

Blue Ribbon Commission on Financing Affordable, High Quality Child Care

Monthly Meeting: September 15, 2016

Fourth Floor Conference Room, 109 State Street, Montpelier VT

Chairman: Charlotte Ancel

Secretary: Jessica Blackman

Quorum Present:

Lauren Norford, Dave Rubel, Steve Lambrecht, Sarah Squirrell, Rachel Hunter, Paul Behrman, Donna Bailey, Michelle Fay, Bill Talbott (for Rebecca Holcombe), Laurel Bongiorno, Reeva Murphy

The Cost of Quality

Commissioners confirmed they wanted comprehensive services and transportation treated as line items in the center-based and home-based budgets, not as separate system changes; system “transitional” costs were also noted to not be within the scope of the Blue Ribbon Commission’s charge. PCG will work with Paul Behrman to appropriately incorporate Head Start costs to the high quality budget. The Commission can expect to see updates Friday, September 23rd.

Call with Karen Schulmann, National Women’s Law Center

Karen spoke about some national trends in financing childcare. Right now states are focused on complying with the 2014 Child Care and Development Block Grant (CCDBG). Many states, however, are focused on doing the minimum to comply with the law, rather than a big picture re-think. While some states have increased funding for childcare assistance (California, Colorado, Oregon and Washington), most have not. Nationally we are only serving 1 in 6 children eligible for child care financial assistance. Shulmann praised the Commission’s efforts to move the conversation forward. She agreed that quality childcare is expensive, but encouraged pushing the case for action now by putting aspirational goals on the table, identifying some steps to get there, and explaining what these steps might mean for families.

Report Timeline

The Commission acknowledged the need to extend the original deadline (November 1) in order to complete the report. The Commission also agreed to meet November 17th to discuss final recommendations and feedback on the final report. Important report deadlines are below. Drafts will be sent to Commission members and the Commission’s public mailing list. The Commission plans to submit a final report on November 28, 2016.

	Initial or Intermediate Draft	Final Draft to BRC	Finalized
Cost of Quality		Friday, September 23, 2016	Friday, September 30, 2016
Affordability	Monday, September 26, 2016	Friday, October 07, 2016	Friday, October 14, 2016
Financing	Wednesday, October 05, 2016	Monday, October 24, 2016	Monday, October 31, 2016
Full Report		Monday, November 14, 2016	Monday, November 28, 2016

Affordability

The Commission's goal for September was to determine a measure of affordability. They wanted to know what families could afford to pay toward the costs of high quality child care, depending on family size and geographic location. The Commission determined that creating an affordable sliding fee scale made more sense to them than only affordability as a percentage of income, and felt that a sliding fee scale should incorporate the national research benchmark of 10% of income being devoted to high quality child care. The Commission agreed to the 10% benchmark but only up to a certain level because a percent of income benchmark methodology is regressive. PCG presented a draft of their report that used the joint fiscal office's Basic Needs Budget to determine two points: a) the point at which families could meet every basic need *except* childcare and b) the point at which families could meet basic needs and cover the cost of full time full year childcare for an infant and a preschooler at the Commission's new cost of quality rates. The Commission translated these bounds into 2016 Federal Poverty Levels (FPL) and created a sliding fee scale as follows:

- Families earning 400% or less of FPL would qualify for 100% tuition assistance, and
- Families who earn more than 400% of FPL would be eligible for tuition assistance on a sliding scale that ends at a point at which the cost of high-quality child care accounts for no more than 10% of a family's income—the level recommended by the Federal Agency of Health and Human Services and further confirmed by the Economic Policy Institute.
 - The Commission highlighted Dr. Dynasaur and the existing CCFAP sliding fee scale as examples a functional sliding fee scale.

Next steps: PCG to use the bounds provided by the Commission to draft a sliding fee scale, present a draft and discuss with the Commission on a webex to be scheduled before the October Commission meeting