

### Memorandum

To: All Regulated Child Care Programs and Providers  
From: Janet McLaughlin, Deputy Commissioner, DCF Child Development Division  
Date: February 26, 2024  
Re: Act 76 Changes: Enrollment-based Payments

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In June 2023, the Vermont Legislature passed Act 76, a new law affecting child care programs. Act 76 amended statute [33 V.S.A. § 3514](#) as of January 1, 2024. This memo provides information on how Act 76 affects payment to providers for Vermont's Child Care Financial Assistance Program (CCFAP).

Act 76 provides:

*The Department, in consultation with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to 3 V.S.A. chapter 25 that define "enrollment" and the total number of allowable absences to continue participating in the Child Care Financial Assistance Program. The Department shall minimize itemization of absence categories. (see 33 V.S.A. § 3514(a)(2)).*

To comply with the above requirement, the Child Development Division (CDD) has consulted with the Vermont Office of Racial Equity and other stakeholders to define "enrollment" for the purposes of CCFAP payments and developed a proposal for allowable absences and consolidation of absence categories. Next steps include updating administrative rules that govern CCFAP, implementing the necessary changes in the Child Development Division Implementation System (CDDIS), and updating CCFAP policies and procedures. CDD will provide opportunities for public comment before the rules are finalized.

***Please note: No changes are being made to CCFAP Attendance submission at this time.***

### Consultation with Stakeholders

To develop the definition and proposal laid out below, CDD consulted with the Vermont Office of Racial Equity and federal Office of Child Care. CDD gathered feedback on the proposed model from stakeholders, including CCFAP Eligibility Specialists at Community Child Care Support Agencies and the Building Bright Futures Early Learning and Development Committee.



## Definition of Enrollment

For the purposes of CCFAP payment, a child is “enrolled” when the child has an active CCFAP certificate connected to a specific child care program.

CDD will “pay on enrollment” when:

- A child has an active CCFAP certificate tied to a specific child care program.
- The program submits its bi-weekly CCFAP Attendance with hours of attendance or applicable coded days for the child.
- CCFAP attendance does not exceed allowable coded days.

## Planned Changes for CCFAP Payments

CDD is planning for several changes related to enrollment-based payments to be effective June 30, 2024. This is the start of the CCFAP service period closest to July 1, which is when attendance codes are reset each year. The planned changes are to:

- **Create a single code for allowable absences for children and expand the reasons for allowable Child absences per child per fiscal year to include reasons that are not currently allowable with the Vacation code.** This will include any reasons the child is absent, including sick days, extended temporary absences (currently the Hold code), and unexplained absences. Consolidating child absences into one category will reduce administrative burden and better accommodate the variety of reasons children may be absent.
- **Increase the number of allowable Child absence days from 20 to 30 per child per state fiscal year.** This change recognizes that there are number of reasons that a child may be absent and aims to establish a reasonable guideline.
- **Create policies to allow for increases to the number of allowable Child absence day per year in extenuating circumstances.** If a child needs more than 30 absence days per year, families may request additional days through a CCFAP Eligibility Specialist. This will allow the State to determine if additional supports are needed to facilitate the child’s attendance or if other changes need to be made. CDD will monitor these requests over time to determine if the number of allowable Child Absence days is set appropriately.
- **Increase the number of days for No Notice from a maximum of one week to a maximum of two weeks.** If a child enrolled in CCFAP leaves a program without providing two weeks’ notice, CCFAP will now pay up to two weeks to support a program while it refills the spot.
- **Create policies to allow for increases to the number of allowable Provider closed days per year in extenuating circumstances.** This will allow programs impacted by natural disasters or other exceptional circumstances to continue to receive payments even if they are unable to serve children.



## **Additional Information**

The current [CCFAP Attendance guidance](#) is in effect until June 30, 2024.

If a child needs more days absent than currently allowed, please reach out to the child's CCFAP Eligibility Specialist. CDD can manually increase the number of allowable absences for specific children with extenuating circumstances.

CDD plans to continue to collect attendance reports to issue CCFAP payment beyond June 30, 2024. The attendance reports are important to:

- Program integrity (regular internal reviews for errors or fraud)
- Audit requirements (required externally verified reviews to ensure payments are made properly)
- Monitoring of ratio and group size for child care licensing (backup documentation for investigations)
- Variable certificate payments (necessary for backup providers)

## **Questions?**

The Child Development Division team is here to help. Please send your questions to [ahs.dcfddccfappayments@vermont.gov](mailto:ahs.dcfddccfappayments@vermont.gov) or 1-800-649-2642 (option 5).

