

# 2025

### Colorado Legislative Progress Report

**OUR MISSION:** As the business community's nonpartisan voice for early childhood, EPIC leads efforts to build infrastructure and advance policies that support the workforce of today while developing the workforce of tomorrow.



The 2025 legislative session was a sharp shift from the past few years. Following several years of historic investments due to pandemic-era relief funding, legislators had to shift to find places to cut from the budget. Despite this tough environment, EPIC has a lot to celebrate in this legislative session. EPIC engaged as a key voice alongside business owners, early childhood advocates, partners and bipartisan leaders to elevate the realities of operating a child care business and advocate for stronger support through investments and thoughtful legislation.

#### BY THE NUMBERS



\$802 M invested in early childhood in Colorado



100% of Colorado legislators received information on EPIC's policy and advocacy priorities



8/9
bills aligned with recommendations from EPIC's Policy Committee



148
coalition members
engaged on EPIC-led
Child Care Contribution
Tax Credit design work



people connected with legislators at EPIC events



### SUPPORTING CHILD CARE BUSINESSES

EPIC works at the intersection of child care and business – highlighting the importance of child care for the workforce and economy and identifying how we can support the unique needs of operating child care businesses.

This session, we partnered with business leaders and child care providers to ensure that legislation designed to support families also supports long-term sustainability for child care providers.

#### **Protecting Child Care Without Overreach**



EPIC recognizes the need to protect families as consumers of child care and looks forward to continued conversation with partners about how to do this while balancing the realities of protecting child care businesses operations.

EPIC joined many child care providers in the state in opposing HB 25-1011: Private Equity Acquisition of Child Care. EPIC staff testified in opposition to the bill in hearings, sharing concerns about slowing investment in the child

care sector, creating additional regulation for child care businesses based on ownership structure and placing additional administrative burdens on the providers who serve our communities. This bill was heavily amended and ultimately did not pass.

#### **Supporting Families Without Burdening Providers**

EPIC worked with provider partners to ensure that requirements regarding wait list and other fees did not create undue administrative and financial burdens while supporting the hardship request of families that testified on behalf of these regulations. EPIC's engagement and advocacy resulted in a bill (SB 25-004: Regulating Child Care Center Fees) that balances support for families and the needs of child care businesses.



### DRIVING PUBLIC-PRIVATE INVESTMENT WITH TAX CREDITS

Tax credits provide important incentives for private investment in child care in Colorado. EPIC continues to advocate for tax credits that can help support much-needed investments in child care across the state.

#### **Child Care Center Investment Credits**



In Colorado, employers and child care providers can claim a tax credit of 10-20% for investments in tangible personal property used in child care. This year, the tax credit was extended for an additional three years through **HB 25-1296: Tax Expenditure Adjustment**.

#### **Colorado Child Care Contribution Tax Credit (CCTC)**

For over 20 years, the CCTC has provided a powerful tool for raising private funds to support child care in Colorado. For any contribution to a qualifying recipient, donors can receive a 50% income tax credit up to \$100,000 per year. Many child care providers in the state rely on this tax credit to drive donations for capital campaigns and operations.

CCTC was last extended in 2023, and during 2025, EPIC is convening stakeholders in conversations to design a modernized and updated credit for another extension in 2026.







### SIMPLIFYING CHILD CARE CO-LOCATION

Co-location of child care with affordable housing offers exciting possibilities for innovation, supporting the real estate needs of child care businesses and aligning community development priorities. EPIC worked closely with sponsors to include co-located child care as an eligible use in HB 25-1169: Housing Developments on Faith and Educational Land.

This bill would have allowed faith-based and educational organizations to utilize a streamlined and simplified process for building housing on their land. Unfortunately, the bill was not successful due to concerns from local governments about preemption and local land use authority. EPIC continues to look for opportunities to support real estate for child care and align child care needs with housing assessments, planning and development.



### CREATING TECHNICAL ASSISTANCE OPPORTUNITIES

In 2024, EPIC spearheaded an innovative effort to support the development of new child care facilities in Colorado through **HB 24-1237 Programs for the Development of Child Care Facilities**.



In 2025, EPIC was proud to work with the Department of Local Affairs (DOLA) on implementation of these programs including the release of a <u>Child Care Facility Development Toolkit</u> and a technical assistance cohort that provides in-depth knowledge and support for those looking to develop child care facilities. Funding for this program was maintained in the 25-26 budget, and additional resources will be coming soon!



#### PROTECTING FUNDING

Given the increasingly challenging budget situation in Colorado, advocating for child care funding is becoming an even more critical priority. EPIC was successful in partnering with the Public-Private Partnership Office to protect the funding for the child care projects they are supporting throughout the state.

Additionally, we were excited to see an increase in opportunities for local funding with **HB 25-1247**: **County Lodging Tax Expansion**.

### CONNECTING BUSINESS LEADERS AND POLICYMAKERS

#### **Pancakes and Policy**

Shortly after session ended in May, EPIC and Mile High United Way hosted our second annual Pancakes and Policy event. This event gives business, nonprofit and early childhood leaders a chance to connect with a bipartisan group of legislators to hear directly from them about their work and ideas for early childhood.

This year, we were honored to be joined by Senate President Coleman, Senator Bright, Representative Hamrick, Representative Phillips and Representative Johnson for lively conversation and a delicious breakfast sponsored by Snooze A.M. Eatery.



EPIC President Nicole Riehl with Rep. Johnson, EPIC member Sue Renner, EPIC Colorado Executive Director Alethea Gomez, Rep. Hamrick, Sen. Coleman, Rep. Phillips, Sen. Bright and Mile High United Way Vice President Roweena Naidoo.



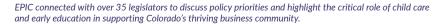


#### Legislative Breakfast

At the beginning of session, EPIC hosted a legislative breakfast at the Capitol. This event is always a great way for our members to connect with legislators to share EPIC's policy priorities and provide education on early childhood policy. We were proud to be joined by 15 EPIC members and numerous community partners from various sectors across Denver and the surrounding areas.











## THOUGHT LEADERSHIP – COLORADO LEADS THE WAY!

EPIC continues to serves as a thought leader in our policy work. This year, Alethea Gomez partnered with Beth Melton of Melton Strategic Solutions and Nim Patel of the Colorado Enterprise Fund to develop a white paper focused on opportunities and recommendations for increasing access to capital for child care.

<u>Strong Foundations: Strategies for Child Care Capital and Supply-Building Solutions is available here</u>. Look for more information on our plans for piloting implementation of the recommendations coming soon.

