of the four center directors talked about the priority they placed on improving and maintaining center quality. They uniformly agreed that providing children with highly qualified teachers is the single most important component of a high-quality center.

While none of the directors expressed any plans to leave, several discussed the challenges associated with their positions. The directors noted that they would benefit from two types of training: leadership training and business training. Child care directors often come to that position after teaching, which does not necessarily provide any training in how to provide feedback to others or how to complete common business tasks such as budgeting. The Breckenridge center directors believed that more training would improve their ability to complete these tasks successfully.

All of the directors also reported facing significant challenges in recruiting and/or retaining highly qualified teachers. All four directors indicated that their centers were doing the best they could in terms of recruitment and retention with their existing resources. They consistently placed a high priority on improving recruitment and retention and indicated that such improvement is the most important component to enhancing center quality.

The directors reported that most staff who leave the child care centers move out of the area or leave to work in another industry entirely. Although they occasionally lose staff to the other centers in Breckenridge, none of the directors believed that their teachers were leaving to work in child care in other surrounding communities. Directors attribute this, in part, to the teacher salary supplement provided by Breckenridge. The added salary this program provides makes working in Breckenridge early child care facilities more attractive than similar positions in surrounding communities. It also sends a clear message to the directors and their teachers that Breckenridge values them as professionals, and that the Town has made an important extra effort to pay them more appropriately as professionals. This message alone has a positive impact on teacher morale in the Breckenridge early childhood education community.

Additional data collection in the future, through such processes as structured exit interviews, would be useful to confirm where teachers plan to work and live after leaving the Breckenridge centers. Directors anecdotally reported that financial considerations, including both salaries and benefits, were the primary factors motivating staff to leave the centers. They said that the majority of staff who have left the center enjoyed the job, believed in the critical importance of providing quality care and education to young children, and wanted to stay in the child care industry. These staff members, however, are simply not able to manage the financial challenges associated with their positions.

The directors reported that the salary supplement provided by the Town's Child Care Program has reduced teacher turnover and facilitated quality teacher recruitment. First, the supplement allows directors to recruit staff who otherwise would not have considered the position. One center for instance reserves the supplement funding to address frequent staffing shortages, paying higher salaries to attract new employees when these shortages are extreme. The other three centers use the teacher salary supplement to provide salary increases to teachers who remain working at the center for longer periods of time. These three centers also reward teachers with extra pay if they earn new credentials or if they take on mentor teacher responsibilities. Two of the directors and several of the center teachers expressed concern that the salary supplement is not permanent. If the Town were to stop funding the salary supplement, the centers would be likely to decrease salaries even for existing teachers, and directors and teachers in APA's focus groups and interviews indicate the result would be increased turnover and greater difficulty in attracting quality staff.

APA also interviewed directors about the benefits provided to employees. Two out of the four centers give employees money towards purchasing health insurance and one of those centers provides access to purchase that health insurance through the center. The directors pointed out that many employees are relatively young and have relatively low health care usage, but that employees want consistent access to health care in case of emergencies or pregnancy. Many of the employees who work at the two centers

that contribute to health insurance do not use it because they have health insurance through a significant other. However, for the teachers who use it, the directors thought it was likely to help improve retention. Other benefits offered to employees include short-term disability, and recreation center/ski passes. There was a good deal of uncertainty expressed among directors about whether these benefits helped to retain employees. The directors reported that teachers appear to significantly appreciate the benefit of paid holidays. The centers vary greatly in how much sick and vacation leave they offer, although this was not discussed at length. All of the centers offer some access to professional training and the directors consistently believe that offering training is necessary to improve teacher quality. However, the directors do not necessarily believe that such training helps to retain employees.

Beyond structured benefits, directors also discussed less tangible benefits as important in retaining staff. Because most of the teachers are required to work a full 10-hour day, overtime law means they can work only four days a week, before they receive a higher hourly pay rate. In several centers, the director sometimes served as a floating teacher to provide a break for a teacher who needed to step out of the classroom. Teacher stress and burnout was a concern for directors and each director had different strategies to try to reduce teacher stress. One center pays for several teacher field trips each year to encourage teachers to bond with each other. APA staff visited this center during teacher appreciation week and there were a variety of different types of gifts ready to be distributed to teachers as small tokens of appreciation. Several of the center directors also noted that they, as the directors, could benefit from additional training in how to provide feedback to staff to effectively improve instruction and improve work culture.

Directors discussed issues of concern other than teacher recruitment and retention. Two of the four center directors mentioned issues with board turnover and inexperienced board members. Directors believe that having strong board members who can help with fundraising and advocate for both the Child Care Program and the individual centers would further enhance the quality and sustainability of their centers. Several of the directors struggle with boards comprised mostly of parents with little experience serving in a nonprofit board member capacity. At times, their inexperience makes fulfilling their obligations as board members a challenge. Recent board training provided by the Breckenridge Child Care Advisory Committee was given a 'terrific' review in educating board members about how child care centers operate. In addition to training, the Town could consider helping directors recruit board members beyond the parents who often comprise the boards.

The Breckenridge centers that have adequate administrative assistance cite this assistance as one reason they are successful. The centers that do not have adequate administrative assistance believe it would improve their overall quality and efficiency. This appears to be a critical need for the centers that do not have adequate administrative help, since administrative responsibilities sometimes fall to the teachers, which adds to their workload and may reduce focus on instruction.

Centers are grateful for the funding and support from the Breckenridge Child Care Program. The director of Little Red Schoolhouse is a member of the advisory committee and other directors believe that she is a strong representative on the committee. However, several of the other center directors and teachers would like to be included and invited to the meetings even if they cannot attend regularly. Although one

director noted that the Breckenridge Child Care Advisory Committee posted meeting minutes online, another director specifically requested that minutes be posted, apparently unaware that the minutes are available. Another suggestion was for the program administrator to hold quarterly meetings with the directors to ensure regular two-way communication.

Three out of the four centers have waiting lists for enrollment, particularly for infants. This is not unusual for many communities but does indicate a capacity problem. There are more families needing care than can be served by the centers in town. Two of the center directors mentioned that they would be open to a centralized waitlist shared across centers. However, all of the directors noted the unique character of each center and one director worried that a shared waitlist might reduce the number of families coming to tour each center to find the right fit. According to several directors, it does not appear that managing individual waiting lists takes a substantial amount of time.

Several of the child care directors reported the need for a physical plant review. A review of the physical plant for interested centers would help determine whether it is possible to add additional classrooms to those centers interested in expanding their capacity. This effort would require a surveyor to be hired to review the existing physical plants. In addition to a review of the physical plants for interested centers, a review of the current financial arrangements across centers may be needed to ensure that there is both consistency and fairness in the financial arrangements for facility space across centers.

The four center directors were all very appreciative of the tuition assistance for families which the Breckenridge Child Care Program currently provides. In fact, one director indicated they “would not be in business without the tuition assistance,” because parents would not be able to afford care. At two of the centers, directors estimated that 60 to 70 percent of parents receive assistance and that such assistance is important in keeping their child(ren) enrolled and keeping the parents in the Breckenridge labor force as long-term members of the community. Directors report that parents who leave their centers are most likely to leave for either financial reasons or because they move out of the area altogether.

While appreciative of the tuition assistance, two of the directors believe that it still may not be adequate to offset the true costs of care. One center raised additional money through grants to offset tuition for a few families. This additional money was raised because the director felt there was additional unmet parent need. Another center director believes that the center likely charges less than the true costs of care because it is believed that, even with the tuition assistance for some families, child care would be unaffordable if the center actually charged the full costs of care. None of the directors mentioned concerns about the way in which tuition credits are calculated or the eligibility limits on the tuition credits.

Several of the directors advocated for the program to keep working on communicating the benefits of the program to parents. Specifically, communications should give parents a clear understanding of the amount they are likely to receive per month and over time, and an understanding of how the tuition assistance amounts are calculated.

Breckenridge Child Care Teachers

APA interviewed a total of 20 teachers across the four Breckenridge child care centers. These teachers noted the importance of four components in their long-term decisions about whether to continue in their current positions: 1) salary; 2) health insurance; 3) a floating teacher who can substitute in any classroom; and 4) a retirement plan.

More than half of the teachers that APA spoke with reported working at least one additional job to make ends meet. Most of those teachers who do not have an additional job rely on financial support from a significant other who provides additional income and/or health insurance. This means that few if any of the teachers can survive on only the income and benefits they receive at the centers. One teacher noted that her husband had a well-paying job that “enables me to continue feeding my early childhood habit.” Another noted that when potential teacher candidates come in for an interview, she can predict who will accept the job based on whether they have a significant other to help supplement their income.

Teachers noted that it was possible to make more money in a less stressful environment by driving a city bus or cleaning houses. Higher pay would therefore both make teachers feel more valued and would make it easier for them to remain in Breckenridge or Summit County with its high cost of living. While teachers greatly appreciate the salary supplement, it is still a struggle for them to cover basic life expenses. Additionally, child care teachers who earn \$19 per hour are not eligible for the Right Start salary supplement from the countywide Right Start program, which is capped at \$19 per hour. A few teachers vocalized concern that their existing salary supplement through the Town would be eliminated if the Town Council elected new representatives who were no longer willing to allocate funding for the salary supplements.

The Town provides a care card that allows the teachers to obtain health care for routine illnesses or minor injuries at a clinic in town. While teachers appreciate this option, they are concerned that they are not covered for significant illness, major injury, or pregnancy, and there were concerns about how much coverage the card provided for routine prescriptions, including birth control. Two out of the four centers offer a contribution toward health insurance, which may or may not cover all of the teachers’ health insurance premiums. The other two centers do not contribute toward teachers’ health insurance. Many of the teachers who participated in the focus groups accessed health care through their parents, a significant other, or the Affordable Care Act. Those who purchased it through the Affordable Care Act perceived it to be exorbitantly expensive. Getting help with paying for health insurance was a priority for most of the teachers. In some cases, teachers reported that they would be willing to take a pay cut in order to have access to fully paid health insurance. Most of the teachers who participated in the focus group would be willing to trade the recreation and ski passes for access to and a contribution (or increased contribution) toward health insurance. Teachers noted that the lack of health insurance is a concern that might cause them to eventually leave their position, especially as they get older or have children of their own. Other focus group teachers cited cases where former child care teachers had left to take lower paying jobs because they offered health benefits. They also noted that the centers may miss opportunities to recruit and hire highly effective teacher candidates who need health insurance coverage.

Teachers also pointed to the importance of having flexibility in their schedules, both within their daily schedules and over the course of the year. Teachers recommended employing a floating substitute who would allow staff to take sick or vacation leave when needed without making teachers feel as though they were placing significant added stress and burden on their colleagues. A full-time floating substitute with experience in early childhood education and familiarity with each center would allow centers to provide their staff with this flexibility. At two of the centers, when a teacher is unexpectedly unable to come to work, directors must move staff around to cover classrooms, while maintaining compliance with licensing ratios. Teachers also pointed to the importance of having flexibility within their day to take breaks, make phone calls, or run quick errands. Teachers at two of the centers reported having, and valuing, this flexibility, while teachers at the other two centers reported that they did not currently have this flexibility but would appreciate it.

Two out of the four centers report that their centers are frequently understaffed. This results in a lack of time for existing teachers to plan lessons. One of the centers intentionally operates below required licensing ratios (their child-to-staff ratio is lower than required by the state) by enrolling fewer children. This helps eliminate understaffing when absences occur and provides flexibility for teachers to use paid time off. Teachers at this center clearly appreciated this practice and believed that it contributed to both teacher morale and instructional quality. This approach does however reduce capacity and is relatively costly. It is also not clear whether it would be feasible to implement this at the other centers.

The three larger centers all have lead teachers who formally or informally serve as mentors/trainers to the other teachers in their classroom. Although the mentors all express pride in that role, the responsibility can lead to burnout and is especially frustrating when the less experienced teacher who they are mentoring quits (which happens relatively frequently). A model suggested by teachers at one center was to have an instructional coach who rotates to different classrooms and provides suggestions in a non-evaluative and unbiased manner. At least one of the larger centers has an administrator who serves in this role, which helps allow lead teachers to focus on teaching and reduces stress.

Most of the teachers who participated in focus groups were enthusiastic about improving their skills through training and education. Several teachers were taking advantage of the stipends offered through Right Start for improving their credentials. Three of the centers pay for and offer paid time off for teachers to attend trainings. The other center does not offer paid time off and requires employees to use their personal time to complete trainings. Teachers at this center noted that they were less likely to complete trainings and that it took longer to complete trainings that they wanted to complete for this reason. Paying employees for time they spend training outside of work hours requires paying an overtime rate because all teachers are hourly. The Breckenridge child care centers used overtime pay only rarely if at all because of the significant added cost. Thus, providing paid time off for teachers to attend training may be the best alternative to overtime pay, although it requires the center to absorb the added cost of extra staffing in order to provide time for teachers to attend the training.

Although it was a lower priority than salary and health insurance, many teachers reported a desire for retirement accounts. Some teachers believed that it might be potentially unrealistic to expect an

employer match. However, they still wanted access to accounts where they could deposit pre-tax earnings. Even though many of the teachers in the focus groups were in their 20s and 30s, they were concerned about their ability to ever retire and wanted to have a vehicle to start accumulating retirement savings. A lack of such a vehicle was yet another reason teachers struggled to view their jobs as sustainable in the long-term, even though they believe strongly in the work that they do with children.

It was clear from APA's focus groups that teaching in the early childhood setting is an intense and often stressful job. Most teachers work 10-hour days often with only a short break. In many cases, the more experienced teachers train or assist newer teachers while simultaneously supervising and teaching the children in their class. For this reason, time away from work was considered by teachers to be universally important, both for teacher retention and also for maintaining high-quality care for children.

The teachers at two of the centers believed their paid time off was adequate and available when they needed it. Holidays were paid even when teachers were not scheduled to work on that holiday. This schedule enabled teachers to travel to see family and made them feel valued. Teachers at one of the centers did not discuss leave policies. At the other center, teachers raised concerns about the lack of leave. Vacation leave appears to be an important factor for teacher retention and the program may wish to review leave policies across centers to ensure equity.

Teachers at two of the centers have regular formal evaluations that focus on teachers' goals and reward them for achieving those goals. Teachers at two of the centers identified professional feedback as an area for improvement and requested formalized feedback through a regular evaluation system. These teachers would appreciate specific feedback provided in formal one-on-one meetings outside of classroom time. A vocal minority of teachers in the Breckenridge centers expressed that feedback from center management could be improved to be more constructive and supportive and less critical. It is clear that formalized feedback can not only benefit overall teaching quality in a center, but that it can increase teacher buy-in and sense of support, also contributing to the likelihood of retention.

Relationships between teachers are critical elements of teachers' workplace satisfaction. One center encouraged staff bonding through optional events such as a camping weekend and a trip to a Rockies game (paid for by the center). Birthdays and other events were celebrated regularly. Teacher appreciation week involved several tokens of appreciation for each teacher and encouraged parents to make appreciative gestures toward teachers. One center provided opportunities to collaborate with the director, time which was greatly appreciated by teachers. These practices may be lower-cost incentive models that all of the centers could consider as ways to recognize and further boost the morale of teachers. Teachers in the centers without as much time and structure dedicated to relationship building reported lower job satisfaction.

In addition to the focus groups with the Breckenridge teachers, APA conducted a focus group with two teachers from Summit County Preschool in Frisco and one teacher from Lake Dillon Preschool in Dillon. This additional focus group was used to gain an external perspective on child care in Breckenridge and to assess teacher turnover in a community close to Breckenridge.

Outside of Breckenridge, early childhood teachers in Dillon and Frisco also deal with high teacher turnover. There is no reliable data on teacher turnover in early childhood education centers across these communities, so it is impossible to directly compare turnover rates. The Dillon and Frisco teachers expressed admiration of the higher salaries in Breckenridge child care centers and in general of the Breckenridge Child Care Program. Summit County Preschool in Frisco receives \$65,000 per year to help supplement teacher salary and recently implemented a health plan for teachers that pays for half of employees' health insurance. Even with this salary and benefit assistance, these teachers described their salaries as relatively low, which is exacerbated by the lack of affordable housing in their own communities. Unlike Breckenridge, Dillon and Frisco do not have deed-restricted housing which can provide some affordable housing options.

Additionally, teachers in Dillon and Frisco reported that the lack of capacity to meet existing demand remains a serious concern. These teachers indicated that there are currently only two early childhood centers serving Dillon, Frisco, and Silverthorne. As a result, there are children that never get off existing waiting lists, and this impacts parents' ability to live in the area.

Lucinda Burns, Director of Early Childhood Options

Early Childhood Options is a nonprofit organization in Summit County that serves as the child care resource and referral organization and the local Early Childhood Council. Lucinda Burns, the executive director of the organization, spoke with APA to discuss universal pre-K and the relative strengths and areas for improvement of the Breckenridge Child Care Program. Ms. Burns confirmed the reports of Breckenridge teachers and center directors that the Child Care Program has improved teacher quality by increasing teacher salary and has also made child care more affordable. Funding has become more stable, which has improved the quality of the centers. She also noted that the improvement and stability in teacher pay has created inequity with centers outside of Breckenridge. This echoes the reports from the Dillon and Frisco teacher focus group. Ms. Burns suggested this inequity could be mitigated by the universal pre-K program currently being considered.⁵ She also provided suggestions for future improvement, including further increases in teacher salary, more comprehensive benefits, and increased time for teachers to participate in planning and training. Again, these suggestions echo the requests from center staff and teachers described in this report. Ms. Burns also noted that there is no Head Start program in Breckenridge and that low-income families may still be somewhat underserved. Despite these ongoing challenges, the Breckenridge Child Care Program is appropriately considered a model for similar communities in their support of early childhood education.

Innovative Policies in Similar Mountain Communities in Colorado

APA interviewed several child care leaders from mountain communities throughout Colorado – in Telluride, Aspen and Glenwood Springs/Garfield County, and Estes Park – to learn more about innovative policies and practices implemented in comparable municipalities and to gather the perspectives from leaders in these communities on the Breckenridge Child Care Program. These communities share with Breckenridge a relatively high cost of living, an economy driven primarily by

⁵ The current process and timing of the potential universal pre-K program is described above, in the Findings and Recommendations section.

tourism, and a similar quality of life. In 2017, for instance, the Aspen school district was ranked as having the highest cost of living out of the 178 school districts in the state that were ranked, followed by Summit RE-1 (Breckenridge) at number 2, Roaring Fork RE-1 (Glenwood Springs/Garfield County) at number 3, Telluride R-1 at number 6, and Estes Park R-3 at number 14 (Pacey Economics, Inc., 2018). The communities profiled in this report are truly some of the most expensive places to live in the state. The high costs of living in these communities mean that they also experience difficulties providing sufficient quantities of high-quality affordable child care. In order to address these difficulties and ensure that families in the area can obtain quality care and continue participating in the workforce, each of these communities has implemented or is considering different approaches to supporting child care.

The table on the next page compares the challenges, measures, funding, and strategies for addressing the child care challenges in Breckenridge, Aspen, Garfield County, Telluride, and Estes Park. All of these communities are at different stages of brainstorming solutions and implementing those solutions.

Table 7: Comparison of Innovative Community Child Care Practices

	Breckenridge	Aspen	Garfield County (Glenwood Springs)	Telluride	Estes Park
Primary challenges	Affordability, quality (teacher turnover), and capacity	Capacity, affordability, quality (teacher turnover)	Capacity, affordability, quality (teacher turnover)	Capacity, quality (teacher turnover and long commutes), affordability	Capacity, especially for infants, affordability
Long-term sustainable funding	Breckenridge Child Care Program is funded on an annual basis by the town council and marijuana tax that runs through 2019. A 2013 ballot measure failed.	Long-term measure was approved in 1989 and renewed twice. It will run through 2038.	None currently	Ballot measure passed in 2017 with no sunset date	None currently. Proposing special taxing district and bond
Annual funding	\$978,096 budgeted for 2018	About \$2 million	None	About \$600,000	None
Policies in place	Offering tuition assistance, salary supplements, capital contributions	Providing infant/toddler care subsidies, tuition assistance, salary supplements, capital needs, and centralized staff	Building a new center	Currently planning to subsidize infant/toddler care, provide salary supplements, and provide training for teachers	No funding

The remaining portions of this section describe each of the comparison communities and how they aim to address the child care challenges that exist in their community.

Aspen and Glenwood Springs/Garfield County

APA interviewed Shirley Ritter, Kids First Director (Aspen) and Joni Goodwin, Executive Director of the Early Childhood Network (Glenwood Springs) during a single phone interview. Like Breckenridge, Aspen and Glenwood Springs are both relatively small communities that are considered to be resort destinations. Ms. Goodwin provided information about the child care context not only in Glenwood Springs, but also in Garfield County which is home to relatively rural areas in addition to Glenwood Springs. Aspen and Glenwood Springs both have high housing and health insurance costs, but other areas of Garfield County have more affordable housing.

Both Aspen and Garfield County lack sufficient child care slots to meet community demands, in part due to high property costs that make it unprofitable or impossible to find facility space. The communities both also have trouble recruiting and retaining teachers, to some extent because of increasing state qualification requirements for early childhood teachers. Further, in both communities, year-round full-time child care for two children may cost \$30,000, which is unaffordable for many low- and middle-income families.

Garfield County has a sizable population of Latino families who tend to utilize family friend and neighbor care, due in part to affordability and in part to a lack of information about what other options are available. Garfield County is currently exploring ideas and working with the Colorado Child Care Assistance Program (CCCAP) to improve outreach to Latino families. To address the lack of capacity in Garfield County, the town is building a new child care center. Both Early Head Start and Head Start are offered in the County. There is hope that a future ballot measure such as the one in Aspen would help the County further address existing child care problems.

Aspen passed a sales tax in 1989 dedicated to both affordable housing and child care. The measure has been renewed twice, most recently for 30 years. It has provided about \$2 million annually for child care in Aspen. Sixty-percent of the funding from this measure goes towards a subsidy to offset centers' infant and toddler costs, tuition assistance for families, and a salary supplement for teachers. The other forty-percent of funding is used for facility space and additional centralized staff who work across Aspen child care centers. Specifically, the infant/toddler subsidy goes directly to offset provider costs because it often is not profitable to provide infant and toddler care. The amount of these subsidies is tied to provider quality ratings, which may motivate providers to seek higher ratings.

Aspen's tuition assistance program is geared toward families who are not eligible for CCCAP funding. The tuition assistance may be used to fund families with incomes up to 500 percent of the federal poverty level, \$125,500 for a family of four in 2018 (U.S. Department of Health and Human Services, 2018). Approximately 50 families receive tuition assistance. Teacher salary supplements for teachers are tied to professional development, which may also motivate teachers to seek training. The facility funding goes toward building maintenance and improvements such as playground upgrades. In the late 1990s, the city purchased an old elementary school building with 14 classrooms. The classrooms are

rented out at below-market-rate to three separate child care providers. The other funding is used for two full-time quality improvement coaches, a nurse, a resource substitute teacher, tuition assistance coordinator, and an office manager, all available to help any child care center in Aspen. A community advisory board helps make decisions about these programs.

The scope of the Aspen child care supports is more extensive than any other community that APA talked with in the state, although the sales tax does not resolve all child care concerns and there are still concerns about capacity and affordability. The interviewees in Aspen and Garfield County urged caution about modeling a child care program in Colorado resort communities after the Denver Preschool Program. They believed that a program modeled after the Denver Preschool Program would not do enough to address capacity issues, would not increase infant and toddler slots, would not help recruit highly qualified teachers, and would not do enough to improve quality.

If Aspen and Garfield County had access to more funding, they would explore health insurance plans and mental health supports for teachers, offer higher staff wages, purchase new facility spaces, and try to offer affordable employee housing for early childhood staff.

Telluride

Telluride, like Breckenridge, is a small community that relies economically on the tourism and recreation industries. Child care capacity is the biggest concern currently, particularly for infants, because there are only six infant slots in the entire area. Teacher turnover is relatively high due to low teacher pay, high cost of living, and lack of benefits. It is relatively common for teachers to commute more than 40 minutes in each direction to work at the child care centers in Telluride because the teachers cannot afford to live in town. The centers in Telluride are not charging parents the true cost of care because parents would not be able to afford it, even with the scholarships available. The Telluride Foundation has been offering scholarships (tuition assistance) for parents at child care centers in the area for more than 15 years. Centers in Telluride apply for these scholarship funds annually through the Foundation's grant process.

In November 2017, Telluride successfully passed a mill levy that will provide approximately \$600,000 annually for child care services. There have been a series of committee meetings to determine the best ways to allocate this funding. Current ideas include subsidizing care to make it profitable to provide infant and toddler child care slots, offering a salary supplement for teachers that brings their salaries up to public elementary school teacher levels, and providing training. There are concerns about making decisions about how to use the funding without adequate or current data on early childhood education, particularly salaries.

Estes Park

Estes Park is a community located near Rocky Mountain National Park that relies heavily on tourism. Affordable housing is considered to be virtually non-existent. There are two early childhood education centers in town that serve about 90 children starting at age 2.5 and six home providers serving about 20 children, including four or five infants. Estes Park estimates that there are about 500 children who need

child care who are not receiving it, resulting in many families leaving the community. The two existing centers cannot raise their rates because parents could not afford to pay for the true cost of care. With this huge capacity problem, business and early childhood leaders in the community are considering their options to expand child care and enable parents of young children to participate in the workforce. Business leaders are seeking legislative authority to form a special taxing district, then ask the voters to approve a bond to fund child care improvements. If approved, the funds from the taxing district would form a 501c3 organization that would build a total of four centers, with two centers located on one site and two on another site. One of the centers at each site would house centralized services such as a kitchen, administration, and parking. The 501c3 organization would administer centralized services for all four centers including hiring, purchasing, and other administrative services. Each center would have a different curriculum approach such as Montessori or Waldorf to provide parents with choices. Estes Park business leaders plan to include leaders from the Latino community on the organizational board in order to ensure the child care needs of Latino community members are being addressed.

Estes Park believes that ensuring high program quality and addressing teacher turnover are important goals but are currently a second priority to addressing child care capacity. However, in the long-term, Estes Park business leaders would like to pay teachers a salary equivalent to the salary earned by elementary school teachers. They also would like to explore the options for offering affordable employee housing for child care workers.

In all three interviews, the community leaders praised Breckenridge's programs and policies to support child care. Two of the communities, Aspen and Telluride, have been able to ensure longer term funding for child care, while Estes Park has struggled with how to fund child care in a small town that faces different challenges than the rest of Larimer County. Telluride passed their mill levy within the last year using the strategy of identifying those likely to be in favor of the measure and ensuring that they vote. This strategy required diligent voter polling. It may be helpful for Breckenridge to follow a similar strategy if or when the Town next introduces a ballot measure for child care funding.

Practices of High-Quality Child Care Centers in Similarly Situated Communities

In order to gather more information about innovations implemented by high-quality centers, APA set out to interview preschools and child care centers with Colorado Shines level 5 ratings (the highest rating level) in communities similar to Breckenridge. A review of Colorado Shines data indicated that there are 26 child care and preschool providers in the state at level 5 in the Colorado Shines rating system. Only six of these high-quality centers were located in mountain communities. However, all six of these were elementary school programs and not strictly comparable to Breckenridge's private child care centers. Therefore, APA focused on level 4 centers that are located in mountain resort communities. APA conducted interviews with the directors of four of these centers from Crested Butte, Durango, Vail, Steamboat Springs and one managing director of two level 4 centers in Vail. All of the directors reported community challenges similar to those in Breckenridge: lack of affordable housing, and extremely high health care costs.

APA offered confidentiality to these directors in order to obtain information on sensitive topics such as salaries. This section presents data from each interview without identifying which center provided it. The following table presents a comparison of the five child care centers on a variety of metrics.

Table 8: High Performing Resort Town Child Care Centers Comparison*

	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5
Enrollment	70	90	65	71	39
Ages served	2 -year-olds to Pre-K	Infants to Pre-K	Infants to Pre-K	Toddlers to Pre-K	1 -year-olds to Pre-K
Population served	More low- and middle-income families than other centers nearby	Low- and middle-income families usually comprise at least 50% of their enrollment	Mostly working families	Mostly working families	Representative of the community
Challenges	Long waiting lists	Lack of affordable housing Long waiting lists.	Teachers leave to teach elementary school after receiving training. High cost of living makes teacher recruitment almost impossible. Long waiting lists especially for infants.	Teacher salary is not high enough. Not affordable to offer infant care.	Difficult to recruit and retain due to low salary. It costs up to \$2,000 to train each new employee. Long waiting lists.
Contextual information	Purchased the building in 2007 with help from external funders. 12 parent volunteer hours are required annually.	Grant writer who is certified as a teacher has been invaluable.	Business services are shared across local centers (payroll, grant writing, insurance, etc.) External coaches work with teachers once a week (through Early Childhood Partners). Mental health consultant is available to staff once a month.	15 parent volunteer hours are required annually.	The center spends 20 hours onboarding and training new employees.
Student-to-staff ratios	Generally below licensing requirements	Below licensing requirements	Meets licensing ratio requirements	Below licensing requirements	Below licensing requirements
Average annual grant funding	~\$30,000	\$30,000-\$50,000. Occasionally, extra for one-time upgrades for items such as flooring.	\$25,000- \$50,000	~\$55,000	\$80,000- \$90,000

	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5
Teacher salary range	\$13.50/hour - \$18/hour	\$16/hour – \$20/hour	\$15/hour – \$18.50/hour	\$15/hour – \$22/hour.	\$12/hour – \$19/hour
Health insurance offered	\$170 contribution per month	\$300 per month for health insurance. Also offers vision and dental coverage.	Offers to pay for 50-75% of employee health care. Only ¼ of employees use it. Most others are covered by spouses or Medicaid. Annual cost of \$20,000.	Offers a health insurance plan and pay for 50 percent of employee costs for the plan	\$200 per month
Retirement plan offered	Yes	No	Yes. After 1 year of employment. Employer match of 3%. Annual cost of \$5,000.	Yes. Employer match of 3%.	Yes
Paid time off (PTO)	Starts at 7 days PTO per year	Starts at 122 hours of PTO per year after a year of employment	1 week of vacation per year of employment up to 3 weeks. 72 hours per year of sick leave.	1 week of vacation per year, after a year of employment. 1 day per month of sick leave. Plus paid time off for 4-5 weeks per year.	After 90 days, teachers begin to accrue 1 week of leave per year, 1 week of paid spring break, and 8 PTO days per year.
Holidays paid	Yes	Yes, if scheduled to work	Yes, if scheduled to work	Yes	Yes
Paid training and time off to attend	Yes	Yes	Yes	Yes	Yes
Tuition Rates (Annual rates assume 5 days per week, 50 weeks per year)	Tiered tuition system based on four income brackets. Monthly full-time tuition ranging from \$685 to \$816 depending on income. Annual rates of \$8,220 to \$9,792.	Daily rate of \$65 per day for infants and toddlers, and \$60 for preschoolers. Annual rates of \$15,000-\$16,250.	Full-time tuition varies from \$900/month for older children and \$1,250/month for infants. Annual rates of \$10,800 to \$15,000.	Daily rate of \$55/day for toddlers, \$60/day for preschoolers. Annual rates of \$13,750 to \$15,000.	Full-time monthly tuition of \$1,105 for infants and toddlers, \$1,080 for 2-3 -year-olds, \$1,055 for 3-4 -year-olds and \$1,030 for preschoolers. Annual rates of \$12,360 to \$13,260.

	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5
Tuition assistance provided	Grant funded annual scholarships for parents who are just above CCCAP eligibility ⁶ . \$11,000 available this year.	Scholarships for families at 180% to 250% ⁷ of the federal poverty level (above CCCAP eligibility). Calculation of amounts includes income and family size. \$45,000-\$50,000 annual costs that are funded by the local early childhood council.	Tuition assistance for families just above CCCAP eligibility ⁸ . Goes to 17-22 kids per year. Cost of \$20,000 annually and is grant funded.	Tuition assistance for families below 300% ⁹ of federal poverty level. Center limits those parents' contribution to 15% of their income and picks up the rest. Goes to about 6% of students. Cost of \$25,000 annually and is grant funded.	Families below 275% ¹⁰ of poverty can apply for scholarships by submitting an application, tax return, and pay stub. 15-20% of families receive an average of 15-30% tuition discount based on income. Cost of \$20,000 and is grant funded.
Highest priorities for additional <u>one-time</u> funding	Purchase building next door. Replace office carpet. Improve patio.	Increase salary. Expand benefits, including health insurance and a retirement plan.	Upgrade the playground	Upgrade/replace fencing, flooring, and lockers	Purchase a new facility
Highest priorities for additional <u>ongoing</u> funding	Increase teacher salaries. Increase health insurance contribution. Increase tuition assistance	Hire more staff	Increase teacher salaries. Offer health insurance. Explore a substitute teacher network.	Hire a full-time floater/substitute.	Increase salary

⁶ CCCAP requires counties to serve families at 165% or less of the federal poverty level. In 2018, this was \$41,415 for a family of four. (U.S. Department of Health and Human Services, 2018)

⁷ CCCAP requires counties to serve families at 165% or less of the federal poverty level. Counties may serve families up to 85% of the state median income with CCCAP. 180-250% of the federal poverty level for a family of four is \$45,180 to \$62,750 in 2018. (U.S. Department of Health and Human Services, 2018)

⁸ CCCAP requires counties to serve families at 165% or less of the federal poverty level. In 2018, this was \$41,415 for a family of four. (U.S. Department of Health and Human Services, 2018)

⁹ 300% of the federal poverty level for a family of four is \$75,300 in 2018. (U.S. Department of Health and Human Services, 2018)

¹⁰ 275% of the federal poverty level for a family of four is \$69,025 in 2018. (U.S. Department of Health and Human Services, 2018)

	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5
Contributors to high-quality	Including teachers in decision making, and a flexible work environment both help reduce teacher turnover.	Low student to staff ratios	Shared business services help with efficiency.	They are able to hire highly educated teachers due to their location. They have worked hard to create community among the staff.	Business and leadership training for the director has helped build a culture of accountability and trust among director, staff, parents, and kids.

*One of the columns in the table averages enrollment, costs, and grant funding for the two Vail centers.

Although the five-comparison high-performing centers serve different numbers of children, ages, and types of populations, there were some common practices that may serve as models for the Breckenridge centers. Breckenridge and its centers are already implementing many of these policies and practices.

- Operate below required child-to-staff ratios: Four of the five centers operate below the child-to-staff ratios required by licensing. Thus, they have more staff than required. As mentioned above in the findings from APA’s teacher focus groups, operating below ratio allows flexibility for teachers to take breaks, obtain training, and use vacation and sick leave.
- Pay teachers higher hourly rates: The high performing comparison centers provided information on teacher salary rates. For context, the average teacher salary in Northwest Colorado, where Breckenridge is located, is \$16.36 per hour (U.S. Bureau of Labor Statistics, 2017). Two of the comparison centers offer a salary that is higher than the Northwest Colorado average and the other three offer average salaries roughly equal to this average.
- Raise additional funding through grants: All five centers raise at least \$25,000 annually on average through additional grants to fund their centers and some raise significantly more funds. This funding is used to help increase tuition assistance or scholarships that help the lowest income families, those whose incomes fall just above the income eligibility limit for CCCAP, and/or those who are marginally above the federal poverty line. Most of the centers serve a significant number of low-income, middle-income, and/or working families and it is likely that many of these families would not be able to afford child care without this assistance.
- Offer additional non-salary compensation: Like the centers in Breckenridge, the high performing comparison centers in Colorado also struggle to recruit and retain employees because of the high costs of living and relatively low compensation. However, unlike the Breckenridge centers, all five comparison centers offered a contribution to health insurance and four out of the five offered access to a retirement plan, with two of the centers offering an employer match. Not all employees utilized these benefits, but directors believed that these benefits help to recruit and retain some employees. All of the centers provided paid holidays, paid training fees, and provided time off for staff to travel to and attend trainings. Each of the centers also offered vacation/sick leave, although the amounts of leave varied widely.

- Schedule regular reviews of tuition rates: APA collected data on tuition rates from each of the five high performing centers and annualized these rates for a child enrolled full-time full-year (assuming five days per week, 50 weeks per year).¹¹ These tuition rates represent tuition prior to any tuition assistance and are the rates that those who are not eligible for that assistance are likely to pay. Only one of the high performing centers charges annual tuition per child below \$10,000. Together, the four other high performing centers charge parents between \$10,800 and \$16,250 for one child, depending on the age of the child. When the average daily tuition rates in Breckenridge are averaged across age group and across the four child care centers, and then annualized for five days per week and 50 days per year, full-time tuition (prior to tuition assistance) is \$18,748, or about \$2,500 more per year per child than any of the five high performing centers that were interviewed in this study. This difference may reflect the fact that Breckenridge centers charge the actual cost of care, while these other high performing centers may be charging artificially lower tuition in order to increase access for families. Some of these parent tuition rates are offset by the tuition assistance (discussed below), but not all Breckenridge parents receive tuition assistance and those who are ineligible for tuition assistance are likely to pay the full tuition amount.
- Providing tuition assistance: All five of the directors interviewed for this study provide tuition assistance to some, but not all parents. Typically, the tuition assistance goes to low-income families that could not afford child care without assistance; to low-to-middle income families that earn just enough to not qualify for CCCAP funding; or to families whose income falls below a set percentage of the federal poverty level. Across all five high performing centers, the income eligible limits range from no income up to 300% of the federal poverty level, which is \$75,300 for a family of four. Breckenridge limits tuition assistance to those families earning 150 percent of the area median income, which is \$135,900 for a family of four. Thus, Breckenridge probably has higher income eligibility limits than the five high performing comparison centers. In each of the high performing centers, the tuition assistance programs are all funded by and dependent on grant funding. The total yearly costs of tuition assistance range from \$11,000 to \$50,000 per center. In contrast, the average tuition assistance cost per Breckenridge child care center in 2016 was \$160,351¹². Breckenridge has higher average tuition rates than the comparison centers and thus it makes sense that average per center tuition assistance is also higher in the Breckenridge centers.¹³ Again, this may reflect the decision by the Town to have centers charge the full cost of care and to provide higher levels of tuition assistance to allow families to afford that cost of care. The higher amounts spent on tuition assistance in Breckenridge may also reflect the fact that the income eligibility limits are higher and thus, more families may receive tuition assistance in Breckenridge. It is also important to note that many of the families enrolled in the Breckenridge child care centers are not eligible for tuition assistance and pay the full

¹¹ In actuality, the average family receiving tuition assistance receives only 3.8 days of care. However, APA presents tuition rates annualized for full-time full-year to allow comparisons with other communities.

¹² Source: *Tuition Assistance 2016- 2017 Roll up*, provided by the Breckenridge Child Care Program.

¹³ This calculation does not factor in the average numbers of families or children receiving assistance in each center. This information is available for Breckenridge centers, but was not provided by all of the comparison centers.

tuition rate. Thus, the parents paying full tuition are likely to be paying more for care than in the other centers APA interviewed.

When asked what they would do with an additional one-time infusion of money, four out of the five directors indicated they would make facility improvements or upgrade their facility, and two of them would purchase a new facility. This indicates that child care center directors would seek to expand capacity if they had the money and/or improve the quality of the space. The other center would invest the additional funding into staff salaries and benefits, even knowing that those investments may not be permanent.

APA also asked providers how they would allocate increased ongoing funding. Three centers would increase staff salaries. Two of these three centers would also expand benefits. The other two centers would hire additional staff to help lower student-to-staff ratios and provide more flexibility for teachers. In addition, one center would also increase tuition assistance. These intended uses for increased ongoing funding are similar to the priorities for change articulated by the directors of the Breckenridge centers.

APA also asked the five high performing center directors to identify which factors contributed most to their high-quality. Three of these centers mentioned the importance of a workplace culture that provides flexibility, promotes buy-in/accountability, and encourages collegiality. One of these three center directors noted that business and leadership training had greatly improved their ability to create this type of culture. The other two directors mentioned low student-to-staff ratios and shared business services as keys to their high-quality. Again, these answers are similar to the priorities for change expressed by the Breckenridge center directors.

Conclusions

While this report has offered a variety of suggestions for improving child care in Breckenridge, it is very clear from interviewing early childhood stakeholders in other communities that Breckenridge is already viewed as a model for other communities across the state and the Town is already implementing many best practices that are found in high performing child care centers in similar communities. Specifically, tuition assistance and higher teacher salaries are key to increasing affordability and improving teacher quality. The Breckenridge Child Care Program has been successful in beginning to address affordability, capacity, and quality of child care in the area.

It is also clear when talking to members of the Breckenridge community how proud they are of their community. Teachers and directors who work in child care in Breckenridge enjoy living in the mountains, enjoying the outdoors, and they strongly value the community relationships they have built with the families they serve. However, that community comes with the costs of expensive housing and abnormally high health insurance costs. These high costs of living make it a challenge to make ends meet, which impacts both child care teachers and the families who enroll in child care.

Participants in the interviews and focus groups both in Breckenridge and in other communities believe that teacher quality is the most important component of child care quality. Teacher turnover in the early

childhood community, which is a common problem in the industry, is a particular problem in Breckenridge because of the high cost of living. There is some evidence that the Town's Child Care Program has reduced teacher turnover. However, teacher recruitment and retention could be further improved. Teachers who remain at a center for longer periods of time provide consistency and are able to build relationships with children, families, and other staff that facilitate learning. Teachers who are highly qualified through education, training, and experience are also more likely to provide effective care and instruction for children. It is therefore imperative to compensate teachers fairly and offer health and retirement benefits, as well as ongoing training that leads to continual professional growth.

This report has provided a number of recommendations for improving quality, efficiency, affordability, and capacity of child care in Breckenridge. Many of the recommendations have associated costs, while others may both improve efficiency and quality, which would offset many of the costs. APA recommends that the Breckenridge Child Care Advisory Committee prioritize next steps for continued improvements to its existing child care program, determine the costs of implementing the highest priority improvements, determine the potential cost savings associated with such improvements, and then implement appropriate changes with input from the center directors, teachers, and families served.

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