
**Report to
The Vermont Legislature**

**Report on the
Child Development Division Information System; Child Care
Financial Assistance Program**

**In Accordance with
2022 Act 185 E.318.4; 33 V.S.A. §3505(a)(2):
Fiscal Year 2016 Appropriations Act**

**Submitted to: Senate Committee on Health and Welfare
Senate Committee on Appropriations
House Committee on Human Services
House Committee on Appropriations**

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Department for Children and Families**

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The Fiscal Year 2022 Appropriations Act provides that on or before January 1, 2024, the DCF Commissioner shall report to the Senate Committee on Health and Welfare, the Senate Committee on Appropriations, the House Committee on Human Services and the House Committee on Appropriations regarding the evaluation of the effectiveness of the Child Development Division Information System (CDDIS) modernization project and the Child Care Financial Assistance Program (CCFAP) eligibility changes pursuant to 2021 Acts. The report shall address how implementation of CDDIS and CCFAP changes impact the availability and affordability of child care throughout Vermont.

CDDIS Modernization Project

On July 3rd, 2022, the Child Development Division (CDD) launched its new CCFAP eligibility system within CDDIS which is replacing the old eligibility system Bright Futures Information System (BFIS). The system pays child care subsidies to providers on behalf of families who were found eligible under CCFAP. The launch of the system had two main goals:

- Initiating the replacement of BFIS, a legacy IT system that where new development is no longer supported by the Agency of Digital Services (ADS). BFIS is a 20-plus-year-old system that is running on an outdated platform, that is no longer vendor-supported, and has been proven inadequate. BFIS is prone to errors and has very limited capability to take on new functionality; making sure provider payroll payments ran successfully each week required hours of troubleshooting and intervention.
- Allowing for the implementation of the CCFAP redesign established in Act 45 of 2021 which sets a flat weekly family share, which is based on family size and income and does not vary on number of children in the family using CCFAP. In addition, as the system launched, income eligibility expanded to include families at 350% of the Federal Poverty Level (FPL) and subsidy rates increased to the 75th percentile of the market rate plus an increase of 6% to account for inflation.

Since the launch of the system, all provider payroll payments have run successfully within the redesigned CCFAP structure and without the need for time-consuming interventions. CDD continues to add functionality and make enhancements to the system to increase ease of use, address provider feedback, and simplify process flows.

The changes to CCFAP included in Act 76, the child care and early childhood education law of 2023, requires additional changes to CDDIS. With additional time and resources, CDDIS has been able to implement the major changes with July 2023 and January 2024 effective dates and will continue to be built out in CDDIS through June 2024.

This has delayed the next phase of CDDIS which is moving the Child Care Licensing functions (provider management, workforce registry, program records, etc.) out of BFIS and into CDDIS. CDD, with support from ADS, is developing the detailed scope of work and hopes to begin work later in 2024.

CCFAP Eligibility Changes

With CDDIS, CDD has successfully implemented the CCFAP eligibility change as required by Act 45 of 2021. This change increased income eligibility from 300% of FPL to 350% of FPL. This means that a family of four making \$97,125 per year could qualify for CCFAP with a family share of \$200 per week when, before this change, that family was found ineligible. (CDD anticipates that it will be able to

successfully implement the income eligibility increases outlined in Act 76 of 2023 in April 2024 and October 2024.)

As a result of this change, at least 362 additional children have CCFAP benefits. The table below outlines the number of children enrolled in CCFAP as of September 2023 at FPL increments and the associated weekly family share amounts.

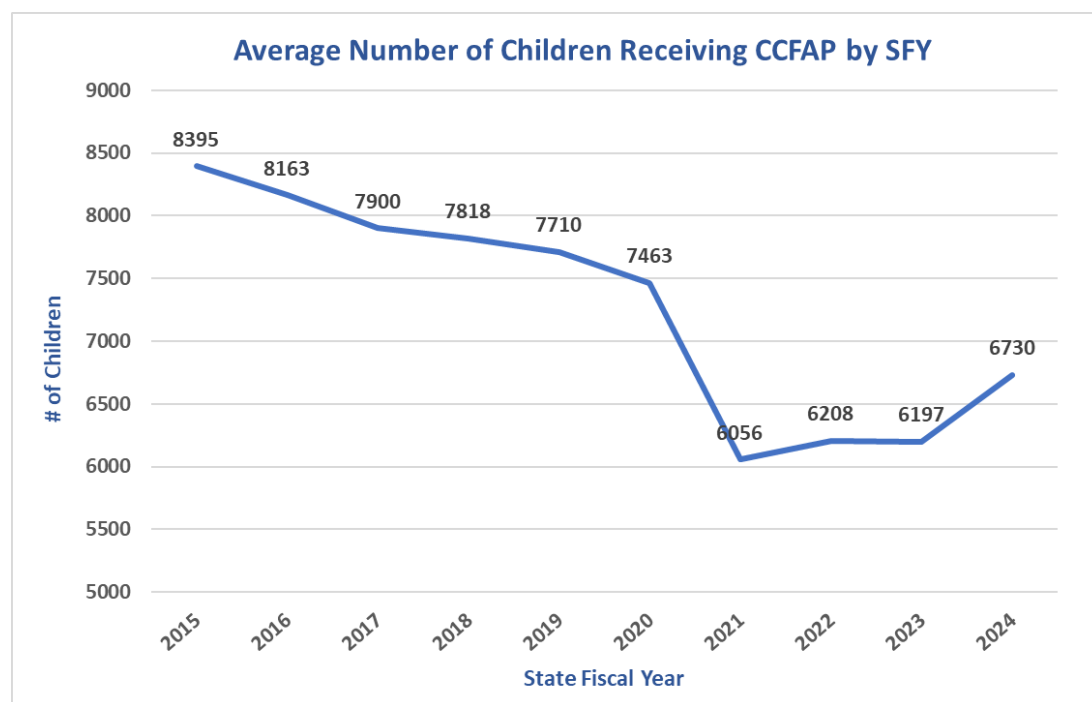
FPL	Individual Children	Family Share
150%	4669	\$0.00*
175%	661	\$25.00
200%	493	\$50.00
225%	392	\$75.00
250%	351	\$100.00
275%	292	\$125.00
300%	251	\$150.00
325%	215	\$175.00
350%	147	\$200.00

*\$0 family share children include those who are at or below 150% FPL, children with an open protective services case, and families utilizing Reach Up.

Effectiveness of Changes

It is difficult to isolate how implementing CDDIS and CCFAP eligibility increases impacts the availability and affordability of child care throughout Vermont. It is especially tricky given the impacts of COVID on family’s child care use, the effects of COVID and the overall workforce shortage on child care capacity, and the additional federal and state investments in child care in Vermont during this time period.

Overall, we do see enrollment in CCFAP trending back up, though it is not yet at pre-COVID levels.



We also have useful data from Child Trends, a nonpartisan nonprofit research center specializing in research related to child and family well-being. As part of a federally-funded research grant, Child Trends surveyed programs and families about their experiences with CCFAP and the affordability of child care in March and April 2023, about eight months after the implementation of Act 45 of 2021 CCFAP policy changes.

Regarding CCFAP implementation, survey results included:

- 76% of programs receiving CCFAP payments characterized the payment process as being “somewhat easy,” “easy,” or “very easy.”
 - While there is room for improvement, this result is encouraging just eight months after a major system overhaul.
- 61% of parents found it easy to complete CCFAP applications, and 68% found it easy to renew their benefits;
 - Our hope is that this result will improve with the launch of an online application in CDDIS by July 2024.
- After the policy changes, 67% of the parents with children enrolled in CCFAP reported paying the same or less for child care, and 28% reported that they enrolled more children in child care.
 - This data will become more useful when analyzed over time. Given inflation and workforce pressures, it is reasonable to expect that most child care programs would increase their tuition each year; 67% of families paying the same or less could be a marker of success of the CCFAP changes but it hard to assess without comparison data.
- 42% of center-based programs and 27% of family child care homes reported that the increased CCFAP rates improved the financial stability of their program.
 - This result is encouraging given the scale of the CCFAP increase implemented at that time and the scale of the changes being implemented via Act 76.