

**La Plata County Children, Youth and Family Master Planning Process  
Committee Report**

**Key Focus Area: Early Childhood Development**

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**What was the vision your committee used to drive its process?**

“Got Joy? Nurture each child from the beginning.”

**How did your committee define thriving in relationship to its key focus area?**

The personal and professional experience of the participants in the Early Childhood Development (ECD) Committee, the extensive research that exists within the field of early childhood and the data that exists within La Plata County all point to the fact that thriving really begins at conception and creates its foundation in the developmental years from birth to 6 years old. If a child begins life under difficult circumstances or within a non-nurturing support system or if the foundation that is built within the developmental years is negative, then that child’s chances of thriving are greatly diminished. A child who begins life this way has a greater probability of demonstrating higher incidences of these characteristics (not an exhaustive list):

- Aggressive and malcontent behaviors that worsen with age
- Unresponsiveness or inappropriate responses to affection at later ages
- Not entering school ready to learn, which makes it almost impossible for a child to ever catch up
- Mental and physical health problems that manifest themselves at different times in their lives, often many years after their childhood
- Brains that are not as fully developed as other children their age
- Inability to form positive relationships with others

The Science of Early Childhood Development report produced by the National Scientific Council and the Center on the Developing Child at Harvard University indicates that children who experience “toxic stress”, which they define as strong and prolonged activation of the bodies stress management systems, can damage developing brain architecture and lead to lifelong problems in learning, behavior, and both physical and mental health. The essential feature of toxic stress is the absence of consistent, supportive relationships to help the child cope.

The ECD committee believes that the services, supports and opportunities that are currently available in La Plata County for those families, and therefore their children, who are experiencing the most toxic stress are effective and, while they could be expanded, are available. Where the committee saw the greatest need was for those families and children who are not yet presenting behaviors that warrant referrals to these services and for those whose income doesn’t qualify them for services, but without some assistance can’t afford them. Therefore the committee focused its attention on supporting the low- and moderate-income families who need to be away from their children in order to have the resources needed to raise them. These are mostly loving and caring parents who simply don’t have the resources needed to allow them to focus on developing the thriving indicators they want for their children. The committee’s recommendation is designed to increase the likelihood that the children of La Plata’s

economically struggling families will be able to receive the nurturing care they need in as positive an environment as possible.

The ECD committee is committed to ensuring that no family in La Plata County is excluded from connecting their child(ren) to quality and licensed services, supports and opportunities needed to support thriving. The committee's chosen approach is less costly and more effective than addressing problems when they arise at a later age. The committee's recommendation is, therefore, creating the platform for children to thrive while saving the communities money.

The committee also contributed to and supports the Master Plan's overall thriving definition:

“Thriving youth and adults are steadily growing towards and becoming people with a positive sense of self, nurturing and responsible family members, effective communicators, people who make healthy life choices, involved community members and responsible global citizens, innovative problem solvers and appliers of a creative process, exemplary workers and lifelong learners, and caring and ethical individuals.”

The reality is that the likelihood of these indicators being realized starts in early childhood and the better the foundation is built during the formative years the better the results as an adult.

### **What is your committee's strategic recommendation?**

*The ECD committee's recommendation is that all of La Plata County's families have access to quality childcare services and the in-home supports their children need to ensure they have the opportunity to begin their lives with a foundation that will support lifelong thriving.*

**Recommendation Category:** This recommendation and the strategies to support it, includes guidelines for funding as well as a blended initiative to expand access to quality childcare and in-home supports. It is the committee's intent that the funding for this effort is a public/private venture.

### **What was the support data used to arrive at this recommendation?**

The research done for this report was quite extensive and far exceeds the space allocated for this question. Early Childhood Development and its impact on children, families, schools, economics, and social capital is probably the most studied and reported on aspect of human development there is. A bibliography of just the past year's articles, journals, reports, research papers and statistical analyses would be over 100 pages in length. The refreshing news is that most, if not all of it is saying pretty much the same things. And what they are all saying is that all aspects of adult human capital, from work force skills to cooperative and lawful behavior, build on the capacities that were developed during childhood, beginning at birth. And yet, we as a country have not understood that we are literally throwing millions away by not more effectively supporting and funding the early development of all of our children.

The Economic Impact of Childcare in Colorado; prepared by Miles K. Light, Ph.D. and funded by The BEA, Ford and Piton Foundations and the Colorado Childcare Association is where the committee draw much of its supportive information. It also relied heavily on The Science of Early Childhood Development published by the National Scientific Council and the Center on the Developing Child at Harvard University; Many Happy Returns: Three Economic Models that Make the Case for School Readiness published by the State Early Childhood Policy Technical Assistance Network; Child Care Contribution Credit published by Colorado Tax Publications; From Science to Public Policy: and, Promoting “Policies that Support Early Childhood Social and Emotional Development” an excerpt from Helping Young Children Succeed a joint publication of ZERO TO THREE and the National Conference of State legislatures. The entire publications or in some cases excerpts of a publication will be included in the final planning document.

**Please explain your committee’s justification for selecting this recommendation?**

Children get joy from entering into a life that allows them to grow up within a loving family. As a child enters into the life of a family, everyone experiences both the joys and stresses of welcoming this new person into the family.

Families in past generations had larger and more extended families who helped nurture young children. Grandparents, uncles, aunts and even neighbors would find ways to nurture children when the parents were unable—unable because of the need to work, unable because of illness, or unable because of family dysfunctions that hadn’t been addressed. While this scenario is clearly a good one, that was then, this is now—smaller nuclear, single parent and two-income families are the rule, not the exception. Parents provide for an infant’s needs while fewer extended family members live close enough to provide the kind of intergenerational support that was taken for granted in the 20<sup>th</sup> century. In addition, those within the neighborhood in which the family lives are also far less likely to want to “get involved”. Sooner than they may like, many parents must go back to work to meet basic economic needs. This is the reality in La Plata County, as it is all over the country. In the U.S. two-thirds of families with children under five have those children being cared for outside of their homes while the parents work. With La Plata County being a tourist destination, many of the available jobs are low- to moderate-income service jobs with most paying less than a livable wage.

The Early Childhood Development Committee believes that the most strategic, strength-based recommendation that can be made is to ensure that those families who are earning a low- to moderate-income also have the support they need to increase the likelihood that their infants and young children are being properly nurtured, whether in their home or when at childcare, if they need to return to work. Without the extended help and support of their families and neighbors these families need the community’s help to ensure that their children have a chance to thrive from the beginning.

Initially, parents of newborns, especially a firstborn, often feel overwhelmed with unpredictable needs for food, warmth, cleanliness and security. This is the time when a young family can benefit from relevant information, modeling of how to nurture and a supportive relationship with a health care professional. The highly effective Nurse Family Partnership program targets first-time, low-income mothers while other parent visitation programs have included similar services to a broader socioeconomic group and for these family’s second or third child. The committee believes that the Youth in Transition Committee’s recommendation for a countywide search engine will be extremely helpful to new parents, but will not be a substitute for professional contact. The committee also believes that many of the Neighborhood and Community Committee’s recommended strategies will encourage neighborhoods to be more supportive of their residents, but again this will be a support that may reduce some of the costs, but clearly not an answer.

In La Plata County there are approximately 1000 children ages birth to two years. Of these approximately 12% (120 children) are from low-income and 24% (240) are from moderate-income families. Moderate income is defined as up to 225% of the federal poverty guideline, or \$47,700 for a family of four. Currently, low-income first-time mothers are eligible for the Nurse Family Partnership Program sponsored by San Juan Basin Health Department.

When parents go to work, joy for their children must come from other caring adults sharing good books and stimulating projects, not hours spent watching TV. Parents get joy when they can find and afford quality childcare while they work, not scrambling for the least expensive caregivers who may or may not meet basic licensing standards of health and safety and/or have adequate training to understand a child’s developing needs. Schools will have joy because an ever increasing number of young people will enter school ready to read and able to learn. La Plata County residents will get joy from building a system of quality, reliable, affordable childcare so that every young child’s early years are healthy years

and employers will get joy by realizing, over time, the benefits of a more stable workforce. Taxpayers will certainly realize joy when the need and, therefore, the far more costly remedial services are reduced because young people are starting out with a thriving foundation.

La Plata County's parents, educators, law enforcement and health professionals agree that healthy prenatal and early years of life are the foundation for successful schooling, healthy lifestyle choices and prevention of delinquent and criminal behavior. Children need stable relationships with adults who foster attachment, are responsive to physical and emotional needs and attend to language and cognitive growth. When parents return to work they struggle to find and afford quality, nurturing care that supports this level of healthy development of their young children.

Currently, families with moderate incomes (above the Federal Poverty Guideline, yet below a livable wage) often pay 20% or more of family income for childcare. For example, a family of four, with an income of \$30,000, would pay \$644/month for a toddler and \$466/month for full-time care of their 4-year-old. That would mean they would be paying \$1,110 a month and \$13,320 a year for childcare. This is 44% of their \$30,000 yearly income. This family of four cannot afford quality childcare and still provide shelter and the other basics on only \$6,000 a year, so quality childcare is what may be sacrificed.

This economic scenario is not uncommon in La Plata County and it contributes to problems for parents, children, schools, employers and the entire community. Wages for entry-level positions in banks, hospitals, retail businesses and the other service industries in La Plata County are inadequate to pay the full cost of quality childcare. (See cost section of this report for Costs of Child Care for Infants and Preschoolers in La Plata County and Wages for Entry-Level Positions in banks, hospitals, retail business and the service industry in La Plata County.) Parents are often forced to use unreliable patchworks of friends and family or unlicensed care. Children who are shuffled from caregiver to caregiver miss out on the stable, nurturing care they need to form warm, caring relationships and they sometimes learn negative behaviors that interfere with successful schooling. When this informal network fails, parents are late or absent from work. Ultimately employers pay the additional cost of an unstable workforce due to employee absenteeism and turnover.

As the Family Economic Committee's recommendation and report clearly states, "our community needs to maintain a labor pool of people to fill entry and moderate paying jobs". One of the strategies they are recommending is to reduce the cost of living for families. The ECD committee's recommendation is designed to do this.

When parents face the triangle challenges of low wages, high cost of childcare and housing, they are often forced to relocate out of our county. Quality, reliable and affordable childcare is an important strategy to maintain and expand our pool of moderate-income workers. A childcare subsidy initiative will support working families to find and pay for nurturing childcare and help stabilize the labor pool for entry-level jobs.

**What is this recommendation's overall intended impact on the healthy development of La Plata County's children and youth and/or how will it support its families?**

As has already been stated, when infants start out well and are supported in positive ways until 6 years old the chances of those young people thriving for the long term is greatly enhanced. The reality for families who are struggling economically is that their children have less of a chance of thriving because of the stress placed on them because of a lack of access to quality, affordable childcare and similarly, lack of access to support services for new parents. In La Plata County we anticipate the following benefits will occur by adopting a system that allows these low- and moderate-income families to have access to both quality childcare and in-home support services. We believe that these benefits will occur

in three primary areas: improvement in the conditions within the family and of the children; improvement in the quality of our local education systems; and a decrease in the higher costs paid by the municipalities, employees and the school districts for remedial, long-term services and the loss of time and resources.

### ***Improved Conditions for Children, Youth and Families (Social capital)***

When at least one parent is able to be at home raising the children until they enter school full-time nurturing is at its best and thriving has the greatest likelihood of happening. When the need to work forces a parent(s) to place their child(ren) in childcare the hope is that this childcare occurs within quality and licensed facilities or with a consistent, highly loving and competent family member. Again this is not always possible because the earnings of the parents, even with both working, are not enough to survive on if quality childcare is used. For many, they are forced to leave their children in less than ideal situations in unlicensed facilities or with unqualified individuals. Some are even left at home, often unsupervised for long periods of time.

In La Plata County we envision the following family and child-related conditions improving:

- An increase in the number of families who have access to quality, licensed childcare facilities.
- A decrease in the levels of toxic stress being experienced by low to moderate-income parents and their children.
- More access to quality in-home services for moderate-income earners who choose to stay at home with their child(ren).
- A reduction in job retention due to a decrease in absenteeism.
- Increase in a parents ability to keep a job long enough to advance, thereby, reducing the percentage of wages paid for childcare.
- An increase in the quality of information and resources available to first time parents.
- An increase in the amount and quality of the caring and nurturing received by children of families earning less than a livable wage.
- An increase in the number of thriving indicators reported by the youth of La Plata County.
- A reduction in the number of problems experience by young people later in their lives.

### ***Better Local Educational Systems***

The research is overwhelming as to the long-term educational and economic problems school systems face when children enter school not ready to learn, nor able to read at grade level by the end of first grade. Children who must be in a childcare facility, if it is a quality and licensed childcare program, are introduced to literacy skills, creative play, have opportunities to build meaningful relationships with non-family members, gain groups skills, etc. Those who attend unqualified childcare programs or who stay with someone for supervision only, often spend their day in front of a TV. When entering school for the first time these children are often unreceptive to learning, disruptive to the educational environment, or even violent and abusive. While not all of these conditions will be completely solved by the ECD committee recommendation we do believe that they will improve drastically.

In La Plata County we envision the following conditions in the three schools districts improving:

- The three school districts within La Plata County will experience a greater percentage of their first time students (Kindergarten or 1<sup>st</sup> grade) entering school with an awareness of how to be in a class.
- An increase in the number of students reading at grade level by the first grade.
- A decrease in the number of students needed to be removed from class for disciplinary reasons.
- An increase in the number of students who do well on their grade level achievement tests.
- A decrease in the number of students needing costly remedial services, which in turn will produce

more resources for the districts to provide more creative learning opportunities for students.

### *Decreased Costs For Municipalities, Businesses and School Districts*

When we invest wisely in children, youth and families, the next generation will pay that back through a lifetime of productivity and responsible citizenship. This is true because all aspects of adult human capital, from work force skills to cooperative and lawful behavior, build on capacities that are developed during childhood, beginning at birth. And research has now clearly demonstrated that the predominant feature of toxic stress is the absence of consistent, supportive relationships to help a child cope. Quality, licensed childcare or in-home support is a proven and cost effective way to provide these consistent and supportive relationships for those who have to work during their children's primary developmental years. The 2003 Economic Impact of Childcare in Colorado report commissioned by the Colorado's Children Campaign found that childcare subsidies enable low income parents to work on a full time basis, which reduces their dependence upon welfare – this generates a net-savings for both state and county welfare budgets. Other savings result from targeted childcare between the ages of 0-3 for at-risk low-income youth. These savings are in the area of lower social deviance, lower special education costs, and higher tax yields later in life. There is also an immediate economic effect in that more children seeking quality and licensed childcare facilities and in-home support services means more staff and more facilities which immediately increases a localities tax revenues.

In La Plata County we envision the following decreases in costs and other expenditures:

- Over time, and in some cases immediately, La Plata County will experience a decrease in the number of remedial services and supports needed to address issues created by poor parental supervision and care.
- Businesses will experience a reduction in the number of missed workdays and an increase in the overall dependability and health of their workers.
- Schools will realize a major shift in the costs of remedial services during the elementary school years and over time will also see a reduction in the costs needed for remedial services at higher grade levels.
- The county and its municipalities will also realize an improvement in their social capital.

### **Who needs to be part of insuring this recommendation is realized?**

In order for this recommendation to be effectively implemented:

- The County, and at a much lower level the other municipalities, will need to make the investments needed to cover the costs of the childcare certificates.
- The committee believes that the business community will be an important potential partner for insuring this recommendation's success. Since they have so much to gain in both the short- and long-term having them help support and contribute to funding the childcare certificate initiative makes sense. The committee hopes that the funding for this initiative would come through a public/private partnership and hopefully, avoiding having to have it be a ballot initiative for any kind of tax or mill levy increase.
- La Plata County's Early Childhood Council would need to be involved to provide technical assistance and maybe additional help. The ECC is a consortium of human service providers that have been addressing and coordinating early childhood issues in the community for a long time. Having the ECC partner with businesses and political leaders will increase potential funding opportunities through grants from local, state and national Foundations.
- In addition to the increased grant seeking potential created by the partnership with ECC, it will be important to explore other partnerships that can reduce costs through merging services,

reducing duplication whenever possible, and bringing other potential funding sources to the table. The County will need as much funding help with this as possible.

- Parents seeking childcare for their children will also need to be willing to use the quality and licensed facilities the committee is recommending. While it is not common, some parents are reluctant to place their children in the care of someone not of their culture, race or economic status. This will need to be addressed through education and bridge building.

**For this recommendation to be successfully implemented what shifts or changes (if any) are needed in the county's infrastructure?**

The most significant shift needed will be in the community's ability to understand how much can be saved by investing in quality, licensed childcare to those who would otherwise not use it because of a lack of resources. While the children who will be afforded access to childcare or in-home support are clearly the most positively affected; the families of these children also will benefit greatly; as will businesses who employ the parents of these children and these children when they are older; as will the county who will realize tremendous savings over time and will be able to reallocate those resources to provide more extensive services to the more severely impaired in the community; as well as the schools who will be able to reallocate resources saved from not needing as many remedial services, and, finally, as will the overall community who will be getting an increase in the number of positive and productive neighbors, coworkers and contributors to the common good.

The County already supports childcare in a big way. This recommendation is not in any way an indictment of their effort or work or the effort or work of the licensed childcare providers or the others providing in-home support. It simply recognizes that there is still more to do.

**What specific strategies for implementing this recommendation does your committee suggest?**

Below is a draft of "Guidelines for a Child Care Certificate Initiative for Low and Moderate Income Families" designed to make quality child care affordable to more families in La Plata County.

Following the guidelines are cost analyses for the La Plata County Home Visitation Program and the La Plata County Child Care Certificate Initiative based on families paying not more than 12% of their family income for child care.

**Purpose:** The purpose of the Child Care Certificate initiative is to support full-time employment of working families who need child care in La Plata County. It will provide a subsidy for families in La Plata County whose incomes are inadequate to pay for quality childcare while parents work. Unaffordable childcare forces working parents to rely upon lower cost options such as a patchwork of friends, family or unlicensed individuals for child care when parents are working. These arrangements change frequently and are unreliable over time and that contributes to absences from work and increases the risk of the parent being fired. It also increases the likelihood that those children will be more subjected to toxic stress which research has shown to be an indicator of problems developing in later years. This Child Care Certificate Initiative for low- and moderate-income families will stabilize the workforce, especially for entry level and younger workers, by eliminating a major cause of employee absenteeism and turnover—lack of affordable, quality, reliable child care. It will also greatly reduce the levels of stress in these families, which in turn will save everyone much larger revenue drains later on.

**WHO WILL BE ELIGIBLE FOR THIS SUBSIDY?**

- 1) Families with incomes up to 225% of the Federal Poverty Guideline (approximately \$30,000 -- \$50,000) are included in this subsidy plan.
- 2) Subsidies may be provided for children from birth to their entry to kindergarten.

### **HOW WILL AMOUNT OF A SUBSIDY BE DETERMINED?**

- 3) Subsidy levels are determined based on a family paying a maximum of 12% of their family income for childcare.
- 4) A family's subsidy will be calculated as the difference between 12% of family income and the average cost of licensed childcare in La Plata County for infants, toddlers and preschoolers.
- 5) Families may apply for a Child Care Certificate at any time in the year. The certificate will be approved for a subsidy up to the following August. The amount of the certificate will be re-calculated for a period of 1 year, beginning in August.

### **HOW WILL THE SUBSIDY FUND BE ADMINISTERED?**

- 6) A subsidy fund will be set up with a local organization with capability to utilize the Colorado Child Care 50% Tax Credit for individual and corporate donations, 501© (3) status, a track record of receiving private foundation grants, and accounting procedures necessary to track transactions.
- 7) The fund administrator will make subsidies at the beginning of each month directly to parents in the form of childcare certificates. Parents may use the certificates as partial payment of childcare costs. Certificates presented to the fund administrator by the 10<sup>th</sup> of a month will be redeemed to childcare providers or organizations by the end of the month.
- 8) Childcare certificates may not be bought, sold or traded. They may only be redeemed for childcare provided for the child and family named on the face of the certificate.
- 9) Childcare certificates are only issued for time periods parents are employed.

### **WHAT IS A FAMILY'S RESPONSIBILITY?**

- 10) Families receiving subsidies must use licensed family childcare homes and centers. (There will be questions about kin care arrangements qualifying for subsidies.)
- 11) Families who receive subsidies agree to make these family contributions:
  - Family-pay portion of childcare costs,
  - Attend at least 2 parent/teacher conferences per year,
  - Attend required staff-parent meetings for children with special needs, and
  - Contribute 5 hours a year volunteer time to the program(s) their child(ren) attend.
- 12) Families must apply for and participate in all federal and state early childhood care and education programs for which they are eligible, before they may be approved for this childcare certificate initiative.

### **OTHER**

- 13) Subsidies may be suspended due to excessive unexcused absences or lack of family contributions as outlined above.

### **What is your committee's recommended timeline for implementing this recommendation?**

Since this recommendation is costly the committee understands that a phase in process may be needed to ensure that steady, yet reasonable implementation is achieved. Therefore, the committee recommends the following time line for this phase in:

2009 - 2010: Adding home visitation services to the estimated 36 additional low-income families with a second or later born child at a total estimated additional cost of \$29,400.

Providing Childcare Certificates for families who earn up to 185% above the Federal Poverty Line (Reduced lunch levels) who have one child to place in childcare. The estimated cost of these additional certificates would be \$58,149.

These two efforts would be evaluated as to their impact and based on those findings the recommendations for the next phase of implementation would be made. The following is based on current data and would be revised based on economy and evaluation results.

2011 - 2012: Providing Childcare Certificates for families who earn up to 185% above the Federal Poverty Line (currently \$38,203 for a family of 4) who have two children to place in childcare. The estimated cost of these additional certificates would be \$245,597.

This effort would be evaluated as to their impact and based on those findings the recommendations for the next phase of implementation would be made. The following is based on current data and would be revised based on economy and evaluation results.

2014 – 2015: Providing Childcare Certificates for families who earn up to 225% above the Federal Poverty Line (currently \$46,463 for a family of 4) who have one child to place in childcare. The estimated cost of these additional certificates would be \$33,088.

This effort would be evaluated as to their impact and based on those findings the recommendations for the next phase of implementation would be made. Additional support will be based on the success of the evaluations, the positive impacts of the other Master Plan recommendations, and the economic realities of the county at this time.

**What possible costs does your committee foresee for implementing this recommendation and what is your committee’s expected return on this investment?**

The following is a cost analysis of the La Plata County Home Visitation Program. It is based on average costs to provide the Nurse Family Partnership program in Colorado and estimates of the cost for other professionals or paraprofessionals to provide home visitation services. Currently, San Juan Basin Health Unit sponsors a Nurse Family Partnership (NFP) Program that serves mothers with first-born infants from low-income families. The cost analysis represents the additional costs for serving other low- and moderate-income families. While the NFP Program employs the nurses, other professionals or paraprofessionals may be employed to serve the additional low- and moderate-income families.

**Analysis of Costs of the La Plata County Home Visitation Program**

- Number of children (birth-2 years) in La Plata County = **1000**
- Number of children (birth-2years) from low- and moderate-income families in La Plata County (36% of 100) = **360**
- Estimated number of low- and moderate-income families with children (birth-2 years) in La Plata County (.75 of 360 children) = **270**
- Estimated number of low-income families with first born children (.60 x 90 [1/3<sup>rd</sup> of 270]) = **54**
- Estimated number of moderate-income families with first born child (.60 x 180 [2/3<sup>rd</sup> of 270]) = **108**
- Estimated number of low income families with second or subsequent children = **36**
- Estimated number of moderate income families with second or subsequent children = **72**
- Cost to provide Nurse Family Partnership program/family/year \* = **\$3,600**
- Cost to provide other professionals or paraprofessionals for home visits/family/year (.5 x \$3,600) = **\$1,800**
- Estimated participation rate for low-income families with second or later born & moderate-income families with first born children = **.50**
- Estimated participation rate for moderate-income families with second or later born children = **.25**

\*Invest in Kids estimates average cost to provide Nurse Family Partnership Program in Colorado is \$4,500. Estimated lower cost of wages in La Plata County: \$4,500 x .80 = \$3,600

### Estimated Costs for La Plata County Home Visitation Program

	Nurse Family Partnership	Other Professional or Paraprofessional
Low-income family with first born	54 x \$3,600 = <b>\$194,400</b> (SJBHU)	0
Low-income family with second or later born	<b>0</b>	.5 x 36 x \$1,800 = <b>\$29,400</b>
Moderate-income family with first born	<b>0</b>	.5 x 108 x \$1,800 = <b>\$97,200</b>
Moderate-income family with second or later born	<u><b>0</b></u>	.25 x 72 x \$1,800 = <b><u>\$32,400</u></b>
Totals:	<b>\$194,400</b>	<b>\$159,000</b>

The additional cost (above the current \$194,400 cost of the SJBHU Nurse Family Partnership Program) of the La Plata County Home Visitation Program is **\$ 159,000**.

### Estimated Cost of the La Plata County Childcare Certificate Initiative

The following is an analysis of the cost of committee's recommendation for the La Plata County Child Care Certificate initiative. It is based on average costs of childcare for a family of four below the Federal Poverty Line (FPL), up to 130% of the FPL, up to 185% of FPL, and up to 225% of FPL. These levels correspond to the income levels used to calculate free and reduced lunches and Child Care Assistance through the La Plata County Department of Human Services.

The example shows how much subsidy will be paid if the family-pay level is 12% of family income. Of course, a fully delineated subsidy schedule will show subsidy amounts adjusted according to family size and low- and moderate-income levels. The committee will leave these more detailed analyses for final the more final strategy development prior to initial implementation.

This first chart provides information about local licensed childcare providers and their net incomes. This is important information when determining the likelihood of having enough service providers to address the increased demand. As you can see, after overhead expenses these individuals make a the most \$20,000 a year, placing them below the federal poverty level as well. The committee wanted to include this data because while it isn't addressed in our recommendation it will need to be if the County wants to continue to ensure quality childcare to low- and medium-income families.

### Average Monthly Income and Wages--Licensed Childcare Homes and Centers in La Plata County

	Child/Adult Ratio	Cost per Child	Avg. Gross Income/month	Avg. Net** Income/ Childcare group/month
Infants—birth-12 months	4:1	\$676/mth	\$2,704	\$1,622
Toddlers--1-2 years	6:1	\$644/mth	\$3,864	\$1,546
Preschoolers—2-5 years	8:1	\$466/mth	\$3,728	\$1,491

\*\*The business of childcare also requires administrative costs such as bookkeeping, hiring, board meetings, budgets and program costs such as food preparation, planning activities, fringe benefits (SS

taxes, health insurance) and other program costs (food, space, insurance, equipment, supplies). National average for these overhead costs is @ 40%.

This chart presents the hourly and yearly wages for a few representative local service employers. This information is provided to show that the service industry, which is the largest employment sector in the county, is a very low paying sector. These are the type of salaries that make childcare not an option. It is not the committee’s intention to “blame” these employers for low wages; it is to point out the reality facing those who work for in the service industry in the county.

<b>La Plata County Employers</b>	<b>Entry Level hourly wages</b>	<b>Yearly Salaries (2080 Hours)</b>
City Market	\$8.00	\$16,640
Durango School District 9R	\$8.75	\$18,200
Strater Hotel	\$8.00	\$16,640
Wal-Mart	\$8.75	\$18,200

This chart presents the assumptions from which the committee drew its conclusions for this recommendation.

### **Assumptions**

2007 Federal poverty line (fpl) (Family of four)	\$20,650
Average yearly cost for childcare in La Plata County	
18-month old	7,700
4-month old	5,592
% of children below federal poverty line (\$20,650)	12 %
% of children between fpl and 130 % of fpl ((\$20,650 - \$26,845)	8.9%
% of children between 130% of fpl and 185% of fpl (\$26,845 - \$38,203)	7.3%
% of children between 185% of fpl and 225% of fpl \$38,203 - \$46,463)	8.0%
Number of children in La Plata County 0-5 years of age	2,500
Average number of children per family	2.2
% of families using childcare outside of home	68%
% of families with 1 child 0-5 years of age	50%
% of families with 2 children 0-5 years of age	50%
% of families with 2+ children 0-5 years of age	0%

The following chart is a breakdown of the potential childcare costs that would need to be budgeted in order to fully support this committee's Childcare Certificate Initiative. While the committee firmly believes this needs to be a public/private partnership a budget still needs to be developed. It is based on the assumption that no one with a low or medium family income should have to pay more than 12% of that income for childcare.

**Childcare Costs Assuming 12% of Family Income**

	Family of 4 income	% of income @ 12%	Avg. cost childcare of 18 mo.	Childcare certificate of 1-18 mo	Avg. cost childcare of 4 y.o.	Childcare certificate of 1- 4 y.o.	Childcare Cert. 2 children, 18 mo. & 4 y.o.
2007 FPL	\$20,650	\$2,478	Headstart CCA	\$0	CCA	\$0	\$0
Up to 130% FPL (Free lunch)	\$26,845	\$3,221	CCA \$0	CAA	\$0	\$0	\$0
Up to 185% FPL (Reduced Lunch)	\$38,203	\$4,584	\$7,700	\$3,116	\$5,592	\$1,008	\$8,708
Up to 225% FPL	\$46,463	\$5,576	\$7,700	\$2,125	\$5,592	\$17	\$7,717

	Family of 4 income	# children 0-5 y.o. by income level	Est. # of Families	Est. # fam w/childcare out of home	# fam w/ 1 child	# fam w/ 2 child	Avg.cost of child 1 child	Cost of child care cert. 2 children	Cost of childcare certificate by income level
2007 FPL	\$20,650	300	136	93	46	46	\$0	\$0	\$0
Up to 130% FPL (Free lunch)	\$26,845	223	101	69	34	34	\$0	\$0	\$0
Up to 185% FPL (Reduced Lunch)	\$38,203	183	83	56	28	28	\$58,149	\$245,597	\$303,746
Up to 225% FPL	\$46,463	200	91	62	31	31	\$33,088	\$238,510	\$271,598

The total cost of the childcare subsidy in the proposed Child Care Certificate initiative = **\$ 575,344**

**Additional comments:**