

Child Care Financial Assistance Program (CC FAP)

*Helping
Vermont
Families Pay
for Child Care*



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Child Care Financial Assistance Program (CC FAP)

Child care financial assistance (sometimes called *child care subsidy*) is a benefit that helps eligible families pay for early care and education and after school services. Payments are made directly to child care providers for services provided to participating children and families.

- In FY 2016, \$47.5 million in state and federal funds helped 12,268 children (average of 8,420 each month) access early care and education and afterschool programs.
- Base funding for CC FAP is the federal Child Care and Development Fund (CCDF) – a block grant to states – administered by DCF under a federally approved State Plan

Who Can Get Help?

- Children from 6 weeks – 12 years
- A recognized “need for service”
- Family meets income guidelines or categorical eligibility

CC FAP Sliding Fee Scale

- *Based on family size and gross monthly income*
- 100% benefit at family income equal to or less than 100% of the Federal Poverty Level (FPL) for a family of 3 or less (**\$19,788 annual**)
- 50% benefit at family income **\$31,464 annual** for family of 3 or less
- 10% benefit at family income of **\$39,576 annual** for a family if 3 or less (300% FPL – maximum limit)

How much help do families get?

- 100% benefit is 100% of the rate established by the state
- State rates are established based on available funding
- Current rates are based on a 2008 Market Rate Survey increased by 3% in SFY14 with an additional increase for Infant and Toddler Rates only in SFY17
- Families are responsible for paying their portion of the charges (as co-payments) directly to the providers they choose
- Co-payments may include the % of the state rate not covered by the benefit and whatever part of a providers current rate not covered by the state

Tiered Rates Promote Access to Quality Programs

- Vermont's CC FAP pays a higher rate to programs participating in STARS

One STAR	Two STARS	Three STARS	Four STARS	Five STARS
5%	10%	20%	30%	40%

- The method for setting rates in Vermont's CC FAP is intended to establish the 4 STAR rate at the 75th percentile of a survey of the child care market
- 62.9% of the total CC FAP budget in SF17 was spent on high quality care (three or more stars)
- 57.6% of the children getting financial assistance were in programs with 3 or more STARS

CC FAP eligibility and Affordable Access

- According to the Blue Ribbon Commission on Access to Affordable High Quality Child Care, Vermont families pay between 25% - 53% of their income to send 2 children – an infant and a 4-year-old - to full time center-based care.
- The Vermont Basic Needs Budget estimates child care as the second highest monthly expense for a family of 4, just a little less than housing. That family would need to earn \$6007 month to pay all expenses before child care. Yet this is \$2032 more a month than CC FAP maximum eligibility.
- The hourly wage in Vermont is \$10 per hour. A 2 parent family with both parents working FT and 1 child would not qualify for CC FAP. A 2 parent family with both parents working FT with 2 children would qualify for a 30% benefit in CC FAP.

CC FAP and Universal PreK Tuition

- Universal PreK tuition helps pre-qualified private programs increase quality to meet Universal PreK standards
- Layering CC FAP benefits and Universal PreK tuition helps more families access higher quality programs for preschool children
- A mixed delivery system where children can attend a full day, full year program that incorporates Universal Prek provides continuity of critical learning and relationships, reduces transitions for children and reduces eases stress on working families

CC FAP and Universal PreK

- Early care and learning programs participating in CC FAP must meet child care licensing standards
- Universal PreK establishes higher standards in relation to overall program quality, teacher qualifications, curriculum, and child assessment
- More than 25 hours of enrolled services per week is considered full time in CC FAP – most children in CC FAP are enrolled for 40 or more hours per week
- Private prequalified prekindergarten programs layer funding sources in the same way public programs do

CC FAP and Universal PreK Tuition

Family of 3 earning \$19,788 annual

Family at 100% FPL	
Provider Charge (75th percentile 2015 MRS)	
Full Time Preschool (weekly)	\$221.88
Annual Provider Charge/Tuition (x52)	\$11,537.76
CC FAP Subsidy for a family of 3 earning \$19,788 annual	
Base Rate FT Preschool	\$133.49
4 STAR quality (+30%)	\$173.53
Benefit level (100%)	1
Total weekly subsidy payment	\$173.53
Total annual family CC FAP benefit	\$9,023.56
CC charges not covered by CC FAP (out of pocket cost for family)	\$2,514.20
Annual UPK Tuition	\$3,092.00
Provider quality support	\$577.80

Family of 3 earning VT minimum
wage \$10.00 hour

Family earning minimum wage	
Provider Charge (75th 2015 MRS)	
Full Time Preschool (weekly)	\$221.88
Annual Provider Charge/Tuition	\$11,537.76
CCFAP Subsidy for a family of 3 earning \$20,800 annual	
Base Rate FT Preschool	\$133.49
4 STAR quality (+30%)	\$173.53
Benefit Level (98%)	\$0.98
Total weekly subsidy payment	\$170.06
Total annual CC FAP benefit	\$8,843.09
CC charges not covered by CC FAP (out of pocket cost for family)	\$2,694.67
Annual UPK Tuition	\$3,092.00
Provider quality support	\$397.33

CC FAP and Universal PreK Tuition

Family of 3 earning \$31,464 annual

Family at approx. 150% FPL	
Provider Charge (75th 2015 MRS)	
Full Time Preschool (weekly)	\$221.88
Annual Provider Charge/Tuition	\$11,537.76
CC FAP Subsidy for a family of 3 earning \$31,464 annual	
Base Rate FT Preschool	\$133.49
4 STAR quality (+30%)	\$173.53
Benefit level (50%)	0.5
Total weekly subsidy payment	\$86.77
Total annual family CC FAP benefit	\$902.36
CC charges not covered by CC FAP (out of pocket cost for family)	\$10,635.40
Annual UPK Tuition	\$3,092.00
Remaining out of pocket cost for family	\$0.00

Family of 3 earning \$39,576 annual

Family at 300% FPL	
Provider Charge (75th 2015 MRS)	
Full Time Preschool (weekly)	\$221.88
Annual Provider Charge/Tuition	\$11,537.76
CC FAP Subsidy for a family of 3 earning \$39,576 annual	
Base Rate FT Preschool	\$133.49
4 STAR quality (+30%)	\$173.53
Benefit level (10%)	0.1
Total weekly subsidy payment	\$17.35
Total annual family CC FAP benefit	\$902.36
CC charges not covered by CC FAP (out of pocket cost for family)	\$10,635.40
Annual UPK Tuition	\$3,092.00
Remaining out of pocket cost for family	\$7,543.40

More information

- CCDF State Plan for Vermont 2016-2018
 - http://dcf.vermont.gov/sites/dcf/files/CDD/Reports/CCDF_VT_STATE_PLAN_2016.pdf
- CC FAP Information for Parents
 - http://dcf.vermont.gov/sites/dcf/files/CDD/Brochures/ccfap/FAP_Booklet_web.pdf
- Child Care Market Rate Survey 2015
 - http://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Market_Rate_Survey_Report_2015.pdf
- Blue Ribbon Commission on Access to High Quality Affordable Child Care Report
 - <http://cdn.buildingbrightfutures.org/wp-content/uploads/2015/11/VT-BRC-Full-Final-Report-1.pdf>