

Summary and Status Report for Act 76, a law related to child care and early childhood education

Created by the Child Development Division and updated regularly.

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This document outlines the elements of Act 76 that require action by the Department for Children and Families (DCF), primarily the Child Development Division (CDD), with the intention of keeping partners and stakeholders informed about CDD’s plans related to its implementation. It is a complement to targeted communications that will be provided to early childhood education and afterschool programs, families that access child care, and other partners.

Child Care Financial Assistance Program (CCFAP)

How much the state of Vermont reimburses child care programs on behalf of families

Element of Act 76	Year	Timeline and Status	Resources
CCFAP capped rates increase to new higher base rates, and are no longer tied to program’s STARS level (Sections 8a and 9)	2023	This change began with the CCFAP Service Period that started July 2, 2023. A communication to child care programs with details, including a copy of the new CCFAP state rates, was sent June 29, 2023.	New CCFAP state rates New STARS program and incentives
All programs to be paid at CCFAP state rates <i>without comparison</i> to Provider Rate Agreements (also known as “usual and customary rate”) (Section 5)	2024	This change began with the CCFAP Service Period that started on December 17, 2023. A communication to child care programs with details, including adjusted provider agreements, was shared in late 2023	December 2023 CCFAP Changes Announcement
CCFAP state rates increased by 35% above the July 2023 rates (Section 6)	2024	This change began with the CCFAP service period that started on December 17, 2023. All programs and families participating in CCFAP receive notification in December 2023.	Future CCFAP state rates December 2023 CCFAP Changes Announcement
CCFAP reimbursement to be paid on enrollment; CDD to define	2024	This is not fully implemented as of January 1, 2024; if families or programs find they	March 2023 CDD Report to Legislature on Enrollment

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enrollment in partnership with Office of Racial Equity (ORE) and other stakeholders. (Section 9)		are unable to access full payment for enrolled children within current absence allowances and codes, they should contact their Eligibility Specialist for support. CDD has developed a proposed definition of “enrollment” and recommendations to streamline attendance categories; feedback has been gathered from CCFAP Eligibility Specialists and the VECAP Early Learning and Development Committee and the Office of Racial Equity has been consulted. Next steps are to determine timeline for related CDDIS updates and to prepare for the accompanying policy and administrative rulemaking processes.	vs. Attendance Policies in CCFAP
For Family Child Care programs only, CCFAP state rates increased by 50% of difference between family child care and center-based program state rates (Section 9a)	2024	To begin by July 1, 2024.	Future CCFAP state rates

Expansion of CCFAP eligibility for families

Element of Act 76	Year	Timeline and Status	Resources
Income eligibility for families increases to 400% Federal Poverty Level (FPL). (Section 5a)	2024	To begin by April 1, 2024; outreach to potentially eligible families will begin by March 2024.	New income eligibility and weekly family share charts will be available February 2024, pending release of 2024 Federal Poverty Level figures.
\$0 weekly family share extended to 175% FPL. (Sections 5a and 5d)	2024	To begin by April 1, 2024; notice to impacted families and programs will be sent out in March 2024.	New income eligibility chart and weekly family share chart will be

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			available February 2024, pending release of 2024 Federal Poverty Level figures.
CCFAP benefits extended to children who have a citizenship status that currently excludes them. (Section 5b)	2024	Anticipated to start on July 1, 2024; CDD has begun the planning process.	
Income eligibility for families increases to 575% FPL. (Section 5c)	2024	To begin by October 1, 2024; outreach to potentially eligible families will begin in Summer 2024.	New income eligibility chart and weekly family share chart will be available February 2024, pending release of 2024 Federal Poverty Level figures.
State CCFAP policies related to self-employment and other specialized service needs must be reviewed and revised consistent with best practice on a regular basis. (Section 13)	2024	This work, aimed at ensuring the program is as inclusive as possible, began in Fall 2023. Stakeholder feedback was gathered related to self-employment policies. CCFAP Eligibility Specialists were solicited for feedback related to self-employment and other specialized service needs. Any changes will need to be codified in CCFAP Regulations (which follows formal state rulemaking process), incorporated into CCFAP policies and practices, and implemented in CDDIS.	

Other financial supports for child care programs that accept CCFAP

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“Readiness” payment program established to support child care programs that accept (or are willing to accept) CCFAP with	2023	The Act 76 Readiness Payment program was launched in August 2023 and began making payments in September 2023. CDD solicited and received feedback from 378	Readiness Payment Program Announcement

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stabilization and expansion. \$20M appropriated for this initiative; up to \$1M may be used for technical assistance. (Section 8)		child care programs, which was used to support with the designing of the Act 76 Readiness Payment program. CDD began accepting applications for non-competitive formula-based payments on August 25, 2023. By mid-December, over \$17.3M had been awarded to over 750 child care programs.	Act 76 Readiness Payment Program Report to Joint Fiscal Committee – October 2023
Quality and Capacity Incentive payments program for child care programs established as a benefit for programs that accept CCFAP and attain various capacity and quality-related achievements including STARS. \$10M is intended annual appropriation. (Section 10)	2024	To begin after July 1, 2024. CDD will solicit feedback from programs in designing this initiative in the first half of 2024.	

Other CCFAP-related changes for child care programs

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Programs can no longer accept application fees or waitlist fees for children who are eligible for CCFAP and must reimburse those found to be eligible later. (Section 11)	2023	CDD added this requirement to CCFAP Provider Agreements in December 2023. CDD notified all regulated child care programs that accept CCFAP on June 29, 2023; child care programs were advised to revise their policies and practices as soon as possible. Compliance monitoring practices are still in development.	CDD Memo re: Tuition Rates and Allowability of Additional Fees

CCFAP-related changes for the Child Development Division

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CDD to distribute an additional \$2M to Child Care Community Support Agencies (CCCSAs). (These agencies provide child care referral and CCFAP eligibility services statewide.). (Section 7)	2024	CDD has amended CCCSA contracts for SFY24 with the increased funds effective July 1, 2023. The funds are intended to support increased capacity to manage expanded CCFAP eligibility.	List of Child Care Community Support Agencies
CCFAP application must be provided in electronic + paper forms, in plain language, and comply with Office of Racial Equity (ORE) Language Access Report. (Section 5b)	2024	To be completed by July 1, 2024. CDD is already working on an electronic application as a part of our new CDDIS system. CDD will review the CCFAP application for simplicity and language access; stakeholder feedback will be solicited.	Current CCFAP application ORE Language Access Report
CDD must consult with ORE on all public materials and trainings related to CCFAP. (Section 12a)	ongoing	CDD will consult with ORE as directed for public communications related to CCFAP. CDD will create updated CCFAP outreach materials for families in advance of the October 2024 eligibility expansion for families; this work will begin in early 2024.	Current CCFAP webpage for families

Child Care Licensing

Element of Act 76	Year	Timeline and Status	Resources
Child care programs are required to provide ownership disclosure as a requirement of receiving CCFAP. (Section 12a)	2023	A similar provision is currently part of the program licensing application and re-application processes. CDD is updating those forms and will include this in the revision of Child Care Licensing Regulations that is already under way. No action is needed by child care programs at this time.	Most recent communication about Child Care Licensing Regulations revision

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Child care programs are required to make their tuition rates available to the public. (Section 12)	2023	CDD will include this in the revision of Child Care Licensing Regulations that is already under way. There is a grace period for the compliance monitoring of this requirement until the updated regulations are finalized, but programs should make plans to comply as soon as possible.	CDD Memo re: Tuition Rates and Allowability of Additional Fees
Child care programs are prohibited from increasing their tuition at a rate that exceeds 1.5 times the most recent annual increase in NAICS code 611, Educational Services. (Section 12)	2023	CDD posted the 2023 cap for rate increases (7.2%) on its website on July 1, 2023. The Division provided programs with additional guidance via memo on this new requirement in September 2023. Additional guidance will be provided as it is available.	CDD Notice to Programs on Tuition Rates CDD Memo re: Tuition Rates and Allowability of Additional Fees
CDD must amend center-based child care program (CBCCP) and afterschool and summer program (ASP) regulations to require programs directors to be on-site at least 40% of the time children are present (reduced from 60%) (Section 13)	2023	CDD issued a memo that offers a blanket waiver to all CBCCP and ASP programs to use the 40% standard effective July 1, 2023. CDD had already planned to include this change in the revision of Child Care Licensing Regulations that is already underway.	July 2023 Memo on Program Director Time On-site Rule 6.2.4.1 in CBCCP regulations Rule 5.24 in ASP regulations
CDD must review and consider amending rule that prohibits a Family Child Care provider from also operating a CBCCP or an ASP. (Section 13)	2024	CDD will consider including this in the revision of Child Care Licensing Regulations that is already underway.	Reg 2.1.4 in CBCCP regulations Reg 3.14 in ASP regulations

Accountability and Administration

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The Student Loan Repayment Assistance Program (SLRAP) is allowed to continue beyond July	ongoing	CDD will continue funding SLRAP with ARPA funds through September 30, 2024. CDD will work with the Administration and	SLRAP info and application

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1, 2026. (Section 17) (Note: Eligibility criteria was also significantly expanded during the FY23 Budget Adjustment Act in March 2023.)		the Legislature to identify funding sources for the future administration of this program.	
The state will partner with Building Bright Futures to monitor implementation of Act 76 including defining and measuring success and engaging stakeholders. BBF will submit report on January 15 each year. CDD will allocate an additional \$266,707 to BBF for this work. (Sections 19 and 20)	ongoing	CDD and Building Bright Futures (BBF) have held a series of meetings with stakeholders to draft measures of success; proposed measures and baseline data will be included in BBF's required report to the Legislature in January. CDD has incorporated this work into its grant agreement with BBF.	Building Bright Futures website
The law adds 11 new permanent positions to DCF to support its implementation (8 new staff in CDD, 3 in the Business Office). (Section 7)	2023	DCF – both CDD and the DCF Business Office – began the hiring process for these positions in August 2023; several positions were adjusted from list in the bill at the July 2023 Joint Fiscal Committee meeting, to better reflect CDD's needs. All but one position within CDD is now filled; start dates range from November 2023 to January 23.	CDD Position Changes Memo for the JFC July 2023 State of Vermont Careers in Human Services page
The law establishes a payroll tax (with .11% from employee, .33% from employer) to go into Child Care Contribution Special Fund; gives Department of Taxes staff to implement. (Section 24)	2024	Collection of this new tax will begin July 1, 2024. Implementation will be led by the Department of Taxes.	Child Care Contribution Department of Taxes (vermont.gov)

Universal Prekindergarten-related

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A Prekindergarten Education Implementation Plan Committee (PreK committee), co-chaired by AOE and AHS designees, is created to explore how to establish a full-school-day, full-school-year mixed-delivery prekindergarten program for 4-year-olds, beginning with the 2026-2027 school year. (Section 2)	2023-2024	The committee held its first meeting on July 14, 2023, and met in September, October, and November. AOE and CDD worked together to hire a facilitator and project manager for this committee whose contract began in mid-December 2024.	Prekindergarten Education Implementation Plan Committee for schedule, agenda, minutes, and materials
AOE will submit data to Joint Fiscal Office on the number of prekindergarten students, estimated costs, and current programs by school district. (Section 2c)	2023	AOE is working to compile this data for submission.	
AOE, in consultation with the PreK Committee, will submit analysis to Legislature on cost of educating a prekindergarten student relative to a kindergarten student for purposes of determining “pupil weight” in school funding formula. (Section 2b)	2023	AOE submitted this report in December 2023. AOE and CDD worked together draft the report and received feedback from the PreK Committee at their November meeting.	December 2023 Report to Legislature on Prekindergarten Pupil Weighting
The PreK Committee will submit a Prekindergarten Implementation Plan to the Legislature. (Section 2)	2024	AOE to submit this report on behalf of the PreK Committee by December 1, 2024.	
The AOE and the PreK Committee will develop a model contract for school districts to use	2024	AOE and the PreK Committee to create this model contract by December 1, 2024.	

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when contracting with private providers for prekindergarten education services. The model contract will include provisions related to antidiscrimination and special education. (Section 2a)			
The law removes negative grade-level weight for PreK in “weighted long-term membership” calculation for school funding, contingent on several provisions that standardize PreK. (Sections 3 and 3a)	2026	Contingent effective date of July 1, 2026.	

Reports and Presentations (non-UPK)

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CDD will collaborate with the Joint Fiscal Office (JFO) to provide the Legislature with a recommendation of the appropriate mechanism for adjusting CCFAP rates in the future and appropriate rates and family contributions for FY25 and FY26. (Section 9b)	2024	CDD will submit this report by January 15, 2024. CDD has discussed the content of the report with the JFO several times in Fall 2023.	
CDD will collaborate with the Vermont Crime Information Center (VCIC) and AOE to recommend ways streamline and improve timeliness of background check process for those required to submit two separate checks. (Section 14)	2024	VCIC will submit this report by January 15, 2024. CDD, VCIC, and AOE discussion held in in Fall 2023.	
CDD will present to Legislature on feasibility of and progress towards	2024	CDD will present to the Legislature by February 15, 2024.	

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establishing administrative service organizations for child care providers. (Section 18)			
CDD will submit plan to Legislature to streamline and improve responsiveness and effectiveness of Special Accommodation Grants. (Section 16)	2024	CDD will submit this report by July 1, 2024.	
DCF to provide report on reorganization of DCF to increase responsiveness and elevate status of early childhood services within AHS, align with similar report from AOE. (Section 21)	2025	DCF will submit this plan by November 1, 2025.	
CDD will consult with Vermont Department of Labor (VDOL) which will submit information on current wage levels for early childhood educators. (Section 23)	2026	VDOL will submit this information by January 1, 2026.	