



Date: Wednesday, February 20, 2019

To: House Committee on Appropriations

From: Sarah Kenney, Senior Director of Policy, Let's Grow Kids

### **Testimony on Appropriations for Child Care**

Thank you for all the work you do on behalf of Vermonters, especially children and families. Today I am speaking about your support for the critical investments needed to support Vermont's children and families through affordable access to high-quality child care.

As this committee knows, the Governor has proposed in the FY20 Budget to allocate \$7M in new internet Sales and Use Tax funds to expand Vermont's Child Care Financial Assistance Program (CCFAP), yet, in the same budget he has decreased CCFAP's base funding by \$1.25 million. Even if the Governor's budget contained a true \$7 million increase, it would not be enough to solve this crisis.

Nearly half of the Vermont House has endorsed another approach to creating affordable access to high-quality care for Vermont families. H. 194, establishing incentives for early learning professionals and improving access to child care, sets the State's core commitment to children and begins to address our current child care crisis. H.194 will make significant headway by investing meaningfully in CCFAP, early education workforce development, and engaging employers to support employees with child care costs. The House Human Services Committee will begin testimony on H.194 and other child care bills today. We strongly encourage this committee to fully fund the proposals in H.194.

The evidence of this crisis is clear: In Vermont, more than half of infants and toddlers likely to need child care do not have access to regulated child care programs. Middle-income families are spending more than 40% of their income on child care, even with financial assistance.

Our state's child care crisis not only impacts Vermont's young children and their families, it also impacts our economy.

A recent survey of Vermont families with young children underscores the need. In the survey, 80% of households indicated that all parents in the household work; 4 out of 5 of these households stated that the availability of child care affected how much they worked. In the households where not all parents work, nearly half reported that the availability of care affected how much they could work. The survey also found that both types of families listed the cost and quality of care as key decision factors, in addition to availability.

The lack of affordable, quality child care is stifling our economy by limiting how much parents can work and by preventing parents from being able to make the best choices for their families and careers. Additionally, these challenges carry over to our early educators – the individuals at the heart of our early care and learning system. Vermont currently faces a shortage of qualified early educators. A significant factor in this shortage is low wages, which make it challenging to

recruit and retain early educators in the field. In Vermont, the median annual pay for a child care worker is \$26,440 – often without benefits. This is less than our state’s livable wage.

Let’s Grow Kids is thankful for the work of scores of members of the Vermont House to introduce H. 194, which begins to address foundational elements behind these challenges – the lack of affordable access to child care, low wages for early educators, and a lack of broader support for our early care and learning system.

H. 194 will address these challenges and ensure:

- More children have access to high-quality, affordable child care by expanding eligibility for CCFAP;
- Child care is more affordable for more Vermont families by adjusting CCFAP family benefit levels;
- Child care and early learning programs are paid fair rates by increasing reimbursement rates paid by CCFAP to align with current market rates;
- Vermont can attract and retain talented early educators through three key workforce supports:
  - Creating student loan repayment support program for new lead early educators;
  - Increasing funding for TEACH Early Childhood Vermont, a scholarship program for current members of Vermont’s early care and learning workforce; and
  - Introducing refundable tax credits to address the wage gaps faced by early educators.
- Employers are part of the solution with incentives for businesses who support employees with child care.

We need to take bold action to address the challenges Vermont’s families and early care and learning providers face. Each year that passes by is a missed opportunity to improve the developmental wellbeing of our kids, support strong, healthy families, and improve our struggling economy. We strongly encourage you to fully fund all the components of H. 194 as introduced.

Thank you very much for your time today, and for your continued efforts to ensure that the Vermont state budget aligns with the priorities and needs of Vermont children and families.