



Building Vermont's Future from the Child Up

2018 Think Tank Recommendations

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Executive Summary

Background

In 2015, the Vermont legislature established the Blue-Ribbon Commission on Financing High Quality Affordable Child Care. The Commission's inquiry indicated that current investments are not enough to significantly advance early care and learning for Vermont children and families. They recommended increasing access to early care and learning programs with the recognition that this would require significant shifts in funding, governance, and the delivery model. They charged Building Bright Futures (BBF), Vermont's early childhood public-private partnership, with engaging diverse stakeholders in a statewide effort to explore and develop recommendations for an enhanced, comprehensive, and integrated early care and learning system.

In 2017, as a critical first step in meeting this charge, BBF convened a summit, Building Vermont's Future from the Child Up, engaging over 200 Vermonters, representing a wide variety of early childhood sectors in a collaborative design process to identify what works best in the current early care and learning system and how to leverage these strengths toward our future system. A report with key design ideas was issued. The ideas generated at the summit provided tangible opportunities for innovation and implementation but did not present a comprehensive blueprint for the future system, as envisioned by the Blue Ribbon Commission.

Think Tank Process

In 2018, Building Bright Futures convened a small group of stakeholders with the policy and implementation expertise needed to build on the framework provided by the Summit Report, and develop a refined early care and learning systems blueprint, as charged by the Blue Ribbon Commission. This group met four times between April and October 2018.

Throughout the first three meetings, members worked in small groups to consider components of the future system that would have the most impact in moving from the current state to the desired state for Vermont's early care and learning system. Using iterative feedback from the whole group, the small groups made refinements to their work across the meetings, eventually arriving at a set of draft recommendations.

At their final formal meeting in October 2018, Think Tank members used a modified consensus process to reflect on the draft recommendations, including identifying concerns and amendments to the recommendations that would alleviate those concerns. All of the recommendations below received support from a super-majority of Think Tank members.



Recommendations

Governance

For the purposes of the recommendations below, the Think Tank focused on designing critical and transformative components of a future system prior to addressing how the system would be governed. As Vermont works to implement these recommendations, it will be critical to determine a governance structure that will:

- Provide clear leadership and authority over the early care and learning system, including how best to leverage existing resources toward the development of the systems components outlined in this report;
- Oversee the coordination and distribution of funds, including identifying areas of high need;
- Set expectations and deliverables for components of the system in order to receive public funding, including ensuring equitable services for all children; and
- Develop an accountability infrastructure for components of the system

Recommendation 1: High-Quality Program Support and Accountability

All of Vermont's early care and learning programs should be supported and held accountable to provide a solid foundation for child health and safety, inclusive of physical health, mental health, and social-emotional development. This requires three components: 1) clearly agreed-upon universal high-quality program standards for child health and safety, including social-emotional development and wellbeing, 2) ensuring adequate monitoring in the program licensing system, and 3) additional investment to ensure appropriate and equitable access to program improvement support and technical assistance for all programs.

Recommendation 2: Professionalized Workforce and Professional Compensation

Every individual in the early care and learning workforce should be well-qualified, trained, and credentialed, accountable for high quality practice, and appropriately compensated. Qualifications and compensation are intertwined and must be addressed concurrently. Vermont should 1) create a framework of required qualifications for critical roles in high-quality early care and learning programs, including ongoing mentoring across all roles to ensure high quality practice with children; and 2) concurrently develop an accompanying wage scale for each of those roles.

Recommendation 3: Early Care and Learning Hubs

Vermont should more efficiently organize, manage, and

deploy resources to support early care and learning by implementing a system of Early Care and Learning Hubs. The Early Care and Learning Hub model is based on the idea of centralizing and coordinating resources that support early care and learning programs, this includes administrative functions, practice improvement and quality resources, referral and consultative services, staffing capacity resources, professional development, data monitoring, and systems coordination, planning and networking.

Recommendation 4: New Sources of Revenue

Even with the systems efficiencies included in these recommendations, Vermont will need to generate additional revenue to fund our high-quality, early care and learning system. Potential revenue streams would include: a) Business specific contributions; b) Priority for any new revenue streams including: internet sales tax, income tax surcharge, tax on the distribution and sale of marijuana, or recapturing federal tax breaks in state taxes for a net zero tax increase on Vermonters; c) Health care reinvestment; d) A Dedicated endowment of public and/or philanthropic funds; and e) Pay for Success model.

Recommendation 5: Redesigned Child Care Financial Assistance

Vermont should make adjustments to the Child Care Financial Assistance Program (CCFAP), to ensure that it responsibly addresses the child care affordability crisis facing Vermont families. An updated model should ensure: fully subsidized tuition for families who cannot meet their basic needs; assistance that declines as a percentage of income exceeding the amount needed to meet basic needs; assistance that is adjusted by family size; assistance that is tied to cost of care and adjusted to encourage quality; and that families can get ahead by working more hours, getting a promotion, or getting a raise.

Recommendation 6: A Dedicated Early Childhood Fund

Vermont should develop a transparent, dedicated Early Childhood Fund and identify a system for administering this fund. This would a) help Vermont more clearly understand what money is going toward our youngest children and how it is being spent, b) serve as a receptacle for new dedicated early childhood revenue and funding streams, and c) facilitate the blending and braiding of multiple funding sources in order to lift the complexity of accessing funding from the program level to the systems level, reducing the administrative burden that currently exists on early care and learning programs.



Introduction

This report represents the culmination of a multi-year effort to explore and develop recommendations for an enhanced, comprehensive, and integrated early care and learning system in Vermont. This process originated with the Blue Ribbon Commission on High Quality Child Care, continued with the Building Vermont's Future from the Child Up Summit process, and concluded with the work of Building Vermont's Future from the Child Up Think Tank.

This work is grounded in the belief that investing in Vermont's youngest children is the key to the long-term wellbeing of the state's families, communities, and economy, and that making such an investment also requires looking at new opportunities in the way Vermont delivers, funds, and governs early care and education. The recommendations below represent concrete, actionable steps Vermont can take to transform our system of early care and learning to help ensure it is high-quality, affordable, and accessible for all Vermont families.

The Think Tank envisions a high quality birth to age 5 early care and learning system that provides equitable access

to early care and learning opportunities and resources across the state of Vermont. Early care and learning equity means that each child receives the resources and care and educational opportunities they need to learn and thrive. This system will facilitate both alignment and integration of our early care, health and education sectors, and maximize the use and deployment of resources to improve efficacy and efficiency, and target resources to the most vulnerable children and families, including those who are low-income, who have disabilities or developmental delays, who are migrant, homeless, or in foster care. Foundationally, the early care and learning system should value parent choice and community input, and also develop realistic and sensible parameters around systems structure necessary to ensure strategic sustainability. The system should be flexible, innovative, and identify and maximize existing assets in Vermont's early care, health and education systems as well as identify areas and opportunities for consolidation. These recommendations should challenge the status quo and promote structural systems changes that may be required to best meet the needs of children, families and communities.

Background

Blue Ribbon Commission on Financing High Quality Affordable Child Care

In 2016, Vermont's Blue Ribbon Commission on Financing High Quality Affordable Child Care (BRC) recommended that the state make immediate, incremental investments to strengthen Vermont's early care and learning system. Additionally, 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. The full commission report can be found at <http://buildingbrightfutures.org/wp-content/uploads/2015/11/VT-BRC-Final-Report-1.pdf>.

Building Vermont's Future from the Child Up Summit

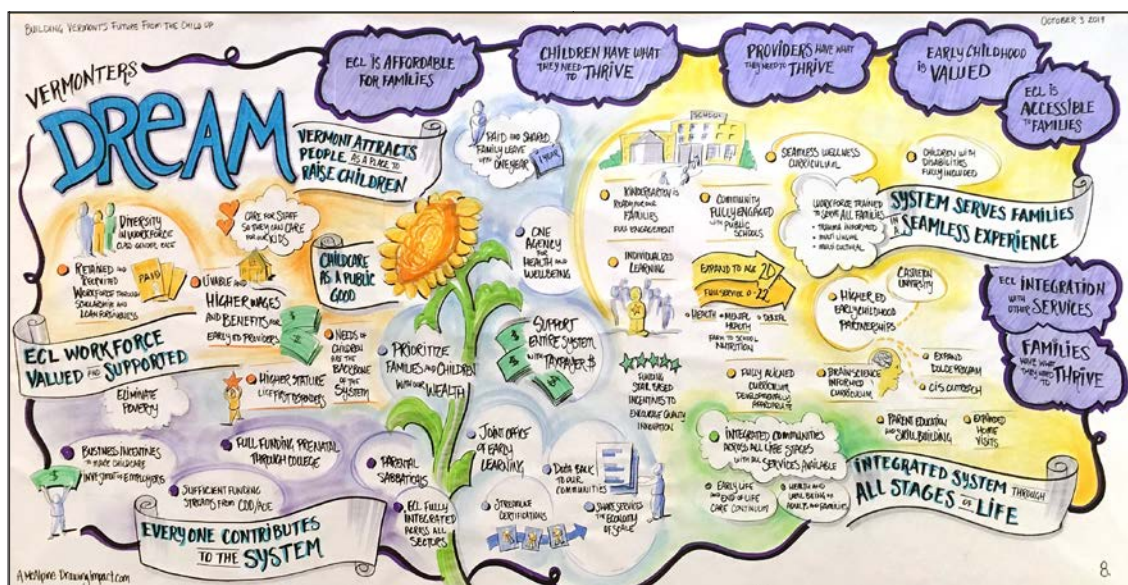
On October 3-4, 2017, as a critical first step in meeting its charge from the Blue Ribbon Commission, BBF convened over 200 Vermonters, representing a wide variety of early childhood sectors, in a collaborative design process to identify what works best in the current early care and learning system, and how to leverage these strengths toward our future system.

Recognizing that many early childhood stakeholders would be unable to participate in the two-day summit, BBF engaged in a pre-summit community outreach process in

the summer of 2017. BBF partnered with several other early childhood organizations to conduct 94 one-on-one and group interviews with over 300 early childhood stakeholders in every Vermont county. These interviews captured interviewees' vision for the future of Vermont's early care and learning system. Of those interviewed, 31% were parents of children five or under and 19% were early care and learning professionals. Other sectors interviewed include health care, mental health, K-12 educators, and business. These interviews outlined a vision for a future where early childhood is valued, where children, families, and educators have the support they need to thrive, and where early childhood services are integrated, accessible, and affordable for all.

This statewide outreach laid the foundation for the two-day summit. On day one, summit participants spent the morning reflecting on the best aspects of Vermont's current early care and learning system, as well as bright spots from around the nation and the world. Building off the information gathered in pre-summit interviews, summit participants outlined a collective vision of Vermont's early care and learning system ten years from now.

In the afternoon of day one, and continuing into day two, participants self-selected into "design studios" to flesh out specific aspects of the future system. At the end of day two, each design studio created a deployment document, outlining key aspects of their design, including next steps. A report of design ideas that emerged from the Summit can be found at <http://buildingbrightfutures.org/building-vermonts-future-from-the-child-up/>.



Graphic illustration by Angelique McAlpine from the Summit

Building Vermont's Future from the Child Up Think Tank

Origin

The ideas generated at the Building Vermont's Future from the Child Up Summit provided tangible opportunities for innovation and implementation. However, they didn't represent a comprehensive blueprint for our future system, as envisioned by the Blue Ribbon Commission. Building Bright Futures determined that further work was needed to synthesize and sequence the ideas, and apply research and policy analysis to determine which ideas would most effectively maximize resources while ensuring high-quality experiences for all Vermont children and families.

In 2018, Building Bright Futures convened a small group of stakeholders with the policy and implementation expertise needed to build on the framework provided by the Summit Report, and develop a refined early care and learning systems blueprint, as charged by the Blue Ribbon Commission. The Think Tank was also informed by the findings of the 2018 *Transforming the Financing of Early Care and Education* report released by the National Academies of Sciences, Engineering, and Medicine as a follow up to their 2015 *Transforming the Workforce for Children Birth Through Age 8* report. This group met four times between April and October 2018.

Membership

Aly Richards, *The Permanent Fund for VT's Children*

Becca Balint, *Senate Majority Leader*

Becky Millard, *Community College of Vermont*

Betsy Rathbun-Gunn, *United Counseling Service*

Breena Holmes, *VT Department of Health*

Claire Kendall, *Family Center of Washington County*

Dana Robson, *VT Department of Mental Health*

David Young, *South Burlington School District*

Deb Brighton, *Fiscal Analyst*

Diane Nichols Fleming, *North Country Supervisory Union*

Ellen Drolette, *Sunshine Daydream Child Care*

Ginger Farineau, *Hunger Free Vermont*

Jeff Francis, *VT Superintendent's Association*

Laurel Bongiorno, *Champlain College*

Linda January, *Otter Creek Child Center*

Naomi Alfini, *Parent Representative*

Pam McCarthy, *VT Family Network*

Paul Behrman, *Champlain Valley Head Start*

Rebecca Schrader, *VT Community Loan Fund*

Reeva Murphy, *VT Department for Children and Families*

Sarah Buxton, *VT Department of Labor*

Sarah Squirrel, *Building Bright Futures*

Sonja Raymond, *VAEYC, Apple Tree Learning Center*

Contributors:

Amy Fowler, *VT Agency of Education*

Moderator:

Paul Costello, *Vermont Council on Rural Development*

Facilitator:

Susan Titterton, *Consultant*

Staff:

Carolyn Wesley, *Building Bright Futures*

Objective

The objective of the Think Tank is to synthesize and refine the ideas and work of the Building Vermont's Future from the Child Up Summit into an actionable blueprint for the future of Vermont's 0-5 early care and learning system; which should include:

- Articulation and consideration of existing Blue Ribbon Commission recommendations
- Vermonters' vision and ideas captured in the pre-summit community engagement process
- Refinement and expansion of Summit ideas and recommendations that align with the Blue Ribbon Commission
- Identification of what is required to move the recommendations forward in terms of policy, legislative, and administrative action
- Timeline and tiered implementation plan and strategy

Vision and Principles

Vision Statement:

Vermont aspires to ensure that all children birth to age five have access to high-quality, affordable early care and learning programs in order to strengthen families, advance community well-being, foster economic development, and realize the promise of every Vermont child.

Guiding Principles:

Our future early care and learning system should:

- Be innovative and flexible
- Include participation from public and private sectors
- Utilize resources in a highly efficient manner
- Support and retain well-qualified professionals
- Provide safe, healthy, nurturing, and stimulating early care and learning programs
- Connect with other systems within the social service, health, and education sectors
- Provide holistic support that meets the needs of young children and their families

Design Areas

The Blue Ribbon Commission recognized the need for further conversation and research to fully explore and design an early care and learning system that considers delivery, funding, governance, and achieving economies of scale. The report identified several topics to consider in a systems-design process. Those topics were refined into seven design areas for the Building Vermont's Future from the Child Up Summit. As part of the Think Tank process, this list was further synthesized into three areas where concrete recommendations would be needed in order to make the biggest impact in moving us toward our future early care and learning system:

1. Assuring that all children have access to high quality early care and learning programs

Description: As per the Blue Ribbon Commission's (BRC) quality recommendations, identify the infrastructure and resources that are needed to develop, maintain, and support high-quality early care and learning programs for every child and family in Vermont. Consider BRC's short-term and long-term recommendations to better support Vermont's early care and learning workforce. Consider the many services currently integrated into early care and learning programs and opportunities to strengthen the integration and coordination of comprehensive services.

2. Maximizing resources within the early care and learning delivery system

Description: Develop a future delivery system of integrated early care and learning that maximizes existing resources and provides high quality efficiently and effectively. Consider opportunities to identify efficiencies within the current early care and learning delivery system and achieving economies of scale. Consider state- and district-level costs associated with administration, monitoring, distribution of resources and staffing. Identify how best to leverage existing resources such as PreK-12 infrastructure, community buildings, etc. in order to expand capacity and strengthen and support alignment with the PreK-12 system.

3. Developing and implementing financing mechanisms

Description: Identify how to pay for Vermont's future early care and learning system, building off of the Blue Ribbon Commission's analysis of the current system's financial inputs and potential funding mechanisms, as well as best practices and financing innovations from others. Acknowledging the tension between the need to support Vermont's children and families and the broader economic and budgetary realities of the state, focus on achieving affordability for families and for the state.



Process and Decision Making

Throughout the first three meetings of the Building Vermont's Future Think Tank, members divided into three small groups based on the design areas above to more deeply consider components of the future system. Each small group worked to identify 2-3 potential areas of focus for their small group's design area that would have the most impact in moving from the current state to the desired state for Vermont's early care and learning system. For a portion of each meeting, the Think Tank came together as a whole group to hear the ideas emerging in each small group and provide feedback, concerns, and opportunities for improvement. As a result of this input, the small groups made iterative refinements to their work across the meetings. Several small groups elected to gather in between meetings to further flesh out their designs.

In August 2018, the Think Tank spent the better part of their meeting coming together as a whole group to get a sense of areas of broad consensus and agreement, and areas of concern and disagreement among the design ideas emerging from each small group. In order to facilitate this, BBF developed a draft Blueprint Report that summarized those emerging ideas as draft recommendations for discussion and asked Think Tank members to read it ahead of the meeting. Members were asked to consider:

- What elements of these draft design ideas do you support without reservations?
- What elements of these draft design ideas could you support with reservations or with certain conditions? What are those reservations/conditions?
- What elements of these draft design ideas do you have significant concerns about/could not support at this time? What changes could be made to these draft design ideas so that you would feel more comfortable supporting them?

During a whole group discussion to identify key platforms the Think Tank would move forward as a group, members shared responses to these questions and identified key areas of agreement and concern. Small groups reconvened at the end of the day, and again in ad hoc meetings in September and early October, and used this feedback to refine their design ideas and develop final recommendations.

At their final formal meeting in October 2018, Think Tank members were asked to reflect on revised recommendations coming from each small group. This meeting served as a clear decision point for the Think Tank to move recommendations forward. The Think Tank worked toward modified consensus utilizing the following framework:

- For each recommendation, members articulated whether they: a) supported the proposal appearing as a recommendation in the report, b) had reservations about the proposal, but were okay with it appearing as a recommendation in the report, or c) had fundamental concerns about the recommendation as it stood.
- Individuals who articulated reservations or concerns about any recommendations were asked to engage in a solutions-focused process to find resolution. The whole group worked to identify amendments to each recommendation in order to overcome the concerns.
- Where consensus could not be reached, recommendations that received support from 75% or more of Think Tank members would be included in the report, but minority opinion of those who continued to have fundamental concerns would be noted.

Recommendations

All of the recommendations below received support from a super-majority of Think Tank members. Fundamental concerns are noted in the *Minority Opinion* section at the end of each recommendation where applicable.

Note on Governance

As the Think Tank worked to design Vermont's future early care and learning system, one question that continually emerged was how this enhanced system would be governed. Governance for the future early care and learning system would include clear leadership and authority for decision-making, establishing set expectations and deliverables for all the components and participants in the mixed-delivery system, and accountability and monitoring of the overall system.

For purposes of the current recommendations, the Think Tank focused on designing critical and transformative components of a future system prior to addressing governance. As Vermont works to implement these recommendations, it will be critical for the Administration and Legislature to work with early childhood stakeholders to determine a governance structure that will:

- Provide clear leadership and authority over the early care and learning system, including how best to leverage existing resources toward the development of the systems components outlined in this report;
- Oversee the coordination and distribution of funds, including identifying areas of high need;
- Set expectations and deliverables for components of the system in order to receive public funding, including ensuring equitable services for all children; and
- Develop an accountability infrastructure for components of the system

Under our current early care and learning system, this governance is shared between several state agencies, primarily the Vermont Agency of Education and the Vermont Department for Children and Families Child Development Division. Successful implementation of the Think Tank's recommendation must address the question of governance. Building Bright Futures, as the public-private backbone organization for Vermont's early childhood system, is committed to working with state agency leaders to determine an effective governance structure for our future system.

Assuring that all children have access to high quality early care and learning programs

Recommendation 1: High-Quality Program Support and Accountability

The Think Tank emphasizes a key goal that every early care and learning program be supported and held accountable for a set of common high-quality standards around child health and safety, including child social-emotional development and wellbeing.

This goal requires three components: 1) clearly agreed-upon universal high-quality program standards for child health and safety, including social-emotional development and wellbeing, 2) ensuring adequate monitoring in the program licensing system, and 3) additional investment to ensure appropriate and equitable access to supports for all providers.

In its report, the Blue-Ribbon Commission (BRC) emphasized child health and safety as a foundational aspect of high-quality. This is also a core design area from the Building Vermont's Future Summit report, which says that "in an effort to improve current health and safety issues and practices in our early childhood system, Vermont should expand on strengths-based technical assistance and shared professional accountability to ensure that all Vermont children receive great care that parents can trust. . . This would include the creation of universal best practice Health and Safety standards, informed by current Head Start, NAEYC, STARS, and licensing standards. "The BRC, Summit, and Think Tank all envision leveraging Vermont's existing high-quality standards, including child care licensing regulations and the STep Ahead Recognition System (STARS), and focusing on how to better support programs in meeting these standards, as well as holding them accountable to high quality.

As a critical near-term goal, all of Vermont's early care and learning programs should be supported and held accountable to provide a solid foundation for child health and safety, inclusive of physical health, mental health, and social-emotional development. Ultimately, every program will provide a joyful, respectful climate and will nurture family engagement to support optimal child development. While near-term action is important and possible, fully enacting this goal will be connected to longer-term work in *Recommendation 2* (Professionalized workforce and professional compensation).

Vermont should develop an integrated model (see chart to the right) of Standards, Monitoring and Support, which keeps the best possible outcomes for children and families at its center.

The three-column chart format, shown in Figure 1, provides a framework for High-Quality Program Support and Accountability, with the understanding that additional stakeholder engagement will be needed to add to and refine details within the chart to arrive at a complete and consensus version. As the chart on the following page states, common program standards will apply to all programs and settings. The goal of monitoring is to ensure that everyone is meeting these standards. Supports for meeting these standards must be equitably available across all types of programs, settings, and regions.

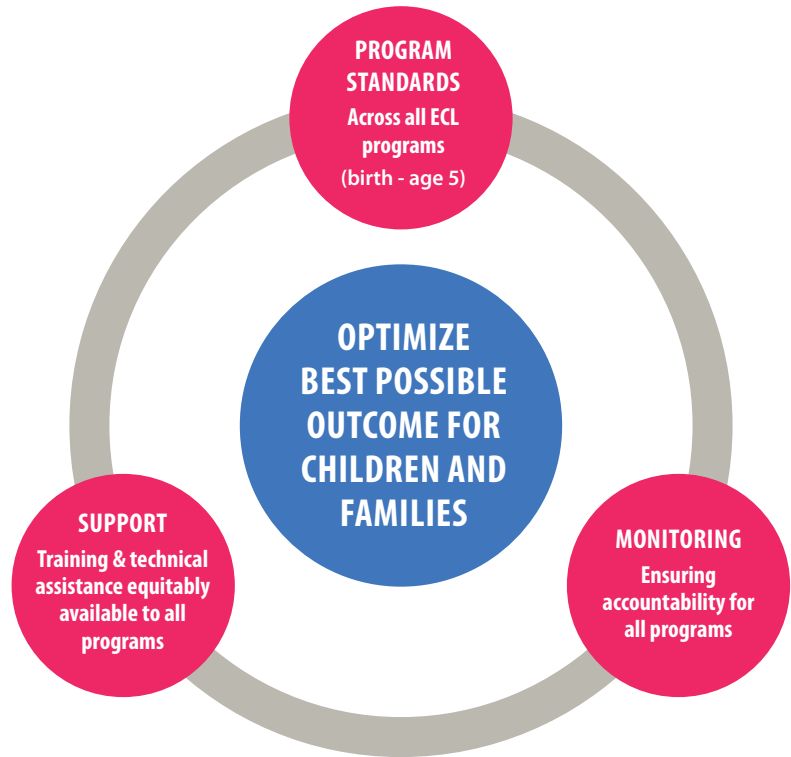


FIGURE 1: DRAFT COMPONENTS OF A PROGRAM SUPPORT AND ACCOUNTABILITY SYSTEM

PROGRAM STANDARDS RECOMMENDATIONS	MONITORING / ACCOUNTABILITY RECOMMENDATIONS	SUPPORT RECOMMENDATIONS
<p>REQUIRED Current licensing regulations apply to all public and private programs</p> <p>REQUIRED VT STARS–QRIS system (revisions underway). The quality framework for all public and private programs application, on-site assessment</p> <p>OPTIONAL 5 STARS + Accredited or Federal Head Start compliance status 12-18 mos. significant investment in self-study program</p>	<p>Ensure everyone is meeting these Move away from variances</p> <p>RECOMMENDATION Investment to enhance the licensing system for reduced licensor/provider ratios and increased frequency of strengths-based monitoring visits ensure capacity for monitoring & verification:</p> <ul style="list-style-type: none"> ■ Verify application ■ Annual observation (e.g. ECERS) ■ Annual reporting <p>RECOMMENDATION Investment to ensure capacity for accountability</p> <p>RECOMMENDATION Create a “firewall” between this and the Support function</p>	<p>Ensure sufficient capacity for training and Technical Assistance, equitably available across all programs and regions</p> <p>RECOMMENDATION Build this capacity into the hub model</p> <p>Ensure capacity for support:</p> <ul style="list-style-type: none"> ■ To bring into STARS ■ To bring to higher level in STARS <p>RECOMMENDATION Dedicated ECL training & Technical Assistance personnel who are publicly-funded, local resource people Include specialists: health, mental health, child development, nutrition, wellness, finance, family support</p> <p>RECOMMENDATION Set this up through hub system</p> <p>Ensure capacity to support programs that are going through the accreditation process</p> <p>RECOMMENDATION Create a system for clear acknowledgement and valuing of programs that seek this</p> <p>RECOMMENDATION Facilitate/streamline STARS application process as program quality increases</p>



Strategies for Implementation

As noted in *Figure 1*, more work is needed to refine and reach consensus on the content of the framework for standards, supports, and accountability. This work could sit with a Building Bright Futures (BBF) Action Plan Committee such as Early Learning and Development. Additionally, the National Center on Early Childhood Quality Assurance (<https://eclkc.ohs.acf.hhs.gov/ncecg>) should be consulted regarding recommendations around licensor caseloads and frequency of monitoring events for programs. One key element of this work will be looking at the various standards that govern Vermont's public and private early care and learning programs (including school-based programs), and defining standards in a way that ensures consistent high-quality criteria across settings, while reducing duplication for programs. Another key element will be designing supports for new programs wishing to open at a high quality level, ensuring that we can expand child care capacity, while maintaining our commitment to high quality.

Implementing this design for high quality program standards has implications for the other recommendations of the Think Tank. First, the Early Care and Learning Hub model (*Recommendation 3*) provides an opportunity to leverage and align resources to accomplish the goal of adequate capacity for provider supports. Further developing this

design includes considering how a central, state-based technical assistance unit would help create consistency throughout the entire state, ensuring the hubs would all be connected and accountable to a central state entity.

Second, any new revenue streams (*Recommendation 4*) should help fund the increased capacity for monitoring and supports that this design will require. Additionally, meeting common high-quality standards for child health, safety, development and well-being should be required in order to receive public funding in the future system. This is consistent with the recommendation from the Transforming the Financing of Early Care and Education report that: "Federal and state governments should establish consistent standards for high quality across all early care and education (ECE) programs. Receipt of funding should be linked to attaining and maintaining these quality standards. State and federal financing mechanisms should ensure that providers receive payments that are sufficient to cover the total cost of high-quality ECE."

Minority Opinion

Two Think Tank members had fundamental concerns with this proposal. Concern was expressed that this recommendation seems to be making an effort to sustain every existing delivery structure, and protect the status quo.

System delivery is not equitable currently in terms of services and supports available to children, and this recommendation doesn't clearly reflect how it would make the system more equitable. Additionally, this recommendation seems to be geared toward strengthening private programs without addressing supports needed for public programs. Another member expressed concern that Vermont shouldn't be promulgating new rules for quality standards, but focusing on how to hold programs accountable to current quality standards. This should include looking at the various standards that currently apply to the state's public and private programs and consider how to maintain consistent requirements across settings while avoiding duplicative standards.

Recommendation 2: Professionalized Workforce & Professional Compensation

The Think Tank envisions a future in which every individual in the early care and learning workforce is well-qualified, trained, and credentialed, accountable for high quality practice, and appropriately compensated. Qualifications and compensation are intertwined and must be addressed concurrently.

The *Transforming the Financing of Early Care and Education* report concluded that "requirements for higher levels of education and competencies must be linked with fair compensation in order to recognize the professionalization of the ECE workforce and promote workforce recruitment and retention". A design recommendation in the Building Vermont's Future from the Child Up Summit report also links qualifications with compensation.

This is long-term work that will have near-term and mid-term components to begin to shift the system. Vermont should 1) create a framework of required qualifications for critical roles in high-quality early care and learning programs, including ongoing mentoring across all roles to ensure high quality practice with children; and 2) concurrently develop an accompanying wage scale for each of those roles. It is important to involve the field in this work in a meaningful way, as well as ensuring financial resources to enable the workforce to meet desired qualifications. Many early care and learning programs currently prioritize increasing wages and compensation for their staff, but the affordability crisis for both families and programs makes this especially challenging. A relevant recommendation from the *Transforming the Financing of Early Care and Education* report reads: "Because compensation for the early care and education (ECE) workforce is not currently commensurate with desired qualifications, the ECE workforce should be provided with financial assistance to increase practitioners' knowledge

and competencies and to achieve required qualifications through higher-education programs, credentialing programs, and other forms of professional learning." This includes financial supports for those entering the workforce, those seeking to increase their education and qualifications within the field, and those seeking increased wages commensurate with their education.

Appended here are two draft frameworks from the Think Tank's work: 1) a Required Preparation/ Education/ Qualifications chart, and 2) an approach to a Professional Wage Scale. Each provides some initial modeling for how these frameworks might look.

Required Preparation/ Education/ Qualifications

Required qualifications must be mapped out in parallel with a compensation matrix. These qualifications will become the standard across all early care and learning programs and settings. For this "heavy lift" to be successful, the workforce must be engaged in meaningful dialogue in order to agree upon and adopt these qualifications and determine the timeline for transition to these required qualifications. Equally important for this "heavy lift," appropriate and adequate supports, financial and otherwise, must be in place. We recommend that a matrix (see *Figure 2 on page 14*) be adopted. Further work recommended on the matrix:

- a) Identify titles for all roles
- b) Flesh out additional qualifications for the Mentor role, considering the role of the Pedagogista in the Reggio Emilia model as a framework. The pedagogista is an educational advisor who spends the majority of their time at schools with the teachers and children, also with parents. It is the pedagogista's role to support teachers and work with them to identify themes and experiences for professional development and in-service training. The pedagogista helps teachers improve their skills of observing and listening to the children, documenting children's work and classroom life, and promoting children's holistic learning, development, and well-being.
- c) Add a formal system of mentoring, observation and feedback for Mentor and Director roles
- d) Across all roles, highlight mentoring as a critical and required piece of a system that ensures high quality practice with children. Identify a best practices approach to mentoring to be used
- e) For the Director/ Administrator role, consider whether/ how to include feedback from teachers and families as an influence on leadership and collaboration in the ECL program environment

FIGURE 2: DRAFT REQUIRED PREPARATION/ EDUCATION/QUALIFICATIONS MATRIX

TITLE	(TBD)	(TBD)	MASTER TEACHER	MENTOR	DIRECTOR/ ADMINISTRATOR
SCOPE OF WORK	Not lead; works with children	Leads group of children	Leads group of children	Mentors adults	Supervises adults (includes pedagogical)
ENTRY LEVEL PREPARATION, EDUCATION, AND QUALIFICATIONS	<p>*Required before working in this role</p> <p>*At least 18 years old</p> <p>*H.S. diploma or GED</p> <p>*Fundamentals (evolved from present format, could be courses)</p> <p>*Intro to Child Development OR CDA certificate</p>	<p>*Required before working in this role</p> <p>*At least Associate's degree with Early Childhood concentration, from a higher education program designed to ensure person is ready</p> <p>OR</p> <p>*Career changers/ those with Bachelor's in another discipline, one-year licensure program</p> <p>*Assessment of Prior Learning</p> <p>*Practicum/ experience with children birth-5</p>	<p>*Required before working in this role</p> <p>*At least Bachelor's degree in Early Childhood or related field</p> <p>OR</p> <p>*Career changers/ those with Bachelor's in another discipline, one-year licensure program</p> <p>*Assessment of Prior Learning</p> <p>*Practicum/ experience teaching children birth-5</p>	<p>*Required before working in this role</p> <p>*Experience mentoring/ guiding adults (Perhaps including training / certificate)</p>	<p>*Required before working in this role</p> <p>*At least Bachelor's degree in early childhood or related field (Perhaps including training / certificate)</p> <p>AND</p> <p>*Includes training (coursework) in leadership & management, such as VT director's credential</p> <p>*Experience working with children birth-5</p> <p>*Experience supervising adults</p>
SUPPORT FOR CONTINUOUS IMPROVEMENT	Immediately assigned an identified mentor & formal method of observation, giving & receiving feedback, based on a specific list of skills and dispositions	In a formal mentoring system to be observed and receive feedback; includes focus on both skills and dispositions	In a formal mentoring system to be observed and receive feedback		

Professional Wage Scale

The Think Tank recommends that Vermont create a Wage Scale Matrix that is fully fleshed out and connected to the Required Preparation/ Education/ Qualifications Matrix. A wage scale is a critical first step to clearly articulate what is needed to move Vermont toward early childhood salaries that are commensurate with desired qualifications for early educators. The scale would inform an analysis of the total

cost of care for the future system and help to determine child care reimbursement rates. Elements of a Wage Scale Matrix include: level of education, credentials, years of experience, position & level of responsibility. The scale should consider compensation packages (benefits), not solely wages (*as shown in Figure 3*). The Wage Scale Matrix for early educators should have comparability with public

school PreK-12 salary schedules across the state, including being based on education/ qualifications/ credentials. It should take into account the variability of salary schedules across districts and regions. The goal of a Wage Scale Matrix

is not to mandate salaries across different types of programs, settings and regions, but to be used as a benchmark or tool for comparison, and critically, as a lever to increase funding for compensation more equitably across programs and settings.

FIGURE 3: DRAFT PROFESSIONAL WAGE SCALE MATRIX

For each role, a compensation range is indicated by the “Step” column, with a higher compensation for those in that role who have more education, credentials, experience, etc. Using public schools as a comparison point and using a format such as this one can help in figuring out appropriate compensation for a high-quality early care and learning workforce.

Role: “Work with children, not lead” (Title TBD) Comparison point: Public school para-educator (Factor in compensation differences for this role across public schools in choosing the comparison.)					
STEP	EDUCATION	LICENSE/ CERTIFICATION	YEARS OF EXPERIENCE	POSITION & LEVEL OF RESPONSIBILITY	WAGES
1					
2					
3 etc.					

Role: “Lead a group of children” (Title TBD) Comparison point: Look at other professions with an Associate’s degree (OT, nursing, etc.)					
STEP	EDUCATION	LICENSE/ CERTIFICATION	YEARS OF EXPERIENCE	POSITION & LEVEL OF RESPONSIBILITY	WAGES
1					
2					
3 etc.					

Role: Master Teacher/ Mentor Comparison point: Public school teacher					
STEP	EDUCATION	LICENSE/ CERTIFICATION	YEARS OF EXPERIENCE	POSITION & LEVEL OF RESPONSIBILITY	WAGES
1					
2					
3 etc.					

Role: Director/ Administrator Comparison point: Public school administrator (Factor in differences in size and responsibilities for school vs. ECL program)					
STEP	EDUCATION	LICENSE/ CERTIFICATION	YEARS OF EXPERIENCE	POSITION & LEVEL OF RESPONSIBILITY	WAGES
1					
2					
3 etc.					



Strategies for Implementation

As an initial next step, a broader group of stakeholders, particularly early educators, need to be engaged in the completion and adoption of the “Required Preparation/ Education/ Qualifications” and “Professional Wage Scale” matrices. This process must include discussion of what support would be required to move from the current state of qualifications to the future. This outreach could be led by a BBF Action Plan Committee such as Professional Preparation and Development, leveraging other existing educator networks such as the VT Association for the Education of Young Children, Starting Points, Director’s Networks, and the Vermont Head Start Association. Others to engage in dialogue include the Vermont Superintendent’s Association, Vermont Principal’s Association, Vermont School Board Association, as well as the Vermont Department for Children and Families Child Development Division and the Agency of Education. The 2015 report on *Transforming the Workforce of Children Birth to Age 8* from the National Academies of Sciences, Engineering, and Medicine is a resource that could help inform these discussions.

With regards to the Professional Wage Scale matrix, there is an opportunity to engage with the Vermont Department of Labor and HR partners to research the national conversation around wages & compensation and how wage scales are used in other industries. Vermont must conduct a cost analysis for moving to a system with the articulated quali-

cations and compensation, as well as identifying how new revenue and funding mechanisms would support this work.

Minority Opinion

One Think Tank member had a fundamental concern with this proposal. They articulated the importance of focusing our efforts on high impact systems changes that can be accomplished, and it was not clear how adopting a pay scale would be the most impactful strategy toward increasing wages and compensation.

Maximizing resources within the early care and learning delivery system

Recommendation 3: Early Care and Learning Hubs

Maximizing existing resources and achieving economies of scale are critical components of providing high quality early care and learning in Vermont. Given Vermont’s broad geographic diversity and rural landscape, and the complexity of transportation availability and access, achieving scale by managing the size of early care and learning programs and number of children served poses challenges. While encouraging scale in terms of number of children served should still be considered, we can approach scale by thinking about how we organize, manage, and deploy our resources more effectively by implementing a system of Early Care and Learning Hubs.

An Early Care and Learning Hub is a coordinating body that pulls together resources focused on children and families in its defined regional area. Under the Early Care and Learning Hub model, all of the early childhood sectors — including private and public early care and learning providers, human and social services, and health - have a common place to focus efforts, resources and strategies with a shared purpose. Hubs are designed to coordinate existing resources and services in an efficient, cost effective, and family-centric way.

A key idea in how we think about achieving scale and maximizing existing resources is how best we control, manage, and deploy our resources. The key resources that we can control to achieve efficiency include: money, time, and people. By successfully analyzing our existing resources and determining what could be deployed more efficiently, we create an opportunity to achieve higher quality and deploy resources directly to targeted areas of need, or to address gaps that our early care and learning partners are experiencing.

The concept of Early Care and Learning Hubs emerged across multiple design groups at the Building Vermont's Future from the Child Up Summit. One group envisioned hubs that provide back office business and administrative supports for early care and learning programs. These hubs would employ skilled professionals such as a business manager, accountant, property manager, etc. as well as a mentor/coach to support all the early care and learning programs connected to the hub. This model could be used to recruit people who are likely to be interested in early care and learning as a profession, by providing the administrative support they need and making it easier to start a new program.

Early Care and Learning Hubs also meet the recommendation of the Blue Ribbon Commission to “develop a future system of integrated early care and learning that maximizes existing resources and provides high quality efficiently and effectively.” The Commission report called for this system to consider:

- State- and district-level costs associated with administration, monitoring and distribution of resources and staffing. Also, consider the relationship between delivery costs and economies of scale;
- Maximizing current wrap-around comprehensive services including healthcare, mental health, services for children with special needs, and families with social service needs;
- Maximizing available services and professional development to support and retain high quality early childhood professionals;
- Exploring a shared services model that leverages

economies of scale to decrease the cost to providers of providing high quality early care and learning;

- Leveraging transportation services to reduce the barriers for families in need;
- Exploring the infrastructure and capacity of the K-12 system and other community facilities to increase the supply of high-quality preschools.

Key initial steps in developing a system of Early Care and Learning Hubs that benefits public and private providers as well as state agencies include strategically analyzing and agreeing on which resources, supports and services make sense to centralize and which require more flexibility. In order to realize the economic and practical benefits of a hub model, services and functions currently being executed elsewhere would need to be analyzed and considered to come under the provision of the hub. Early Care and Learning Hubs in Vermont would leverage existing hubs or regional infrastructures. The development of an Early Care and Learning Hub model postulates providing value and achieving efficiency, maintaining and improving quality across settings in our 0-5 system, as well as improving outcomes and experiences for children and families.

Early Care & Learning Hub Components

Early Care and Learning Hub are focused on getting cross-sector partners to work together to create local systems that are aligned, coordinated, and family-centered. Families receive the support they need and children receive the early care and learning experiences they need to thrive. The Early Care and Learning Hub model is based on the idea of centralizing and coordinating resources that support early care and learning programs. This includes administrative functions, practice improvement and quality resources, referral and consultative services, staffing capacity resources, professional development, data monitoring and systems coordination, planning and networking. Early Care and Learning Hubs could also serve to centralize direct services for children and families. The centralization of direct services for children and families, while promising, poses significant complexity. Therefore, the proposed model of an Early Care and Learning Hub excludes the centralization of direct services and it is noted as an opportunity for further exploration.

The proposed Early Care and Learning Hub Functions, outlined on the following page, represent services and supports that are currently provided by various components of our early care and learning system. The successful implementation a hub model would include key decision making about how best to deliver these functions through a hub.

Potential Early Care and Learning Hub Functions

1. Practice Improvement & Professional Development:

Practice Improvement is the application of “best practice strategies” for implementing, disseminating, or improving practices and interventions to produce better results for people receiving services. This could apply to specific evidence-based or promising practices or to core approaches like Early Multi-Tiered Systems of Support, family leadership, or PreK to K transition.

Practice improvement recognizes that “training” alone is not the answer. The most successful and cost effective approaches view “performance improvement” as a process that includes a combination of education, organizational supports, regular monitoring, improvement planning, learning communities, supervision, and coaching.

Hubs will coordinate and organize practice improvement and professional development efforts with both public and private early care and education partners, including:

- Coordinating a centralized professional developmental strategy
- Housing and coordinating centralized coaching and mentoring support
- Coordinating in-service opportunities and moving towards aligned calendars

2. Administrative Shared Services

Shared services affords a unique opportunity to achieve efficiency and leverage economies of scale across our 0-5 early care health and education sectors. Organizations and partners can reduce costs and improve the strength of management and the quality of services by sharing administrative functions with other organizations.

Hubs will coordinate administrative functions across public and private partners to create a centralized infrastructure that ultimately reduces costs, strengthens management systems, creates efficient and standardized processes, and eliminates duplication. Coordinated functions may include:

- Insurance
- Coordinating a Substitute Teacher Pool
- Overall fiscal management
- Managing human resources
- Coordinating PreK and early care recruitment and enrollment, helping programs stay fully enrolled

3. Referral Services and Support

Early Care and Learning Hubs create streamlined systems that are easier to navigate for families. As a state, Vermont is rich with programs and resources that address the needs of children and families. Sometimes our systems do not work together and/or they offer duplicative and redundant resources and support. Families become overwhelmed by what they qualify for, what services are available and from whom, and where to start. Coordinating multiple community partners provides a one stop access point for families who need to be connected to numerous services and supports to be successful. Hubs will work in partnership with local resource and referral programs, including Vermont 211, to increase developmental screenings and well-child visits for babies and young children, as well as access to high quality early care and learning programs. Hubs would serve as a “connector” to comprehensive services consultation teams (health, mental health, social/emotional/behavioral, special education, OT, PT, etc.).

4. Coordination and Regional Planning

Under the Early Care and Learning Hub model, all of the early childhood sectors, including private and public early care and learning providers, human and social services, and health, have a common place to focus efforts, resources and strategies with a shared purpose. Hubs would manage the coordination and convening of cross-sector partners to set and identify local priorities and needs, and ensure the hub work is aligned, coordinated, and family-centered through a collective impact model.

5. Data and Assessment

Measuring and evaluating progress through a shared set of metrics and indicators is critical to monitoring the progress of early care, health and education programs and efforts. Hubs will track and monitor the key indicators related to child wellbeing and kindergarten readiness, as well as early care and education enrollment, including universal PreK. Hubs will also facilitate analysis of local data that indicates the equity of access and availability of high quality early care and education opportunities in Vermont.

Hubs will utilize a Results Based Accountability framework to develop performance measures and evaluate the impact and effectiveness of work. As Early Care and Learning Hubs are still in formative states, indicators of success may need to be different from indicators for later, more established stages of development.

Strategies for Implementation

The implementation of Early Care and Learning Hubs in Vermont should be unifying at the highest level and encourage exceptional partnerships across our early care, health and education sectors, with a focus on more efficiently leveraging existing resources and reducing duplication. Further, the success of other national examples of hub implementation point to the critical strategy of phasing defined hub functions to ensure successful execution. National stories of state early care and learning hubs experiencing difficulty all named “asking hubs to do many things too soon” as a recipe for poor implementation and outcomes. The key tenets of Implementation Science should be considered as guidance for implementation.

Implementation of hub functions should be phased over the next 7 years with an initial pilot in an underserved and high poverty area. The pilot should have a robust evaluation plan to analyze opportunities for improvement and refinement before scaling up statewide. The pilot will further provide data and information regarding the regional capacity of hubs and thus establish a better benchmark for how many hubs would be needed across the state.

Prior to pilot implementation, a hub prototype design should be shared with stakeholders, policy and agency leaders to promote buy-in and engagement and build collaboration towards a shared vision. This should include how elements of high quality program supports, envisioned in *Recommendation 1*, would be included in the hub model.

While the ultimate goal of the hub model is to distribute resources in a more efficient way, ensuring adequate resources for the hubs will be key to their success. A pilot will also help determine this cost. The development of a dedicated early childhood fund would help provide transparency to analyze the savings realized in a hub model. It could also help provide coordinated funding to hubs.

Governance

Governance of Early Care and Learning Hubs will have a dual focus of achieving the vision of coordinated, integrated, and efficient system as well as ensuring that the hub is carrying out its goals and expectations, adhering to the vision of achieving efficiency, and streamlining and maximizing resources.

For purposes of the current recommendations, the Think Tank focused on designing the five core functions of hubs prior to addressing governance. It is recommended that Building Bright Futures work with state agency leaders on the Early Childhood Interagency Coordinating Team (a BBF Action Plan committee) to determine a governance structure that will:



- Provide clear leadership and authority of hubs
- Set expectations of deliverables for hubs, and understanding of what is intended and expectations of participation
- Develop an accountability review to make sure each hub is carrying out its essential functions
- Determine the process and productivity indicators to measure effective implementation
- Develop a monitoring process or method of hub self-assessment that supports Hub learning, growth, and self-guided continuous improvement
- Draft a Request for Proposal for the first pilot hub

Developing and implementing financing mechanisms

Recommendation 4: New Sources of Revenue

Even with the systems efficiencies included in these recommendations, the Think Tank recognizes that additional revenue will be needed to fund our high-quality, early care and learning system. The Blue Ribbon Commission estimated that Vermont would need to invest an additional \$206 million annually to fund high quality child care for Vermont children with all parents in the workforce.

Looking comprehensively at systems for serving Vermonters (education, health care, human services, etc.), additional upfront monies will need to be spent to implement an enhanced early care and learning system, but as Vermont invests that money in prevention early on, overall spending will level-out through the impact of prevention and efficiencies. Many systems, across sectors, will see a return on investment from increased revenue for early childhood, and therefore many sectors have a role in funding the system. New revenue should include a mix of public funds, general, education, health care, as well as private dollars, representing the shared responsibility of this work.



The Blue Ribbon Commission and Building Vermont's Future from the Child Up Summit report identified several possible sources for new revenue. The Think Tank considered these and refined the list to the following:

A. Business specific contributions

Many businesses recognize the value of supporting high quality child care. They benefit from increased employee productivity (by reducing the child care barrier to work), employee retention and morale, and the macro economic impact of investing in the future workforce and leadership in the state. Vermont can help businesses invest in early childhood by providing clear mechanisms for contribution. This could include state match or tax-credits for businesses who support early care and learning through contributions such as tuition assistance, a business-run or supported child care program, or support for the early care and learning system through other HR or direct-payment initiatives including an annual per-employee contribution.

B. Early childhood should be a priority for any new revenue streams including:

1. Internet sales tax
2. Income tax surcharge
3. Tax on the distribution and sale of marijuana
4. Recapturing federal tax breaks in state taxes for a net zero tax increase on Vermonters

The Think Tank recommends that any new revenue stream dedicated to early care and learning should be non-regressive, in which the tax burden is distributed in line with a taxpayer's ability to pay.

C. Health care reinvestments

Under Vermont's health care system, Accountable Care Organizations (ACOs) and hospitals can reinvest funds in community programming that supports public/community health outcomes. Child care is a natural fit for reinvestment.

D. Dedicated endowment of public and/or philanthropic funds

Several states have established endowments for early childhood to create an ongoing source of dedicated revenue from the interest or income on the fund. Many of these were started with money from state settlements, including the national Master Tobacco Settlement fund. An endowment can also include a mix of public and private investments.

E. Pay for Success model

Under the Pay for Success model, the government partners with private investors who provide upfront funding to achieve a certain result. The government repays the investment when the agreed upon outcomes are met. Pay for Success can be helpful in covering system transition costs including workforce supports.

Strategies for Implementation

Identifying the appropriate revenue stream(s) for funding our early care and learning system will require updated analysis of the cost of the future system. A redesigned family tuition assistance program, outlined in *Recommendation 5*, will impact estimates for the total cost of the system, as will costs associated with the qualification and compensation scales outlined in *Recommendation 2*. A child care demand study, currently being conducted by NORC at the University of Chicago, will provide additional information about parent demand for child care in Vermont. Building Bright Futures is standing up an Early Childhood Investment Action Plan committee that could provide leadership for these analyses.

It will be critical to develop outcomes-based measurement that recognizes the responsibility to be good stewards of these funds. Accountability and measurement is crucial to the sustainability of the system.

Minority Opinion

One member had a fundamental concern with this recommendation that was not addressed by agreed upon amendments. They expressed concern that list of possible funding sources just shifts costs from one system (e.g. education or health) into another, negatively impacting another component of the system for supporting Vermont children and families, and taking resources away from other needs that are currently being funded.

Recommendation 5: Redesigned Child Care Financial Assistance

The Think Tank concurs with the idea that families have a role to play in financing the early care and learning system. However, currently we rely on family tuition to the extent that it is unaffordable and inaccessible for far too many families. The Think Tank considered how Vermont can make adjustments to the Child Care Financial Assistance Program (CCFAP), to ensure that it responsibly addresses the child care affordability crisis facing Vermont families.

Under the existing system, middle-income families not receiving Child Care Financial Assistance (CCFAP) are spending 43% of their household income on childcare. Furthermore, because most public assistance programs phase out as incomes increase over the federal poverty level (FPL), families living at 200% of FPL actually may have harder time making ends meet than families at 100% FPL. In other words, families making \$40,000 a year may be less able to afford child care than families making half that amount. The chart below shows the latest estimates (2018) of funding available to meet basic needs in variety of public assistance programs. There is a dip in total net resources between 100% and 300% FPL. By increasing financial assistance for families in this income range, we can help close that gap and make child care more affordable and accessible.

The Blue Ribbon Commission report outlined proposed changes to the Child Care Financial Assistance Program (CCFAP) to begin to address this issue. The Think Tank is recommending a redesigned CCFAP model be adopted that follows the principles set out by the Blue Ribbon Commission, but recognizes adjustments for family size and is designed to ensure that as family income increases, the combination of taxes and benefit loss does not exceed income gain. An updated model should pay the full cost of child care tuition for families making less than the Vermont Basic Needs budget for their family size. For every dollar earned above that threshold, some should go to pay taxes on that dollar, some should go toward a child care copay, and at least some portion should go into the family budget.

Such a model should ensure:

- Fully subsidized child care for families who cannot meet their basic needs
- Assistance that declines as a percentage of income exceeding the amount needed to meet basic needs
- Assistance that is adjusted by family size
- Assistance that is tied to cost of care and adjusted to encourage quality
- That families can get ahead by working more hours, getting a promotion, or getting a raise

FIGURE 4: RESOURCES AVAILABLE TO MEET BASIC NEEDS: SINGLE PARENT, 2 CHILDREN

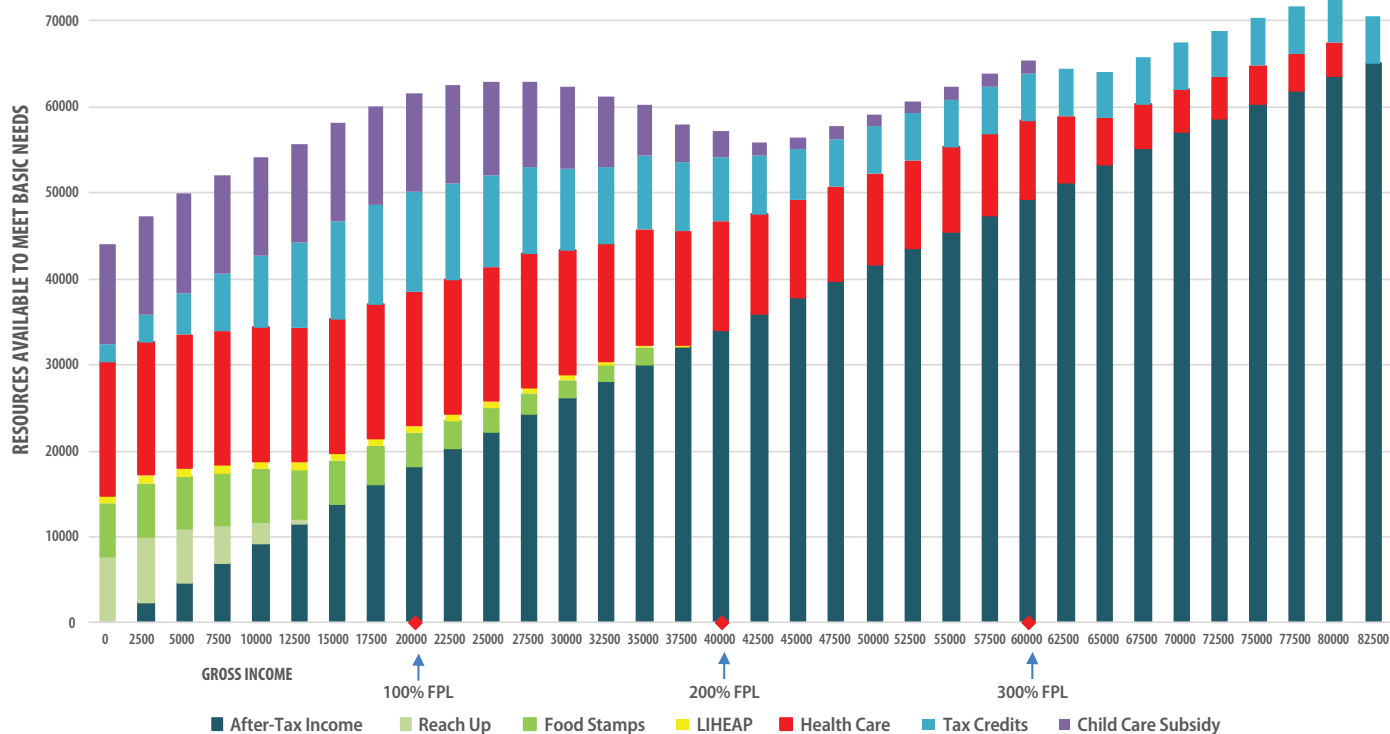


Figure 4 developed by Deb Brighton, fiscal analyst and Think Tank member.

This model acknowledges the ability of families to pay based both on income and household size. It rewards work since a family working more hours or getting raise won't lose ground in terms of support for child care costs. Building off the strengths of the current CCFAP model, it continues to be tied to the child care market and encourage quality by paying higher rates to programs that participate in STARS in order to help families afford these programs. Finally, the model has no cliffs or arbitrary end points.

Strategies for Implementation

While the principles of an updated CCFAP model are agreed upon, several key decision points would need to be made with the input of tax policy experts before the model could be implemented. Particularly, the percent of each dollar earned beyond the amount needed to meet basic needs that would go toward a child care co-pay. Other critical questions include determining the cost of care that the model would be tied to, and how this would respond to the child care market. Another consideration is whether to prioritize increased financial assistance for children under three. Vermont has recently increased CCFAP reimbursement rates for infants and toddlers, recognizing the higher cost of care for this population and the fact that they are not eligible for public Pre-Kindergarten funds. Additionally, further analysis of which families are currently accessing CCFAP, and what barriers they face in accessing this benefit, will help determine how to adjust the program to ensure it benefits our lowest-income families.



The implementation of this recommendation directly relates to several other Think Tank recommendations. In a future system, programs receiving funding through CCFAP should be required to meet the high quality program standards envisioned in *Recommendation 1*. However, CCFAP is an existing funding mechanism that could help infuse public funds into the system during a transitional period to support increased workforce qualifications and compensation that would help programs meet standards. Further examination is needed to consider how CCFAP relates to the funding of early care and learning hubs under *Recommendation 3*.

Minority Opinion

One member expressed fundamental concerns with this recommendation. In an era of limited resources, this recommendation seems to focus on directing more funds to middle class families, when we should first ensure that our lowest income families are accessing the benefit. The member also felt that the recommendation didn't clearly articulate how CCFAP would be used as a mechanism to hold programs accountable to high quality.

Recommendation 6: A Dedicated Early Childhood Fund

Vermont should develop a transparent, dedicated Early Childhood Fund and identify a system for administering this fund.

Our current system is funded through a complex array of sources, including federal, state, and private (primarily families). The Blue Ribbon Commission recognized the challenge of conducting a comprehensive analysis of current spending in early care and learning, and a key goal of a dedicated fund would be to provide increased transparency about how public money is spent on early care and learning. Such a fund would help Vermont more clearly understand what money is going toward our youngest children and how it is being spent, as well as analyze the impact of those investments.

A dedicated fund becomes a receptacle for new dedicated early childhood revenue and funding streams, such as those outlined in *Recommendation 4*. Directing new revenue to a dedicated fund helps ensure that such an investment is supporting early childhood programs and enables better analysis of the return on investment. A dedicated fund also creates a mechanism for individual and private contribution to the early care and learning system such as a "contribute to the fund" option on individual or corporate state tax return forms, and the opportunity for philanthropic contributions.

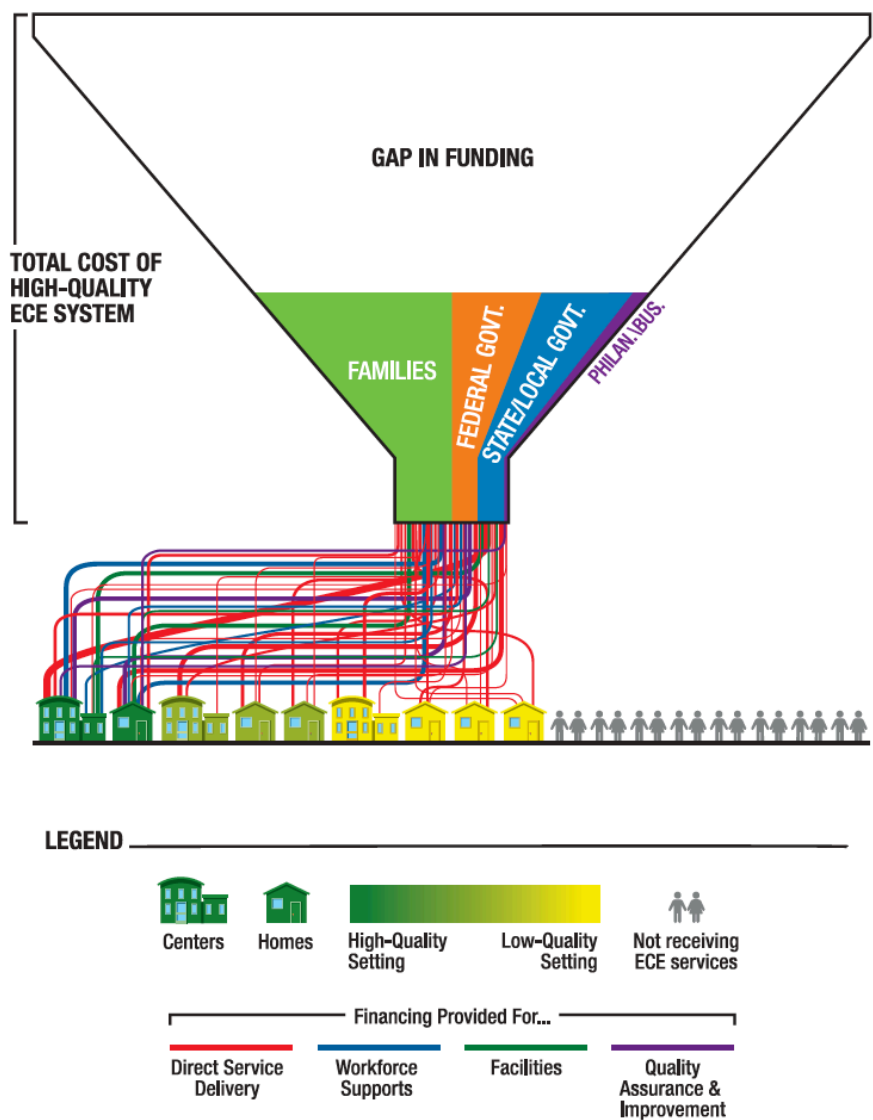
A coordinated fund at the state level would also facilitate the blending and braiding of multiple funding sources.

This would help lift the complexity of accessing funding from the program level to the systems level, reducing the administrative burden that currently exists on early care and learning programs seeking funding from multiple sources. For this reason, the Transforming the Financing of Early Care and Education report released by the National Academies of Sciences, Engineering, and Medicine recommends that state governments or other state-level entities should act as coordinators for the various federal and state financing mechanisms that support early care and education (see the visuals on the following pages). Even if certain early childhood funding streams were not re-routed into the fund, particularly given federal restrictions, administration of the fund could play a role in more efficiently coordinating the

variety of funds supporting early care and learning.

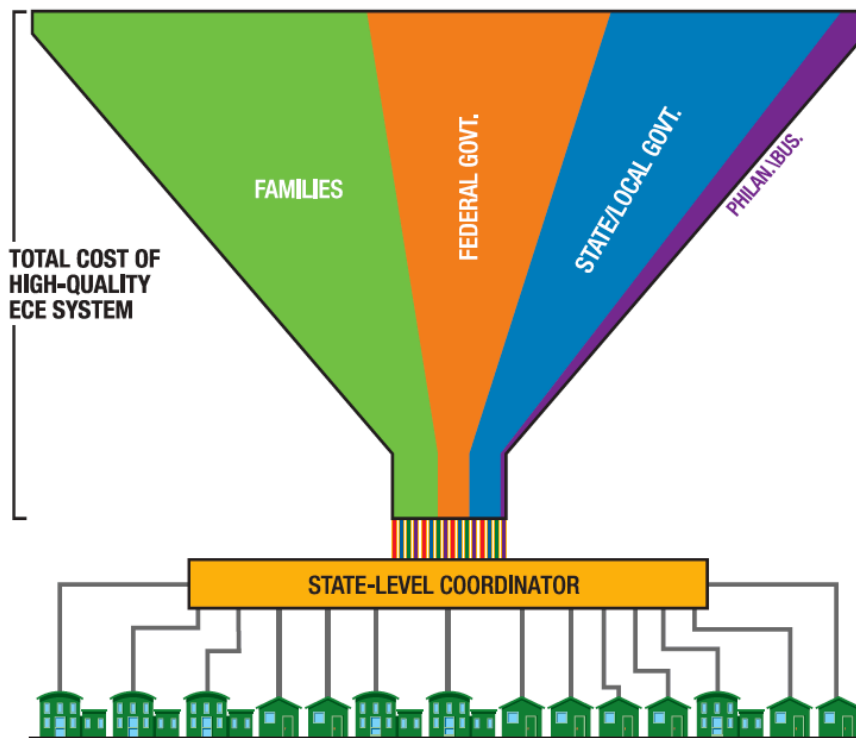
A dedicated early childhood fund emerged as one of the key system design ideas at the Building Vermont's Future from the Child Up Summit. The summit report notes, "As states have worked to strengthen their child care and early learning systems, many have established specific funds within their budgets to finance their early care and learning systems. This approach mirrors how Vermont currently operates a dedicated education fund that supports the operation of Vermont's public education system. Such an early care and learning fund could be financed through existing early care and learning revenue streams as well as through new mechanisms."

FIGURE 5: ECE FINANCING LANDSCAPE: CURRENT



The National Academies of Sciences, Engineering, & Medicine (2018). *Transforming the Financing of Early Care and Learning*. Retrieved from <http://nap.edu/24984>.

FIGURE 6: ECE FINANCING LANDSCAPE: FUTURE



LEGEND



The National Academies of Sciences, Engineering, & Medicine (2018). Transforming the Financing of Early Care and Learning. Retrieved from <http://nap.edu/24984>.

Strategies for Implementation

Vermont can learn from other states who have implemented such funds. Efforts to coordinate funding have sometimes been combined with efforts to streamline administration of early childhood programs. Key first steps to establishing such a fund include further research into these models.

Additionally, Vermont should conduct a full examination of all public funding dedicated to families and children birth to five to determine which revenue streams would be appropriately funneled through the fund, and an analysis

of avenues to administer the fund, including an existing agency, a new agency, a quasi-governmental statutory “authority”, or other opportunity.

Minority Opinion

One member had a fundamental concern with this recommendation. A dedicated early childhood fund further silos our systems, and doesn’t move us toward a vision of a cradle to career education system supporting early education, elementary, secondary, and post-secondary.

Next Steps to a Future System

Ensuring that Vermont children have access to high quality early care and learning is a priority for our state, and will require significant change and commitment. As we work to put these recommendations into action, implementation challenges are to be expected, as well as the unavoidable challenges that go hand-in-hand with transformative change. As we aspire towards reaching the vision outlined in this report, we recognize that it will take time, patience, trust, and iterative change to achieve the best system for children in Vermont.

Recognizing the work that lies ahead to make these recommendations a reality, Building Bright Futures is committed to serve as a trusted, objective convening entity. Critical to the success of cross-sector systems change is a body that brings stakeholders together and facilitates conversations and decision-making, with a focus on shared vision and building relationships with and among stakeholders in the community.

Throughout the Strategies for Implementation section of this report, we attempted to articulate how the BBF infrastructure might help move this work forward. We envision leveraging the strengths of our state and regional councils to disseminate and discuss these recommendations, as well

as engage in critical systems and policy discussion to inform next steps. We also plan to use Vermont's Early Childhood Action Plan and committees to drive and monitor progress toward these goals. In the next year, BBF will work to formally incorporate these recommendations into an updated Action Plan, and identify key priority actions for each of our seven action plan committees.

Vermont aims to maximize this opportunity for systemic change. As a state we are grappling with increased needs in our public education systems, the call for increased investment in early childhood, shifting and changing funding streams, and our goals of improving outcomes for children that carry long term health and education consequences. In order to successfully address these challenges, Vermont needs to change course. As systems partners and leaders, we should prepare for a marathon rather than a sprint. Change requires endurance and persistence, and initial attempts to bridge systems might not succeed as planned. Proposed recommendations in this report include structural changes and a focus on outcomes to support transformation. Managing the change process is critical for Vermont as we strive to improve system accountability, ensure equity, and improve outcomes for young children.



APPENDIX A: IMPLEMENTATION TIMELINE AND SEQUENCING FOR CONSIDERATION

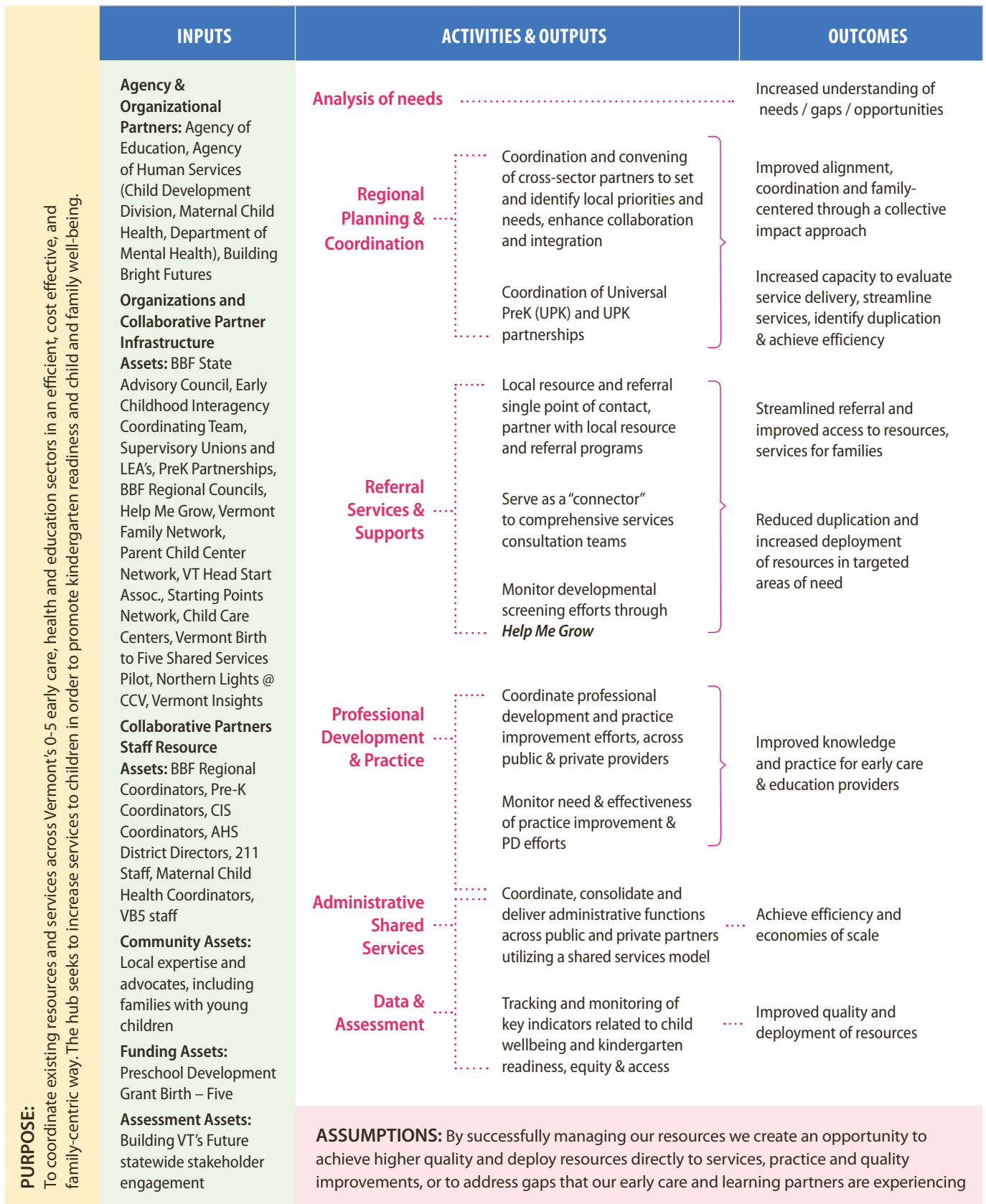
	LEGISLATIVE BIENNIUM	
	2019	2020
GOVERNANCE	<ul style="list-style-type: none"> • Think Tank Report and Recommendations delivered to legislature • BBF facilitate and convene AOE & AHS to discuss governance • AOE & AHS Quarterly meetings to address 0-5 system development including governance 	<ul style="list-style-type: none"> • Draft governance model developed and shared with early care and learning field, partners and legislature • AHS & AOE Quarterly meetings
RECOMMENDATION 1 HQ PROGRAM SUPPORT & ACCOUNTABILITY	<ul style="list-style-type: none"> • BBF Early Learning and Development committee take up framework of high quality program standards, support, and accountability, and articulate relationships between existing standards, licensing, and a new program support model to be implemented through ECL hubs • Define standards for VT's public and private early care and learning programs in a way that ensures consistent high-quality criteria across settings, while reducing duplication for programs. 	<ul style="list-style-type: none"> • Recommendations of the Early Learning and Development committee presented to the State Advisory Council and Legislators • Early Care and Learning Hub pilot begins to plan for incorporating recommendations on program quality support into practice improvement functions
RECOMMENDATION 2 PROFESSIONALIZED WORKFORCE & PROFESSIONAL COMPENSATION	<ul style="list-style-type: none"> • BBF PPD committee takes up Qualifications and Wage matrix and launches stakeholder engagement process leveraging existing networks of early educators • Work with Vermont Department of Labor and HR partners to research the national conversation around wages & compensation and how wage scales are used in other industries. 	<ul style="list-style-type: none"> • Adopt Preparation/Education/Qualification and Wage matrix with goal of full implementation by 2026 • Leverage resources for workforce supports (scholarships, loan forgiveness, etc.) to support transition to Qualification matrix
RECOMMENDATION 3 EARLY CARE AND LEARNING HUBS	<ul style="list-style-type: none"> • Prototype of ECL Hub design shared with stakeholders and the field • Budget development • Governance, monitoring, and evaluation plan developed with oversight from the Early Childhood Interagency Coordinating Team (ECICT Draft Governance model developed to oversee pilot • Request for Proposal (RFP) developed for pilot Early Care & Learning Hub focused on Practice Improvement functions • Monitoring & evaluation plan developed that includes oversight from the Early Childhood Interagency Coordinating Team (ECICT) • Pilot of select hub functions implemented in underserved, rural regions with high poverty • Federal PDG Birth to Five grant, if received, would fund a pilot of the practice improvement function of hubs 	<ul style="list-style-type: none"> • Report on hub pilot implementation progress and data • Monitoring and evaluation of hub efficacy and outcomes • Expand hub pilot to 2 regions prioritized in underserved, rural regions with high poverty, expanded to include additional functions • Hub pilot(s) incorporate recommendations on program support into practice improvement function
RECOMMENDATION 4 NEW SOURCES OF REVENUE	<ul style="list-style-type: none"> • Establish Early Childhood Investment BBF Action Plan Committee to develop and refine recommendations around possible new sources of revenue and define strategic actions steps to be presented to the State Advisory Council by September of 2019 	<ul style="list-style-type: none"> • Early Childhood Investment Committee (ECIC) develops updated cost analysis for early care and learning system reflecting: <ul style="list-style-type: none"> ◦ Articulated qualifications and compensation included in cost of care ◦ Estimated cost and efficiencies of hubs ◦ Changes to CCFAP model Demand study ◦ Analysis of existing spending on early childhood
RECOMMENDATION 5 REDESIGNED FAMILY TUITION ASSISTANCE	<ul style="list-style-type: none"> • Proposed CCFAP model finalized with input from tax policy experts with oversight from Early Childhood Investment Committee (ECIC) 	<ul style="list-style-type: none"> • Changes to CCFAP model adopted by the legislature with new revenue stream identified
RECOMMENDATION 6 DEDICATED EARLY CHILDHOOD FUND	<ul style="list-style-type: none"> • Research of dedicated Early Childhood Fund and administration 	<ul style="list-style-type: none"> • Recommendations on development of dedicated Early Childhood Fund and administration presented to the State Advisory Council

LEGISLATIVE BIENNIUM		LEGISLATIVE BIENNIUM		DESIRED END STATE
2021	2022	2023	2024	
<ul style="list-style-type: none"> Governance structure finalized by AHS and AOE 				Governance structure implemented which coordinates and distributes funds, sets deliverables for hubs, programs, and providers, and provides accountability
<ul style="list-style-type: none"> New STARS effective date Early Care and Learning Hub Pilot implements program quality support and strategies 	<ul style="list-style-type: none"> Continued focus on improving quality under defined standards through the hubs 			Receipt of public funds tied to meeting updated defined quality standards. Ongoing systems for monitoring are in place. Program support for meeting standards in place through hubs.
<ul style="list-style-type: none"> Continued workforce supports Track data toward achievement of workforce qualifications 	<ul style="list-style-type: none"> Continued workforce supports Track data toward achievement of workforce qualifications 			Required Education/Qualifications must be met before serving in defined roles in the field. Wage scale adopted and informs funding for the overall system and financial assistance rates.
<ul style="list-style-type: none"> ECL hub evaluation report presented to legislature ECL hub pilot(s) continues 	<ul style="list-style-type: none"> Final ECL hub model presented to legislature based on pilot Hubs expanded to 6 statewide, with continued focus on improving quality under defined standards 			ECL Hubs continue to be implemented across the state, including program supports. Hubs accountable to governance structure. Report on ECL hub progress and outcomes.
<ul style="list-style-type: none"> Build political support for dedicated revenue stream reflecting systems cost analysis 	<ul style="list-style-type: none"> Additional dedicated early childhood revenue stream(s) established reflecting system cost analysis 			Dedicated streams of revenue for early childhood are adequate to cover the cost of care, including wages as outlined in the wage scale, full tuition for families not able to meet basic needs, and program support and monitoring.
<ul style="list-style-type: none"> Implementation of CCFAP changes 				CCFAP adequately funded to meet family need and cost of care. Receipt of public funds tied to updated defined quality standard. CCFAP funding coordinated with other funding mechanisms.
<ul style="list-style-type: none"> Build political support for Early Childhood Fund and administration 	<ul style="list-style-type: none"> Dedicated early childhood fund and administration established 			Dedicated fund and governance structure efficiently and transparency coordinate funds for the system.

APPENDIX B: ECL HUB VISUAL

STATE OF VERMONT (AHS & AOE)				
Responsible for providing clear expectation for Hub functions, activities and deliverables				
Early Care & Learning Hub Lead agency or entity*				
1. PROFESSIONAL DEVELOPMENT & PRACTICE IMPROVEMENT	2. ADMINISTRATIVE SHARED SERVICES	3. REFERRAL SERVICES AND SUPPORT	4. COORDINATION AND REGIONAL PLANNING	5. DATA AND ASSESSMENT
<ul style="list-style-type: none"> Hubs will coordinate and organize professional development and practice improvement efforts, including: <ul style="list-style-type: none"> Peer mentoring Family Leadership & Engagement Cultural Linguistics & Competency Early MTSS Pre - K transitions Strengthening Families Child Health & Safety TPOT, CLASS, TS Gold Family Resources - Financial Literacy Track effectiveness of practice improvement efforts Hubs will work with public and private providers to explore in-service opportunities and moving towards aligned calendars 	<ul style="list-style-type: none"> Coordinate, consolidate and deliver administrative functions across public and private partners utilizing a shared services model, that could include: <ul style="list-style-type: none"> PreK Enrollment Forms Regional Contracted Agreements Human Resources Insurance Substitute Teacher Pool Employee Leasing Program 	<ul style="list-style-type: none"> Hubs will be organized to be a single point of contact and include and partner with local resource and referral programs including, but limited to: <ul style="list-style-type: none"> 211 Childcare Referral Children's Integrated Services Hubs would serve as a "connector" to comprehensive services consultations teams and services (health, mental health, social/emotional/behavioral, special education, OT, PT, etc.) Hubs will organize and monitor developmental screening efforts through Help Me Grow to reduce duplication 	<ul style="list-style-type: none"> Coordination and convening of cross-sector partners to set and identify local priorities and needs, and ensure the hub work is aligned, coordinated and family-centered through a collective impact model Convene regional cross-sector partners to enhance and build integration and collaboration around Direct Service Delivery (Mental Health, CIS, PreK, Maternal Health, etc.) and to evaluate effectiveness Coordination of Universal PreK (UPK) and UPK partnerships 	<p>Data</p> <ul style="list-style-type: none"> Tracking and monitoring of key indicators related to child wellbeing and kindergarten readiness PreK Data, enrollment and data review Equity & access analysis <p>Assessment</p> <ul style="list-style-type: none"> Child find activities Community assessment of programs and services to inform service delivery PreK enrollment and data review Hubs will reference and utilize the Vermont Framework for Early Childhood Assessment

APPENDIX C: POTENTIAL ECL HUB LOGIC MODEL





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PUBLICATION INFORMATION

Lead Author: Carolyn Wesley

Contributors: Sarah Squirrel, Susan Titterton

Editor: Julia Andrews

Design: Kimberley Quinlan



WHEN WE WORK TOGETHER, CHILDREN SHINE.

Building Bright Futures (BBF) is Vermont's early childhood public-private partnership, established by law to monitor the state's early care, health and education systems and advise the Administration and Legislature on policy and systems improvements. BBF acts as a backbone organization for collective impact at the state and local level by convening stakeholders and community members with a common goal of meeting the diverse needs of all Vermont children and families.



600 BLAIR PARK, SUITE 160
WILLISTON, VT 05495

802.876.5010

WWW.BUILDINGBRIGHTFUTURES.ORG



**BUILDING
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FUTURES**

600 BLAIR PARK, SUITE 160, WILLISTON, VT 05495

802.876.5010 | WWW.BUILDINGBRIGHTFUTURES.ORG