



Let's Grow Kids Testimony

Committee on Commerce and Economic Development

January 23, 2025

- Introduction

- Good afternoon Chair Marcotte, Vice Chair Graning, and members of the House Committee on Commerce and Economic Development. I'm Aly Richards, CEO of Let's Grow Kids, the advocacy organization leading Vermont's Child Care Campaign. Our mission is to ensure affordable access to quality child care for all Vermont families who need it. I'm honored to have this chance to speak with you today about the progress our state is making on child care and the work we have left to do.
- In 2023, Vermont made history with Act 76, which created long-term, sustainable public investment in our child care system. It's hard to believe the impact this law is already having in just a year and a half of implementation, but the results clearly show: public investment is working.
- In 2025, the final year before LGK sunsets, we are committed to continuing to work toward our campaign goals of **access** – meaning 100% of families have child care that meets their needs; **affordability**—meaning no family spends more than 10% of their household income on child care; and **quality** – meaning 100% of children birth-to-five are taught by prepared early childhood educators who are professionally compensated.
- We are well on our way towards achieving each of these goals, so let's get into where we are now and talk about our policy priorities to continue building a child care system that truly works for all Vermonters in 2025.

- Act 76

- Let's start with Act 76.
 - Act 76 is stabilizing the early childhood education sector and increasing access to affordable, quality child care for families.
 - It's investing over \$100M into the system annually.
- Act 76 focuses on 3 key areas, related to those campaign goals I mentioned: Affordability, Accessibility, and Quality.
 - Affordability: Act 76 is making child care more affordable for thousands of children and their families by increasing access to tuition assistance through income-based eligibility expansions and ensuring all Vermonters who meet eligibility criteria can access assistance regardless of their citizenship status.
 - As of October 2024, the income eligibility cap for accessing tuition assistance has increased to 575% of the FPL, or an annual income of about \$180,000 for a family of four, which has allowed thousands of additional Vermont families to access reduced child

care costs. Compared with this time last year, enrollment in the state's child care tuition assistance program (CCFAP) has increased by over 1,600 children.

- Accessibility: Act 76 created long-term, sustainable funding for programs through readiness grants to help programs stabilize and expand, higher Child Care Financial Assistance Program (CCFAP) reimbursement rates, increased reimbursement rates for FCCHs to bring them closer to the rates centers receive – which specifically increases access in rural areas – and capacity and quality incentives to bolster staffing and increase programs' capacity to serve more children.
 - Since Act 76 went into effect, over 90 new programs have opened and over 1,000 new child care spaces have been created. In fact, in every quarter of 2024, we saw more programs open than close for the first time since 2018 – that just shows the depth of the crisis and how quickly public investment is turning those trends around.
- Quality: Act 76 is also benefitting Vermont's early childhood education workforce, which will lead to greater access and capacity in the system and higher quality care for our kids.
 - Many programs are using the increased reimbursement rates to provide compensation increases for staff that make ECE a more viable career. It also helps programs recruit and retain excellent staff to meet the needs of the communities they serve. Here are just two examples:
 - At Apple Tree Learning Center in Stowe, those funds were used to provide 6% wage increases for all 31 early childhood educators.
 - At Mary Johnson Children's Center in Middlebury, the director Kristin Dunne recently shared that she used Act 76 funds to increase staff compensation, and all of her staff are currently enrolled in advanced degree programs in the field of early childhood education. She explained that this was not possible even a year ago.
- These early signs of success demonstrate that public investment in our child care system WORKS and is already having a powerful impact on our communities and our economy. I want to share two quick stories from Vermont parents to really illustrate the human impact this public investment is having:
 - Teigue Linch, a Chittenden County parent of twins shared how difficult it's been to afford care for two children at once, even with two parents working full time. They qualified for assistance in the April CCFAP expansion and went from paying \$3,000/month for child care to just over \$1,000 – which is allowing them the ability to save and plan for their family's future.
 - Sierra Jaouen, a mom from Windsor County, shared that she and her husband have each had to leave the workforce at different points in order to juggle child care costs. Currently, they split day and night shifts so that one parent is always available for their children, but the tuition assistance

expansions under Act 76 mean that they could access reduced child care costs, and actually have time together as a family again.

- Let's just sit with that for a moment – that's exactly what we mean when we say access to quality, affordable child care can be life-changing for Vermont families.

- **2025 agenda**

- While we've made incredible progress, we know that we're not done yet – so let's talk about our priorities for 2025.
 - As I already shared, Act 76 is providing relief and stability across the child care system and to many programs and families, but we knew when it was passed there would be more to do to fully solve the child care crisis.
 - Over the last few months, we heard time and again that although we're making tremendous progress, child care is still out of reach for too many families, and child care programs are still facing staffing challenges that limit their capacity to serve their communities. It's clear child care remains a top priority for Vermonters – and their stories are guiding our policy agenda for this year.
 - Our top policy priorities this year are to build on our child care progress and strengthen Act 76 with a focus on increasing affordability and access for families and growing child care capacity and quality by strengthening the ECE workforce.
 - Let me dive into those priorities a little more:
 - **Continuing our progress and strengthening Act 76:** As I've discussed, the early impacts of Act 76 make clear that public investment in child care is working. Given these promising outcomes in just the first year and a half of implementation, we will work to ensure the public investment created by Act 76 continues at its current level to lower costs for more families, help more programs open and grow to meet the ongoing demand, and support businesses who need more available workers.
 - **Affordability and Access:** We are also committed to further expanding access to the state's child care tuition assistance program to lower costs for more families. Along with our supporters, we will work to increase funding for child care programs, so that they can continue to improve quality and grow their capacity by recruiting and retaining more educators and staff.
 - **Strengthening the ECE workforce:** Finally, we will work with partner organizations, including the Vermont Association for the Education of Young Children (VTAEYC), to support the establishment of a professional state license to practice for early childhood educators. This will lead to improved resources, training, and accountability for early childhood educators, to support the growth of a diverse, well-prepared, well-supported workforce. Recruiting and retaining a strong ECE workforce will ensure programs can continue growing capacity and improving quality in the child care system.

- **Budget Adjustment Act**

- I want to also mention to you all something happening right now with the FY25 Budget Adjustment Act that your colleagues on the Appropriations Committee are considering.
 - Earlier today, on behalf of Let's Grow Kids and our partners, I testified before the House Appropriations Committee, to strongly oppose the Governor's proposal to repurpose child care funding in the BAA that were intended to go to child care
 - Please ask your Appropriations colleagues to reject any proposal – starting with this one – which takes away funding from a system that we are just starting to successfully transform.
 - Right now, progress on child care is a bright spot for our state and we urge you to continue to make progress towards the goals laid out in Act 76.
- **Conclusion**
- I'll leave you with this: Our progress on child care has shown that when we look to the root causes and commit to working together to make bold, system-level change, we can have a tremendous and lasting impact on our entire state.
 - I look forward to working with you all this legislative session to make Vermont a more affordable place for families to grow and businesses to thrive.