



Date: Friday, April 14, 2023

To: Chair Theresa Wood, Vermont House Committee on Human Services

From: Sarah Kenney, Chief Policy Officer, Let's Grow Kids

Re: HHS Draft 2.1 of S.56

Let's Grow Kids would like to reiterate our deep appreciation for your committee's thoughtful work to transform Vermont's child care and early childhood education system through S.56. This bill contains policy and funding that will make a huge difference for Vermont's children, families, early childhood educators, child care programs of all types, and communities in every part of our state. Thank you for your continued leadership on this critical issue.

Based on the new version of S.56, HHS Draft 2.1, we respectfully offer the following thoughts, including some of our suggestions to further strengthen the bill. While all of our suggested edits are important, we urge you to prioritize changes that move Vermont further toward the goals established in H.171/Act 45, and that are in keeping with the committee's commitment to centering equity. This includes ensuring affordability and accessibility for all families with a goal that no family spends more than 10% of their income on child care; to this end, we make specific recommendations related to preventing substantive cost increases for the lowest income families, mitigating any "cliff" effect for families with multiple children, and ensuring that all families have access through eliminating non-income eligibility restrictions and setting aside funds for specific outreach to families who have been historically underserved. We also recommend that you ensure that the sections related to universal prekindergarten are as clear as possible about the intent to preserve and expand Vermont's mixed delivery pre-K system.

Proposed Amendments to S.56 HHS Draft 2.1 by Bill Section

Section I: Legislative Intent

We support the committee expanding the legislative intent section to clearly demonstrate support for Vermont's full child care and early education system. To further strengthen the language in Section 1 of the bill, we recommend aligning the language referencing various types of child care programs with existing terminology in state child care regulations, where regulated summer programs are included in the definition of afterschool. We also recommend aligning the usage of the term mixed delivery with its specific connotation used to describe a particular type of approach to the delivery of publicly-funded pre-K, as follows:

- Increase access to and the quality of child care services throughout the State;
- Increase equitable access to and quality of mixed delivery prekindergarten education;
- Provide financial stability to child care programs;
- Stabilize Vermont's talented child care workforce;
- Address the workforce needs of the State's employers; and
- Strengthen and grow Vermont's regulated child care system inclusive of family child care homes, center-based child care and preschool programs, and afterschool child care.

Section 2: Pre-Kindergarten

We appreciate the committee's work to expand access to prekindergarten education and the implementation plan approach embedded in the new draft. We understand that the committee's intent is for four-year-olds to receive prekindergarten education through mixed-delivery – through both public schools and partner programs – and recommend that the committee consider adding language that is as explicit as possible about that detail.

We support the co-chair structure for the Implementation Committee and recommend one additional member: a regional pre-K coordinator. These roles are crucial to effective implementation of universal pre-K around the state and the coordinators have a unique perspective on what works. They will be a valuable resource for expansion considerations.

We strongly recommend preserving three-year olds in the state's universal pre-K program. Vermont is a national leader in this regard, and reversal of this progress would negatively impact children and families. We also suggest that the implementation committee's duties include consideration of whether and how to include three-year-olds as part of expansion of universal pre-K.

We also agree with the committee's discussion this morning that there may need to be further guidance in the Implementation Committee's charge to ensure that the group is accomplishing what the Legislature intends. If the committee does not intend to include all the questions from the Senate bill, perhaps including the general topic areas would provide more direction to the Committee: Desired outcomes and quality, capacity and demand, special education, public school expansion including transportation, funding and costs, and oversight.

Section 3: Pupil Weights

We fully support moving to a full 1.0 pupil weight for pre-K students. We recommend moving up the timeline for this to happen in the next fiscal year. We agree with the committee that equity is the primary goal, and there are districts such as Winooski that have few private partner options right now and 4-year-olds are losing out on access even though the district has capacity to serve them now. At the same time, an equivalent increase must be made to ensure private pre-K programs receive a commensurate increase in tuition where they are providing full-day prekindergarten education to four-year olds.

Section 5: CCFAP Eligibility

We greatly appreciate the committee's work to balance the need to expand CCFAP in order to better support families and early childhood education programs, and we believe there are several ways to further strengthen CCFAP eligibility.

- **Translation of CCFAP Application Materials:** We strongly support the committee's direction to the Child Development Division to translate CCFAP application materials to the five most common languages spoken in the State. We recommend further strengthening this language to encourage CDD to go beyond the five most common languages, as follows: Applications shall be available in both electronic and paper formats and shall be available in at least the five most common languages spoken in the State.
- **CCFAP coverage for non-citizen families:** We appreciate the committee's work to make child care financial assistance available to non-citizen families who would not otherwise qualify for the program. If there is a more streamlined way to do this within the current CCFAP framework that still protects the privacy of those families, we fully support that.

- **Income cap for no family co-pay:** We strongly encourage you to **align the bill language with the Senate’s recommendation to increase the income cap for no family co-pay for CCFAP benefits from 150% to 185% FPL.** This is a key opportunity to support the lowest income families in Vermont to have access to quality early childhood education.
- **CCFAP income eligibility:** We know the committee is still discussing the upper end of the income cap for CCFAP eligibility. **We encourage you to go as far as possible with this family income cap to mitigate the potential for “cliffs” for families.**
- **Mitigating the cliff for families with multiple young children:** We strongly recommend including separate scholarship funds or grants to provide support to families who are over 600% FPL and have multiple young children to avoid these families paying dramatically higher rates than they do now under the current system.
- **Outreach to underserved families:** We continue to **very strongly recommend a set-aside within CCFAP for outreach to families of color and other families who have historically been underserved by CCFAP.** This was a top recommendation from our Families of Color Advisory Committee and is key to ensuring equitable access.
- **CCFAP eligibility work/education/health criteria:** We also continue to **strongly support expansion of CCFAP eligibility categories in addition to income.** You heard from Shabnam Nolan about the importance of removing restrictive work, education, and health requirements in order to promote equitable access for children. We recommend expanding the new draft’s proposal to include non-citizen families in CCFAP to also include any other families who are ineligible under the current regulations.
- **CCFAP family contribution:** We recommend that you reconsider increasing the CCFAP family contribution at the lowest income levels by \$5/week. It’s important to remember that the current family contribution model just went into effect last July. A \$5/week increase is significant for a family at 151% FPL. We appreciate that the committee is working within financial constraints. To address this concern, **we continue to highly recommend shifting to a progressive sliding scale which may be fiscally beneficial for families and the state.**

Section 6: Provider Reimbursement

We fully support the new language related to implementation of a professional pay scale.

In section (b)(1), we again recommend **aligning the language referencing various types of child care programs with existing terminology** in state child care regulations, where regulated summer programs are included in the definition of afterschool.

Section 8: Readiness Payments and Grants

We deeply appreciate the continued inclusion of Readiness Payments and Grants. We recommend allocating at least \$25 million for this purpose and recommend **adding language that specifically includes staff recruitment and retention as allowable uses.**

Section 9: Payment to Providers

We appreciate the annual inflator language in this section but **recommend that the bill use the cost of care model, updated annually, to increase reimbursement rates. This allows the rates to capture both any increases in compensation costs and any increases in other program costs** such as hard goods and utilities.

Section 12: Child Care Tuition Rates

While we understand the committee's concern about public funds being used to generate substantial profits, we don't believe that the system needs a tuition rate cap at this time. We recommend that if there is concern over funding not being prioritized to increase program staff compensation, program quality, and child supports, that the cost of care implementation plan could include an evaluation of approaches used by other states and municipalities to ensure that public funding is used to advance these core goals and make recommendations for what might work well in Vermont. We recommend including this in section 14 as outlined below.

Section 14: Provider Compensation and Total Cost of Care Recommendations

We recommend creating an implementation plan for the cost of care model: We appreciate how the committee re-structured other inquiries that were framed as reports in the Senate version of the bill into implementation plans in this draft, and we encourage the committee to take this same approach for the provider compensation and cost of care work as well.

As noted above related to child care program tuition rate caps, we recommend that you use a Provider Compensation and Cost of Care Implementation Plan to determine how best to address concerns regarding how child care tuition may increase to generate significant profits for private investors, rather than being prioritized for early childhood educator compensation and quality advancement. We recommend adding language in section 14 as follows:

(b)(3) Practices used by other states or municipalities to ensure that public funds are used to advance early childhood education program staff compensation, quality, and equity rather than substantial profits for private investors.

Section 15: Special Accommodations Grant Plan

Let's Grow Kids supports moving the special accommodations grant investigation from a study to an implementation planning process. Given the urgent nature of the need for services funded through this program, we strongly recommend revising the due date for the plan to on or before January 15, 2024, as proposed in the Senate version of S.56. We also recommend increasing the overall appropriation for the SAG program immediately. The committee also heard testimony about the importance of including community stakeholders as a part of this process. To this end, we recommend directing DCF to work with Building Bright Futures and community stakeholders in developing the implementation plan.

Section 20: Child Care Administrative Service Organizations

We appreciate the committee's attention to advancing more effective and coordinated administration of child care at all levels of our state's early childhood education system. We are pleased to share that there are already groups working on these efforts, including [Shared Services Vermont](#) and [Vermont Early Childhood Networks](#), and we would recommend that the language in the section be amended as follows:

On or before July 1, 2023, Building Bright Futures shall convene a work group to include representatives from First Children's Finance, the Vermont Association for the Education of Young Children, at least two Vermont Early Childhood Business Collaborative members, at least two Vermont Shared Services Hub Agencies, and at least two Vermont Early Childhood Network Shared Services Network leaders to develop a report which shall be submitted to the House Committee on Human Services and to the Senate Committee on Health and Welfare by January 15, 2024 exploring the feasibility of scaling Vermont's current Shared Services Vermont Network and technical assistance

supports available through First Children's Finance to enable child care providers, statewide, to utilize shared administrative resources.

Section 21: Building Bright Futures Technical Assistance and Stakeholder Engagement

Let's Grow Kids agrees that Building Bright Futures is the right entity to lead the critical work that has been assigned to them in this bill, and the organization will need commensurate additional funding in order to execute these increased responsibilities.

We also believe that this section should include language noting the important role that Building Bright Futures plays in monitoring the ECE system and designate Building Bright Futures as the entity responsible for supporting systemic transitions, monitoring, and reporting on benchmarks.

Topics Not Yet Addressed in S.56 Draft 2.1

CCFAP-Related Topics

- **Categorical eligibility for early childhood educators:** We recommend that all early childhood educators be categorically eligible to receive CCFAP for their age-eligible children regardless of income. While raising eligibility rates for CCFAP overall would allow an increased number of early childhood educators to qualify, a more targeted approach would be to establish categorical eligibility for all early childhood educators working in regulated child care programs. This supports recruitment and retention of people working in child care programs who have young children of their own.
- **Eligibility determination resources:** With the proposed expansion of CCFAP, it is critical to allocate additional resources to Community Child Care Support Agencies to allow them to expand staffing to support increased CCFAP eligibility determination, as recommended in the Governor's budget proposal. Additionally, it is critical that adequate funding is allocated for increased specialized child care determination, which, according to specialized child care eligibility specialists, can be 1.5 to 2 times more resource intensive than standard CCFAP eligibility determination.
- **Allocate resources to better reach all eligible families:** When other states have expanded their versions of CCFAP, they have found it important to allocate resources to ensure that the name of the program, materials, applications, etc. are easy to understand, effective, and resonate with families. Funding should be allocated to ensure that any expansion of CCFAP effectively resonates with families through program rebranding, new materials, accessible and easy to use applications, and clear engagement materials.
- **Strategic outreach to communities marginalized by inequities:** In addition to allocating resources for program rebranding and general outreach, we recommend that your committee amend S.56 to include language directing additional funding for specific outreach to families of color and other underserved families based on the Burlington Early Learning Initiative model, especially given the creation of the parallel program for non-citizen families.

Early Childhood Educator Supports

- **Health Insurance:** Let's Grow Kids recommends early childhood educators should be categorically eligible for a no- or low-cost silver-level health insurance plan through Vermont Health Connect beginning in 2024. Model statutory language is available from Washington State.