



Early Childhood Educator Tax Credit

HB22-1010

Reps. Sirota & Van Beber | Sens. Buckner & Kirkmeyer

Colorado's recovery from the pandemic and economic downturn hinges on ensuring parents can return to work. Access to child care is a necessary work support and disruptions in care arrangements or inability to find child care harms workforce participation, especially among women and people of color. However, many providers are struggling to keep their doors open and, sadly, many have closed their doors permanently.

➤ 80% of centers are experiencing a staffing shortage

➤ 78% identify low wages as why recruitment & retention remain a challenge

➤ 50% are serving fewer children

➤ 33% cannot open new classrooms

➤ 25% have reduced operating hours

➤ More than 1/3 are considering leaving the field and that percentage is higher for minority-owned programs

Child care is a reality for families

246,000 children in Colorado under age 6 (nearly two thirds of all kids) have all parents in the workforce and must depend on some form of early care and education every day.

Child care is expensive

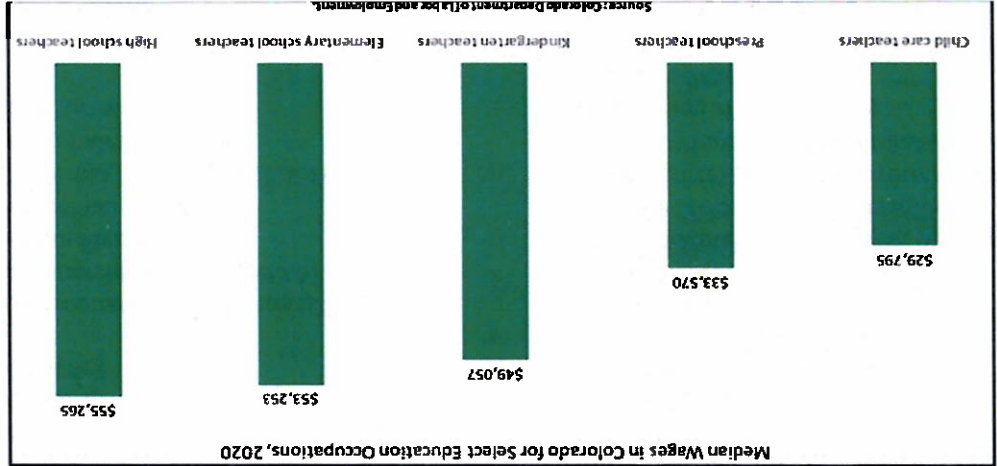
Early education workforce challenges are creating instability in the industry and increasing the unaffordability of child care due to high turnover—four times more frequently than other educators.

Child care impacts the labor force

Use of paid early care and education is highly correlated with women's labor force participation—more than half of young children whose mother is working full-time participate in paid child care.

Child care supports job creation

Early care and education have tremendous spillover benefits for Colorado's economic development: for each new child care job created, more than 1.5 additional jobs are created in the larger Colorado economy.



How does the EC Educator Tax Credit work?

An effective Early Childhood Educator Tax Credit encourages improvements in providers' quality, improves compensation of the early childhood workforce, and increases access to child care providers for those facing the greatest barriers. Key features include:

- Tiered credit tied to an educator's credential level and adjusted annually for inflation
- Means tested and length of service in the classroom requirement during the tax year
- Refundable credit so it is available to all eligible members of the early childhood workforce

What is the evidence of success?

Improving quality in child care & advancing the economic self-sufficiency of the early childhood workforce

- In Louisiana, participation in the state's professional development and credentialing system **more than tripled** after the tax credit was started and the number of credentialled educators **increased fourfold** and staff that attained higher level credentials increased almost eightfold.
- This credit has had a substantial impact on the take-home income of an underpaid early childhood educators who are providing a valuable service to families and children. Each year, nearly 4,000 early childhood educators in Louisiana were able to increase their pay because they pursued education and training.

Supporters:

9to5 Colorado
The Academy Charter School Pre-K
All Families Deserve a Chance (AFDC) Coalition
Amanda Ferrera-Advocate
Bright Futures for Early Childhood & Families
Canon City Schools
Childcare Fun for Kids
Clayton Early Learning
Colorado Association for the Education of Young Children
Colorado Center on Law & Policy
Colorado Children's Campaign
CO Organization for Latina Opportunity & Reproductive Rights
Colorado PTA
Colorado School Medicaid Consortium
Colorado Social Legislative Committee
Colorado Succeeds
Colorado Teen Parent Collaborative
Council for a Strong America
Democrats for Education Reform
Denver's Early Childhood Council
Douros Daycare
Early Childhood Education Association of Colorado (ECEA)
Early Childhood Councils Leadership Alliance (ECCLA)
Early Childhood Council of Boulder County
Early Childhood Council of Larimer County
Early Childhood Council for Yuma, Washington, & Kit Carson
Early Childhood Partnership of Adams County
Early Childhood Council San Luis Valley
Education Reform Now
The Efsfar Project
Elbert County Early Childhood Council

ELLA, LLC
Executives Partnering to Invest in Children (EPIC)
Florence Crittenton Services
Global Village International Preschools & Childcare Centers
Goddard School Thornton
Good Business Colorado
Grand Beginnings, Grand & Jackson Early Childhood Council
Happy Ladybug Early Learning Center
Healthy Child Care Colorado
Huerfano-Las Animas Counties Early Childhood Council
Inas Daycare, LLC
Lisa Lupica-Advocate
Little Boots Early Learning Center
Mental Health Colorado
Midtown Montessori Academy
Mile High Early Learning
Mile High United Way
Parent Possible
Poppins Daycare
Primrose School of Thornton
Pueblo Community College
Purple Moon ELC
Raise Colorado
Rocky Mountain ECC for Eagle, Garfield, Lake & Pitkin
Save the Children Action Network
South Central Council of Governments Early Learning Center
Spring Institute for Intercultural Learning
United Way of Weld County
Warren Village
Weld County's Early Childhood Council
Women's Foundation of Colorado
Young Invincibles

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