Parent and Provider Scenarios – Universal PreK

House Committee on Ways and Means

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February 4, 2026

The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this presentation is meant to provide information for legislative consideration, not to provide policy recommendations

Agenda

- Overview of proposed policy
- Review CCFAP and UPK programs
- Example calculations for families and providers
- Outstanding questions

Key Elements of Proposed Policy

- 3 year-olds no longer receive UPK funding
- 4 year-olds, and 5-year olds not enrolled in kindergarten receive a payment similar to the foundation formula for kindergarten
  - Paid for from the Childcare Contribution Special Fund
  - Providers who offer more care than legal minimums can participate in CCFAP – same as in the current education system
  - Note this is different than the language presented, which allowed private providers to receive a Universal PreK payment covering 10 hours of instruction per week for 35 weeks

Scenarios*

- Family
  1. Pays market rate
  2. $225 estimated weekly family share
- Providers
  1. All families pay market rate
  2. All families receive 100$ CCFAP

*Scenarios reflect policy choices described on the previous slide and assumes:

- Universal PreK students would be considered school-aged for CCFAP calculations
- The Universal PreK rate for private providers is the same as the Equal Opportunity Payment (EOP) during the school year
  - This exercise uses the FY 2025 value of $15,033 as a placeholder
  - Annual amounts presented in these scenarios are not comparable to the EOP
- Care occurs at licensed centers
- Families only have one child in care

Terminology reminder – market rate

- **Market rate**
  - The amount, per week, that a child care providers charge a family for care
  - The statewide median full-time market rate for preschool at a licensed center is $325, per the 2024 DCF Market Rate Study

Terminology Reminder – State Rate

- **State rate**
  - The total CCFAP reimbursement rate, comprised of two payments
  - *Estimated weekly family share:* an amount calculated by CDD/DCF that reflects the ability of the family to pay for care
    - Paid by families to their childcare provider; the provider can choose how much of the family share to collect
    - Based on household income and the number of children in the family
  - *CCFAP subsidy payment:* the difference between the State rate and the estimated weekly family share
    - Paid by the State to the childcare provider

Child Care Financial Assistance State Rates

Effective July 13, 2025

The State 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 State Rate regardless of the provider rate agreement. For more detailed information about payments, which includes examples, please see our fact sheet.

	Licensed Center	Weekly State Rate		Registered Home	Weekly State Rate
Infant	Full Time	$495	Infant	Full Time	$407
	Part Time	$271		Part Time	$223
	Extended Care	$672		Extended Care	$553
Toddler	Full Time	$465	Toddler	Full Time	$382
	Part Time	$255		Part Time	$210
	Extended Care	$632		Extended Care	$519
Preschool	Full Time	$439	Preschool	Full Time	$361
	Part Time	$240		Part Time	$198
	Extended Care	$597		Extended Care	$491
School age	Full Time	$371	School age	Full Time	$321
	Part Time	$204		Part Time	$176
	Extended Care	$505		Extended Care	$436

Important Definitions
Authorized Hours of Care:
Full Time Weekly—26 to 50 hours a week
Part Time Weekly—1 to 25 hours a week
Extended Care—more than 50 hours a week

Child's Age
Infant—birth up to 24 months old
Toddler—2 up to 3 years old
Preschool—3 up to 6 years old
School age—6 up to 13 years old (19 if child has special needs)

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DEPARTMENT FOR CHILDREN & FAMILIES
CHILD DEVELOPMENT DIVISION

Terminology Reminder – Universal PreK Payment

- Universal PreK payment: The rate for 10 hours of care per week for 35 weeks for the Universal PreK payment
  - Is sent from the district of residence to a private provider or public school program outside the district
  - Set at $3,982 for the 2025/2026 school year (FY 2026); the amount is annually adjusted for inflation

Family Scenarios*

- Family
  1. Pays market rate
  2. $225 estimated weekly family share

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Family Scenario #1: Market Rate

Current Law: 35 Weeks - School Year

Item	Amount
Provider Market Rate (a)	$325
UPK Payment (b)	$114
Family Balance (a – b)	*$211*
Subtotal Cost	**$7,385**

Current Law: 17 Weeks – Summer

Item	Amount
Provider Market Rate	*$325*
Subtotal Cost	**$5,525**

Current Law: Full Year

Item	Amount
35 Week Cost	$7,385
17 Week Cost	$5,525
Total Annual Cost	**$12,910**

Note: these are sample market rates – individual family experiences could be substantially different

Family Scenario #1: Market Rate

New System: 35 Weeks - School Year

Item	Amount
Universal PreK Cost	**$0**
Part-Time Market Rate for Afterschool	*$178*
Subtotal Cost if Enrolled in Afterschool	**$6,230**

New System: 17 Weeks - Summer

Item	Amount
Full-Time Provider Market Rate	*$325*
Subtotal Cost	**$5,525**

New System: Full Year

Item	Amount
Without Afterschool Care During School Year	
35 Week Cost	$0
17 Week Cost	$5,525
Total Annual Cost	**$5,525**
With Afterschool Care During School Year	
35 Week Cost	$6,230
17 Week Cost	$5,525
Total Annual Cost	**$11,755**

Note: these are sample market rates – individual family experiences could be substantially different

UPK and CCFAP Intersection

- Providers receive different amounts of funding per child from CCFAP and UPK depending on program structure and family demographics
  - Licensed Center or Family Child Care Home (FCCH)
  - Blended/separated Hours
  - Part-time or full-time CCFAP certificate
  - Number of kids in the family and household income

Introducing: Blended Versus Separated Payments

- Private providers can choose how to account for Universal PreK hours
  - Blended Model: Combines child care and UPK hours and tuition into a single unified rate
    - With CCFAP: UPK payments largely reduce family shares
  - Separate Model: Clearly divide child care hours and tuition from UPK hours and funding
    - With CCFAP: Providers can receive UPK payments in addition to the State rate – they do not reduce the family share
- Providers must apply the chosen model consistently to all families in their program

Introducing: CCFAP For School-Aged Children

- Children enrolled in the new Universal PreK program would be able to receive a CCFAP payment if their program provides more than the required hours of care
- This would be reimbursed at the CCFAP rates for school-aged care
  - Part-time: $204
  - Full-time $371
  - Extended: $505
- Providers would receive part-time rates during the school year and full-time and extended rates for holidays and during the summer

Family Scenario #2: $225 estimated weekly family share – blended model

Current Law: 35 Weeks - School Year

Payment Type	Amount
Blended Program Tuition/Week (a)	$439
Estimated Weekly Family Share (b)	$225
UPK Tuition Per Week (c)	$114
Family Pays (b - c)	*$111*
Subtotal	**$3,885**

Current Law: 17 Weeks – Summer

Payment Type	Amount
Blended Program Tuition/Week (a)	$439
CCFAP Payment Per Week (b)	$214
Family Pays (a - b)	*$225*
Subtotal	**$3,825**

Current Law: Full Year

Item	Amount
35 Week Cost	$3,885
17 Week Cost	$3,825
Total Annual Cost	**$7,710**

Family Scenario #2: $225 estimated weekly family share – separated model

Current Law: Full Year

Payment Type	Amount
Separate Program CCFAP State Rate	$439
Estimated Family Share	*$225*
Total Annual Cost	**$11,700**

- Since this center accounts for UPK hours separately, they do *not* reduce the family share
- The separated model allows programs to potentially receive more revenue but families may go to a center that uses the blended hours so that UPK reduces their costs

Family Scenario #2: $225 estimated weekly family share – new system

New System: 35 Weeks - School Year

Item	Amount
Universal PreK Cost	**$0**
Provider Part-Time Market Rate (since the family has a family share greater than the CCFAP rate)	*$178*
Subtotal Cost if Enrolled in Afterschool	**$6,230**

New System: 17 Weeks - Summer

Item	Amount
CCFAP State Rate for Full-Time School-Age Care	$371
Estimated Weekly Family Share	*$225*
Subtotal Cost	**$3,825**

New System: Full Year

Item	Amount
Without Afterschool Care During School Year	
35 Week Cost	$0
17 Week Cost	$3,825
Total Annual Cost	**$3,825**
With Afterschool Care During School Year	
35 Week Cost	$6,230
17 Week Cost	$3,825
Total Annual Cost	**$10,055**

Family Impacts – Summary

- Impacts depend on the individual characteristics of each family
- Examples presented earlier are just one run of how these programs could interact – they are not intended to show overarching impacts. Results could vary dramatically by varying these variables
  - Type of program
  - How the program reports UPK hours
  - Hours/CCFAP Certificate
  - Number of children in family
- However, depending on the above characteristics, a family's share may be *higher* than under the current system, particularly if they require afterschool care, their provider currently blends UPK and CCFAP hours and they have a CCFAP family share

Scenarios*

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Provider Scenario #1: Market Rate

Current Law: Full Year

Item	Amount
Provider Weekly Tuition (UPK payment is reducing the cost to the family)	*$325*
Total Annual Revenue Per Child	**$16,900**

- These are sample market rates – individual family experiences could be substantially different
- This scenario assumes that providers are using the blended model

Provider Scenario #1: All Families Receive Market Rate

New System: 35 Weeks - School Year

Item	Amount
Universal PreK Weekly Payment	$430
Subtotal Revenue (without afterschool)	**$15,050**
Market Rate for Part-Time Care	$178
Center Receives Per Week Per Kid	*$608*
Subtotal Revenue (with afterschool)	**$21,280**

New System: 17 Weeks – Summer

Item	Amount
Market Rate for Full-Time Care	$325
Subtotal Revenue	**$5,525**

New System: Full Year

Item	Amount
Without Afterschool Care During School Year	
35 Week Revenue	$15,050
17 Week Revenue	$5,525
Total Annual Revenue	**$20,575**
With Afterschool Care During School Year	
35 Week Revenue	$21,280
17 Week Revenue	$5,525
Total Annual Revenue	**$26,805**

Provider Scenario #2: All Families Receive 100% CCFAP

Current Law: 35 Weeks - School Year

Item	Amount
Blended Program Tuition/Week	$439
UPK Tuition Per Week (35 weeks)	$114
Center Receives Per Child Per Week	*$114 + $439 = $553*
Subtotal Revenue	**$19,355**

Current Law: 17 Weeks – Summer

Item	Amount
Blended Program Tuition/Week	$439
Center Receives Per Child Per Week	*$439*
Subtotal Revenue	**$7,463**

Item	Amount
35 Week Revenue	**$19,355**
17 Week Revenue	**$7,463**
Total Annual Revenue	**$26,818**

Provider Scenario #2: All Families Receive 100% CCFAP

New System: 35 Weeks - School Year

Payment Type	Amount
Universal PreK Weekly Payment	$430
Subtotal Revenue (without afterschool)	**$15,050**
Part-Time School-Age CCFAP Payment	$204
Center Receives Per Week Per Kid	*$634*
Subtotal Revenue (with afterschool)	**$22,190**

New System: 17 Weeks – Summer

Payment Type	Amount
Full-Time CCFAP School Age Payment	$371
Center Receives Per Week Per Kid	*$371*
Subtotal Revenue	**$6,307**

New System: Full Year

Item	Amount
Without Afterschool Care During School Year	
35 Week Revenue	$15,050
17 Week Revenue	$6,307
Total Annual Revenue	**$21,357**
With Afterschool Care During School Year	
35 Week Revenue	$22,190
17 Week Revenue	$6,307
Total Annual Revenue	**$28,497**

Some Remaining Questions

- How would 3-year-olds be treated for CCFAP and CDD regulations?
  - Would they still be in a classroom with 4-year-olds, or would they be treated differently?
- If the rate for Universal PreK is the same as for public schools would private providers receive any compensation for different groups of students?
  - Who would determine which students are eligible for different payments if AOE is not involved in the administration of private providers?
- Would private providers have to receive separate licensing for as an early child care and as an afterschool program?

Questions?