

Summary and Status Report for Act 76, a law related to child care and early childhood education

Created by the Child Development Division and updated regularly.

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This document outlines the elements of Act 76 that require action by the Department for Children and Families (DCF), primarily the Child Development Division (CDD), with the intention of keeping partners and stakeholders informed about CDD’s plans related to its implementation. It is a complement to targeted communications that will be provided to early childhood education and afterschool programs, families that access child care, and other partners.

Child Care Financial Assistance Program (CCFAP)

How much the state of Vermont reimburses child care programs on behalf of families

Element of Act 76	Year	Timeline and Status	Resources
CCFAP capped rates increase to new higher base rates, and are no longer tied to program’s STARS level (Sections 8a and 9)	2023	This change began with the CCFAP Service Period that started July 2, 2023. A communication to child care programs with details, including a copy of the new CCFAP state rates, was sent June 29, 2023.	July 2023 CCFAP Changes Announcement 2023 and 2024 CCFAP Rate Changes per Act 76 New STARS program and incentives
All programs to be paid at CCFAP state rates <i>without comparison</i> to Provider Rate Agreements (also known as “usual and customary rate”) (Section 5)	2024	This change began with the CCFAP Service Period that started on December 17, 2023. A communication to child care programs with details, including adjusted provider agreements, was shared in late 2023	December 2023 CCFAP Changes Announcement

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CCFAP state rates increased by 35% above the July 2023 rates (Section 6)	2024	This change began with the CCFAP service period that started on December 17, 2023. All programs and families participating in CCFAP received notification in December 2023.	2023 and 2024 CCFAP Rate Changes per Act 76
CCFAP reimbursement to be paid on enrollment; CDD to adopt rules to define enrollment and minimize absence categories in partnership with Office of Racial Equity (ORE) and other stakeholders. (Section 9)	2024	<p>CDD developed a definition of enrollment in consultation with stakeholders and proposed additional changes to streamline CCFAP attendance as directed. The proposal is described in a memo sent to child care programs on February 29, 2024.</p> <p>New attendance reporting practices that incorporated the enrollment definition and minimized absence categories were established for the CCFAP service period that began on June 30, 2024. Programs were provided notice and instructions in advance via email and webinar.</p> <p>A June 2024 administrative memo outlines the changes needed in the CCFAP rules to accommodate Act 76 changes. These changes will be incorporated into a planned revision of the CCFAP rules through the state’s administrative rulemaking process anticipated to begin in early 2025.</p> <p>If families or programs find they are unable to access full payment for enrolled children within available absence allowances and codes, they should contact their Eligibility Specialist for support. CDD is able to</p>	<p>March 2023 CDD Report to Legislature on Enrollment vs. Attendance Policies in CCFAP</p> <p>February 2024 Memo on Enrollment-Based Payments and Proposed Changes</p> <p>June 2024 Webinar on Upcoming CCFAP Changes June 2024</p> <p>Communication on Upcoming CCFAP Changes</p> <p>June 2024 Administrative Memo Updating CCFAP Regulations</p>

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		<p>manually increase allowable absences in extenuating circumstances. CDD is developing a formal policy on these circumstances.</p> <p>CDD anticipates further changes to these policies by mid-2026 as a result of new federal Child Care Development Fund rules related to state payment policies.</p>	
For registered Family Child Care programs only, CCFAP state rates increased by 50% of difference between registered family child care and licensed program state rates (Section 9a)	2024	This change began with the CCFAP service period that started June 30, 2024. All registered family child care programs and enrolled families participating in CCFAP received notification in June 2024.	<p>2023 and 2024 CCFAP State Rates per Act 76</p> <p>June 2024 Communication on Upcoming CCFAP Changes</p>

Expansion of CCFAP eligibility for families

Element of Act 76	Year	Timeline and Status	Resources
Income eligibility for families increases to 400% Federal Poverty Level (FPL). (Section 5a)	2024	This change began on April 7, 2024 at the start of the CCFAP service period closest to April 1st. The updates to the income guidelines include the 2024 Federal Poverty Levels and the addition of eligibility between 351% and 400% of FPL. Families and programs already participating in CCFAP were provided updated certificates in late March 2024.	CCFAP Income Guidelines Effective April 7 2024
\$0 weekly family share extended to 175% FPL. (Sections 5a and 5d)	2024	This change began April 7, 2024 at the start of a CCFAP service period. Affected families and programs were notified in March 2024.	CCFAP Income Guidelines Effective April 7 2024

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CCFAP benefits extended to children who have a citizenship status that currently excludes them. (Section 5b)	2024	<p>This change began on June 30, 2024.</p> <p>To implement this change, CDD consulted multiple entities that work with the anticipated beneficiaries and updated the CCFAP application, the CDDIS Data System, CCFAP policies, and CCFAP guidance and training for Eligibility Specialists.</p> <p>CDD notified multiple community partners of the change and developed a simple CCFAP handouts in English and Spanish. The CCFAP webpage also has “Google Translate” embedded for multiple languages.</p> <p>Additional phases of work will include efforts to evaluate eligibility pathways and requirements for participation and developing more robust outreach and access supports.</p>	<p>June 2024 Communication on Upcoming CCFAP Changes</p> <p>June 2024 Administrative Memo Updating CCFAP Regulations</p> <p>One-page handout on CCFAP in Spanish (and in English)</p>
Income eligibility for families increases to 575% FPL. (Section 5c)	2024	<p>Anticipate this change going into effect with the CCFAP Service Period that begins October 7, 2024. CCFAP Applications cannot be processed against the updated Income Guidelines until after the changes are live in CDDIS. CDD will begin a marketing campaign promoting CCFAP to newly eligible families in October 2024.</p>	<p>Future CCFAP Income Guidelines Effective October 2024</p>
State CCFAP policies related to self-employment and other specialized service needs must be reviewed and revised	2024	<p>This work, aimed at ensuring the program is as inclusive as possible, began in Fall 2023. Stakeholder feedback was gathered related to self-employe policies. CCFAP Eligibility</p>	

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consistent with best practice on a regular basis. (Section 13)		<p>Specialists were solicited for feedback related to self-employment and other specialized service needs.</p> <p>CDD is currently determining which changes to make and how to incorporate into CCFAP Policies and Regulations (which requires formal state rulemaking process) and CCFAP policies and practices, as well as implement in CDDIS. We anticipate some changes beginning in Fall 2024.</p>	

Other financial supports for child care programs that accept CCFAP

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“Readiness” payment program established to support child care programs that accept (or are willing to accept) CCFAP with stabilization and expansion. \$20M appropriated for this initiative; up to \$1M may be used for technical assistance. (Section 8)	2023	The Act 76 Readiness Payment program distributed \$21M to ~800 child care programs between September 2023 and April 2024. CDD received input from 378 child care programs to support the design of the program. CDD began accepting applications for non-competitive formula-based payments on August 25, 2023, began payments in September 2023, and sent final payments in April 2024.	Readiness Payment Program Announcement Act 76 Readiness Payment Program Report to Joint Fiscal Committee – October 2023
Child Care Quality and Capacity Incentive Program established to support programs that accept CCFAP to attain various capacity and quality-related achievements including STARS. \$10M is intended annual appropriation. (Section 10)	2024	To begin after July 1, 2024. CDD is currently developing the program with input for the field for a phased roll-out throughout SFY25. This initiative will include one-time recognition bonuses related to quality, annual quality incentives, and technical assistance to support programs in achieving quality and capacity goals. CDD anticipates	

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		sharing more information in September 2024.	

Other CCFAP-related changes for child care programs

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Programs can no longer accept application fees or waitlist fees for children who are eligible for CCFAP and must reimburse those found to be eligible later. (Section 11)	2023	CDD added this requirement to CCFAP Provider Agreements in December 2023. CDD notified all regulated child care programs that accept CCFAP on June 29, 2023; child care programs were advised to revise their policies and practices as soon as possible. Compliance monitoring practices are still in development. While CDD updated the memo that explained this prohibition in July 2024, this requirement did not change.	CDD Memo re: Tuition Rates and Allowability of Additional Fees

CCFAP-related changes for the Child Development Division

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CDD to distribute an additional \$2M to Child Care Community Support Agencies (CCCSAs). (These agencies provide child care referral and CCFAP eligibility services statewide.). (Section 7)	2024	CDD has amended CCCSA contracts for SFY24 with the increased funds effective July 1, 2023. The funds are intended to support increased capacity to manage expanded CCFAP eligibility.	List of Child Care Community Support Agencies
CCFAP application must be provided in electronic + paper forms, in plain language, and comply with Office of Racial Equity (ORE) Language Access Report. (Section 5b)	2024	Anticipated availability of the online application is September 9, 2024. CDD is actively working on the electronic application within CDDIS. CDD has completed an initial update of the CCFAP	Current CCFAP application (updated June 30, 2024) ORE Language Access Report

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		application based on review for simplicity and language access.	
CDD must consult with ORE on all public materials and trainings related to CCFAP. (Section 12a)	ongoing	CDD will create updated CCFAP outreach materials for families to align with the October 2024 eligibility expansion for families. CDD has engaged a creative and media services firm to develop materials and an outreach campaign. CDD will consult with ORE as directed for public communications related to CCFAP.	Current CCFAP webpage for families

Child Care Licensing

Element of Act 76	Year	Timeline and Status	Resources
Child care programs are required to provide ownership disclosure as a requirement of receiving CCFAP. (Section 12a)	2023	A similar provision is currently part of the program licensing application and re-application processes. CDD is updating those forms and will include this in the revision of Child Care Licensing Regulations that is already under way. No action is needed by child care programs at this time.	Most recent communication about Child Care Licensing Regulations revision
Child care programs are required to make their tuition rates available to the public. (Section 12)	2023	CDD will include this in the revision of Child Care Licensing Regulations that is already under way. CDD issued a memo that advises programs to comply as soon as possible either by posting rates on your program's website, sharing your rates with your local Child Care Community Support Agency or providing them upon request for all who ask.	CDD Memo re: Tuition Rates and Allowability of Additional Fees – Updated August 204

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<p>Child care programs are prohibited from increasing their tuition at a rate that exceeds 1.5 times the most recent annual increase in NAICS code 611, Educational Services. (Section 12)</p> <ul style="list-style-type: none"> - Initially effective July 1, 2023 - Repealed in Act 113 of 2024, Sec. E.318.1 - New implementation date of July 1, 2025 established 	<p>2023 2025</p>	<p>This prohibition is no longer in effect and will not be through June 30, 2025. Act 113 of 2024 repealed the current statute and established a new implementation date of July 1, 2025.</p> <p>While this rule is intended to support affordability of child care for families who do not qualify for CCFAP, there was recognition that there were challenges in interpreting and implementing the law that require time to address.</p> <p>CDD will provide guidance to program in Spring 2025 as the new implementation date approaches.</p>	<p>CDD Notice to Programs on Tuition Rates (repealed)</p> <p>CDD Memo re: Tuition Rates and Allowability of Additional Fees - Updated August 2024</p>
<p>CDD must amend center-based child care program (CBCCP) and afterschool and summer program (ASP) regulations to require programs directors to be on-site at least 40% of the time children are present (reduced from 60%) (Section 13)</p>	<p>2023</p>	<p>CDD issued a memo that offers a blanket waiver to all CBCCP and ASP programs to use the 40% standard effective July 1, 2023. CDD had already planned to include this change in the revision of Child Care Licensing Regulations that is already underway.</p>	<p>July 2023 Memo on Program Director Time On-site</p> <p>Rule 6.2.4.1 in CBCCP regulations</p> <p>Rule 5.24 in ASP regulations</p>
<p>CDD must review and consider amending rule that prohibits a Family Child Care provider from also operating a CBCCP or an ASP. (Section 13)</p>	<p>2024</p>	<p>CDD will consider this in the revision of Child Care Licensing Regulations that is already underway.</p>	<p>Reg 2.1.4 in CBCCP regulations</p> <p>Reg 3.14 in ASP regulations</p>

Accountability and Administration

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<p>The Student Loan Repayment Assistance Program (SLRAP) is allowed to continue beyond July 1, 2026. (Section 17) (Note: Eligibility criteria was also significantly expanded during the FY23 Budget Adjustment Act in March 2023.)</p>	ongoing	<p>Student Loan Repayment Assistance Program has been expanded with ARPA funds through September 30, 2024. CDD will continue to fund this program after October 1, 2024 with other federal funds.</p>	<p>SLRAP info and application</p>
<p>The state will partner with Building Bright Futures to monitor implementation of Act 76 including defining and measuring success and engaging stakeholders. BBF will submit report on January 15 each year. CDD will allocate an additional \$266,707 to BBF for this work. (Sections 19 and 20)</p>	ongoing	<p>CDD has incorporated this work into its grant agreement with BBF. CDD and Building Bright Futures (BBF) held a series of meetings with stakeholders to draft measures of success; proposed measures are included in BBF’s January 2024 report to the Legislature. CDD’s data team and BBF’s data team are working closely to share information and develop standardized reporting systems. CDD has developed new online “scorecard” for the identified Act 76 metrics that will be updated quarterly.</p>	<p>Building Bright Futures Report to Legislature on Act 76 Monitoring</p> <p>New CDD Data webpage with Act 76 metrics</p>
<p>The law adds 11 new permanent positions to DCF to support its implementation (8 new staff in CDD, 3 in the Business Office). (Section 7)</p>	2023	<p>CDD and the DCF Business Office completed hiring for all of its positions by Spring 2023. 2023. DCF – both CDD and the DCF Business Office – began the hiring process for these positions in August 2023; several positions were adjusted from list in the bill at the July 2023 Joint Fiscal Committee meeting, to better reflect CDD’s needs.</p>	<p>CDD Position Changes Memo for the JFC July 2023</p> <p>State of Vermont Careers in Human Services page</p>

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The law establishes a payroll tax (with .11% from employee, .33% from employer) to go into Child Care Contribution Special Fund; gives Department of Taxes staff to implement. (Section 24)	2024	Collection of this new tax began July 1, 2024. Implementation is led by the Department of Taxes. The funds support CCFAP as well as the Quality and Capacity Incentive program.	Child Care Contribution Department of Taxes (vermont.gov)

Universal Prekindergarten-related

Element of Act 76	Year	Timeline and Status	Resources
A Prekindergarten Education Implementation Plan Committee (PreK committee), co-chaired by AOE and AHS designees, is created to explore how to establish a full-school-day, full-school-year mixed-delivery prekindergarten program for 4-year-olds, beginning with the 2026-2027 school year. (Section 2)	2023-2024	The committee held its first meeting on July 14, 2023 and has met most months since. AOE and CDD worked together to hire a facilitator and project manager for this committee whose contract began in mid-December 2024. Members of the public are welcome to attend and offer comments at all Committee and Work Group meetings. The committee is working towards the deliverables listed below.	Prekindergarten Education Implementation Plan Committee for schedule, agenda, minutes, and materials
AOE will submit data to Joint Fiscal Office on the number of prekindergarten students, estimated costs, and current programs by school district. (Section 2c)	2023	AOE compiled the available data for submission.	
AOE, in consultation with the PreK Committee, will submit analysis to Legislature on cost of educating a prekindergarten student relative to a kindergarten student for purposes of determining “pupil weight” in	2023	AOE submitted this report in December 2023. AOE and CDD worked together to draft the report and received feedback from the PreK Committee at their November meeting.	December 2023 Report to Legislature on Prekindergarten Pupil Weighting

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school funding formula. (Section 2b)			
The PreK Committee will submit a Prekindergarten Implementation Plan to the Legislature. (Section 2)	2024	AOE to submit this report on behalf of the PreK Committee by December 1, 2024.	
The AOE and the PreK Committee will develop a model contract for school districts to use when contracting with private providers for prekindergarten education services. The model contract will include provisions related to antidiscrimination and special education. (Section 2a)	2024	AOE and the PreK Committee to create this model contract by December 1, 2024.	
The law removes negative grade-level weight for PreK in “weighted long-term membership” calculation for school funding, contingent on several provisions that standardize PreK. (Sections 3 and 3a)	2026	Contingent effective date of July 1, 2026.	

Reports and Presentations (non-UPK)

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CDD will collaborate with the Joint Fiscal Office (JFO) to provide the Legislature with a recommendation of the appropriate mechanism for adjusting CCFAP rates in the future and appropriate rates and family contributions for FY25 and FY26. (Section 9b)	2024	CDD submitted this report in January 2024. CDD has discussed the content of the report with the JFO several times in Fall 2023. CDD is entering into a contract for an annual “cost of care” analysis that can inform future CCFAP rate adjustments.	CDD Report to Legislature on CCFAP Rate Adjustments

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CDD will collaborate with the Vermont Crime Information Center (VCIC) and AOE to recommend ways streamline and improve timeliness of background check process for those required to submit two separate checks. (Section 14)	2024	VCIC submitted this report in January 2024. CDD, VCIC, and AOE discussion held in in Fall 2023. The challenges related to conflicts between federal requirements and data sharing remain.	VCIC report to Legislature on Background Checks per Act 76
CDD will present to Legislature on feasibility of and progress towards establishing administrative service organizations for child care providers. (Section 18)	2024	CDD is ready to present to the Legislature when invited.	
CDD will submit plan to Legislature to streamline and improve responsiveness and effectiveness of Special Accommodation Grants. (Section 16)	2024	CDD anticipates submitting this report in September 2024. Though later than the July 1 deadline, the delay allows CDD to include changes to the Special Accommodation Grants that will be shared in August 2024.	
DCF to provide report on reorganization of DCF to increase responsiveness and elevate status of early childhood services within AHS, align with similar report from AOE. (Section 21)	2025	DCF will submit this plan by November 1, 2025.	
CDD will consult with Vermont Department of Labor (VDOL) which will submit information on current wage levels for early childhood educators. (Section 23)	2026	VDOL will submit this information by January 1, 2026.	