



Date: Tuesday, January 9, 2024

To: Vermont House Committee on Commerce and Economic Development

From: Aly Richards, CEO, Let's Grow Kids

Re: Act 76 Implementation Updates

Thank you so much to this committee and to all of your colleagues who helped to pass historic legislation last session. Implementation of Act 76 is underway and your work is already having an impact! Earlier this winter I had the chance – along with some of you – to visit child care programs in South Burlington, St. Johnsbury, Stowe, Thetford, Brattleboro, and Wilmington. It was truly heartening to see firsthand what a difference your work is already making.

You'll remember that Act 76 directed a number of major child care investments over the course of several months. I am pleased to report that some of that funding is already rolling out to the field! Readiness Payments for child care programs began in September and have provided an immediate infusion of funds to programs to prepare for the significant expansion to come. This funding has been crucial as the ARPA federally-funded child care stabilization grants expired last fall. The Readiness Payments have allowed programs to maintain investments in their essential workforce, to improve facilities, and to expand slots. As of mid-October, approximately 80% of eligible regulated programs had applied for and received an award.<sup>i</sup> Then in the past few weeks the state began rolling out the next wave of critical funding – a 35% increase in Child Care Financial Assistance Program reimbursement rates for all child care programs. Certainty around this new, sustainable funding has instilled confidence in Vermont's child care sector.

Here are a few examples, some with corresponding media coverage, that we have heard firsthand while touring programs and speaking with child care program directors:

- A program in South Burlington, the Homestead School, was able to expand to open an additional 40 spaces. A number of legislators were able to join us at the ribbon-cutting! We've shared a document of media coverage where you can see the great coverage that this expansion project received on WCAX.
- A family child care home in Brattleboro was able to offer paid sick and vacation time for her assistant, and to increase pay for substitutes.
- A family child care home in the Northeast Kingdom purchased a generator so she can remain open for families on the frequent days when the power goes out.
- The Bennington Early Childhood Center was able to provide staff bonuses, wage increases, and additional paid sick time for employees.

- A center-based program in Stowe, Appletree Learning Centers, used the funds to support an expansion project and to pay for staff professional development on dealing with trauma, for children and families as well as staff, and in helping children acquire regulation skills. They also provided 6% bonuses to staff. You can read more about this in the Stowe Reporter article that I shared.
- In St. Johnsbury, ABC & LOL is a truly inspiring story of what quality child care can look like when it's centered on community. When we toured this program this fall, the owners showed us their new expansion project which will provide new slots for over 50 children. They're also providing compensation increases and building a housing unit for one of their early childhood educators above the new building. In the Caledonian Record story I've shared with you, and the op-ed from the owner and program director, you can see this expansion comes as a direct result of Act 76.
- The director of the Family Center of Washington County, a Parent Child Center just up the street, reported that they are increasing salaries by 20% and bringing in professional development for supervisors and staff to increase retention.

These are just a few examples, and this is only the beginning of the profound change to come. I would be remiss if I didn't mention that change of this magnitude is not without challenges, and we've encountered a few hiccups as implementation has rolled out. We'll be happy to keep you in the loop in the coming weeks as CCFAP rates increase and as the Child Development Division prepares for many more families to become eligible for CCFAP in April and October. We've been very impressed with the work of the Child Development Division as they've implemented major changes and worked in partnership with many partners in the early childhood system, including families and early childhood educators.

Overall, these very promising early signs of progress will only multiply in the months and years ahead as we realize the full potential of an equitable and sustainable child care system. This new law brings us as close as we've ever been to achieving the goals that the Legislature established back in 2021: all Vermont families have access to affordable, quality child care; every child has access to skilled and professionally compensated early childhood educators; and families spend no more than 10% of their household income on child care.

We look forward to working together with the Legislature and the Administration this year to ensure that Act 76 is fully funded, that implementation milestones are met, and that we continue to work toward the vision outlined in last year's Act 76 and in Act 45 of 2021.

---

<sup>i</sup> McLaughlin, J. (November 2023). 'Status Report on the Readiness Payment Program.' CDD. Retrieved from: <https://lifo.vermont.gov/assets/Meetings/Joint-Fiscal-Committee/2023-11-07/3e53c19cd3/Act-76-Status-Report-Nov-2023.pdf>