



Date: May 8, 2020

To: House Committee on Human Services

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Re: Supporting Families and Child Care Programs Through COVID-19 Response and Recovery

Thank you for another opportunity to share with the committee Let's Grow Kids' perspective on supporting child care programs and families during this incredibly difficult time. As you know, Let's Grow Kids (LGK) is committed to ensuring that all children, birth to five, have access to high-quality, affordable early care and education programs. In the midst of this unprecedented global public health crisis, LGK has been working closely with the Scott Administration, early care and education programs, families, our federal delegation, and state and national advocacy organizations to ensure we can present the General Assembly with detailed information about the supports and assistance that early care and education programs, and that the children and families they serve have the support they need to get through these challenging times.

With new direction from the Administration directing Vermont to reactivate our economy and workforce, we all must consider how to safely and responsibly re-open the early care and education industry for Vermonters returning to work. As this crisis has made abundantly clear, child care is essential economic infrastructure in our state, but our industry faces critical challenges related to access, affordability, and wages for early educators, among others. Today, we want to share with you some considerations and recommendations for critical investments needed to continue support for the early care and education industry as caregivers return to work.

LGK's Role in COVID-19 Child Care Response

Let's Grow Kids has been working alongside the State from the beginning of this crisis. Vermont was the first state in the nation to commit to ensuring that child care programs are ready to reopen when the time is right and it is safe to do so.

The two key components of LGK's response to the crisis are:

- **Supporting emergency child care for essential workers.** This has included connecting essential workers with the care they need, working with businesses to source and package supplies to child care programs offering emergency child care (such as PPE, thermometers, cleaning supplies, and toilet paper), and partnering with

the state to help connect essential workers with informal care, including utilizing UVM medical students for in-home care.

- **Making sure Vermont's early care and education system is able to survive this crisis.** The National Association for the Education of Young Children estimated that the child care industry would have lost nearly 50% of child care businesses across the country in the first two weeks of the crisis absent state or federal intervention. Fortunately, this hasn't been the case in Vermont. We've worked with the state to help support the creation of the Child Care Stabilization Program, which set a standard for the nation and which means that the child care system will be able to bounce back more quickly in Vermont. We have worked to digest and communicate guidance coming from the Administration into accessible language for parents, providers, and businesses on our website (www.letsgrowkids.org/coronavirus).

In this work to support the many stakeholders in the early care and education system, we've partnered very closely with the Child Development Division. We know firsthand how diligently they have been working to ensure Vermont families and child care programs are supported. This partnership has been effective: as of yesterday morning, 1,203 essential workers have completed the Let's Grow Kids contact form for emergency child care, representing a total of 1,925 children through age 13. In response to their need, more than 30% of Vermont's regulated child care programs are providing this emergency child care. Additionally, hundreds of Vermont child care programs and Vermont families are benefiting from the Child Care Stabilization Program, which is allowing child care programs to continue to pay their staff and cover their on-going expenses such as rent, lease, or mortgage and utility bills; providing families with some immediate economic relief; and ensuring families have child care slots to come back to when Vermont begins to reopen.

As the Child Development Division and the field pivot to planning for reopening, there are many considerations. Just today the Administration announced June 1st as the target date for reopening, with the Stabilization Program discontinuing at that time. Starting on June 1st, a \$6 million grant program will be available to support transition costs for child care programs *and* summer day camps that choose to reopen. We are very concerned that this amount will not be sufficient to offset the significant costs of operating in this new environment, let alone to plan for a robust future early care and education system. We fear that many programs will choose not to reopen due to the cost.

Considerations for Re-opening Child Care

As Vermont's infection rate has slowed due to social distancing and the Stay Home, Stay Safe order, the Governor has begun to bring certain sectors of the economy back online, and we expect this to continue as we learn more about the Administration's plan for economic mitigation and recovery. However, as you know, the fact is that in order for our economy to reopen we must have a solid early care and education infrastructure in place or we risk additional economic and social harm. We want to share with you some of our

recommendations around re-opening the early care and education sector, including opportunities for leveraging federal funding from the CARES Act and subsequent legislation to invest in supports that will strengthen the early care and education system immediately and over the long term.

- **Focus on health and safety of children, families, and early educators.** First and foremost, our concern for the re-opening of child care is that the health and safety of children, families, and early educators is protected. Child care programs must have quick and easy access to cleaning supplies, personal protective equipment, and support in implementing health and safety procedures that are sector specific. This will likely require ongoing logistical and financial support, potentially through CARES Act funding or through direct access for early care and education programs to the state's procurement system. We fear that the proposed \$6 million grant program will not be sufficient to cover supplies, increased staffing costs, and other increased costs for all the programs we need to reopen. This is an investment in the health and safety of Vermonters through ensuring that early care and education programs are able to protect the children and families in their care.
- **Continue support for child care programs through the transition period.** Although the Child Development Division has not yet released detailed guidance for reopening child care programs, a phased in approach is necessary to include increased health and safety protocols and a reduction in class sizes. For programs to comply with health guidelines and ensure safety for themselves and the families they serve, they will face increased costs amidst decreased revenues. Essential workers will also continue to need child care. We must continue to support the early care and education sector as they support the broader workforce. Given that the State plans to end the Child Care Stabilization Program at the end of May, we must put in place other significant financial supports. The \$6 million proposed grant program is likely not enough. These supports are essential to the industry's financial viability and Vermont's broader economic recovery.
- **Continue wage supports for early educators.** Early childhood educators support every other workforce, and yet they are some of the lowest paid workers in our state. They will also continue to be at high risk for exposure to COVID-19 as the economy reopens. The state has been providing additional funding for programs providing emergency care, some of which has been passed on to child care workers as wage supplements. Supplemental wage supports should continue for all early educators who will be working in difficult conditions in the coming months during the ongoing pandemic. We have previously discussed with this committee that a \$13 million investment could provide a small but meaningful wage increase for child care workers across the state.
- **Continue supports for families.** Before the COVID-19 crisis hit Vermont, child care was unaffordable for many families. As the fiscal impacts of this crisis continue to reveal

themselves, it is more important than ever to ensure that Vermonters returning to work are able to access care for their children. As your committee is aware, some families are unable to continue to pay 50% of their regular tuition or CCFAP co-pay and their child care program is unable to offer them additional financial support. We encourage dedicating CARES Act dollars to support these families, potentially through a scholarship fund, which would be an immediate way to provide financial support to families struggling to preserve their child care slots. CARES Act funds could also support increases to CCFAP reimbursement rates to alleviate financial pressures for lower-income families during the current economic crisis, to align with the state's 5-year plan and accommodate the additional cost of care during the current crisis.

- **Support crucial IT infrastructure.** As this committee knows well, the IT system that currently supports Vermont's early care and education system and the state's Child Care Financial Assistance Program (CCFAP) is outdated, and therefore a major barrier to the kind of innovation and change needed to transform our child care system. In recent weeks, the IT system has made it much more difficult for the state to perform necessary functions to respond to the crisis, such as identifying child care programs willing to serve essential personnel children and getting stabilization payments out to programs. With a \$6 million, one-time investment through CARES Act funds, the state can purchase and implement a new IT system to effectively administer Vermont's ECE system through the COVID-19 recovery period and beyond.

This pandemic has brought into stark relief the critical nature of child care—as well as the fault lines. We're seeing that early childhood educators, and so many other underpaid and undervalued workers, are the backbone of our economic and public health infrastructure and that families, now, more than ever, need a variety of supports to help them afford and access child care. We greatly appreciate your committee's attention to our youngest Vermonters, their families, and their early educators. Thank you for all you have done and continue to do to support Vermonters during this incredibly difficult time. We look forward to continuing our work together.