

**Amendments L.001 & L.002 to HB22-1010: Early Childhood Educator Tax Credit**



1. Raises the ceiling on income for joint filers
  - Amends the language requiring joint filers to earn less than \$85K and makes it \$150K
  - Amendment L.001 Lines 1-2

2. Expands the providers who employ educators who are eligible for the tax credit
  - Allows educators at all licensed providers to participate (i.e., all educators at Level 1 and higher providers with no CCAP or Head Start limitation). This requires eliminating the CCAP/Head Start requirement.
  - Amendment L.001 Lines 4-9

3. Improves the tax credit amounts and eliminates the "step-down"
  - Removes the "step down" for higher credential levels
  - Institutes updated credit amounts: ECP I = \$750, ECP II = \$1,000, ECP III - VI = \$1,500
  - Amendment L.001 Lines 10-18

4. Non-statutory legislative declaration in L.002:

- Demand for early childhood educators and directors is expected to increase by nearly 25% over the next 10 years, a rate that is even faster anticipated growth than for K-12 educators.<sup>ii</sup> The growth rates for early childhood professionals are high everywhere, but are double in rural counties compared to urban counties and highest in frontier counties.<sup>iii</sup>
- The early care and education sector is comprised almost exclusively of women, 40 percent of whom are people of color.<sup>iv</sup> Failure to invest in this profession undermines the economic opportunity of early educators and their ability to support the education of the children in their classroom.
- These educators represent the most racially diverse sector of the teaching workforce, compared to K-12 and postsecondary education<sup>v</sup> but early educators are among the lowest-paid professionals in every state, including Colorado.<sup>vi</sup>
- On average, ECE teachers earn less than half the salary of kindergarten teachers and over one third report receiving subsidies from public assistance programs to make ends meet.<sup>vii</sup> Low pay and instability in the early childhood sector contributes to high turnover rates with half of all early childhood education professionals changing jobs within 3 years.<sup>ix</sup>
- The pandemic has exacerbated the challenges facing the recruitment, retention, and professional development of the early childhood workforce<sup>x</sup> at a time when the need for access to early care and education is acute for working families, and women in particular, to be able to enter the workforce.<sup>xi</sup>
- Investments in the early care and education workforce have a significant return on investment with every dollar invested in the early care and education sector resulting in \$2.27 in output in the state economy and every job created in the early care and education sector resulting in an additional nearly 1.5 new jobs in the state economy.<sup>xii</sup>

<sup>i</sup> <https://www.colimigrateway.com/vosnet/analyzer/resultsNew.aspx?session=indoccs&pu=1&piang=E>  
<sup>ii</sup> <https://www.colimigrateway.com/vosnet/analyzer/resultsNew.aspx?session=indoccs&pu=1&piang=E>  
<sup>iii</sup> <https://coloradolab.org/wp-content/uploads/2020/06/ECE-Professionals-2019-Snapshot-Report.pdf>  
<sup>iv</sup> <https://csce.berkeley.edu/supporting-a-diverse-qualified-early-educator-workforce-aligning-policy-with-research-and-realities/>  
<sup>v</sup> <https://csce.berkeley.edu/racial-wage-gaps-in-early-education-employment/>  
<sup>vi</sup> <https://coloradolab.org/wp-content/uploads/2020/06/ECE-Professionals-2019-Snapshot-Report.pdf>  
<sup>vii</sup> <https://csce.berkeley.edu/workforce-index-2020/states/colorado/>  
<sup>viii</sup> <https://coloradolab.org/wp-content/uploads/2020/06/ECE-Professionals-2019-Snapshot-Report.pdf>  
<sup>ix</sup> <https://csce.berkeley.edu/child-care-sector-bis-analysis/>  
<sup>x</sup> <https://www.federalreserve.gov/econres/notes/feds-notes/caregiving-for-children-and-parental-labor-force-participation-during-the-pandemic-20211105.htm>  
<sup>xi</sup> <https://www.ced.org/assets/reports/childcareimpact/181104%20CSE%20Report%20Jan30.pdf>  
<sup>xii</sup> see Fig. 27

