



Date: Thursday, January 21, 2021
To: Representative Ann Pugh, Chair
House Committee on Human Services
From: Sarah Kenney, Chief Policy Officer, Let's Grow Kids
Sherry Carlson, Chief Programs Officer, Let's Grow Kids
Re: The State of Child Care in Vermont

Thanks so much for inviting us to join you today. As most of you know, Let's Grow Kids is a nonprofit organization on a mission: we're working to ensure affordable access to high-quality child care for all Vermont families by 2025. Over the past seven years, we've grown from a small team into a movement with over 30,000 supporters from all walks of life. These supporters include families, early childhood educators, business leaders, health professionals, and other community members who realize the essential role that child care plays in the lives of Vermont's children and their families, for our communities, for our businesses, and for our economy.

Even before the pandemic, Vermont faced a child care crisis. Three out of five of Vermont's youngest children did not have access to the child care they needed, and research estimated that Vermont needed more than 2,000 additional early childhood educators to meet demand.ⁱ
ⁱⁱ COVID-19 has only exacerbated these challenges.

In order to address these challenges, a very big part of Let's Grow Kids' work is our direct support of child care programs. For many years, our programs team has been mentoring and supporting our state's early childhood educators and child care programs, helping to strengthen and expand existing programs and create new ones. We've been able to dramatically increase that work thanks to the investments that the Administration and Legislature made over the past two years in expanding child care capacity.

Over the past three years, we've been able to pair those state investments with philanthropic dollars to invest almost \$4 million in additional high-quality child care spaces in Vermont. These investments have really helped to counteract the widespread closures that other states have seen because of this pandemic, and we're on track to reach a total of 2,000 additional high-quality child care spaces, located throughout the state, by June of this year—with even more in the pipeline.

Another big part of our work on the Programs Team is serving as a resource for child care programs. We have a team of experienced early childhood educators who provide technical assistance to support programs with technology, business solutions, shared services, program practices, and advancing the early childhood education workforce as a profession. Over the past year Let's Grow Kids has provided specific T.A. and resources to help child care

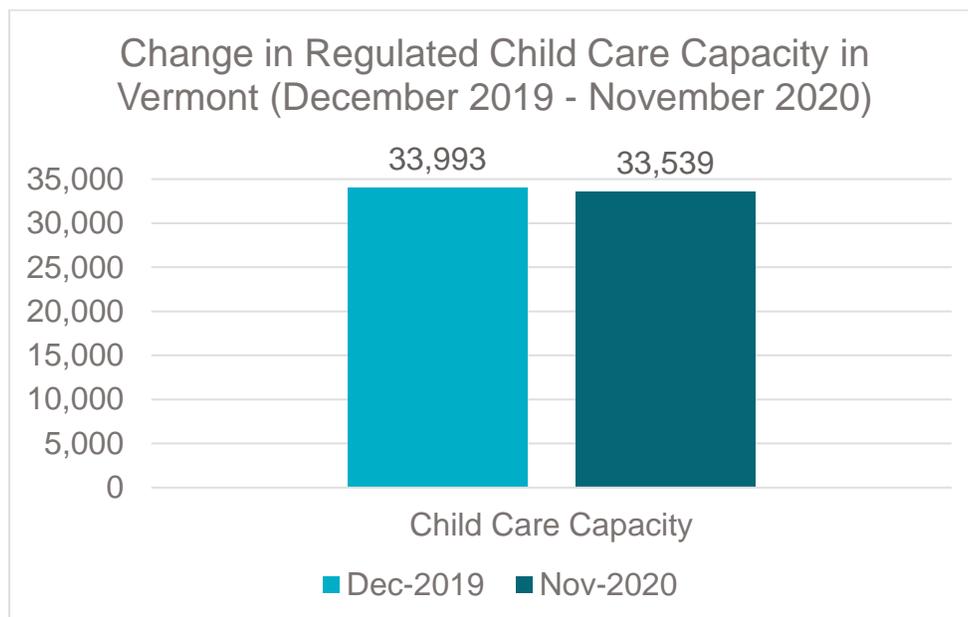
programs reopen, stay open and respond to the operational challenges of doing business during a pandemic. Through this work, we've had a firsthand look at the many incredible ways that early childhood education programs have adapted and innovated since the early days of the pandemic. Let's not forget that about 30% of the regulated child care programs have stayed open throughout the pandemic, providing care to children of essential workers last spring.

As programs began to fully reopen some shifted to outdoor classrooms, others invested in major structural changes to keep children and staff safe and adhere to the state's health and safety guidelines. Early childhood educators got very creative in helping children adapt to a new world where faces are covered by masks, where sharing is no longer encouraged, where parents aren't allowed in the building at pickup and dropoff. The amazing adaptability, creativity, and resilience of the early childhood education field has truly shone over the past year. And they do all of this for very little pay and often with no health care benefits. The pandemic has added to Vermont's existing child care challenges and created new ones. It has also highlighted some of the deep inequities in our child care system.

Families have also had enormous child care struggles over the past year, on many levels. Here again, some of the important investments that the Legislature and Administration have made—both before and during the pandemic—have softened the blow for many. The investments the Legislature and Administration made in child care financial assistance in 2019 meant that low-income families are better able to afford care. And yet we knew we had so much more work to do, even before the pandemic.

We wanted to share some data from the Child Development Division about the impact of COVID-19 on child care availability.

In 2020, Vermont experienced a net loss of 450 child care spaces (inclusive of school-age child care). Of those 450 spaces, 370 were based in Family Child Care Homes. In 2020, we experienced the closure of 62 Family Child Care Homes and the opening of 25 Family Child Care Homes, resulting in a net loss of 37 Family Child Care Home programs.



While some of these numbers may seem daunting, Vermont's child care system has fared better than almost all other child care systems in the country thanks to the remarkable investments made by the Legislature and Administration since COVID-19 hit in Vermont last March. On behalf of Let's Grow Kids, I want to **thank you** for your hard work and dedication to supporting Vermont's child care system during this unprecedented time. Your work has and continues to set a standard for the nation in how to sustain this essential industry. Because of your swift, thoughtful, and consistent action, Vermont's fragile but essential early childhood education system avoided utter disaster, and programs, families, and early educators received crucial supports.

We know that CDD is working to understand the new federal COVID-19 response funds that have come in for child care, which we believe total about \$12.5 million. While these funds will certainly help, they will not solve our bigger structural problems which existed prior to the pandemic.

THE WORK AHEAD – CONTINUED OPPORTUNITIES FOR RECOVERY:

We would like to offer some insights on where we believe additional action is needed to help child care programs through this next phase of the pandemic, and to build an even stronger child care system for the future:

Affordability:

- We have seen and heard from early childhood educators and families about the difference that increased CCFAP rates and expanded eligibility has made, especially during the early pandemic with programs closing and re-opening. We look forward to working with this committee to continue progress on the Legislature's 5-year redesign plan for the Child Care Financial Assistance Program (CCFAP), and further expansion of the program in the coming years so families can truly afford the care they need for their children.
- An important change that the State implemented during the COVID-19 closure period was paying child care programs based on the number of children enrolled, as opposed to the number of children physically attending. This is national best practice that means that families don't need to worry about paying unexpected tuition when their children can't attend care and provides a reliable income stream for programs. The State switched back to an attendance-based system last summer; we would strongly recommend moving to an enrollment-based payment system moving forward.

Access and Quality:

- Working closely as partners with CDD to administer capacity building grant and technical assistance programs, we have continued to increase access especially for infant/toddler spaces, even during the pandemic. Now is the time to continue investing in capacity building infrastructure so a strong system of child care is in place when the economy recovers.
- We know that the best indicator of quality in early childhood education programs is the expertise and professional preparation of early childhood educators, but even before the pandemic, Vermont's child care system had a workforce shortage. To support those currently in the field, to recruit new early childhood educators, and to protect access to care into the future, we recommend investing in the workforce with increased wages and access to health care benefits, student loan repayment, scholarships, and professional

development for current and prospective early educators. Early childhood educators are literally on the front lines of responding to children's and families' needs during the pandemic. Having a skilled workforce that is well-versed in impacts of trauma and creating equitable classrooms has never been more important. We need to provide the professional pathways for the workforce to cultivate those skills.

IT:

- The pandemic has also shone a light on the shortcomings of the current IT system that administers Vermont's early childhood education system. Child care programs' easy access to COVID relief programs was significantly hampered by outdated IT infrastructure, and the State struggled to set up a system of emergency care for essential workers due to IT challenges. To ensure that the early childhood education system can continue to improve and weather a future crisis, we urge fully funding the necessary upgrades needed to stabilize the system.
- We know that the committee discussed with Commissioner Brown this week the fact that CCFAP has been underutilized in the current fiscal year by \$4.8 million, almost exactly the amount that is needed to fund the remaining modules of CDD's new IT system. We strongly encourage the Legislature to preserve that \$4.8 million for funding for child care IT in the coming fiscal year.

Vermont's recovery from COVID depends on us getting child care right: that means creating a high-quality system that is accessible to all families, universally affordable, equitable, and that values early childhood educators. We know now, more than ever, that child care is essential to our children, families, economy, and recovery. Thank you for all that you have done and continue to do for our early childhood education system – we look forward to continuing our work together to strengthen Vermont's early childhood education system so that we can all thrive.

ⁱ Horwitz, J. (January 2020). *Stalled at the Start: Vermont's Child Care Challenge*. Let's Grow Kids. Retrieved from https://www.letsgrowkids.org/client_media/files/pdf/StalledatStart2020.pdf.

ⁱⁱ Horwitz, J. (February 2020). *Access: The Need for More Early Childhood Educators in Vermont*. Let's Grow Kids. Retrieved from https://www.letsgrowkids.org/client_media/files/pdf/2020ECEWorkforceReport.pdf.