



**Date:** Thursday, March 29, 2018  
**To:** Senate Health & Welfare Committee  
**From:** Sarah Kenney, Deputy Director, Let's Grow Kids

**Testimony requesting increased investment in Vermont's Child Care Financial Assistance Program and T.E.A.C.H. Early Childhood Vermont**

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Good morning. Thank you for the opportunity to be here to talk about the critical role of the early childhood care and learning system in Vermont and the need for continued investment. Let's Grow Kids is a statewide public awareness and engagement campaign, and we are committed to ensuring that all children, birth to five, have access to high-quality, affordable early care and learning programs.

On behalf of the many parents, grandparents, providers and children who support the mission of Let's Grow Kids, we want to thank your Committee for your commitment to Vermont's children. To that end, we are asking you to include increased funding for Vermont's Child Care Financial Assistance Program and financial support for the T.E.A.C.H. program in your budget memo. Continued investment is crucial as we work toward long-term systems change to create a sustainable, affordable, high-quality early care and learning system.

Vermont's Child Care Financial Assistance Program, also known as CCFAP, helps eligible families access quality child care, with financial assistance paid directly to child care providers. We appreciate the legislature's commitment to this important issue over the past two years; however, even with the increased investments the legislature has made in CCFAP, years of chronic underfunding have resulted in a funding gap of at least \$9.2 million, which creates economic challenges for families and child care providers. We believe it is critical that Vermont address this gap to ensure that the program works for children and families.

Because of chronic underfunding, CCFAP no longer works as intended, resulting in a number of challenges. First, the financial assistance benefits paid by the program have not kept pace with the market rates for child care in the state. This means that the reimbursement rates paid by the program on behalf of eligible families are based on what child care providers were charging in 2008 and 2009, not current tuition costs for programs (based on information from the state's 2015 market rate survey), leaving a gap.

This gap means economic challenges for families and providers. Many providers cannot afford to lose the difference between CCFAP's tuition assistance rate and the provider's standard tuition, so providers may ask families to cover the difference. This means that families enrolled in CCFAP who qualify for 100% tuition assistance may still need to pay a co-pay to cover the gap, which may make regulated child care unaffordable, and some families are still spending more than 40% of their income on child care, even with financial assistance from the program.

Even though families are helping to cover the gap, the median annual wage for child care workers in Vermont is \$25,080, which is less than the state's livable wage.

In order to address the needs of our most vulnerable families and support our state's early care and learning providers, we hope your committee will address the current \$9.2 million funding gap to address the misalignment between current tuition assistance rates and current market rates. We recognize that immediate investment in CCFAP is a critical first step in achieving equitable access to high-quality child care for every Vermont child, so we as a state can continue to progress toward the goals outlined by the Blue Ribbon Commission on Financing High-Quality, Affordable Child Care. The Commission's report outlined \$43.5 million in immediate short-term investments necessary to make high-quality care more affordable for Vermont families. Bringing reimbursement rates up to a more recent market rate is an important step in this investment.

In addition to supporting increased investment in CCFAP, we would also like to request that this committee consider allocating one-time funds to support Vermont's T.E.A.C.H. Early Childhood program, which you'll hear more about from Sonja Raymond. Vermont faces a serious shortage of qualified early childhood care and education teachers and assistants. A contributing factor to this shortage is the lack of resources available to help early childhood educators attain the degrees and credentials necessary to meet demand. T.E.A.C.H. Early Childhood Vermont provides scholarships, books and travel funds, release-time funds, contract completion bonuses, and counseling to non-traditional students seeking degrees and credentials in the field of early education. However, the program is currently undergoing a transition. While sustainable funding transitions are underway, T.E.A.C.H. Vermont needs \$320,000 for state fiscal year 2019 to sustain the current program cohort (50 associate degree students and 20 teacher licensure recipients).

We greatly appreciate your Committee's commitment to Vermont's children and families, and thank you for your consideration of these important issues.