

**Blue Ribbon Panel on Child Care
September 20, 2023 Meeting Notes
Hartford, Legislative Office Building**

Introduction and Welcome:

Commissioner Beth Bye called the meeting to order and welcomed Blue Ribbon Panel members. Commissioner Bye shared a broad context of the objective of the day and expressed importance around this plan.

Deputy Commissioner Elena Trueworthy shared remarks about the process of collecting and incorporating feedback.

- Last week, the Office of Early Childhood engaged in 9 listening sessions across the state.
- Over 2,000 individuals have been engaged for input across 282 meetings.
- Development of the plan has been an iterative process.
- Stories were shared to explain how vast the challenges are with early childhood education for the families and providers.
 - The story of a parent with an ECE degree who cannot go into the workforce because she cannot afford child care herself on the wages she makes.
 - The story of a mother who could not afford child care for her infant while she was on the waitlist for Care4Kids. She considered sending her baby to Jamaica for her family to care for the child until funding came through. The child care provider stepped in and cared for the infant without pay rather than separate baby and mother.
 - The story of a provider who wants people to know that early childhood education is an amazing profession despite the challenges. It is not defined by the challenges that do exist.

Commissioner Bye introduced Dan Wuori from the Hunt Institute to share a national perspective on the ECE challenge:

- Challenges with early childhood education are not something that is unique to CT. This issue is prevalent across the country. However, the Blue Ribbon Panel process is unique to trying to solve this challenge.
- Each year there have been early childhood leadership summits that are hugely bipartisan. Here people think and mobilize towards a set of goals to improve the standards of early childhood education.
- Progress across various states was shared:
 - New Mexico
 - Consolidation of EC services into new cabinet agency: New Mexico Early Childhood Education and Care Department

- Creation of an Early Childhood Trust Fund, fueled by excess oil and gas revenues (Seeded with \$300 million, 5% of revenue each year)
- Constitutional Amendment in 2022 enshrined dedicated funding from the state's Land Grant Permanent Fund (estimated \$150 million annually, passed with 70% of vote)
- Used cost modeling to increase provider rates to cost of quality
- Child care salaries to \$15 an hour, goal of \$20 for lead teachers
- Free child care to most of state (initially using ARPA)
- 40% increase in access to pre-K

Vermont

- Passage of 0.44% payroll tax (0.33 paid by employers, 0.11 by employees)
- Taken in combination with general funds will generate an estimated \$125 million annually for child care
- Will expand child care subsidies to families earning up to 575% of the federal poverty level (or \$172,000 for a family of four)
- Will eliminate co-payments for families earning up to 175% of poverty (or \$52,000 for a family of four)
- Immediate 35% increase to provider reimbursement rates
- Tasks lawmakers with studying how to operationalize an affordable, universal full-day pre-K system

Washington D.C.

- Early Childhood Education Pay Equity Fund (2022)
- Intended to close compensation and benefits gaps between child care and public school teachers
- Enabled by tax increase on individuals making more than \$250K annually
- Bonuses of \$10,000 annually for classroom assistants
- Bonuses of \$14,000 annually for lead teachers
- Couples with health care benefit (free silver-level health plan via DC Health Benefits Exchange Authority)
- Universal 3K/4K
- Bachelor's degrees for directors, 2-year degrees for lead teachers, CDA for assistants

Minnesota

- Minnesota's most recent legislative session resulted in approximately \$750 million (biennium) in expanded investment in child care and early learning programs. This figure includes:
 - An additional \$252 million for early learning scholarships
 - \$5 million for Grow Your Own early childhood educator programs that recruit and prepare community members to enter the teaching profession
- Raising the reimbursement rate for providers to the 75th percentile of the most recent market rate survey (Prior rates were set at 40% of the 2021 market rate survey)

- The state also passed a child tax credit worth up to \$1,750 per child for low-income families, expected to cut child poverty in the state by one-third

The costs of not investing in early childhood education:

- The earlier you invest in child care, the more return you'll have on that investment.
- 13% annual return on investment with high quality childhood programming
- Children that receive high quality education have a decreased need for social services, fewer interactions with the criminal justice system, and overall have higher life qualities

Challenges in ECE

- Annual \$122 billion dollar impact on the nation's economy
- Parents struggling with child care – 58% reported that they had missed at least 1 full day of work because of child care challenges; they forgo promotions and job training that would advance their careers, missing out on a large portion of income
- Providers face difficulty retaining employees due to low wages and lack of benefits
- Tax payers are missing out on \$1.5 billion in CT due to diminished access to child care

Blue Ribbon Panel members asked questions around:

- Sustainability of funding and confirmation it was not from ARPA or one time funding
- Use of tax on cannabis to support child care funding
- How K-12 teachers reacted to giving raises to early education workers

Commissioner Bye introduced potential ECE investment priorities:

- Plan needs to center on the child and consider all stakeholders in the system
- The plan will reflect a commitment to to five pillars:
 - Equity
 - Quality
 - Affordable access
 - Provider and system stability
 - Family and community voice
- CT has made significant recent investments in ECE
 - CT has increased funding
 - Paid Family Medical Leave
 - CT has most NAEYC accredited programs
 - Staffed family child care networks
 - Strong licensing regulations
 - Elevate – model quality improvement system
 - OEC Parent Cabinet
 - Added 1,300 more infant and toddler spaces

- Launched 360 Portal to make agency more accessible
- Connecticut faces 4 core interrelated ECE challenges:
 - Affordability for families
 - Access
 - Workforce compensation
 - System stability
- The Blue Ribbon Plan recommendations contemplate several low- to no-cost high impact recommendations
 - Aligning subsidy regulations to federal guidelines
 - Increasing access
 - Shortening Care4Kids wait list
 - Reducing facility costs
 - Stabilizing funding streams; simplify them and make them more flexible; improve enrollment management
- Funding and Recommended Investments

There are a range of payers within the current system (government, families, businesses that offer subsidies, philanthropy). Commissioner Bye shared ideas for investments which can help address several of the core ECE system challenges for consideration:

 - Expanding Care4Kids, with a parent copay of 7%
 - Tri-Share model – split costs between the state, business, and family
 - Add infant and toddler spaces
 - Improve workforce compensation for state-funded – which is only a percentage of the system; support starts where we have control – 30% of programs are state-funded
 - Health insurance navigator and health subsidies for all programs
 - Expand Smart Start – state and town/city each pay half and support child with special needs
 - Stabilization programs – structured to reach around 65% of the system, and would help people with wages and compensation
 - Facilities funding
 - Improved technology system and facility funding
 - Support for local governance

Dan Wuori from the Hunt Institute introduced an activity for the Blue Ribbon Panel members:

The activity required Blue Ribbon Panel members to review 15 strips of paper, each with an individual investment option. They worked in small groups to sort and prioritize the investment options. They then came back to the larger session to share.

Panel Members shared the following comments and prioritization from the activity:

- Workforce Compensation, Health Insurance, and Stabilization were all very important and related and integral. We wanted the quality to be very high.
- Why haven't we seen a proposal for what a full-funded child care system looks like? There are recommendations but what is the aspiration? We are operating in an environment of scarcity instead of setting goals/aspirations for what we want child care to look like in CT.
- Not addressing important needs like housing within this discussion.
- What if we provide funding to existing programs instead like Smart Start? This would allow for more coverage for families.
- Consider staging the investments across the 5-year plan.
- Expanding Care4Kids would drive the economics – putting money into the hands of families would put it into the hands of the high functioning senators that would put it to good use.
- Care4Kids is a funding stream that maximizes parent choice. Compensation is limited to what parents can afford. We support expanded eligibility, and they need enough dollars to eliminate the waiting list and ensure that every eligible child gets the care and resources they need.
- Stabilization at a high level – state-funded compensation is crucial, but 70% of the field is not included there and they still need support. Need to cover everyone who needs child care in the state.
- Need to have more buy in on how the legislators understand the issue. Needs to be more encompassing and care for our entire child care industry.
- Child care providers are facing penalties and lawsuits when it comes to staff for unpaid wages. Staffing helps provide high quality care but many providers need funding in order to properly pay their employees.
- Birth to 5 instead of Birth to 3 because people lose out on all the support and services that they formerly had access to.
- How do you define quality programming? Need to focus on what families need. Needs to be outcomes based versus based on degrees of the individual teachers. How do we improve the quality of programming at programs that may not be as successful?
 - We need to ask families what quality is to them. Programming should be based on community-based, cultural values, and linguistic values.
 - Need to provide info about programs – enrollment management system to do so. Different people are looking for different things.
- What are options for families that make over SMI? Child care is still a major expense.
- The plan focuses on state-funded programs, now state-funded will take teachers from private, just like public schools do now. How do we support private centers?

Commissioner Bye offered feedback to panel comments:

- Focus on compensation for state-funded programs is because that is within OEC's control. 60% of systems are private and we cannot tell them what to pay their employees. It would move towards appropriate compensation in the only system we control.

- Care4Kids helps others and is a critical investment. Stabilization was added so all programs would have access to support.
- A secondary strategy is opening our state-funded system to more providers. People have the ability to come in if they still choose and benefit from that funding source. Programs that want to have a state-funded slot for infants and toddlers you can apply as a provider.
- Need support for community-based programs and to take down barriers in terms of service between school system and community based.
- Response to the idea of staging – change over 5 years may be difficult and we may need to go to 7 years or 8 years. However, we need to address the challenge in the field right now which is an emergency of compensation.
- Need to be cautious in the supply and demand of child care. Child care doesn't follow traditional rules. States that prioritize on demand don't translate into availability of services. If you do not have teachers to teach, you can't use slots.

Commissioner Bye shared the Blue Ribbon Panel Outline and Stakeholder Input:

Reviewed the goal that all families will have access to an equitable, high-quality, and affordable early childhood education (ECE) system.

Blue Ribbon Panel Plan goals:

- **Workforce and Quality:** Invest in and support the retention and recruitment of a professional, high-quality ECE workforce.
- **Affordability:** Increase affordability for low- and middle-income families.
- **Equitable Access:** Increase access to high-quality programs that meets the range of family needs, especially for infant and toddler care, and children with special needs; and prioritizes under-resourced groups and communities.
- **Systems:** Develop an agile, flexible, and collaborative ECE system that maximizes current resources and supports economically viable programs.
- **Funding:** Build a well-funded, sustainable funding system that is poised to efficiently leverage future investment.

Commissioner Bye and Deputy Commissioner Trueworthy shared the objectives within each of the goal areas:

Goal 1: Invest in and support the retention and recruitment of a professional, high-quality ECE workforce

- **Objective 1A:** Support the professional compensation of current and future early childhood educators in centers, group and family child care homes, and schools.

- **Objective 1B:** Pursue strategies that support ECE workforce recruitment and retention, and build education and training programs for skilled, diverse ECE educators and staff (e.g., Registered Apprentice Program, high school CDA, retraining from other fields).
- **Objective 1C:** Adopt a three-step career ladder that aligns with the Unifying Framework and links career advancement with compensation, following an implementation timeline and stakeholder input process that ensures any new system supports all providers.
- **Objective 1D:** Create and expand successful strategies to support educators in increasing the quality of early childhood programs,

Goal 2: Increase affordability for low- and middle-income families

- **Objective 2A:** Expand affordability for low- and middle-income families, committing to funding and expanding Care4Kids eligibility to households earning up to 100% of State Median Income (SMI) using a parent co-pay schedule with a maximum of 7% of family income and phasing in over 5 years.
- **Objective 2B:** Design and implement cost-sharing public private model with businesses to reach families just out of reach of publicly funded subsidies.
- **Objective 2C:** Develop strategies to expand affordability and mitigate the impacts of benefits cliff.

Goal 3: Increase access to high-quality programs that meet the range of family needs, especially for infant and toddler care, and children with special needs; and prioritizes under-resourced groups and communities

- **Objective 3A:** Recognize, empower, and embed families as central and valued decision-makers in the development of an equitable ECE system.
- **Objective 3B:** Increase the supply of infant and toddler care.
- **Objective 3C:** Improve access to programs and services to meet the needs of children with special needs and their families.
- **Objective 3D:** Increase equitable access to high-quality care, especially for under-resourced families and communities.

Goal 4: Develop an agile, flexible, and collaborative ECE system that maximizes current resources and supports economically viable programs

- **Objective 4A:** Simplify state-funded systems and better align with federal systems to reduce complexity and increase utility, especially for providers, but also for families, and the state of Connecticut.
- **Objective 4B:** Maximize existing resources by strengthening programs and partnerships to improve enrollment, reduce administrative burdens, and redundant costs.

- **Objective 4C:** Implement a common needs assessment and expand organizational supports to ensure an equitable and responsive ECE system that covers all geographies in the state.
- **Objective 4D:** Develop data and information systems, including a provider and parent portal and navigation system, to track and improve systems and outcomes.

Goal 5: Build a well-funded, sustainable ECE funding system that is poised to efficiently leverage future investment

- **Objective 5A:** Implement a stabilization program for centers, group homes, and family child care homes that is based on a sliding scale program grant that offers significantly enhanced funding for programs that serve high-needs communities and under-resourced families, and that incentivizes high quality.
- **Objective 5B:** Develop a plan to transition to funding based on true cost of care starting with infant and toddler care, and high-need communities.
- **Objective 5C:** Develop a flexible fiscal model to support implementation and help to prioritize and stage investments.
- **Objective 5D:** Identify new funding streams that will support sustained and significant public and private incremental investment in ECE.

Blue Ribbon Panel Members provided direct feedback and comments on the presented plan:

- A panel member expressed appreciation for the plan, calling it inclusive.
- The compensation piece is an issue with everyone. We need to figure out how to give people benefits.
- Concern around the benefits cliff impact on families and providers:
 - When providers have to file taxes and get these grants, it prevents us from receiving benefits and health insurance. This affects care providers; is there another avenue that we could somehow direct funds? Could you pay the health insurance directly from them and say we're not going to give them stuff?
- Staff compensation is a critical piece. One care provider is able to pay her staff \$25 per hour for her staff, but she recognizes that this is not usually feasible for everyone. Another provider stated that for two years throughout the duration of the pandemic, she was unable to pay herself an hourly wage.
- A panel member shared specific edits or questions within the plan:
 - How will a 5-year roll out on wages and C4K actually work, especially with non-state funded programs?
 - On section 1A, retirement savings plan, how will it compare to the K-12 system?
 - Section 1A – Assess equity impact – what is the data collection plan for this?
 - Section 1B – Love the idea of a campaign.

- Requested clarity around compensation and specificity around one or two earner families.
- On Goal 2, name Care4Kids immigrant families and look at the last bullet under 2A – avoid this being gendered (female) to be inclusive.
- Specific to 2C, requested more information around the mechanism of incremental opportunity.
- Specific to 3A, the Parent Cabinet and ambassadors are assumed in this.
- Section 3C lacks mention of home visiting programs.
- Specific to Page 9 under Action Steps, bullets 2 and 3 make sense as standalone points but together don't make sense. The sequencing doesn't jive.
- Under Objective 4B, bullet 2, specific to facility funding, will it be accessible for non-state-funded programs?
 - Specific to 4D, a Parent Portal, could this be within an existing app, such as Sparkler?
- Consider an incremental strategy to have business engagement versus philanthropy engagement. There is a deeper need for business recommendation.
- Need to consider how families talk about safety and quality versus talking about safety as training; families talk about it as trustworthiness and values.
- Panel members requested that an appendix with definitions be included.
 - “Quality” defined differently across providers and families. Have an appendix to show what quality is. It is hard to qualify which is why we use standards, but focus on relationships.
- Unifying framework needs to be defined for those who do not know.
 - How would this roll out? Does it affect licensing requirements?
 - Directors expressed the need to fund substitutes so they can send teachers for education.
 - Consider paid internships – students teaching for 200 hours and not getting paid.
 - Need training for teachers and funding for programs to hire and support the trainings.
- Don't compare early education to K-12. It pits educators against each other and is a false positive. Traditional public school teachers teach 6 hour days versus child care providers working 10 hours a day. Can't expect people to go back and earn degrees and then work more hours without summers off. They are not the same as public school teachers and even teachers do not earn a living wage.
- As a panel, we need to look at what is beneficial in the system. Agree with training and education, but mindful of how it looks. Can get training without a bachelor's degree. Do not want to cut our legs out from under us.
- Part of training is not just a degree; they want hands-on training. What do we do for the current workforce? Need to look at grandfathering in and offering an increase in pay based on time in the field.
 - Create a substitute pool especially to support FCCs, to allow for engagement in training.

- Cover costs for trainings to ensure FCCs can afford to engage.
- Reconsider transportation as a key aspect of delivering access for parents.
- How do we prioritize under resourced groups for equitable distribution?
- Questioned if an 11% increase will actually be a livable wage.
- A panel member expressed deep concern at using 100% SMI and recommended to jump way over 100%.
 - Housing is expensive – you cannot live a quality life in CT at \$80K.
 - Feels very safe and not transformative – need to consider more lofty goals.
 - Suggest conversations with other state agencies to determine what an appropriate number would be to truly support families.

The Blue Ribbon Panel reconvened as a full group and shared out final thoughts:

- A panel member who is a child care provider shared a story about the challenge of the benefits cliff. She accepted grants to stay open, but it impacted her ability to have access to state insurance for her and her children.
- Support for a benefits cliffs calculator for providers to understand impact of funding
 - Consider money going to insurance health savings accounts rather than grants.
- Family child care needs to be a sustainable business and profession.
 - Fund benefits for self-employed FCC.
- Suggestion for a system (red/yellow alerts) to better understand closure rate and opening rate. It is so expensive to create a new center, the system could alert those who may be interested in expanding and support acquisitions rather than closures.
 - *Commissioner Bye asked OEC team member to share a report showing the openings and closures for past 12 months.*
- Support for the idea of Group Homes being more in line with Family Child Care ratios and regulations.
- Panel member recommended providing funding for substitutes to support teachers having coverage to get the training needed under unifying framework.
- Workforce recruitment and retention
 - Consider those who have been in the field and recognize them.
 - Work with Department of Education to be proactive with apprenticeships and high school education.
- A panel member reiterated the importance of getting buy-in from legislators to understand the importance of early child care. Need to create a cultural shift to get the critical funding.

Commissioner Bye thanked the panel for their engagement in the meeting and reviewed next steps:

- Shared key upcoming dates, including opportunity for office hours in October.
- Invited panel members to fill out form online or send an email with any questions or comments.

- Commissioner Bye shared a story to end the meeting and explained that thinking about this work is never done. This work is social justice work and commitment to this noble cause will require ongoing focus and effort.