

# Child Care Quality and Capacity Incentive Program

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# Charge as established in Act 76 of 2023

## § 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE PROGRAM

(a) The Commissioner shall establish a child care quality and capacity incentive program for child care providers participating in the Child Care Financial Assistance Program pursuant to sections 3512 and 3513 of this title. Annually, consistent with funds appropriated for this purpose, the Commissioner may provide a child care provider with an incentive payment for the following achievements:

(1) achieving a higher level in the quality rating and improvement system, including increasing access to and provision of culturally competent care and multilingual programming and providing other family support services similar to those provided in approved Head Start programs;

(2) increasing infant and toddler capacity;

(3) maintaining existing infant and toddler capacity;

(4) establishing capacity in regions of the State that are identified by the Commissioner as underserved;

(5) providing nonstandard hours of child care services;

(6) completing a Commissioner-approved training on protective or family support services; and

(7) other quality- or capacity-specific criteria identified by the Commissioner.

(b) The Commissioner shall maintain a current incentive payment schedule on the Department's website.

# Criteria

- Focused – closely tied to quality and capacity, tied to identified priorities
- Equitable – considers accessibility and impact on multiple dimensions
- Feasible – for child care programs, for CDD, for the Business office
- Flexible – allows us to adapt to uptake, future priorities
- Clear and timely – programs know what to expect when, field absorbing lots of changes already

# Proposed Framework



## Technical Assistance

- Quality
- Capacity and Sustainability



## One-time Recognition Bonus

- STARS
- Specialized Child Care
  - Professional Development

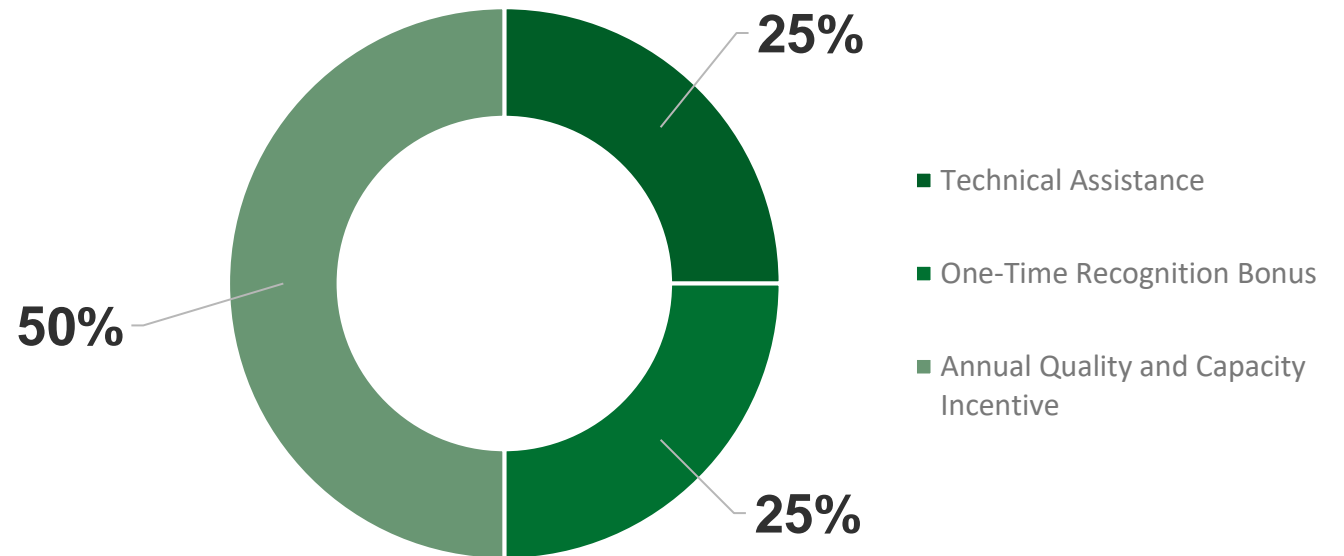


## Annual Quality and Capacity Incentive

Formula-based payment for programs accepting CCFAP and meeting identified quality and capacity indicators

# Budget for Proposed Framework

## Act 76 Quality and Capacity Program



# TA

provides programs  
with needed support  
to achieve quality and  
capacity goals

CDD will extend its annual investment in Q&C Technical Assistance:

- ECE Quality Coaching and Supports via SPARQS program (VTAEYC)
- Capacity and Sustainability Coaching and Supports via Business Technical Assistance Program (First Children's Finance)
- Afterschool Quality and Capacity Supports (Vermont Afterschool)

These will be combined with:

- CCDF funds for additional quality supports for SPARQS and Vermont Afterschool
- CCDF and state funds for capacity-building grant funds via First Children's Finance.

# One-time Recognition Bonuses

offers financial support to programs and educators as they achieve an identified goal.

- Increasing STARS
- Renewing STARS
- Earning Specialized Child Care status
- Achieving Level Certificate or Credential
- Additional categories may be defined in the future



# One-Time Recognition Bonuses



## Increase or Renew STARS

- Formula-based payment based on program size and type
- Programs accepting CCFAP
- Retroactive to 7/1/23



## Specialized Child Care Status

- One-time incentive based on program type
- Effective 10/1/24



## Achieving Level Certificate or Credential

- Set bonus for each certificate/credential
- Revised bonus amounts and categories
- Effective 10/1/24

# Increasing STARS

## Increasing STARS Base Rate by Program Type

- Per child base rate on program type/size, same amount for each STAR level

Program Type	Per Child Base Rate
Afterschool	\$45.00
Program with licensed capacity <24 (includes FCCH)	\$100.00
CBCCPP licensed capacity 25-59	\$90.00
CBCCPP licensed capacity >60	\$85.00

Increase by	2 STAR	3 STAR	4 STAR
Percent Increase	100%	200%	300%

The incentive does not apply to UPK programs with provisional status

# Renewing STARS

## Renewing STARS Base Rate by Program Type

- Per child base rate on program type/size, set amount for each STAR level
- Newly licensed/registered programs will receive a one-time bonus acknowledging automatic participation in STARS

Program Type	Per Child Base Rate
Afterschool	\$40.00
Program with licensed capacity <24 (includes FCCH)	\$70.00
CBCCPP licensed capacity 25-59	\$60.00
CBCCPP licensed capacity >60	\$55.00

STAR Rating	2 STAR	3 STAR	4 STAR	5 STAR
Percent Increase	20%	40%	60%	80%

The incentive does not apply to UPK programs with provisional status

# Earning Specialized Child Care status

## Earning Specialized Child Care status

- Eligible programs must meet the criteria for [Specialized Child Care](#) status
- Programs must have a minimum of 3 STARS
- Program receives a one-time bonus
- Exploring increasing the incentive for SCC
  - Currently, an additional 10% of the child care financial assistance payment for any child with a specialized child care financial assistance need

# Specialized Child Care

## Attaining New Specialized Child Care Status

Program Type	One-Time Bonus
Afterschool	\$1,000
CBCCPP licensed capacity 0-59	\$1,000
CBCCPP licensed capacity 60+	\$1,000
CBCCPP non-recurring	\$1,000
Licensed/Registered FCCH	\$750

# Achieving Level Certificate or Credential

- Updated bonuses for professional development certificates, credentials, or licensure recognized by the Vermont Professional Development System
- Current bonus structure has not been updated for 20 years
- Increased all bonuses and added categories

# Proposed Professional Development Bonuses

Credential	Recommended Incentive	Current Incentive
<b>Afterschool</b>		
Afterschool Essentials	\$300	\$100
AS Professional Credential	\$1,200	\$500
<b>ECE</b>		
Level I Certificate	\$300	\$100
Level II Certificate	\$1,200	\$500
Level IIIA Certificate **	\$2,100	\$750
Level IIIB Certificate	\$2,400	\$1,000
Level IV Certificate	\$3,000	\$1,200
Level V Certificate	\$3,500	\$1,200
Level VI Certificate	\$4,000	\$1,200
Prog Dir Cred Step 1	\$900	\$0
Prog Dir Cred Step 2	\$900	\$0
Prog Dir Cred Step 3 (applies to afterschool too)	\$3,000	\$500
<b>Miscellaneous</b>		
AOE Educator Licensure (regulated staff only)	\$1,000	\$500
AS and Youth Work Cert (new)	\$1,000	\$0
LEAD Micro-credential	\$1,600	\$250

# Annual Quality and Capacity Incentive

offers financial payment to programs who demonstrate priority quality and capacity elements.

Vermont will allocate remainder of Q&C Incentive Program funds to **formula-based payment** to *all regulated programs that accept CCFAP* that consider:

- STARS level – more for higher levels
- Specialized Child Care status
- Serving Infants and Toddlers
- Offering nonstandard hours – open before 8 or after 6?
- Offering extended hours – open 45 hours or more?
- Operating in a high-need area or serving higher need children  
**Implementation**
- Simple application + administrative data to determine amounts.
- Payments to be distributed by state in May 2025.
- Total amount distributed may be supplemented if excess funds from One-time Recognition Bonuses are available.