



Date: Tuesday, February 20, 2024

To: Vermont House Committee on Appropriations

From: Sarah Kenney, Chief Policy Officer, Let's Grow Kids

Re: Act 76 and the Governor's Recommended Fiscal Year 2025 Budget

We at Let's Grow Kids know the Legislature is facing many pressing issues this session, and we're grateful for your continued commitment to Vermont's youngest children and their families. Your work is already having an impact – the tide is turning for our long-struggling child care system. Your leadership on child care is already resulting in progress on the ground:

- In **St Johnsbury**, a child care program is using Act 76 funds to increase their capacity by 55 slots, while also increasing compensation for staff and offering health insurance for the first time. They are now seeing an uptick in applications for open teacher positions.
- In **Stowe**, a child care program used new funds to expand, building three additional classrooms, allowing the program to offer 35 new child care slots.
- In **South Burlington**, this funding paved the way for renovations on a new center which opened in the fall for over 40 children.
- In **Wilmington**, a child care program is working with the town to expand child care access by using space in a former high school.

These early signs of success are only the beginning. In April and again in October, Act 76 will expand access to tuition assistance to an additional 7,400 families.

The good news is that the Administration has been working very well with many partners to get the resources from Act 76 into the field in a timely, accessible way.

Unfortunately, as your committee has noted, the Governor's proposed budget would revert \$10 million from the Child Care Financial Assistance Program (CCFAP) in FY24 and proposes a \$9 million cut to base funding for CCFAP in FY25 and beyond. This proposal comes before some of the main components of Act 76 have even been implemented. We know that your committee shares our concerns about this proposed cut, and that your colleagues on the Human Services Committee are working with the Joint Fiscal Office to look into the details of the Governor's projections. **We strongly encourage your committee to reject the Governor's proposed cuts to child care funding.** We must ensure that the Child Development Division and its partners have all the funding they need for this historic law to have the intended impact. As the law rolls out in the coming months, if in fact less funding is needed in this first full year of implementation, then next year's Budget Adjustment Act would be the appropriate place to make any needed adjustments.

It's clear that Act 76's implementation is off to a strong start, and our work is not done yet. We look forward to working together this session to ensure that the State delivers on the promise of Act 76, so that progress on child care can continue to be a bright spot for our state and a model for the rest of the country.