

# Family ECE Contribution as a Percentage of Family Income Under the CCFAP Structure

House Committee on Human Services

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DM #368025, v.7



**JFO**

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# How does a family's contribution for early care and education change as income relative to the Federal Poverty Level changes?

- Vermont's Child Care Financial Assistance Program (CCFAP) expects families with income above 150% of the Federal Poverty Level (FPL) to pay some or all Early Care and Education (ECE) tuition
- Families with income up to 150% of FPL now have no co-pay
  - Families with income just above 150% FPL up to 175% FPL pay \$25/week
  - Families with income just above 175% FPL up to 200% FPL pay \$50/week
  - And so on
- The CCFAP subsidy currently ends at 350% of FPL
- The CCFAP reimbursement rate for 5-star ECE center-based care in FY 2023 is capped at \$17,250 (an average of infant, toddler, and preschool amounts)



# Child Care Financial Assistance State's Capped Rates

Effective July 3, 2022

The State's capped rates are the maximum amount the State will pay to a child care provider on behalf of a family receiving child care financial assistance. The State will pay the lesser of the two: up to the provider's rate or the State's capped rate. To receive the maximum amount the State pays, a child care provider may need to increase their rates. For more detailed information about payments, which includes examples, please see our [fact sheet](#).

Licensed Care		1 STAR	2 STARS	3 STARS	4 STARS	5 STARS
Infant	Full-Time	\$290	\$297	\$300	\$314	\$349
	Part-Time	\$159	\$163	\$165	\$172	\$191
	Extended Time	\$394	\$403	\$408	\$427	\$474
Toddler	Full-Time	\$280	\$281	\$289	\$306	\$328
	Part-Time	\$154	\$156	\$159	\$168	\$180
	Extended Time	\$380	\$382	\$393	\$416	\$446
Preschool	Full-Time	\$275	\$280	\$288	\$300	\$325
	Part-Time	\$151	\$154	\$158	\$165	\$178
	Extended Time	\$374	\$380	\$391	\$408	\$442
School Age	Full-Time	\$225	\$231	\$245	\$250	\$275
	Part-Time	\$123	\$127	\$134	\$137	\$151
	Extended Time	\$306	\$314	\$333	\$340	\$374

Registered Home		1 STAR	2 STARS	3 STARS	4 STARS	5 STARS
Infant	Full-Time	\$200	\$203	\$207	\$210	\$225
	Part-Time	\$110	\$111	\$113	\$115	\$123
	Extended Time	\$272	\$276	\$281	\$288	\$306
Toddler	Full-Time	\$198	\$200	\$204	\$208	\$211
	Part-Time	\$108	\$110	\$112	\$114	\$116
	Extended Time	\$269	\$272	\$277	\$285	\$286
Preschool	Full-Time	\$190	\$195	\$200	\$205	\$210
	Part-Time	\$104	\$107	\$110	\$112	\$115
	Extended Time	\$258	\$265	\$272	\$278	\$285
School Age	Full-Time	\$185	\$190	\$195	\$198	\$200
	Part-Time	\$101	\$104	\$107	\$108	\$110
	Extended Time	\$251	\$258	\$265	\$267	\$272

## Important Definitions

### Authorized Hours of Care:

- Full-Time Weekly – 26 to 50 hours a week
- Part-Time Weekly – 1 to 25 hours a week
- Extended Time – more than 50 hours a week

### Child's Age

- Infant – birth up to 24 months old
- Toddler – 2 up to 3 years old
- Preschool – 3 up to 5 years old
- School Age – 5 up to 12 years old (19 if child has special needs)



# Possible changes in CCFAP going forward

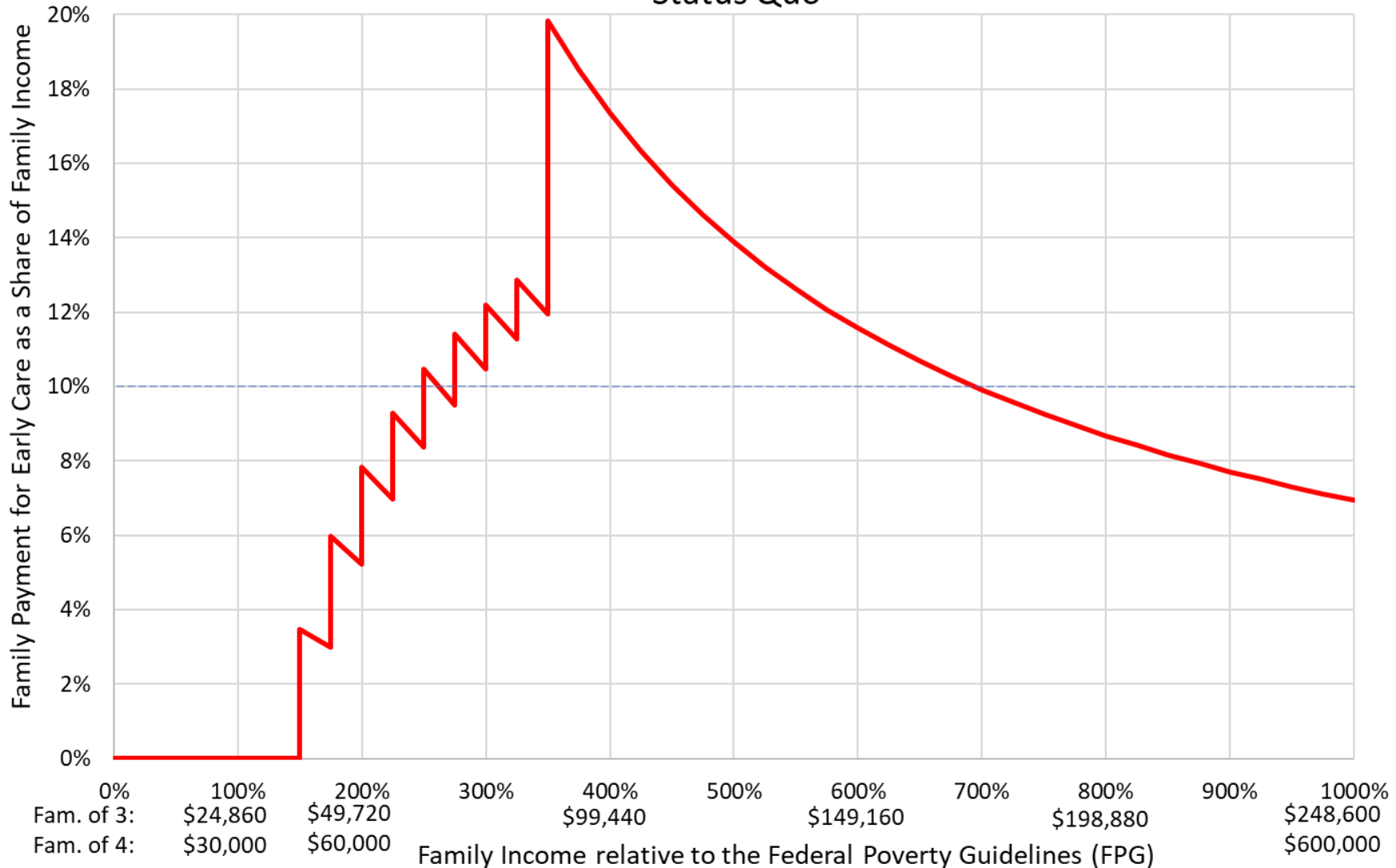
- The Governor's proposal would decouple the CCFAP reimbursement rate to providers from the STARS rating system
  - All providers would receive the 5-star reimbursement amount
  - All early care and education centers would receive \$17,250 per CCFAP child per year if the change went into effect today (an average of infant, toddler, and preschool amounts)
  - All home-based care providers in FY 2023 would receive \$11,258 per CCFAP child per year if the change went into effect today (again, an average of infant, toddler, and preschool amounts)
- The RAND report calculated the cost per child of high-quality care at centers would be about \$28,100, or about 63% higher



## Share of Family Income for Early Care at \$17,250\*/yr; CCFAP: \$25/wk to 350%

\*CCFAP capped rate at 5-star centers; One child in care; 100% FPG = \$24,860, family of 3 in 2023

### Status Quo



Sources: Federal poverty guidelines, HHS; Vermont Dept. of Children and Families; RAND Report; JFO analysis JFO/jm; Mar.29, 2023



Use S.56 “middle ground” CCFAP reimbursement amount;  
Need to adjust 2022 \$\$ amounts to reflect 2023 \$\$;  
Increase by 5.5 percent to reflect wage inflation

- Proposed “Middle Ground” reimbursement amount to early care centers is \$24,265 per child per year on average in 2023 \$\$
- Start family payments of \$25 per week at 185% FPL up to 200% FPL
- CCFAP pays the full amount per child up to 185% FPL
  - Family of 3: \$45,991; Family of 4: \$55,500
- Continue CCFAP reimbursements up to 600% FPL
  - Family of 3: \$149,160; Family of 4: \$180,000

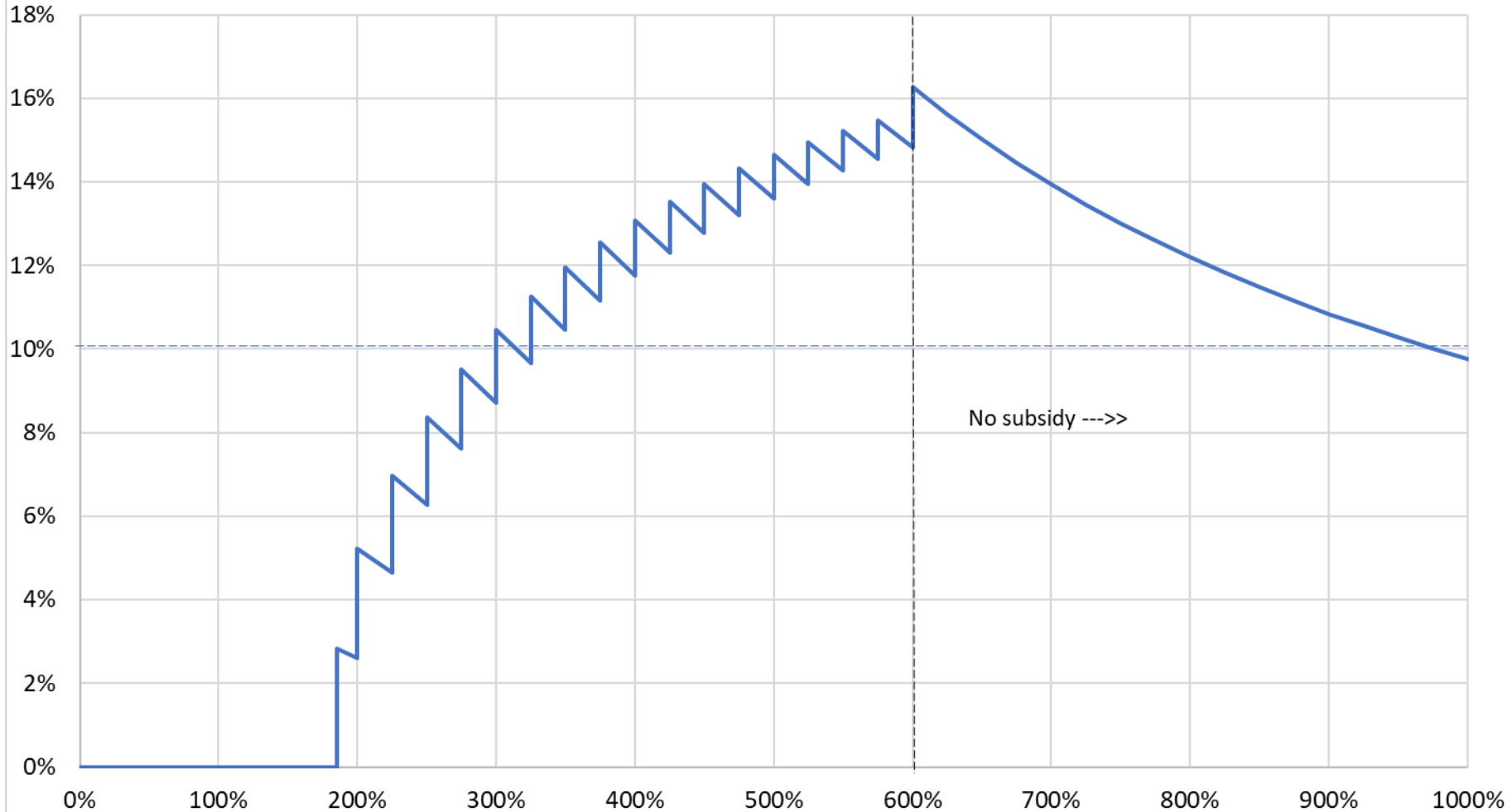


## 5-star CCFAP Provider Reimbursement Rates, Centers; 2023 \$

	Annual	Weekly	Ratio
Current avg. CCFAP reimbursement			
Survey, at 75th percentile (up 5.5%)	\$ 18,199	\$350	61%
"Middle ground" avg. reimbursement			
About halfway to RAND high quality	\$ 24,265	\$467	82%
High quality avg. reimbursement			
RAND report	\$ 29,646	\$570	100%



Family Income Share for Centers' Early Care at \$24,265\*/yr; CCFAP is \$25/wk up to 600%  
 \*Middle ground betw status quo and HQ; Start pymt 185% FPL; One child in care; 2023 FPL



Family of 3:	\$24,860	\$49,720	\$74,580	\$99,440	\$124,300	\$149,160	\$174,020	\$198,880
Family of 4:	\$30,000	\$60,000	\$90,000	\$120,000	\$150,000	\$180,000	\$210,000	\$240,000

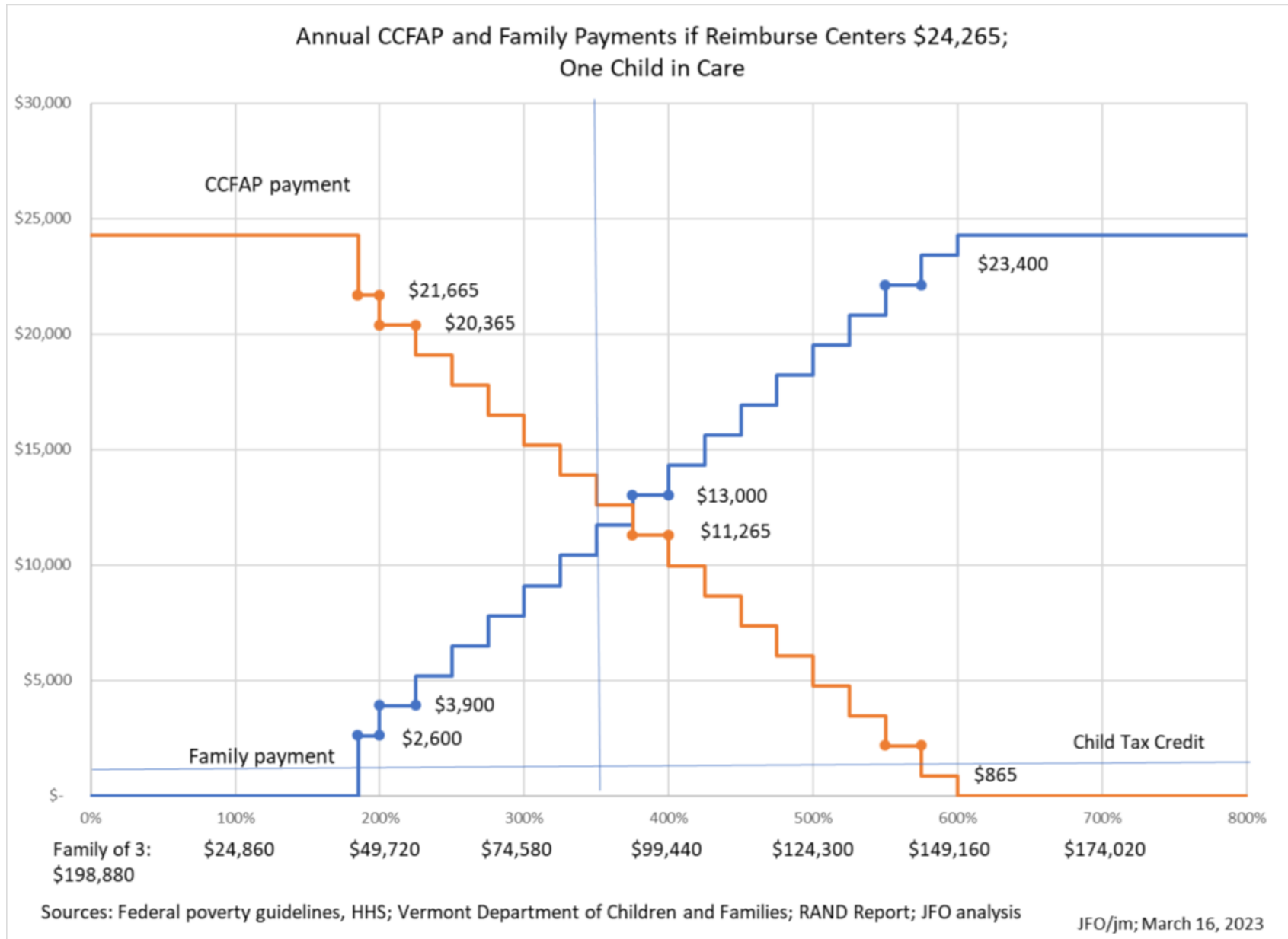
Sources: Federal poverty guidelines, HHS; Vermont Department of Children and Families; RAND Report; JFO analysis

JFO/jm; March 16, 2023

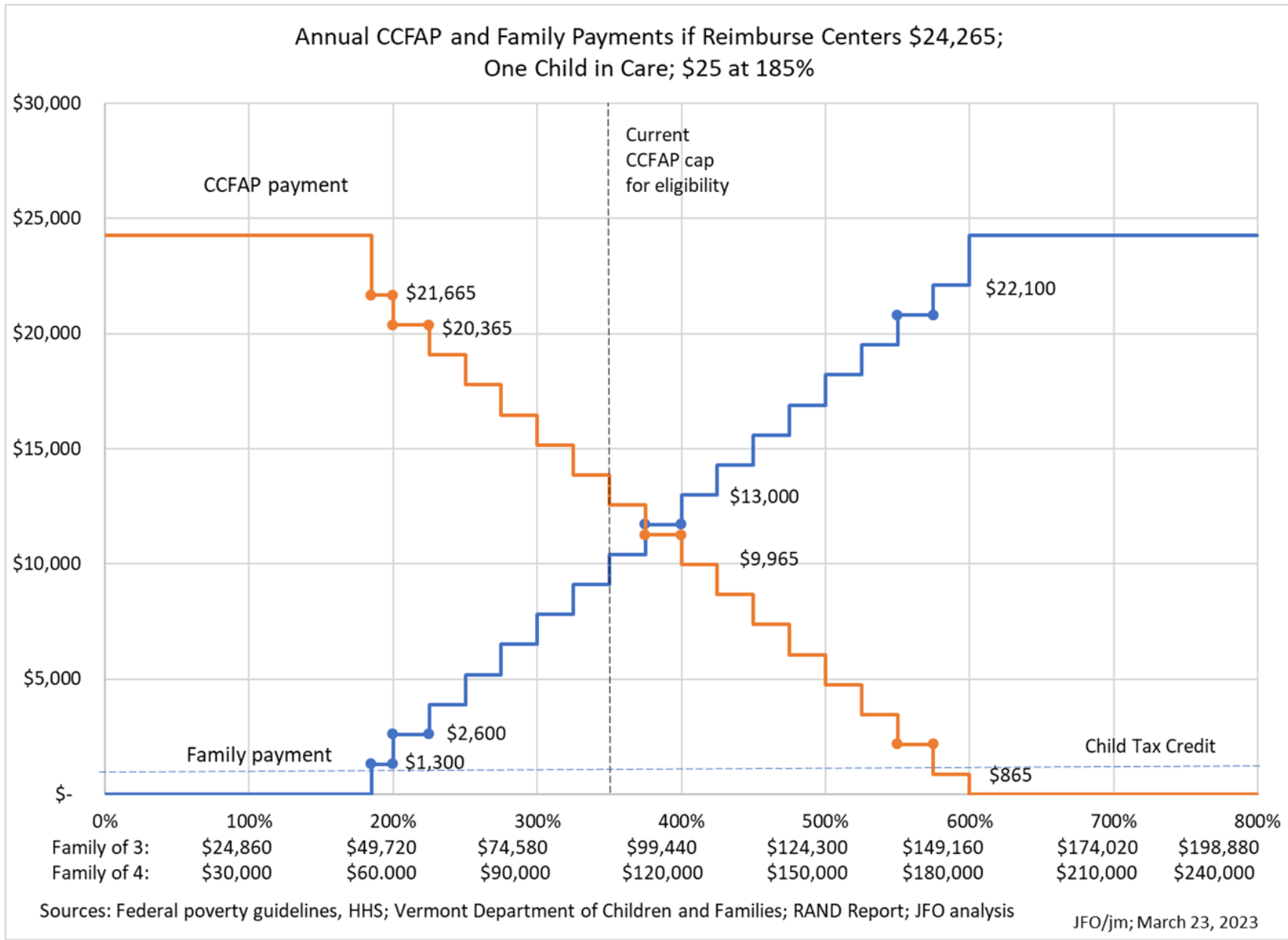




Follow status quo  
stairstep:  
\$50/week at  
185% FPL



Follow proposed  
stairstep:  
\$25/week at  
185% FPL



<b>CCFAP numbers as of Nov 2022</b>					JFO/jm; Mar 30, 2023	
Current 0-4		0% to 350% FPL		Statewide Regulated Capacity		
	Infant	1,000		Infants	2,910	
	Toddler	800		Toddlers	3,220	
	Prek	2,700		PreK	10,870	
	<b>Total</b>	<b>4,500</b>			<b>17,000</b>	
				Sept 2022 VT CC Provider Data		
	Budget	\$58.50 mil				
<b>S.56 Increased CCFAP Utilization, JFO Estimate</b>						
		0% to 350% FPL	350% to 600%	Total Increase		
	Total Increase	2,900	4,800	7,700		
		or 66% increase		171% overall increase		
				Note: not all of this is new caseload to providers; Some move from private pay to part CCFAP, but some is new capacity need		
	Total Estimate			12,200 Combined overall CCFAP caseload		
RAND report: 60% of 0-4 children are under 350% FPL						
81% of 0-4 children are between 350% and 500% FPL						
19% of children are above 500% FPL						
		<b>all parents</b>	<b>all mothers</b>	<b>&lt;=350%</b>	<b>&gt;350%</b>	
	Number of kids in VT, ages 0-4	27,500				
	LFP rate (RAND, 2015-2019)	84.3%	78.7%	77.6%	92.6%	
	among all parents >=1 preschool child					
	Potential ECE need	23,183	21,643	21,340	25,465	



# Multiples of Family Poverty Level

**2023**



Household Size	100%	150%	185%	200%	350%	400%	450%	500%	575%	600%	700%	800%
<b>3</b>	\$24,860	\$37,290	\$45,991	\$49,720	\$87,010	\$99,440	\$111,870	\$124,300	\$142,945	\$149,160	\$174,020	\$198,880
<b>4</b>	\$30,000	\$45,000	\$55,500	\$60,000	\$105,000	\$120,000	\$135,000	\$150,000	\$172,500	\$180,000	\$210,000	\$240,000
<b>5</b>	\$35,140	\$52,710	\$65,009	\$70,280	\$122,990	\$140,560	\$158,130	\$175,700	\$202,055	\$210,840	\$245,980	\$281,120
<b>6</b>	\$40,280	\$60,420	\$74,518	\$80,560	\$140,980	\$161,120	\$181,260	\$201,400	\$231,610	\$241,680	\$281,960	\$322,240

<https://aspe.hhs.gov/poverty-guidelines>



Thank you!

