



Date: Monday, June 17, 2024

To: Vermont House of Representatives, Committee on Human Services

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

Re: Act 76 Implementation Updates

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Good morning, Chair Wood, Vice Chair Brumsted, and members of the Committee. Thank you for having me here today. I feel so honored that on this very busy day, I have the opportunity to talk with you all about the progress we're seeing from the work that you have done to address the child care crisis in our state.

You may have seen the headline from First Children's Finance in the news this week: [Positive Trend Emerges One Year after Vermont's Historic Child Care Law](#). In the first quarter of this year, more child care programs opened than closed in Vermont. That is huge. It's the first time this has happened since we began tracking that data in 2018, and it's in large part thanks to the public investment in child care as part of Act 76. You made this happen!

I want to get into a little more detail about what this public investment looks like on the ground as Act 76 is being implemented:

- Last summer, Act 76 rollout began by raising Child Care Financial Assistance Program (CCFAP) reimbursement rates to bring all child care programs up to the rate previously paid to programs earning 5 stars in the STARS quality recognition and improvement system. In the fall, the State began issuing Readiness Payments to child care programs, which stabilized the sector and allowed programs to make critical investments in staff and facilities.
- In January 2024, the first long-term change went into effect as reimbursement rates for all child care programs increased by 35%, which allowed many to start expanding, offer raises and new benefits to their employees, and provided the necessary funding for new programs to open.
- In April 2024, Act 76 increased income eligibility for child care tuition assistance, allowing more families to access reduced child care costs. Income eligibility will expand again in October – and even more significantly – so that by the end of the year over 7,000 additional Vermont children and their families may qualify for reduced tuition.
- Implementation will continue in July as CCFAP reimbursement rates for home-based child care programs increase to offer better support for the home-based programs that are so crucial to our child care ecosystem, especially in rural areas. Also beginning in July, all Vermont residents, regardless of their citizenship status, will be able to access child care tuition assistance if they meet other eligibility requirements; this is a significant step towards ensuring equitable access to child care for all Vermonters.

This is a lot of progress in a short amount of time, and all of it is thanks to your hard work passing historic child care legislation! I wanted to share a couple of examples of what this looks like on the ground.

We heard from one Vergennes parent recently. She shared:

“For my husband and I, Act 76 has made our transition to a four-person family more manageable, especially as we return to work. That’s because Act 76 expanded the income eligibility guidelines for child care tuition assistance, reducing the cost of child care for our family. Without the recent eligibility expansion, it would’ve made financial sense for one of us to leave the workforce and stay home with the children. But because of Act 76, we’re now paying a third of the cost for child care.”

That bears repeating: one third of the cost for child care!

This parent’s story is representative of hundreds, soon to be thousands, of Vermont families feeling this hopefulness around child care thanks to the support that comes from having access to quality, affordable early childhood education.

We also heard from Savannah McKenzie, the owner of Kid Savvy Child Care in Hyde Park. She was able to expand her family child care program into a larger center with capacity for 23 children, thanks to new funding from Act 76. She shared:

“Without public investment, I wouldn’t be where I am today. When Act 76 passed, I was awarded a Readiness Grant which helped me in many ways: I was able to pay my staff, provide three meals a day to kids, purchase new toys, and more. Act 76 has also made it possible for so many of my families to qualify for child care subsidies that weren’t eligible before. This not only guarantees that I am getting paid, it allows parents to have peace of mind that they can continue to work and use their hard earned money toward other essential needs.”

This is the kind of child care progress we are seeing all around the state, and it shows we are closer than we’ve ever been to fully solving our child care crisis.

We are hearing similar messages of hope and gratitude all around the state, from parents, child care programs, and business owners. It’s clear that child care is a unifying issue for Vermonters, and Act 76 has demonstrated that solving this crisis is within reach through continued public investment. Thank you all for your hard work this legislative biennium on child care. Our work is not done, but it’s clear that we are making incredible progress already, and I look forward to continuing to work with you in the months and years to come.