

**Testimony as Prepared for Delivery in Support of HB23-1091: Continuation of Child Care Contribution Tax Credit by Melissa Mares, Director of Early Childhood Initiatives at the Colorado Children's Campaign**

**Senate Finance Committee**

**April 25, 2023, 2 p.m.**

- Thank you, Mr. Chair and members of the committee. My name is Melissa Mares, and I am Director of Early Childhood Initiatives at the Colorado Children's Campaign.
- The Colorado Children's Campaign is a non-profit, non-partisan, policy, research and advocacy organization, committed to securing every chance for every child in Colorado since our founding in 1985. Early childhood, including child care access and affordability, has been a priority of our work since our founding.
- I am testifying today in support of **House Bill 23-1091**, the reauthorization of the Child Care Contribution Tax Credit, or CCTC. The CCTC is a critically important funding stream for child care in Colorado, and a lifeline for many child care providers across our state.
- The coronavirus pandemic made very clear what families with young children already knew- child care providers keep our state's economy afloat and are an essential part of the foundation of our communities.
- However, we still don't have enough licensed care for families that want it, and families continue to face care disruptions. Child care providers often barely make ends meet and struggle to recruit and retain staff.
- The Prenatal to Three Policy Impact Center recently produced a brief that shows that nationally, the early care and education workforce makes less than 98% of other occupations. This extremely low compensation contributes to high turnover, creating significant instability in care arrangements for Colorado households with young children.
- For example, as of early 2022, a quarter of Colorado households with young children reported that child care disruptions caused them to either cut their work hours or use vacation, sick days, or other paid leave to care for children. Households also reported that they had to supervise children while they worked, take unpaid leave, or forgo looking for a job due to disruptions in their child care arrangements.
- You've already heard from providers who directly benefit from the credit, but I want to emphasize that CCTC funding helps them keep their doors open, providing a safe, nurturing environment for children and a reliable support for families so that they can go to work.
- Thanks to the leadership of the legislature, our state has already made transformative strides towards creating unified birth through five early childhood systems that treat our providers as experts and honor their expertise. Reauthorizing this credit is one important part of furthering that work.
- Because of this tax credit, more Colorado families can access the child care they need. Please vote **yes** on HB23-1091, to reauthorize the child care contribution tax credit.

- Thank you!