



Building Bright Futures

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Building Bright Futures Testimony – Affordability & Accessibility of Child Care Vermont Child Poverty Council Sarah Squirrell, Executive Director, MS

Thank you very much for inviting me to speak with you today regarding capacity and affordability of childcare in Vermont. My name is Sarah Squirrell and I am the Executive Director for Building Bright Futures (BBF). Building Bright Futures is Vermont's statewide public/private partnership and designated early childhood advisory council to the governor and legislature. We recognize the impact that access to high quality affordable child care has the lives of children and families and the social and economic impact for Vermont.

The future of Vermont is bright, and it rests with our youngest citizens, our children, who are the future leaders, parents, citizens and workforce. In turn, the well-being of our children is the responsibility of all of us, and we all benefit when we get it right. Research shows that poverty is the single greatest threat to children's well-being. Children who experience poverty in their early years are at a higher risk for poor health, and poverty has a negative impact on children's early development.

We can address these negative impacts by ensuring that lower-income families have access to high quality early care and learning. The early years, when the brain is developing most rapidly, present the greatest opportunity to help young children build a strong foundation for all future learning and skill building. 90% of the brain is developed by age 5, so the quality of care and learning a child receives in the first years is very important, as it will impact future success in relationships, school and life.

While Vermont has seen a decrease in the percentages of families with young children under 5 who live in poverty, many families face significant economic challenges affording basic needs such as food, transportation, housing, and childcare. Economic hardship is the most common adverse childhood experience (ACE) reported nationally and in almost all states, followed by divorce or separation of a parent or guardian. When life is particularly demanding or social supports are weak, parents are more prone to stress and depression; which can interfere with nurturing interactions with their children. Access to high quality early care and learning settings, are critical to mediating the effects of trauma and impact of Adverse Childhood Experiences, building resilience in children, and achieving the outcomes we are hoping for that are essential to the social and economic vitality of our state.

Building Bright Futures statewide network:

Addison Building Bright Futures, **Bennington** Building Bright Futures, **Caledonia and Southern Essex** Building Bright Futures, **Central Vermont** Building Bright Futures, **Chittenden** Building Bright Futures, **Franklin Grand Isle** Building Bright Futures, **Lamoille Valley** Building Bright Futures, **Northern Windsor and Orange** Building Bright Futures, **Orleans and Northern Essex** Building Bright Futures, **Rutland** Building Bright Futures, **Southeast Vermont** Building Bright Futures and **Springfield Area** Building Bright Futures

Affordability and Accessibility of Child Care in Vermont

Consideration 1: Access and Capacity

Access to high quality, affordable child care is critical to health and well-being of children in Vermont as well the economic vitality of our state. The current capacity crisis in Vermont is not only a significant challenge for Vermont's families with young children, but also for Vermont's communities and economy.

The economic issue emerges when working parents can't find childcare. Research shows that in a six month period 45% of parents are absent from work at least once due to child care issues, and 65% of parents' work schedules are affected by child care challenges. Studies have shown that these challenges cost US employers more than \$3 billion dollars annually. Based on the US Census more than 70% of Vermont children under the age of 6 have all available parents in the labor force, meaning they are likely to need care. Parents should not have to choose between work and family, but lack of access to high quality, affordable child care is forcing tough choices for parents.

The Stalled at the Start report displays Vermont's current shortage of regulated early care and learning programs, and only 47% of infants and toddler likely to need care have access to regulated early care and learning programs. Providers in Vermont have about 6,800 slots for infants and toddlers. Of those slots, only 2700 are high quality programs. At the county level in some areas of Vermont up to 98% of infants that are likely to need care do not have access to high-quality regulated programs.

Count and Percent of Infants and Toddlers Likely to Need Care Without Access to Regulated Child Care (All Programs) in Vermont (Statewide)* - December 2015

Click column headers to sort columns.

Age Group (Age Listed in Months)	Children Likely to Need Child Care Population Count	Provider-Reported Child Care Capacity Count	Count of Children Likely to Need Care Without Access to Regulated Child Care	Percent of Children Likely to Need Care Without Access to Regulated Child Care
Infants (0-23)	8,502	3,274	5,228	61.49%
Toddlers (24-35)	4,344	3,490	854	19.67%
Infants & Toddlers (0-35)	12,846	6,764	6,082	47.35%

In many areas in Vermont, low-income and rural communities are child care deserts as referred to by Child Care Aware of America, defined as areas or communities with limited or no access to quality child care. Families in these areas have difficulty finding licensed child care, let alone higher quality. Low income populations are areas that require the most supports as the most at-risk population.

Consideration 2: Affordability

We are all concerned about the affordability of Vermont, and in making Vermont affordable for young families must be a top priority. We have all heard stories about affordability and the difficult decisions that families are making. One of the main reasons too many Vermont families are living paycheck-to-paycheck is the high cost of child care – it's the second highest cost for Vermont families with children after the cost of housing. In Vermont, 50.5% of families who rent spend more than 30% of their household income on housing.

As noted earlier 70% of Vermont children under the age of 6 have all available parents in the labor force. Middle income families are spending up to 40% of their household income on childcare. Currently, we know that, on average, Vermont families with young children are spending more than \$20,000 a year on child care – more than the cost of tuition at a Vermont State College. The basic needs budget highlights child care as unaffordable for many Vermont families, even in two-parent households where both parents work. Vermonters are spending a significant amount of their earnings on housing, which limits their options for childcare, nutrition, healthcare, and beyond.

Vermont has made progress in addressing the funding gap facing our Child Care Financial Assistance Program, but the program still faces a significant shortfall. Due to chronic underfunding the programs reimbursement rates, paid to providers, have not kept pace with market rates (how much providers charge), leaving a gap between reimbursement rates and the actual tuition assistance cost. The gap means economic challenges for families and providers. Many providers cannot afford to lose the difference between CCRAP's tuition assistance rate and the provider's standard tuition, so providers as 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.

Layered into the issue of affordability is the challenge for child care programs to recruit and retain a high quality workforce. The average salary for a childcare worker in Vermont is \$26,000. 46% of child-care workers nationally are part of families enrolled in public assistance. Low pay contributes to a revolving door of staff and the average annual turnover rate among child-care workers is around 30% and early childhood education is the college major that yields the lowest lifetime pay.

Solutions

We need to have bifocal vision to address the complexity of affordability, access and capacity of child care in Vermont. We need to take immediate action to support childcare issue in Vermont, and we need to keep our eye on the long term vision for our early care and learning system. Expanding high quality affordable child care will have to be done incrementally within the context a multi-tiered approach that includes long range system planning, community engagement and immediate investment.

Regional/Community Innovation & Activities

The complex issues of access, capacity and affordability are being grappled with at the community level at our BBF Regional Councils. In a recent convening of Early Childhood Regional Council leaders several innovations and opportunities were discussed as a means to improved capacity including:

- Leveraging and expanding grant funding to support child care capacity building
- Loan forgiveness for early care and education providers
- Shared services related to collective purchasing of health insurance, back end office and administrative support

Increased Investment in Child Care Financial Assistance Program (CCFAP)

In their final report, issued on December or 2016, Vermont's Blue Ribbon Commission on Financing High Quality Affordable Child Care recommended that the state make immediate, incremental investments in CCFAP. Such an investment would allow the program to address the gap between the program's reimbursement rates and currently market rates, expand eligibility, and increase benefits for many families.

Building Vermont's Future from the Child Up Initiative

The Blue Ribbon Commission (BRC) delivered a powerful report that clearly demonstrates the gap between high quality early care and learning and what is affordable for families. The BRC provided short term and long term recommendations to achieve high quality affordable child care in Vermont.

Building Bright Futures (BBF) – Vermont's early childhood public-private partnership – was tasked by the commission with engaging diverse stakeholders in a statewide effort to explore and develop recommendations for a comprehensive integrated early care and learning system. The Blue Ribbon Commission recommended that this process should begin early in 2017, take place in a timeline that recognized the urgency of this issue, and conclude in time to deliver proposed legislation to the state legislature no later than January 2019. To meet its charge, BBF engaged statewide, cross-sector stakeholders in a collaborative design process to identify what works best in the current early care and learning system, and how to leverages these strengths toward our future system. Key topics identified as focus of this work include:

Implementing affordability

Build from systems and programs currently in place, and consider best practices and innovations from other states, to make early care and learning programs more affordable to Vermont families. Considerations could include Child Care Financial Assistance Program (CCFAP), program-offered scholarships, business-supported child care, etc.

Early Care and Learning Delivery and Capacity Building

Address the current shortage of regulated infant care and toddler care in many communities, as well as the delivery of preschool-aged child care and publicly funded pre-K. Identify how best to leverage existing resources such as K-12 infrastructure, community buildings, etc. in order to expand capacity and strengthen and support alignment with the K-12 system.