

## 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.

**Last updated:** December 12, 2024

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 <a href="#">Act 76</a>	Year	Timeline and Status	Resources
CCFAP capped rates increase to new higher base rates, and are no longer tied to a 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.	<a href="#">July 2023 CCFAP Changes Announcement</a>  <a href="#">2023 and 2024 CCFAP Rate Changes per Act 76</a>  <a href="#">New STARS program and incentives</a>
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	<a href="#">December 2023 CCFAP Changes Announcement</a>

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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.	<a href="#">2023 and 2024 CCFAP Rate Changes per Act 76</a>
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><a href="#">March 2023 CDD Report to Legislature on Enrollment vs. Attendance Policies in CCFAP</a></p> <p><a href="#">February 2024 Memo on Enrollment-Based Payments and Proposed Changes</a></p> <p>June 2024 Webinar on Upcoming <a href="#">CCFAP</a> Changes June 2024</p> <p>Communication on <a href="#">Upcoming</a> CCFAP Changes</p> <p>June 2024 Administrative <a href="#">Memo Updating CCFAP Regulations</a></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 the 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><a href="#">2023 and 2024 CCFAP State Rates per Act 76</a></p> <p>June 2024 Communication on <a href="#">Upcoming</a> CCFAP Changes</p>

### Expansion of CCFAP eligibility for families

Element of <a href="#">Act 76</a>	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.	<a href="#">CCFAP Income Guidelines Effective April 7 2024</a>
\$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.	<a href="#">CCFAP Income Guidelines Effective April 7 2024</a>

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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 <a href="#">Upcoming</a> CCFAP Changes</p> <p>June 2024 Administrative <a href="#">Memo Updating CCFAP Regulations</a></p> <p>One-page handout on <a href="#">CCFAP in Spanish (and in English)</a></p>
Income eligibility for families increases to 575% FPL. (Section 5c)	2024	<p>This change went into effect with the CCFAP Service Period that begins October 7, 2024.</p> <p>The change was announced via CDD’s direct communication channels and a statewide press release. CDD will begin marketing campaign promoting CCFAP to newly eligible families in January 2024.</p>	<p><a href="#">CCFAP Income Guidelines Effective October 6 2024</a></p> <p><a href="#">DCF News: More Vermont Families Qualify for Child Care Financial Assistance</a></p>
State CCFAP policies related to self-employment and other specialized service needs must	2024	This work, aimed at ensuring the program is as inclusive as possible, began in Fall 2023. Stakeholder feedback was gathered related	<a href="#">CCFAP Policies and Procedures</a>

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be reviewed and revised consistent with best practice on a regular basis. (Section 13)		<p>to self-employment policies. CCFAP Eligibility Specialists were solicited for feedback related to self-employment and other specialized service needs. The CCFAP team has solicited advice from both federal and state partners and is currently doing a case review to assess the impact of potential policy changes on families with self-employed caretakers who have applied recently. CDD intends to make updates to the self-employment policy in Spring 2025.</p> <p>CDD has also rolled out several updates to CCFAP policies to clarify guidance and align with best practice. In October, CDD updated the policy for caregivers who need child care because they are pursuing education and training to include “post-secondary courses at an accredited or recognized institution of higher education offering certification, associate, bachelor, master, or doctoral course work.</p>	<a href="#">Updated CCFAP Policy on Training and Employment</a>

### 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	<a href="#">Readiness Payment Program Announcement</a>  <a href="#">Act 76 Readiness Payment Program Report to Joint Fiscal Committee – October 2023</a>

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		payments in September 2023, and sent final payments in April 2024.	
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	CDD announced the design of the Quality and Capacity Incentive Program in October 2024; the program includes three elements 1) technical assistance related to quality and capacity, 2) one-time recognition bonuses, and 3) an annual quality and capacity incentive for programs. The initial design was shared for feedback with the VECAP Early Learning and Development committee before finalization and roll out. The professional development bonuses were increased for the first time in 20 years. The first two elements went into place in September and October 2024; the third element was implemented in May 2024.	<a href="#">Quality and Capacity Incentive webpage</a>  <a href="#">Announcement of expanded STARS bonuses</a>  <a href="#">CDD Professional Development bonuses</a>

### 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	<p>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.</p> <p>While CDD updated the memo that explained this prohibition in July 2024, this requirement did not change.</p>	<a href="#">CDD Memo re: Tuition Rates and Allowability of Additional Fees</a>

## 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 <a href="#">Child Care Community Support Agencies</a>
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	The online application successfully launched on September 9, 2024.  CDD has completed an initial update of the CCFAP application based on review for simplicity and language access. CDD continues to develop policies, practices, and tools to support language access.	<a href="#">CCFAP webpage with link to online application</a>  Current <a href="#">CCFAP application (updated June 30, 2024)</a>  <a href="#">ORE Language Access Report</a>
CDD must consult with ORE on all public materials and trainings related to CCFAP. (Section 12a)	ongoing	CDD is creating updated CCFAP materials and an outreach campaign for families with an expected roll out date in January 2025. CDD engaged a creative and media services firm and consulted with ORE as directed for public communications related to CCFAP.	Current <a href="#">CCFAP webpage for families</a>

## Child Care Licensing

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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 has updated those forms and will include this in the revision of Child Care Licensing Regulations that is already under way. No	Most recent communication about <a href="#">Child Care Licensing Regulations</a> revision

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		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. 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.	<a href="#">CDD Memo re: Tuition Rates and Allowability of Additional Fees – Updated August 204</a>
<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"> <li>- Initially effectively July 1, 2023</li> <li>- Repealed in <a href="#">Act 113 of 2024, Sec. E.318.1</a></li> <li>- New implementation date of July 1, 2025 established</li> </ul>	2023 2025	<p>This prohibition is no longer in effect and will not be in effect 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 programs in Spring 2025 as the new implementation date approaches.</p>	<p><del>CDD Notice to Programs on Tuition Rates (repealed)</del></p> <p><a href="#">CDD Memo re: Tuition Rates and Allowability of Additional Fees - Updated August 2024</a></p>
CDD must amend center-based child care program (CBCCP) and afterschool and summer program (ASP) regulations to require program directors to be on-site at least 40% of the time children are	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.	<p>July 2023 Memo on <a href="#">Program Director Time On-site</a></p> <p>Rule 6.2.4.1 in <a href="#">CBCCP regulations</a></p>



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present (reduced from 60%) (Section 13)			Rule 5.24 in <a href="#">ASP regulations</a>
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 <a href="#">CBCCP regulations</a> Reg 3.14 in <a href="#">ASP regulations</a>

### Accountability and Administration

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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	The Student Loan Repayment Assistance Program continues. It was funded with ARPA funds through September 2024 and is now supported with federal Child Care Development Fund dollars.	<a href="#">SLRAP info and application</a>
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 the 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) 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 an online "scorecard" for the identified Act 76 metrics that is being updated quarterly.	<a href="#">Building Bright Futures Report to Legislature on Act 76 Monitoring</a>  <a href="#">New CDD Data webpage with Act 76 metrics</a>

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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 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 the list in the bill at the July 2023 Joint Fiscal Committee meeting, to better reflect CDD’s needs.	<a href="#">CDD Position Changes Memo for the JFC July 2023</a>  <a href="#">State of Vermont Careers in Human Services page</a>
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.	<a href="#">Child Care Contribution   Department of Taxes (vermont.gov)</a>

### Universal Prekindergarten-related

Element of <a href="#">Act 76</a>	Year	Timeline and Status	Resources
A Prekindergarten Education Implementation 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 met between July 2023 and November 2024 and submitted its final report in December 2024.  AOE and CDD worked together to hire a facilitator and project manager for this committee. Members of the public were invited to attend and offer comments at all Committee and Work Group meetings.	<a href="#">Prekindergarten Education Implementation Plan Committee</a> for schedule, agenda, minutes, and materials  <a href="#">PreK Committee Final Report</a>
AOE will submit data to the Joint Fiscal Office on the number of prekindergarten students, estimated costs, and current	2023	AOE compiled the available data for submission.	

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programs by school district. (Section 2c)			
AOE, in consultation with the PreK Committee, will submit analysis to the Legislature on the 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.	<a href="#">December 2023 Report to Legislature on Prekindergarten Pupil Weighting</a>
The PreK Committee will submit a Prekindergarten Implementation Plan to the Legislature. (Section 2)	2024	This report was submitted on behalf of the PreK Committee on December 6, 2024. The report included several recommendations and multiple considerations; the Committee was not able to generate an implementation plan.	<a href="#">PreK Committee Final Report</a>
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	The PreK Committee did not create A model contract; it did identify specific recommendations for next steps that are included in the PreK Committee report.  In Spring 2024, the AOE offered updated recommendations for UPK contracts. CDD and AOE offered guidance on insurance provisions in June 2024.	<a href="#">PreK Committee Final Report</a> – Pages 44 and 45  <a href="#">Universal Prekindergarten Partnership Agreement Recommendations</a>  <a href="#">Memo: Insurance Provisions within Universal Prekindergarten Partnership Agreements</a>

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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 if the state has: <ul style="list-style-type: none"> <li>- defined the minimum number of hours that constitute a full school day for prekindergarten education;</li> <li>- required all school districts to follow that minimum hours; and</li> <li>- required all school districts to follow the same contracting requirements for the provision of prekindergarten education.</li> </ul>	

### 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 has contracted for an annual “cost of care” analysis that can inform future CCFAP rate adjustments.	<a href="#">CDD Report to Legislature on CCFAP Rate Adjustments</a>
CDD will collaborate with the Vermont Crime Information Center (VCIC) and AOE to recommend ways to streamline and improve the timeliness of the background check process for those required to submit two separate checks. (Section 14)	2024	VCIC submitted this report in January 2024 after a CDD, VCIC, and AOE discussion held in Fall 2023. The major challenges related to conflicts between federal requirements and data sharing remain.  The State remains committed to addressing the length of time it takes for fingerprint-supported background checks. In Fall of 2024, CDD and VCIC hosted a 2-day process mapping exercise with federal TA	<a href="#">VCIC report to Legislature on Background Checks per Act 76</a>

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		providers to identify potential process improvements.	
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 a plan to Legislature to streamline and improve the responsiveness and effectiveness of Special Accommodation Grants. (Section 16)	2024	CDD submitted this report on September 1, 2024. Though later than the initial July 1 deadline, the delay allowed CDD to include changes to the Special Accommodation Grants that it finalized and announced in August 2024.	<a href="#">Report on Special Accommodation Grants September 2024</a>  <a href="#">Link to SAG Application Materials</a>
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.	