



## **Need help paying for child care?**

Your child may qualify for the First Steps Scholarship Program

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# Early Learning Initiative Annual Report

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## I: Summary

The Early Learning Initiative has grown and expanded into new areas during 2021 and 2022.

- Capacity grant funds supported the opening of the ONE Arts Community School – Burlington creating 28 new spots
- First Steps Scholarship Program enrolled more children than ever
- First Steps Scholarship Program enrollment increased 35% over last year, with 47 children enrolled at 12 area partner child care programs
- ELI launched a new training program to give childcare providers a higher level of social and emotional training

### Indicators of Success, 2018-2022

Success Indicator	Outcome Measure
More children in high-quality child care	<ul style="list-style-type: none"><li>• 127 applicants since 2019</li><li>• 114 scholarships offered over 3 years</li><li>• 104 scholarships accepted for an <b>91% enrollment rate</b></li><li>• 47 children enrolled as of May 2022</li><li>• 16 families left care over the last 3 years</li></ul>
Total Child Care Financial Assistance Program Funding secured for First Steps families	<b>Nearly \$1 million of additional state funding pulled into the community</b> <ul style="list-style-type: none"><li>• Year 1: \$222,957 additional state dollars</li><li>• Year 2: \$293,245 additional state dollars</li><li>• Year 3: about \$428,600 additional state dollars (expected by end of August 2022)</li></ul>
High-quality child care is available for children eligible for scholarship	<ul style="list-style-type: none"><li>• 89% of applicants were offered a space</li><li>• 46% increase in child care capacity funded through grants (high-quality infant/toddler); creating 3 new child care centers and 120 new spots</li></ul>
Families have better economic well being	For Year 3, 2021-2022 Scholarship Year: <ul style="list-style-type: none"><li>• 44% of families are single parent households</li><li>• 82% of families need child care to stay or find employment</li><li>• 14% of families qualifying under the 80% area median income range</li></ul>
Young children are more prepared for Pre-K and Kindergarten	<ul style="list-style-type: none"><li>• 84% of scholarship recipients stayed enrolled through three scholarship years</li><li>• Enrolled children had attendance rate of 76% of open days, from Sept 2021 to March 2022</li></ul>

## **II: Early Learning Initiative Expansion to Full Time Position**

In 2017, Mayor Miro Weinberger launched the Early Learning Initiative in an effort to increase capacity and create a scholarship program to ensure all residents had the opportunity to access high-quality child care. The City partnered with Let's Grow Kids to develop the Capacity Grant and First Steps Scholarship Program. Their expertise was instrumental throughout the first years, supporting growth to the point of creating a full-time City position to manage the initiative. City Council approved the Early Learning Initiative Manager position housed within the Economic Recovery Team under Director Kara Alnasrawi in May 2021. The application and interview period stretched through the beginning of summer and Rebecca Reese stepped into the full-time role in July 2021. Rebecca had worked alongside Brian Lowe and Let's Grow Kids since 2018 developing and implementing the beginning years of ELI.

## **III: First Steps Scholarship Third Year, 2021-2022**

The third year of the First Steps Scholarship Program continues to see growth, with the most applications, enrollments, and partnering child care providers to date. Enrollment grew nearly 35% over last year and more than doubled compared to the first year. Another 5 child care providers signed onto the program accepting First Steps Scholarship children in Burlington and four surrounding towns.

### **The Third Scholarship Year by the Numbers:**

- 57 total applications - 44 new families and 13 returning from Year 2
- 16 partner child care programs in 5 towns, with children currently enrolled at 12 programs
- 47 families enrolled in Year 3, a total of 82% offered and accepted enrollment spaces
- 82% of First Steps families need child care to remain employed or find employment
- 32% of applicants' primary language is something other than English, with 11 different languages reported
- 44% of ELI families are single parent households
- 86% of First Steps families qualify at 65% area median income, with 35% of families falling below the federal poverty line
- 8 families qualify below 80% area median income
- 11 families have unenrolled from care throughout the scholarship year, due to reasons including moving out of the area, transportation issues, changes in family desires and care needs, etc.
- Estimated \$251,000 investment for the scholarship year spanning September 1, 2021 to August 31, 2022, with an average annual scholarship of \$5,300

## Increasing First Steps Scholarship Weekly Rates

By design, the First Steps Scholarship layers Burlington local dollars on top of state tuition assistance, the Child Care Financial Assistance Program (CCFAP), to make high-quality care truly affordable. The program increased scholarship rates at the start of the 2021-2022 scholarship year by about 8% to keep pace with rising tuition costs at area child care providers.

### First Steps Scholarship rates between September 1, 2021 and February 13, 2022

- Families qualifying below 65% AMI receive a weekly scholarship between \$312 and \$360, through a combination of scholarship, CCFAP, and at times, family copayments capped at 5% of annual income.
- Families qualifying between 66% and 80% AMI receive a flat scholarship rate of \$135 weekly.

Rates are assessed each year and increases of this nature are necessary to keep the scholarship program competitive and fair. A failure to increase scholarship rates could result in a reduction of First Steps partner programs, as enrolling scholarship children would become less financially feasible. With this in mind, ELI pivoted once again mid-scholarship year when the Vermont Child Development Division increased CCFAP reimbursement rates. This adjustment had been expected for months and was finally put into place mid-February 2022. First Steps was able to use the state reimbursement increases to continue to level fund the majority of scholarships while increasing weekly maximum rates. Increasing tuition rates mid-year stays in step with changes occurring throughout the industry, higher tuition rates at area providers, and allows programs to plan for next scholarship year. This could also encourage other child care providers to partner with First Steps - expanding the program by offering more care options and reaching more families.

### First Steps Scholarship rates expected to continue into Scholarship Year 4, 2022-2023

- Families qualifying below 65% AMI receive a weekly scholarship between \$360 and \$416, through a combination of scholarship dollars, CCFAP, and at times, family copayments capped at 5% of annual income.
- Families qualifying between 66% and 80% AMI receive a flat scholarship rate of \$155 weekly.

Additional changes to CCFAP, are expected in July. Specifics are not yet known but could create the need for significant adjustments within the First Steps Scholarship Program. With rising tuition costs and increased state reimbursement rates, supporting families qualifying below 80% AMI could prove essential to keeping those families enrolled.

## Increased Annual Income Limits and Accepting More Families

In 2021, First Steps expanded income eligibility from 65% area median income to 80% of the area median income (AMI), including all Burlington families falling below the federal low-income determination. This scholarship year has seen several families qualify at these income levels providing 14% more families with support to find and afford care. Those who qualify between 66% and 80% AMI receive a flat scholarship rate of \$155 per week. Adjusting the scholarship delivery model to support these families has been very beneficial and allowed more low-income Burlington families to find and stay enrolled in high-quality child care.

The updated 2022 federal income limits were released by HUD in April and have increased significantly. Such as, a family of 4 previously qualified at \$76,700 but now can earn up to \$85,800 annually and still qualify for the program. These increases illustrate the impacts of inflation on our community and will expectedly expand scholarship opportunities to more Burlington families.

### April 2022 Federal Low-Income Limits – 80% area median income

Household size	2 people	3 people	4 people	5 people	6 people	7 people
80% area median income	\$68,650	\$77,250	\$85,800	\$92,700	\$99,950	\$106,400

## Labor Market Challenges

The child care sector has been hit hard by labor challenges. Early educators are among the lowest paid college graduates, ranking in the bottom 2% of professions nationally when it comes to compensation. Families shoulder the burden of high tuition prices and early educators take the brunt of the chronically underfunded system through low wages. The staffing crisis has reached a fever pitch with programs unable to fill open positions. The First Steps Scholarship Program is currently running its longest waitlist of 5 families and the correlation to staffing issues should not be overlooked. Through planning for next year, three partner programs have already explained it is unclear how many children they will be able to enroll because of staffing unknowns.

The Vermont Agency for the Education of Young Children (VTAEYC) recently completed a statewide staffing survey. The situation is dire across the state with Chittenden County numbers showing even worse.

- 32 center-based Chittenden County programs responded. VTAEYC estimates there are about 78 potential respondents among community-based centers so the survey received a solid response rate of about 41%.

- 94% of programs are experiencing a staffing shortage; with an average of 3.3 open positions.
- 88% are under-enrolled; averaging 11.3 fewer children than ideal served each day.

Because of hiring difficulties, programs are forced to reduce hours, close classrooms, stagger days when children attend, and use other strategies to stretch staff capacity. Several partner programs have closed classrooms in the short- and long-term due to staffing issues, not enrolling to their full capacity.

Just among the programs that responded, there is a need for another 99 early childhood educators who could serve an additional 360 kids. If you consider all programs in Chittenden County, that's an additional 240 educators needed to serve another 874 children. While these numbers do not solely focus on Burlington, they do illustrate the environment where First Steps is trying to enroll Burlington children. To combat this issue and continue to offer enrollment options to families, First Steps plans to expand program partnership by at least 50% in the coming year. More partner programs opens more enrollment spots available to scholarship families.

#### **IV: ELI Capacity Grants**

##### **Increased High-Quality Spots in Burlington**

To date, the capacity grant program has awarded \$785,300.61 to help create three new child care centers; up to 120 new high-quality spots, of which 92 are infant/toddler; and stabilize 166 enrolled spots at high-quality centers.

ELI awarded the ONE Arts Community School – Burlington a grant of \$103,676.61 to open a brand new center at the corner of Archibald Street and North Winooski Avenue. These funds helped:

- add 28 total spots; 16 infant-toddler and 12 preschool, with a total of 29 children enrolled
- 14 children qualify for CCFAP
- 7 First Steps Scholarship children enrolled
- 11 children identify as BIPOC
- 9 teaching positions (both full and part time) created





ONE Arts Community School – Burlington students, teachers, and community members listen to local author Sarah Dillard read during the grand opening on May 6, 2022.



Teachers and students “cut the ribbon” at the ONE Arts Community School- Burlington grand opening, May 6, 2022.

## Capacity Grant Program Totals, 2017-2022

Center & Grant Award Year	Total spots	Funding totals
ONE Arts Community School – Burlington - 2021 (new child care center)	28 spots, 16 infant/toddler and 12 preschool newly created	\$103,676.61
Next Generation – Burlington (new child care center) - 2020	18 infant and toddler newly created	\$19,200
Champlain Valley Head Start (new child care center) - 2019	23 infant/toddler and preschool newly created	\$90,849
Fletcher Free Library - 2019	50 students reached at home-based centers	\$17,300
Pine Forest – 2018 & 2019	69 stabilized and future expansion planning	\$50,000 (2 grants)
Burlington Children’s Space - 2018	51 stabilized through building ownership	\$150,000 (2-installments of \$75,000)
YMCA - 2018	38 newly created	\$130,000
Sara Holbrook Community Center - 2018	8 newly created	\$150,000
Full Circle Preschool – 2017 & 2018	4 newly created	\$19,000 (2 grants)
Robin’s Nest - 2018	46 improved by teacher/director certification	\$10,275
The Family Room - 2018	Community center stabilized; CCFAP start	\$45,000

## Early Educator Training Pilot Program

ELI took its first steps into workforce development, offering a highly respected and sought after social-emotional educator training program. The pilot program has enrolled First Steps Scholarship Program partner program educators into the Early Multi-Tiered Systems of Support (EMTSS) training taught by Pyramid 802. A sister program to the Vermont Positive Behavioral Interventions and Support System (PBIS) used by schools throughout the state, EMTSS encourages continuity of educational practices and terminology for scholarship children from early childhood education through elementary school.

The first EMTSS training began in January 2022, with 18 educators from 6 partner programs participating. After successfully completing the program, students will receive continuing education credits through Northern Lights at Community College of Vermont and a \$500 monetary stipend. A second class starting in Fall 2022 has been offered to all licensed and registered child care programs in Burlington, providing access to high-quality training to all Burlington providers.

The \$14,200 investment to train 45-50 area educators is minimal compared to the overarching benefits and reach into the community. Supporting the existing workforce and providing tools to address social and emotional challenges in this stressful time will prove to be invaluable. Behavioral challenges have increased during the COVID-19 pandemic and supporting our existing workforce is just as important as attracting new teachers into the field. Educators need to feel supported and have the tools necessary to offer their best to students.

The Early Learning Initiative continues to grow and expand its reach into the community. Support for the ONE Arts Community School – Burlington brought another 28 high-quality spots into the City, increasing total ELI-supported infant-toddler spots to 92 - a 46% expansion since 2018. News of the First Steps Scholarship is spreading to more families, as well. First Steps grew another 35% over last year and has more than doubled since Year 1, enrolling 47 children as of Spring 2022. The child care landscape is ever evolving with state and federal government planning more investment into the sector. ELI is poised to adapt to these long-overdue changes and looks forward to supporting Burlington in new and excited ways.