

Memorandum

To: House Human Services Committee
From: Miranda Gray, CDD Interim Deputy Commissioner
Re: H.171 Testimony Follow-Up
Date: February 23, 2021

Please see the information below in follow up to our testimony on H.171, Governance and Financing of Vermont's Child Care System, given on February 17th.

1. Inform of public comment period for new state plan – CDD will let the committee know as soon as this begins.
2. Attached is the one-page document on research and possible changes to STARS program, including links to emerging research.
3. Regulations for extended/overnight child care programs - We do not have exceptions or different regulations for programs that are open non-traditional hours. Typically, we see this occurring more in the FCCH environment than a CBCCPP or ASP environment. When CDD explores suggested policy shifts like this one, we do it through an intentional process that includes stakeholders (similar to the process that informed our most recent regulatory changes to CBCCPP rules).
4. Bill language – CDD is compiling our suggested changes, however if you have specific sections you would like language for, please let us know.
5. Link of current child care rates: [Child Care Financial Assistance Program Rates - effective for attendance starting October 25, 2020](#)
6. Link to information about alternative methodology: [What alternative methodology can be used instead of a market rate survey?](#)

Below are the criteria for approval of an Alternative Methodology from the draft 2022-2024 preprint (caveat this is still draft, but it shows this is not necessarily a simple approval).

In its request for ACF pre-approval of an Alternative Methodology, a Lead Agency must:

- Provide an overview of the Lead Agency's proposed approach (e.g., cost estimation model, cost study/survey, etc.), including a description of data sources.
- Describe what information the Lead Agency will obtain from an alternative methodology that could not be obtained from the required narrow cost analysis.
- Describe how the Lead Agency will consult with the State Early Childhood Advisory Council or similar coordinating body, local child care program administrators, local child care resource and referral agencies, organizations representing child care caregivers, teachers and directors, and other appropriate entities prior to conducting the identified alternative methodology.





- Describe how the alternative methodology will use methods that are statistically valid and reliable and will yield accurate results. For example, if using a survey, describe how the Lead Agency will ensure a representative sample and promote an adequate response rate. If using a cost estimation model, describe how the Lead Agency will validate the assumptions in the model.
 - If the proposed alternative methodology includes an analysis of costs (e.g., cost estimation model or cost study/survey), describe how the alternative methodology will account for key factors that impact the cost of providing care, such as: staff salaries and benefits, training and professional development, curricula and supplies, group size and ratios, enrollment levels, licensing requirements, quality level, facility size, and other factors.
 - Describe how the alternative methodology will provide complete information that captures the universe of providers in the child care market.
 - Describe how the alternative methodology will reflect variations by provider type, age of children, geographic location, and quality.
 - Describe how the alternative methodology will use current data.
 - What metrics the Lead Agency will use to set rates based on the alternative methodology.
 - Describe the estimated reporting burden and cost to conduct the approach.
7. What is the current utilization of the 529 income exemption? And what is the way we ensure that parents are aware of this? – CDD is gathering this information.
 8. Percentiles for capped rates – CDD would like to meet with Representative Brumstead to discuss this topic if that would be acceptable.
 9. Can a provider achieve the highest level of the staff qualifications arena without education: The points earned in this arena are based on a formula score that weights education, experience and training hours. A person with a lot of experience and training hours could achieve the highest points in this arena.

Please let us know if you have further questions. Thank you.

