



To: House Appropriations Committee, Representative Mary Hooper, Chair

From: Sarah Kenney, Chief Policy Officer, Let's Grow Kids

Date: January 10, 2022

Re: Child Care in the Budget Adjustment Act

Thank you for the opportunity to speak with the committee today. I am here today on behalf of Let's Grow Kids, our partners, and our 35,000 supporters to thank you for your actions during the pandemic to invest in preserving Vermont's child care system.

As the pandemic continues to rage, the child care system is on yet another dangerous precipice: a staffing crisis so acute that programs are closing classrooms, shortening hours, and closing altogether. Yet, there are actions that the State can take in the budget adjustment process to leverage one-time funds to stabilize the child care system and continue on the path to transformation.

Vermont has an unprecedented opportunity to support the recovery and long-term stability of our child care system through immediate investments in early childhood educators, the workforce that supports all other workforces in the state. Our employers and our economy quite literally depend on a strong and stable child care workforce. We must make progress on the path laid out in H.171, the child care bill that passed this spring, while also leveraging one-time funds for immediate investments to recruit and retain early childhood educators.

To accomplish this, Let's Grow Kids strongly recommends making the following investments in the Vermont FY22 Budget Adjustment Act:

#### Continue Progress Toward Transformative Solutions

- **Fund the Financing Study outlined in H.171:** H. 171 established a study to determine the cost of operating a sustainable, equitable, affordable, and high-quality early childhood education system and options for how to fund such a system. The Joint Fiscal Office is poised to begin the procurement process for a consultant to lead the study, but needs the funding allocated to move forward. Please fund JFO's request for funding for this purpose.

#### Recruit & Retain Early Childhood Educators

In a recent survey of child care and early education programs in Vermont, 71% of center-based programs reported experiencing a staffing shortage ([NAEYC](#)). This lack of early childhood educators, in turn, has resulted in a staggering shortage of child care throughout the state, impacting every sector of our economy. We must move with urgency to stabilize Vermont's early childhood educator workforce crisis. If we wait until the development of the FY23 budget to take action to support this field, we will undoubtedly lose many more early childhood educators, further destabilizing our child care system and making our broader workforce crisis even more dire. To address this crisis immediately, the following initiatives should be funded in the BAA:

- **Issuing retention bonuses for early childhood educators:** We know that these essential workers are among the lowest-paid employees in the state, despite their value, skills, and expertise. Similar to the child care workforce stabilization program that you funded in December of 2020, funding should be provided to issue retention bonuses for each person working in child care, plus additional bonuses for every vacant position that programs can use as a hiring bonus. Three payments in 2022 of \$1000 to everyone working with young children in child care programs in Vermont would provide crucial relief and would cost approximately \$19 million. We strongly urge that you make at least an initial allocation of \$6 million in the Budget Adjustment Act, allowing the State to issue one immediate round of child care workforce stabilization payments in January or February.
- **Ensuring all early childhood educators working in Vermont have access to health insurance:** Many early childhood educators do not have access to employer-sponsored health insurance and are not well-versed in health insurance options available to them through Vermont Health Connect. They are also caring for Vermont's last unvaccinated population: children under five.
  - **Dedicated Navigator Support:** To address the disconnect and ensure that early childhood educators—who are working in close contact with young, unvaccinated children—have access to health insurance, we propose that Vermont Health Connect designate health insurance navigators to assist early childhood educators with enrollment.
  - **Offer health care premium assistance:** Affording health care can be a burden for many early childhood educators who are still on the frontlines of potential exposure to COVID-19 during the pandemic. Funding should be allocated to ensure that early childhood educators working in regulated child care programs who meet certain income and work criteria are able to access affordable health insurance. This strategy has proved useful in other states. We estimate that premium assistance of \$200 per month for those working in child care would cost approximately \$11 million.
- **Expanding Vermont's student loan repayment support program** for new early childhood educators to cover all who have graduated with early childhood-related degrees within the past 20 years to be eligible for the program. We estimate this would cost approximately \$5.7 million.
- **Provide no-cost child care for the children of early childhood educators working in regulated programs** – extend CCFAP eligibility and benefits to provide 100% financial assistance to the children of early childhood educators. The Child Development Division may be able to provide a cost estimate for this initiative.

Action to support Vermont's child care system and early childhood educators can not wait for the FY23 budget process – child care programs are struggling to stay open right now, and July may be too late. Please prioritize this funding in the Budget Adjustment Act. Again, thank you for your support of this critical sector of the workforce.