



# 2020 Legislative Agenda

Strengthening Vermont's Early Care & Education System

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## About Let’s Grow Kids

Let’s Grow Kids is leading a movement for affordable access to high-quality child care for all Vermont families who need it by 2025. With its network of 30,000 supporters, LGK is strengthening today’s early care and education system to create immediate impact for families with children birth to five, while simultaneously mobilizing Vermonters from all walks of life to call for policy change and public investment in child care to build a better Vermont for generations to come. Join the movement at [letsgrowkids.org](http://letsgrowkids.org).

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## Executive Summary

2019 saw important progress for Vermont's children, their families, and early childhood educators. The state increased its investment in early care and education, launching a 5-year plan to strengthen Vermont's Child Care Financial Assistance Program, sustain and establish supports for early childhood educators, and increase the capacity of Vermont's early care and education system; but we still have further to go.

Let's Grow Kids believes Vermont can be the first state in the country to truly get early care and education right. But there are many challenges between us and that goal, including a critical need to support our early childhood educators.

Right now, early childhood educators are the lowest paid college graduates in the country, with wages so low it can be almost impossible for new early childhood educators to afford basic expenses, let alone make payments on their student loans.<sup>1</sup> The good news is that there are proven, cost-effective ways to better support early childhood educators, work toward increasing wages, and make child care more affordable for Vermont families.

This legislative session, Let's Grow Kids is calling on the Legislature to continue to build on the investments made in 2019 and focus on three key areas in 2020: strengthening supports for early childhood educators; continuing to invest in the programs that make child care more affordable for Vermont families; and providing employers and community partners with the tools they need to support this work.

When we're successful, we'll ensure that:

- More children have access to high-quality child care by recruiting and retaining skilled early childhood educators;
- Vermont's early childhood educators are valued and better-compensated;
- Child care is more affordable for more Vermont families;
- Child care and early education programs are paid fair rates for the care and education they provide; and
- Employers are engaged partners in Vermont's early care and education system.

## Background

In 2015, the Vermont Legislature established the Blue Ribbon Commission on Financing High Quality, Affordable Child Care to evaluate the state's early care and education system and make recommendations regarding how Vermont could make high-quality, affordable child care accessible for Vermont families. The Blue Ribbon Commission then led to Building Vermont's Future from the Child Up. This process gathered feedback from Vermont families, early childhood educators, state and community agencies, business representatives, and community members on what they need in an early care and education system. Based on findings from interviews, focus groups and a statewide two-day summit, Building Bright Futures then formed a group of key stakeholders to formulate a blueprint for Vermont's future system. This group, known as the Building Vermont's Future from the Child Up Think Tank, released its recommendations on the first day of the 2019 Legislature, outlining the concrete steps needed to achieve the vision, developed by Vermonters, for the state's early care and education system.

As a result of this work, in 2019, the Vermont Legislature made historic investments in early care and education. These funds are already hard at work to support children and families and the early childhood education workforce. However, Vermont's investment in its early care and education system is still far behind the levels needed to adequately sustain our current system, let alone achieve the vision mapped out in the Building Vermont's Future from the Child Up process.

## 2020 Policy Priorities

Based on the progress made during the 2019 legislative session and the recommendations of the Blue Ribbon Commission and the Building Vermont's Future from the Child Up process, we are making the following policy proposals.

- Support Vermont's early childhood educators:
  - Provide student loan repayment support;
  - Expand early childhood educator scholarships; and
  - Create a wage supplement program.
- Continue to implement the 5-year redesign plan for Vermont's Child Care Financial Assistance Program:
  - Align reimbursement rates with how much early care and education programs are currently charging; and
  - Allocate funding to allow the Child Development Division to purchase a new IT system to administer Vermont's early care and education system.
- Engage communities in the effort to bring local solutions to the need for high-quality, affordable child care by investing in a pilot program to support employers, early childhood educators, and other community partners to strategically expand access to quality child care options throughout Vermont.

## Legislative Priority 1: Support Vermont's Early Childhood Educators

Vermont does not have enough qualified early childhood educators to fill open positions at early care and education programs, much less a system with capacity for all Vermonters seeking high-quality care.<sup>2</sup> In fact, child care workers have one of the highest turnover rates in the state according to data from the Vermont Department of Labor.<sup>3</sup> A key factor behind turnover and a general lack of qualified educators willing to work in the early care and education field is low wages.

It's hard to make ends meet when you earn \$13.27 an hour, the median hourly wage for a child care worker in Vermont.<sup>4</sup> This translates to a median annual wage of approximately \$29,430.<sup>5</sup> Comparatively, the median annual wage for a kindergarten teacher in Vermont is \$59,560.<sup>6</sup>

To address the current wage gap, recruit new early educators, and retain current early educators, Let's Grow Kids joins Building Bright Futures in recommending that the state increase investments in scholarships, establish a student loan repayment support program, and create a wage supplement program to support Vermont's early childhood educators.

### Student Loan Repayment Support Program

Paying back student loans can be challenging for new early childhood educators. College graduates who earn bachelors' degrees in early education earn the least of any college degree in the country, including the least of any education-related degree.<sup>7</sup> In Vermont, 63% of the class of 2017–2018 graduated with student loan debt, which, on average, totaled \$31,431.<sup>8</sup> 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.<sup>9</sup> This is a serious concern for new early childhood educators who may only earn \$11.52 an hour as they start out in the early care and education field.<sup>10</sup> 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 student loan payments.

**To address the need for more early childhood educators, Let's Grow Kids proposes 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 a bachelor's degree in early education or early special education within the past three years (2018–2020) 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 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 \$40,000 per year.

These eligibility criteria would allow the program to support early childhood educators who are likely to have the hardest time making ends meet, and the expanded eligibility would allow early care and 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 as lead 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 support.

### **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 5 years. This allows the program to both recruit and retain qualified early childhood educators and grow Vermont's overall workforce.

### **Expand Early Childhood Educator Scholarships**

In 2019, Vermont invested in scholarships to support early childhood educators currently working in early care and education programs. These funds were used to support Vermont's T.E.A.C.H. Early Childhood program. T.E.A.C.H. is a national, evidence-based initiative that provides scholarships through a cost-sharing model to individuals currently working in early care and education programs who want to pursue higher education in the field. The model is currently implemented in 22 states and the District of Columbia.<sup>11</sup>

Vermont's T.E.A.C.H. program, administered by the Vermont Association for the Education of Young Children (VTAEYC), provides scholarships, book and travel funds, release-time funds, contract completion bonuses, and career counseling to individuals currently working in early care and education programs who are seeking an associate's degree in early childhood education, individuals with a bachelor's degree who are seeking early childhood teacher licensure or endorsement through the Vermont Agency of Education, or individuals participating in a child care and early education apprenticeship through the Vermont Child Care Industry and Careers Council (VCCICC).<sup>12</sup>

However, current funding does not allow the program to meet the needs of Vermont's early childhood education workforce. The program has waitlists for current scholarships, and there is a critical need to begin offering scholarships for those seeking bachelor's degrees in early childhood education. In fact, there is already a long list of early childhood educators who have expressed a need for such a scholarship if one becomes available.

With a \$653,000 appropriation, the program would have the ability to expand to provide scholarships for individuals completing bachelor's degrees in early childhood education and address current waitlists for those seeking an associate's degree, teacher licensure or endorsement, or participating in VCCICC's child care apprenticeship program.

**Let's Grow Kids recommends fully funding the T.E.A.C.H. program in order to address growing waitlists for existing scholarship offerings and to expand the program to offer scholarships for early childhood educators seeking bachelor's degrees.**

## Address the Early Childhood Educator Wage Gap

The wage gap faced by early childhood educators in Vermont is an issue that many states are facing across the country. Other states are using a variety of strategies to provide immediate financial relief to early childhood educators while working to address root causes to create a sustainable system for families and early childhood educators, including supplemental wage support payments through a national program known as WAGE\$ or WAGE\$-style programs.

WAGE\$ and WAGE\$-like programs provide education-based salary supplements to early childhood educators to increase workforce retention, education, and compensation. In WAGE\$, a recipient receives a graduated supplement tied to their level of experience and education every six months. As an early childhood educator's educational attainment increases, so does the wage supplement. States with WAGE\$ projects have seen an average annual turnover rate of only 11%, and over 26% of participating providers with an education level below an associate's degree moved up a level on the program's supplement scale.<sup>13</sup>



**We recommend implementing a WAGE\$-style program in Vermont that assesses the current wage gaps between early childhood educators and equivalent positions in elementary settings in the public education system and provides quarterly supplement payments to early childhood educators based on their Northern Lights career ladder credentials.**

## Legislative Priority 2: Continue to Transform Vermont's Child Care Financial Assistance Program

Vermont's Child Care Financial Assistance Program (CCFAP) is an important resource for lower- and middle-income families to help them access and afford quality early care and education programs. The program is available to children in protective custody and children whose families qualify based on income and a work, education, health, or other qualifying need. Families receive financial assistance based on a sliding scale that accounts for family size.

In 2019, CDD proposed, and the Legislature endorsed, a five-year redesign plan for CCFAP that will expand eligibility and raise reimbursement rates (the amount the program pays to early care and education programs). Once transformed, the program will determine assistance based on the family's income and how much they can afford to pay for child care, with the state filling in the gap. This year, Vermont needs to continue moving this work forward by increasing reimbursement rates and continuing to invest in critical IT upgrades that will allow further implementation of the 5-year redesign plan.

### Align Reimbursement Rates with Current Market Rates

For families enrolled in CCFAP, the program makes payments to a child's early care and education provider on behalf of a family. The amount CCFAP pays is known as the reimbursement rate. For families receiving a 100% benefit through CCFAP, CCFAP pays 100% of the reimbursement rate to an early care and education program on behalf of a family. However, reimbursement rates have fallen behind how much early care and education programs charge families. This means that a family receiving a 100% benefit may still have to pay the difference between CCFAP's reimbursement rate and the actual tuition rate their child's program charges.



To understand how CCFAP reimbursement rates compare to how much early care and education programs are charging families, every few years the Vermont Department for Children and Families' Child Development Division is required to gather information on the cost of child care in the state. This is currently done through a survey, known as the Market Rate Survey, which gathers information on early care and education tuition rates throughout the state. In the fall of 2019, the Child Development Division conducted an updated Market Rate Survey, and the report on its findings will be available in early 2020.

Currently, infant and toddler child care reimbursement rates are aligned with 2017 market rates and preschool and afterschool child care reimbursement rates are aligned with 2014 market rates. This means that early care and education programs are in a difficult position—they either have to accept being paid less than what they charge for their program or they have to ask families who are already struggling financially to cover the difference. It's a lose-lose for families and early childhood educators.

**For 2020, we recommend that all CCFAP reimbursement rates be aligned with the findings of the 2020 Market Rate Survey to ensure that families and early care and education programs receive the financial support they need. Additionally, we recommend that the statute be amended to require the rates to adjust automatically in the future.**

### **IT Infrastructure Updates**

As part of the CCFAP redesign proposed in 2019, a new IT system is needed to administer the program. As part of the SFY 2020 budget, the Legislature allocated initial funding to support CDD in assessing its IT needs and to begin pursuing IT infrastructure updates based on the assessment. The Child Development Division and the Agency for Digital Services have reviewed proposals for a new IT system and identified an appropriate solution that will integrate across Agency of Human Services programs. An additional \$6.75 million is needed in order to build the system.

**Let's Grow Kids recommends allocating the \$5.75 million needed to complete the IT infrastructure system update, which will allow the continued implementation of the 5-year redesign plan for CCFAP.**

## Legislative Priority 3: Employer Engagement

Employers are critical partners in addressing Vermont's child care challenges. Their success hinges on having reliable, productive employees. For many employees, child care is a make-or-break consideration when figuring out how to balance work and family needs. Employers can play a role in helping to financially support their employees' child care needs and invest in our state's early care and education system. However, figuring out how to help address employees' child care challenges can be hard for employers, especially for small businesses or start-ups.



### Child Care Capacity Development Project

Given that different industries have different child care needs and that these needs can look different from one community to the next, we propose establishing a child care capacity development grant and technical assistance program with a limited-service FTE program manager position to specifically support employers to connect with economic development partners, regional planning partners, early childhood education leaders, and community stakeholders to strategically develop child care capacity to support the regional economic stability and growth.

**We recommend establishing a pilot to engage employers, early childhood educators, and other community partners to strengthen early care and education program capacity and allocating at least \$1 million for the program in its first year.**

## Conclusion

Vermont has worked hard over the past several years to develop a road map for how we, as a state, want to make high-quality, affordable child care a reality for Vermont children and families. In 2020, we recommend critically-needed investments—growing and sustaining our early childhood educators, the people who make high-quality early care and education a reality for Vermont's children and their families—and to continue to strengthen CCFAP and the capacity of Vermont's early care and education system.

These investments will mean that:

- Vermont can attract and retain talented early childhood educators;
- Child care is more affordable for more Vermont families;
- Child care and early education programs are paid fair rates for the care and education they provide; and
- Employers and communities are engaged partners in Vermont's early care and education system, driving creative, local solutions to the critical need across Vermont.

## Endnotes

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- <sup>1</sup> Anthony Carnevale, Ban Cheah, Andrew Hanson. (2015). *The Economic Value of College Majors*. Georgetown University Center on Education and the Workforce: Washington, DC. Retrieved from <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/The-Economic-Value-of-College-Majors-Full-Report-web-FINAL.pdf>.
- <sup>2</sup> This statement is based on concerns raised at multiple Building Bright Futures state and regional committees and analysis of job postings on the [Early Childhood Jobs VT website](#), a job posting site for early childhood education positions in Vermont, as of 2018. Early Childhood Jobs VT is a project managed by the Let's Grow Kids programs team.
- <sup>3</sup> Vermont Department of Labor. (2016). *Vermont Department of Labor Economic and Labor Market Information 2016-2026 Long Term Occupational Projections*. Vermont Department of Labor: Montpelier, VT. pg 5. Retrieved from <http://www.vtلمي.info/projlt.pdf>.
- <sup>4</sup> United States Department of Labor Bureau of Labor Statistics. (April 2, 2019). May 2018 State Occupational Employment and Wage Estimates Vermont: Childcare Worker. Retrieved from [https://www.bls.gov/oes/current/oes\\_vt.htm#39-9011](https://www.bls.gov/oes/current/oes_vt.htm#39-9011).
- <sup>5</sup> Ibid
- <sup>6</sup> United States Department of Labor Bureau of Labor Statistics. (April 2, 2019). May 2018 State Occupational Employment and Wage Estimates Vermont: Kindergarten Teacher Except Special Education. Retrieved from [https://www.bls.gov/oes/current/oes\\_vt.htm#25-2012](https://www.bls.gov/oes/current/oes_vt.htm#25-2012).
- <sup>7</sup> Anthony Carnevale, Ban Cheah, Andrew Hanson. (2015). *The Economic Value of College Majors*. Georgetown University Center on Education and the Workforce: Washington, DC. Retrieved from <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/The-Economic-Value-of-College-Majors-Full-Report-web-FINAL.pdf>.
- <sup>8</sup> The Institute for College Access and Success. (2019). College InSight Vermont 4-year or above Data Table. Retrieved from <https://college-insight.org/spotlight/vermont-4-year-or-above/5019999999>.
- <sup>9</sup> Vermont Public Radio, Vermont Public Broadcasting Station. (October 2018). VPR– Vermont PBS Poll Full Results, Method, Sampling Error & Survey. Retrieved from <http://projects.vpr.net/vpr-vermont-pbs-poll>.
- <sup>10</sup> Hourly wage represents data from the 10<sup>th</sup> percentile for Vermont Preschool Teachers, except special education teachers, as reported by the US Bureau of Labor Statistics May 2018 State Occupational Employment and Wage Estimates. Data retrieved and analyzed from <https://www.bls.gov/oes/special.requests/oesm18st.zip>.
- <sup>11</sup> T.E.A.C.H. Early Childhood National Center. (2018). T.E.A.C.H. Results. Retrieved from <http://teachecnationalcenter.org/t-e-a-c-h-early-childhood/results/>.
- <sup>12</sup> Vermont Association for the Education of Young Children. (n.d.). T.E.A.C.H. Early Childhood® Vermont. Retrieved from <http://vaeyc.org/programs-and-services/teach/>.
- <sup>13</sup> T.E.A.C.H. Early Childhood National Center. (2019). WAGE\$ Results. Retrieved from <https://teachecnationalcenter.org/child-care-wage/results/>.