

Blue Ribbon Commission on Financing Affordable, High Quality Child Care

Monthly Meeting: August 18, 2016

Fourth Floor Conference Room, 109 State Street, Montpelier VT

Chairman: Charlotte Ancel (Absent, Jess Gingras and Jessica Blackman co-chaired in her absence)

Secretary: Jessica Blackman

Quorum Present:

Frank Cioffi, Rachel Hunter, Michelle Fay, Paul Behrman, Jessica Gingras, David Rubel, Sarah Squirrel, Lauren Norford, Paul Dragon, Donna Bailey, Chloe Leary, Laurel Bongiorno, Reeva Murphy

Updates Since the July Meeting

August's meeting started by following up on the Commission's activities since the last meeting. Community forums were held July 25th and 26th in St. Johnsbury, Burlington, Barre, Rutland and Brattleboro. Additionally, the consultants met or talked with a number of stakeholders in the past month. Takeaways from these events are as follows:

- A number of programs and community stakeholder organizations currently support Vermont's delivery of early childhood education services. Many of the programs and frameworks could be expanded and brought to scale with additional support and funding.
- There are a number of potential funding and revenue sources that would fare politically well in the state including: public/private partnerships, philanthropic efforts, re-appropriations, tax incentives, employer supported child care, and a shared services model.
- There are a number of state-specific "pain points" in the child care system around access and affordability including: difficulty accessing child care programs, difficulty accessing high-quality child care programs, lack of non-traditional hours, lack of transportation. The community expressed interest in changes to family leave policy and increased support to child care professionals (including increases in salaries and wages and affordable or free professional development and higher education).

A survey was created as a follow up to the community forums and is being widely distributed. You can find the link here: <https://www.surveymonkey.com/r/FZL8PTG>

Public testimony submitted via email from a number of individuals and organizations was also distributed to the Commission for review.

The Cost of Quality

Public Consulting Group's Tina Chen-Xu then presented to the Commission their initial calculations of the cost of quality. PCG used the Vermont Cost of Quality Tool, created by The Permanent Fund, Lets Grow Kids, Vermont Birth to Five and the Vermont Community Loan Fund. The tool allowed PCG to use baseline budget information from experienced Vermont home- and center-based providers to which they added a number of quality enhancements based on the BRC's working definition of high quality (these included highest quality ratios, improved teacher salaries, improved professional development, and access

to nutrition, among others) They then are able to get a per pupil cost, which is multiplied by perceived demand by age group and type of care to produce a total cost of providing high quality care to all Vermont children birth to five.

The Commission asked for a number of changes to the inputs to the model to align it more closely with their definition of high quality (including adding a cook, making center- and home-based wages the same, and increasing professional development numbers to be in line with HeadStart). They also asked for more information and drill downs into demand numbers, teacher wages, and benefits. Additionally, there was discussion about the kind of changes that might need to happen to transition from the current system to one of higher quality (a shared services model, improved transportation, access to licensed teachers/ educated workforce, better understanding of CACFP/access to nutrition). PCG will report back with additional information and model updates by August 29th.

Affordability

The Commission intends to examine affordability at their September meeting. Commissioners discussed what information they needed from PCG to determine what percentage of a family's income should be spent on childcare. They also discussed in general the difficulties inherent in trying to determine affordability. Topics/questions included:

- How to account for variability in income, cost of living, and number and age of children in families across the state
- How to account for the higher cost of infant care
- Whether affordability should (or could) be based on income or on disposable income
- National trends in the sliding fee scale
- How to deal with a cliff effect

PCG will present on affordability at the September meeting and on potential financing options at the October meeting. The Commission's next meeting will be Thursday, September 15, 10 AM – 12:30 PM in the Fourth Floor Conference Room of the Pavilion Office Building in Montpelier.