

VERMONT'S CHILD CARE FINANCIAL ASSISTANCE PROGRAM GETS \$1 MILLION INCREASE IN FUNDING

11 August 2016

During the spring of 2016, the Vermont Legislature approved an additional one million dollars in funding for the Child Care Financial Assistance Program in State Fiscal Year 2017. This increase will allow the Department for Children and Families' Child Development Division (CDD) to make changes that will benefit child care providers and families in Vermont.

"We are very grateful to the Vermont Legislature for this increase," said CDD Deputy Commissioner Reeva Murphy. "It will allow us to make several changes that will benefit child care providers, parents and children in Vermont. In particular, this increase will help us begin to address the rates the State pays for infant care, an area that is challenging for both parents and providers."

The following changes will take effect on August 21, 2016:

1. **The rates the State will pay for infant care will increase.**

The rates the state currently pays for infant care—one of the costliest types of child care—are below the rates most child care providers charge. Parents have to pay the difference between the state rate and the providers' rates. This limits access to quality infant care for families who can't afford to pay the difference.

An across-the-board increase in the rates paid for infant care will help reduce the gap between what the state pays and what child care providers charge.

- The rates paid for infant care in registered family child care homes will go up by 3%
- The rates paid for infant care in 4-star rated licensed centers will move from the 75th percentile of the 2008 VT Child Care Market Rate to the 75th percentile of the 2009 VT Child Care Market Rate

2. **The income guidelines used to determine eligibility will move from the 2014 Federal Poverty Guidelines (FPG) to the 2016 Federal Poverty Guidelines.**

Vermont currently uses the 2014 federal poverty guidelines to determine eligibility. The move to the 2016 poverty guidelines will make more families eligible for assistance and may also provide a slightly higher benefit to those participating.

- The 2016 FPG for a family of four is \$24,300
- The 2014 FPG for a family of four is \$23,850

3. **Increase the maximum income for eligibility from 200% of FPG to 300% of FPG.**

Families whose incomes are above the FPG still get child care assistance based on a sliding fee scale. This means that as their incomes go up, the amount of assistance they get goes down —to a minimum 10% benefit for families with incomes at 200% of FPG. This change will extend the 10% benefit to families with incomes between 200 to 300% of FPG.

The child care provider rate schedule as of August 21, 2016 is available online

at: [dcf.vermont.gov/sites/dcf/files/CDD/Docs/ccfap/CCFAP Rate Schedule Effective August 2016.pdf](http://dcf.vermont.gov/sites/dcf/files/CDD/Docs/ccfap/CCFAP_Rate_Schedule_Effective_August_2016.pdf)