

V E R M O N T

---

# EARLY CHILDHOOD ALLIANCE

*Testimony of Matt Levin, Executive Director*

*House Appropriations Committee – Feb. 11, 2016*

Vermont's **Child Care Financial Assistance Program (CCFAP)** provides child care tuition assistance for lower-income Vermont families who meet certain financial, health, work or education criteria and for children who are currently in the care of the Department for Children and Families. It pays 10% to 100% of a tuition assistance rate set by the state, depending on a family's income and size.

CCFAP tuition assistance rates are also higher for child care provided by programs that receive higher scores in the state's quality recognition and improvement system, known as STARS.

Funding for the program has not kept pace with increasing child care costs, limiting parents' ability to access quality child care programs and squeezing providers already working with very thin margins.

**CCFAP tuition assistance rates are seriously outdated** based on a six-year old market survey. To bring assistance rates in line with 2014 market rates, CCFAP would need an additional investment of approximately \$9.1 million.

**Even more urgently, we estimate that CCFAP will need a budget increase of approximately \$1.5 million in FY '17 to sustain current service levels and meet increasing demands.** The Governor's proposed budget for FY '17 level funded CCFAP, which is effectively a budget cut. Without an increase, the program will not be able to keep pace with increasing needs, which could result in a program waitlist for the first time in Vermont's history.

We know there are upward financial pressures on the program:

- number of children in child care getting CCFAP support are up
- Percentage of those children in high quality programs are up
- Number of programs participating in STARS are up
- Percentage of those programs getting three STARS or more are up, and
- Total expenditures on the CCFAP program are up

Adding to these pressures, there is a significant new demand on CCFAP because of the unprecedented number of children 0-5 coming into DCF custody due to Vermont's opiate crisis.

CCFAP tuition assistance is critical for these children to ensure they get the high-quality child care they need, with a trauma-informed, stable and loving environment.

Without a budget increase of about \$1.5m, DCF will need to cut services and/or create a waiting list for the first time. Waiting lists are not only difficult to manage, but can also be a serious challenge for families working their way out of poverty. When a parent finally gets a job or when the child care slot finally opens up, being placed on a waiting list can make change impossible for lower-income families.

The Early Childhood Alliance, Let's Grow Kids, Vermont Association of Child Care Resource and Referral Agencies, Vermont Association for the Education of Young Children, and Vermont Child Care Providers Association know that level funding will have direct and serious impacts on Vermont's children, families and child care providers.

CCFAP works because it helps families get and keep good paying jobs and supports children at the most important time in their lives. Please include the funding needed for CCFAP in the FY '17 budget.