

Testimony of Lila Shapero, Voices for Vermont Children, before the House Committee on Appropriations, February 21, 2014

I am speaking today on behalf of the Vermont Early Childhood Alliance. The Alliance is a statewide coalition of early childhood professionals, parents, allied business and community partners interested in furthering the well-being and education of young children.

We support the Governor's addition of (1) \$740,000 to the Child Care Financial Assistance Program to bring its rates in line with the 2014 Federal Poverty Level and (2) \$812,448 to the Vermont STep Ahead Recognition System (STARS).

Child Care Financial Assistance Program (CCFAP)

CCFAP provides the underpinnings to supporting the access of Vermont families to quality early child care and education. CCFAP provides assistance to low-income families based on income up to 200% of the Federal Poverty Level (FPL). In State Fiscal Year 2013, CCFAP helped pay for child care for 8,5000 children in 6,000 families.

Although past budgets have brought some relief (3% increase for this current fiscal year), CCFAP remains underfunded. As a result, the benefit level to families and the rates paid to providers need support.

Raise Rates

The base financial payment for all child care providers is tiered for providers depending on their level of participation in Vermont STARS; the tiered payments are derived from a base amount. As of November 3, 2013, CCFAP will pay a base rate of \$133.49 for a full-time preschooler at a non-STARS provider and \$186.88 to a five STARS licensed provider. These amounts are not sufficient.

At present rates, low income families and child care providers struggle to cover the gaps between the actual costs of a program and the amount covered under CCFAP. As a result, families are constrained in their choices and providers do not have the capacity to sustain and improve their quality.

The Alliance asks that the budget include provisions to raise the base financial payment for all child care providers to 50% of the current market rate, with the long-term goal of raising the base to 75% of the current year market rate. Estimated cost is 13 million dollars.

Infant/toddler differential

Current payment rates include an infant/toddler differential in recognition of the greater costs providing care to infants based on the requirements by the Child Development Division governing care in regulated and licensed settings.

The Alliance asks that the infant/toddler differential be increased. Estimated cost is between 3 to 4 million dollars.