

Testimony to Senate Health and Welfare Committee, February 16, 2023

My name is Rachel Kauppila and I live in Essex. My husband and I are both public servants - Phil is a middle school special educator and I am a vocational counselor with HireAbility Vermont. We have a 20-month old son, Connell. We consider ourselves exceptionally lucky because we found a childcare spot before I gave birth, at a program we love, that is conveniently located across the parking lot from my husband's school. And we can afford it. But just barely. We pay significantly more than the cost of our mortgage, and last year we paid almost 16% of our gross income in childcare. This year the center has raised their tuition by 10% so they can continue to pay their teachers a living wage and retain staff. I applaud this, as the educators are incredible, and there has been very little turnover since our son began there—which I know is not the case in so many childcare programs. However it is difficult, as our own wages are not rising at this rate. This year we will be paying more than \$19,000 in childcare expenses. This cost is difficult to bear, and makes it financially unfeasible for us to consider having another child.

I wanted to speak to you today because the proposed changes to child care financial assistance in S.56 are wonderful and important and could help many families... but not ours or others like us – families who are middle-income but make just over 450% of the federal poverty level. For context, our combined income last year was \$113,000. S.56 proposes to cap child care financial assistance support at 450% of the federal poverty level, which for a family of 3 like ours is just under \$112,000 for 2023. So we would be just barely over the eligibility threshold and would be left paying full price for child care.

At the same time, the bill rightly proposes to model child care rates on a “cost of care” model. When I read the RAND report I was very excited to see that the state would pay rates to child care programs that will allow them to support their employees with higher wages and benefits – all early educators deserve that and we’ve been supportive of our childcare program’s efforts along these lines. However, the RAND report also states that child care costs under this new system would increase to \$31,000 for a two-year old in a medium-sized center like ours - \$12,000 per year more than we pay now. While that is a good thing since childcare programs would be more sustainable and be able to provide professional compensation for their staff, the prospect of paying those rates without help from the state is terrifying – there is no way we could afford to pay that. Families like ours – middle income, working in roles that are important to the state’s future, and just getting established in our careers, would be left to make the kind of impossible choices that the bill is trying to solve for. We would suddenly be paying more than 30% of our income on child care, and our income level also makes us ineligible for other state programs that provide financial support to families.

The changes to the childcare financial assistance program that are proposed in S.56 are positive and important to the future of the state, but my family and other families who are in a similar income bracket need to be included in that expansion so that we’ll also be able to afford child care in the coming years. Please consider expanding the childcare financial assistance sections of S.56 to include families higher than 450% of the federal poverty level, and turn the benefit “cliff” that families like mine would face into more of a “slope” so that we receive some level of support with paying for care.

I strongly believe that it’s crucial that we as a state pay for children’s education starting at birth, not just at age 5 as we do now, and that the cost needs to be shared by all, not just parents and early educators. S.56 takes some very important steps toward that goal. Please make sure that it helps all families and doesn’t unintentionally push families like mine out of the child care system (or out of the workforce) entirely. Thank you so much for your time and your efforts to solve Vermont’s child care crisis.