In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

As the country adjusts to a new reality of work and home life amid the pandemic, American families are faced with the challenge of finding and affording quality child care, now more than ever. Early learning operates within a fragile business model, in which services cost more than most families can afford to pay. For this reason, states must administer funding with efficiency and effectiveness to ensure families are able to access programs and to maximize the reach of federal and state investments.

States are now responsible to distributing recent COVID-19 relief funding for child care—allocated through three successive relief packages by Congress in 2020—in addition to established funding streams that support multiple early childhood programs. The relief packages are intended to stabilize the fragile system that challenged access to affordable, reliable care. State governments are tasked with coordinating and combining the many different ECE funding streams allocated to them.

For all but one federal program, governors have wide discretion with regard to the administration and coordination of early childhood funding. The Bipartisan Policy Center set out to re-examine the issues of state governance, coordination, and integration by reviewing how states are meeting requirements set by federal statutes and agencies, as well as how states are capitalizing on the opportunity to create efficiency through their governance structures.

With this in mind, BPC is making recommendations at the federal and state level with an eye towards further reducing duplication and improving results for families. These recommendations are summarized in the full report. The following summarizes the findings for Vermont.

More state data, including funding levels and demographic information, can be found at https://bipartisanpolicy.org/report/national-child-care/.

Creating a Coordinated, Integrated Early Care and Education System:
State Early Childhood Administration

In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

As the country adjusts to a new reality of work and home life amid the pandemic, American families are faced with the challenge of finding and affording quality child care, now more than ever. Early learning operates within a fragile business model, in which services cost more than most families can afford to pay. For this reason, states must administer funding with efficiency and effectiveness to ensure families are able to access programs and to maximize the reach of federal and state investments.

States are now responsible to distributing recent COVID-19 relief funding for child care—allocated through three successive relief packages by Congress in 2020—in addition to established funding streams that support multiple early childhood programs. The relief packages are intended to stabilize the fragile system that challenged access to affordable, reliable care. State governments are tasked with coordinating and combining the many different ECE funding streams allocated to them.

For all but one federal program, governors have wide discretion with regard to the administration and coordination of early childhood funding. The Bipartisan Policy Center set out to re-examine the issues of state governance, coordination, and integration by reviewing how states are meeting requirements set by federal statutes and agencies, as well as how states are capitalizing on the opportunity to create efficiency through their governance structures.

With this in mind, BPC is making recommendations at the federal and state level with an eye towards further reducing duplication and improving results for families. These recommendations are summarized in the full report. The following summarizes the findings for Vermont.

More state data, including funding levels and demographic information, can be found at https://bipartisanpolicy.org/report/national-child-care/.
Flow of Federal Early Childhood Funds: Vermont

**KEY:**
- Funding mandated for State Departments of Education
- Funding provided directly to local organizations
- State does not receive funding

**Vermont Office of Governor**

- Building Bright Futures Early Childhood Advisory Council
  - SAC
- Department of Health and Human Services
  - Office of Head Start
    - CCDF
- Department of Agriculture
  - Office of Family Assistance
    - TANF
- Department of Education
  - Office of Special Education and Rehabilitative Services
    - Part B, Section 619
    - Part C
  - Office of Postsecondary Education
    - CCAMPIS

**Local Institutions**

- Agency of Human Services, Department for Children and Families
  - Economic Services Division
    - TANF
- Agency of Education
  - Division of Integrated Support for Learning, Special Education Support Team
    - Part B, Section 619
  - Division of Federal and Education Support Programs
    - Child Nutrition
      - CACFP
    - Student and Educator Support
      - State Pre-K

- Early Head Start-Child Care Partnership
  - Grants to local organizations
- Local Head Start Programs
### BPC Reviewed

BPC reviewed the following federally-funded programs to assess the efficiency and integration of Vermont’s early care and education system.

- Child Care and Development Fund (CCDF)
- Head Start
- Child Care Access Means Parents in School (CCAMPIS)
- Early Intervention Program for Infants and Toddlers with Disabilities (IDEA Part C)
- Preschool Development Grants (PDG)
- Preschool Grants for Children with Disabilities (IDEA Part B, Section 619)
- Promise Neighborhoods
- Striving Readers Comprehensive Literacy
- Child and Adult Care Food Program (CACFP)
- Temporary Assistance for Needy Families (TANF)
- Early Head Start - Child Care Partnership (EHS-CCP)
- Race to the Top, Early Learning Challenge

#### ECE Funding in Vermont

<table>
<thead>
<tr>
<th>Funding from Nine GAO-Identified Programs</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCDF Expenditure</td>
<td>$343,440</td>
<td>$18,068,709.79</td>
<td>$74,026,585</td>
</tr>
<tr>
<td>Transfer from TANF</td>
<td>$9,224,076</td>
<td>$9,224,076</td>
<td>-</td>
</tr>
<tr>
<td>Head Start Allocation</td>
<td></td>
<td>$2,301,492</td>
<td>$2,333,044</td>
</tr>
<tr>
<td>Head Start</td>
<td>$22,364,137</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Head Start</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDEA Part C, Allocation (infant/toddler)</td>
<td>$2,301,492</td>
<td>$2,333,044</td>
<td>$3,587,364</td>
</tr>
<tr>
<td>IDEA Part B, Section 619 Allocation (3–5 years)</td>
<td>$897,688</td>
<td>$911,259</td>
<td>$1,395,448</td>
</tr>
<tr>
<td>CCAMPIS Grants</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Additional ECE Funding Streams

<table>
<thead>
<tr>
<th>Additional ECE Funding Streams</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF Child Care Expenditure (Direct)</td>
<td>$23,031,169</td>
<td>$24,131,191</td>
<td>-</td>
</tr>
<tr>
<td>TANF Pre-K / Head Start Expenditure</td>
<td>$0</td>
<td>$0</td>
<td>-</td>
</tr>
<tr>
<td>CACFP Allocation</td>
<td>$5,699,656</td>
<td>$4,039,302</td>
<td>$4,860,938</td>
</tr>
</tbody>
</table>

#### Number of Children Under Age 6

- **UNDER 3**: 15,468
- **3–4 YEARS OLD**: 11,692
- **5 YEARS OLD**: 5,117

#### Percentage of Children in Poverty

10.4%