



Colorado Evaluation & Action Lab

UNIVERSITY OF DENVER

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- ▶ **Emerging and Expanding Grants**
- ▶ **Employer-Based Child Care**

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*with actionable insights,
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This evaluation is being conducted on behalf of CDEC under the coordination of the Colorado Evaluation and Action Lab's Early Childhood Evaluation Hub to build evidence for stimulus-funded early childhood activities.



Overview

The Colorado Department of Early Childhood (CDEC) used federal and state stimulus funding to implement the Employer-Based Child Care and the Emerging and Expanding Grant Programs. Both activities support [CDEC's strategic goal](#) #1 to ensure all families, regardless of their background or circumstances, have equal access to Colorado's comprehensive system of early childhood services.



- **Employer-Based Child Care (EBCC) Grant Program:** Provides funding to construct, remodel, renovate, or retrofit a child care center on or near an employer's property to provide licensed child care services to employees.
- **Emerging and Expanding (E&E) Grant Program:** Helps new child care facilities start up, or existing facilities expand, by removing financial barriers to doing so with priority to those adding infant and toddler slots as well as those located in child care deserts.

According to the [Child Care Aware of America](#) tracker, Colorado, [New York](#), Connecticut, Hawaii, Missouri, and Montana used stimulus funds to support improving or increasing facilities for early child care. Additionally, according to the National Conference of State Legislators' "[2022 Early Childhood Legislative Trends Report](#)," Colorado was one of four states in 2022 that used state funds to target infrastructure as a means to increase access to and availability of early child care. However, only Hawaii and Colorado directly supported capital infrastructure projects to create and expand child care facilities.

CDEC partnered with the Colorado Evaluation and Action Lab (Colorado Lab) to coordinate the evaluation of stimulus-funded activities. The Colorado Lab selected Schultz Patel Evaluation to evaluate the activities described above.



What We Will Learn by the End of the Evaluation

- How outreach, application review, and funding activities for the two programs were conducted.
- The facilitators and barriers to conducting outreach and application review well and extending funding efficiently, along with recommendations for what to do differently in the future.
- The extent to which these two programs produced the anticipated outputs, including the number of eligible applications received and the number of potential child care slots added.
- How well grantees achieved early outcomes, including increasing licensed child care slots for underserved families and in underserved areas.

This brief represents early insights from the initial phases of evaluation work. Interim findings will be communicated in Spring 2024 and final findings will be delivered in Fall 2024.





Actionable Insights

- EBCC and E&E Grants are filling an important need for child care infrastructure, especially in child care deserts.
- Leveraging ECCs for outreach shows early signs of promise as evidenced by success in reaching new providers.
- Large employers, which tend to be in urban areas, are better able to raise the match required to access EBCC Grants than small rural-based employers. Businesses in rural areas are creating consortia to gain access to EBCC funds.
- Capital projects require substantial technical expertise. Allowing funding to be used for outside technical assistance has been essential.
- The reimbursement model is difficult for many providers. CDEC identified a partner to offer low-interest loans to help address this challenge.



We're meeting community needs we never were able to before. We're able to assess community needs and say we're only meeting part of the need...

- CDEC program staff

Evidence-Based Decision-Making

Evidence-Based Decision-Making (EBDM) recognizes that research evidence is not the only contributing factor to policy and budget decisions. EBDM is the intersection of the best available research evidence, community needs and implementation context, and decision-makers' expertise. Actionable insights across these domains are highlighted in the box above, with supporting evidence and additional information detailed for each in the sections that follow.



Best Available Research Evidence

Data in this section come from CDEC tracking documents and interviews with CDEC stimulus program leads.

EBCC and E&E Grants are filling an important need for child care infrastructure. So far, 370 providers from 37 counties (58%) have received E&E Grant funding. In fiscal year 2021-2022, the E&E program created 5,459 new child care slots. Notably, 1,643 of the newly created slots were specifically designated for infants and toddlers, a group for whom child care is relatively scarce despite family demand. Outreach efforts succeeded in encouraging both existing and new child care providers to apply for the grants. The first round of E&E grantees included 45 new centers & 50 new family child care homes (FCCHs).

To date, 20 EBCC Grants have been awarded in 15 counties. With 287 licensed slots created so far, 1,000 new slots are estimated to be in place by the end of June 2024. Both grant programs are planning future rounds of funding, with E&E Grants prioritizing providers serving infants and toddlers and EBCC Grants prioritizing applicants from rural areas.



We would never have been able to do this [expand child care slots] without this grant. There was nowhere else to get this...outside of personal loans [obtained privately by providers]...that was never an option before, there was never infrastructure funding available.

- CDEC Program Staff

According to interviews with CDEC program leads, these grants represent the first and only funding for child care capital projects in Colorado. Colorado is one of very few states addressing child care shortages at a systems level through support for infrastructure, and the state is investing more comprehensively in this strategy than other states seem to be.

Child care slots are being added in child care deserts, which fills an important community need.

According to CDEC data, 88% of child care slots have been added in parts of the state designated as child care deserts.



There really has never been an opportunity to support capital projects before...a lot of these [child care] centers have wanted to expand for years but just didn't have the funding to do it...There just hasn't been the opportunity in the past...that we were able to take with these stimulus funds.

- CDEC Program Staff

Community Needs & Implementation Context

Data in this section come from meetings and interviews with CDEC stimulus program leads.

Though there is still a full year of implementation left for these programs, some quick wins may be applied to similar activities in the future.

- **Leveraging Early Childhood Councils (ECCs) for outreach shows early signs of promise as evidenced by success in reaching new providers.** Recognizing that ECCs are better positioned than CDEC staff to tap into relationships with providers in their communities, CDEC asked ECCs to conduct the bulk of outreach activities, especially for E&E Grants. ECCs have leveraged strong existing relationships with providers in addition to reaching new audiences through a variety of outreach modes (email, radio spots, fliers, and more). As one ECC shared, 50% percent of E&E applicants from their area were from new providers, suggesting that the ECC effectively expanded outreach. While ECCs have played a critical support role for providers related to these two programs, there was a sense among CDEC program leads that ECCs are not able to cover their costs related to program administration, particularly given the labor intensive nature of the grants.
- **Large employers, which tend to be in urban areas, are better able to raise the match required to access EBCC Grants than small rural-based employers.** Businesses in rural areas are creating consortia to gain access to EBCC funds. Because larger employers tend to operate in urban areas and have greater access to additional capital funds for the required match, urban employers were more likely than rural employers to apply for the first round of EBCC funding.

CDEC program leads shared that rural communities require much more time and creativity in approaches. CDEC and ECCs are facilitating collaboration among multiple employers in rural communities so they are better equipped to apply for future rounds of EBCC funding.



We're the Department of Early Childhood, and we are managing essentially large construction projects. It's definitely been a learning curve, learning about the permitting process, zoning, what kind of contractor can do what kind of work, who needs a license, who doesn't...

- CDEC Program Staff

Decision-Maker Expertise

Data in this section come from interviews with CDEC stimulus program leads. Some themes that emerged from these conversations include:

- **Capital projects require substantial technical expertise. Allowing funding to be used for outside technical assistance (TA) has been essential.** Grantees are facing permitting delays, supply chain issues, and typical construction delays that are affecting their ability to fulfill the grant terms on time. CDEC and ECCs are providing TA to help grantees alleviate these issues, which has required a lot of time and new expertise for all involved. Through a TA vendor, Executives Partnering to Invest in Children (EPIC), CDEC has implemented “[Design Labs](#)” to support employers in the EBCC Grant application process. Providing access to this expertise outside of the usual early childhood purview has been crucial in finalizing project proposals and contracts and managing the grants.
- **Large capital projects require more time.** Particularly for the EBCC Grants, program administrators and grantees need 3-5 years (versus the short-term nature of the stimulus funding) to achieve better equity, spend down all allocated funding, and construct and open new child care facilities. There is also a need for ongoing maintenance funding to support health and safety requirements and allow for investments in quality.
- **The reimbursement model is difficult for many providers. CDEC identified a partner to offer low-interest loans to help address this challenge.** Because of the state's procurement system, EBCC and E&E grantees must cover expenses out of pocket then file for reimbursement. CDEC attempted to ease this financial burden by bringing in a new partner, Enterprise Colorado, to provide low-interest loans to interested grantees. CDEC also collaborated with ECCs to provide TA to grantees about submitting the required paperwork for reimbursement. These partnerships made a critical difference to grant implementation, but this is an area to remain vigilant given its implications for meeting CDEC's goal of ensuring all families, regardless of their background or circumstances, have equal access to Colorado's comprehensive system of early childhood services.



Having TA on construction is crucial. There is not standardization in what requires a license...around permitting, what needs permitting and what doesn't...You need to figure out how to get that expertise there...Brighton has different requirements than Henderson [for example].

- CDEC Program Staff

Partnerships between CDEC, EPIC, Enterprise Colorado, Thrive Community Building, and the ECCs have been pivotal to successful outreach and implementation of E&E and EBCC Grants. ECCs provided outreach, facilitated multi-employer collaboration for EBCC projects, and contributed extensive TA throughout the application and implementation processes. ECC staff members' knowledge of local community conditions, stakeholders, and cultures is a crucial element to the execution of these two programs. However, such collaborations take time, which is already in short supply for capital projects. If there is unspent grant money, some might erroneously conclude that there is a lack of interest in the programs. In fact, the compressed timing for large-scale collaborative capital projects may prevent potential applicants from taking the risk of fronting funds for projects that may not be completed in time to be eligible for reimbursement.

