

Presentation on the Recommended Reform of Act 166

January 3, 2018

**Presentation to the House and Senate Committees on Education, House
Committee on Human Services, and Senate Committee on Health and
Welfare**

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Administration Recommended Reform of Act 166

Recommendations to the House and Senate
Committees on Education, House Committee
on Human Services, and Senate Committee on
Health and Welfare

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Legislative Charge

Section 37 of Act 49 of 2017:

On or before November 1, 2017, the Secretaries of Human Services and of Education shall jointly present recommendations to the House and Senate Committees on Education, House Committee on Human Services, and Senate Committee on Health and Welfare that will ensure equity, quality, and affordability, and reduce duplication and complexity, in the current delivery of prekindergarten services.

Starting Point

- Adhered to the expressed goals of Act 166 (prekindergarten) as defined by the Legislature.
- Focused on legislative changes that make it easier to achieve the stated goals.



Process

Leadership of AOE and AHS/CDD met throughout the summer to:

- review the status of universal PreK
- review implementation successes and challenges
- take testimony from stakeholders on the successes and challenges



Recommendation 1

The State of Vermont should continue to sponsor the universal PreK voucher program created in Act 166 that funds 10 hours a week of PreK, for 35 weeks a year, for families of children who are 3 or 4 years old and not in kindergarten.



Recommendation 1: Rationale

Among stakeholders and the two Agencies there is widespread consensus that quality PreK is a promising practice that will support our youngest children — and particularly our most vulnerable children — as they develop the social, interpersonal and academic skills that support improved outcomes later.



Recommendation 2

The State of Vermont should continue to sponsor a portable voucher that allows families to access those services in the location of their choosing (as per Act 166).



Recommendation 2: Rationale

Among families of our youngest children, the need to exercise the voucher in the location of their choosing (e.g. near their workplace) is of high value. It allows them to make determinations related to work schedules, additional childcare affordability issues and program design in ways that support their engagement. This portability is limited to approved prekindergarten providers within the State of Vermont.

Recommendation 3

The State of Vermont should continue to fund the PreK voucher program from the Education Fund.



Recommendation 3: Rationale

These ten hours of programming are distinct from more general childcare and are intended to serve an educational purpose. As a result, the Education Fund is an appropriate funding source.

Recommendation 4

1. The State of Vermont should discontinue joint administration (AOE and AHS) of the PreK voucher program (one lead).
2. AOE should be the lead agency to make decisions and administer the program.



Recommendation 4: Rationale

Across all stakeholders, the joint administration of Act 166 was problematic and frequently inefficient. The determination that Education Fund dollars be used to finance the program leads to the conclusion that AOE perform the administrative functions.

- More efficient
- AOE is the fiscal agent for the Education Fund. PreK is education.

Recommendation 5

The State of Vermont should seek efficiency in the PreK voucher program through centralized accounting and contracting at the AOE for providers and school systems.



Recommendation 5: Rationale

Across all stakeholders, the multiple relationships between providers and school systems was a source of frustrations.

- Private providers may have 4-10 SU/SDs with different contracts and invoicing mechanisms; SU/SDs may have 10-50 providers for whom they must track contracts.
- With dedicated staffing, the AOE can implement a single contract and invoicing procedure for all providers — both public and private — that will streamline administrative work burden at all levels.
- Simplifying the business side of operations, so that there are uniform and consolidated contracts and fewer points of required contact for school systems' providers and families, should also support the goals of equity and quality by improving transparency and by freeing administrative time to focus on the most important work: the learning of children.

Recommendation 6

The State of Vermont should simplify the mechanisms for participation, regulation and monitoring to reduce dual regulation and duplicative efforts for all program types that exist to the extent possible.



Recommendation 6: Rationale

Across all stakeholders, participants expressed frustration with the duplicative nature of regulations and procedures across AOE and CDD.

Particular issues:

- To the extent possible, pursue single regulation so that CDD would regulate private providers and AOE would regulate public providers.
- Clarify the value of the voucher for private and public providers (fiscal transparency).
- Clarify the quality criteria programs must meet to participate in the PreK voucher program.

Recommendation 7

The State of Vermont should provide time to prepare for implementation of these recommendations.

Recommendation 7: Rationale

The AOE will need time to implement changes, including:

- Hire staff
- Refine and deploy the contracts and invoicing systems
- Train participating programs in their use

If the Legislature were to pass these recommendations early in this session, the AOE would be prepared to execute all contracts by May 2019.

Recommendation 8

The State of Vermont should revisit the quality criteria for provider participation in the PreK voucher program.

Recommendation 8: Rationale

The Agencies believe that quality criteria are critically important to ensuring the value of this taxpayer investment in early care and learning. There is a need to clarify the quality criteria public and private programs must meet to participate in the PreK program.

AOE, with support from CDD when appropriate, proposes to consult with stakeholders to identify key quality criteria and appropriate incentives to support attainment of those criteria while maintaining available seats for children.

Next Steps

AOE will take the lead in working with stakeholders to refine these recommendations into more specific actions.

These recommendations will be presented in a more robust report to the standing committees.

Next Steps

The Agencies will evaluate the potential value of a tiered voucher, to ensure continuity in service when programs struggle to meet the quality standards defined by the Legislature.

Next Steps



We recommend that in 18 months, a neutral third party evaluate implementation to assess the impact of proposed implementation and provide recommendations for next steps to improve and enhance our investment in young Vermonters.