

Implementation of 2023 Child Care Law

March 2025

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Division



Act 76: Child Care Law of 2023

Invests additional ~\$125M annually to address access and affordability for families as well as quality and viability for providers in early childhood education and afterschool programs.



Child Care Subsidy

Changes impacting the Child Care Financial Assistance Program (CCFAP)



Quality, Capacity and Inclusion

Reports, resources, regulatory changes to support full and equitable participation



Funding

Increased General Fund and created.44% payroll tax shared between employers and employees into Child Care Contribution Special Fund



Accountability and Administration

Monitoring of and resources for implementation



PreK-Related

Reports and planning related to PreK

PreK
Committee
formed by Act
76 of 2023

Co-chaired by DCF CDD Deputy Commissioner McLaughlin and interim AOE Secretaries Bouchey then Saunders.

Committee established on July 14, 2023. Public comment accepted each meeting.

Initial report on PreK Pupil Weighting submitted in December 2023.

Main report submitted to Legislature in December 2024.

[PreK Committee webpage](#)

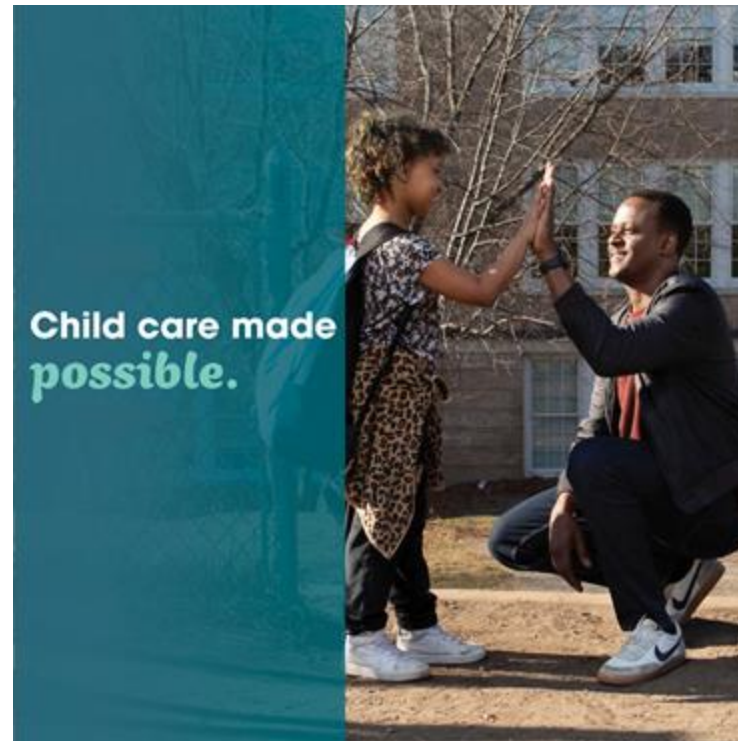
PreK Committee Recommendations

The Committee was unable to vote on a full suite of recommendations, but had agreement on **four foundational recommendations**:

- Maintain the 10-hour/week (350 hour/year) benefit for both three-year-olds and four-year-olds.
- Expand prekindergarten, including hours and services, for four-year olds.
- Commission an analysis of Vermont's pupil weight for prekindergarten.
- Review methodology for establishing prekindergarten payments to non-school-based programs and propose updates.

Child Care Financial Assistance (CCFAP) is primary vehicle for Act 76 investments.

- Increased rates paid to child care providers on behalf of families
- Increased income eligibility for families from 350% the federal poverty level (FPL) to 575% FPL



CCFAP Rates

Increase of CCFAP rates paid to Child Care Providers on behalf of families

- In 2023:
 - ✓ CCFAP capped rates now have higher base rates: 7/2/23
 - ✓ CCFAP rates no longer tied to programs' STARS ratings: 7/2/23
 - ✓ Pay all programs at CCFAP state rates: 12/17/23
 - ✓ Increase CCFAP state rates by 35%: 12/17/23
- In 2024:
 - ✓ For Family Child Care Homes: Increase CCFAP state rates by 50% of difference between family child care and center-based program state rates: 6/29/24

CCFAP Eligibility

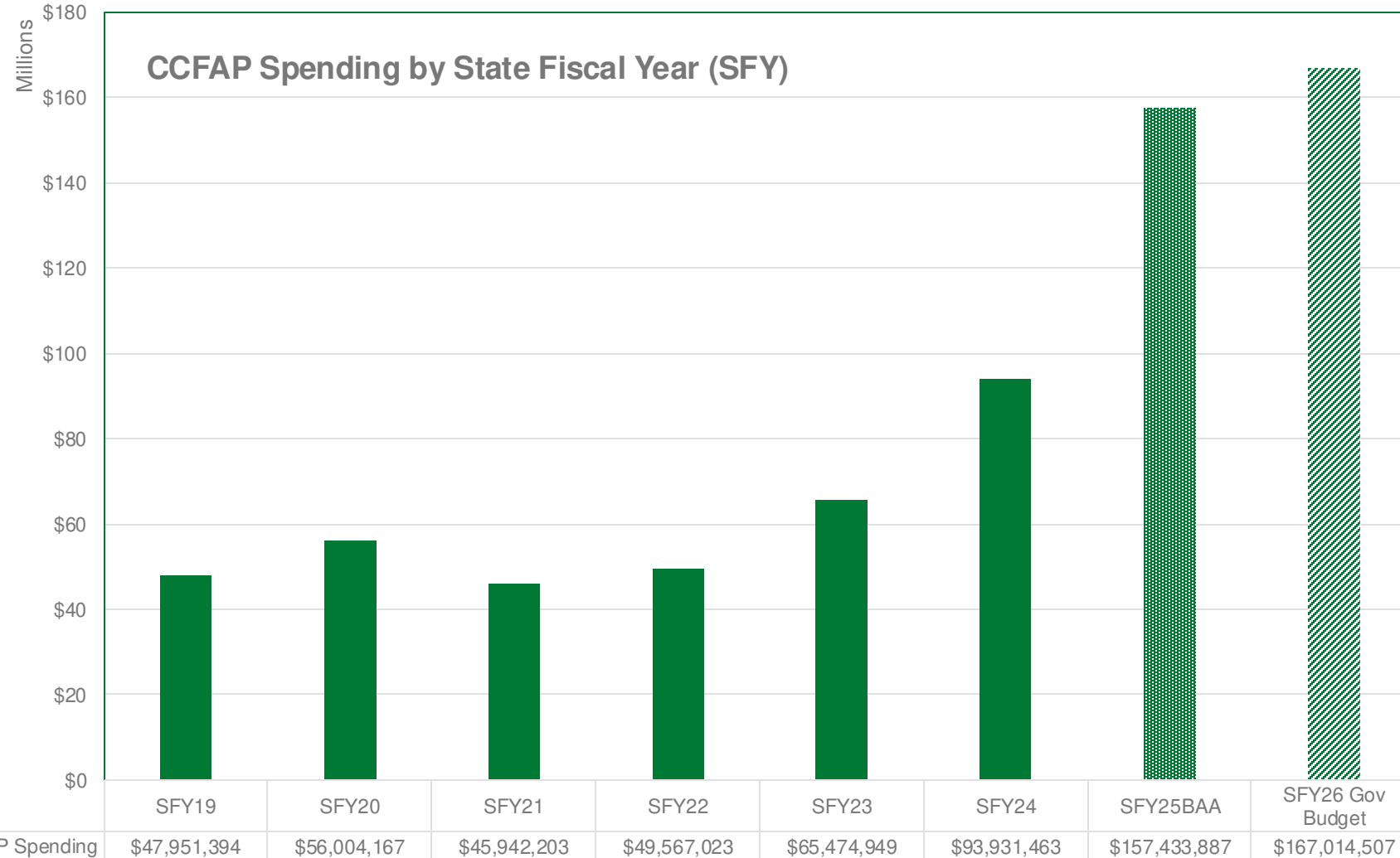
Expansion of Income Eligibility for Families

- ✓ Income eligibility increases to 400% FPL: 4/7/24
- ✓ \$0 weekly family share extends to 175% FPL: 4/7/24
- ✓ Income eligibility increases to 575% FPL: 10/6/24

Adjustment of Other Eligibility Requirements

- ✓ Removed citizenship/immigration status as criteria.
- ✓ Streamlined process for families who are connected to refugee and asylum assistance.
- ✓ Launched application launched on 9/7/2024.
 - Over 1,500 applications, about 33% of applications processed.
- ✓ Expanded “education” service need to include those working on credentials beyond initial bachelor’s degree.
- ☐ Refined self-employment policy; aiming for 5/1/25

CCFAP spending has increased.



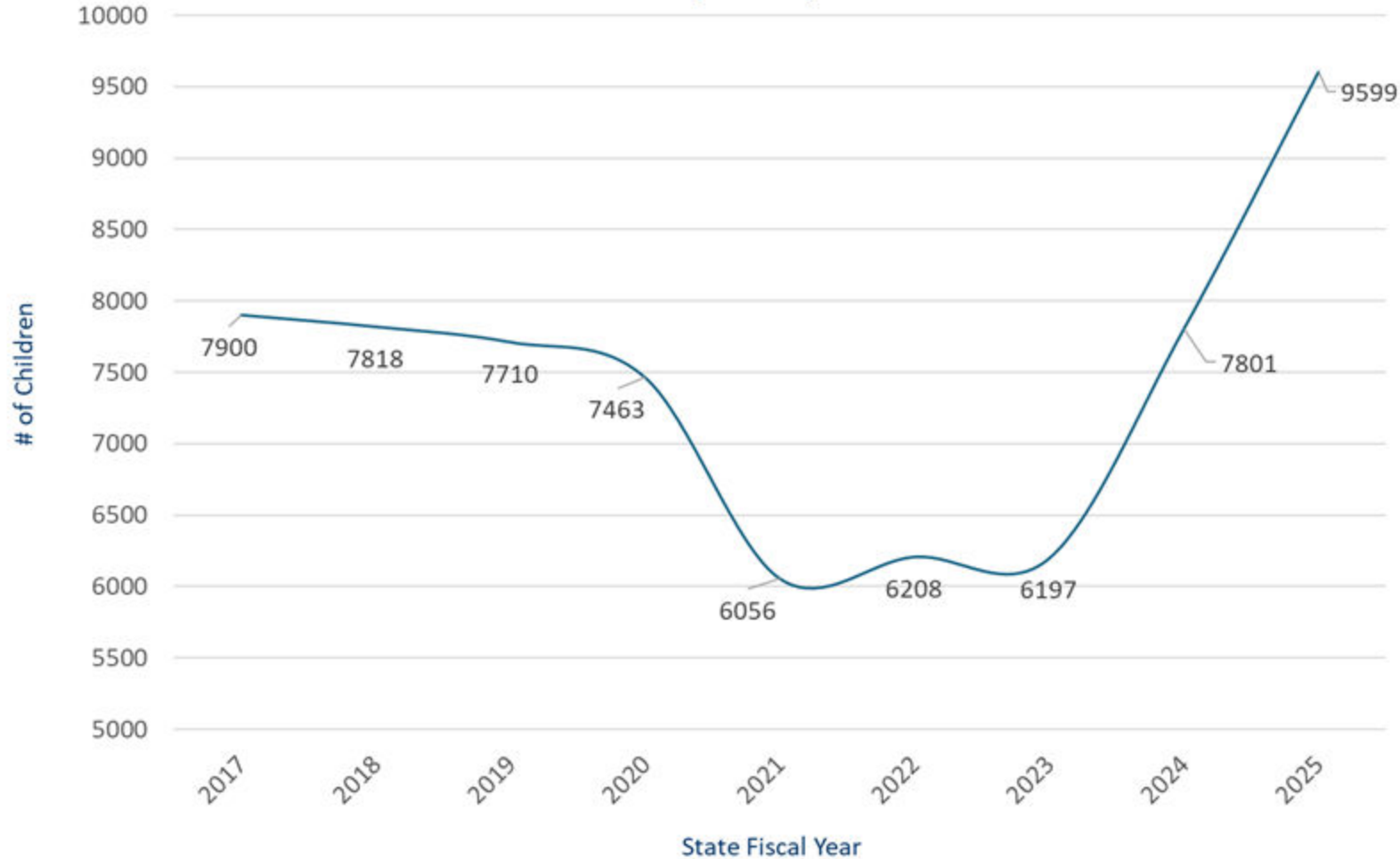
CCFAP funding sources:

- Child Care Contribution Special Fund (new)
- General Funds
- Federal Child Care Development Fund
- EITC Swap SF
- Medicaid/Global Commitment

Child Care Financial Assistance Participation over Time

Average Number of Children Receiving CCFAP, SFY 2017-2025*

*SFY 2025- Represents July-December 2024 Data



CCFAP participation has increased significantly from previous years.

CCFAP participation has recovered from the COVID-related drops.