



To: Breckenridge Town Council  
From: Austyn Dineen-Community Development Department  
Date: 4/7/2022 (for 4/12/2022)  
Subject: 2022/2023 Tuition Assistance Program-Committee Program Recommendations

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On Wednesday, April 6, Staff presented a few proposed changes to the Child Care Tuition Assistance Program parameters to the Breckenridge Childcare Advisory Committee (BCCAC). This Program was initially implemented in 2007 and there have not been significant changes to the parameters since it was launched. Staff felt it was appropriate now to consider a revised and expanded sliding scale for assistance, an increase to the AMI cap from 150% AMI to 180% AMI, and clarification around the household employment requirement.

At their meeting on April 6<sup>th</sup> the Committee discussed staff's recommendation to incorporate the changes going forward. The application/enrollment period for the 2022/2023 cycle will open in mid-May with the cycle starting September 2022. Due to the short time period before the tuition assistance applications open, staff felt it was important to review these recommendations with the Council as soon as possible in order to determine if Council is supportive. If Council is supportive, Staff will move forward with the updated criteria in the program's marketing and outreach.

It is also important to note, that these recommendations were developed in partnership with the Town of Frisco through the current IGA held for administering their childcare tuition assistance program. These recommendations have also been vetted with the countywide tuition assistance workgroup as Summit County works toward countywide tuition assistance in January 2023. If Council is supportive, Town of Frisco staff will then approach Frisco's Town Council with the same recommendations ensuring both programs follow the same criteria. Below is a summary of the Child Care Program and the recommended changes.

### Program Background

The goal of the program is to provide tuition assistance to cost burdened families who live and/or work in the Upper Blue and attend one of the five participating childcare centers. Families are required to pay a portion of the tuition charged by the Center. The family co-pay is determined by an affordability calculation and the Town provides assistance directly to the Center to cover the balance. This enables the Centers to charge tuition that is sufficient to cover their true cost of care with the Town supporting the cost burdened families. The annual budget for the program is approximately \$600,000 to \$650,000.

### Proposed Changes (2022/2023):

- **Remote Employment:** Currently, in order to qualify for assistance, families must live and / or work in the Upper Blue Basin. Due to the surge in remote jobs, staff felt it is necessary to clarify that at least one member of the household is required to work for a business located in and serving Summit County. If adopted, a household that is working fully remote would not be eligible for tuition assistance. This aligns with the Town's Housing program criteria and insures the program is supporting local families who are also local workforce. Before this recommendation, most childcare centers were giving preference to families that were a part of local workforce, so we currently do not have any families in the program that are working fully remote.
- **Increase Cap:** Currently, families who earn in excess of 150% AMI (\$144,150-family of four) are not eligible to receive any tuition assistance. Unfortunately, as tuition rates have risen, we are aware that there are situations where these families may be cost burdened based on accepted standards. This is especially difficult in Summit County where other costs (housing, medical, etc.) are also high. The family becomes cost burdened when the family has multiple kids in care for four or five days a week. Currently a family at 180% AMI that has a gross income of \$173,000 pays \$43,160 annually for two infant/toddlers to attend care five days a week. These families are participating in the local workforce, often in specialized/skilled essential positions, and although they earn a relatively high income, they are cost-burdened where (in the above case) about 25% of their income goes towards childcare.
- **Expanded Sliding Scale:** The affordability/cost burden calculation currently uses 10-13% of a family's income to establish 'affordable' tuition. This calculation is used to determine a family's co-pay (this was shifted from 13-16% to 10-13% in January 2021 for the remainder of the 2021/2022 cycle). The balance of tuition is paid by the Town directly to the childcare center through the tuition assistance program.
- Since the Town's Program launch in 2007, the definition of 'affordable' care regarding percentage of income has gone down and the United States Department of Health and Human Services (HHS) defines affordable childcare as

7% of a family’s income. To come closer to the HHS recommended 7%, Staff is recommending the following sliding scale:

<i>One child in care</i>	
AMI Range	% of income spent on child care
- 0 - 120%	8 - 11%
-120% - 150%	10 - 13%
-150.1 - 180%	13 -16%

<i>Two children in care</i>	
AMI Range	% of income spent on child care
- 0 - 120%	9 - 12%
-120 - 150%	12.50 - 16%
-150.1 - 180%	15.50 - 20%

We believe this expanded sliding scale will provide better support to families based on their income and circumstances. The exact co-pay will be calculated based on specific family circumstances (income, number of kids in care, household size, days used, residency, and priority for work in Breckenridge).

In addition to these recommendations, the committee was very committed to increasing teacher wages through tuition rate increase, which would ultimately increase tuition assistance. Staff will continue to work with centers on a phased-plan to increase teacher wages as soon as possible and tuition rates overtime.

Financial Implication

The proposed changes to the tuition assistance calculation are projected to increase the cost of the program by approximately \$60,000 per year (10% of annual budget). This will be more than offset by the inclusion of three-year old children in the Summit Pre-Kindergarten Program (SPK) starting this fall. With SPK covering three-year olds, staff anticipates the annual cost of the tuition assistance program will decreased by approximately 30% - this decrease is consistent with what the Town saw when SPK took over four-year old tuition assistance in 2019.

Additionally, Staff is proactively seeking out and applying for grants centered on childcare affordability and accessibility which could further reduce the child care program cost.

Staff projects that the Town’s Tuition Assistance Program, with proposed changes, will cost approximately \$425,000 (with the \$60k increase) for the 2022/2023 year, which is significantly less than the budget of \$624,000 for 2022. Please note that any surplus fund balance rolls into the on-going fund balance and sustains the fund longer and/or is available for other childcare projects or needs.

In summary, these changes will:

- provide more targeted support to lower income households who need more assistance and less support to higher households by revising and expanding the sliding scale,
- provide support to cost-burdened families who are currently ineligible by increasing the AMI cap from 150% AMI to 180% AMI,
- further target the support to local working households that are a part of the communities vital workforce by clarifying the employment requirement to a business located in and serving Summit County.

Staff and the Child Care Committee recommends that the Town Council approve the proposed program changes.

We look forward to the Council's feedback and will be available at the meeting for questions.



# Memo

**To:** Breckenridge Town Council Members  
**From:** Austyn Dineen  
**Date:** April 12, 2022  
**Subject:** April 6, 2022 Child Care Advisory Meeting Report/Minutes

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The Child Care Advisory Committee held a regular meeting on April 6, 2022. Committee members present via Zoom: Greta Shackelford, Laura Amedro, Scott Perlow, Leslie Davis, Jay Homola, Britton Fossett, Diana Morain, Johanna Gibbs, and Kelly Owens. Staff from the Town of Breckenridge included Austyn Dineen, Mark Truckey, Laurie Best, and Corrie Burr.

## Center Update

Childcare Centers are still experiencing staffing shortages (3-5 positions needed) and are having operational challenges with many non-COVID related illnesses spreading throughout students and teachers. The Committee continued the conversation about possible recruiting pipelines for potential staff.

## Update on Countywide Tuition Assistance, SPK and TOF IGA

The Countywide Tuition Assistance Workgroup met on Friday, April 1, and discussed the proposed program's potential values (work vs. live vs. both) and funding options. There was a recommendation to align child care tuition assistance with existing county-wide housing programs for funding. The current target for countywide tuition assistance is January 2023 when budget cycles reset.

On March 30, the Early Childhood Options (ECO) Board and the Board of County Commissioners (BOCC) approved expanding SPK funding, currently supporting four-year olds the year before they enter kindergarten, to add three-year olds starting fall 2022. This will reduce the Town's spend for tuition assistance in the next cycle starting in September by approximately 30%. Currently, only three-year olds whose household is at or under 150% AMI will qualify for assistance. ECO has confirmed that they will adjust to 180% AMI (from 150% AMI) if the Town of Breckenridge and Town of Frisco adopt new tuition assistance program recommendations.

The Town of Frisco childcare tuition assistance application closed on Sunday, April 3, at midnight. There were 26 total completed applications submitted and 17 that can potentially receive funding from the

Town of Frisco. Town of Frisco has confirmed that they can meet their approved budget with the proposed 22/23 expanded sliding scale recommendation and will match if the Town of Breckenridge recommendations are approved for the 2022/2023 Child Care Tuition Assistance Program.

### **2022/2023 Tuition Assistance Program – Committee Program Recommendations**

Staff presented a few changes/recommendations to the Child Care Tuition Assistance Program parameters for 2022/2023 cycle to the Committee. This Program was initially implemented in 2007 and there have not been significant changes to the parameters since it was launched. Staff felt it was appropriate now to consider a revised and expanded sliding scale for assistance, an increase to the AMI cap from 150% AMI to 180% AMI, and clarification around the household employment requirement. Staff and the Child Care Committee recommends that the Town Council approve the proposed program changes.

During the discussion, long time BCCAC member, Jay Homola, said, “I’m fully supportive of the broadening the base of people because it gives us more advocates in the community. We touch more people, we help more families, and there are more people in the community supporting what we are trying to do.” Breckenridge Childcare Program background and program goals are listed [here](#).

Please see 2022/2023 Tuition Assistance Program-Committee Program Recommendations Memo for full details.

In addition to these recommendations, the committee was very committed to increasing teacher starting salary to \$50,000 through tuition rate increase, which would ultimately increase tuition assistance. Staff will continue to work with centers on a phased-plan to increase teacher wages as soon as possible and tuition rates overtime.

### **Discounts and Tuition Assistance Families (Stabilization Grants)**

Tabled to the May 4, 2022, BCCAC meeting.

### **EUA Capacity Study vetted by Breckenridge Child Care Directors**

Tabled to the May 4, 2022, BCCAC meeting.

### **New potential childcare center at Alta Verde**

Tabled to the May 4, 2022, BCCAC meeting.

Next meeting is on Wednesday, May 4, at 10:30 am via Zoom.

Adjourned at 12:01 p.m.  
Staff will be available at the Town Council meeting for questions.