

special educational needs, such as English language learners and ethnic minorities, as well as children living in poverty.

Learning is sometimes lost or forgotten during the summer months and has to be taught again. Restoring the summer program would ensure that children will be ready to enter kindergarten on an even footing.

The program helps working parents, contributing to the ongoing economic recovery from the recent recession.

Arguments against:

State and federal monies are available for preschool education programs for at-risk children. Administrative costs go up when similar programs are administered by multiple government agencies.

Although administrative costs for the Denver Preschool Program appear low (4.1 percent of revenue) they do not include the costs of the quality assessment program, which was \$1.26 million in 2013, approximately ten percent of total revenue.

The sliding fee scale, which rewards higher-quality and often higher-cost programs, may be contributing to the increasing cost of child care in Denver, which is among the highest in the country.

DPP tuition credits may be made available to early childhood programs that are operated by faith-based organizations, a possible violation of the separation of church and state provision of the US Constitution.

THE LEAGUE OF WOMEN VOTERS® OF DENVER EDUCATION FUND is not responsible for the accuracy or fairness of the arguments of either side. The pro and con statements are a compilation of the material by proponents and opponents of the ballot issue.

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**LEAGUE OF WOMEN VOTERS
DENVER EDUCATION FUND**

Denver Ballot Issue REFERRED QUESTION 2A

Pros and Cons

**Election Day
November 4, 2014**

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REFERRED QUESTION 2A--SHALL DENVER SALES AND USE TAXES BE INCREASED \$5 MILLION IN 2015 (THE FIRST FISCAL YEAR), COMMENCING JANUARY 1, 2015, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER BY EXTENDING THE EXISTING TWELVE ONE-HUNDREDTHS OF ONE PERCENT (.12%) SALES AND USE TAX (THE "DENVER PRESCHOOL TAX") THROUGH DECEMBER 31, 2026, AND INCREASING THE TAX RATE BY THREE ONE HUNDREDTHS OF ONE PERCENT (.03%) TO FIFTEEN ONE-HUNDRETHS OF ONE PERCENT (.15%) FOR THE SOLE PURPOSE OF FUNDING THE DENVER PRESCHOOL PROGRAM IN ORDER TO INCREASE ACCESS TO PRESCHOOL SERVICES FOR DENVER CHILDREN AND TO IMPROVE THE QUALITY OF PRESCHOOLS, AND SHALL THE CITY AND COUNTY OF DENVER BE PERMITTED TO COLLECT, RETAIN AND SPEND ALL REVENUES DERIVED FROM SUCH TAXES AS A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE LIMITS WHICH WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

BACKGROUND

In 2006, Denver voters approved a 0.12 percent sales tax to fund a preschool program for the City's four-year olds. Featuring a sliding-fee scale that would enable the program to be affordable for all Denver families, and with a strong emphasis on quality and quality improvement, the program was launched in 2006 with a sunset date of 2016.

The program is administered by the Denver Preschool Program (DPP) a non-profit corporation. It has served nearly 32,000 children since its inception, and provides funding through tuition credits to more than 250 early childhood centers. Tuition credits account for 75 percent of the total budget, which was \$13 million in 2013. The

credits, which average \$290 per month, offset part of the average cost of \$800 per month in Denver for preschool programs.

REFERRED QUESTION 2A would extend the program until 2026 and increase the sales tax by 0.03 percent, bringing the tax for the program to 0.15 percent, or fifteen cents on every \$100 spent on taxable items. It is expected to add approximately \$5 million to the program annually. Anticipated expenditures, if additional funding is approved by the voters, would include restoration of the summer program, which was discontinued during the recent recession when sales tax revenue was reduced, an extended day program and, if funds permit, inclusion of some three-year olds in the program. If voters do not approve Referred Question 2A the Denver Preschool Program will continue until the end of December 2016 at the current 0.12 sales tax rate.

REFERRED QUESTION 2A would raise the cap on administrative expenses from 5% to 7% of preschool tax revenue received by the corporation in any year. It would eliminate the current 25-member board of advisors and increase the board of directors to a minimum of 11 members and a maximum of 15 members. Members would be appointed by the mayor and confirmed by the city council.

Arguments for:

The program is monitored for quality under an annual assessment program. The data show that children who attended preschool, and who have now completed third grade, performed better than their peers when tested for vocabulary skills, literacy and math, indicating that the program has long-term education benefits.

The sliding fee scale makes high-quality programs possible for low-income families; it has been successful in attracting children with