



First Children's Finance

Vermont

March 18, 2026

For the record, my name is Erin Roche and I am the Vermont Director of First Children's Finance. As an organization, our mission is to grow the supply and business sustainability of excellent child care. First Children's Finance established its Vermont office in early 2023 and we provide business resources and access to capital to child care businesses. Since 2023, our 7 Vermont staff has provided business support of some kind to 59% of all regulated child care in Vermont and we have dispersed nearly \$4 million in grants and loans to child care businesses.

In addition to working directly with child care operations in Vermont, First Children's Finance collects and analyzes data about the child care industry in Vermont and has provided research and analysis services to the state, particularly with regards to the cost of providing excellent child care.

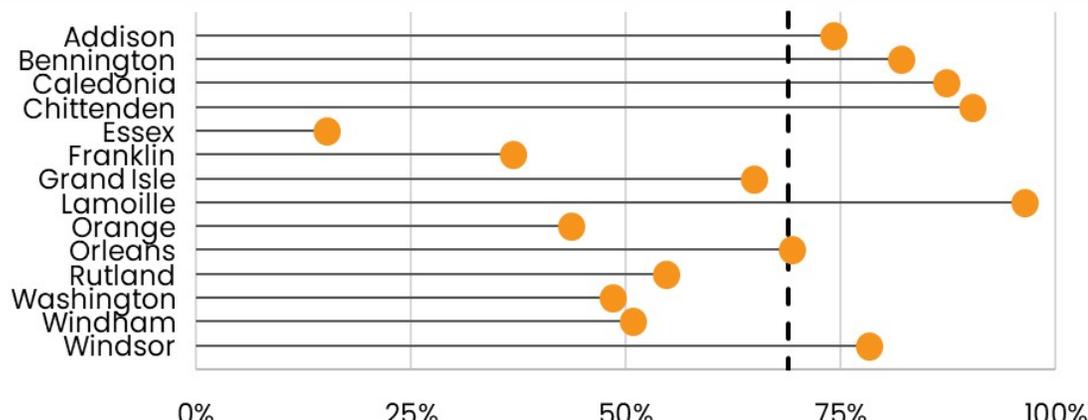
This committee is considering Universal PreKindergarten and its system of funding and delivery and I wanted to share with you some recent data analysis that might be helpful as the committee considers all the implications of changes to the current Universal PreKindergarten system. Last week, Morgan Crossman of Building Bright Futures shared some new analysis of the children accessing Universal PreKindergarten. Today I will share some analysis of the capacity of the system to provide Universal PreKindergarten and preschool child care generally, and reflect on how this system must meet the different needs of families in the state.

First, I want to share with you some data from our recently completed Supply of and Demand for Child Care in Vermont. The full report (and the 3 supplemental reports) are all available on our website: www.firstchildrensfinance.org/vermont. The main finding of this 2026 report is that the gap between supply and demand shrunk at all age groups, with preschoolers experiencing the largest reduction, with 1,033 fewer slots needed (despite the focus on increasing Infant and Toddler capacity).

The full report includes data on infants, toddlers and preschoolers. Today, I share some of the preschool and UPK specific data. This report was released in January 2026 based on supply data from September 2025 and demand data from July 2024

(the most recently available at the time of analysis). As you can see, six of our 14 counties have access to full time preschool for at least 75% of the young children likely to need full time care. And at least 50% of preschool aged children likely to need full time care have access in five more counties.

Percent of preschoolers likely to need care who have access to full time preschool.



For the first time, we acknowledged that many families may prefer part time child care or preschool and First Children's Finance wrote a brief on access to part time care, and an analysis of access to Universal PreKindergarten. One finding that this committee may find useful is that Universal PreKindergarten is provided by both

	UPK partners full-time	UPK partners part-time
Publicly Operated	6	143
Privately Operated	160	63

public schools and private partners, but the services offered are not necessarily the same. Most private programs provide full time preschool aged care (even when it includes UPK), defined as at least 40 hours a week 48 weeks a year. These blended UPK/preschool programs are designed to meet the needs of working families. On the

other hand, nearly all public school UPK programs operate on a part time basis, typically 35 weeks a year, 10-35 hours a week.

I bring this up to show how important it is that families have choices that best meet their needs. This committee is concerned with equity of access to UPK and part of that access must include offering UPK in ways that families with different needs can access it. In trying to better understand how equitable access to UPK is for children in Vermont, First Children's Finance analyzed the preschool aged children in the

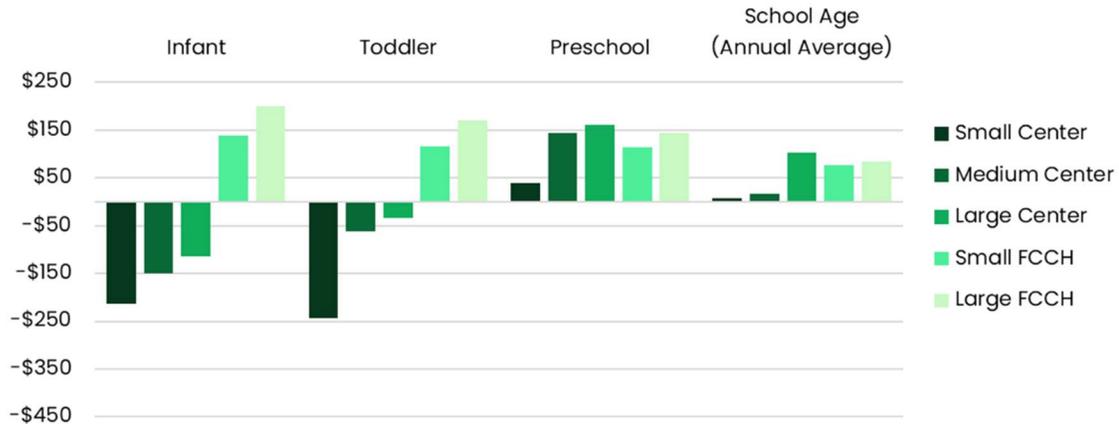
state compared to both preschool and UPK capacity. The table below shows the percent of children in each county that are likely to have access to UPK. As you can see, access varies greatly by county. You can also see the differences between preschool capacity and UPK capacity

	Total Preschool Aged Children	Total Preschool Licensed Capacity	Total UPK Capacity	Percent of children with access to UPK
Addison	582	631	404	69%
Bennington	644	778	559	87%
Caledonia	517	651	437	85%
Chittenden	2825	3481	2636	93%
Essex	111	104	95	86%
Franklin	1123	888	618	55%
Grand Isle	138	102	84	61%
Lamoille	484	670	375	77%
Orange	524	566	447	85%
Orleans	553	621	459	83%
Rutland	974	1109	709	73%
Washington	984	1101	764	78%
Windham	656	805	620	95%
Windsor	898	1208	851	95%

Preschool is an important dimension to the business of child care. As you can see in the chart below ([excerpted from the 2026 Cost of Care report](#)), child care centers lose money on infant and toddler care and make up for it in the care of preschool and school age children. Any disruption to this system will likely have a short-term

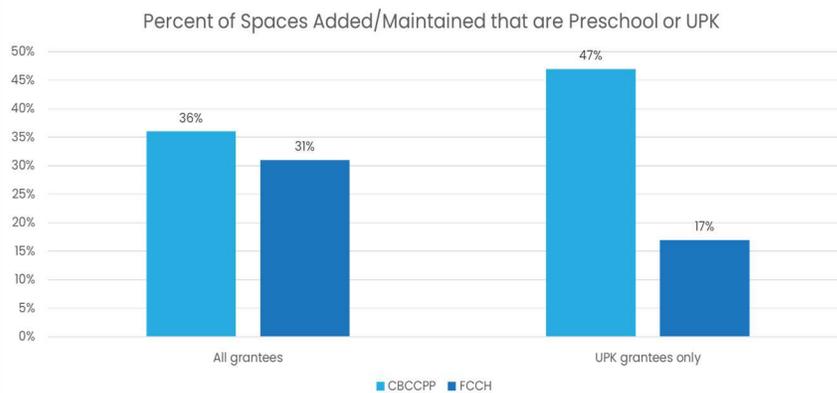
negative impact on the industry (even if it is positive or neutral in the long term). These are businesses that typically operate with minimal cash reserves and their

In the current wages models, weekly CCFAP subsidy rates do not meet the cost of care for infants and toddlers in centers. Weekly CCFAP rates meet or exceed the cost of care in FCCHs and for preschool and school age children.



main revenue source is tuition.

To further illustrate this point of how interconnected preschool spaces are with infant and toddler spaces, we analyzed two years of our Infant and Toddler Capacity Building grant program data to see how many preschool or UPK spaces



were added as part of Infant/Toddler projects. This analysis looked at 130 grantees that added or maintained a total of 2,457 spaces. Most notably, 47% of the spaces added

by UPK centers were preschool spaces, and these were projects that were funded to increase infant/toddler capacity.

Before taking action, I encourage this committee to hear from the field – including public UPK Coordinators and directors of private UPK programs. They, better than any of us experts, can speak to the impact of any changes in the system.