

STRENGTHENING FAMILIES GRANTS

A Window into the Cost of Providing High-Quality Early Care and Education in Vermont

Why the Early Years Matter

Vermont's **future prosperity** depends on our ability to ensure the healthy development of our youngest citizens. The early years of life matter because early experiences affect **the architecture of the maturing brain**. As it emerges, the quality of that architecture establishes either a sturdy or a fragile foundation for all of the development and behavior that follow. Brain plasticity and the ability to change behavior decrease over time so getting things right the first time is easier and less costly than trying to fix them later.

Moreover, many economists and business groups confirm that quality early care and education is essential to economic development. Strong cognitive, social-emotional and physical development in the early years translates into the skills needed for a competitive workforce down the road, more wage earners who pay taxes, and fewer costs associated with social safety programs. In addition, early childhood and afterschool programs—and the people they employ—represent a significant industry in Vermont. Lastly, many Vermonters rely on early care and education and afterschool programs in order to hold down a job, participate in a job training program or further their education.

With “71% of Vermont children under five years old...in the care of someone other than their parents for at least part of the day,”¹ the stakes are high. The stakes are even higher for children from low-income homes, whose families are struggling to make ends meet. Early care and education programs that serve large numbers of low-income children must provide a comprehensive array of services in order to provide a high-quality experience for children with multiple needs.

The Challenge: Paying for High-Quality Early Care and Education

The nation's early care and education system relies heavily on parent fees; parent fees provide approximately 60% of the funding for early care and education services. **Even this significant parent contribution cannot begin to cover the cost of high-quality programs.** Low child/adult ratios, small group sizes, adequate indoor and outdoor space, nutritious meals and other hallmarks of quality all cost money to provide.

High-quality early care and education programs that serve large numbers of low-income children are especially dependent on public funds to be sustainable. It costs more to meet the needs of children living in poverty because their developmental and/or emotional needs exceed those of their typically developing peers.

Additional services include:

- One-on-one attention from a trained adult to help children with behavioral issues (e.g., violent and unsafe reactions/outbursts), which can be the consequence of trauma, environment, or undiagnosed medical issues;
- Speech and language services;
- Supplemental food to address food insecurity at home;
- Assisting parents to find and access resources, such as renewing their child care subsidy and other benefits;
- Special meetings with parents and community-based service providers, which often involve travel and time away from the early childhood program.

One Strategy

Vermont's **Strengthening Families grants** are one means of resourcing such programs. The overarching goal of this competitive grant program, administered by the state's Child Development Division, "...is to ensure affordable access to high quality comprehensive early care and education programs for children, particularly infants and toddlers, and families challenged by economic instability and other environmental risk factors. Licensed Early Childhood Programs that have achieved 4 or 5 stars, and meet additional criteria outlined in the application may apply."ⁱⁱ

In August of 2011, licensed center-based programs who achieved four or five stars in Vermont's Step Ahead Recognition System (STARS) were invited to apply for a Strengthening Families grant. Twenty-nine programs were awarded a Strengthening Families grant.ⁱⁱⁱ

Several of these programs that are serving children from predominantly very low-income families are struggling to keep their doors open. A confluence of factors explains their financial difficulties:

- The amount of the Strengthening Families grant awards has decreased over time without other funds becoming available to make up the difference.
- Programs that receive a Strengthening Families grant are not permitted to collect a co-payment from those parents who could afford to pay a small amount.
- Many families are stretched too thin to be able to pay any tuition at all. They receive a full child care subsidy through the state's Child Care Financial Assistance Program. However, rates paid by the Child Care Financial Assistance Program do not cover the actual cost of providing a high-quality early childhood experience.
- The amount of the Strengthening Families grant does not cover the cost of providing high-quality, comprehensive services to a large number of low-income children with multiple needs.

Solutions

We propose taking an incremental approach to addressing the issues raised here:

- **Short term (2012 legislative session):** A one-time legislative appropriation to ensure the financial stability of all Strengthening Families grantees through the end of their grant period (January 2013). The Child Development Division and grantees would work together to determine additional funding needed to stay afloat and to continue to provide high-quality, comprehensive services.
- **Medium term (2012):** Use the findings from Building Bright Futures' research into the cost of providing high-quality early care and education in Vermont (to be undertaken during 2012) to identify additional public and private investments needed to promote high quality in early care

and education. Legislators, Building Bright Futures and advocates would work together to develop specific recommendations based on the findings.

- **Longer term (2013-2015):** Design new strategies for increasing investments in Vermont's early care and education system. Areas of particular concern include livable wages for the early childhood and after-school workforce; expanded access to professional development opportunities; incentives for improving quality; and adequate funding to ensure the sustainability of high-quality programs. This work would also be a collaborative undertaking among legislators, Building Bright Futures, and advocates.

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ⁱ The Permanent Fund for the Well-Being of Vermont's Children, A.D. Henderson Foundation, The Vermont Community Foundation. *Early Care and Education: Investing in Babies, Toddlers and Preschoolers*, 2010, p. 6.

ⁱⁱ Vermont Child Development Division, < <http://dcf.vermont.gov/cdd/grants>> December 20, 2011.

ⁱⁱⁱ For a list of current grantees, go to <http://dcf.vermont.gov/sites/dcf/files/pdf/cdd/grants/strengthening%20families%20awards%20announcement%202011.pdf>.