



Date: Thursday, April 13, 2023

To: Vermont House Committee on Ways & Means

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

Re: S. 56 and Financing Vermont's Early Childhood Education System

Good morning. I'm Sarah Kenney, Child Policy Officer for Let's Grow Kids. Thank you very much for inviting me to join you today to talk about S.56 and its consideration of how best to provide long-term, sustainable financing for Vermont's child care system.

Let's Grow Kids is deeply grateful to all of the legislators and administrative officials who have worked over the past several years to stabilize and strengthen Vermont's child care system, and we are eager to finish this transformative work alongside you.

About Let's Grow Kids

For those of you who may not be very familiar with Let's Grow Kids, we are a non-profit organization that has been actively working in Vermont for over 20 years to strengthen Vermont's early childhood education system. The roots of our work stem from strategic initiatives many years ago to mentor family child care homes and launch pre-K pilots throughout the state. This led us to our focused mission to ensure that all Vermont children, ages birth to five, have equitable, affordable access to high-quality early childhood care and education by pursuing policy change at the state level, supporting people power by elevating the voices and experiences of Vermonters, and through programs by preparing the child care system for transformation by working closely with early educators to increase quality, expand capacity, and support the early childhood education workforce. Our campaign has over 35,000 supporters from all walks of life, including families, early childhood educators, business leaders, and community members who believe that this child care bill, with some additional changes, is the vehicle through which our state can give children a strong start and build a better Vermont for generations to come.

Background

Child care is essential, and the past three years have been devastating for Vermont's already fragile child care system. The impact of the pandemic and widespread workforce shortages presented unprecedented challenges. Unsurprisingly, early childhood educators and child care programs have risen to the occasion again and again, providing crucial supports to families and employers even while their day-to-day work has been extraordinarily difficult. With pandemic aid to child care programs ending last month, and workforce shortages still plaguing the field, child care investments present both a key solution to Vermont's broader workforce crisis and a vital opportunity to address longstanding structural challenges and inequities in our child care system.

In 2021, the legislature passed H. 171 (now Act 45), which laid the foundation to achieve an equitable, affordable, and accessible early childhood education system in Vermont by the end of 2025. Act 45 set important goals for our state:

- Ensure that all families with young children have affordable access to high-quality child care and early education;
- Ensure that no Vermont family spends more than 10% of their annual income on child care; and
- Ensure that Vermont's early childhood educators are fairly compensated and well supported.

And while Act 45 established important interventions to stabilize Vermont's early childhood education system in the midst of a global pandemic, the system has continued to struggle and remains in crisis. In a survey of child care centers last year, 86% of programs reported experiencing staffing shortages.¹ Let's Grow Kids has experts around the state on our Programs Team who provide technical assistance and support to the early childhood field. This team gets weekly – if not daily – calls from program directors who are desperate because they cannot make it work and are on the brink of closure and managing overwhelming levels of staff burnout. In a recent survey, 35.5% of early childhood educators reported that they are considering leaving their job, with the primary reason being low rates of pay.² Without increased pay and benefits for early childhood educators, programs will continue to lose staff and be forced to close their doors.

However, right now the only way that child care programs can afford raises and benefits for employees is by raising rates, passing on the cost to families who, in many cases, are already paying more than they can afford – sometimes more than 30% of their income.³ This is why state investment is so crucial, and why investments in family affordability and early educator compensation MUST go hand in hand.

Recommendations

Earlier this year, the long-awaited Early Care and Education Financing Study from the RAND Corporation – commissioned as part of Act 45 – was released.⁴ The study confirms there is a direct path forward in the 2023 legislative session to create a more equitable system in which every child has access to quality early care and education regardless of zip code, ability, racial or ethnic background, health needs, or family composition.

Let's Grow Kids supports identifying a stable, long-term funding source to support the expansion of Vermont's Child Care Financial Assistance Program, increase supports for early childhood educators, and continue investments in expanding the capacity of Vermont's early childhood education system. We also support the expansion of Vermont's current mixed delivery system of universal pre-K to provide funding to public schools and prequalified private partner programs in order to expand UPK to a full-school day, full-school year program, as opposed to the current ten hours a week.

Although your colleagues down the hall are still working to craft the House's version of S.56, there are fundamental components of the bill that are critical to solving Vermont's child care crisis and which we are counting on your committee to fund. At the heart of the bill – and of the Legislature's work over the course of the past several years – is setting in motion the transition to a model of child care financial assistance that reimburses programs based on the true cost of providing high-quality care, driven by professional, tiered compensation for early childhood educators. As you know that transition must happen in concert with expanded support to families to help them pay for those increased rates.

Specific parts of S.56 that focus on this transition are:

- Affordability for families through expansion of the Child Care Financial Assistance Program. We strongly support the Senate’s proposal to expand the program’s income eligibility cap to 600% of Federal Poverty Level (FPL), as well as the expansion to allow families up to 185% of FPL to have no family co-payment.
- Investment in increasing compensation for early childhood educators. This is accomplished through a few mechanisms in the bill:
 - Increased rates paid to child care programs on behalf of families through CCFAP will allow programs to increase pay and begin to offer benefits. This increase in rates is an important step toward the RAND report’s recommendation to reimburse child care programs based on the true cost of providing high-quality child care.
 - Readiness grants to child care programs in FY24 will help to maintain some of the increased wages that programs have been able to provide with federal pandemic aid.
 - Quality and Capacity Grants will help programs to increase their level of quality and expand capacity, which can include support for early childhood educators to increase their professional preparation and credentials to advance in the profession.

Conclusion

We look forward to working with you and your colleagues on behalf of the thousands of children, parents, employers, community stakeholders, and Vermonters from every corner of the state who have come together in this moment. Vermonters cannot go another year without an equitable solution to the child care crisis and they are relying on our leaders to work together to get this done. Thank you for your time and attention, and most importantly, your commitment to Vermont’s youngest children.

References

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- ¹ VTAEYC. (April 2022). ‘Vermont’s Early Childhood Educator Staffing Crisis.’ Retrieved from <https://www.vtaeyc.org/wp-content/uploads/2022/04/VTAEYC-ECE-Staffing-Survey-Results-April-2022.pdf>.
 - ² NAEYC. (January 2023). ‘Vermont’s Early Childhood Educator Staffing Crisis.’ Retrieved from https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/vermont_naeyc_2022_fall_survey.pdf.
 - ³ LGK analysis of CCFAP family sliding scale benefit information and family co-pay data.
 - ⁴ Karoly, L., Strong, A., and Doss, C. (January 2023). ‘Vermont Early Care and Education Financing Study.’ RAND Corporation for the Vermont Joint Fiscal Office. Retrieved from https://jfo.vermont.gov/assets/Subjects/Early-Care-and-Education/d61d8c0949/RAND_RRA2213-1-2.pdf.