



Vermont's Early Childhood Baseline Spending Inventory: Fiscal Year 2021

Objective

Over the course of our first year of Early Childhood Comprehensive Systems (ECCS) grant support, our Vermont team, led by Building Bright Futures, worked to assemble data on state spending related to early childhood programs in FY2021.

Building Bright Futures (BBF), Vermont's Early Childhood State Advisory Council and Data & Policy Center, led an effort in 2022 to compile a statewide Early Childhood Spending Inventory. Our goal with this project was to establish a baseline of the investments Vermont is making as a state during the early childhood period (prenatal through age 8) and for families with young children—with a particular focus on, and interest in, the youngest children (prenatal to age 3) and on prevention-oriented programming. The goal is to use this initial baseline data to monitor spending over time, and to expand our team's and the Network's knowledge and understanding of current spending, gaps, and trends.

It is clear that access to and understanding of Vermont's investments in young children, families, and the early childhood system are paramount to making data-informed decisions and policies in the future. However, given a lack of resources for this body of work, the state has historically been unable to regularly publish or analyze information on early childhood spending or resources. While not part of this initial baseline spending inventory, we recognize the value in potentially expanding the scope of this project in future years to include private, philanthropic, community, federal, and family investments being added to the system but largely going unaccounted for.

Please note that this inventory is both incomplete and contains many estimates. A full set of limitations is outlined below on p. 5.

Approach

In order to assemble data on current spending in Vermont's early childhood system, Building Bright Futures (BBF) relaunched a previously established Vermont's Early Childhood Action Plan (VECAP) Committee focused on Early Childhood Investment. This Early Childhood Investment Committee met twice in six months during 2022 to oversee the spending inventory project and provide feedback on which data was most helpful to include, the best formatting option for this dataset, and their goals and plans to utilize this

year's spending inventory and future iterations of this project. The committee also shared the variety of ways in which this data could be used to inform future policy, practice, and financing decisions.

In addition to this cross-sector committee of partners, the BBF team held a series of meetings with individual agency/division finance and leadership staff to understand the status of currently available data on spending on early childhood and supported them with pulling additional data in the most uniform way currently possible. These meetings were informative and set our expectations for this initial baseline inventory. Additionally, these state partners have joined our Early Childhood Investment Committee, further strengthening the utility and knowledge base of that group.

Findings

Over the course of several months, our data collection efforts have resulted in FY2021 spending data from eight agencies/divisions with programming related to the early childhood period: the Agency of Education, the Child Development Division, the Family Services Division, the Economic Services Division, the Agency of Commerce and Community Development, the Department of Mental Health, the Department of Corrections/Lund, and the Maternal and Child Health Division, now the Family and Child Health Division.

The process of collecting data on spending related to early childhood revealed that it was a more significant undertaking than anticipated, and that the limitations are significant. However, this initial process with state partners and the Early Childhood Investment Committee has been instrumental in envisioning and planning for future iterations of this project.

The **Early Childhood Baseline Spending Inventory** ([view full data here](#)) is organized by agency, department, or division. Within each, programs are described including the populations served, funding sources, and area served. The type of funding is broken out by General Fund, Federal Funds, Global Commitment Funds, Special Funds, and Other. Individual budgets range in the proportion of different funding sources, with the percent of federal funding ranging from 3.9% to 78.4%. Of note, global commitment (Medicaid) funds are split between federal and state sources.

The spending on early childhood related programs reflected here does not necessarily reflect current needs. There is insufficient data to determine to what extent current funding meets the needs of young children and their families. Although the inventory includes \$562,531,908 (excluding the Agency of



The mission of Building Bright Futures (BBF) is to improve the well-being of children and families in Vermont by using evidence to inform policy and by bringing voices together across sectors and within regions to discuss critical challenges and problem-solve. BBF is Vermont's early childhood public-private partnership, charged under Vermont Title 33 § Chapter 46 and the Federal Head Start Act (Public Law 110-134) as Vermont's Early Childhood State Advisory Council (SAC).

The SAC advises Vermont's Governor and Legislature on the well-being of children in the prenatal period through age 8 and their families. BBF's network includes 12 Regional Councils, seven VECAP Committees, and the State Advisory Council. BBF maintains Vermont's Early Childhood Action Plan (VECAP), the vision and strategic plan for Vermont's early childhood system. BBF is responsible for ensuring accountability and measuring the success of the VECAP and Vermont's Act 76, a child care law passed in 2023.

BBF supports accountability through Vermont's Early Childhood Data & Policy Center, which serves as a nonpartisan, independent source of data, research, and publications for policymakers, researchers, and the public. Learn more at buildingbrightfutures.org.



© Vermont's Early Childhood Data & Policy Center 2024

Education, the Agency of Commerce and Community Development, and Lund due to limited data), this must be placed in context of the full FY2021 state budget of \$7.2 billion.

Total and Individual Early Childhood Spending by Funding Source

Chart 1: Total Spending by Funding Source*

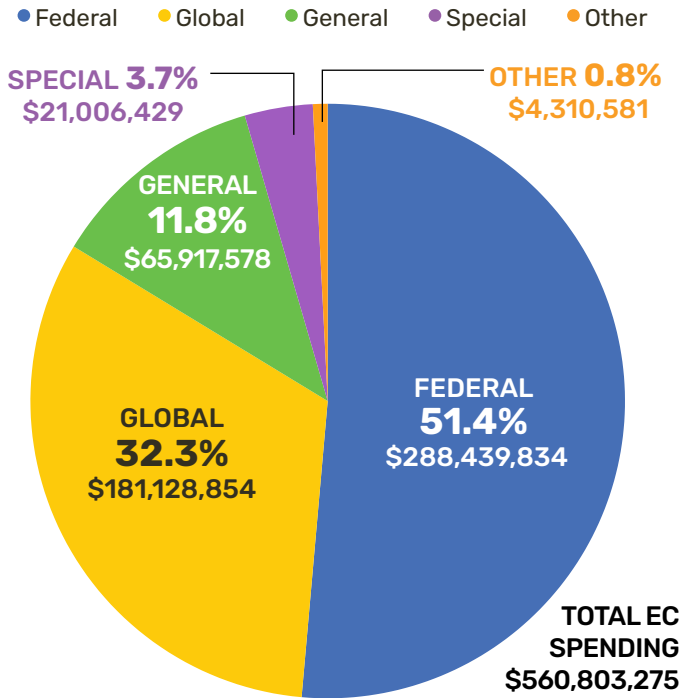


Chart 2: Child Development Division Spending

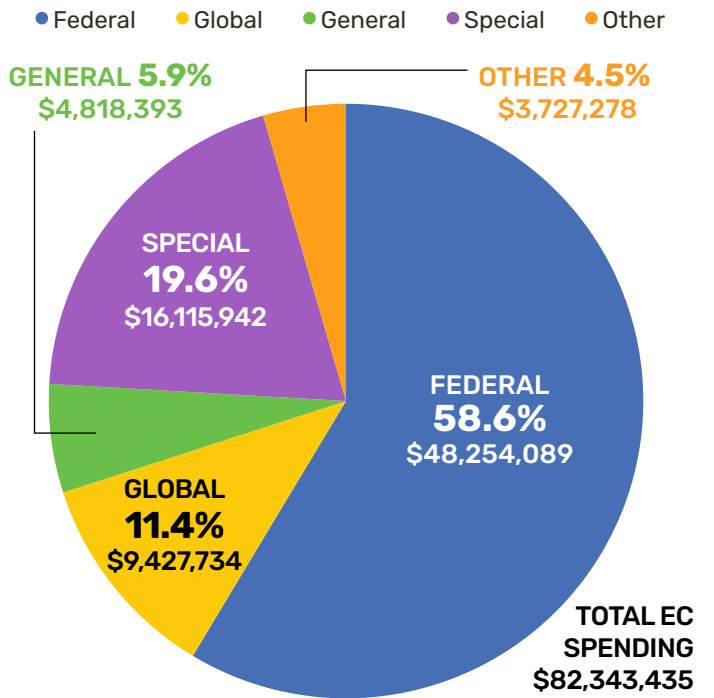


Chart 3: Department of Mental Health Spending

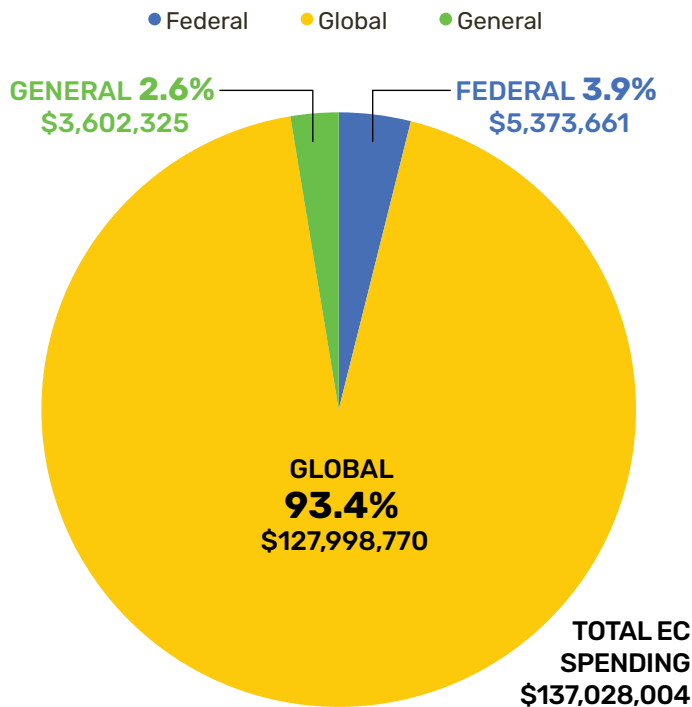
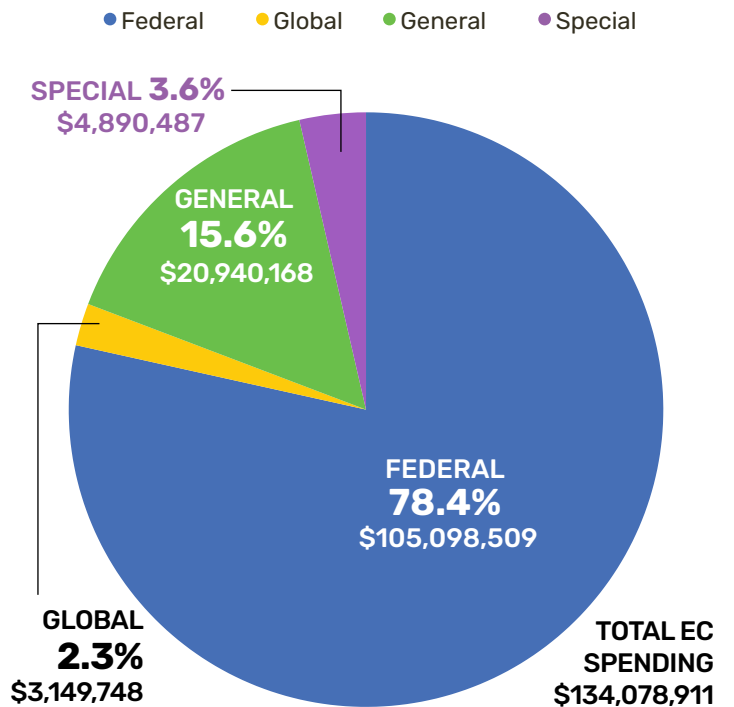
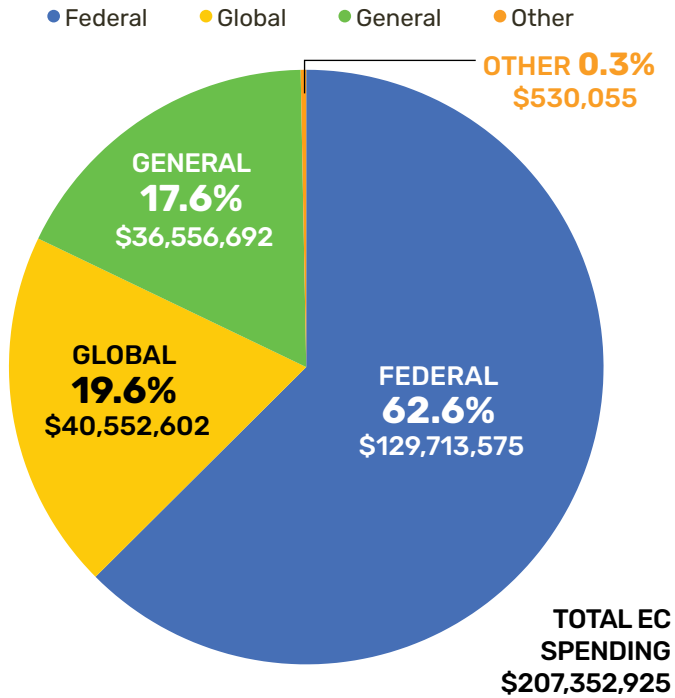


Chart 4: Economic Services Division Spending



Total and Individual Early Childhood Spending by Funding Source, continued

Chart 5: Family Services Division Spending



* Note: The Agency of Education, the Agency of Commerce and Community Development, the Department of Corrections/Lund, and the Family and Child Health Division are not included in these pie charts due to limited data. These agencies reported a total of \$14,724,449 in early childhood spending that is not included above.



Limitations

- + **Generalizability** - The spending in this inventory represents a point in time. This is of particular importance given the 2023 passage of Act 76, Vermont's child care law, and the impact on the budget at the Child Development Division in particular.
- + **Determining Scope** - Among the challenges and barriers to pulling consistent data on spending related to the early childhood period, state partners most frequently mentioned challenges related to defining and/or pulling data specific to the scope of early childhood. For some of our partners, namely, the Department for Children and Families, the issue arose that practically every program and expense within their purview is considered to be on behalf of children and families in Vermont. Narrowing this down further and parsing out which programs we considered in versus outside of our scope was a challenge.
- + **Estimates of Spending by Age** - Another recurring barrier that agency/division staff faced was attempting to pull data from programs that serve a larger age range/population than simply young children (under 9) and their families. For most of these programs, because of how data is coded, it was not possible to parse out the cost of serving a smaller population. For instance, as previously mentioned, within many education-based programs administered by the Agency of Education, it was not possible to disaggregate spending specifically for children under the age of 9, including the administrative staff time dedicated to such programming and service provision. Additionally, our particular interest in the prenatal to age 3 population for the purpose of our ECCS work was even more of a challenge, especially given the way in which the Child Development Division funds many child care-related programs and services that support children from birth to age 5 (or in some cases, school-aged children as well).
- + **Varying Levels of Completeness** - The extent of how comprehensive the spending data is varies from agency to agency, with some having been more easily able to capture and report on things such as specific dollar amounts and funding sources for programs serving young children. The Agency of Education is an example of this; disaggregating spending on pre-K or within the early elementary years (kindergarten through third grade) was not possible during this time. While the team is interested in and committed to better capturing this data, in future years this may require additional capacity or analytic support to rigorously capture or estimate. In contrast, the Department for Children and Families (the Child Development Division, the Family Services Division, and the Economic Services Division) was able to report in a fairly comprehensive way on their spending across programs.
- + **Gaps in Agency/Division Participation** - Another gap in our findings is that the Department of Vermont Health Access, which administers Medicaid and Medicaid funds, did not have capacity to fully participate. In previous years, the Building Bright Futures team has worked closely with this team to map Medicaid funds/investments related to the early childhood period. Many of these Medicaid-funded programs are represented in other participating agencies' budgets such as the Child Development Division and the Department of Maternal and Child Health, but some line items have likely been missed due to this gap. Similarly, related to challenges associated with determining the scope of the project, there are likely other agencies/divisions that fund programs or services that are either directly or tangentially related to supporting young children and their families that are not captured within this iteration of the project.
- + **Establishing Common Definitions** - A similar barrier arose when pulling together data related to establishing common definitions within our scope. For instance, in thinking about defining "direct service" within our data, partners shared that for federal reporting purposes, they have to pull/define "direct service" in one particular way. This definition didn't necessarily work for all partners or make

sense within the context of our spending inventory, requiring more work and parsing for those used to the federal system. Additionally, maintaining the consistency of these definitions will be critical when replicating and expanding on our work in future years.

- + **Current Spending Doesn't Reflect Current Needs** - One of the primary concerns expressed by partners about this project was the potential for information about current funding or spending levels to be used to promote false narratives about our state's ability to meet current needs. Agency/division leaders stressed that in many cases, current spending does not fully meet the current resource or capacity needs for programs serving young children and their families. Partners also expressed concern that given the current prevalence of scarcity mindset within Vermont, advertising the amount of funding received federally for a number of programs might cause some controversy.
- + **Presenting Data in an Audience-Friendly Manner** - One of the central goals of the Early Childhood Spending Inventory project for our team and the Early Childhood Investment Committee has been to publish data in an accessible and approachable manner for a variety of audiences, who can then take and utilize the data for decision-making. It has taken additional time and capacity with our state partners to distill and translate some of their data, such as budget line item naming/phrasing, to make it more accessible. Agencies and divisions largely had not yet distilled and/or translated their own data related to spending, particularly not related to a specific early childhood or prenatal-to-age-3 lens. This will be an area we focus on further strengthening in future iterations.



Considerations for Policy and Decision-Making

- + **Improve Accounting Systems to Support Monitoring** - Variations in accounting systems and line item identification make it nearly impossible to generate a complete and accurate inventory of spending across agencies, departments, and programs. Building the capacity to improve and clarify budget line item descriptors would make it possible to gain a complete picture of spending within the early childhood system.
- + **Ensure That the Biggest Challenges for Children and Families in the State are Prioritized by Revenue Expenditures** - Without a comprehensive spending inventory, it is difficult to know if state dollars are being targeted to the areas of greatest need. Often, program expenditures are inherited year to year and may not keep up with the changing context of the lives of children and families. Quicker and easier access to information on spending would allow lawmakers and policymakers to adapt more quickly.
- + **Blending and Braiding Funding Sources** - Many local needs cannot be met through any one funding source. Building integrated data and finance systems is a key step towards leveraging multiple funding streams for programs and projects at the state and/or local level. As stated above, accurate accounting systems are needed in order to track funding streams. Interagency budget coordination would make it possible to leverage more dollars to meet local and family needs.
- + **Underinvesting in Financial and Data Systems May Be Costing the State** - Vermont may be underfunding data collection and financial systems in the short term in a way that undermines the state from pulling down available federal funds to their full potential over the long term.

Acknowledgements

This project was funded in part by the Early Childhood Comprehensive Systems Grant through the Health Resources and Services Administration (HRSA).

The following teams contributed time, data, and information to this project:

- + The Agency of Commerce and Community Development
- + The Agency of Education
- + The Department for Children and Families
- + The Department of Corrections
- + The Department of Mental Health
- + The Family and Child Health Division within the Department of Health
- + Lund



The mission of Building Bright Futures (BBF) is to improve the well-being of children and families in Vermont by using evidence to inform policy and by bringing voices together across sectors and within regions to discuss critical challenges and problem-solve. BBF is Vermont's early childhood public-private partnership, charged under Vermont Title 33 § Chapter 46 and the Federal Head Start Act (Public Law 110-134) as Vermont's Early Childhood State Advisory Council (SAC). The SAC advises Vermont's

Governor and Legislature on the well-being of children in the prenatal period through age 8 and their families. BBF's network includes 12 Regional Councils, seven VECAP Committees, and the State Advisory Council. BBF maintains Vermont's Early Childhood Action Plan (VECAP), the vision and strategic plan for Vermont's early childhood system. BBF is responsible for ensuring accountability and measuring the success of the VECAP and Vermont's Act 76, a child care law passed in 2023. BBF supports accountability through Vermont's Early Childhood Data & Policy Center, which serves as a nonpartisan, independent source of data, research, and publications for policymakers, researchers, and the public. Learn more at buildingbrightfutures.org.

Suggested Citation

Building Bright Futures State Advisory Council. (2024). Vermont's Early Childhood Baseline Spending Inventory: Fiscal Year 2021. www.buildingbrightfutures.org/publications/early-childhood-spending-inventory-FY21.