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Thank you Chair Bongartz and the rest of the committee for having us today. My name is Autumn Moen, I live in Burlington, and I am the Legislative Policy Lead at Hunger Free Vermont. I am here today to speak with you about an issue that we worked on together last session and that is the incentive for Sponsor Organizations of the Child and Adult Care Food Program (CACFP). Last year, your committee supported this request in your budget letter to Senate Appropriations. Thank you so much for this support and for the advocacy that you all did to invest in meals and snacks in childcare settings.

As a refresher of what happened last session, your committee supported this request in your budget letter to Senate Appropriations, and it was included in the Senate Budget. However, since it had not been included in the House budget, it was debated during Conference Committee. In the end, the incentive for CACFP Sponsor Organizations was agreed to be funded at \$150,000, just shy of our request for \$182,000. After an application and grant awarding process, all 3 sponsors have now been alerted that they will soon receive this funding.

The FY26 appropriation of \$150K in one-time funding was critical to ensuring that the remaining sponsoring organizations were able to continue their operations and remain sponsors of the CACFP, but needs still persist. We are asking for an appropriation of \$182,000 to the Agency of Education to be distributed among the Vermont Child and Adult Care Food Program (CACFP) sponsor organizations as an incentive to participate as a sponsor of the CACFP for Family Child Care Home programs. **This year, the full funding request of \$182,000 was included in the House budget.**

What is the Child and Adult Care Food Program (CACFP)?

The CACFP is the federal child nutrition program that early childhood education programs can participate in to receive cash reimbursement for eligible meals and snacks served to the children in their care. The Agency of Education administers the CACFP on the state level. The CACFP is the most equitable way for all children in child care and early childhood education settings to access developmentally appropriate nutrition in order to be set up to be able to access learning alongside their peers. Both Child Care Centers and Family Child Care Homes can participate in the CACFP, but this particular challenge we are talking about today is specifically relevant to Family Child Care Homes, as they are the ones with sponsoring organizations. Those Family Child Care Homes leverage \$1.2 million annually in federal dollars, all through reimbursements for eligible meals and snacks served in their programs.

Why is funding for CACFP sponsoring organizations critical?

Under federal program guidelines, a Family Child Care Home (FCCH) can only participate in the CACFP under an agreement with an eligible sponsoring organization. In Vermont, we use the term 'Family Child Care Homes (FCCHs)' rather than the federal 'Day Care Homes (DCH)', which Amy will refer to in her testimony. We will use the term Day Care Homes in our official policy language, since it is what the United States Department of Agriculture (USDA) uses to refer to that designation of child care, and the CACFP is a

federal program of the USDA. As of December 2025, there are only 3 sponsoring organizations covering all 203 FCCH programs participating in the CACFP across the state of Vermont:

- BROCC Community Action
- Capstone Community Action
- The Winston Prouty Center for Child Development

In 2024, we lost 2 sponsoring organizations because the federal funding allotted for sponsors did not cover the cost of their responsibilities. On top of administrative funding challenges, now the organizations are struggling to manage capacity as they have to physically cover larger portions of the state - sponsors must visit participating FCCH programs several times a year as per the federal guidelines of the child nutrition program, making this capacity challenge even more difficult.

How is the current gap in funding affecting children's access to nutrition in child care?

As of October of 2024, only 181 of 407 (44%) FCCHs in Vermont were participating in the CACFP. Barriers to participation in the CACFP extend beyond the identified lack of sponsor capacity, however without a sponsor organization FCCHs are unable to participate in the CACFP in the first place. Due to the funding gap, sponsor organizations are experiencing strained budgets and may have to stop participation, which would likely lead to a reduction in FCCHs who can participate in the CACFP. **With a small state investment sponsoring organizations will have increased capacity to support onboarding new FCCHs into the CACFP while also maintaining the current level of participation and making it possible for more CACFP sponsor organizations to come onboard.** Last year, an early childhood education program reached out to say that, with an increase in sponsor funding, they would be able to expand their sponsorship throughout Addison county - the \$150K from the last session did not allow for this expansion to take place: *"With the sponsor [funding] that was in the state budget, I would be interested in having a conversation about [becoming a sponsor]. We are a current sponsor now but just for our sister organization. But if Addison County needed someone to do that for home providers, I would be happy to have that conversation about what it might look like. And if there was funding to access, we might be able to pull it off"*

How would the funding be distributed?

The funding would be distributed amongst sponsoring organizations based on the number of FCCHs they serve. It is not entitlement funding, and it is not distributed evenly. The funding will be calculated based on the percentage of FCCHs that each organization sponsors and will be distributed by the AoE. Each following year, The Vermont Agency of Education (AOE) would report to the House and Senate Appropriations Committees the amount needed for the following fiscal year, based on the number of Family Child Care Home providers served in the current fiscal year, and any expected increase in participation in the next fiscal year. AOE would also recommend an inflationary increase in the base amount/provider based on the % change in the consumer price index for food away from home from May to May each year.

For these reasons, it is critical that the legislature appropriate \$182,000 as an incentive for Sponsor Organizations of the CACFP.

I want to wrap up and hand over to Amy Fleming, with BROCC Community Action, who can really speak to what the role of a Sponsor Organization looks like and how this funding allows them to continue the essential work that they do to connect FCCHs with meals and snacks for the kids in their care.

Thank you for the time.