

Rebecca Buck

To: Jane Kitchel
Subject: RE: CCFAP in the Budget Adjustment Act

From: Jane Kitchel <janek45@hotmail.com>
Sent: Wednesday, February 06, 2019 6:45 AM
To: Rebecca Buck <RBUCK@leg.state.vt.us>
Subject: Fw: CCFAP in the Budget Adjustment Act

From: Sarah Kenney <sarah@letsgrowkids.org>
Sent: Tuesday, February 5, 2019 9:08 PM
To: jkitchel@leg.state.vt.us; rawestman@gmail.com
Cc: Matt Levin; Rebecca Ramos
Subject: CCFAP in the Budget Adjustment Act

Hi, Senators Kitchel and Westman,

Attached is a memo from Let's Grow Kids and the Vermont Early Childhood Advocacy Alliance to the Senate Appropriations Committee related to CCFAP funds in the Budget Adjustment Act (H.97). We encourage the Senate to concur with the House's decision to preserve CCFAP funds for child care needs, and recommend an additional two uses for the one-time funds available (T.E.A.C.H. and lead remediation resulting from S.40, both likely requiring relatively small amounts of funding). We are happy to provide any further information that could help the committee in your deliberations.

Thank you for all your work on behalf of Vermont's children!

Sarah

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Always one mission and one movement. Now, one name, too.

To: Senate Appropriations Committee
Senator Jane Kitchel, Chair

From: Let's Grow Kids, Sarah Kenney, Senior Director of Policy
Vermont Early Childhood Advocacy Alliance, Matt Levin, Executive Director

Date: February 5, 2019

Re: CCFAP Underutilization in Budget Adjustment Act (H.97)

We are writing to express our concern about the Administration's proposal in the Budget Adjustment Act to reallocate \$2.5 million from the Child Care Financial Assistance Program (CCFAP) for other purposes in the budget, and to encourage the Senate to concur with the House's decision to preserve those funds for child care related expenses. We know that Vermont has a crisis in terms of child care, and we believe that those funds should remain in the program and be invested in the early education system.

The \$2.5 million was underspent because of program underutilization. We hear from parents, child care providers, and child care referral specialists and the Administration that the likely explanation is that, ironically, the program is underutilized because it provides low levels of financial assistance to many families and low reimbursement rates to child care programs. The level of support provided by CCFAP is insufficient for many families to be able to afford child care:

- For a family making more than the federal poverty level, CCFAP provides only a portion of the cost of care. Economic analysis by Deb Brighton from the Joint Fiscal Office indicates that the families most impacted by the slope of the sliding scale are those with incomes between 100% and 230% of the federal poverty level.
- Additionally, families earning between 200% and 300% of the federal poverty guidelines (between \$50,200 and \$75,300 for a 4-person family) only receive 10% financial assistance from the program. For these families, the tiny benefit means that they still can't afford child care, even with CCFAP support.

Reimbursement rates paid to child care providers by the program are also an issue. Rates have fallen behind the actual costs of providing child care, especially for preschool-age and afterschool-age children. The reimbursement rates for these age groups are almost 10 years out-of-date, meaning that families may not only have to pay their share of the CCFAP reimbursement rate, but also make up the difference between the CCFAP reimbursement rate and the actual tuition rate charged by their child care provider.

As long as insufficient program funding limits benefits, utilization will be lower.

There are urgent needs within CCFAP that could be supported with these funds. We support the House's proposal to allocate these funds toward one-time grant programs supporting facilities improvement and programs adding additional child care slots. We would also

recommend using a small portion of these funds to support one-time funds for the T.E.A.C.H. program to support employers sponsoring their employees' education and for program evaluation (estimated to be about \$30,000 total). We also suggest using some portion of these funds to support child care programs who need to do remediation work to eliminate lead from drinking water under the new requirements proposed in S.40. We do not want children exposed to lead, and financial support to replace faucets or undertake other remediation could help ensure that necessary upgrades are made if lead levels are higher than the new standard and child care providers are required to cost-share the expense. We understand that the Joint Fiscal Office has done some research into estimated costs to child care programs.

We realize that there are significant needs within the DCF budget and that the Administration is generally supportive of early care and learning. This Budget Adjustment Act presents another opportunity to demonstrate that support by creatively applying the available funds to support early educators, children and families while we work together to make the system work. Thank you for your consideration.