



# Vermont

# Leaders Grow the Economy by Investing in Infants, Toddlers, and Families

## OVERVIEW

Vermont employers struggle to fill job vacancies because of an aging population and the very low unemployment rate of two percent. These demographic factors affect the availability of high-quality child care for Vermont's families, an industry that already struggles with issues of affordability, low availability, low wages for teachers, and low reimbursement rates from the state for subsidies. This is particularly true for infant and toddler care. Let's Grow Kids, a statewide movement to secure affordable access to high-quality child care for infants and toddlers, is working to address these issues.

## THE PURPOSE

Vermont, a rural state known for its natural beauty and strong communities, is facing a child care crisis. Today, 77% of Vermont's infants and toddlers do not have access to high-quality programs. In addition, Vermont families spend a much higher percentage of their income on child care, an average of 28 percent, compared to the U.S. Dept. of Health and Human Services' recommendation of seven percent. This affects families' financial well-being and hurts the state's workforce development.

Evolving from more than a decade of strategic early childhood grantmaking, Let's Grow Kids was launched in 2014, forging partnerships among community leaders, elected officials, philanthropists, early childhood educators, and volunteers. The initiative is working to create a high-quality, affordable birth-

to-five child care system that meets the needs of all Vermont families by 2025.

In 2025, Let's Grow Kids hopes to "go out of business," according to Aly Richards, CEO of the organization. Improving access to the child care system, Richards says, will have downstream economic benefits not just for Vermont's working families, but for the entire state. "When we invest in kids, everyone benefits."

Based on a study commissioned by the Vermont Business Roundtable, the return on investment for increased funding to the state's early care and education system justifies upfront costs. Findings show that Vermont should expect to see an additional \$3.08 saved for every new public dollar invested in high-quality early care and education programming, thanks to cost savings in areas such as:

- Reduced special education costs and grade retention in the K-12 public system
- Reduced criminal justice system costs
- Additional tax revenue
- Additional net lifetime earnings
- Reduced healthcare costs for children and families

"We are urging Vermont to make strategic investments in quality child care so that our state can be attractive to a world-class workforce," said Tom Torti, President of the Lake Champlain Regional Chamber of Commerce.



## THE INITIATIVE

Let's Grow Kids leverages philanthropy to:

- Strengthen Vermont's early care and learning system by increasing quality and capacity to create immediate impact for families with infants and toddlers, while
- Mobilizing Vermonters from all walks of life to call for policy change and public investment to sustain a high-quality early care and learning system long-term.

Let's Grow Kids is uniquely situated in the state's ongoing efforts to improve its early care and education system. The initiative's deep engagement with stakeholders positions them to help collect and analyze data, ready the child care system for public investment, and coordinate early childhood efforts across the state. The organization employs a three-step approach: first, identify a lever for change; second, build relationships with key stakeholders related to that lever; and third, deploy philanthropic dollars to catalyze change.

An example of this in practice is Let's Grow Kids' work in helping family child care programs participate in Vermont's quality rating and improvement system STARS (Step Ahead Recognition System). In 2008, only 15 percent of family child care programs were enrolled in STARS, compared to over 60% of center-based programs. This discrepancy was of great concern to the Let's Grow Kids board, Richards said, because of the high number of infants and toddlers enrolled in family child care programs, especially among lower-income families and in rural communities.

Let's Grow Kids used philanthropic funding to hire experienced early educators in all areas of the state to serve as peer-mentors to home-based providers, building capacity in their own communities. Their regional knowledge, as well as their expertise, led to trusting relationships, and positioned them to support program directors with quality improvement. By 2015, 75 percent of family child care homes were

participating in STARS, and by December 2018, 62 percent of child care homes had a 4- or 5-STAR recognition level (out of 5 STARS), up from 27 percent in 2011.

Let's Grow Kids also launched a public education effort using a variety of tactics, including tabling at county fairs, community education events on early childhood brain science, door-to-door canvassing, volunteer development, and TV and radio ads. The effort is paying off: between 2013 and 2017, the percentage of Vermonters who viewed child care as "pretty important or extremely important" increased from 71 percent to 81 percent. Furthermore, 70 percent of Vermonters in 2017 favored increasing public investment in the state's early care and learning system.

In addition, child care is now a top priority among Vermont policymakers. In 2017 and 2018, Vermont's Republican governor included increased investment in early care and education in his proposed budget, and the Democratic-led legislature invested additional state dollars in early childhood support. In 2019, child care legislation in the House garnered 79 co-sponsors and the support of the Republican Governor, who signed into law an historic investment of \$7.4 million to make child care more affordable for families and provide critical support for early educators.

## WHAT THE INITIATIVE HOPES TO ACHIEVE

Several commissions, task forces, and studies have provided a foundation for Let's Grow Kids to seize the opportunity to achieve high-quality, affordable early care and learning opportunities for all infants and toddlers in the state. Let's Grow Kids has used this collective work to form its goals:

- 100 percent of Vermont's families with children 0-5 who need or want child care will have access to quality early care and learning programs
- 100 percent of Vermont's regulated early education programs are participating in STARS,



with a majority of programs recognized as high-quality (defined as 4 or 5 STARS) performing at a STAR 4 or STAR 5 level

- 100 percent of Vermont's families who need or want child care will spend no more than 10 percent of their income on that care

These goals are beginning to look more achievable, Richards said, after the recent state investment of an additional \$7.4 million for child care in Vermont. The new funds will help families currently struggling to afford child care and will ensure that early care and education programs receive reimbursements closer to market rate.

The 2019 legislative session also created new programs and grant funding to provide scholarships to recruit and train new educators entering the field and to help current early childhood educators gain additional credentials. Furthermore, the state invested additional funding in the information technology system used to administer the Child Care Financial Assistance Program, allowing for critical technology updates that will prepare the system for future investment. However, even more funding will be needed in the future to reach the stated goals, Richards noted.

## WHAT YOU SHOULD KNOW

Two of the greatest challenges Let's Grow Kids faced was a lack of awareness among Vermonters about the importance of a child's earliest years for developing a strong foundation for success in school and life as well as the extent of the child care access and affordability crisis. Richards feels the initiative has made significant progress in increasing awareness

during a short amount of time: "Some of the biggest movement we saw in our polling was among older men who now recognize what a problem it is."

Let's Grow Kids is also working hard to forge a strong peer network among providers so they are empowered to advocate for themselves. "There was an early assumption that we would automatically have the early childhood educators with us, but we quickly realized we needed to find shared ways to talk about quality and affordability," Richards said. "I think we've done that. They see us as supporting their programs now." It is also essential, Richards added, to make the connection between Let's Grow Kids' public engagement work and the work of the Programs Team—a staff of experienced early care and education leaders who provide technical assistance and implementation support to program and community leaders around the state.

Richards' advice to others is to remain nimble and fully networked with other advocacy groups to be able to react as quickly as possible when issues arise. "Anything we are doing on the ground to create opportunities for infants and toddlers is a bridge to policy change; we have to prove to lawmakers that the system we're building works. When the state gives money to do something specific, you have to do that quickly and prove to them it can be done."

Richards added that simultaneous mobilization was key to success of the 2019 legislative effort, and she believes the Let's Grow Kids model could be especially useful for other rural communities in the country. "Systems change isn't easy, but it's what leads to equitable social change. Years from now this will be one of Vermont's greatest accomplishments."



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