



Date: Wednesday, January 28, 2026  
To: Senate Committee on Education  
From: Aly Richards, Board Chair, Let's Grow Kids Action Network  
Re: Child Care in Rural Vermont

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Good afternoon Chair Bongartz, Vice Chair Weeks, and members of the Senate Committee on Education. My name is Aly Richards - I'm the board chair of Let's Grow Kids Action Network.

I'm here today to provide an update on our state's child care system with a particular focus on the challenges facing our rural communities. My testimony will highlight the progress we've made since Act 76 passed in 2023 (Vermont's landmark child care law), the continued gaps that remain, and the policy priorities that matter most as you consider education and workforce decisions this session.

But, before I do that, I wanted to share an update on the recent sunset of Let's Grow Kids and our transition. Let's Grow Kids officially closed its doors at the end of 2025. The organization set out on a 10-year mission way back in 2015 to address Vermont's child care crisis. We're proud to say we've done just that — Vermont's child care system is on the right track, but there's more work left. That's why Let's Grow Kids Action Network and our statewide child care partner organizations – including First Children's Finance and Erin Roche, who you will hear from next – will continue supporting Vermont's child care movement through this next phase.

Thank you for your continued focus on Vermont's children, families, child care programs, and early childhood educators. Thank you especially for paying close attention to the needs of our rural communities which face distinct challenges when it comes to accessing, affordable, quality child care which has largely been due to limited infrastructure and resources. Fewer child care programs have traditionally meant families face long waitlists, reduced hours, or the need to travel significant distances. These gaps disproportionately affect working parents, who may be forced to reduce hours, turn down jobs, or leave the workforce entirely. As a result, limited access to child care in rural areas not only strains families but also hampers local economic growth and workforce stability.

The good news is Vermont's focus on and commitment to improving our child care system is paying off. Act 76 is investing over \$100 million annually into our child care system, our workforce, and economy. This long-term public funding goes directly to bringing down costs for families, increasing access, and improving compensation and support for early childhood educators. Vermont's child care law also includes provisions

designed to strengthen family child care homes, which are absolutely essential to rural communities.

In January 2024 under Act 76, state reimbursement rates to child care programs increased by 35%. In July 2024, FCCHs received an additional rate increase equal to 50% of the difference between FCCH and center-based program rates. This specific rate increase was absolutely aimed at improving child care access in rural Vermont.

We are happy to report, we're over two years into implementation and we're seeing tremendous progress and growth:

- More than 100 new child care programs have opened statewide with the majority of these being family child care homes. As a result of increased state investment, rural towns across the state are seeing first-ever licensed child care programs open in their community.
- These new programs are resulting in over 1,700 spaces for children and 400 new early childhood educator jobs.
- In every quarter of 2024 and the first three quarters of 2025, more child care programs opened than closed — the first time this has happened since 2018.
- Enrollment in the state's child care tuition assistance program (the Child Care Financial Assistance Program) has grown significantly with over 5,000 additional children and their families getting access and benefitting from reduced child care costs.
- Families are saving thousands of dollars annually, and many child care programs have raised wages or have begun offering benefits for the first time.

Recent reports from Vermont's leading child care organizations back up these numbers and stories of progress and they also state clearly the gaps that remain and where we need to focus our attention in 2026.

New analysis from First Children's Finance Vermont shows that the state added functional child care capacity between 2024 and 2026. Statewide, access now meets the needs of approximately 40 percent of infants, 70 percent of toddlers, and 69 percent of preschoolers likely to require full-time care — demonstrating meaningful progress while also underscoring where shortages persist, particularly for infants. The analysis also shows significant regional variation. Some counties now meet most toddler and preschool demand, while others—like Caledonia County—are making clear gains on infant care as well. Caledonia's example demonstrates how coordinated, place-based investment can improve access across age groups and strengthen the local workforce.

It's clear there's more work left. In 2026, our policy priorities are focused on protecting the child care funding that is driving these gains; strengthening our early childhood educator workforce; and increasing child care access and affordability with a specific focus on how we can better support rural Vermont.

We've provided the committee with a full brief on our 2026 Child Care Agenda, which includes more details and our specific legislative recommendations for this session. Our

policy agenda was written and released with our close partners at the Vermont Association for the Education of Young Children (VTAEYC). VTAEYC is the state's largest membership and advocacy organization for early childhood educators. My remarks today are meant to stay at a high level, and my colleague Erin Roche from First Children's Finance can speak in more detail about the data, regional trends, and how these changes are working in practice.

Every rural region and every county in Vermont faces unique child care challenges. Our shared goal is straightforward: to ensure that every family — regardless of zip code — can find reliable, affordable child care that allows parents to work and communities to thrive. We look forward to working with this committee to continue building on what's working and addressing the gaps that remain.