

Thank you, Madame Chair, and thank you Representative Sirota and Representative Van Beber for your sponsorship of House Bill 22-1010.

My name is Melissa Mares and I am the Senior Policy Analyst for Early Childhood at the Colorado Children's Campaign. The Children's Campaign is a nonpartisan, nonprofit policy, research, and advocacy organization focused on ensuring "Every Chance for Every Child." Today, I am speaking in strong support of HB 22-1010, the Early Childhood Educator Income Tax Credit.

In Colorado, demand for early childhood educators is expected to increase more than 25% in the next ten years, faster than the expected growth for K-12 educators. We also know that before the pandemic, Colorado only had licensed early care and education capacity for roughly 60% of the 247,000 children under 6 years old with all parents in the workforce.

The covid-19 pandemic has had significant impacts on the early care and education industry in Colorado. Right now, 80% of child care centers are experiencing a staffing shortage. 78% of providers identify low wages as a major barrier to recruitment and retention of new staff. Significantly, more than 1/3 of child care providers are considering leaving the field. The percentage of providers considering leaving the field is higher for minority-owned programs. Sadly, turnover is four times higher in early childhood than for other educators.

This bill is vital to our state's continued pandemic recovery and to families' ability to get back to work. Use of paid early care and education is highly correlated with women's labor force participation, and we know that early childhood has tremendous spillover benefits for our economic development. For each new child care job created in Colorado, more than 1.5 additional jobs are created in the larger state economy. We also recognize that the work of our state's child care providers supports the foundation of Colorado families and helps strengthen our communities.

We strongly support the amendments that will be offered today in committee to expand the size and scope of the tax credit. Increasing the size of the tax credit can make a significant difference in teacher turnover. For example, recent studies out of Virginia show that a \$1500 tax credit reduced teacher turnover in child care centers by 50 percent. Our state and our economy need as many of these dedicated professionals as possible in the workforce to support Colorado families.

This bill is not the only solution to the early childhood educator compensation crisis, but it is a vital first step forward in treating our early childhood educators with dignity and building a birth-5 system that meets family and provider needs. Thank you again to the bill sponsors for bringing forward House Bill 22-1010. We ask for your support of this bill and are happy to answer any questions you may have.