



H.531 Makes Child Care More Affordable for Vermont Families and Supports Early Educators' Important Work

Vermont has a child care crisis. Our severe shortage of high-quality, affordable child care is not only holding back Vermont's young children and families; it's also crippling our economy by making it increasingly difficult for young families to live and work in Vermont. To address our state's demographic challenge, we must make Vermont a great place to work and raise a family.

The facts are alarming: More than half of infants and toddlers likely to need child care in Vermont don't have access to any regulated child care programs. And families lucky enough to find child care struggle to afford it. Middle-income families with two young children are spending more than 40% of their income on child care, even with financial assistance. Meanwhile, early educators—those individuals responsible for supporting parents in nurturing and teaching our youngest Vermonters—earn low wages. For Vermont child care workers, the median wage is \$26,440—less than Vermont's livable wage.^{i,ii} This is not sustainable for families or early educators, and it is not acceptable for our children.

H.531, the Child Care Bill, Begins to Address This Problem

The Vermont House of Representatives gave its unanimous support to H.531, a bill that begins to address the urgent issues related to affordability for families and early educators and establishes a core commitment to addressing the child care crisis. The bill received unanimous support from every member present, across the political spectrum: Democrats, Republicans, Progressives and Independents.

H.531 represents an important moment for Vermont's early care and learning system and we are grateful for the hard work of the committee and administration to begin to address our state's challenges. We also know there is significantly more to do in the coming years to make sure that every child has access to high-quality, affordable care.

Legislative Intent

The bill's intent (the language legislators add to the bill to say what the bill is intended to address) states, "Vermont strives to enhance the capacity and affordability of the child

care and early learning system and support the retention, growth and professional development of its workforce.” This language makes it clear that this bill is the beginning of the larger task of system evolution to truly advance early care and learning in Vermont.

Affordability for Families: Increasing Investment in Vermont’s Child Care Financial Assistance Program (CCFAP)

CCFAP is the crucial infrastructure through which the state helps many families afford child care. H.531 makes important investments in this program, paving the way to make child care more affordable for many Vermont families currently struggling to afford care.

H.531 recommits Vermont to helping more families afford child care and will:

- **Update CCFAP income eligibility guidelines** to align them with 2019 federal poverty guidelines and ensure these income guidelines are updated in future years based on the most recent federal poverty guidelines available.
- **Increase financial assistance** by adjusting CCFAP’s sliding benefit scale. This will give more families a larger amount of financial assistance and make the scale more gradual—so that families don’t receive a significant decrease in child care assistance when they receive small pay increases.
 - Currently, a family at 200% FPL (or \$50,200 for a family of four) is responsible for paying 85% of CCFAP’s reimbursement rate (the amount CCFAP pays to child care programs) **plus** any difference between the reimbursement rate and what their child care program actually charges. H.531 would increase financial assistance for this family so that the family only pays 50% of the reimbursement rate. This will provide significant support to many families.
- **Increase reimbursement rates for preschool and school-age children**, to align with findings from the state’s 2015 market rate survey. This ensures that programs are more adequately compensated and families don’t have to cover the significant gap between far-outdated reimbursement rates and what their programs actually charge for care.

Supporting Early Educators: Scholarships and Student Loan Repayment Support

Vermont does not have enough qualified early educators to fill open positions, limiting the system’s ability to meet demand. A significant factor in this shortage is low wages, which makes it challenging to recruit and retain early educators. Early educators are the lowest paid college graduates in the country, including the lowest paid of any education degree holders.

H.531 makes important investments to begin to better support, recruit and retain Vermont’s early educators. The bill will:

- **Invest \$500,000 in a scholarship program** to support current early educators with getting their associate's degrees, achieving state licensure or participating in the state's child care apprenticeship program.
- **Invest \$500,000 in a student loan repayment support program** for early educators who often struggle to afford their student loan payments.

Other Details

H.531 also includes other provisions that will impact the early care and learning system for Vermont's families and early educators through the following changes:

- Provides an initial investment in technology infrastructure at the Child Development Division. IT changes are needed for the continued evolution of CCFAP planned in the coming years.
- Starting in 2021, establishes that CCFAP will no longer be allowed to "overpay" early educators whose tuition rates are less than CCFAP's reimbursement rate.
- Directs CDD to issue a 5-year variance to allow certain early educators to maintain employment in the same role until 2024, while their either work to meet recently updated education requirements or plan to transition out of the field.

Your Voices Are Making a Difference!

Though this bill is just a beginning, it represents a very important moment. Vermonters have raised their voices in support of big change for children, and policymakers are listening!

ⁱ Vermont Department of Labor. (2018). *ELMI Occupation Report: Child Care Workers (2017)*. <http://www.vtlmi.info/oic3.cfm?occcode=39901100>.

ⁱⁱ Vermont Joint Fiscal Office. (February 1, 2017). *Vermont Basic Needs Budget and the Livable Wage*. Vermont Joint Fiscal Office: Montpelier, VT. Retrieved from https://jfo.vermont.gov/assets/docs/reports/25e5153a98/2017-BNB-Report-Revision_Feb_1.pdf.