

Child Care Financial Assistance Program (CCFAP) Budget

Child Care Financial Assistance helps eligible families with the cost of child care. Payments are made directly to child care providers. The families' eligibility and benefit level is determined by the family's size and income level. Payment amounts are determined by the age of the child, type of program, and quality (STep Ahead Recognition System - STARS) rating.

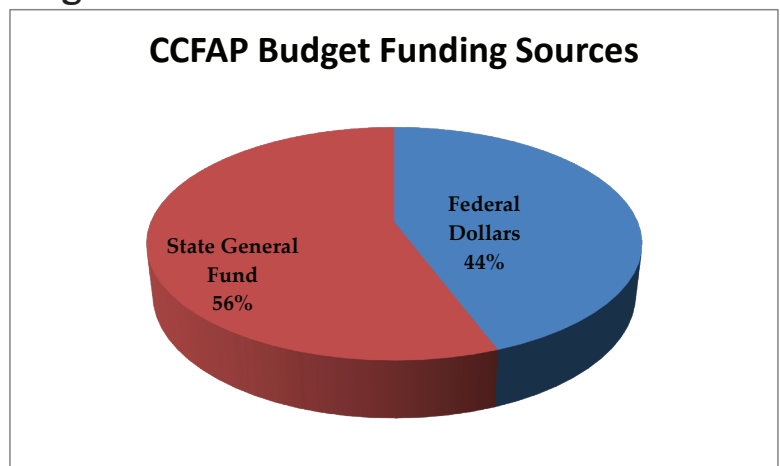
The goals of the Child Care Financial Assistance Program are to:

- Help eligible families pay for child care that meets their needs and promotes the best possible development for their children;
- Support a system of good quality child care services that is readily available to Vermont's children and families; and
- Increase access to high-quality, sustainable early care and learning and after school services in Vermont that are developmentally beneficial for children and strengthen families.

The program is funded through a combination of state and federal funds and promotes participation in high quality programs for assisted families.

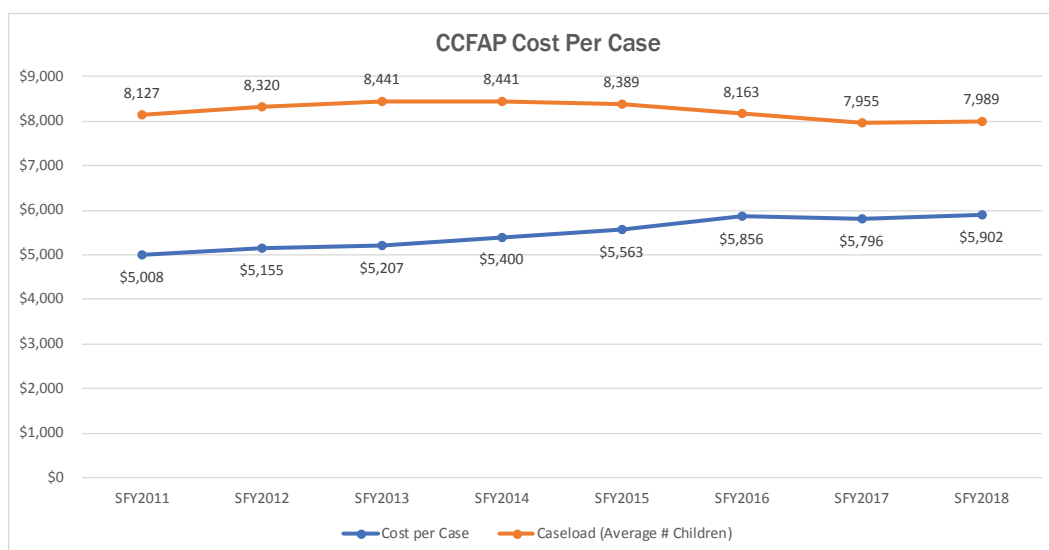
Funding Sources

The Child Care Financial Assistance Program (CCFAP) is funded through a combination of state and federal funds. The federal funds include Title IV-E, IV-B, the Child Care Development Fund, and the Social Services Block Grant. In addition, the funds used in the CCFAP program are used to leverage those federal funds for additional programs for the Department for Children and Families.



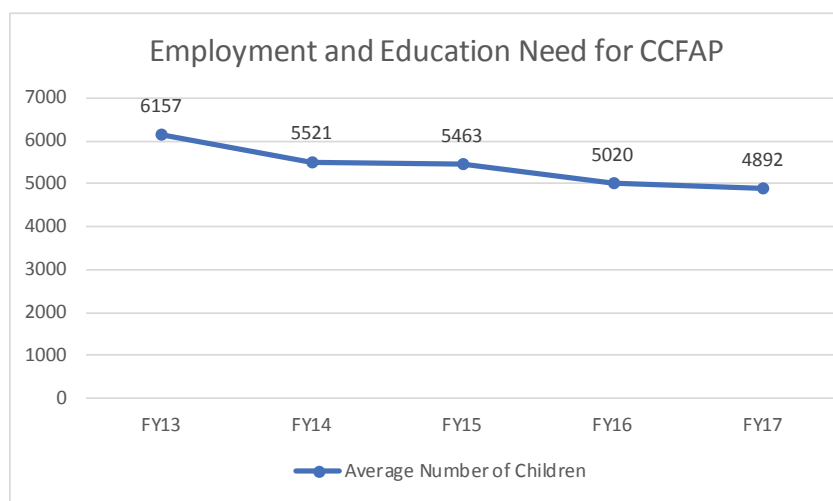
State Fiscal Year	Average Cost Per Case	Cost per case increase or projected increase	Average Number of Children	Percentage Increase in Number of Children	Actual Cost/Year from Spending Plan
FY10					\$ 36,800,000
FY11	\$ 5,008		8,127		\$ 40,606,078
FY12	\$ 5,155	2.90%	8,320	2.40%	\$ 42,705,081
FY13	\$ 5,207	1.00%	8,441	1.50%	\$ 44,103,590
FY14	\$ 5,400	3.70%	8,441	0.00%	\$ 45,730,270
FY15	\$ 5,563	3.02%	8,389	-0.01%	\$ 46,671,725
FY16	\$ 5,856	4.51%	8,163	-2.69%	\$ 47,458,550
FY17	\$ 5,796	-1.02%	7,955	-2.55%	\$ 46,109,639
Estimated FY18	\$ 5,902	1.83%	7,989	0.43%	\$ 47,151,002

Child Care Financial Assistance Program (CCFAP) cost per child was increasing each year, until state fiscal year 2017. Families are eligible to receive help from the Child Care Financial Assistance Program when they have a reason for child care. There are a variety of reasons that families can



receive assistance including employment or education, the child is in protective custody, the family is experiencing extreme stress and may be at risk of abusing or neglecting their child, the child has a special need and child care is a support to the child; or the family is receiving Reach Up through the Department for Children and Families, Economic Services Division and possibly is doing work activities. There have been changes in the reasons why families need Child Care Financial Assistance over the past few years which has impacted the budget for the program.

Between State Fiscal Year 2013 and 2017 the number of children who are in protective custody and



in child care has doubled. Also the number of children receiving Child Care Financial Assistance because they are participating in the Reach Up program has increased from 1,245 in State Fiscal Year 2013 to 1,609 in 2017. These increases increased the Child Care Financial Assistance Spending each year, and increased the amount spent on each child (Cost Per Case). However in State Fiscal Year 2016 and 2017 the Child Care Financial Assistance Program spending has

gone down. One of the potential reasons for this change is that while other reasons for needing child care financial assistance has increased, the number of families accessing the program who are working or in school has decreased significantly. From State Fiscal Year 2013 to 2017 the average number of children whose parents work or are in school and receiving the program has decreased by 1,265.

During this time the Vermont minimum wage has increased, while the Child Care Financial Assistance Program income guidelines have not significantly changed. The results in fewer families eligible for high levels of support from the program. In addition, the rate of reimbursement to child care providers has stayed very low which has caused many families to have a high co-payment, or amount they pay out of pocket for child care after subsidies are applied. This had made child care unaffordable to many working families.