



Date: Wednesday, February 8, 2023

To: Vermont Senate Committee on Appropriations
Vermont Senate Committee on Health & Welfare

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

Re: H. 145 Budget Adjustment Act Child Care Language

Thank you for your attention to child care issues as your committees consider recommendations for the state fiscal year 2023 budget adjustment process. We support the child care-related language included in H. 145 Section 80, which would allow the Student Loan Repayment Assistance Program established in Act 45 of 2021 to better utilize existing funding to assist more people working in child care programs. We also request that you add language to H.145 to allow the Child Development Division (CDD) to more quickly distribute funding that has been set aside for retention bonuses for those working in the early childhood education field.

For background, the Vermont Legislature approved \$7 million for retention bonuses for the ECE field during the SFY 2023 budgeting process. As of earlier this month, CDD reported that they've expended \$2 million out of the \$7 million due to administrative hurdles that have required the Division to utilize a cumbersome grant application process, especially for center-based child care programs. Given how overwhelmed many child care programs are due to the staffing crisis these retention bonuses were intended to mitigate, many programs have not been able to complete the application process.

In order to address this critical issue, Let's Grow Kids recommends that you include language in H. 145 allowing CDD to provide technical assistance to child care programs to support them with completing their applications for retention bonus funding.

\$6,000,000 to the Department for Children and Families to be granted to childcare providers to address emergent and exigent circumstances following the COVID-19 pandemic for workforce retention bonuses to retain early childhood staff and home-based providers. It is the intent of the General Assembly that the eligible employers awarded funds pursuant to this section shall use the funds to make retention payments to their employees. The employers shall be afforded flexibility in determining how best to provide the financial retention assistance to their employees and how best to encourage employment beyond the terms of this program. The Department may use funds to provide technical assistance to childcare providers to assist with accessing funds. Technical assistance may be provided by a third-party partner.

Retention bonuses have been a vital tool for the early childhood education field throughout the United States, and Let's Grow Kids is hopeful that through the budget adjustment process, the distribution of these desperately needed funds can be expeditiously distributed to the early childhood education workforce.

Thank you again for your attention to this critical matter.