

# Child Care and Early Education in Colorado



In Colorado, federal and state early learning opportunities serve more than 59,504 children and families,¹ or 15% of children birth through age 5.²

High-quality early care and education (ECE) is proven to dramatically improve a child's opportunities for a better future while offering parents greater job stability and overall economic security.

### **The Economic Impact**

Access to affordable, high-quality child care can increase parental labor force participation and family economic stability. However, widespread problems finding and paying for child care adversely affect both state and national economies. As a direct result of child care issues, the national economy loses \$122 billion annually in the form of lost earnings, productivity, and revenue. In Colorado: The estimated annual economic impact of the infant-toddler child care crisis: \$2.3B.

# Families Lack Access to High-Quality ECE Options in Colorado

The high cost and limited supply of quality ECE have created serious challenges for many families.

#### **Unmet Need**



**391,785** Children Birth Through Age Five<sup>3</sup>



**12%** of Children Birth Through Age Five Living in Poverty<sup>4</sup>



63% of Children Birth Through Age Five With All Available Parents in the Workforce<sup>5</sup>



**15%** of Children Birth Through Age Five Served By Federal- and State-Funded Early Learning Opportunities<sup>6</sup>

Note: 1,2,6: These figures include beneficiaries of Head Start, Early Head Start, CCDF, MIECHV, state-funded Pre-K, and IDEA Parts B, Sec. 619 and C. In some cases, children and families are served by more than one program.

There are several early learning programs that provide working families with access to high-quality, affordable ECE opportunities, but currently the demand for care far outweighs the supply, and funding constraints leave many eligible children unserved. Each of these programs has its own eligibility requirements, purpose, and service delivery model. Together they form a mixed-delivery system that supports parental choice and aims to meet children's individual needs.

# Child Care & Development Block Grant (CCDBG)

#### 11,286

Children Birth Through Age Five Served<sup>9</sup>



Eligible Children Birth Through Age Five Served<sup>10</sup>

Learn more about CCDBG in Colorado here.

### **Early Head Start**

#### 3.298

Children Enrolled<sup>11</sup>

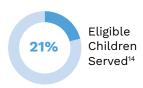


Eligible Children Served<sup>12</sup>

#### **Head Start**

### 7,515

Children Enrolled<sup>13</sup>



# Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

### 1.714

Families Served<sup>15</sup>

Learn more about MIECHV in Colorado here.

#### **State-Funded Pre-K**

#### 20,467

Children Enrolled<sup>16</sup>



of three- and four-yearold children attend public ECE<sup>17</sup>

#### **IDEA Part C**

IDEA Part B, Sec. 619

6,961

8,263

Children Served<sup>18</sup>

Children Served<sup>19</sup>

# Child and Dependent Care Tax Credit (CDCTC)

Through the tax code, the CDCTC helps parents with the cost of work-related child care expenses.

Learn more about CDCTC here.

# Early Care and Education (ECE) in Colorado Snapshot



# **Accessibility**

Many families struggle to find the care they need.

- 51% of Colorado residents live in a "child care desert."20
- Black and Hispanic/Latino families are disproportionately represented among those who live in a "child care desert."<sup>21</sup>
- 4% of children under age 3 receive early intervention services.<sup>22</sup>



### **Affordability**

The cost of ECE is too expensive for many families.

- The annual price of center-based infant care is \$19,573, and home-based infant care is \$12,750.<sup>23</sup>
- Families receiving a CCDBG subsidy pay between \$1 and \$584 per month for one child in care.<sup>24</sup>
- A two-parent household spends 12% of their income on child care, while HHS defines spending over 7% to be a burden.<sup>25</sup>



#### **ECE Workforce**

Early childhood educators have some of the lowest paying jobs in the United States, earning poverty-level wages.<sup>26</sup>

• \$35,040 child care worker annual salary (\$16.84 per hour).<sup>27</sup>



#### **Program Quality**

Program quality varies substantially across and within states.

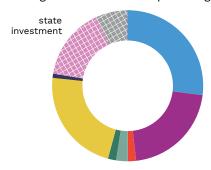
- Met 4/10 of NIEER's Quality Standards Benchmarks for state-funded pre-K programs. Only 5 states met all 10 benchmarks in 2022.<sup>28</sup>
- 47% of children received developmental screenings at 9, 18, and 30 months in the past year.<sup>29</sup>

For full sourcing information, visit here.

\*Colorado.gov/governor, Colorado Evaluation and Action Lab | \*\*BUILD

### Federal and State ECE Funding in Colorado

Federal funding is foundational to providing ECE.



\$120M • Head Start and Early Head Start<sup>30</sup>

\$94.5M ● CCDBG and Mandatory Funds<sup>31</sup>

\$7.7M ● MIECHV32

\$11.1M • IDEA Part C33

\$7.9M ● IDEA Part B, Sec. 61934

\$99.9M ● TANF Early Learning and Care Expenditures<sup>35</sup>

\$3.9M • PDG B-5<sup>36</sup>

\$69.4M • State-Funded Pre-K<sup>37</sup>

\$29.2M ● CCDBG State Match<sup>38</sup>

\$1.2M • PDG B-5 State Match39

Colorado received an additional \$626M through COVID-19 relief.<sup>40</sup>

## **Spotlight: ECE Successes in Colorado**

#### **COVID-19 Relief:**

Throughout the pandemic, there was strong bipartisan support for federal relief funding to keep the child care sector afloat.

- As a result, 3,475 child care programs in Colorado received support, impacting up to 265,700 children.<sup>41</sup>
- These funds also allowed states to demonstrate
  what would be possible when equipped with
  additional resources. Funds have been used to
  support and stabilize the workforce through
  increased employee compensation, retention
  bonuses, professional development, and hiring
  additional staff while offsetting operational expenses
  for child care programs.\*

# Preschool Development Grant Birth Through Five (PDG B-5):

PDG B-5 is a competitive federal grant designed to improve states' early childhood systems. In their 2023 planning grant application, among other uses, Colorado noted that they would use funding to:

- Increase the availability of developmental screenings and referrals in child-serving settings and data integration tasks, as included in the Colorado Shines Brighter B-5 Strategic Plan.
- Design a family child care home compensation pilot, increasing the salaries of family child care providers that have a high percentage of children enrolled receiving a state subsidy.\*\*