

To: Senate Committee on Health and Welfare
From: Dimitri Garder, CEO at Global-Z International and
Member, Vermont Business Roundtable Board of Directors
RE: H. 171 - An act relating to the governance and financing of Vermont's child care system
Date: April 15, 2021

Summary of Testimony

Good morning. For the record, my name is Dimitri Garder, CEO at Global-Z International in Bennington. I am speaking today on behalf of the Vermont Business Roundtable, in my capacity as member of the Board of Directors.

Thank you for the opportunity to testify today in support of H.171.

The Vermont Business Roundtable supports public investments in Early Childhood Education, and we believe that these investments should be focused on the ultimate goal of achieving a universal publicly funded 0-5 childcare system in Vermont. Our support for this initiative is framed around the following factors:

- Impact on children – The science demonstrates that most brain development occurs by age 3, and well-documented studies demonstrate that access to high-quality early childhood education has significant positive impact on the child's future, including health, economic and social wellbeing, and numerous other factors.
- Economic impact on workforce development – Prior to the COVID-19 pandemic and more acutely since then, the single greatest challenge that nearly all Vermont businesses face is lack of access to skilled workers. We believe that investments in early childhood education will positively impact the workforce in three critical ways. First, it will allow parents to re-enter the workforce by giving them access to affordable high-quality childcare. Second, it will better prepare Vermont's children for future jobs. Third, it will pay childcare providers a professional wage and improve workforce stability and quality for childcare centers.
- Recruiting and retention – We believe that a universal early childhood education system will position Vermont to attract and retain young families; the very demographic that has been in decline over the past several decades. This will generate further economic benefits by growing the workforce and growing the tax base.

- ECE is an investment, not a cost – Vermont’s Early Care and Learning Dividend¹ found that every dollar invested in high-quality, affordable childcare would yield a 3x return on investment. Given the positive impacts that early care offers to Vermont’s children, parents, and employers, we believe that Vermont cannot afford not to invest in universal early childhood education. We believe these investments will stem and hopefully reverse some of the most serious demographic trends that Vermont faces, which will in turn unlock other future investment potential in other initiatives.
- Vermont could have a first-mover advantage – We believe that by moving rapidly to implement the nation’s first publicly-funded universal early childhood education system, this will give Vermont strategic competitive advantage through attracting and retaining young families to our state.

Due to the above factors, the Vermont Business Roundtable supports public investments in early childhood education, however our support is tied to the following guiding principles:

- Urgency – We recognize that lack of access to affordable, high-quality childcare was a significant challenge for Vermont families prior to the COVID-19 pandemic and will continue to be a challenge well beyond Vermont’s recovery unless we make the needed investments. We believe that Vermont must move urgently and with purpose to advance towards the goal of a universal ECE system.
- Funding – we believe that stakeholders must commit to engage in a prudent, rational, and pragmatic process to identify a new source of revenue that must be evaluated and prioritized according to sound fiscal policy characteristics including, among others, neutrality, and competitiveness. More details on this guideline can be found in our Statement of Support for Investment in ECE².
- Governance and accountability – we believe strongly that the process of researching, implementing, and operating an early childhood education system should be guided by a sound governance and accountability framework, with significant representation by Vermont’s business community.

In light of the above principles, we recommend the following changes to H.171 to further strengthen the bill:

1. Business involvement in the oversight process was significantly weakened in the final version of the House bill as passed. In the current version of the bill, the Child Care Development Block Grant working group in Section 10 sunsets on December 1, 2021, is focused primarily on the use of ARPA funds, and does not name specific business

¹ https://letsgrowkids.org/client_media/files/pdf/VermontECLDRreport.pdf

² https://vtroundtable.org/wp-content/uploads/2021/01/1.28.21-Statement-of-Support-for-Investment-in-ECE_FINAL.pdf

stakeholders. We advocate for strengthening the bill with a longer-term governance and accountability framework, with significant involvement by the business community, including representation by a representative group of business group champions and stakeholders.

2. We strongly support the studies proposed by H.171, however we are concerned with the reporting date of January 15, 2024 for the financing study proposed in Section 14. We recommend that Section 14 is modified to reflect a reporting date of January 1, 2023, and that funding for the financing study is secured before the end of 2021.

Thank you for your commitment to Vermont's children and their families. We appreciate your efforts to pass meaningful legislation. Thank you for the opportunity to speak with you today.

Respectfully Submitted,
Dimitri Garder, representing
The Vermont Business Roundtable