

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
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.	CCFAP State Rates effective 12/17/2023

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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	CDD has developed a definition of enrollment in consultation with stakeholders and proposed additional changes to streamline CCFAP as directed and described in a memo sent to child care programs on February 29, 2024. <i>No action or changes in practice are required by child care programs at this time</i> ; additional information will be sent to programs before June 30, 2024. These changes will be incorporated into a planned revision of the CCFAP rules through the state's administrative rulemaking process. If families or programs find they are unable to access full payment for enrolled children within current absence allowances and codes, they should contact their Eligibility Specialist for support. CDD is able to manually increase allowable absences if needed.	March 2023 CDD Report to Legislature on Enrollment vs. Attendance Policies in CCFAP February 2024 Memo on Enrollment-Based Payments and Proposed Changes
For Family Child Care programs only, CCFAP state rates increased by 50% of difference between family child care and center-based program state rates (Section 9a)	2024	To begin by July 1, 2024.	2023 and 2024 CCFAP State Rates per Act 76

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 will go into effect on April 7, 2024 at the start of the CCFAP service period closest to April 1st. The updates to the income	CCFAP Income Guidelines Effective April 7 2024

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		<p>guidelines include the 2024 Federal Poverty Levels and the addition of eligibility between 351% and 400% of FPL.</p> <p>Outreach to potentially eligible families will begin by March 2024. CCFAP Applications cannot be processed against the updated Income Guidelines until after April 7th when the changes are live in CDDIS.</p>	
<p>\$0 weekly family share extended to 175% FPL. (Sections 5a and 5d)</p>	<p>2024</p>	<p>This will go into effect on April 7, 2024 at the start of a CCFAP service period. Affected families and programs will be notified in April 2024 as this change goes into effect.</p>	<p>CCFAP Income Guidelines Effective April 7 2024</p>
<p>CCFAP benefits extended to children who have a citizenship status that currently excludes them. (Section 5b)</p>	<p>2024</p>	<p>Anticipated to start on July 1, 2024; CDD has begun the planning process related to legal, technology, and administrative considerations.</p>	
<p>Income eligibility for families increases to 575% FPL. (Section 5c)</p>	<p>2024</p>	<p>To begin by October 1, 2024; education to potentially eligible families will begin in late Summer 2024.</p>	<p>Future income eligibility chart and weekly family share chart will be posted in late Spring 2024.</p>
<p>State CCFAP policies related to self-employment and other specialized service needs must be reviewed and revised consistent with best practice on a regular basis. (Section 13)</p>	<p>2024</p>	<p>This work, aimed at ensuring the program is as inclusive as possible, began in Fall 2023. Stakeholder feedback was gathered related to self-employment policies. CCFAP Eligibility Specialists were solicited for feedback related to self-employment and other specialized service needs. CDD is currently determining which changes to make and how to incorporate into CCFAP Regulations (which requires formal state rulemaking process) and CCFAP policies and practices, as well as implement in CDDIS.</p>	

Other financial supports for child care programs that accept CCFAP

Element of Act 76	Year	Timeline and Status	Resources
“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 was launched in August 2023 and began making payments in September 2023. CDD solicited and received feedback from 378 child care programs to support with the design of the program. CDD began accepting applications for non-competitive formula-based payments on August 25, 2023. By the end of February 2024, over \$17.5M had been awarded and distributed to over 750 child care programs. CDD plans make a pro-rated award to recipients in March or April 2024 to fully distribute available funds.	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 will solicit feedback from the field in designing this initiative in the final quarter of 2024.	

Other CCFAP-related changes for child care programs

Element of Act 76	Year	Timeline and Status	Resources
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	CDD Memo re: Tuition Rates and Allowability of Additional Fees

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		as possible. Compliance monitoring practices are still in development.	

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	To be completed by July 1, 2024. CDD is already working on an electronic application as a part of our new CDDIS system. CDD will review the CCFAP application for simplicity and language access; stakeholder feedback will be solicited.	Current CCFAP application ORE Language Access Report
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 in advance of the October 2024 eligibility expansion for families; CDD is in the process of engaging 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	Most recent communication about Child Care Licensing Regulations revision

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		revision of Child Care Licensing Regulations that is already under way. No action is needed by child care programs at this time.	
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. There is a grace period for the compliance monitoring of this requirement until the updated regulations are finalized, but programs should comply as soon as possible.	CDD Memo re: Tuition Rates and Allowability of Additional Fees
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)	2023	CDD posted the 2023/2024 cap for rate increases (7.2%) on its website on July 1, 2023. The Division provided programs with additional guidance via memo on this new requirement in September 2023. CDD will post the rate increase cap for 2024/2025 after the index for Q1 2024 NAICS code 611, Education Services is posted (likely April or May 2024). This requirement is actively being discussed by the Legislature for potential adjustment.	CDD Notice to Programs on Tuition Rates CDD Memo re: Tuition Rates and Allowability of Additional Fees
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)	2023	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.	July 2023 Memo on Program Director Time On-site Rule 6.2.4.1 in CBCCP regulations Rule 5.24 in ASP regulations
CDD must review and consider amending rule that prohibits a Family Child Care provider from also operating a CBCCP or an ASP. (Section 13)	2024	CDD will consider this in the revision of Child Care Licensing Regulations that is already underway.	Reg 2.1.4 in CBCCP regulations Reg 3.14 in ASP regulations

Accountability and Administration

Element of Act 76	Year	Timeline and Status	Resources
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.)	ongoing	CDD will continue funding SLRAP with ARPA funds through September 30, 2024. CDD plans to continuing funding this program beyond September 2024 but plans are not final until the FY25 is passed.	SLRAP info and application
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)	ongoing	CDD has incorporated this work into its grant agreement with BBF. CDD and Building Bright Futures (BBF) have 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.	Building Bright Futures Report to Legislature on Act 76 Monitoring
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)	2023	CDD completed hiring for all of its positions by February 2023; the Business Office has one more position to fill. 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.	CDD Position Changes Memo for the JFC July 2023 State of Vermont Careers in Human Services page
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 will begin July 1, 2024. Implementation will be led by the Department of Taxes.	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 met in September, October, November, January and February. 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.	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 is working to compile this 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 school funding formula. (Section 2b)	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
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	2024	AOE and the PreK Committee to create this model contract by December 1, 2024.	

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when contracting with private providers for prekindergarten education services. The model contract will include provisions related to antidiscrimination and special education. (Section 2a)			
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)

Element of Act 76	Year	Timeline and Status	Resources
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 Report to Legislature on CCFAP Rate Adjustments
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	2024	CDD is ready to present to the Legislature when invited.	

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establishing administrative service organizations for child care providers. (Section 18)			
CDD will submit plan to Legislature to streamline and improve responsiveness and effectiveness of Special Accommodation Grants. (Section 16)	2024	CDD will submit this report by July 1, 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.	