



Date: Friday, April 2, 2021
To: Senate Committee on Health and Welfare
From: Aly Richards, CEO, Let's Grow Kids
Sarah Kenney, Chief Policy Officer, Let's Grow Kids
Re: H. 171: Child Care is Essential

Thank you for inviting us to join you today to talk about H. 171. We want to thank this committee for your leadership on behalf of Vermont's children and their families through this past year. Let's Grow Kids greatly appreciates the House's work on H.171. We strongly support the bill and recommend some adjustments to ensure the strongest possible legislation to set Vermont on the path to lasting change for our youngest children.

This memo outlines recommended changes to the following sections:

- **Legislative intent (section 1):** Adding language specifically naming legislative intent that:
 - (1) no family spend more than 10% of their gross annual income on child care, and
 - (2) early childhood educators receive compensation that is commensurate with peers in other fields.
- **CCFAP (section 2):** Paying Child Care Financial Assistance Program tuition to programs based on children's enrollment instead of based on attendance.
- **ARPA work group (section 10):** Clarifying that the work group analyzing funding from the American Rescue Plan Act has the authority to expend those funds as needed in the coming months of the pandemic.
- **Financing study (section 14):** Amending the reporting deadline so the Legislature has the report and recommendation in hand by January 1, 2023, in time to take legislative action during the next legislative biennium; and adding language to clarify that one-time State funding will be available should the work group determine that ARPA funds cannot be used to fund the systems analysis in section 13 and the financing study.

As you're aware, child care, or what the early childhood field is beginning to collectively refer to as early childhood education, is essential. When families cannot find or afford early childhood education programming for their children, they cannot reliably participate in our state's labor force—a truth that has rippled out across our communities in the wake of COVID-19. In addition to helping parents and guardians balance work and family needs, early childhood education plays an important role in laying the foundation for children's long-term health and learning. When children have access to culturally-, linguistically-, and needs-responsive, high-quality early childhood education, it can close or eliminate achievement gaps caused by generational poverty, structural racism, and social inequity.¹ The social and political unrest we witnessed in 2020 in response to events of racial injustice teaches us that, now more than ever, we must help our children build a sense of community and an understanding of empathy from the earliest years.

Over the past several years, Vermonters have come together to develop recommendations for how to create a more equitable, affordable, and high-quality early childhood education system. H. 171 lays the groundwork for realizing Vermont's vision for such a system, integrating emerging best practices from other communities around the world. Let's Grow Kids is proud to support this bill. We know that many Vermont children, families, early childhood educators, employers, and communities will be positively impacted by the changes that would be set in motion by H.171, and we are happy to support the committee to hear the voices of some of those who would be most directly impacted.

We would like to highlight some of the key provisions in the bill and suggest a few opportunities to further strengthen it.

Legislative Intent – Section 1

Section 1 sets overall legislative intent for the bill. The language currently in H.171 is important and should be strengthened to clarify the overall goals. **We recommend adding specific language highlighting that the Legislature intends that no family spend more than 10% of their income on child care, and that early childhood educators – the workforce on which all other workforces rely – are compensated in a way that is commensurate with their peers in similar fields.** These goals are referenced in the financing study in section 14 of the bill, but they should also be specifically named as legislative intent.

Child Care Financial Assistance Program – Sections 2-4

H. 171 includes language aligned with the Administration's proposed changes to CCFAP in year 3 of the 5-year redesign plan for the program. We fully support the bill's proposal to align CCFAP federal poverty guidelines with the 2021 federal poverty guidelines, expand income eligibility for the program from 300% of the federal poverty level to 350% of the federal poverty level, extend 100% financial assistance to families earning up to 150% of the federal poverty level, and change how family contributions are structured from a per child payment to a family copayment.

Overall, the CCFAP proposals in H.171 are critical to better support parents like Alison, a single mother with two young children. In a letter submitted to the House Appropriations Committee, Alison shared the following:

"I am a single parent of a two-year-old and a five-year-old. My children attend The Garland School, and we love its emphasis on imaginative play, nature and community. I also love it because I know my children are getting healthy snacks and meals made and served on-site. The problem is I spend anywhere from 1/2 to 1/3 of my income on child care, even after assistance from CCFAP. It was challenging to find and pay for child care before the pandemic. I made just barely too much money to receive help and because nursing shifts are 12 hours long, I had to pay for traditional daytime child care, and an afterhours babysitter in addition to relying on my parents and in-laws for help with pick-up and drop-off. Since the pandemic I can't rely on my parents and in-laws for help because they are vulnerable to COVID-19. I had to change jobs, decreasing work hours, and taking a pay

cut, so that I could afford and be available during non-child care hours, but still 1/3 of my income is going to child care.”

To better support families like Alison’s, H. 171 implements year 3 of the CCFAP redesign plan and lays the foundation for transforming CCFAP to achieve a future system in which no family spends more than 10% of their gross annual income on child care.

Additionally, we recommend that this committee consider expanding the CCFAP proposals in H.171 to make payments to programs based on child enrollment vs attendance. This was a very important strategy in the early months of the pandemic, and it is how we provide per-pupil compensation to our public schools. Now, more than ever, ensuring early childhood education programs receive predictable funding and families have access to predictable financial support provides a solid foundation for our early childhood education system. The House took extensive testimony on this point and ultimately decided to include it as a study (currently section 12 of the bill) since the cost was uncertain. However, with extensive federal funds now directed to child care in the American Rescue Plan, there is a unique opportunity to implement this change for at least the next year. **We recommend the Senate amend the bill to direct a switch to enrollment-based payment in H.171 effective this year**, when the new IT system is online.

Supporting Vermont’s Early Childhood Educators – Sections 6-8

As you’re aware, early childhood educators are some of the lowest paid workers in the United States.¹ It can be hard for prospective early childhood educators to obtain the education and training they need when they can’t make ends meet, and it’s almost impossible to pay back student loans with such low income.² Child care programs in our state are struggling to recruit and retain the early educators they need to meet family needs, and research estimates that our state needs more than 2,000 additional lead early childhood educators in order to meet pre-pandemic demand.³ Especially in the wake of the pandemic, it’s more important than ever that we have skilled early childhood educators who can support children and families coping with the impacts of trauma and structural inequities.

To address these challenges, H. 171 identifies 3 important programs to support current and prospective early childhood educators:

- Increasing state investments in existing scholarships for current early childhood educators;
- Creating a new scholarship program for prospective early childhood educators; and
- Establishing a student loan repayment support program for new early childhood educators.

Scholarships for Existing Early Childhood Educators – 33 VSA § 3541

In order to retain current early childhood educators and support advancement in the field, we must support our existing workforce in continuing to advance their skills and training as part of the strategy to grow and retain our state’s early childhood education workforce. Due to limited resources, current scholarship programs have waitlists, and are only able to support a limited number of educators in completing apprenticeships, pursuing an associates degree in early

childhood education, or completing an alternative pathway portfolio in order to obtain their Vermont teaching license with an early childhood education endorsement.

To provide more comprehensive support to early childhood educators seeking degrees at all levels, we must continue to invest in these programs to address existing waitlists and allocate additional funding to support current early childhood educators in seeking bachelor's or master's degrees. H. 171 includes a \$300,000 appropriation for scholarships for existing early childhood educators. According to the Child Development Division, the Governor's budget proposal includes \$150,000 for this program. With the additional \$300,000 in the bill, the program will be able to serve 25 people seeking apprenticeships, 40 seeking associates degrees, 20 pursuing teacher licensure certification, expand to include 25 people pursuing bachelor's degrees.

Scholarships for Prospective Early Childhood Educators – 33 VSA § 3542

Scholarships that cover the full cost of tuition, books and materials, and room and board, can provide meaningful support to individuals interested in pursuing higher education and training in early childhood education. H. 171 calls for the establishment of a program to support prospective early childhood educators seeking an associates or bachelor's degree. Participants are asked to commit to working in Vermont in the early childhood education field for each year for which they seek the scholarship. This program will help to strengthen the pipeline of new early childhood educators in Vermont and has an added benefit of supporting many of Vermont's higher education institutions. H.171 appropriates \$400,000 to establish this program.

Student Loan Repayment Support for New Early Childhood Educators – 33 VSA § 3543

For those early childhood educators who are recent graduates, the high cost of seeking higher education paired with low wages makes it difficult to remain in the early childhood education field. In Vermont, 63% of the college class of 2017–18 graduated with student loan debt, which, on average, totaled \$31,431.⁴ It's hard to pay for essentials such as housing, food, and transportation when you earn less than a livable wage, let alone have hundreds of dollars in monthly student loan payments. To offer meaningful support to new early childhood educators, H. 171 proposes the creation of a student loan repayment support program, which will provide up to \$4,000 a year to new early childhood educators working at least 30 hours a week for at least 48 weeks per year in regulated early childhood education programs. The program will be available to those who earn less than \$50,000 a year. The bill includes a \$1,800,000 allocation for the program.

Let's Grow Kids supports the language and appropriations for these workforce sections.

Strengthening the Governance, Administration, and Accountability of Vermont's Early Childhood Education System – Sections 5 and 9-12

Upgrading BFIS – Section 5

H. 171 references funding in the House-passed budget that is needed to complete the upgrade of the Bright Futures Information System, the IT system used to administer Vermont's early childhood education system. As this committee knows, this investment is crucial to the future of our child care system. The end-user group established in H.171 will ensure that the new system works for the educators, families, community supports, and administrators who use it most.

Recommendations for Investing Funds in the American Rescue Plan Act – Sections 10 and 11

The American Rescue Plan Act (ARPA) provides roughly \$47 million in funding for child care, in two blocks of funds. H.171 establishes a process whereby DCF and Building Bright Futures will work with stakeholders to determine how best to allocate those funds to meet current and future needs. We think this is the right way to determine the best use of these vital resources. However, we are concerned that the timeline in section 10 is problematic. There are significant needs now, especially related to staffing of child care programs, and there are immediate opportunities to leverage these funds to support programs and families. **We recommend that this section be amended to clarify that the work group established in section 10 is empowered to distribute ARPA funds as the group determines necessary and appropriate**, with a report back to the Legislature in November on how the funds have been allocated, along with any recommendations for further allocation in 2022. We fear that the way the language is currently written, the work group might not have authority to authorize expenditure of funds to meet immediate needs—or to support the initiatives outlined in H.171—without reporting back to the Legislature and seeking further approval.

Systems Analysis - Studying Vermont's Early Childhood Education Governance, Administration, and Accountability Structures – Section 13

A key challenge that Vermont's early childhood education system currently faces is a large number of state and community-based partner agencies working to address needs through band-aid approaches that have been applied over the years. Vermont is not alone in this challenge. Over the past 10 years, several states have evaluated the administration and governance of their early childhood education systems and identified structural and programmatic solutions to strengthen operations, the flow of data and information, and community, family, and early childhood educator engagement in decision-making processes.

H. 171 proposes a systems analysis along these lines: Building Bright Futures will undertake a study, working with organizational or system management and administration experts and stakeholders, to ensure that Vermont's system of early childhood education effectively meets the needs of children, families, and early childhood educators.

Identifying a Long-Term Funding Mechanism for Early Childhood Education – Section 14

Finally, H. 171 proposes undertaking a study to identify a stable, long-term funding source for Vermont's early childhood education system. This study is, in many ways, the heart of this bill. It will provide a realistic estimate of the cost of a child care system that ensures that families spend no more than 10% of their income on child care, that care is available for all children who need it, and that early childhood educators – the workforce that supports all other workforces – are compensated on par with colleagues in other fields. And, equally importantly, it will provide potential funding sources to support a system that equitably serves all children and families. H.171 requires a preliminary report from the consultant doing this work by November 15, 2023 and a final report by January 15, 2024. This timeline is far too long. Children and families cannot wait another three years for relief. **We recommend amending the reporting deadline so that the Legislature has the report and recommendation in hand by January 1, 2023, in time to take legislative action during the next legislative biennium. This provides at least a full 18 months from passage for a consultant to be hired and the work to be completed.**

We also recommend adding language to ensure that funding will be available from State General Fund one-time dollars if the work group determines that ARPA funds cannot be allocated to fund the systems analysis in section 13 and the financing study in section 14.

Conclusion

Together, the priorities outlined in H.171 will help Vermont build an early childhood education system that is centered on equity and is responsive to the needs and preferences of all children and families, especially those from communities that have been traditionally underserved, disenfranchised, and oppressed by systemic racism, sexism, and other prejudices.

Thank you for all that you have done and continue to do for our early childhood education system, and we look forward to continuing our work together to strengthen Vermont's early childhood education system so that Vermont's children, their families and communities, our early childhood educators, and our economy can thrive.

Endnotes

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- ¹ Johnson-Staub, C. (December 2017). *Equity Starts Early: Addressing Racial Inequities in Child Care and Early Education Policy*. CLASP. Retrieved from https://www.clasp.org/sites/default/files/publications/2017/12/2017_EquityStartsEarly_0.pdf.
 - ² McLean, C., Whitebook, M., Roh, E. (May 1, 2019). *From Unlivable Wages to Just Pay for Early Educators*. Center for the Study of Child Care Employment: Berkley, CA. Retrieved from <https://cscce.berkeley.edu/from-unlivable-wages-to-just-pay-for-early-educators/>.
 - ³ 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.
 - ⁴ The Institute for College Access and Success. (2019). College InSight Vermont 4-year or above Data Table. Retrieved from <https://college-insight.org/spotlight/vermont-4-year-or-above/5019999999>.