Families eligible for child care financial assistance may have all or a portion of their child care costs covered by the State based on a family’s income, household size, and reason for care. Any payment from the State will be paid directly to a family’s child care provider(s). The amount paid to the child care provider(s) is based on the provider’s rate agreement, the State’s capped rates, and the amount the family is obligated to pay (family share).

1. **What is a family share?**

   The family share is the weekly amount the family is obligated to pay their child care provider based on their child care financial assistance application. You can find the family share amount owed to you (if any) on the family’s certificate within the Child Development Division Information System (CDDIS). See our guide on how to view certificates.

2. **What is a provider rate agreement?**

   The provider rate agreement (PRA) is what a child care provider submits to the State to indicate how much they charge for child care services. A new provider rate agreement is required every three years or whenever a provider changes rates. Two guides are available: steps on submitting a new PRA and checking the status of a PRA.

   **Please note:** If you would like your rates to take effect during a specific service period, please DO NOT submit your child care attendance until the State has approved your PRA within the CDDIS.

3. **What are the State’s capped rates?**

   The State’s capped rates are the maximum amount the State will pay to a child care provider on behalf of a family receiving child care financial assistance. The State will pay the lesser of the two: up to the provider’s rate or the State’s capped rate. To receive the maximum amount the State pays, a child care provider may need to increase their rates.

4. **Why does the State have capped rates?**

   Since the State does not tell child care providers what to charge for child care services, the State established capped rates based on the market rates of Vermont child care providers. Capped rates allow the State to estimate yearly budgets.

5. **If my rates are lower than the State’s capped rates, do I need to raise my rates?**

   If your rates are lower than the State’s capped rates, you will receive payment up to your rates (see “Jane Smith” example on page 2). To receive the maximum amount the State pays, you may need to raise your rates to the State’s capped rates by submitting a new provider rate agreement.

   Raising your rates is a business decision you will need to make. The State does not tell child care programs what to charge.

   **Remember:** You cannot set a rate for families receiving child care financial assistance that is more than your rate for private pay families; however, you can choose to create specialized discounts or scholarships. Example: sibling discounts, employee discounts, etc.

6. **What if my rates are above the State’s capped rates?**

   The State will pay based on the capped rates (see “Honey Child Care” example on page 2). Any remaining amount due to you will be the family’s responsibility*.

   *If a child is within protective services, please contact the CIS Child Care Coordinator in your region. You may be able to request the family’s responsibility be covered.

7. **How do I see what the family share is and what the State will pay?**

   You can review the child care financial assistance certificate within your CDDIS account. See our guide on how to view certificates.

   **Please note:** If your rate is above the State’s capped rate, the remaining amount owed to you by the family will not show on the certificate.
Examples

The following examples are based off the capped rates effective July 3, 2022.

“Jane Smith”
A provider whose rates are lower than the State’s capped rates.

A 3-STAR, Registered Family Child Home provider serves a family with an infant enrolled in their program full-time. The provider has a weekly rate of $200, and the family has a weekly family share of $50.

Since the provider rate is less than the State’s capped rate of $207, the State will pay up to the provider’s rate after subtracting the family share of $50. The State will pay the provider $150.

If Jane charged the State’s capped rate of $207, the State would have paid $157. For Jane to receive payment up to the State’s capped rate, Jane would need to increase the program’s rates by submitting a new provider rate agreement within the CDDIS. (See questions 2 and 5 on page one for more information.)

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“Honey Child Care”
A program whose rates are higher than the State’s capped rates.

A 5-STAR, Center-Based Child Care Program serves a family with a toddler enrolled in their program part-time. The provider has a weekly rate of $225, and the family has a weekly family share of $25.

Since the provider’s rate is more than the State’s capped rate of $180, the State will pay up to the State’s capped rate after subtracting the family share of $25. The State will pay the provider $155. The remaining $45 will be the responsibility of the family.

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