

2024 Act 76 Monitoring Report:  
A Plain Language Summary for Everyone  
January 31, 2025

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**What it is:** Act 76 makes significant and historic investments and policy changes in the early childhood field by expanding eligibility for the Child Care Financial Assistance Program (CCFAP) for Vermont families. This includes increasing reimbursement rates for child care providers and small business owners, and outlining a potential path towards expanding access to high quality pre-K, afterschool care, and summer care. Act 76 became law on June 20, 2023, and its elements will be implemented in stages from July 2023 to January 2026.

**Who benefits:**

Families & Children

- More families in Vermont are getting help paying for child care
- Families can apply for child care assistance via the new online application

Early Childhood Education Professionals & Small Business Owners

- Programs are receiving higher rates to care for children
- Programs received one-time Readiness Payments, and early childhood educators received recognition

Vermont Businesses & Employers

- More child care programs are opening than at this time last year. Vermont suffers from workforce shortages in all industries and sectors. Employees' access to high-quality affordable child care is critical to building and maintaining a thriving workforce.

Child Care Programs  
Opened Since Act 76



*In 2024, more early care businesses opened (60) than closed (40) for the first time since at least 2018.*



**Building Bright Future's role:**

Building Bright Futures (BBF), Vermont's Early Childhood State Advisory Council, is responsible for monitoring Act 76. BBF is tracking the effects of the law's changes to and investments in Vermont's child care system. BBF submits a report about Act 76 to the House Committee on Human Services and the Senate Committee on Health and Welfare every year on January 15.

BBF is a public/private partnership tasked by state law to advise Vermont's Governor and Legislature on the status of children in the prenatal period through age 8 and their families. BBF's mission is to improve the well-being of children and families in Vermont by using evidence to inform policy and bringing voices together across sectors and within regions to discuss critical challenges and problem-solve. In order to do this well, BBF collaborates with a wide range of partners including state agencies, Vermont's federal delegation, community partners, early childhood educators, and families.

Act 76 charges Building Bright Futures with monitoring the implementation and impact of the policy changes and investments contained in the law related to its goals:

- Equitable access to high-quality child care
- Equitable access to high-quality prekindergarten
- Equitable access to high-quality afterschool and summer care
- Stability of the early child care education workforce
- Workforce capacity and needs of the child care, prekindergarten, afterschool and summer care systems
- The impact of expanded child care, prekindergarten, and afterschool and summer care on a mixed-delivery system

**Ongoing advisement:**

In addition to the report, BBF was called to testify three times on progress towards implementation of Act 76 to the House Committee on Human Service, the Senate Committee on Health and Welfare, and the House Committee on Commerce and Economic Development. BBF also gave presentations on Act 76 monitoring to the Vermont Commission on Women, the Women's Caucus, and the Advisory Council on Child Poverty and Strengthening Families.



### Implementation milestones since BBF's January 2024 [report](#):

- More families became eligible for CCFAP, which meant that they paid less for child care:
  - On April 7, 2024, CCFAP income guidelines increased to 400% of the Federal Poverty Level (FPL) and were updated to the 2024 FPL.
  - On June 30, 2024, CCFAP benefits were extended to families with children who had been excluded from the program in the past due to documentation or citizenship status.
  - On October 7, 2024, CCFAP income guidelines increased to 575% FPL, making Vermont the state with the highest income eligibility limit for child care assistance in the country.
  - In April 2024, a weekly family share of \$0 was extended to families up to 175% FPL.
- Programs received funding increases:
  - CCFAP rates increased by 50% of the difference between registered family child care rates and licensed program rates for Family Child Care Programs.
  - CDD continued to disburse “Readiness” payments. Roughly 800 child care programs received a total of \$21 million dollars between September 2023 and April 2024.
  - CDD launched the Child Care Quality and Capacity Incentive Program in October 2024 to support programs and providers with one-time recognition bonuses related to quality and to provide quality coaching and technical assistance to sustain and build capacity.

### System improvements:

- CDD submitted a report to the Legislature on its efforts to streamline and improve the efficacy of the Special Accommodations Grants program. CDD also made changes to the application process and administration of the program.
- Beginning July 1, 2024, the payroll tax established by Act 76 to support investments in Vermont’s early childhood system went into effect.
  - This payroll tax, or “[Child Care Contribution](#)” (CCC), was implemented and administered by the Department of Taxes and is made up of a 0.44% payroll tax and a 0.11% self-employment tax.



**Indicators to Watch**

Enhanced Capacity Within the System

More Children Can Access Care

<p><b>Child Care Financial Assistance Program Enrollment November 2023 - October 2024<sup>3</sup></b></p> <table border="1"> <thead> <tr> <th>Month</th> <th>Enrollment</th> </tr> </thead> <tbody> <tr><td>Nov. 2023</td><td>7,361</td></tr> <tr><td>Dec. 2023</td><td>7,496</td></tr> <tr><td>Jan. 2024</td><td>7,496</td></tr> <tr><td>Feb. 2024</td><td>7,612</td></tr> <tr><td>Mar. 2024</td><td>7,780</td></tr> <tr><td>Apr. 2024</td><td>8,112</td></tr> <tr><td>May 2024</td><td>8,173</td></tr> <tr><td>June 2024</td><td>9,167</td></tr> <tr><td>July 2024</td><td>8,891</td></tr> <tr><td>Aug. 2024</td><td>9,550</td></tr> <tr><td>Sept. 2024</td><td>8,999</td></tr> <tr><td>Oct. 2024</td><td>9,855</td></tr> </tbody> </table>	Month	Enrollment	Nov. 2023	7,361	Dec. 2023	7,496	Jan. 2024	7,496	Feb. 2024	7,612	Mar. 2024	7,780	Apr. 2024	8,112	May 2024	8,173	June 2024	9,167	July 2024	8,891	Aug. 2024	9,550	Sept. 2024	8,999	Oct. 2024	9,855	<p><b>170 additional infant slots were created in 2024 (3,749)</b></p>
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<p><b>Online Child Care Assistance Application was made available, resulting in 1,500 online applications submitted since launch (as of November 14, 2024)</b></p>	<p><b>1,256 families who were not previously eligible enrolled in CCFAP (as of November 14, 2024)</b></p>																										
<p><b>480 Career Ladder Bonuses were awarded October 2023–September 2024</b></p>	<p><b>~550 low &amp; moderate income families no longer have a copay (the income threshold for many benefit programs, such as 3SquaresVT)</b></p>																										



**Key successes:****Policy updates to clarify and support increased family eligibility:**

- The CDD expanded the definition of education and training to include all post-secondary education or training programs. Parents engaged in any education or training beyond high school can qualify for Child Care Financial Assistance.
- The CDD clarified that the asset limit requires that families have less than one million dollars in liquid assets. Assets such as land, real estate, and retirement savings do not count towards the asset limit.

**Technical infrastructure and data availability progress:**

- The CDD launched an electronic Child Care Financial Assistance application.
- A new data page on the CDD website features seven dashboards for CCFAP, five dashboards of child care provider data, and links to four external data sources. The CDD maintains a regularly updated Status and Summary Chart that shows the status and timeline for the parts of Act 76 that CDD is responsible for.

**Opportunities for partner feedback on key programs:**

- CDD held listening sessions and conducted a survey on changes related to self-employment eligibility.
- Feedback informed the enrollment-based reimbursement payments.
- Presentations and opportunities for feedback informed the design of the Quality and Capacity Incentive Program.
- Information gathering informed the application and program administration changes to Special Accommodation Grants.

**Challenges:**

- **Attendance-Based Enrollment:** A shift from attendance-based to enrollment-based CCFAP payments has created concerns and confusion. Prior to Act 76 implementation, payments were based on children's enrollment in child care programs, with an allowable 20 days of vacation and unlimited sick days. In an attempt to streamline absence reporting, Act 76 created a total of 30 days of combined absence. This has created concern that families will reach the absence limit and lose eligibility. Providers and state agency partners are monitoring this challenge, and CDD and eligibility specialists work with families on a case-by-case basis at this time.



- **Workforce Shortage:** Recruiting and retaining qualified staff continues to be a challenge across all child care programs and settings. As a result, programs are reportedly not operating at full capacity.
- **Act 76’s Initial Rate Cap:** The law established a rate cap for private pay tuition. The CDD has not enforced this element of the law, and the Legislature passed a temporary repeal effective through June 30, 2025. It is unclear at this time if a rate cap will be implemented.
- **Opportunities for Increased Communication and Outreach:** Because of staff turnover, CDD has not communicated about Act 76 as much as they intended. Language barriers also contribute to lack of awareness of programs among immigrants and New Americans. Ensuring that policy changes are communicated to the public in a timely and clear manner and that community partners understand these changes is critical to realizing their full impact.
- **The Prekindergarten Education Implementation Committee (PEIC):** The 18-member committee was created to assist the Agency of Education in improving and expanding accessible, affordable, and high-quality prekindergarten education for all 4-year-old children on a full-day basis on or before July 1, 2026. The PEIC issued a report outlining four key recommendations:
  - Maintaining the current prekindergarten benefit for 3-year-olds
  - Expanding access for 4-year-olds
  - Commissioning an analysis of Vermont’s pupil weight for prekindergarten
  - Reviewing methodology for establishing prekindergarten payments to non-school-based programs and proposing updates

The strengths of the PEIC included strong facilitation, a commitment to data-driven decision-making, and a strong commitment of PEIC members to improving access to prekindergarten statewide.

Challenges of the PEIC included an unrealistic charge and unrealistic timeline, a lack of aligned vision, and a lack of existing data systems. An evolving political landscape and unanswered questions about the future of public education in the state, including a school budget crisis and the ongoing work of the commission on the Future of Public Education, further complicate the context in which the committee operated.



**Next steps:**

Strong data systems and high-quality data are critical to effectively monitoring the impact and intent of policy and funding decisions.

Policy recommendations: The 2025 Policy Recommendations from the Vermont Early Childhood State Advisory Council Network include two recommendations relevant to Act 76:

- [Monitor to Ensure Equitable Access for All 3- & 4-Year-Olds in Vermont's Universal Pre-K Program](#)
- [Align Demographic Data Collection Across Agencies](#)

**Closing reflection:**

2024 was a significant year for implementing the historic investments and policy changes of Act 76. Early data and sentiment from families and the early childhood field suggests that the law is beginning to have the types of impacts that were intended. More families in Vermont are receiving assistance paying for child care, programs are receiving higher rates to care for children, more child care programs are opening than at this time last year, and families are applying for child care via the new online application in large numbers. The Child Development Division made a volume of program changes previously unimaginable and did so with very few reported challenges and delays. While monitoring the law's impacts and addressing a number of continued challenges remain critical, overall the success of Vermont's progress towards increasing access to and affordability of early education should be celebrated.

