

Early Childhood Care and Education

We must invest in our youngest children. The evidence is clear. Dollars invested in young children come back to us several-fold in the long run. Accessibility and affordability to quality early care and education is essential to the well being of young children and their brain development, to the economic well-being of children and families, and to employers throughout Vermont who depend on a reliable work force. A quality system can help attract young families to Vermont. The Vermont Business Roundtable has consistently called for greater investment in early childhood.

Over the past several years, we have brought additional focus to these issues. We have organized Building Bright Futures as a statewide structure to focus system planning. We have passed Act 62 which has brought structure to our pre-K efforts, promoting strong connections between schools and quality child care providers. We have made major progress in achieving greater quality in our early childhood programs.

There are three areas that most require our attention: continued support for quality incentives, improvement in rates, and increased access to tuition support by lower income families seeking to enter the workforce.

We will continue to invest in our efforts to improve the quality of care for all children in Vermont. The STARS quality system was implemented in 2004, with two participating programs. We now have 292 childcare programs participating in STARS or national accreditation. Those programs serve 9,345 children, or approximately 20% of the children served in child care programs. We will keep in place the incentive system which pays a premium of 4% for one-STAR programs up to a level of 20% for five-STAR programs. We are assuming our success will continue in expanding the percentage of quality providers and will fund the program properly to do so. We ultimately want all of our children in quality care settings.

Federal guidelines encourage states to pay reasonable rates relative to the market. Vermont's rates are below desired levels. We must continue to assess the overall rate structure. The rate increases provided through the quality incentives described above are a step in the right direction.

Finally, we must help more families access care when they are struggling to join the workforce. A full subsidy in Vermont covers only 60%- 80% of the cost of care in most areas. Currently, to be eligible for a full subsidy, a family must be below the federal poverty level as it existed in 1999. This is approximately \$16,700 for a family of four. As families increase their pay above that rate, they lose state support for their childcare expenses—often at a rate that is faster than income rises. We must better align our system with current standards to make it more possible for families to pay for care and to provide greater incentive for work.

Vermont will work through the Building Bright Futures Council and with our public and private partners throughout the state to continue our progress in this important area.