
**Report to
The Vermont Legislature**

**Annual Report on
Supplemental Child Care Grant Funds Distributed**

**In Accordance with
2015 Act 58 E.318; 33 V.S.A. §3505(a)(2):
Fiscal Year 2016 Appropriations Act**

**Submitted to: Senate Committee on Health and Welfare
House Committee on Human Services**

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Report Date: January 15, 2016



Part I: Summary

The Fiscal Year 2016 Appropriations Act provides that, annually on or before January 15th, the DCF Commissioner shall report to the Senate Committee on Health and Welfare and to the House Committee on Human Services regarding any funds distributed as supplemental child care grants for extraordinary relief. Specifically, the report shall address how funds were distributed and used. It shall also address results related to any distribution of funds.

Enabling legislation to establish an Extraordinary Relief Fund was passed in 2012 for State Fiscal Year (SFY) 2013. Additional language was added in 2014 allowing the Commissioner to supplement funds to certain high risk programs. The objective of the funding is to protect Vermont families in areas of the state with high poverty rates from the closing of a child care center that provides full time or part time care for their children. The guidelines establish a process by which child care centers at imminent risk of closure may seek short term extraordinary financial relief. This process does not create any entitlement to rates in excess of those established in the child care financial assistance program subsidy rate schedule, or to any other form of relief.

The Department for Children and Families (DCF) released guidelines and a simple two page application to establish a process to implement this legislation in June 2012. The guidelines specifically describe the objective of the funds; the nature of the available relief; criteria to be considered by the Department; the application procedure; and the appropriate contact in the Child Development Division (CDD). These guidelines and application materials are posted on the DCF website in the CDD section. Notice of availability of this extraordinary relief was sent to all regulated child care providers with a link to the new materials in 2012.

Annually, in accordance with legislation, DCF sets aside a maximum amount of one half of one percent of funds appropriated for the Child Care Financial Assistance Program (CC FAP) for purposes of extraordinary relief. Any unspent funds revert to support subsidies in CC FAP.

Each application must include detailed financial information and a clear and realistic plan for sustaining future operations. Applications are subjected to a thorough review process by a team of fiscal and program staff in DCF and AHS. Applications are sometimes withdrawn during the process of requesting sufficient information to make an informed decision or when an applicant decides that the criteria for relief or the nature of the relief is not an appropriate match for their situation. Two applications have been denied as applicants did not meet established criteria for extraordinary relief.

Part II: Data

Extraordinary Relief Fund Set Asides and Expenditures				
SFY	Amount available	Amount awarded	Applications processed	Applications withdrawn/denied
2013	\$217,616	\$101,743	4	
2014	\$244,564	\$233,000	3	1
2015	\$236,621	\$103,250	4	1
2016	\$236,621		0	2

Processed Applications and Awards through December 2015

Applicant	SFY	Location	Awards	Brief description
RTW Children's Center	2013	Richford	\$28,000 grant	Program unable to sustain operations. Support provided transition to closure with sufficient notice to families.
Creative Minds Children's Center	2013	Newport Center	\$45,000 grant	Consolidated 2 buildings into single facility. Support provided relief to implement a sustainability plan to streamline and generate new income.
World of Discovery	2013	Hartford	\$21,923 grant	Consolidation of 2 programs into one more sustainable program. Support provided relief to close less successful program and offset unpaid parent tuition. Program is in operation.
Take Five	2013	Manchester	\$6,820 grant	Program had to move to a new location due to air quality issues. Support enabled relocation to new site with minimal disruption. Program is in operation.
Ascension Child Care	2014	South Burlington	\$137,000 grant \$47,000 advance	Program had to move to a new location – short notice from landlord. Support enabled relocation to new site with minimal disruption and expanded infant toddler slots and access for subsidized children in a competitive market. Program is in expanded operation.
Bristol Family Center	2014	Bristol	\$15,000	Program had expenses due to significant, unanticipated facility repairs. Support helped program to remain viable and open in this location. Program is in operation.
Creative Minds Children's Center	2014	Newport Center	\$34,000 advance	Due to federal budget cutbacks, income projected for Head Start partnership did not come through. Support helped program navigate this loss.
Puffer Child Care Center	2015	Morrisville	\$30,000	Program had to move to a new location due to serious mold issues. Suffered disruption of PreK partnerships and other financial stressors in the move. Support enabled program to offset losses due to relocation and remain viable while restoring partnerships and securing other funding resources to sustain operations. Program is in operation.
Creative Minds Children's Center	2015	Newport Center	Forgive repayment of \$34,000 advance (accounted for in SFY14) \$44,000 supplemental relief grant	Under revised legislation, Commissioner was allowed discretion to supplement extraordinary relief grants to sustain high quality programs in low income areas serving primarily subsidized children. An earlier application for significantly more funding for this program was denied due to a lack of clear financial records indicating need.
Red Door Academy	2015	St. Albans	\$19,250	2 programs operated by St. Luke's Church. Support provided means to pay unpaid payroll taxes. Increased enrollments provided a reasonable sustainability plan for the future. Subsequently both program licenses were revoked due to serious licensing violations in the preschool program. St Luke's did not appeal revocation.
Butterfly Beginnings	2015	Newbury	\$10,000 grant	New program struggled with unsustainable business plan related to enrollment limitations of site. Advanced grant to work with owner to address issues and plan for sustainability. Owner was not able to follow through and decided to close. Support provided reasonable notice to parents impacted.
Creative Minds Children's Center	2016	Newport Center		Program was unable to sustain stable enrollment to support sustainability plan. Request for \$30,000 to support transition to closure in January 2016 has been submitted.