



### **UPDATE: Summary of August 18, 2016 Meeting of the Blue Ribbon Commission**

In its August meeting, the [Blue Ribbon Commission on Financing High Quality, Affordable Child Care](#) recapped community forums and stakeholder meetings, discussed the cost of providing high-quality child care and began to look toward the issue of affordability.

#### **Community Feedback**

The meeting began with a recap of the community forums and stakeholder meetings conducted by the commission and Public Consulting Group (PCG). PCG summarized the recurring themes from these meetings:

- The need to prioritize early childhood education by reappropriating current funding in the state budget
- The lack of access to any child care and the [long waiting lists](#)
- A desire for business-supported child care
- The need for increased salaries for providers and to make professional development more affordable

Commission administrator Jessica Blackman recalled how a home-based provider at the Burlington community forum had calculated that she earned approximately \$4 per hour.

For those unable to attend the community forum, the deadline to complete the [Commission's online survey](#) is September 15.

#### **What Does it Cost to Provide High-Quality Child Care?**

PCG presented a cost modeling tool for high-quality child care centers and home-based providers, using an adjusted version of the Vermont Cost of Quality Child Care Calculator created by The Permanent Fund for Vermont's Children, Let's Grow Kids, Vermont Birth to Five, and the Vermont Community Loan Fund (with feedback from experienced center- and home-based providers). The model calculates the total cost of care for a BRC-defined high-quality center- and home-based provider—considering expenses such as salaries, benefits, insurance, supplies, and professional development. The total cost is used to determine a cost per child, which is then multiplied by perceived demand by age group and type of care to produce a total cost of providing high-quality care to all Vermont children birth to five.

The commissioners questioned some of the methodology used in the calculator, including salaries. The model used the national average for early childhood education salaries, a number much higher than the average Vermont salary. Commissioner Michelle Fay commented that the general public might question Vermont's ability to pay for increased wages. "But if we show them how much they're already spending on public assistance because of these low wages, [they'll see that Vermont can afford to pay to increase wages]," Fay said.

Commissioners also questioned the perceived demand for child care. The proposed calculation estimates the demand for child care at 58% of young children based on national research. Other groups in Vermont have estimated the population of children likely to need child care at 70.4%. Commissioner Donna Bailey suggested the demand may even be greater than that. "We have an infant waiting list a mile long. Folks are asking us to increase our size every day because people want care. They're making other choices because they have to."

Commissioner Rebecca Holcombe added, “This is a dynamic environment. The state has a lot of qualified teachers who aren’t in this field because it doesn’t pay enough. But if we raise the wages, they’ll [be more inclined to enter the field],” which would increase the supply of providers. The commissioners agreed to analyze three different measures of demand: the national average (58%), the Vermont average (70.4%) and a 100% demand.

It was also decided to increase the cost of professional development in the calculator tool. Commissioners agreed to use numbers from an independent Head Start study, which they agreed were more realistic, though aspirational.

### **Affordability**

The commissioners concluded the meeting with a discussion on affordability of child care for Vermont families. The goal for September’s meeting is to determine what percentage of income a family can afford to spend on child care and the commissioners discussed what information and research PCG should consider when calculating affordability. PCG was asked to consider:

- Variability in income as well as number of and ages of children in each family
- A sliding fee scale where those up to 100% of current federal poverty level would pay nothing; those up to 200% would pay 5% of their income; those up to 300% would pay 10%; and so forth
- [The benefits cliff](#) and whether or not considering disposable income would help to address this problem
- How quality of care affects cost

PCG will present its findings and a preliminary model of affordability at the September meeting, and will report on financing high-quality child care at the October meeting.

The Commission’s next meeting will be Thursday, September 15, 10 AM – 12:30 PM in the Fourth Floor Conference Room of the Pavilion Office Building in Montpelier.