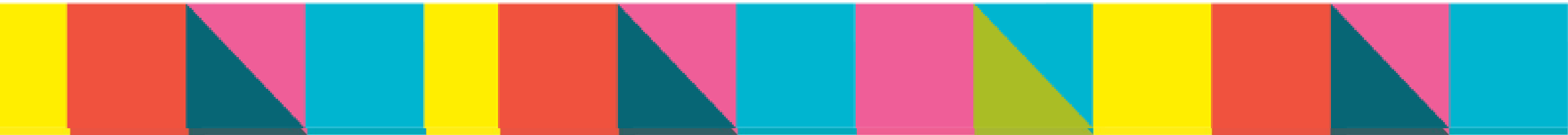




# Our Future High Quality Early Care and Education System

Presented to the House Committee on  
Commerce and Economic Development

Sarah Kenney and Trey Martin



**100%**

of families have access  
to child care

**\$1.2**  
Billion ROI

Net benefits predicted  
for current cohort of children  
from implementing BRC  
recommendations

**Every Child  
Has a Strong  
Start**

**10%**

Maximum Family  
Income Spent on  
Child Care

**20%**

Administrative  
Efficiency  
from Shared Services

It would be incorrect and short-sighted to assume the investments in “early childhood programs” benefit only the participants and not the public who pays for them. “Whether one thinks it is the moral thing to do or whether it is the role of government, it makes economic sense to invest in increasing productivity; to spend less early on to prevent much greater costs later.”

Blue Ribbon Commission on Financing High Quality Affordable Child Care, 2016  
Quoting James J. Heckman, *The Economics of Inequality: The Value of Early Education*, 2011



# Brief Bibliography of Sources

- Quantifying the Life-cycle Benefits of an Influential Early Childhood Program
- Blue Ribbon Commission on Financing High Quality, Affordable Child Care
- Building Vermont's Future From the Child Up Think Tank Report
- Vermont's Early Care & Learning Dividend Report
- Transforming the Financing of Early Care and Education



# Outcomes & Savings

ROI from investments in high quality affordable child care results in:

- **Savings** for K-12, public & private health, criminal justice expenditures
- **Set up for success** in life including resilience to ACEs
- **Wage growth** for ECEs, wage growth for VT workers
- **Overall increased economic output**
- **Parents – especially mothers – can stay in workforce**



# Early Care & Education Program Characteristics



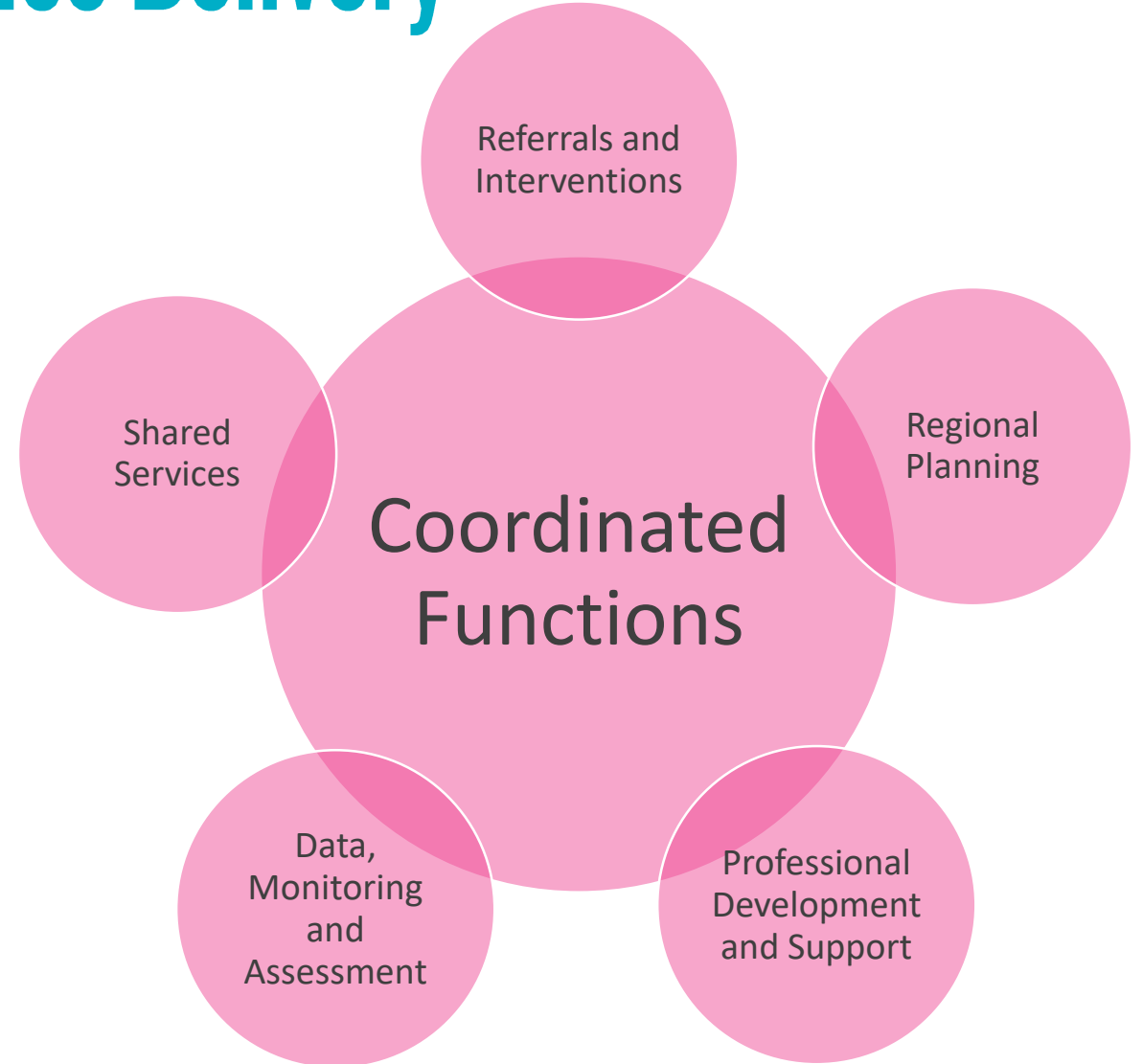
- Regulated programs will be **high-quality** (QRIS rating of 4 or 5 stars)
- Educators are **paid what they deserve** and have **career growth opportunities**
- **Wrap around** supports for children and families
- **Professional** supports for early educators

# Child Care Financial Assistance Program

- Family contributions on a sliding scale, based on **income level**
- Reimbursements reflect **actual cost of high quality care**
- Blended and braided federal, state and private funding streams managed in dedicated ECE fund by state-level coordinator

# System Administration & Service Delivery

- Think Tank recommended service delivery in regions overseen by ECE hubs
- Coordinated oversight of hubs and ECE programs in AOE and AHS and/or new Dept. of ECE
- Finance oversight by statewide coordinator







# System Financing

## BRC and Think Tank made recommendations – none are sufficient to fund the system

- Reallocate savings
- Public-private partnerships
- ECE license plate
- Expand global commitment waiver
- New revenue dedicated to ECE, e.g. regulated cannabis sales
- Income tax surcharge

## Other jurisdictions have looked to bigger sources:

- Employer-paid payroll tax
- Social insurance program
- Property tax (not recommended if it negatively impacts K-12 education funding)



**LET'S GROW KIDS**  
LITTLE KIDS • BIG IMPACT