



FOR IMMEDIATE RELEASE: June 5, 2024

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Positive Trend Emerges One Year after Vermont's Historic Child Care Law

Vergennes, Vermont: Today, First Children's Finance VT (FCF) announced that during the first quarter of 2024, more child care programs in Vermont opened than closed, signaling a new, positive trend for the state.

In the first quarter of 2024, 10 new programs opened in Vermont, and licensed capacity in the system increased by 389 spaces. This is the first time since tracking began that more programs have opened than closed in a quarter. One year ago, the Vermont Legislature passed Act 76, a comprehensive child care bill with a long-term, sustainable, \$125 million annual investment. FCF credits this public investment, along with access to capital such as the Infant/Toddler Capacity Building Grants Program, with helping to reverse a trend that has persisted for years, due to lack of public funding.

In the year since Act 76's passage, First Children's Finance has also awarded nearly \$1.9 million in capacity building grants to 64 child care businesses to add infant and toddler capacity to the system. In a recent survey of Vermont's child care businesses, one respondent remarked, "Act 76 is making growth happen in 2024, especially for infants and toddlers. We are excited at our ability to increase wages and to provide a healthier work environment, as well as to make sure staff can return to school at no cost to them. We now have room for quality and the supports in place to build and maintain a higher quality workforce."

Programs that opened in early 2024 include:

- Little Saplings Preschool, Morrisville
- Nicole Peckinpaugh Family Child Care, Washington
- Heather Labrecque Family Child Care, Barton
- ABC Academy East, Milton
- Red Clover Children's Center, Middlebury
- Myers Prouty Child Care River Rd. Campus, Bennington

- Beginnings & Beyond Early Education Center, Rutland
- Kelcey McAnulty Family Child Care, Randolph
- Jesse Poe Family Child Care, Brookfield
- Tiffani Zydney Family Child Care, Williamstown

Highlighting one example during the first quarter, Kid Savvy Child Care in Hyde Park expanded from a family child care home to a larger center with licensed capacity for 23 children. Let's Grow Kids awarded Kid Savvy owner Savannah McKenzie a grant to start a family child care in 2023, and this year, First Children's Finance awarded Kid Savvy a grant to open a center. Both grants are made possible through Vermont's Department for Children and Families Child Development Division.

"Without public investment, I wouldn't be where I am today," said McKenzie. "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."

First Children's Finance VT Director Erin Roche said, "Act 76, along with collaboration between statewide partners, is helping child care businesses succeed. The key to this success is long-term public investment and continued support for quality and business sustainability. Through our work on the ground, we see newfound stability and confidence among child care program owners and believe this is just the beginning."

Aly Richards, CEO of Let's Grow Kids said, "These early signs of progress resulting from Act 76 demonstrate that solving Vermont's child care crisis is within our reach. As new state funding allows more programs to open and existing programs to increase capacity and employee compensation, we are also beginning to see more families qualify for reduced child care costs from the state. The next tuition assistance eligibility expansion is coming up in October, and by the end of the year 7,000 additional Vermont children and their families may qualify for reduced tuition. This progress will have profound impacts on our workforce and economy as programs are able to expand, educators receive the wages they need to stay in their chosen career, more families gain access to quality child care they need, and more parents are able to re-enter the workforce."

Janet McLaughlin, Deputy Commissioner of the Child Development Division at the Vermont Department for Children and Families said, “Vermont has shown its commitment to those who dedicate their careers to fostering positive outcomes for children. The state provides child care programs with access to resources that promote long-term sustainability and growth. Partners like First Children’s Finance help build a strong financial foundation for early childhood education and afterschool programs, which, in turn, supports children, families, and communities in all corners of the state. The Child Development Division is pleased to be part of this important work.”

First Children’s Finance will continue its support of child care businesses with several new business planning initiatives. One of these is the [Vermont Planning Grant Project](#), which provides in-kind professional services, child care business assistance, and a small financial stipend to support planning a capital construction project for a new or expanded child care operation. First Children’s Finance expects to award 15 of these projects from September 2024 through September 2025.

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About First Children’s Finance

First Children’s Finance’s mission is to grow the supply and business sustainability of excellent child care. First Children’s Finance helps start, sustain, and grow child care businesses by providing business resources and access to capital. The organization works in partnership with the State of Vermont, Let’s Grow Kids, and other statewide agencies. Business resources are offered at no charge to child care businesses. Learn more: www.firstchildrensfinance.org/vermont