

Family Child Care Homes in VT

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Janet McLaughlin

**Deputy Commissioner,
Department for Children and
Families - Child Development
Division**



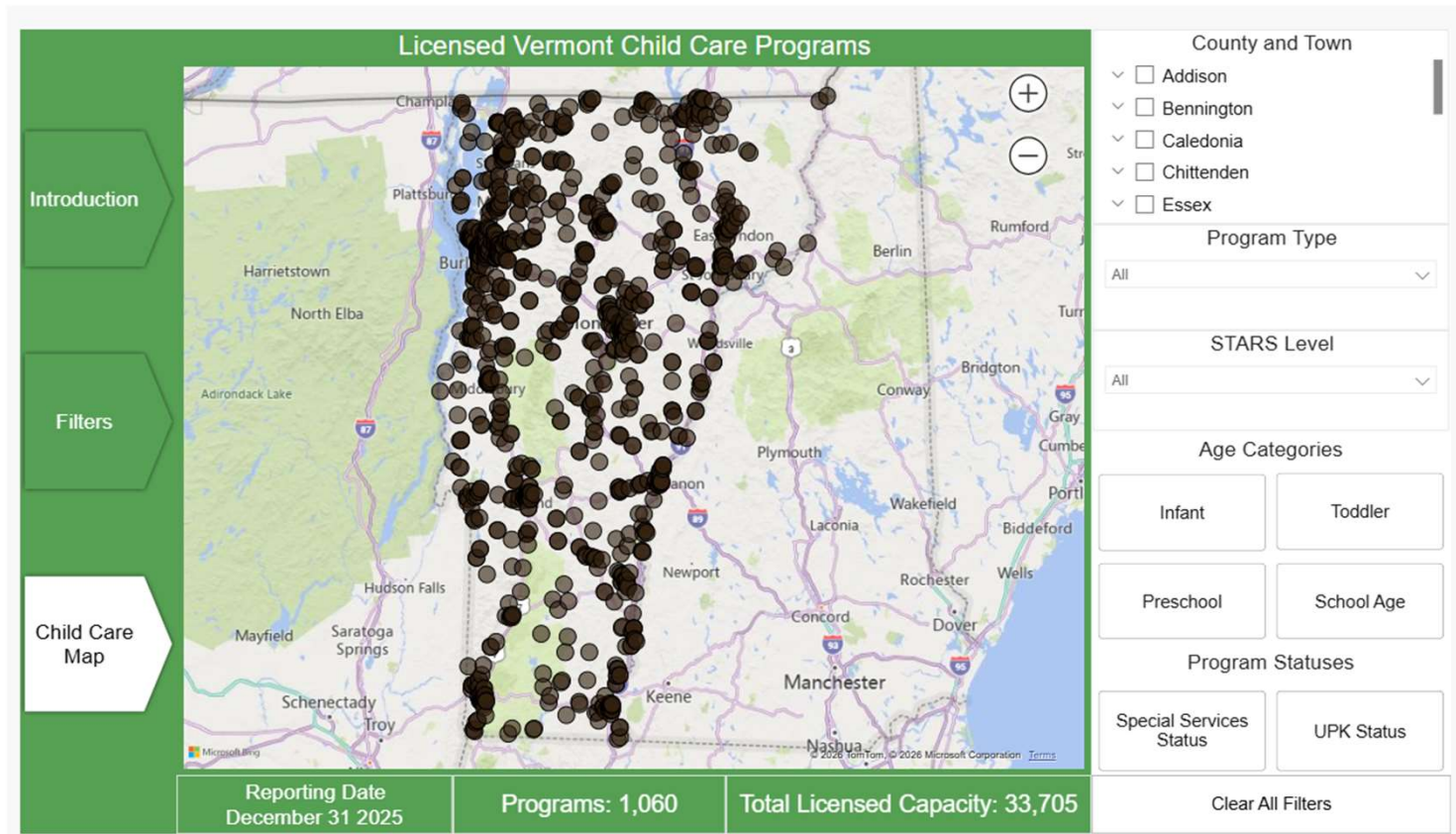
Regulated Child Care in Vermont

1,060 regulated child care programs in Vermont

- 509 Center-Based Child Care and Preschool Programs (CBCCPP)
- 401 Registered and Licensed Family Child Care Programs (FCCH)
- 150 Afterschool Programs (ASP)

33,705 is the current licensed capacity

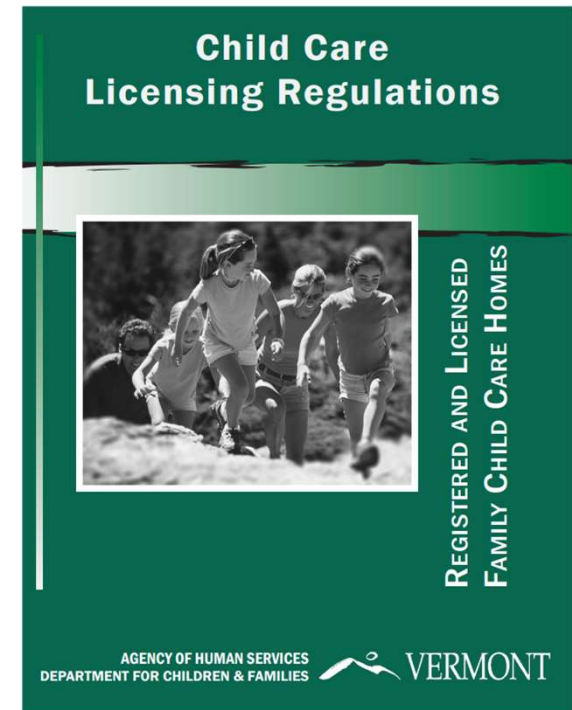
- 19,644 in CBCCPP
- 4,056 in FCCH
- 10,005 in ASP



Family Child Care Homes - Regulations

“A person providing care for children from more than two families other than their own must be registered or licensed in accordance with these regulations.”

- CDD regulates all child care facilities in the state that don't meet an exemption under 33 V.S.A. § 3502.
- Regulations provide foundation of health and safety for the healthy development of young children.
- Regulations are driven by federal and state statutes or rules, and best practices standards from American Academy of Pediatrics.



Registered and Licensed FCCH

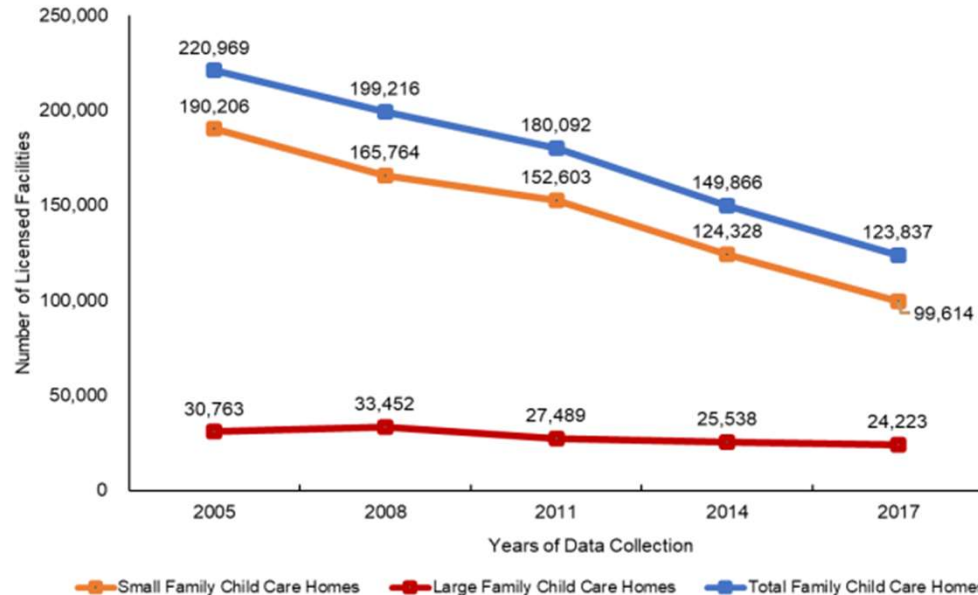
- **Registered Family Child Care Homes**
 - Up to 6 children five and under + 4 school-agers afterschool
 - Only 2 children under 2, can have 6 school-agers full-day during summer
 - At least a HS/GED, 45 hours CC training (within first year), safety trainings, 15 hours of PD annually
 - Indoor/outdoor safety standards including lead and water testing
- **Licensed Family Child Care Homes**
 - Up to 12 children five and under based on staffing
 - At least a CDA (120 hours), safety trainings, 15 hours of PD annually
 - Indoor/outdoor safety standards, lead and water testing plus additional Fire Safety and DEC wastewater requirements

National FCCH Trends

Vermont's trends align with national trends.

2019 report from National Center on Early Childhood Quality Assurance on Declining Number of Family Child Care Homes

Figure 2: Number of Licensed Small FCC Homes and Large FCC Homes, 2005–2017

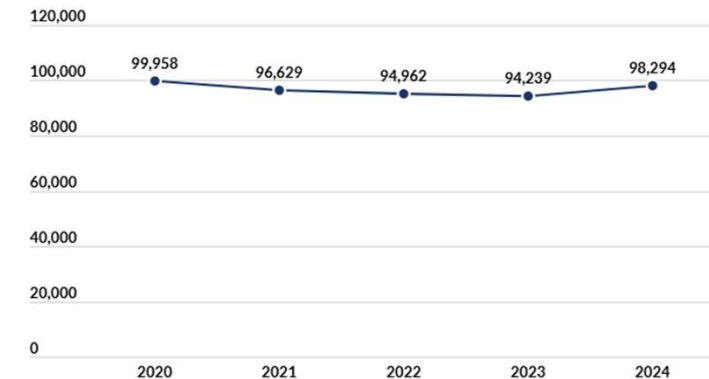


Child Care Aware of America - 2024 Child Care Supply

Family Child Care Homes

There were 99,958 licensed FCC homes open in 2020 and 98,294 open in 2024, in the 39 states that had available data. From 2023 to 2024, the number of licensed FCC homes increased by 4.3%. This marks the first time in several years that CCAoA's data reveals an upward trend in the number of licensed family child care homes.

Figure 2: Number of Licensed Family Child Care Homes Open by Year



*Source: Calculations based on CCAoA annual survey of states, 2020-2024. Based on data from 39 states.

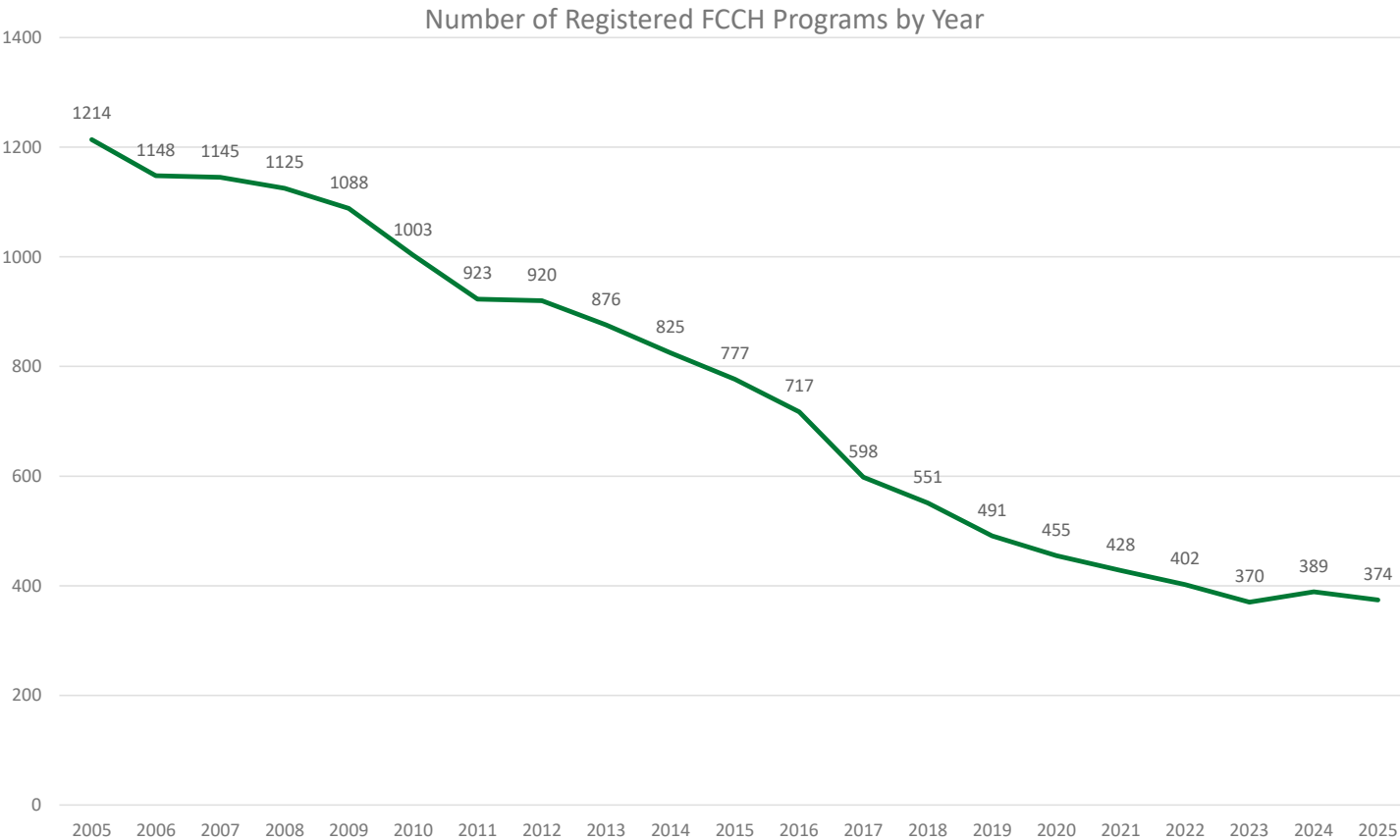
https://childcareta.acf.hhs.gov/sites/default/files/addressing_decreasing_fcc_providers_revised_final.pdf

<https://www.childcareaware.org/price-landscape24/#LandscapeAnalysis>

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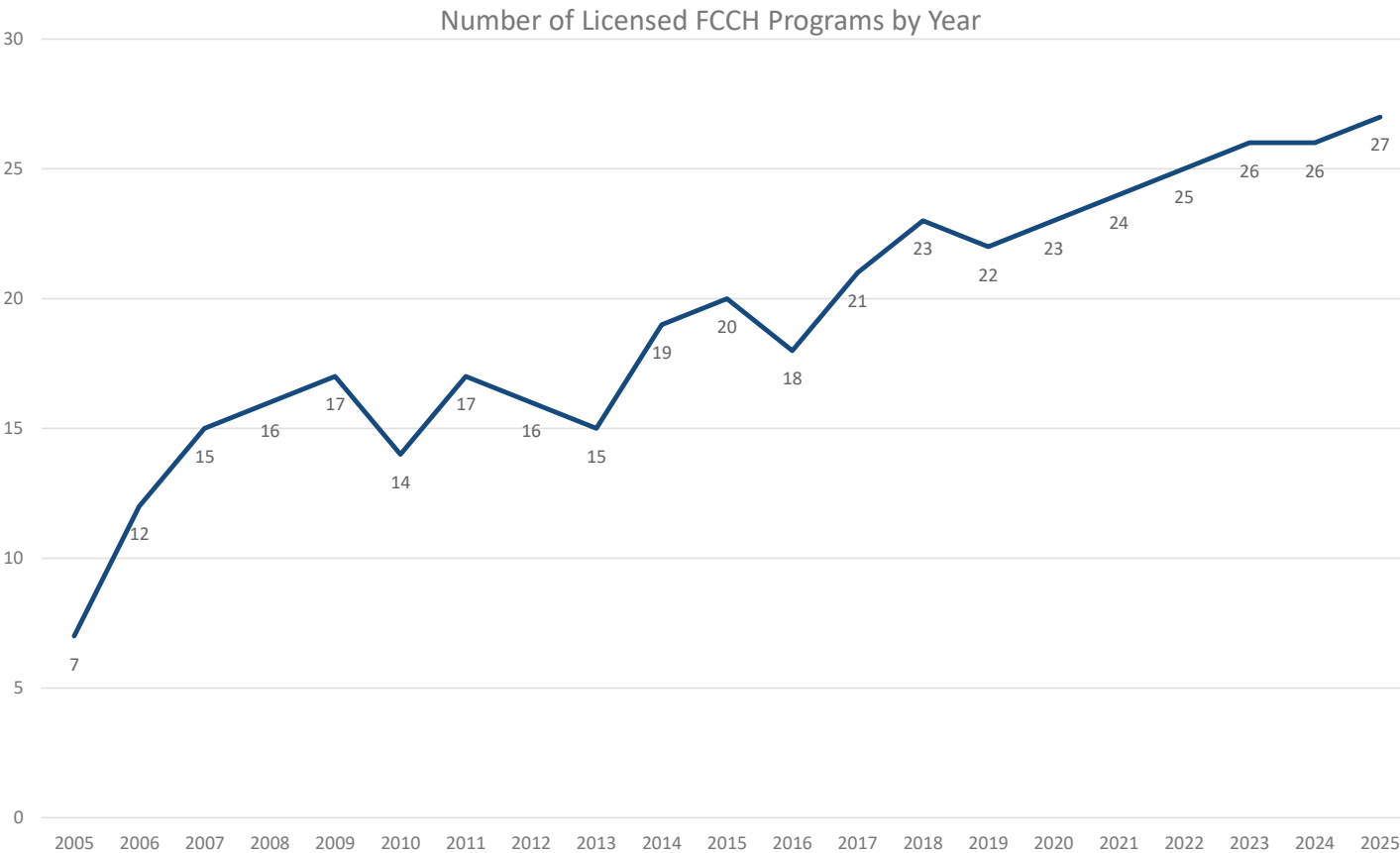
Registered FCCH Programs



- Number of Registered FCCH has steadily decreased since 2005.

- Biggest drop between 2016 and 2017, when major regulation revision went into place.

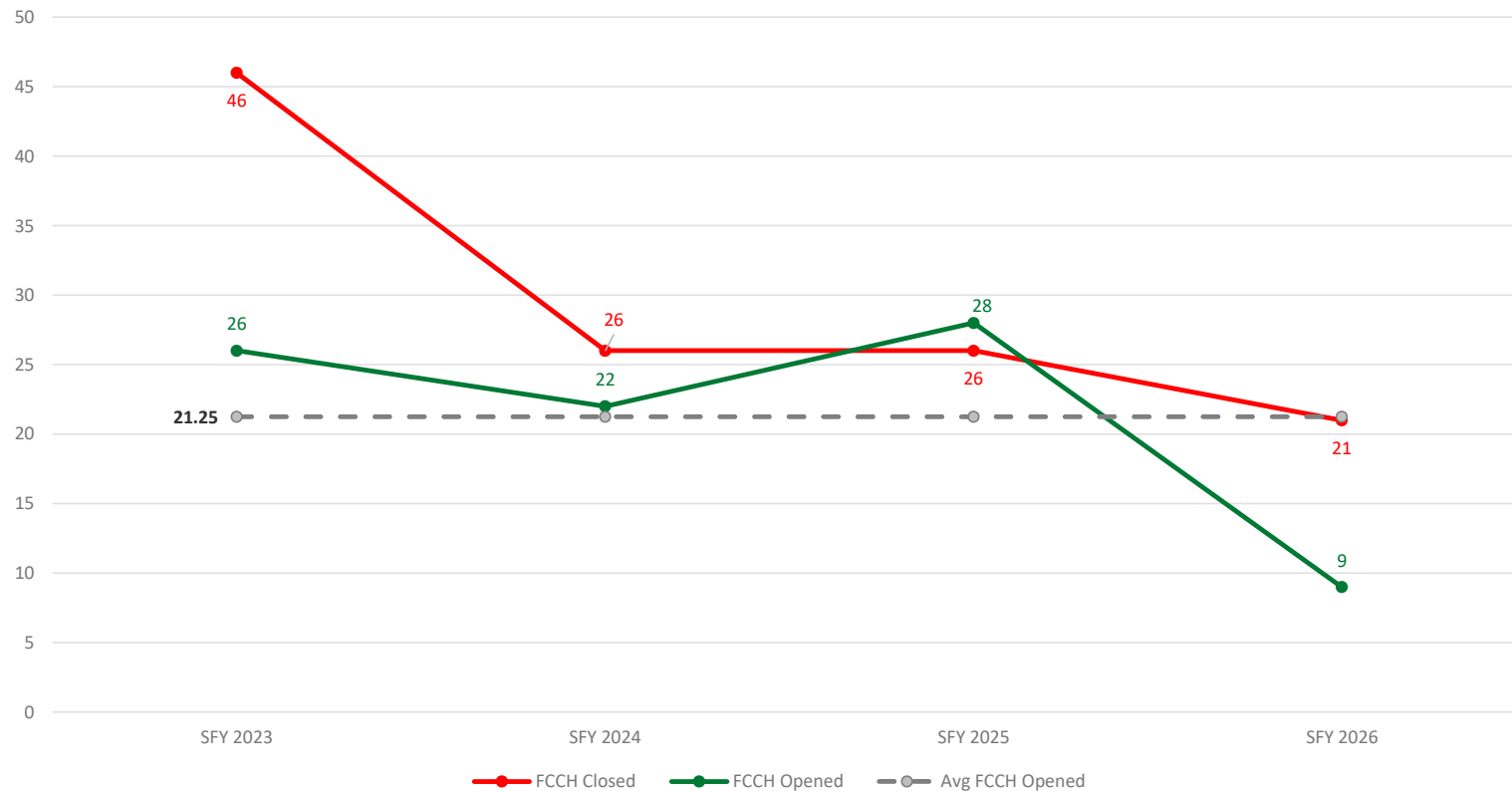
Licensed FCCH Programs



- The patterns for Licensed FCCH programs show an overall increase since 2005.

FCCH Openings and Closings

Family Child Care Homes Opened vs. Closed by State Fiscal Year



- On average, 5% to 10% of FCCH close each year.

- Closings are trending down since SFY23.

- Openings have not kept pace with closings, except SFY25.

Strategies to Support FCCH

- Make it viable to run Family Child Care Homes
 - Increase CCFAP eligibility and rates
 - Incent quality and capacity (ages, hours, etc.)
 - Provide start up and expansion grants
 - Provide business-related technical assistance
 - Provide grants, scholarships, student loan repayment
- Make it easier and more enjoyable
 - Provide high-quality, low-cost professional development
 - Provide skilled coaches with FCC experience
 - Support peer networks
 - Address licensing-related challenges when aligned with children's safe and healthy development

Higher CCFAP Rates

FCCHs have benefited from major increases to CCFAP rates.

- ✓ CCFAP capped rates now have higher base rates and are no longer tied to programs' STARS ratings: 7/2/23
- ✓ Increased CCFAP state rates by 35%: 12/17/23
- ✓ For Family Child Care Homes: Increased CCFAP state rates by 50% of difference between family child care and center-based program state rates: 6/29/24
- ✓ Increase CCFAP infant and toddler rates by 5%: 7/13/25

Age	7/2/23 – Simplified Rate	1/1/24 – 35% increase	7/1/24 – FCC diff.	7/13/25 – 5% Inf/Tod
Infant	\$225	\$304	\$387	\$407
Toddler	\$211	\$285	\$364	\$382
Preschool	\$210	\$284	\$361	\$361
School Age	\$200	\$270	\$321	\$321

Cost modeling: FCCH is more viable

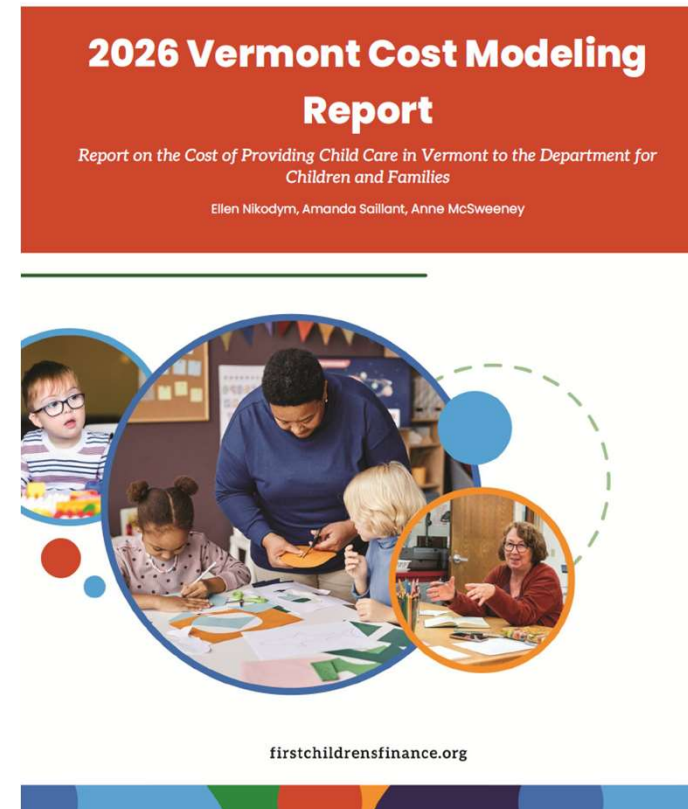
Recent analysis estimates costs of providing high-quality care in Vermont at child and program level:

“The current state FCCH model results in positive net revenue. FCCH provider compensation and benefits are included as costs in the model. As a result, this positive net revenue can support both personal and business savings, program growth, and sustainability.”

“All models result in negative program net revenues when *aspirational* wages and benefits are included.”

“When enrollment is maximized, current CCFAP rates for registered and licensed FCCHs can support FCCH provider compensation, program quality, and program sustainability and growth. This is an important sign of progress for the ECE field in Vermont.”

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