

Dear Senator Kitchel and members of the Senate Appropriations Committee:

I know it is very late and you are trying to complete your work on the budget bill. Nevertheless, I wanted to bring to your attention the needs of your Vermont Head Start programs that are facing serious deficits from the Childcare Financial Assistance Program (CCFAP). As you know, Vermont's Head Start program, located across the state, are dedicated to reducing poverty by providing high quality early care and education for our most at-risk children and families.

Five of Vermont's seven Head Start programs rely on the state childcare (CCFAP) subsidy to fund the students in their programs. Unfortunately, the state's decision to reimburse childcare based on attendance, rather than enrollment, has led to dramatic reductions in CCFAP payments during the pandemic; these have resulted in significant deficits. Due to the way the state administers CCFAP, Vermont Head Start programs collectively anticipate a combined deficit of \$1,357,451 between July 1, 2020 – June 30 2021. Details of this deficit, by program, are outlined in the attached.

H.171 includes a study of the policy around subsidy payments based on attendance. However, in the meantime, our Head Start programs lay in the balance. We request you direct the Child Development Division utilize ARPA funds to help Head Start programs to recover their deficits resulting from the COVID response. Our most vulnerable Vermont families depend upon these programs which are struggling to continue to provide childcare services through the pandemic.

Explanation of Head Start COVID deficits:

Head Start, which receives federal funding for covering some, but not all of our program expenses, is a unique and truly amazing program which takes a whole family approach, seeking to redress the generational cycle of poverty through multiple services. We rely upon a blend of public and private funds -- including the state childcare subsidy -- to make our program possible. For a relatively small state investment, Head Start leverages federal funds to make transformational change for the low income families we serve.

There are two chief reasons for deficits Head Start programs are facing. Following CDC guidelines for classroom safety, programs reduced the number of students in a classroom. At Capstone, for example, we served half the class, in person, for two days, while the other half was remote; these roles changed for the second half of the week. In addition, several families enrolled with our program selected fully remote services. However, the state did not reimburse Capstone for the days a student was not physically in the classroom, even though they were enrolled in the program and receiving services. For all families (remote or in person) we have continued to provide virtual services including weekly deliveries of activity packs, meals and diapers/wipes, along with virtual sessions with teachers. In addition, all our families were provided with wrap-around service supports including case management, consultation with mental health consultants, dental hygienists, registered dietician, and registered nurse, all as needed.

Because of the state's CCFAP rules, Head Start programs, along with many providers who (once) served low income families, are not being paid for the services they are providing and are suffering critical economic distress as a result.

The Office of Head Start at the federal level has been very flexible regarding attendance obligations during the pandemic. Our Head Start receives financial subsidy for the number of children enrolled in the program whether they are in person or remote learners. Massachusetts and Rhode Island currently reimburse based on enrollment. California has always reimbursed based on enrollment. Enrollment-based reimbursement through the pandemic is essential to keeping these critical programs available to low income families.

Our kiddos are in precarious situations – they may be homeless or in foster care, their parents may be incarcerated, or struggle with substance misuse. And in many cases, due to behavioral issues associated with childhood trauma, Head Starts are the only program families can turn to for early care. I hope you will consider the acute needs of these families and ensure the continuation of our federal programs in order to address our

On behalf of Capstone, all the Head Start programs and providers, as well as the many unknown private childcare providers negatively impacted by the states rules, **we request that you require the Child Development Division to reimburse childcare based on enrollment and not attendance – at least during the state of emergency period, and direct CDD to redress these program deficits utilizing the ARPA funds now available.**

Many thanks for your attention this this important challenge. Please feel free to contact me with any questions you may have.

Sincerely,
Sue

Sue Minter (she\her)

Executive Director

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Submitted by Vermont Head Start Association

Program	CCFAP estimated loss in revenue for FY 2021 (July 1, 2020 - June 30, 2021)
Bennington County Head Start and Early Head Start	\$ (250,000.00)
Capstone Community Action Head Start	\$ (465,962.00)
Windsor Southeast Supervisory District, Brattleboro	\$ (155,000.00)
Southeastern Vermont Community Action	\$ (167,200.00)
Rutland County Head Start	\$ (319,289.00)
Subtotal	\$ (1,357,451.00)
Chittenden County Head Start	Do not participate in CCFAP
Northeast Kingdom Community Action	