



UPDATE: Summary of September 15, 2016

Meeting of the Blue Ribbon Commission

In its September meeting, the Blue Ribbon Commission on Financing High Quality, Affordable Child Care (<http://www.letsgrowkids.org/blue-ribbon-commission>) submitted final feedback on a report on the cost of providing high-quality child care, heard from a National Women's Law Center representative regarding national child care funding trends, discussed what Vermont families can afford to pay for high-quality child care and outlined a timeline for the remaining Commission meetings.

What is the Cost of Quality?

The Commission's meeting began with a final discussion on the cost of providing high-quality child care and, specifically, whether or not to include transportation and comprehensive services (services offered to families to promote a child's development which may include physical, social, emotional and cognitive components) in the model for a provider's budget or to list them separately as suggested changes to the system. Commissioner Michelle Fay said the BRC's report should include these services because they are necessary components of high-quality, affordable child care. Commissioner Reeva Murphy agreed, adding, "Access is part of the Commission's charge. If you don't think about access in the overall cost, then access will remain limited."

The Commission decided to include transportation and comprehensive services in the cost of providing quality child care model and Public Consulting Group (PCG) agreed to work with Commissioner Paul Behrman to determine cost estimates for these services. PCG will deliver the final version of the cost of quality report to the BRC by September 23.

Only 1 in 6 Children Served

Karen Schulman, child care and early learning research director for the National Women's Law Center, spoke to the Commission about some of the national trends for financing child care. Schulman said that states are focused on complying with the 2014 Child Care and Development Block Grant (CCDBG). The CCDBG was designed to support low-income working families by providing access to affordable, high-quality early care and afterschool programs. Schulman noted, however, that many states are looking at the minimum needed to comply with the basic requirements of the law.

While some states have provided new funding for child care financial assistance—California, Colorado, Oregon and Washington in particular—most states have not increased their funding significantly. "Right now, nationally, we're serving only 1 in 6 of eligible children for child care assistance," Schulman said.

"I think it's great that you are pushing the conversation forward because it's really important," Schulman added. "It's essential to act now because children and families can't afford to wait for change."

What Can Vermonters Afford to Pay?

PCG presented a draft of a report to determine what families could afford to pay toward the costs of high-quality child care, depending on family size and geographic location. PCG used the Vermont Joint Fiscal Office's Basic Needs Budget (which determines how much a Vermont family needs to earn to afford essential expenses) to establish the income level at which families could begin to afford high-quality child

care. This approximate income level will be used to create a sliding fee scale for child care tuition assistance. The commissioners agreed to use a sliding scale model in which:

- Families earning up to 400% of the federal poverty level (FPL)—based on 2016 federal poverty guidelines—would qualify for 100% tuition assistance, and
- Families who earn more than 400% of FPL would be eligible for tuition assistance on a sliding scale that ends at a point at which the cost of high-quality child care accounts for no more than 10% of a family's income—the level recommended by the Federal Agency of Health and Human Services.

The Commission will review sliding scale models developed by PCG before the October meeting.

Timeline for Final Report

The commissioners acknowledged there was not enough time remaining in the BRC's schedule to finish the report and agreed to adjust the timeline:

- PCG will deliver to the BRC by September 23 an updated report on the cost of providing quality child care with any feedback finalized at the October meeting.
- PCG will then deliver to the BRC by October 5 a first draft of the report on how to finance high-quality child care. Commissioners will give feedback on this draft as well as on the affordability sliding scale at the October meeting.
- PCG will deliver a full report to the BRC November 14.
- The BRC will meet November 17 to review the full report and provide final feedback.
- The BRC will deliver its report November 28.

Drafts of these individual reports and the final report will be sent to the Commission's public email list for feedback.

The Commission's next scheduled meeting is Thursday, October 20, 10 AM – 12:30 PM in the Fourth Floor Conference Room of the Pavilion Office Building in Montpelier. The Commission is considering holding two October meetings. We will provide any scheduling information as soon as it is available.