



# GROWING VERMONT'S KIDS

A Policy Vision for Vermont's Early Care  
& Learning System

April 3, 2017



## Introduction



The best opportunity to prepare our children for success in life is during their first years, when the brain is developing most rapidly. During this time, a child's brain forms **more than one million new neural connections every second.**<sup>1</sup> These connections are strengthened through stimulating learning opportunities and nurturing relationships with caregivers, and supported by good nutrition and safe environments.

For many Vermont children, quality early care and learning programs play an important role in their early development. According to the US Census Bureau, 70.87% of Vermont children age five and under have all available parents in the labor force.<sup>2</sup> This means that there are approximately 21,550 children birth to five who are likely to need some form of care while a parent is working.<sup>3,4</sup>

Unfortunately, almost half of infants and toddlers likely to need care (LTNC) do not have access to regulated early care and learning programs, and almost 80% of these children do not have access to high-quality programs.<sup>5</sup>

This is a challenge, not only for Vermont's young children and families, but also for Vermont's businesses and economy. National research has shown that over a six-month period, 45% of parents are absent from work because of child care issues an average of 4.3 days. During the same six-month period, 65% of parents' work schedules are affected by child care issues an average of 7.5 times.<sup>6</sup> These challenges are estimated to cost US employers more than \$3 billion annually.<sup>7</sup> Vermont-specific research has also shown that state spending on things like special education, health care, social welfare programs and the criminal justice system can be reduced by supporting high-quality early care and learning programs for young children.



**PARENTS WHO LEAVE THEIR JOBS LOSE MUCH MORE THAN JUST THEIR ANNUAL SALARY.**

When parents leave the workforce because they can't find child care, the cost of this decision follows them for life.

After taking into account the potential increase in earning power and lost retirement savings over time, parents who leave the workforce lose up to four times their annual salary per year—which negatively impacts the economy, too.

Let's Grow Kids believes that, as a state, we have allocated too few resources to supporting our youngest children, their families and the critical early childhood professionals who provide quality early care and learning programming.

In a recent report issued by Vermont's Blue Ribbon Commission on Financing High Quality, Affordable Child Care, the Commission echoed this concern and recommended that the state take short- and long-term actions to strengthen and support our early care and learning system (this system encompasses child care, preschool and pre-K for children birth to five). For a strong future, Vermont must commit to collectively evaluate, envision and develop a stronger, more affordable high-quality early care and learning system. We believe that this process begins with making immediate incremental investments to backfill years of underfunding, and coming together to begin the work of enhancing our system.

High-quality, affordable child care is not only good for our young children and families, it also makes smart economic sense. We all have a role to play in this work and we believe that the time is now to begin making concrete steps forward.

# A Snapshot of Early Care & Learning in Vermont

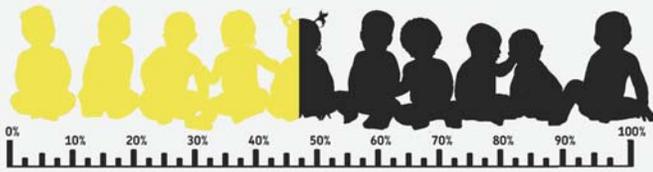
## THE DEMAND FOR CHILD CARE

70.87% of Vermont children ages five and under have all available parents in the labor force ...

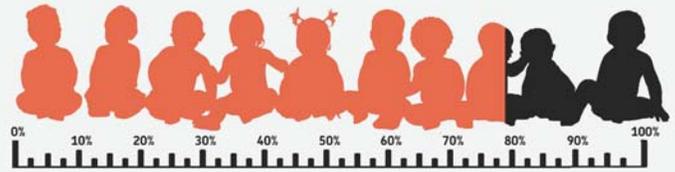


... Meaning there are approximately 21,550 children under age five likely to need some form of care.

## THE LACK OF REGULATED CARE



Unfortunately, almost half of infants and toddlers likely to need care in Vermont don't have access to regulated early care and learning programs.



And nearly 80% don't have access to high-quality programs.

## Average Annual Cost of Full-Time Child Care in Vermont (2015)<sup>8</sup>

### Child Care Center:

Infant = \$11,513

Toddler = \$11,130

Preschooler = \$10,440

### Family Child Care Home:

Infant = \$8,205

Toddler = \$7,847

Preschooler = \$7,749

## What does this mean for family budgets?

Let's look at two scenarios featuring a Vermont family of four:  
Two working adults, one infant and one preschooler.<sup>9</sup>

### Scenario 1: Earning VT family median income (2017)



**Income:** \$91,793

**Spending:** \$26,600 on child care, or 29% of their income

### Scenario 2: Living at 2016 Federal Poverty Level



**Income:** \$24,300

**Spending:** \$4,860 on child care, or 20% of their income, even with state tuition assistance

## THE AFFORDABILITY HURDLE FOR EARLY CHILDHOOD PROFESSIONALS



**Average cost of attending a 2-year early childhood education associate's degree program** at Community College of Vermont (in-state tuition and mandatory fees, not including books): **\$15,535** (2016–2017 tuition and fee rates)<sup>10</sup>



**Child care worker average annual wage: \$24,850**<sup>11</sup>

▶ vs. Teacher assistant average annual wage (primarily in elementary schools): **\$30,350**<sup>12</sup>



**Average cost of attending a 4-year early childhood education BA program** at a Vermont State College (in-state, VT, tuition, room, board, mandatory fees, not including books): **\$89,014.67** (Based on 2017–2018 tuition, room, board and fees)<sup>13</sup>



**Preschool teacher average annual wage: \$32,450**<sup>14</sup>

▶ vs. Kindergarten teacher average annual wage: **\$54,920**<sup>15</sup>



# Our Vision for a High-Quality, Affordable Early Care & Learning System



In order to meet the needs of Vermont’s young children and their families, Let’s Grow Kids envisions a voluntary, universal, high-quality early care and learning system for all Vermont children birth to five. However, we understand that the public and private investments needed to achieve such a system require years of workforce and economic growth. Therefore, we believe that the best interim solution for our state is to build on our current universal, high-quality pre-K program and pair it with a high-quality, affordable child care system that meets the needs of Vermont children likely to need care while a parent or guardian is working (those with all available parents in the labor force); children in the care of the Department for Children and Families; and children and families with special health or development support needs. We believe that through additional anal-

ysis, community-led conversations about child, family and community needs, and collaborative dialogue, as recommended by Vermont’s Blue Ribbon Commission on Financing High Quality, Affordable Child Care, Vermont can achieve an equitable, affordable and high-quality early care and learning system for children birth to five likely to need care by 2025.

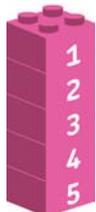
The Commission recommended that Vermont—through Building Bright Futures, Vermont’s Early Childhood State Advisory Council to the Administration and Legislature—undertake a comprehensive evaluation, design and implementation process to vision that system. The Commission noted that this process should aim to maximize existing resources and provide high-quality early care and learning as efficiently and effectively as possible, incorporate families and community member perspectives, and focus on the following topics:

- Achieving affordability for families and the state
- Maximizing current wrap-around, comprehensive services
- Maximizing available services and professional development to support and retain early childhood professionals
- Exploring shared services to leverage economies of scale
- Leveraging transportation services to reduce barriers for families in need
- Exploring the infrastructure and capacity of the K–12 system and other community facilities to increase the supply of high-quality preschool/pre-K programs

Let’s Grow Kids believes there are five core components central to designing an early care and learning system that best meets the needs of young children and their families, which can be considered system building blocks.

## SYSTEM BUILDING BLOCKS

These five core components can help to ensure that the early care and learning system leverages existing knowledge, builds off best practices for early childhood development, addresses the needs of Vermont families and recognizes the critical role that our state’s early childhood professionals play in the lives of our children and our economy:



- 1 Supporting child and family needs
- 2 Strengthening and growing our early childhood workforce
- 3 Affordability
- 4 Governance and administration
- 5 Financing



## Supporting Child and Family Needs

Let's Grow Kids believes that the needs of young children and their families should be at the heart of Vermont's early care and learning system. For those children and families who choose to seek child care opportunities outside the home, research has shown that high-quality programs offer safe, supportive and nurturing environments that foster healthy early childhood development and offer parents and family members a supportive resource, strengthening family resiliency. Research has shown that high-quality programs support the cognitive, physical, social and emotional development of young children and help to prevent or reduce public spending in areas including special education, health care, social welfare, and criminal justice for juveniles and adults. In the final report issued by Vermont's Blue Ribbon Commission on Financing High Quality, Affordable Child Care, the Commission discussed their research on high-quality early care and learning environments and defined a level of quality programming that should be available to all of Vermont's young children who utilize child care. Developing a system centered around this definition of quality would allow our state to ensure strong outcomes for our youngest children, would support families and would offer coordinated resources for children and families with special or advanced needs.

The visioning process for the early care and learning system should include a discussion of the following short- and long-term policy opportunities related to this central system tenet.

### POLICY OPPORTUNITIES

#### **Expand Vermont's mixed-delivery, publicly-funded pre-K program to a full-day, full-year program**

Vermont's current voluntary, publicly-funded pre-K program provides funding for age-eligible children (3- and 4-year-olds and 5-year-olds not age-eligible for kindergarten) to attend prequalified pre-K programs, using a mixed-delivery system, for 10 hours a week, 35 weeks per year. Vermont should explore expanding this program to a voluntary, universal, publicly-funded, full-day, full-academic-year, mixed delivery pre-K system using school and community-based programs such as regulated center-based child care and preschool programs and family child care homes.

#### **Coordinate and streamline early childhood and family services through the early care & learning system**

The Commission's definition of quality incorporates wrap-around services to best meet the needs of young children and families in an early care and learning program. These programs serve as an important part of a family's daily life. Building from this vision, we believe that there are opportunities to streamline services such as early intervention, service referrals and even identifying early care and learning providers in order to better meet the needs of young children and families.



## Strengthening and Growing our Early Childhood Workforce

The dedicated staff who provide nurturing, safe and developmentally appropriate programming and environments for our youngest children deserve to be recognized as early childhood professionals. Based on our state's quality standards and regulations for licensed or registered early care and learning programs, Vermont's early childhood professionals often possess qualifications and experiences similar to their peers in the public education system but, on average, public education peers earn \$22,000 a year more than similarly qualified early childhood professionals.<sup>16</sup> Early childhood professionals are literally subsidizing our state's current early care and learning system at their own expense. Transformation of our early care and learning system must recognize, value and support an important resource for our children—our early care and learning staff—in order to build a high-quality, affordable and equitable system.

Vermont has the opportunity to learn from the successes of other states in this area and to build from existing resources. We believe that there are several potential programmatic and policy solutions that support this goal.

### POLICY OPPORTUNITIES To Support *New* Early Childhood Professionals

#### **Increase Funding for Vermont's T.E.A.C.H. Early Childhood Program**

An important part of building a successful early care and learning system in Vermont must include workforce development as a tool for building both supply and quality. T.E.A.C.H. (Teacher Education And Compensation Helps) is a national, evidence-based program that increases access to higher education for early childhood teachers, program directors and family child care providers working with young children in regulated early care and learning programs. T.E.A.C.H. provides comprehensive scholarships to enable these early educators to take coursework leading to credentials and degrees by making it possible for them to afford both the time and expense of going to school. With additional funding, Vermont's T.E.A.C.H. program would be able to provide full scholarships to 50 associate's, 50 bachelor's and 50 master's degree students each year who are majoring in early care and learning-related fields of study.

#### **Develop a State-Sponsored Loan Forgiveness Program for Early Childhood Professionals**

The federal government currently offers full loan forgiveness to medical students who work in rural communities and teachers who work in target districts in the US. Some states have built on this model to develop state-specific programs. If Vermont continues its important work focused on early childhood degree programs, an additional support to build professional capacity could be a state-managed loan forgiveness program for early care and education bachelor's or master's degree holders who stay in Vermont for at least a certain number of years after graduation and work in a regulated early care and learning program, or who come to Vermont from out of state with a relevant degree and commit to being here for a certain number of years. Not only does this build Vermont's own capacity, it also supports and recognizes important work being done in other states to cultivate a professional early childhood workforce.

### POLICY OPPORTUNITIES To Support *Current* Early Childhood Professionals

#### **Transforming Vermont's Early Care & Learning Provider Professional Development and Continuing Education Program**

Given the state's interest in transforming the current professional development system, it will be important to ensure strong integration between any outcome from short-term efforts with long-term planning to create an accessible, affordable and effective professional development system. Additional resources should be allocated to support system transformation and this effort should be integrated into long-term system visioning work.

#### **Allocate Additional Funding for Capacity Development Grants**

Start-up grants from the state and/or a shared public-private fund could be made available to early childhood professionals who want to open new programs in "high-needs" or "high-demand" areas.



### Affordability

As noted in the Commission's report, providing a high-quality early care and learning program is expensive, but we believe that there are ways to develop a system that is affordable for families, providers and the state. We have identified several immediate and long-term policy opportunities that Vermont can leverage in its work to develop a more affordable system.

## POLICY OPPORTUNITIES

### **Make immediate, incremental investments in Vermont’s Child Care Financial Assistance Program**

In Vermont, families eligible for the Child Care Financial Assistance Program (CCFAP) can still spend up to 38% of their income on child care expenses. CCFAP provides child care tuition assistance for families who meet certain work, education, income and/or health criteria, and children in foster care. For those families who participate in the program, CCFAP pays 10% to 100% of a tuition assistance rate set by the state. The less a family earns, the more tuition assistance the family receives.

Due to chronic underfunding, tuition assistance rates have not kept pace with market rates (how much early care and learning programs charge), leaving a gap between how much tuition assistance covers and actual tuition costs. This gap creates economic challenges for families and providers. Many providers cannot afford to lose the difference between CCFAP’s tuition assistance rate and the provider’s standard tuition, so providers may ask families to cover the difference. This means that families enrolled in CCFAP who qualify for 100% tuition assistance may still need to pay an additional co-pay to cover the gap.

The Commission recommended that the state make immediate, incremental investments totaling \$43.5 million in CCFAP to address the gap between tuition assistance rates and market rates, expand eligibility and increase the tuition assistance benefit for many families.

Let’s Grow Kids, in coordination with the Vermont Association of Child Care Resource and Referral Agencies, the Vermont Association for the Education of Young Children, the Vermont Child Care Providers Association and members of the Vermont Early Childhood Alliance, is calling on the Legislature to **increase investment in the program by at least \$9.5 million** to allow the program to align tuition assistance rates with current market rates and match income eligibility guidelines to the most current federal poverty guidelines—two of the most urgent needs identified in the Commissions’ recommendations.

### **Implement a WAGE\$ Program in Vermont During System Transformation**

WAGE\$ is a nationally-recognized program that supplements the salaries of early childhood professionals whose work is undervalued in the marketplace. This supplement is paid out on a regular basis (annually, biannually or quarterly) to early childhood professionals who opt in to the program and commit to certain quality and professional development standards (usually committing to continuing to work their way through a professional development system similar to STARS (STep Ahead Recognition System), Vermont’s child care quality recognition and improvement system). The supplement is designed to cover the difference between current wages and a livable wage threshold or a wage level that is comparable to a similar salary in the public education section.

For Vermont, the WAGE\$ program could be an important short-term strategy during any phase that scales up, over time, early childhood salaries to be more in line with public education salaries. This program could also be an important tool in attracting and retaining new early childhood professionals to Vermont.



## Governance and Administration

The governance and administration of any state program or agency is an important factor in the success of the services provided by that entity. We believe that Vermont is lucky to have a strong team of early childhood experts and educators in our Department for Children and Families Child Development Division and Agency of Education who are dedicated to the success of our young children. As the work moves forward in evaluating and visioning a future early care and learning system for our state, we believe there are several policy opportunities that should be considered in regard to the governance and administration of such a system.

## POLICY OPPORTUNITIES

### **Strengthen and sustain collaboration between state agencies that support children and their families**

Vermont's Early Childhood Inter-Agency Coordinating Team helps to foster collaboration between early childhood health, development and education experts in order to administer the state's early care and learning programs and develop pathways that support successful transitions into elementary school. This coordination is critical to Vermont's efforts to better support young children and their families. Vermont is not alone in utilizing a collaborative model to administer or direct early childhood programming, and we believe that these efforts need to be strengthened and sustained.<sup>17</sup>



## Financing

Vermont has the opportunity to build from the work of the Blue Ribbon Commission on Financing High Quality, Affordable Child Care and the work of other states to develop a robust public and private funding structure to support an early care and learning system that meets the needs of children birth to five likely to need care.

## POLICY OPPORTUNITIES

### **Identify financing options**

Let's Grow Kids believes that the identification of financing options to increase funding in Vermont's early care and learning system should incorporate the following elements, as recommended by the Commission:

- Identification of opportunities to maximize efficiencies in the current system that will lead to long-term cost-savings
- Identification of opportunities to enhance current funding mechanisms or build from existing mechanisms
- Identification of innovative funding options



## Next Steps

To build an equitable, high-quality, and affordable early care and learning system, Let's Grow Kids proposes a multi-year plan that lays out a series of policy change interventions over time.

### **STEP 1: Make immediate incremental investments in Vermont's Early Care & Learning System**

This legislative session, Vermont has the opportunity to begin to make immediate, incremental investments in its early care and learning system, based on the recommendations laid out by the Blue Ribbon Commission on Financing High Quality, Affordable Child Care. This year, Let's Grow Kids is calling on the Vermont Legislature to address the following issues as a first step in strengthening and enhancing our early care and learning system in the state's Fiscal Year 2018 budget:

- Increase funding for Vermont's Child Care Financial Assistance Program by \$9.5 million to address the current funding gap in the program
- Allocate at least \$410,000 for Vermont's TEACH program to sustain the program

### **STEP 2: Allocate additional funding to Building Bright Futures to undertake an early care and learning system visioning process**

Let's Grow Kids supports the Commission's recommendation that the state allocate funding to support such a visioning process to evaluate, design, and implement an equitable, voluntary, high-quality, affordable birth to five early care and learning system in Vermont.

### **STEP 3: Engage in an early care and learning system visioning process**

This process will be led by BBF beginning in the late spring/early summer of 2017. We strongly encourage the BBF team to bring together a wide variety of stakeholders, including members of the Administration, legislators, early care and learning professionals and experts, advocates, and community members, including representatives of indigenous, refugee and other underserved communities.



## Endnotes

- <sup>1</sup>Harvard University Center on the Developing Child. Brain Architecture. <http://developingchild.harvard.edu/science/key-concepts/brain-architecture/>
- <sup>2</sup>US Census Bureau. 2011-2015 American Community Survey, Table B23008, Children 5-Years Old and Under with all Parents in Labor Force. Available from: <http://vermontinsights.org/5-years-old-and-under-all-parents-in-labor-force>
- <sup>3</sup>Vermont Department of Health Division of Health Surveillance. Population of Vermont Counties, By Single Year of Age and Sex, 2015. <http://healthvermont.gov/health-statistics-vital-records/vital-records-population-data/vermont-population-estimates>
- <sup>4</sup>The likely to need care population was determined by Let's Grow Kids by applying the US Census Bureau's estimate of the percent of children 5-years-old and under with all available parents in the labor force to population data from the Vermont Department of Health.
- <sup>5</sup>Let's Grow Kids. Stalled at the Start Vermont's Child Care Challenge (June 2016). <http://www.letsgrowkids.org/stalled-start>
- <sup>6</sup>Child Action, Inc., Solutions for Employee Child Care. <http://www.childaction.org/providers/booklets/docs/Solutions%20for%20Employee%20Child%20Care.pdf>
- <sup>7</sup>Shellenback, Karen. Child Care & Parent Productivity: Making the Business Case. (2004). Cornell University. [http://wrdc.usu.edu/files/publications/publication/pub\\_\\_185790.pdf](http://wrdc.usu.edu/files/publications/publication/pub__185790.pdf)
- <sup>8</sup>Dias, Jose. Vermont's Early Care and Learning Dividend (2017). [http://vtroundtable.org/wp-content/uploads/sites/31/2017/02/VermontECLDRReport\\_2017.pdf](http://vtroundtable.org/wp-content/uploads/sites/31/2017/02/VermontECLDRReport_2017.pdf)
- <sup>9</sup>Vermont Agency of Human Services, Department for Children and Families, Child Development Division. 2015 Vermont Child Care Market Rate Survey. [http://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Market\\_Rate\\_Survey\\_Report\\_2015.pdf](http://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Market_Rate_Survey_Report_2015.pdf)
- <sup>10</sup>Vermont Agency of Human Services, Department for Children and Families, Child Development Division. Child Care Financial Assistance Program. [http://dcf.vermont.gov/sites/dcf/files/CDD/Brochures/ccfap/FAP\\_Booklet\\_web.pdf](http://dcf.vermont.gov/sites/dcf/files/CDD/Brochures/ccfap/FAP_Booklet_web.pdf)
- <sup>11</sup>Community College of Vermont. Pay for College. <http://ccv.edu/pay/>
- <sup>12</sup>Vermont Department of Labor. Economic and Labor Market Information for Childcare Workers (2015). <http://www.vtlmi.info/oic3.cfm?occcode=39901100>
- <sup>13</sup>Vermont Department of Labor. Economic and Labor Market Information for Teacher Assistants (2015). <http://www.vtlmi.info/oic3.cfm?occcode=25904100>
- <sup>14</sup>Analysis of tuition, room, board, and mandatory fees reported for Castleton University, Johnson State College, and Lyndon State College for the 2017-2018 academic year. Does not include the cost of books or any inflation in cost over a four-year program.
- <sup>15</sup>Vermont Department of Labor. Economic and Labor Market Information for Preschool Teachers, Except Special Education (2015). <http://www.vtlmi.info/oic3.cfm?occcode=25201100>
- <sup>16</sup>Vermont Department of Labor. Economic and Labor Market Information for Kindergarten Teachers, Except Special Education (2015). <http://www.vtlmi.info/oic3.cfm?occcode=25201200>
- <sup>17</sup>Dias, Jose. Vermont's Early Care and Learning Dividend (2017). [http://vtroundtable.org/wp-content/uploads/sites/31/2017/02/VermontECLDRReport\\_2017.pdf](http://vtroundtable.org/wp-content/uploads/sites/31/2017/02/VermontECLDRReport_2017.pdf)
- <sup>18</sup>Based on a comparison of Vermont Department of Labor ELMI Occupation Report 2015 Average Yearly Wage for Kindergarten Teachers and Preschool Teachers. <http://www.vtlmi.info>
- <sup>19</sup>Based on analysis of administrative data for publicly-funded pre-K programs as published in the State of Vermont Yearbook (2016) by the National Institute for Early Education Research: [http://nieer.org/wp-content/uploads/2016/05/Yearbook\\_2015\\_rev1.pdf](http://nieer.org/wp-content/uploads/2016/05/Yearbook_2015_rev1.pdf)



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