

# Early Care and Education Programs in Vermont

House Committee on Ways and Means

Joyce Manchester

May 5, 2023

DM #368025, v.11



**JFO**

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# Example families under current law and S.56 as recommended by Human Services

1. Center-based care				Family CCFAP co-pay		CCFAP reimbursement to centers		Total payment to centers		
	Income	FPL	Children's ages	Current law	S.56 Hum. Serv.	Current law	S.56 Hum. Serv.	Current law	S.56 Hum. Serv.	Difference
Family A	\$25,000	101%	1	0	0	349	483	349	483	134
Family B	\$50,000	167%	1, 4	25	27	649	906	674	933	259
Family C	\$75,000	302%	2	150	189	178	261	328	450	122
Family D	\$125,000	417%	3, 7	not elig.	297	0	362	full cost	659	N/A

For example,

Family A has one child, age 1, and income of \$25,000. They send their child to an early care center for full-time care. Their CCFAP co-pay is \$0 under current law and under S. 56. Their early care center receives \$349 per week under current law but would receive \$483 per week under S. 56.



# Example families, continued

1. Center-based care				Family CCFAP co-pay		CCFAP reimbursement to centers		Total payment to centers		
	Income	FPL	Children's ages	Current law	S.56 Hum. Serv.	Current law	S.56 Hum. Serv.	Current law	S.56 Hum. Serv.	Difference
Family A	\$25,000	101%	1	0	0	349	483	349	483	134
Family B	\$50,000	167%	1, 4	25	27	649	906	674	933	259
Family C	\$75,000	302%	2	150	189	178	261	328	450	122
Family D	\$125,000	417%	3, 7	not elig.	297	0	362	full cost	659	N/A

Family C has one child, age 2, and income of \$75,000. They send their child to an early care center for full-time care. Their CCFAP co-pay is \$150 per week under current law and \$189 per week under S. 56. Their early care center receives \$328 per week under current law but would receive \$450 per week under S.56.

Family D has two children, ages 3 and 7, and income of \$125,000. They send their children to an early care center; the 3-year-old has full-time care and the 7-year-old has part-time care. They are not eligible for CCFAP under current law and pay full tuition for both children. Their CCFAP co-pay is \$297 per week under S. 56. The early care center receives full cost from the family under current law and \$659 per week under S. 56.



# Example families, continued

2. Home-based care				Family CCFAP Co-pay		CCFAP reimbursement to home-based providers		Total payment to home-based providers		
	Income	FPL	Children's ages	Current law	S.56 Hum. Serv.	Current law	S.56 Hum. Serv.	Current law	S.56 Hum. Serv.	Difference
Family A	\$25,000	101%	1	0	0	225	397	349	397	48
Family B	\$50,000	167%	1, 4	25	27	410	740	435	767	332
Family C	\$75,000	302%	2	150	189	61	184	211	373	162
Family D	\$125,000	417%	3, 7	not elig.	297	0	254	full cost	551	N/A

For example,

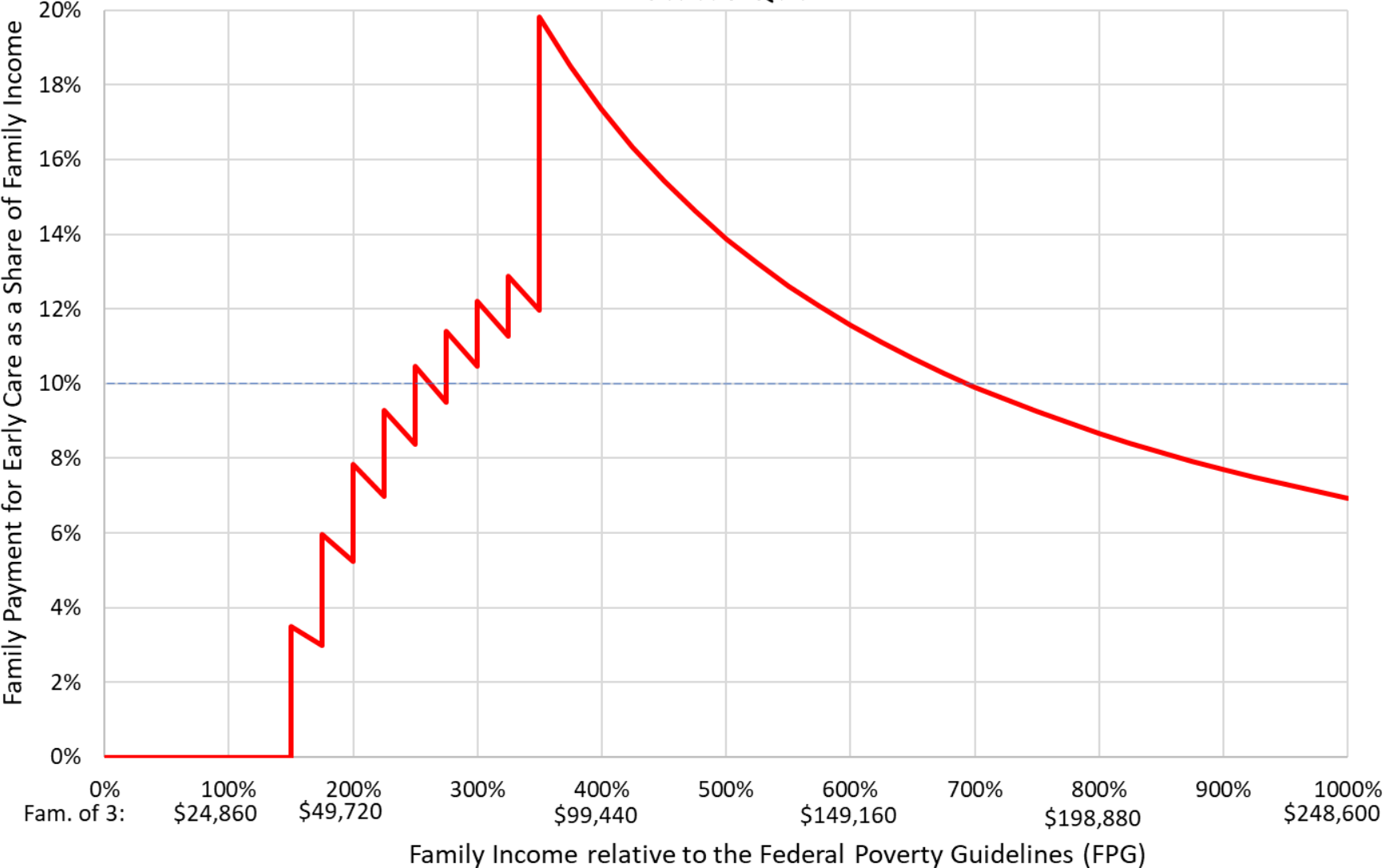
Family B has two children, ages 1 and 4, and income of \$50,000. They send both children to an early care home-based provider. Their CCFAP family co-pay is \$25 per week under current law and \$27 per week under S. 56. Their home-based provider receives \$435 per week total under current law but would receive \$767 per week under S. 56.



**Share of Family Income for Early Care at \$17,250\*/yr; CCFAP: \$25/wk to 350%**

\*CCFAP capped rate at 5-star centers; One child in care; 100% FPG = \$24,860, Family of 3 in 2023

**Status Quo**



Sources: Federal poverty guidelines, HHS; Vermont Dept. of Children and Families; RAND Report; JFO analysis JFO/jm; Apr. 10, 2023

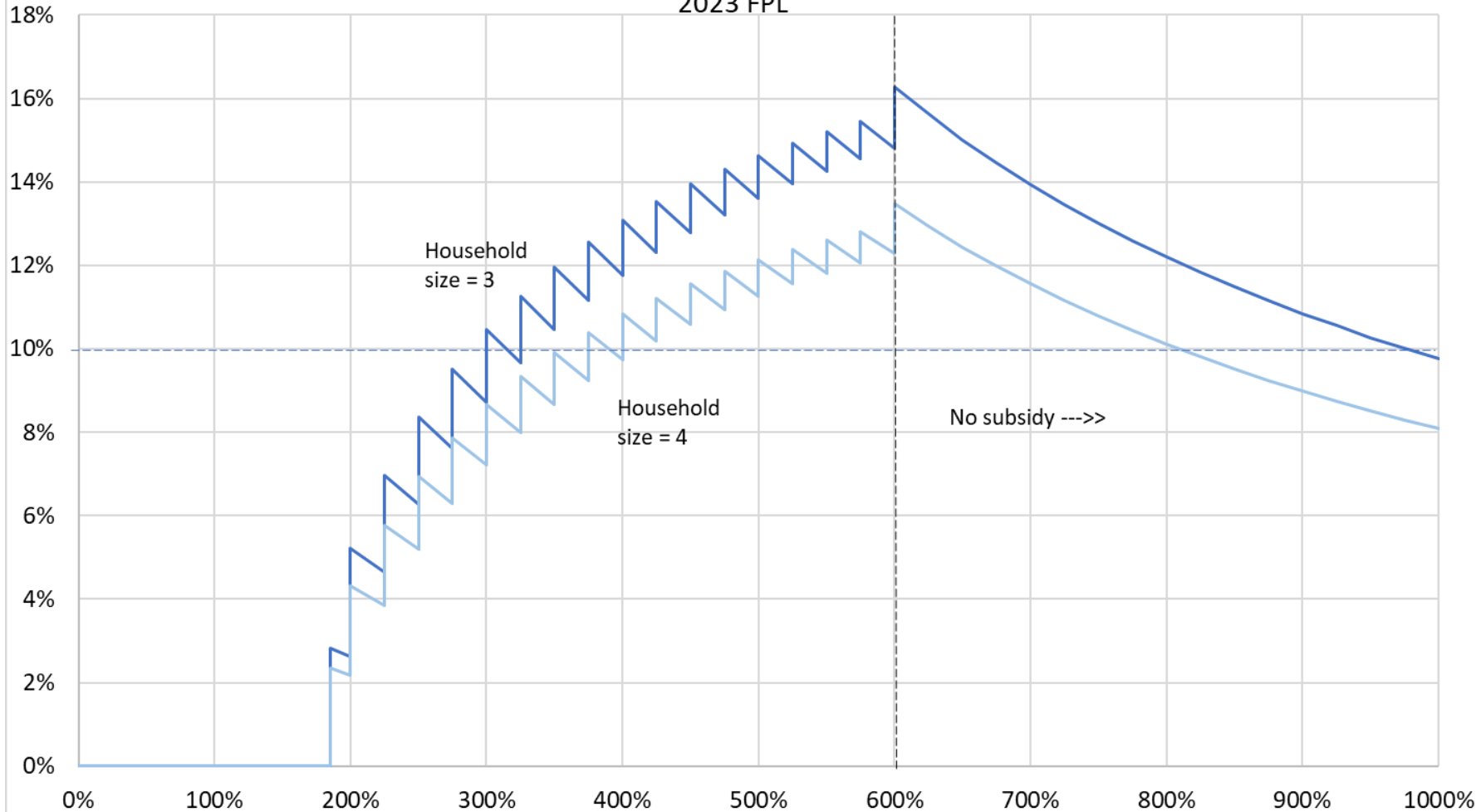


As passed by the Senate, \$25 weekly copay multiples

Family Income Share for Centers' Early Care at \$24,265\*/yr; CCFAP subsidy up to 600%

\*Middle ground betw status quo and HQ; Start \$25/wk at 185% FPL; One child in care;

2023 FPL



	0%	100%	200%	300%	400%	500%	600%	700%	800%	900%	1000%
Family of 3:	\$24,860	\$49,720	\$74,580	\$99,440	\$124,300	\$149,160	\$174,020	\$198,880			
Family of 4:	\$30,000	\$60,000	\$90,000	\$120,000	\$150,000	\$180,000	\$210,000	\$240,000			

Sources: Federal poverty guidelines, HHS; Vermont Department of Children and Families; RAND Report; JFO analysis

JFO/jm; April 10, 2023



# The Human Services bill recommended increasing the family weekly co-pay to \$27 starting Jan.1, 2024

- Maintain 38.5% increase in provider reimbursement
- Start family payments of \$27 per week at 150% FPL up to 175% FPL
- Continue CCFAP reimbursements up to 550% FPL
  - Family of 3: \$142,945; Family of 4: \$172,500
- Maximum family share for early care, size 3, drops from 20% of family income at 350% FPL (status quo) to 17.7% of family income at 550% FPL

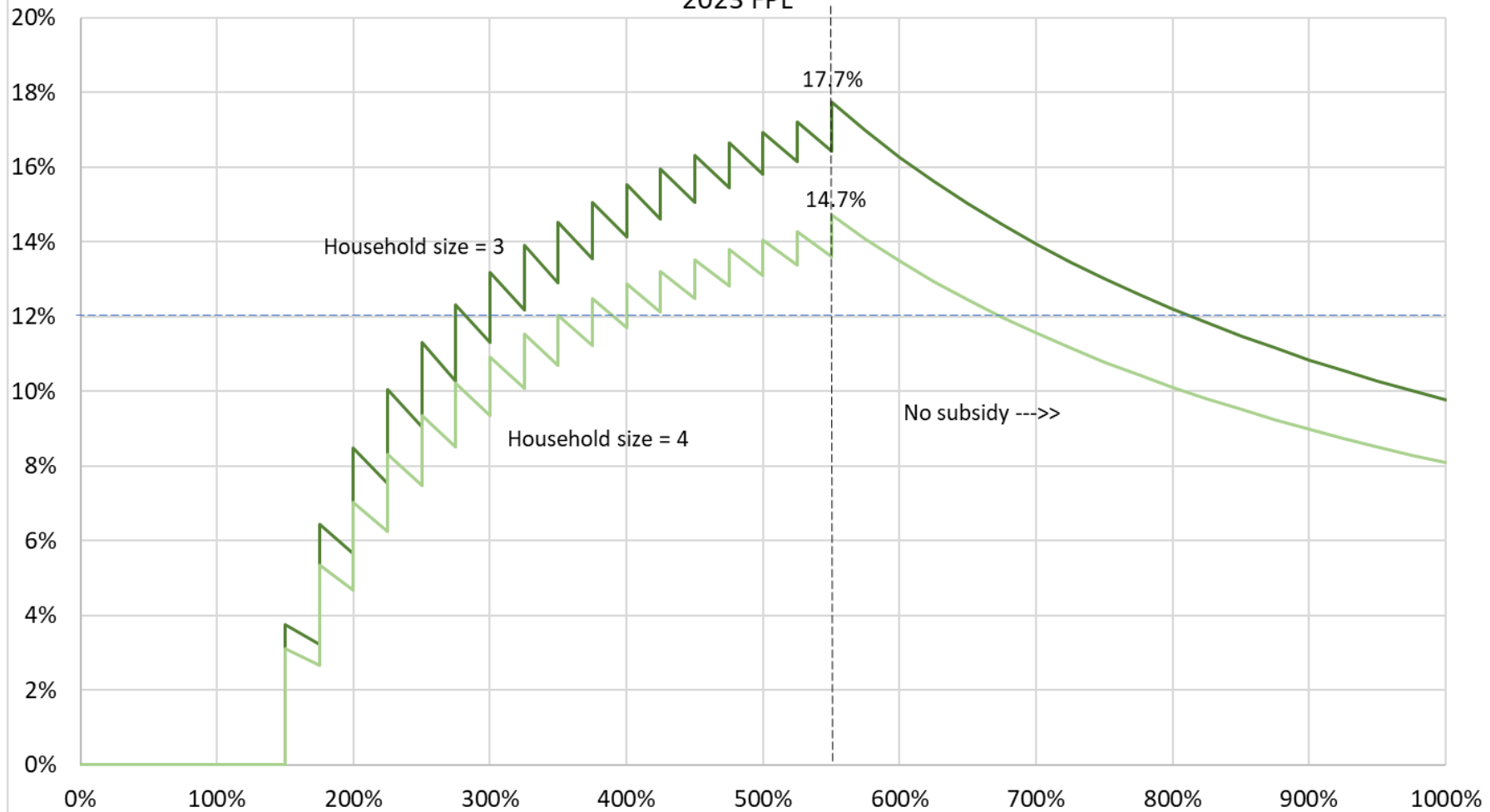


As passed by  
Human Services,  
\$27 weekly  
copay multiples

### Family Income Share for Centers' Early Care at \$24,265\*/yr; CCFAP subsidy up to 550%

\*Middle ground betw status quo and HQ; Start \$27/wk at 150% FPL; One child in care;

2023 FPL



Family of 3:	\$24,860	\$49,720	\$74,580	\$99,440	\$124,300	\$149,160	\$174,020	\$198,880
Family of 4:	\$30,000	\$60,000	\$90,000	\$120,000	\$150,000	\$180,000	\$210,000	\$240,000

Sources: Federal poverty guidelines, HHS; Vermont Department of Children and Families; RAND Report; JFO analysis

JFO/jm; April 17, 2023





The Human Services bill would also reduce the size of the reimbursement gap between home-based providers and center-based providers by 50%

- As an example, consider the reimbursement rate for toddlers

5-star CCFAP reimbursement rate, Toddlers, per week			
Close gap by 50%			
	2022-2023	Increase 38.5%	Close gap by 50%
Home-based	\$211	\$292	\$373
Center-based	\$328	\$454	\$454



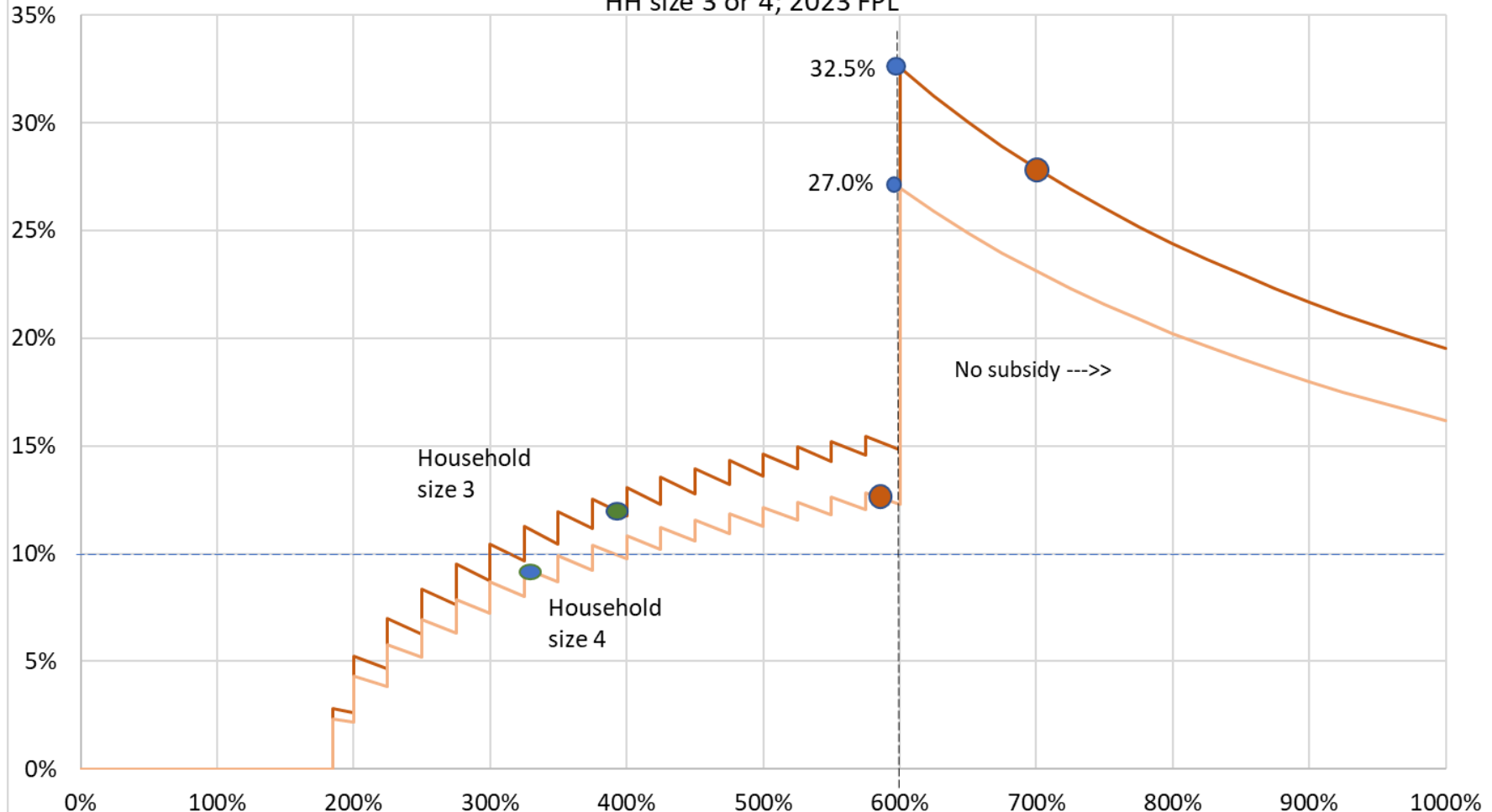
# The issue of siblings enrolled in CCFAP

- Based on current CCFAP policy, a family pays the same weekly copay based on their FPL whether they have one child, two children, or more enrolled in CCFAP
- A family remits their weekly copay to the provider of the youngest child
  - CCFAP pays the remainder of the reimbursement amount to that provider as well as the full reimbursement amount to the providers for the older children



Based on \$25 per week copay multiples

Family Income Share for Centers' Early Care at \$24,265\*/yr; CCFAP is \$25/wk up to 600%  
 \*Middle ground betw status quo and HQ; Start \$25/wk at 185% FPL; Two children in CCFAP; HH size 3 or 4; 2023 FPL



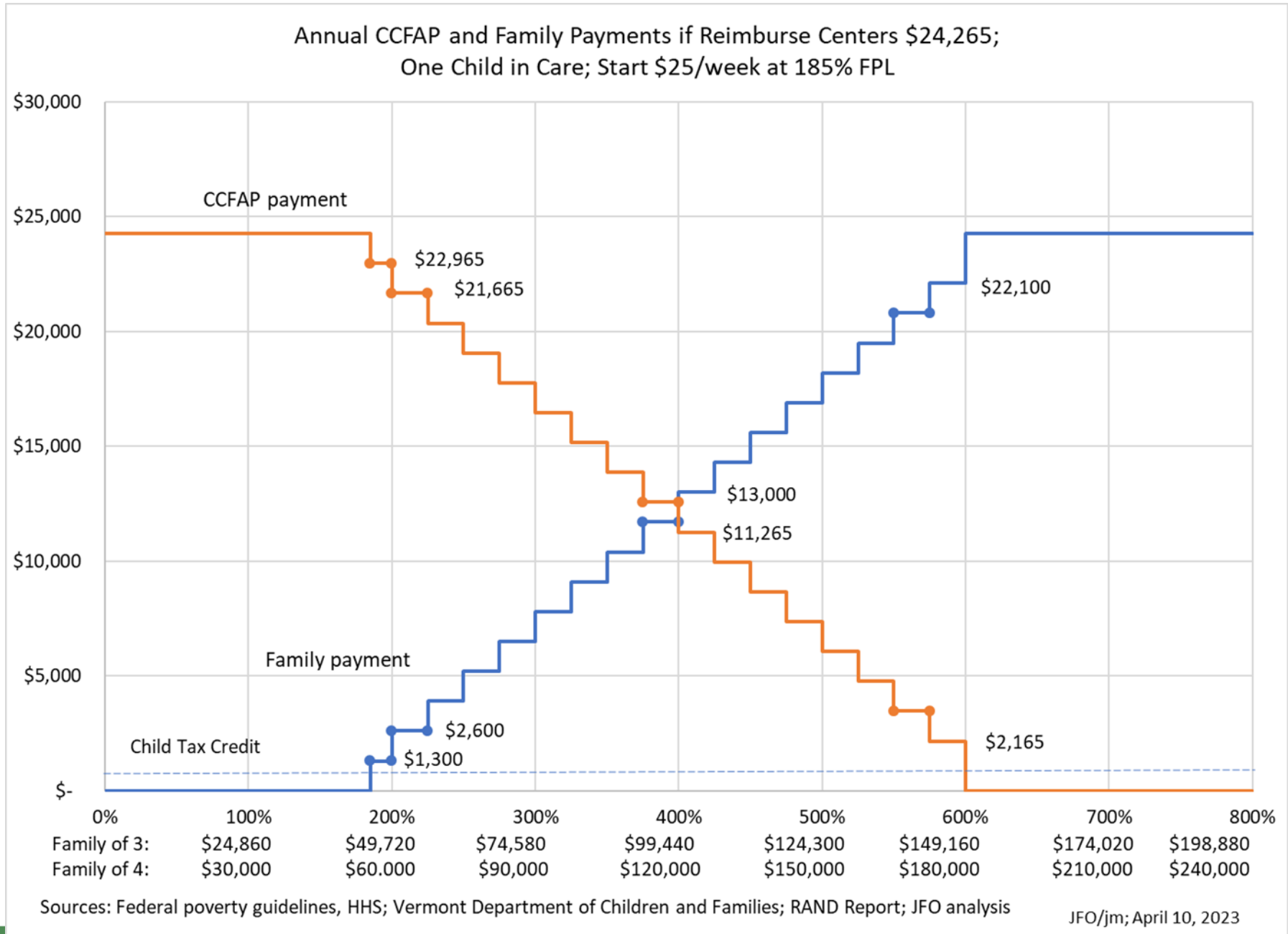
Family of 3:	\$24,860	\$49,720	\$74,580	\$99,440	\$124,300	\$149,160	\$174,020	\$198,880
Family of 4:	\$30,000	\$60,000	\$90,000	\$120,000	\$150,000	\$180,000	\$210,000	\$240,000

Sources: Federal poverty guidelines, HHS; Vermont Department of Children and Families; RAND Report; JFO analysis

JFO/jm; April 10, 2023



As passed by the Senate



# Child Care Financial Assistance State's Capped Rates

Effective July 3, 2022

The State's capped rates are the maximum amount the State will pay to a child care provider on behalf of a family receiving child care financial assistance. The State will pay the lesser of the two: up to the provider's rate or the State's capped rate. To receive the maximum amount the State pays, a child care provider may need to increase their rates. For more detailed information about payments, which includes examples, please see our [fact sheet](#).

Licensed Care		1 STAR	2 STARS	3 STARS	4 STARS	5 STARS
Infant	Full-Time	\$290	\$297	\$300	\$314	\$349
	Part-Time	\$159	\$163	\$165	\$172	\$191
	Extended Time	\$394	\$403	\$408	\$427	\$474
Toddler	Full-Time	\$280	\$281	\$289	\$306	\$328
	Part-Time	\$154	\$156	\$159	\$168	\$180
	Extended Time	\$380	\$382	\$393	\$416	\$446
Preschool	Full-Time	\$275	\$280	\$288	\$300	\$325
	Part-Time	\$151	\$154	\$158	\$165	\$178
	Extended Time	\$374	\$380	\$391	\$408	\$442
School Age	Full-Time	\$225	\$231	\$245	\$250	\$275
	Part-Time	\$123	\$127	\$134	\$137	\$151
	Extended Time	\$306	\$314	\$333	\$340	\$374

Registered Home		1 STAR	2 STARS	3 STARS	4 STARS	5 STARS
Infant	Full-Time	\$200	\$203	\$207	\$210	\$225
	Part-Time	\$110	\$111	\$113	\$115	\$123
	Extended Time	\$272	\$276	\$281	\$288	\$306
Toddler	Full-Time	\$198	\$200	\$204	\$208	\$211
	Part-Time	\$108	\$110	\$112	\$114	\$116
	Extended Time	\$269	\$272	\$277	\$285	\$286
Preschool	Full-Time	\$190	\$195	\$200	\$205	\$210
	Part-Time	\$104	\$107	\$110	\$112	\$115
	Extended Time	\$258	\$265	\$272	\$278	\$285
School Age	Full-Time	\$185	\$190	\$195	\$198	\$200
	Part-Time	\$101	\$104	\$107	\$108	\$110
	Extended Time	\$251	\$258	\$265	\$267	\$272

## Important Definitions

### Authorized Hours of Care:

- Full-Time Weekly – 26 to 50 hours a week
- Part-Time Weekly – 1 to 25 hours a week
- Extended Time – more than 50 hours a week

### Child's Age

- Infant – birth up to 24 months old
- Toddler – 2 up to 3 years old
- Preschool – 3 up to 5 years old
- School Age – 5 up to 12 years old (19 if child has special needs)



# Multiples of Family Poverty Level

**2023**



Household Size	100%	150%	185%	200%	350%	400%	450%	500%	575%	600%	700%	800%
<b>3</b>	\$24,860	\$37,290	\$45,991	\$49,720	\$87,010	\$99,440	\$111,870	\$124,300	\$142,945	\$149,160	\$174,020	\$198,880
<b>4</b>	\$30,000	\$45,000	\$55,500	\$60,000	\$105,000	\$120,000	\$135,000	\$150,000	\$172,500	\$180,000	\$210,000	\$240,000
<b>5</b>	\$35,140	\$52,710	\$65,009	\$70,280	\$122,990	\$140,560	\$158,130	\$175,700	\$202,055	\$210,840	\$245,980	\$281,120
<b>6</b>	\$40,280	\$60,420	\$74,518	\$80,560	\$140,980	\$161,120	\$181,260	\$201,400	\$231,610	\$241,680	\$281,960	\$322,240

<https://aspe.hhs.gov/poverty-guidelines>



Thank you!

