

Child Care is **ESSENTIAL**



2023 Legislative Agenda

Table of Contents

Background	1
Legislative Agenda Overview	1
Legislative Priorities	2
Transform Vermont’s Child Care Financial Assistance Program (CCFAP)	2
Support Vermont’s Early Childhood Education (ECE) Workforce	3
Support children with specialized needs in child care programs	5
Quality Improvement	6
Capacity Development	5
Governance	6
System Financing.....	6
Endnotes	7

Our 2023 Legislative Agenda builds on decades of child care advocacy in Vermont. In 2023, our goal is to pass a bill that funds a quality, affordable, equitable child care system that supports our children, families, and early childhood educators, and puts our economy and workforce on a sustainable path.

About Let’s Grow Kids

Let’s Grow Kids is a nonprofit organization on a mission to ensure affordable access to high-quality child care for all Vermont families by 2025. With over 35,000 supporters from all walks of life, Let’s Grow Kids is strengthening the early childhood education system today and calling for lasting investments for the future. Together, we can give children a strong start and build a better Vermont for generations to come.

Background

Child care is essential, and the past three years have been devastating for Vermont's already fragile child care system. The impact of the pandemic and widespread workforce shortages presented unprecedented challenges. Unsurprisingly, early childhood educators and child care programs have risen to the occasion again and again, providing crucial supports to families and employers even while their day-to-day work has been extraordinarily difficult. With pandemic aid coming to an end in the next year, and workforce shortages still plaguing the field, child care investments present both a key solution to Vermont's broader workforce crisis and a vital opportunity to address longstanding structural challenges and inequities in our child care system.

In 2021, Vermont passed H. 171 (now Act 45), which laid the foundation to achieve an equitable, affordable, and accessible early childhood education system in Vermont by the end of 2025. Act 45 acknowledged the challenges the early childhood education landscape faced during the pandemic, established critical resources to support child care programs and families during unprecedented challenges, and set the following key goals for Vermont to achieve as part of this work:

- Make immediate investments to support Vermont's economy
- Ensure that all families with young children have affordable access to high-quality child care and early education, including ensuring that no Vermont family spends more than 10% of their annual income on child care; and
- Ensure that Vermont's early childhood educators are fairly compensated and well supported.¹

Act 45 also called for an evaluation of the governance and administration of Vermont's child care and early childhood education system, convened by Vermont's early childhood public-private partnership and advisor, Building Bright Futures. It also created a study to determine the cost of providing quality, affordable, and accessible child care in Vermont, and to recommend sustainable funding options to finance such a system. This financing study is overseen by the Vermont Legislature's Joint Fiscal Office and being completed by an independent consultant.

The findings of the [child care and early childhood education systems analysis](#) were released in mid-2022 and the final report from the system financing study is due January 15, 2023.

Based on the goals established in Act 45 and the recommendations of these reports, the 2023-2024 biennium is Vermont's opportunity to lift kids, families, our communities, and our economy and solve Vermont's child care crisis.

Legislative Agenda Overview

In order to lift Vermont's future and achieve quality, affordable, equitable child care in Vermont, the majority of young children need access to child care. Seventy-five percent of children 5 and under in Vermont have all available adults in their home in the labor force, but families around the state struggle to find and afford child care.^{2, 3} To ensure that child care is affordable and accessible to all who need it, we must expand Vermont's Child Care Financial Assistance Program (CCFAP) so that most Vermont families have access to child care scholarships. Currently, CCFAP provides some level of financial assistance to lower- and middle-income families who meet certain income, work, education, or health criteria. In a future child care system, CCFAP should be transformed into a near-universal scholarship program that ensures no Vermont family spends more than 10% of their income on child care. The new program must also establish scholarship rates that reflect the true cost of providing quality child care—

including the cost of fair wages and benefits for early childhood educators—and that specific funding is available to better support families of color and other families marginalized by systemic inequities.

Tied to this expansion of CCFAP, additional supports must simultaneously be put into place to grow Vermont's early childhood education workforce. Child care does not exist without early childhood educators. Before the pandemic, Vermont needed more than 2,000 additional lead early childhood educators to meet families' child care needs, and that number has likely only grown over the past few years.⁴ Early childhood educators are historically undercompensated for their critical work, and the pandemic only exacerbated this issue. In a recent poll of Vermont child care centers, 86% reported that they were experiencing staffing shortages. Through expansion of CCFAP, Vermont can increase scholarship payments to child care programs so that programs can provide fair wages and benefits to early childhood educators and program staff. Existing programs to help early childhood educators enter and remain in the field must also be well-supported to ensure there are many pathways available to people interested in the field of early childhood education.

Additionally, Vermont must continue to invest in child care business technical assistance, capacity development, and quality supports in order to ensure that the supply of child care can meet the needs of Vermont families.

Most importantly, Vermont must commit to making a long-term, sustainable investment in child care if we want to achieve the goals established in Act 45 and ensure a stable, thriving future for our children and our state.

Legislative Priorities

Transform Vermont's Child Care Financial Assistance Program (CCFAP)

In order to strengthen Vermont's Child Care Financial Assistance Program, Vermont should implement a 4-year plan to advance the program so that no family spends more than 10% of their annual income on child care. In this expanded version of CCFAP, lower-income families will have no or a very low weekly co-pay for child care (less than \$20 a week for their entire family), and middle-income families, on average, will spend less than 6% of their annual income on child care. As part of this change, CCFAP will be rebranded to better reflect the program's expansion and to better resonate with all kinds of families.

- Transformation timeline:
 - SFY 24: Transition year to implement a progressive sliding fee scale, increase reimbursement rates paid to child care programs, shift to an enrollment-based payment system, expand family income eligibility criteria so that families earning approximately 600-650% of the federal poverty level (approximately \$165,000-180,000 a year for a family of 4) are eligible for support, and make all early childhood educators categorically eligible to receive CCFAP for their age-eligible children regardless of income. Implement a set-aside for outreach and support for families of color and other families who have been marginalized by systemic inequities to ensure families can access the support available. This set-aside should be modeled after the successful Burlington Early Learning Initiative (ELI) outreach model and should be advised by the Vermont Office of Racial Equity.
 - SFY 25: Continue to increase program eligibility for higher-income families and lift all non-income eligibility restrictions for participation in the program so that families are eligible regardless of work or education status of the parents/caregivers. Shift reimbursement calculations from the current market rate survey to a cost of care model

- that is based on new minimum compensation standards for early childhood educators (including higher wages and benefits), and fully supports the comprehensive costs of providing quality early childhood education programming including financial support for offering nutritious meals and snacks, adequate funding to cover the cost of rising utilities and rent, classroom materials and curricula, etc. Cost of care will be the same across early childhood settings (family child care homes and center-based child care programs). Increase family benefits. Begin requiring programs receiving CCFAP funds to pay early childhood educators no less than the minimum compensation standards outlined in the early childhood educator workforce supports section of this document.
- SFY 26: Increase income eligibility, increase reimbursement rates, increase family benefits.
 - SFY 27: Fully implement new CCFAP model so that no Vermont family spends more than 10% of their gross annual income on child care, and make annual reimbursement rate and family benefit adjustments according to new program guidelines.
 - **Equity considerations:** The current CCFAP fee scale is based on flat payment rates for groups of families. While these flat rates make it easy to understand how much all families in a certain income bracket need to pay for child care each week, families at the lower end of the income bracket proportionally spend more of their income on child care than the families at the higher end of the same flat fee bracket. Switching to a progressive sliding scale will eliminate this inequity. Additionally, having a specific set of funding available to support access for families of color and other families who have been marginalized by inequities will ensure that families who have not been well served by the program in the past will receive direct outreach and support finding and affording child care.

Support Vermont's Early Childhood Education (ECE) Workforce

The COVID-19 pandemic significantly impacted Vermont's early childhood education workforce, driving hundreds of early childhood educators out of the field. In order to retain Vermont's current early childhood educators and recruit new individuals, Vermont must strengthen existing workforce support programs, increase early childhood educator compensation, and create new opportunities to diversify the workforce and support current early childhood educators of color. These critical steps lay the foundation for forthcoming recommendations from Vermont's early childhood education workforce in 2024 on how to better structure, resource, and sustain the field moving forward.

- 2023 Priorities:
 - **Wages:** Introduce an interim program to provide wage supplements (approximately equivalent to a wage increase of \$1.00/hr) for all early childhood educators, including substitutes, working in regulated programs until minimum compensation standards are integrated into the CCFAP cost of care model in SFY 25. These funds should be state income tax exempt and not considered as income if early childhood educators are applying for or certifying income for social assistance programs. Funding should be administered by a third-party vendor.
 - **Student Loan Repayment Support Program:** Strengthen Vermont's Early Childhood Educators Student Loan Repayment Assistance Program (SLRAP) to support people working in ECE programs or public-school pre-K programs, align degree requirements with Northern Lights credential level requirements, and expand access beyond those who graduated in the past five years.
 - **TEACH Early Childhood Program:** Ensure full funding for the TEACH program, a professional preparation scholarship program for individuals currently working in child care, to allow the program to expand to meet demand and support applicants currently

- on a waitlist. TEACH helps early childhood educators obtain child care credentials, associate degrees, bachelor's degrees, or teaching licenses.
- **Early Childhood Education Pre-Apprenticeship Program:** Ensure full funding for Vermont's early childhood education pre-apprenticeship program for high school students so that the program can meet increasing demand.
 - **Provide funding for Vermont's Early Childhood Higher Education Consortium:** The [Early Childhood Higher Education Consortium](#) brings together leaders from Vermont's early childhood education higher education programs to create aligned professional preparation programs, ensure programs are utilizing national best practices, and discuss emerging considerations for higher education programs and the early childhood education field. Funding is needed to support facilitation of the Consortium and its work.
 - **Health Insurance:** Many of Vermont's early childhood educators do not have access to health insurance.⁵ Beginning in 2024, all early childhood educators should be categorically eligible for a no- or low-cost silver-level health insurance plan through Vermont Health Connect.
- 2024 Priorities:
 - Over the past several years, the early childhood education workforce has been convening at the national and state levels to create a shared vision for the future of the field of early childhood education. The National Association for the Education of Young Children has helped to convene these conversations nationally, and, in Vermont, this work has been convened by Vermont's Advancing ECE as a Profession Task Force led by early childhood educators from different settings all across the state.
 - **Establish new professional preparation standards for the workforce:** Based on feedback from the early childhood education field in Vermont, Vermont's Advancing ECE as a Profession Task Force plans to put forward a proposal to create an official profession of early childhood education, with an early childhood-specific credentialing and licensure system. This system will include supports for current and prospective early childhood educators to attain necessary credentials. Details are still under development and will be informed by those currently in the field, including early childhood educators of color.
 - **Minimum Compensation Standards:** In alignment with new professional standards for the field, it is critical to ensure that early childhood educators are fairly compensated. To do this, Vermont must implement new minimum compensation standards for the workforce to be funded through CCFAP. These minimum standards have been developed by the Advancing ECE as a Profession Task Force with input from the field and other state partners to ensure that all early childhood educators earn wages and benefits on par with peers in other fields.
 - **Align Workforce Support Programs:** Revise the apprenticeship program through CDD to align with the 3-tier professional credential and licensure model.
 - **Equity considerations:** The professional preparation work aims to provide a variety of supports to diversify Vermont's early childhood education workforce. These programs also include dedicated funding and supports to help people of color and others marginalized by systemic inequities to enter and remain in the field. Programs will be developed with leadership from VT early childhood educators of color, informed by models piloted in VT and other states.

Support Children with Specialized Needs in Child Care Programs

Currently, it can be challenging for families with children with disabilities and special health needs to find child care that meets the needs of the child. In 2022, Let's Grow Kids worked with the Vermont Family Network, Children's Integrated Services, and Head Start to survey families with children with disabilities and special health needs to better understand their child care needs. Based on families' feedback and the input of partners and child care programs, Let's Grow Kids is proposing to reconfigure and expand Vermont's Special Accommodations Grant (SAG) program to better respond to individual children's needs and to increase training and support for child care programs to ensure more early childhood educators are well-prepared to support all children and their families. This proposal is still under development and will be adapted as needed as the CDD contract for quality coaching is announced and work on the federal Preschool Development Grant gets underway in Vermont.

- **Timeline:**
 - SFY 24: Transform SAG program and increase funding. A new iteration of the program should have two streams of funding, one for child care programs to meet specialized needs for individual children, administered by regional CIS teams. A separate funding stream is necessary for child care programs to provide inclusive care, administered by quality coaches. The current SAG application process must be dramatically streamlined and must eliminate the current six-month reapplication requirement and move to a 12-month eligibility process.
 - SFY 25: Make specialized child care and advanced specialized child care training available at no cost to child care programs; work with higher education partners to integrate components of basic specialized child care training into curriculum/professional preparation pathways.
 - SFY 27: Programs receiving public funding must demonstrate that classroom staff and program directors have received foundational specialized child care training.
- **Equity considerations:** Survey data from families with young children with disabilities and special health needs found that while many families with children currently enrolled in child care programs are generally satisfied with the "fit" of their child care program, the majority of these children have been asked to remain home from a program on at least an occasional basis due to a program's inability to meet a child's needs at certain times. Ensuring that programs have better access to adequate funding to support children and their families and that program staff have a foundational understanding of how best to work with children with disabilities and special health needs and make referrals to services as appropriate is critical to ensuring equitable access to child care in Vermont.

Capacity Development

Significant infrastructure buildout is needed to ensure that Vermont's supply of early childhood education programs is able to meet demand. A state contract was just awarded to First Children's Finance, in partnership with Let's Grow Kids, to expand child care business technical assistance and capacity development throughout the state. Continued funding is needed in future years to support this work, but, in the interim, Vermont statutes governing child care regulation need to be updated to align the definitions of family child care homes and center-based child care programs with current national best practices. This will involve changes regarding the definition of "own residence" for family child care homes, changes to support the emergence of microprograms, and the opportunity to leverage existing smaller facilities to become satellite sites of existing programs.

Quality Improvement

Vermont is currently developing a plan to revise the state's quality recognition and improvement system, known as STARS (STep Ahead Recognition System). Once the final proposal is available, Let's Grow Kids and our partners will determine what, if any, legislative action is needed to ensure that Vermont moves to a new quality improvement system that centers equity and is in line with national best practices.

Governance

As recommended by the [Vermont Child Care and Early Childhood Education Systems Analysis](#), Vermont should implement a child care and early childhood education system governance model led by a single, empowered leader in state government, in an exempt position on the Governor's cabinet, who is charged with overseeing Vermont's early childhood education system. This oversight should include Vermont's child care system, universal pre-K, Head Start, Children's Integrated Services, Early Childhood Special Education, and the Parent Child Centers. The transition process to this governance model should be led by Building Bright Futures, Vermont's public-private partnership and state advisory council for early childhood initiatives and ensure inclusion of stakeholder voices—particularly those historically excluded from governance conversations. Building Bright Futures is in the best position to ensure that the process is driven by data-informed decisions, accountability, and outcomes for children.

To accomplish the scope of expansion necessary for the child care system, additional staffing will be needed for both the state agency administering CCFAP and the eligibility specialists at child care support agencies. The state IT infrastructure – the new CDDIS system – is also crucial and must be continually supported so that this expansion is seamless for families and child care programs.

System Financing

To support a child care system that meets the goals established in Act 45, Vermont must establish a long-term, sustainable funding source for Vermont's early childhood education system, based on recommendations from the Financing Study currently being developed for the Legislature's Joint Fiscal Office by the RAND Corporation in accordance with Act 45.

In SFY24, one-time transition funds will be needed to support the system transformation work while sustainable funding ramps up.

Endnotes

- ¹ Vermont Act 45 (2021). Vermont Legislature. Retrieved from <https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT045/ACT045%20As%20Enacted.pdf>.
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- ⁴ Horwitz, J. (January 2020). *Access: The Need for More Early Childhood Educators in Vermont*. Let's Grow Kids. Retrieved from https://letsgrowkids.org/client_media/files/2020ECEWorkforceReport.pdf.
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