
MEMORANDUM

To: Regulated Child Care Programs and Providers that participate in both Child Care Financial Assistance and Universal Prekindergarten

From: Janet McLaughlin, Deputy Commissioner, DCF Child Development Division

Date: August 14, 2026

Re: *August 2026 update to March 2026 memo*: Clarification regarding payments from family enrolled in both Child Care Financial Assistance and Universal Prekindergarten

Purpose

This memo provides clarification of program responsibilities and limitations related to payments collected from families with children enrolled in both Universal Prekindergarten (UPK) and the Child Care Financial Assistance Program (CCFAP). This memo replaces previous guidance issued in January 2026.

Key Information

- Child care programs determine their own tuition rates and enrollment schedules according to their own policies. Programs have two main options for invoicing for Universal Prekindergarten (UPK):
 - Blended Model: Combine the child care and UPK hours and tuition into a single, unified rate.
 - Separate Model: Clearly divide the child care hours and tuition from the UPK hours and funding.

The program must apply the chosen model (blended or separate) consistently to all enrolled families and clearly communicate the tuition structure to families.

- Invoices provided to families should clearly show: the program's tuition rate, the amount paid by CCFAP, the amount paid by UPK, and the amount due from the family after all UPK and CCFAP payments are applied. Programs that charge a tuition should provide an invoice to families, even if no amount is due from the family.

- UPK tuition paid on students' behalf must fully cover the cost of 10 hours of UPK for 35 weeks annually. In a blended UPK + Child Care program, the UPK tuition payment must be used to reduce the amount the family owes.
- For a child that has a CCFAP certificate, the program's tuition rate for that child may either be the CCFAP state rate or the program's private tuition rate, even if the CCFAP state rate is higher than the program's private tuition rate.
- Families with children participating in UPK or in CCFAP may not be charged additional fees due to their participation in either of those programs. For example, you may not charge an additional fee for processing CCFAP or UPK paperwork.
- Programs may not charge CCFAP or UPK families more than private pay families, but they may collect more from state and other sources. This recognizes that programs often set rates based on what families can afford rather than the actual cost of early childhood education. For example, if your private pay tuition rate is \$250 but the family's estimated "weekly family share" is \$300; you may not collect more than \$250 from that family though you may collect more than that amount from state funding.

(Update 08/2026)

- For families with multiple children enrolled in CCFAP who attend the same program and include a preschooler enrolled in UPK, the family share and amount paid by CCFAP should be applied to the tuition rate for all children at the program. This means that the UPK tuition should be deducted from the family's weekly share, even if the CCFAP certificates allocate it to specific children.
- For families with multiple children enrolled in CCFAP who attend different programs and include a preschooler enrolled in UPK with tuition due, the State is examining how to more effectively coordinate UPK funding with the CCFAP

family share. Families in these circumstances should reach out to their CCFAP eligibility specialist.

- Additionally, efforts are underway to research the allocation of the family share in a way that better supports the overall needs of families with multiple children and programs offering UPK in a blended model.

Example Invoices

The tables on the following pages are sample invoices that programs with children participating in both CCFAP and UPK may use to calculate and communicate family payments.

Blended Childcare and UPK Program Tuition: Example 1

In this example, the child attends a blended Child Care and UPK program where the published tuition is lower than or the same as the CCFAP State Rate. The child is enrolled in UPK and is also eligible for Child Care Financial Assistance subsidy that covers part of the cost of child care based on the family's income and service need. In this example, the program's tuition rate for that child is the CCFAP state rate.

Description	Amount
Blended Program Tuition/Week (In this example, the program's published rate for the child who attends its blended full-time Child Care and UPK program is \$439/week.)	\$439
UPK Tuition Payment/Week (In this example, the \$3982 statewide UPK tuition rate is divided by 35 weeks to equal \$113.77, rounded up to \$114 paid on behalf of the family for UPK hours.)	-\$114
CCFAP Payment/Week (In this example, the CCFAP state rate for a preschooler attending a center-based program full time (26-50 hours per week) is \$439. This family has an estimated \$300 Weekly Family Share. The CCFAP amount paid weekly is \$139.)	-\$139
Balance Due from Family (In this example, the balance due from the family is the estimated \$300 Weekly Family Share minus the \$114 UPK tuition payment.)	\$186/Week

Another possible presentation of the invoice in this situation is below.

Description	Amount
Blended Program Tuition/Week (In this example, the program is using the CCFAP State Rate of \$439/week as the rate for the child who attends its blended full-time Child Care and UPK program.)	\$439
CCFAP Payment/Week (In this example, the CCFAP state rate for a preschooler attending a center-based program full time (26-50 hours per week) is \$439. This family has an estimated \$300 Weekly Family Share. The CCFAP amount paid weekly is \$139.)	-\$139
CCFAP Estimated Weekly Family Share (In this example, the program plans to calculate the amount owed using the estimated \$300 Weekly Family Share.)	\$300
UPK Tuition Payment/Week (In this example, the \$3982 statewide UPK tuition rate is divided by 35 weeks to equal \$113.77, rounded up to \$114 paid on behalf of the family for UPK hours. These funds pay for part of the Weekly Family Share.)	-\$114
Balance Due from Family (In this example, the balance due from the family is the estimated \$300 Weekly Family Share minus the \$114 UPK tuition payment.)	\$186/Week

Blended Child Care and UPK Program: Example 2

In this example, the child attends a blended Child Care and UPK program where the published tuition is higher than the CCFAP State Rate. The child is enrolled in UPK and is also eligible for Child Care Financial Assistance that covers part of the cost of child care based on the family's income and service need.

Description	Amount/Week
Blended Program Tuition/Week (In this example, the program's published rate for the child who attends its blended full-time Child Care and UPK program is \$500.)	\$500
UPK Tuition Payment/Week (In this example, the \$3982 statewide UPK tuition rate is divided by 35 weeks to equal \$113.77, rounded up to \$114 paid on behalf of the family for UPK hours.)	-\$114
CCFAP Payment/Week (In this example, the CCFAP state rate for a preschooler attending a center-based program full time (26-50 hours per week) is \$439. This family has an estimated \$300 weekly Family Share. The CCFAP amount paid weekly is \$139.)	-\$139
Balance Due from Family/Week (In this example, the balance due from the family is different from the estimated \$300 Weekly Family Share because the UPK payment of \$114 is deducted from the family payment and the program's published rate is \$61 higher than the CCFAP state rate.)	\$247

Blended Childcare and UPK Program Tuition: Example: 3

In this example, the child attends a blended Child Care and UPK program where the published tuition is the same as the CCFAP State Rate. The child is enrolled in UPK and is also eligible for Child Care Financial Assistance subsidy that covers the full cost of child care based on their income and service need.

Description	Amount
Blended Program Tuition/Week (In this example, the program's published rate for the child who attends its blended full-time Child Care and UPK program is \$439/week.)	\$439
UPK Tuition Payment/Week (In this example, the \$3982 statewide UPK tuition rate is divided by 35 weeks to equal \$113.77, rounded up to \$114 paid on behalf of the family for UPK hours.)	-\$114
CCFAP Payment/Week (In this example, the CCFAP state rate for a preschooler attending a center-based program full time (26-50 hours per week) is \$439. This family has an estimated \$0 Weekly Family Share. The CCFAP amount paid weekly is \$439.)	-\$439
Balance Due from Family (In this example, the total paid by CCFAP and UPK is more than the program's published rate and the program collects the full amount from both UPK and CCFAP. This is allowed as the total amount paid reflects the actual costs of offering high-quality child care and UPK. Programs typically use these funds to provide additional workforce development or family supports such as meals though all expenses associated with offering high-quality child care + UPK are acceptable.)	\$0/Week

Blended Child Care and UPK Program Tuition: Example 4

In this example, the child attends a blended Child Care and UPK program full-time. The child is enrolled in UPK and is also eligible for a part-time Child Care Financial Assistance subsidy that covers part of the cost of child care based on service need and family income

Description	Amount
Blended Program Tuition/Week (In this example, the program's published rate for the child who attends its blended full-time Child Care and UPK program is \$360/week. The program uses its private pay rate rather than the CCFAP state rate as the set tuition for this child.)	\$360
UPK Tuition Payment/Week (In this example, the \$3982 statewide UPK tuition rate is divided by 35 weeks to equal \$113.77, rounded up to \$114 paid on behalf of the family for UPK hours.)	-\$114
CCFAP Payment/Week (In this example, the family is eligible for a part-time CCFAP subsidy based on their service need and has an estimated weekly family share of \$150 based on their income. The CCFAP state rate for a preschooler attending a center-based program part- time (1-25 hours per week) is \$240. The CCFAP amount paid weekly is \$90.)	-\$90
Balance Due from Family (In this example, the balance due from the family is different from the estimated \$150 Weekly Family Share because the program's published full-time blended rate is higher than the combination of UPK tuition and the part-time CCFAP State Rate for preschoolers (\$114+\$90=\$204). The \$156 due reflects the families \$150 weekly family share for part-time child care + the additional \$6 in child care tuition not covered by CCFAP + UPK tuition payments)	\$156/Week

Separate Child Care and UPK Program Tuition: Example 1

In this example, the child attends a program where the Child Care and UPK program hours and tuition are clearly delineated and tracked for all children. The child is enrolled in UPK and is also eligible for Child Care Financial Assistance subsidy that covers part of the cost of child care hours based on the family's income and service need.

Description	UPK	Child Care	Total
Program Hours/Week (In this example, the child is enrolled in a defined 10/hour week PreK program as well as 35 hours of child care.)	10	35	45
Tuition by Program/Week (In this example, UPK tuition is set at a weekly calculation of the statewide UPK tuition rate; programs may not charge more than that for those UPK hours. Child care tuition is set at what the program would charge a CCFAP family for 35 hours of the non-UPK child care.)	\$114	\$350	\$464
UPK or CCFAP Payment/Week (The UPK payment is the weekly calculation of the statewide UPK tuition rate. In this example, the CCFAP state rate for a preschooler attending a center-based program full time (26-50 hours per week) is \$439. This family has an estimated \$300 weekly Family Share, based on their income and service need. The CCFAP amount paid weekly is \$139.)	-\$114	-\$139	-\$253
Balance Due from Family	\$0/Week	\$211/week	\$211/week

Authority

The following guidance applies to regulated child care programs who are approved to accept UPK tuition:

- [Memo: Allowable and Not Allowable Use of UPK Tuition](#) (January 2, 2025)
 - The Act 166 public education dollars paid to pre-qualified programs is to offset tuition costs for families whose students are enrolled in pre-qualified prekindergarten education programs.
 - Additional fees, costs, and non-refundable deposits may be charged to families who have students receiving child care or education services beyond the 10 hours of publicly funded prekindergarten.
- [Memo: UPK Enrollment Tuition Invoicing](#):
 - All UPK tuition received by a UPK prequalified program is to fully cover the cost of the 10 hours a week for 35 weeks per school district academic year.
 - If a child attends the program for additional hours and weeks, the full annual UPK tuition must be applied to the family's UPK costs. Publicly funded PreK dollars must offset a family's tuition cost and must be transparent on the family's invoice.

The following guidance applies to all regulated child care programs accepting CCFAP:

- Licensing regulations (4.7 for both CBCCPP and FCCH) require licensees to provide written information on information about fees and payment policies to all parents of enrolled children.
- [Memo-Tuition Rates and Allowability of Additional Fees](#), including:
 - Child care programs must make their tuition rates available to the public.
- [33 V.S.A. § 3512 a \(4\)](#): Nothing in this subsection shall preclude a child care provider from establishing tuition rates that are lower than the provider reimbursement rate in the Child Care Financial Assistance Program
 - Programs may set private pay tuition rates lower than CCFAP State Rate and the state will still pay the CCFAP State rate.
- [CCDF State Plan Section 3.1.2\(e\)](#): CDD permits child care programs to charge CCFAP recipients above the amount of the CCFAP payment and family share, but only when the provider's rate for non-subsidy families exceeds the state capped rate.
- [Understanding CCFAP Payments](#)
 - The amount paid by CCFAP is determined by subtracting the family share (if any) from the state rate.

- The child care program's tuition rate is set by the program and may differ from the state CCFAP rate.
- The program may offer additional discounts and may choose whether to collect any family payment.

Questions?

For questions or concerns about UPK tuition, please contact the Early Education team at AOE.UPK@vermont.gov.

For questions or concerns about CCFAP or the interaction between CCFAP and UPK, please contact Child Development Division's CCFAP team. Please send your questions about CCFAP payments to: ahs.dcfddccfappayments@vermont.gov.

The [Vermont office of First Children's Finance \(FCF\)](#) is funded by CDD to offer business related technical assistance to child care programs. FCF can offer advice and training on approaches to setting tuition rates for your child care business.