



Date: Tuesday, April 15, 2019

To: Senate Committee on Appropriations

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

### Testimony on Appropriations for Child Care

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

Vermont faces a child care crisis. More than half of infants and toddlers likely to need child care do not have access to regulated programs. Ensuring families have access to high-quality, affordable child care is a critical opportunity to elevate children living in poverty and ensure they have the best start. **Many low-income families rely on state support to pay for child care—without affordable access to child care, families cannot work.** Yet Vermont's Child Care Financial Assistance program has fallen far behind in providing meaningful support, leaving too many working families without care, and leaving early care and learning providers – the individuals at the heart of our early care and learning system – among the lowest paid employees in the state. H.531 makes important strides forward to begin to address these challenges and help move families and early educators out of poverty.

As this committee knows, the Governor proposed allocating \$7M in the FY20 budget to expand Vermont's Child Care Financial Assistance Program (CCFAP), yet, in the same budget he decreased CCFAP's base funding by \$1.25 million. The House passed H.531, a bill focused on strengthening key elements of Vermont's child care and early learning system. Let's Grow Kids strongly supports the investments contained in H.531, and we ask you to support this crucial step in addressing Vermont's child care crisis.

H.531 makes significant improvements to CCFAP in order to ensure better financial stability for Vermont families and mitigate the state's child care crisis. H.531 invests additional funds in CCFAP in order to:

- **Expand income eligibility.** The bill will align CCFAP's income eligibility criteria with 2019 federal poverty guidelines and ensure these income guidelines are updated annually in future years.
- **Increase financial assistance.** The bill will increase financial assistance levels for many families by adjusting the program's sliding benefit scale for families between 100% and 295% of the federal poverty level. This will give more families a larger amount of financial assistance and make the scale more gradual—so that families don't receive a significant decrease in child care assistance when they receive small pay increases.
- **Increase reimbursement rates.** The bill will align preschool- and school-age reimbursement rates with the state's 2015 market rate survey findings. This ensures programs are more adequately compensated and families don't have to cover the significant gap between far-outdated reimbursement rates and what programs actually charge for care.
- **Invests in IT.** The bill will also make a needed investment in IT updates at the Child Development Division that are needed to further strengthen CCFAP.

H.531 also makes important investments to begin to better support, recruit and retain Vermont's early educators by:

- **Launching a student loan repayment support program.** H.531 will invest \$500,000 in a student loan repayment support program for early educators who often struggle to afford their student loan payments.
- **Funding scholarships.** The bill will invest \$500,000 in a scholarship program to support current early educators with getting their associate's degrees, achieving teacher licensure or participating in the state's child care apprenticeship program.

We need to take bold action to address the challenges Vermont's families and early care and learning providers face. Each year that passes by is a missed opportunity to improve the developmental wellbeing of our kids, support strong, healthy families, and improve our struggling economy. We strongly encourage you to fully fund H.531.

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