

Child Care is **ESSENTIAL**



2021 Legislative Agenda

JANUARY 2021

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About Let’s Grow Kids

Let’s Grow Kids is a nonprofit organization on a mission: ensuring affordable access to high-quality child care for all Vermont families by 2025. With over 30,000 supporters from all walks of life, Let’s Grow Kids is strengthening the early care and 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.

Executive Summary

2020 was a challenging year for many Vermonters, especially for those with young children. However, Vermont stepped forward in a way no other state did, working quickly to stabilize our child care system. While families with young children already knew how essential our early childhood educators are to our state, many other Vermonters began to realize just how critical child care is to not only young children and their families, but to our state's entire economy. Without child care, many Vermonters cannot work. And when Vermonters cannot work, our economy cannot thrive.

As the hope of new vaccines begins to shift conversations from crisis response to future economic recovery, child care must be central to these conversations. As Vermont works to build back stronger, we have an opportunity to achieve high-quality, affordable, accessible, and equitable early care and education for Vermont's youngest children who need it by 2025.

But the work must begin this year. Beginning in 2021, Let's Grow Kids is calling on the Vermont Legislature to undertake a 3-year process to transform child care for children birth to five.

When we're successful:

- Children from all backgrounds and abilities will have access to high-quality child care;
- No family will spend more than 10% of their income on child care;
- Early childhood educators will be fairly compensated;
- The system will have well-coordinated and transparent governance, administrative, and accountability structures and resources; and
- Stable, long-term funding for the system will be secured.

Overview

Child care is essential. When families cannot find or afford child care, many parents and caregivers cannot reliably participate in the workforce—a truth that has rippled out across our communities in the wake of COVID-19.

Before the pandemic, three out of five of Vermont's youngest children did not have access to the child care they needed.¹ COVID-19 has only exacerbated this challenge, leaving even more families struggling to find and afford child care that best meets their needs.

In addition to helping parents and caregivers balance work and family needs, child care is an important support for young children in their early development. 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.² 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. But the inequities embedded in our systems make this a challenge. In particular, early childhood educators—the people who drive the quality and inclusiveness of our early childhood education programs—are some of the lowest paid workers in the United States.³ 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.⁴

Over the past five years, Vermonters have been working to develop a roadmap for our state to achieve high-quality, affordable child care for all Vermont families who need it. This work has included participating in national conversations about child care, including efforts to develop unified terminology and standards when referring to child care programs and the dedicated staff who care for and educate young children every day.

Based on these unifying conversations, throughout the remainder of this document, we use the term early childhood education to describe what Let's Grow Kids and many other early childhood organizations have traditionally referred to as child care.

This work has also included efforts like Vermont's [Blue Ribbon Commission on Financing High Quality, Affordable Child Care \(BRC\)](#), the [Building Vermont's Future from the Child Up Summit \(Summit\)](#), [Building Vermont's Future from the Child Up Think Tank \(Think Tank\)](#), the [Advancing Early Childhood Education as a Recognized Profession Task Force \(Advancing as a Profession\)](#), and other efforts led by partners like Building Bright Futures, the Vermont Association for the Education of Young Children, and the Vermont Early Childhood Education–Higher Education Consortium.

Now is the time to act on these recommendations to ensure that Vermont families have access to high-quality, affordable early childhood education opportunities, early childhood educators are fairly compensated, and the early childhood education system is equitable and sustainable.

Legislative Priorities

To ensure that all Vermont children have access to high-quality early childhood education that meets the needs of the children and their families, our state must commit to enacting the following policies in 2021—and building on them in 2022 and 2023—to support our children, families, early childhood educators, communities, employers, and economy:

1. Make early childhood education more affordable;
2. Fairly compensate and advance Vermont’s early childhood education workforce;
3. Expand access to high-quality early childhood education throughout the state;
4. Invest in new IT for Vermont’s early childhood education system;
5. Strengthen early childhood education system governance and administration; and
6. Identify a long-term funding plan for our state’s early childhood education system.

Together, these priorities 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.



Priority I: Make Early Childhood Education More Affordable

In 2019, the Scott Administration proposed, and the Legislature approved, a 5-year plan to redesign Vermont's Child Care Financial Assistance Program (CCFAP) to increase income eligibility guidelines and shift family payments to a maximum family contribution model based on percent of a family's income instead of individual child payments. The plan was enacted beginning in state fiscal year 2020 (2019–2020) and is currently in year two of the 5-year plan. The redesign offers a major step forward, but it does not go far enough to fully realize the recommendations of the BRC, Summit, and Think Tank for children birth-5 or to align with emerging best practices from across the country.

Currently, families receiving financial assistance through CCFAP can still spend more than 30% of their gross annual income on early childhood education, and eligibility criteria exclude many families, including those working non-traditional hours, families in which parents or caregivers work less than full-time, and families in which parents or caregivers are pursuing education or job training beyond an initial bachelor's degree.⁵ The current application process for CCFAP is also challenging due to an outdated IT system that doesn't adequately process online applications, requiring regional community child care resource agencies to ask families to then complete a separate paper application. Additionally, if a family is approved, the payment process through CCFAP on behalf of families is complicated, pays below-market rates, and is based on attendance, not enrollment, making it difficult for early childhood education programs to create balanced budgets that appropriately compensate early childhood educators.

To create a system in which all Vermont families can afford early childhood education, we propose building from years three, four, and five of the Administration's proposal to achieve an expanded sliding scale system that:

- Ensures no family spends more than 10% of their gross annual income on early childhood education;
- Expands eligibility for financial assistance to all those who need it;
- Increases CCFAP scholarship payments to early childhood education programs so that programs can pay early childhood educators wages that are on par with their peers in other fields, and invest in the resources necessary to operate a high-quality program, and
- Streamlines the application and payment process for the program so that families can apply online, through in-person assistance, or over the phone; and scholarship payments are based on enrollment.

Ensure No Family Spends More Than 10% of Their Gross Annual Income on Early Childhood Education

In 1998, the federal government established a benchmark that families should spend no more than 10% of their gross annual income on early childhood education.⁶ This recommendation has further been revised downward since that time, but no state has yet achieved the 10% recommendation for all families as a starting point.

In year three of the Administration's CCFAP redesign proposal—beginning on July 1, 2021—the family payment determination scale will begin to determine family payments as a percentage of the family's income, and the threshold for 100% financial assistance will be extended to cover families earning up to 150% of the federal poverty level. However, families that are not eligible for CCFAP will still face significant financial challenges trying to balance meeting other family budget needs and paying for early childhood education.

Building from the Administration's proposal, in years four and five, we propose phasing in a sliding scholarship scale that provides financial assistance to families so that one year after the Administration's current plan, no Vermont family spends more than 10% of their income on early childhood education.

The chart below provides an example of what this expanded sliding scale could mean for a 4-person family that earns 350% of the federal poverty level (currently, \$91,700), with two young children enrolled in full-time early childhood education.

Calendar Year	Annual Family Contribution
2020	\$26,520
2021	\$9,629
2022	\$9,629
2023	\$6,878
2024	\$5,731
2025	\$5,273

Let's Grow Kids recommends that the Legislature continue to invest in the Administration's CCFAP redesign proposal in 2021 and expand on the proposal in future years to ensure that no Vermont family spends more than 10% of their income on early childhood education.

Expand Eligibility for Financial Assistance to All Those Who Need It

Currently, CCFAP is not available to children from families in which parents or guardians:

- Work, attend a job training program, or are enrolled in an associate or bachelor's degree program part-time;
- Work non-traditional hours;
- Are enrolled in higher education programs beyond an initial bachelor's degree; or
- Are enrolled in in-patient or intensive outpatient substance use disorder or mental health treatment programs.

Beginning in year four of the Administration's CCFAP redesign plan, we propose beginning to phase out various eligibility requirements for CCFAP as follows:

- State Fiscal Year 2023 (Year four of the Administration's plan):
 - Allow families working at least part-time, working non-traditional schedules, or families in which parents or guardians are enrolled at least part-time in higher education or job training programs—including graduate and professional programs or a second bachelor's degree—to qualify for the program.

- Allow families in which a parent or caregiver is participating in in-patient or intensive outpatient substance use disorder treatment and/or mental health programs to qualify.
- State Fiscal Year 2024 (Year five of the Administration's plan):
 - Expand program to cover all families, regardless of work, education, or health status.

Let's Grow Kids recommends that the Vermont Legislature begin to roll back restrictions that prevent children from accessing meaningful early childhood education scholarship support beginning in SFY 2023.

Increase CCFAP Scholarship Payments to Programs

CCFAP's scholarship rates, currently known as "reimbursement rates," are the amount CCFAP pays to early childhood education programs on behalf of a family. These rates are calculated based on data from market rate surveys, surveys that reach out to Vermont early childhood education programs and collect information on how much programs charge families for tuition. Currently, scholarship rates are based on data from 2015 and 2017 market rate surveys, meaning that early childhood education programs are receiving payments based on what programs were charging three to five years ago. Programs can cover the gap between CCFAP's low payments and current tuition rates either by making up the difference through other means or by asking families who are already receiving scholarships to cover the difference.

To address this issue, we propose modifying how CCFAP scholarship payment rates are calculated so that rates are based on annual cost of care modeling instead of the current market rate survey methodology. More and more states are moving to a cost of care modeling option. This type of model allows the administering agency to annually account for the full array of costs associated with providing high-quality early childhood education, including early childhood educator compensation, nutritious meals and snacks, classroom play structures and materials, operating costs, etc.

Let's Grow Kids recommends that the Legislature change the methodology used to calculate CCFAP payments on behalf of families to ensure early childhood education programs receive sufficient funds to adequately compensate early childhood education staff and provide healthy, supportive environments for young children.

Streamline the Application and Payment Processes

The last key issue with CCFAP that must be addressed is the program's application and payment processes. CCFAP application support is provided through community child care support agencies located throughout the state. While the state offers an online application, due to IT issues, most community child care support agencies cannot use the information received through the online form to determine a family's eligibility for the program, so families must be contacted to complete paper copies of enrollment paperwork by hand. These IT limitations create duplicative work for families and can deter some families, especially those with time constraints, from completing the enrollment process. The process is a particular challenge for families who work during the office hours when in-person application support is available. If a

family does make it through the enrollment process, CCFAP makes payments to a family's early childhood education program retrospectively based on attendance rather than enrollment, making it very difficult for programs to develop predictable budgets.

To address these challenges, during the phased-in approach to a universal sliding-scale system, a well-designed family portal that provides an easy to complete, standardized application form for the program needs to be developed, and in-person and phone-based application supports should be strengthened to better meet the needs of Vermont families.



Once a family is approved for the scholarship program, scholarships should be issued to an early childhood education program based on a child's enrollment. This change would help families have a predictable payment and ensure programs have a predictable stream of revenue. Enrollment-based payment was used during the initial months of the COVID-19 pandemic to positive effect and should be reinstated as regular policy.

Let's Grow Kids recommends that the Legislature direct the Child Development Division to streamline CCFAP application and payment processes using new technology solutions to better support families and early childhood education programs and direct the Division to pay programs based on enrollment.

Priority 2: Grow & Strengthen Vermont's Early Childhood Education Workforce

Vermont's employers depend on families being able to access quality early childhood education so that parents and caregivers can work. This means that Vermont's economy relies on one key workforce—our early childhood educators.

Unfortunately, Vermont faces a serious shortage of early childhood educators. At the beginning of 2020, Vermont faced a shortage of over 2,000 lead early childhood educators necessary to meet demand for early childhood education.⁷ This staffing crisis has been further exacerbated by the pandemic, with early childhood education programs struggling to remain open due to staffing shortages.

Nationwide, early childhood educators are the lowest paid graduates of any college degree program.⁸ In Vermont, the median annual wage for a preschool teacher is \$34,650, often without benefits.⁹ Comparatively, the median annual wage for a kindergarten teacher is \$56,850 plus benefits.¹⁰ That's more than a \$20,000 per year difference in wages, not including the value of benefits, for early childhood educators with comparable career preparation.

Numerous research studies have shown that the quality of any early childhood education program is directly linked to the professional preparation of the staff. According to a report from the U.S. Department of Education, “wage parity across settings is critical to attracting and



retaining a high-quality workforce, essential for a high-quality (early childhood education) program.”¹¹ Additionally, the cost of obtaining an associate or bachelor’s degree in early childhood education combined with current wage gaps can be a significant barrier for some prospective early childhood educators, especially individuals from lower-income communities and early childhood educators of color.¹² This fact is especially problematic as we seek to develop a dynamic future workforce that reflects the growing diversity of Vermonters.

Additionally, state colleges and universities are considering or have enacted cuts to preparation programs for early childhood educators. Without access to higher education programs, the early childhood workforce will remain at a deficit.

In order to ensure Vermont’s children, families, and employers are well-supported as our state begins efforts to recover from the pandemic, it is essential that our state invest in our early childhood educators—the bedrock of our economy. To do this, we must:

- Increase early childhood educator compensation by adopting compensation standards that are comparable with other similar professions; and
- Invest in rapidly growing and retaining Vermont’s early childhood education workforce through scholarships at Vermont colleges and universities and student loan repayment support.

Increase Early Childhood Educator Compensation

Vermont is not alone in working to address compensation gaps between early childhood educators and their peers in other fields. However, a number of other states and municipalities have identified that adopting minimum compensation standards—standards that outline the **minimum** an early childhood educator may be paid based on their credentials and experience and that are **aligned with comparable positions in other fields**—is a successful way to achieve pay parity in a short amount of time when paired with appropriate funding through CCFAP.

This model is based on successful approaches adopted by other states and municipalities, including Washington State and New York City. The idea behind these approaches is that when early childhood education programs agree to provide early childhood education to children receiving financial assistance, the early childhood education program must also agree to pay staff in accordance with the state or municipality’s early childhood educator minimum compensation scale. Compensation amounts vary based on an early childhood educator’s credentials and experience, and the amounts the financial assistance program pays an early

childhood education program on behalf of a family are sufficient to allow the program to pay wages based on the compensation scale.¹³ This idea was also studied and recommended by the Building Vermont's Future from the Child Up Summit and Think Tank.

We propose creating minimum compensation standards for each of the positions in Vermont's early childhood education system, as specified in Vermont's early childhood education regulations. Through the redesign of CCFAP, early childhood education programs will receive sufficient funding to compensate staff appropriately based on their skills and experience.

The standards should be phased in, aligning with the proposed redesign of CCFAP, and should regularly be re-evaluated to align with the most current early childhood educator position or credential information and to ensure wages are on par with comparable occupations.

Let's Grow Kids recommends the creation of minimum compensation standards for early childhood educators and that the state increase CCFAP reimbursement rates to allow early childhood education programs to pay wages and provide benefits in line with these standards.

Invest in Early Childhood Educator Professional Preparation

Before the pandemic, Vermont needed over 2,000 lead early childhood educators to meet child care needs, and that deficit has only grown.¹⁴ In order to support our economic recovery after COVID-19, we must invest in multiple resources and professional preparation pathways to rapidly expand our early childhood education workforce.

States like Massachusetts and New Jersey have been able to rapidly and equitably grow their early childhood education workforce through investments in supports like scholarship programs for new and current early childhood educators.¹⁵ Through strategies such as strengthening programs like tech center training; creating free distance learning opportunities in partnership with Vermont's community colleges and state universities that best meet the needs of rural early childhood educators; and developing programming that works for early childhood educators for whom English may be a second language; Vermont can build from lessons learned in Massachusetts and other communities to quickly grow Vermont's early childhood education workforce in the next five years.

Scholarships for Prospective Early Childhood Educators

Early childhood educators are at the heart of improving the quality of early childhood education and creating a culturally-, linguistically-, and ability-inclusive early childhood education system. However, the cost of higher education can be a significant barrier for prospective early childhood educators, especially those who are Black, Indigenous, Latinx, Asian, and Pacific Islander.^{16,17}

Meaningful financial support, such as scholarships that cover the full cost of tuition, books and materials, and room and board, must be available to individuals interested in pursuing higher education and training in early childhood education. This is an opportunity to collaborate with Vermont State Colleges and the Community College of Vermont to implement a program that provides comprehensive scholarships for associate and bachelor's degree programs to support

the recruitment and retention of early childhood educators who are prepared to lead early childhood education classrooms and programs.

Let's Grow Kids recommends that the state invest at least \$200,000 to support the creation of a scholarship program for prospective early childhood educators and invest in our state's colleges and universities.

Scholarships for Existing Early Childhood Educators

In addition to supporting new early childhood educators, we must also support our existing early childhood educators 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 associate 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 and master's degrees.

Let's Grow Kids recommends that the state invest at least \$300,000 to fully fund existing scholarships for current early childhood educators and expand support for those seeking bachelor's degrees.

Student Loan Repayment Support for New Early Childhood Educators

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 class of 2017–18 graduated with student loan debt, which, on average, totaled \$31,431.¹⁸ According to 2018 Vermont Public Radio and Vermont Public Broadcasting Station polling data, Vermonters ages 18 to 44 reported that the cost of education is one of the most financially stressful expenses they face, coming in second only to the cost of housing.¹⁹ This significant burden is a serious concern for new early childhood educators who may only earn minimum wage as they start out in the early childhood education field.²⁰ 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 address the need for more early childhood educators, we propose introducing a student loan repayment support program to recruit and retain new early childhood educators.

Who qualifies

The program should be open to early childhood educators who graduated with an associate degree or bachelor's degree in early childhood education or early childhood special education within the past three years (2019–2021) and who meet the following criteria:

- During college or university, was a Vermont resident who obtained a degree from an in- or out-of-state college or university or was an out-of-state resident who obtained a degree from a Vermont college or university; and
- Holds a position as a lead or associate teacher for infants, toddlers, or preschoolers/pre-K with a regulated Vermont family child care home or center-based child care or preschool program, including prequalified pre-K programs; and
- Earns an annual salary equal to or less than \$60,000 per year.

These eligibility criteria would allow the student loan repayment assistance program to support early childhood educators who are likely to have the hardest time making ends meet, and the expanded eligibility would allow early childhood education programs to more quickly fill vacant positions. Moving forward, the program could be open to the above categories of early childhood educators who graduate in the given calendar year.

What participants receive

If an early childhood educator qualifies for the program, we recommend that early childhood educators working full-time as a lead or associate teacher for infant, toddler, or preschool/pre-K classrooms receive up to \$3,000 per year in student loan repayment support. If paid out on a monthly basis, this support is likely to provide meaningful financial relief to new early childhood educators.

Length of program

To ensure that early childhood educators are able to make the transition from college to career and work toward higher wages, we recommend that participants be eligible for the program for up to five years. This allows the program to both recruit and retain qualified early childhood educators and grow Vermont's overall workforce.

Let's Grow Kids recommends that the Legislature invest at least \$2,000,000 to fund a student loan repayment assistance program to secure the 2,000+ lead or associate early childhood educators who are needed to support the early childhood education needs of Vermont's youngest children and their families.

Priority 3: Expand Access to High-quality Early Childhood Education Throughout Vermont

Before the pandemic, 62%, or about three out of five, infants likely to need child care did not have access to a regulated program, and families with toddlers and preschoolers also struggled to find a space for their child.²¹ In addition to needing to grow our early childhood education workforce, we also need to increase the capacity of early childhood education programs in Vermont to meet demand for child care by investing in child care capacity development and investing in coordinated service partners.

Invest in Early Childhood Education Program Development

It was hard to start an early childhood education program before the pandemic, but it has become even more challenging as the economy continues to experience significant changes. Early childhood educators in Vermont have reported being turned down for new business or personal loans due to early childhood education being designated by creditors as a “high risk” (unstable) occupation, and creditors, even before the pandemic, do not tend to offer traditional business financing options to early childhood education programs.

To address these issues, the governor has included funding for early childhood education capacity development in past budget recommendations, and Let’s Grow Kids has partnered with the state to make these funds available through the Make Way for Kids grant program. This program provides new and existing early childhood education programs with technical assistance and funding to increase the number of high-quality early childhood education spaces available in our state. In 2021, Let’s Grow Kids will convene state and national partners to discuss how to develop ongoing supports for early childhood education capacity development and early childhood education business lending. As part of these efforts, it is critical for the state to continue to invest in capacity development to meet the needs of Vermont children and families.

Let’s Grow Kids recommends that the Vermont Legislature continue to invest in early childhood education capacity development to ensure that all Vermont children who need access are able to find a program that meets their needs.

Invest in Coordinated Service Partners

Additionally, high-quality early childhood education includes coordination with other key early childhood and family service partners such as Vermont’s Parent Child Centers, Children’s Integrated Services, and Early Childhood Special Education. It is critical for the state to also adequately invest in these complementary systems in order to support their effective coordination with early childhood education.

Let’s Grow Kids recommends that the state adequately invest in wrap-around services to ensure that all children and families have access to critical resources and supports like early intervention, early childhood special education, and mental, behavioral, and physical health supports.

Priority 4: Invest in IT Solutions

As noted earlier in this whitepaper, Vermont's IT systems used to administer the state's early childhood education system are outdated and unable to address the current and future needs of



the early childhood education system. Families and community child care resource agencies are having to use paper forms as workarounds for issues with online CCFAP applications, information on the availability of spaces at child care programs is being collected through surveys, and real-time data on early childhood educator credentials is unavailable. This lack of real-time data has been especially problematic during the COVID-19 pandemic. Without immediate investments in IT, full implementation of the previous priorities cannot take place.

The Legislature has already allocated some funding to allow the state to upgrade one module of the current IT system, the Bright Futures Information System, but additional, one-time funding is needed to fully upgrade the system to utilize an adaptable platform that can support the expansion of CCFAP, real-time tracking of child care enrollment data, early childhood educator credentialing, and analysis of capacity development needs.

The state must invest \$4.7 million in state fiscal year 2022 to ensure IT upgrades can be completed. The full implementation of all other priorities included in this proposal hinge on this investment.

Priority 5: Strengthen Governance and Administration

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.

We propose building from this best practice to commission a study, working with organizational or system management and administration experts, to ensure that Vermont's governance for early childhood education effectively meets the needs of children, families, and early childhood educators by evaluating the following:

- Existing early childhood education governance and administrative stakeholders and structures;
- Early childhood education governance and administrative functions that are currently not staffed or understaffed;

- Emerging system needs; and
- Stakeholder engagement in decision-making processes and state plan development.

The study should include specific recommendations on how the state can strengthen the governance and administration of its early childhood education system, and work should begin in the summer of 2021 with a final report being issued no later than January 2022.

Additionally, while the study is being conducted, there is a need for an interim advisory council to support Vermont's Child Development Division (CDD) with the implementation of some of the policy proposals outlined earlier in this document. This group would be responsible for working with CDD staff to develop rules to implement early childhood education laws adopted by the Legislature and to inform the division's work to update the state's next Child Care and Development Fund state plan. This group should include at least one representative from each of the following categories:

- A parent or caregiver from a larger town or city;
- A parent or caregiver from a rural community;
- A family child care home early childhood educator;
- A center-based child care and preschool program early childhood educator;
- A Head Start family policy advisory council member;
- A Head Start early childhood educator or program director;
- A representative from the Vermont Association for the Education of Young Children;
- A representative from the Vermont Early Childhood Education Higher Education Consortium;
- A representative from Vermont's Parent Child Center Network;
- Community child care resource agencies;
- A Children's Integrated Services provider;
- An early childhood special education service provider;
- A regional universal pre-K coordinator;
- A pediatrician; and
- Community members.

Council members should reflect the growing diversity of Vermont's children and families and include individuals who identify as Black, Indigenous, Latinx, Asian, or other persons of color. This group could be convened by Building Bright Futures, Vermont's designated advisor on early childhood issues, including early childhood education. Dedicated funding is needed to allow Building Bright Futures to appropriately staff an early childhood education advisory body while the broader early childhood education system governance and administration study is conducted to identify long-term solutions.

Let's Grow Kids recommends that the state form a temporary advisory committee while a full analysis of the early childhood education system's governance and administration is conducted, and that funding should be appropriated to Building Bright Futures to support this work.

Priority 6: Identify a Long-Term Funding Plan

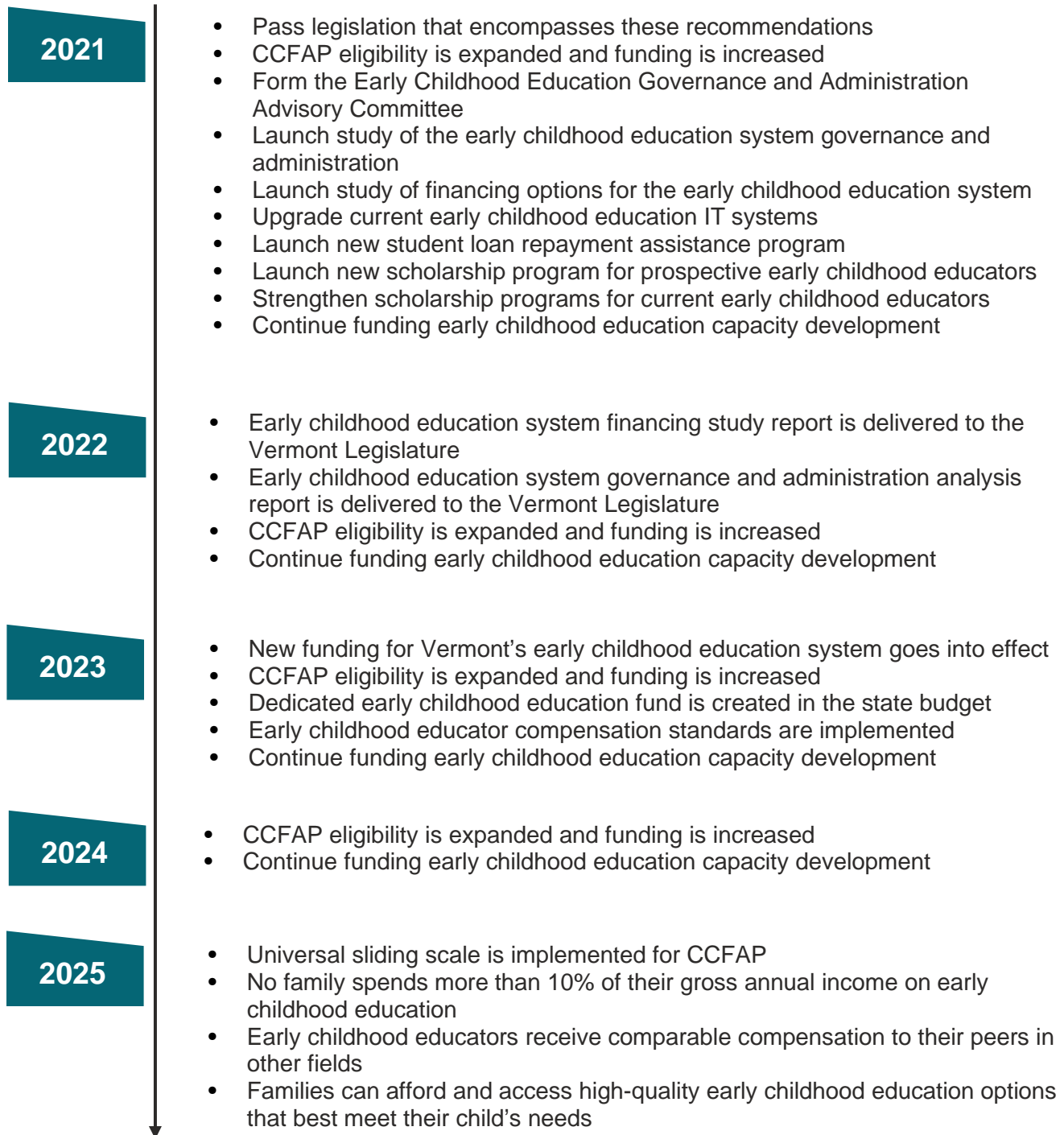
Currently, much of Vermont's early childhood education system is funded through family payments to early childhood education programs. The BRC, Summit, and Think Tank all recommended identifying a dedicated funding source, to be directed to a dedicated early childhood education fund, to transform and sustain Vermont's early childhood education system moving forward. Early in 2020, a number of Vermont employers testified before the Vermont House Commerce and Economic Development Committee on the need to increase the state's investment in high-quality, affordable child care. The Committee asked these business leaders to consider ideas for how the state could generate such funds, and over the remainder of the year, these individuals worked together to evaluate previous recommendations and consider emerging best practices. Working with leading consultants, the group identified that a payroll tax, shared by both employers and employees, presents the best opportunity for long-term, sustainable funding.

Based on this work, we propose that the Vermont State Treasurer, in partnership with the Vermont Tax Commissioner, the Vermont State Auditor, and the Vermont Legislative Joint Fiscal Office lead a feasibility study to further evaluate a shared payroll tax—or another long-term, sustainable revenue stream—as a dedicated source of funding for early childhood education in Vermont. Convening in the summer of 2021, the study should evaluate cost models for implementation of system change proposals to determine long-term funding needs and identify if and how a payroll tax could be used to achieve high-quality, affordable early childhood education for all Vermont families with children birth-to-five. Work should be completed no later than August 2022, with a final report containing a funding proposal for the Administration and Legislature delivered no later than November 2022.

Let's Grow Kids recommends that the state complete an analysis of the feasibility of using a payroll tax or other stable, long-term funding source to finance Vermont's early childhood education system.

Implementation

Let's Grow Kids believes that Vermont can achieve high-quality, affordable, and accessible early childhood education for all Vermont children who need it by the end of 2025 if we invest in the above priorities and support ongoing work being led by early childhood educators and community partners. Here's the roadmap to get us there.



Conclusion

By putting these policies and programs into place, Vermont can create a high-quality, affordable, accessible, and equitable early childhood education system that supports the healthy development of our state's youngest children and provides essential support to Vermont's families, early childhood educators, employers, and our economy.



Endnotes

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