
**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**

Submitted by: Ken Schatz, DCF Commissioner

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Report Date: January 15, 2019



Part I: Summary

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 (CCFAP) for purposes of extraordinary relief. Any unspent funds revert to support subsidies in CCFAP.

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 Applications are sometimes withdrawn during the process of requesting sufficient information to make an informed decision, or when an applicant decides that the criteria for relief or the nature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. Applications have been denied if applicants did not meet established criteria for extraordinary relief.

The Fiscal Year 2016 Appropriations Act provides that, annually on or before January 15, 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.

Part II: Data

Extraordinary Relief Fund Assets and Expenditures				
SFY	Amount available	Amount awarded	Applications processed	Applications withdrawn/denied
2013	\$217,616	\$101,743	4	0
2014	\$244,564	\$233,000	3	1
2015	\$236,621	\$103,250	4	1
2016	\$236,621	\$146,625	4	0
2017	\$236,621	\$97,000	2	0
2018	\$239,999	\$87,000	1	0

Applicant	SFY	Location	Awards	Brief description
Kid Logic Learning, LLC	2018	South Burlington	\$87,000 - \$87,000 interest free loan with repayment.	Program was provided funding to pay unpaid payroll tax liabilities and provide operational support and expansion capabilities to meet demand within the region. \$87,000 of the funding is a no cost loan with biweekly recoupment through subsidy payments owed to the program at the rate of \$1000 per pay period.