

**Department for Children and Families
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[fax] 802-241-0846*Agency of Human Services*

To: Senate Education Committee
From: Steven Berbeco, Deputy Commissioner, Child Development Division, DCF
Date: April 30, 2020
RE: Update on Impacts of Stabilization and Incentive Programs on Childcare

The Childcare Financial Stabilization Program and the Essential Persons Incentive Program support the statewide regulated childcare system to ensure childcare programs will be ready to re-open when the Governor's closure order is relaxed or lifted. We anticipate that childcare will be a critical piece of the State's economic mitigation and recovery efforts.

Childcare providers can voluntarily participate in the State's Stabilization and Essential Persons Incentive Programs. These programs depend on contributions from the State and Vermont families. Under the current Stabilization Program, there are no families paying more than 50% of their normal tuition or childcare subsidy co-pay.

The Child Development Division recognizes that paying a reduced tuition or co-pay can be a hardship on a family in the current economic environment. Family contributions can be off-set by Act 166 funding and any scholarship aid available through the provider. Families who qualify for the Child Care Financial Assistance Program (CCFAP) continue to receive this benefit through the closure period; 50% of their usual co-pays are covered by the state through the Stabilization Program. Under the current Stabilization Program, providers have the flexibility to work with the family to determine the weekly payment amount.

We reviewed the Stabilization and Incentive program invoices that have been submitted by childcare providers in order to learn more about the children that are served during the state's closure period.

In particular, we were looking to generate a rough look at whether children who receive a childcare subsidy are more likely to be unenrolled from a program as compared to children who do not receive a childcare subsidy. Childcare subsidies are available to families whose income is up to 300% of the Federal Poverty Limit, subject to additional qualifications.

An initial analysis of the data suggests the following:

Total Number of Children Served by Childcare Providers:	4,333
Number of Children on Subsidy:	1,450 (33%)
Number of Children on Subsidy Who Were Unenrolled:	88 (6%)
Number of Children Not on Subsidy:	2,896 (66%)
Number of Children Not on Subsidy Who Were Unenrolled:	706 (24%)

From the limited data that is available, it appears that subsidy kids are unenrolled at a rate four times lower than kids who are not on subsidy.



We were also looking to get a sense of the distribution of children in childcare during the closure period, and whether one age group is more likely to have been unenrolled than another:

Percent of Children in Childcare who are Infants (0-2):	32%
Percent of Children in Childcare who are Toddlers (3-4):	38%
Percent of Children in Childcare who are School Age (5+):	29%

The distribution by age group of children who are supported by childcare subsidy is different:

Percent of Children who Receive Subsidy, Infants (0-2):	31%
Percent of Children who Receive Subsidy, Toddlers (3-4):	30%
Percent of Children who Receive Subsidy, School Age (5+):	41%

The distribution of children who are unenrolled is fairly equal by age group:

Percent of Infants (0-2) who are Unenrolled:	17%
Percent of Toddlers (3-4) who are Unenrolled:	18%
Percent of School Age (5+) who are Unenrolled:	20%

Noticeably, the Stabilization and Incentive programs appear to offer greater support to the youngest children who receive a childcare subsidy:

Percent of Unenrolled Infants (0-2) with Subsidy:	8%
Percent of Unenrolled Toddlers (3-4) with Subsidy:	9%
Percent of Unenrolled School Age (5+) with Subsidy:	16%

From the limited data that is available, it appears that older children are being disenrolled at a higher rate in general as compared to infants and toddlers, regardless of whether the children receive a childcare subsidy. This may make sense from the larger context of summer coming up and families getting ready to enroll their kids in summer programs as well as elementary school.

Another possible factor in the unenrollment of older children at a higher rate may be that they are more likely to find a childcare slot at the end of the crisis. Infant and toddler slots typically have long waitlists. For additional information on the difference in availability of childcare slots by age group, please see: https://www.letsgrowkids.org/client_media/files/pdf/StalledatStart2020.pdf

We continue to evaluate these financial support programs, including their impact on Vermont's families and childcare providers. Please contact Deputy Commissioner Steven Berbeco at steven.berbeco@vermont.gov if you have further questions.

