

Otter Creek Child Center Inc.

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Date: Tuesday, February 14, 2023

To: Senate Committee on Education

From: Linda January, Executive Director of Otter Creek Child Center

Re: S. 56 An Act related to Child Care and Early Childhood Education

Thank you for inviting me today to talk about S. 56 and the impacts the bill will have on children, families, early childhood programs, and early childhood professionals.

I am both thankful and deeply concerned with S. 56. I am thankful that the crisis of early childhood education is being taken seriously and that real solutions are being talked about. I am thankful that the solutions are twofold, supporting both families and early childhood educators. I am grateful that Vermont has been a leader in transforming early childhood education and is continuing to take bold and brave steps to ensure a strong early childhood system for many years to come. Vermont's families, businesses, and economy have waited long enough for a high quality, affordable, and accessible Early Childhood System that will serve all children, birth-to-five. The time is now to make this a reality.

Today, I am going to do my best to focus on the redesign of Universal Prekindergarten (UPK) as outlined in S.56. I preface my testimony with this, as an early care and education provider who is also a pre-qualified UPK partner it is very difficult to silo out UPK from the full system. UPK is one layer of multiple revenue sources that make Otter Creek's budget work. For families, UPK is often one layer of many (discounts, scholarships, Child Care Financial Assistance Program (CC FAP)) that make their monthly budgets work. For better or worse, UPK, as it stands today, is an integrated, vital part of many early care and education programs, it is one piece of the funding puzzle that makes early care and education programs affordable to families.

Vermont has been a leader in Universal Pre-K for children three and four years old through a mixed delivery system. The rewriting UPK is counterintuitive to what we know about best practices for a strong, equitable UPK system. The proposed redesign of UPK leaves me with a long list of questions and major concerns about affordability in the private sector for both families and programs, and the financial impact to the public sector. Since S. 56 was introduced, I have been reading, watching, and listening to all things S. 56-related and through it all I have noticed some themes that are emerging during the discussions that I would like to address.

- **THEME #1: The UPK system is complex and no one likes it...** I will be the first to admit that the current UPK system is complex. As a pre-qualified program, we currently collaborate with four school districts. This means four different contracts, four different attendance systems, four different invoice systems, and four different payment schedules. Some private programs partner with 10 or more school districts. It is also complex for public schools; in Addison County, school districts are collaborating with more than 30 pre-qualified programs. It is a lot of paperwork! Nevertheless, here is the thing: UPK has been around since 2014 when Act 166 was passed, and private and public programs have created effective systems that are working! We are well-oiled machines who do this complex work in order for families to access the financial benefit that is UPK.
- **THEME #2: Private programs do not like AOE being involved, and public programs do not like AHS being involved...** The dual oversight of UPK is very complex and there are

complaints on both sides. However, when you drill down to the local partnerships, it is working; relationships are being built and strengthened at a local level to better meet the needs of children and families. Yes, we may moan about having to attend another meeting or fill out another form, but we do it because it is what is best for children and families. From my point of view, the complexity is not on the ground where the direct work is happening, but rather it is at the highest level of management directly between the Agency of Education (AOE) and Agency of Human Services (AHS). As a pre-qualified UPK program, my biggest frustrations come directly from AOE and AHS when communication to the field is not direct, or when questions go unanswered, or when new mandates are created without adequate resources or supports for programs to meet those mandates.

- **THEME #3: These changes will alleviate the dual over-sight, simplifying the system...**By separating out for-year-olds; the early childhood system is being siloed even further. This is the direct opposite of what the “Vermont Child Care and Early Childhood Education System Analysis” recommends. The system analysis recommendations reads as following, “Create a new unit of state government that is focused entirely on early childhood, with a single empowered leader with oversight of a core cluster of key early childhood programs.” Although, it is appreciated that through S.56 leaders at both AOE and AHS will now be required to be early childhood experts, S.56 does nothing to create a single empowered leader with oversight of the early childhood system. Instead, S.56 widens the division between programs under AOE and programs under AHS. For public programs, I can see how this simplifies things but for private programs, the burden of living within two systems will still be there. As a private program, we will still be enrolling children who receive early essential education through the public system and we will still be required to follow education law, rules, and mandates set by AOE.
- **THEME #4: If four-year-olds leave the private sector, it will fix the capacity issues for infants and toddlers...** Let me say this as loudly and as clearly as possible: *A preschool space does not equal an infant/toddler space.* If a private program loses all of their four-year-olds, it will not mean that they will automatically start serving younger children. For Otter Creek, if we lose all of our four-year-olds, we would only be able to fill those spots with three-year-olds, for several reasons: 1.) Younger children are not licensed in our upstairs space, and 2.) Adding toddlers to our three-year-olds would cut enrollment in half from a group size of 20 to a group size of 10, due to required teacher/child ratios. In order to balance a budget, we need a critical mass of preschool age children. I fear that if the majority of four-year-olds enter the public sector, there will not be enough three-year-olds to fill spaces that private programs need to fill in order to keep our doors open.
- **THEME #5: Families, of four-year-olds, will still be able to access the private sector...**In theory yes; there will spaces for families to still access the private sector for 4 year-olds. In reality, I fear that families above 450% of the federal poverty level will be priced out of the private sector. When examining the potential new system, including the changes to CC FAP and the removal of UPK from the private sector, I looked at families from 500% to 800% of FPL and found that a family of four with an infant and a preschooler could pay between 24% and 39% of their income toward full-time, year-round care. This is a potential monthly tuition payment of \$4,417.41, for year round, full time care. *There are no families currently at Otter Creek Child Center who would be able to afford this type of tuition payment.* Families would be priced out of the private system for all infant, toddler, and preschool early care and education programs. For Otter Creek, that means nearly 40% of our current population could potentially be priced out of the system. In order to keep these families in the system, Otter Creek would have to continue to

offer scholarships and/or discounts to some or all of these families. This is counterintuitive to all the good changes the redesign of CC FAP are supposed to bring. If, as a program, Otter Creek needs to continue to subsidize families, we will struggle to maintain minimum compensation requirements, provide healthy meals, and maintain our high-quality status through NAEYC Accreditation.

This possible pricing out of families is best described by a current Otter Creek family:

“The childcare crisis and continuing challenges around tuition, staffing pay, and benefits in Vermont is not a new topic. As a family that had their names on multiple childcare waitlists years in advance of conceiving a child, when we were told there was a spot available, with two working parents, we took it and thought we'd figure out payment later. As it turns out, we have been a family that falls outside of the FPL tiering for any sort of support. This has put us in a challenging position and sparked family discussions on deciding if we should continue to pursue career advancements here in Vermont, only having one working parent, and/or staying in Vermont. As a family that has actively chosen Vermont as a place to live and raise a family, this has been stressful both financially and emotionally, since we are already spending 30% of our taxable income on childcare in addition to the cost of living in Vermont being on the rise. What has been making these costs marginally manageable is the current Pre-K funding and subsidization in place. The changes proposed in the Child Care/Pre-K bill (S. 56) would have a material impact on our family and force choices between child care, career development, and staying in Vermont.”

As the co-leader of the Addison County Director's Network, I am very concerned for smaller UPK programs in Addison County. I am concerned about programs that only serve Pre-K-aged children, and who run on a school-year calendar. I am concerned about programs like Quarry Hill Preschool, Evergreen Preschool, and Starksboro Co-Op. I am concerned about programs that have been offering high-quality early care and education services for 30, 40, or even 50 years.

The first words to me from Ashley Bessette, Director of Evergreen Preschool, after reading S. 56 were: “I think I’m out of a job.” Su White, teaching-director of Quarry Hill School has said, “Our program... has mixed age groups of three- and four-year-olds where the curriculum is built on this knowledge, and scaffolded learning happens naturally, and with supports from nimble and prepared teachers. If our program didn't have four- and five-year-olds, we would have to make big changes to offer a very different type of programming where child mentors are out of the equation... Right now our program, while mixed age, 4/5 year olds make up more than 50% of our annual rosters. Are there three-year-olds that could fill in that gap even if we wanted to just offer our program to three-year-olds? We are not equipped or qualified (or interested in) providing quality care and programming for younger children.”

These small programs and many others like them will have to make very difficult decisions about what their programming will look like moving forward, or if they are even able to keep their doors open. If a private program does decide to offer care for younger children, they will need to consider what it will cost to purchase furniture and equipment for infants/toddlers, how to modify their playground, how to modify their restrooms to accommodate diapering, and the cost of adding more teachers to meet lower teacher/child ratios.

I have many more thoughts and questions regarding changes to UPK in S. 56 and I realize we do not have all afternoon. At the end of my testimony, I have a written list of questions that my colleagues and

I am pondering, which we hope you will consider. If the list is too long, I hope you at least take the following actions:

- Consider and study the full financial impact that public schools will shoulder by converting classroom space into age appropriate space for Pre-Kindergarten aged children. Modifications such as adding sinks into classrooms, adding restrooms into classrooms, building age appropriate Pre-Kindergarten playgrounds, buying appropriate sized furniture, and purchasing play-based learning materials. After all, an appropriate classroom for a sixth-grader does not equal an appropriate classroom for a Pre-Kindergartener.
- Just as you consider the financial impact on the public sector, do the same for the private sector. How many programs will close? What are the added expenses that programs will face in order to shift to serve younger children? What is the population of three-year-olds, and are there enough to sustain the private sector?
- Study the impacts these changes will have on the workforce. How many more licensed teachers will the public sector need? What are the qualifications para-educators will need to meet NAEYC accreditation standards to be a teacher in a public classroom? Are there enough early childhood professionals to meet the demand? Would the private sector face an even greater shortage of teachers? What are the training needs to get elementary licensed teachers licensed in early childhood and preschool teachers prepared to become infant/toddler teachers?
- Talk with families and examine the financial impacts and the logistical complications these changes will create for four-year-olds. Will families have access to afterschool and summer care for their four-year-old? Truly examine the impact to families above 450% FPL.

In closing, I want to share a quote from Elliot Haspel during his testimony to the Senate Health and Welfare Committee on February 10, 2023. When speaking about the vision that Vermont has for the early childhood system he said, "...to accomplish (Vermont's) laudable vision, it is critical to expand subsidy eligibility to be universal or near-universal, and to have a mixed-delivery preschool system. The absence of those policy elements will not so much have unintended negative consequences as have *predictable negative consequences* that hurt the very people you are trying to help." I cannot stop thinking about this quote and predictable negative consequences S. 56 will have on the early childhood system. Some of those consequences have been laid out above and others I am sure will be discovered as testimony is taken.

I want to thank you again for having me and for prioritizing early care and education in this legislative session. I am so thankful and proud to be in Vermont, where early care and education is valued and our government is willing to take bold, brave action to transform the early childhood system into one that is affordable and accessible to all Vermont families. I implore you to be aware of the predictable negative consequences as you move forward and make changes to S. 56 and realize that you can move forward on things like CC FAP, as well as supports for early childhood professionals, supports for non-citizen children, and tax relief for providers. While at the same time slowing down on changes to UPK, or deciding to separate UPK from S.56 and create a separate bill that will allow you to take a deeper dive into all the possible predictable negative consequences changes to UPK could have on the early childhood system.

Sincerely,

Linda January
Executive Director, Otter Creek Child Center

Questions to Ponder

- What are national trends and best practices for UPK? Where does Vermont currently stand in the national landscape? How will changes to UPK impact Vermont's national standing?
- What would it look like if the current UPK system expanded to more than 10 hours a week? If hours were increased to 20 or 30 hours a week, would more public programs increase their UPK offering? Would more private programs expand services? How would an increase to the current UPK hours impact the full early childhood system and families?
- These changes to UPK would mean that five out of seven grades in an elementary school would be considered early childhood. In light of this, will there be requirements that elementary school principals have expertise in early childhood education?
- How will afterschool programs for four-year-olds work? Will schools need to operate a center-based program as well as an after school program? Currently four-year-olds are not part of afterschool.
- How will transportation work? Will four-year-olds be allowed on buses? Will this increase insurance costs? Will contracted companies, such as Bet-Cha Transit, allow four-year-olds?
- What upfront costs will the public sector have in order to get classrooms ready for four-year-olds?
- What will the impact be on the workforce? Will the private sector lose more teachers to the public sector? Will there be enough Early Childhood Licensed teachers to fill the need in the public sector?
- Is there enough space in all elementary school buildings to add Pre-Kindergarten?
- How will this be messaged to the families who will be losing access to funds?
- How will Early Essential Education classrooms work? Will there just be a classroom of three-year-olds, without peer models?
- How will these changes affect Head Start programs? Will these changes allow Vermont to continue to maximize federal dollars coming to Vermont through Head Start programs?
- How does splitting the early childhood system between three agencies/departments address the system analysis that clearly called for a unified early childhood leader?
- How will NAEYC accreditation work? Will each school district be a program with a satellite location at each elementary school? A full understanding of NAEYC accreditation is absolutely imperative!
- How will public schools handle teacher/child ratios laid out in NAEYC accreditation? The maximum group size is 20; what happens if a school has more than 20 Pre-K children to enroll and there is no space to add a second classroom?
- How will the system ensure that academic pushdown will not happen?
- How will school-readiness be defined?
- How will play-based be defined?

Thoughts from another Otter Creek Child Center Family

“Our daughter has been at OCCC since she was nine months old, and now at age four, she is stronger, more independent, emotionally intelligent, and has been offered opportunities that otherwise would not have been available to her.

“The burden of childcare cost has always been something on the forefront of my mind. In 2019 and early 2020, we were lucky to have financial help from my daughter’s grandparents to supplement the cost of care. After the state shutdown in 2020 and employment changes for my partner, childcare cost was again supplemented (by personal choice) through the federal childcare benefit that was received monthly. Mixed with the general economic increases and understandable increase for tuition, we have seen very little change in cost as our oldest daughter has moved through her time at OCCC. The one saving grace we have is the 10 Pre-K hours per week during the school year.

“We have still struggled with paying preschool costs, even with the UPK support. Most recently, our bank account bounced and we were left paying fees on top of finding the money to pay for childcare. I am not someone who likes asking for help, and I can always find a way to be responsible for the things that are mine. I do not expect or want sympathy for our recent financial situation, but the reality of unexpected costs is there. In mid-2022, we found out that we were expecting a baby, who was born less than a week ago. My pregnancy was high-risk and required multiple medications, additional tests, and many prenatal appointments than what is typical. All of which cost money and time away from work. We also had unexpected car repairs that left us without a family vehicle for months because we could not afford to have it repaired. These are just some examples of why we have been so extremely thankful for the UPK dollars.

“I know that my daughter would not flourish the way she has, had we not had the ability and choice to send her to a private daycare/preschool. She thrives because her spirit matches the spirit of adventure and curiosity that is embraced at OCCC.

“As a former educator myself, I know how important the first five years of life are for giving children what they need to be successful their whole lives, and there is no doubt that my daughter’s experience at OCCC has laid that strong foundation, because we were able to choose a Pre-K program that has the same values that are important to my daughter.”