

**Department for Children and Families  
Child Development Division**NOB 1 North, 280 State Drive  
Waterbury, VT 05671-1040<http://dcf.vermont.gov/cdd>[toll free] 800-649-2642  
[fax] 802-241-0846

Agency of Human Services

To: Joint Fiscal Committee  
From: Janet McLaughlin, Deputy Commissioner *JML*  
Re: Request for partial re-allocation of CCDF ARPA Discretionary funds  
Date: September 27, 2023

The State of Vermont received \$18.3 million in ARPA Discretionary funds from the Child Care Development Fund. All funds must be obligated by September 30, 2023 and spent by September 30, 2024.

The state has implemented all projects or programs approved for funding from this source. To date, we have spent or reimbursed approximately \$6.2M of the \$18.3M on the purposes already approved related to the child care workforce, child care capacity-building, supports for inclusion and quality, and program administration; see table on next page. Spending has been slower than planned largely due to external factors such as federal student loan payment pause, difficulty in hiring, delays in acquiring supplies, and increased availability of financial aid for higher education. We estimate the state can liquidate approximately \$14.6M via grant agreements and programs already implemented or in motion. CDD proposes applying the remaining ~\$3.8M funds to projects allowed by CCDF that support the successful implementation of Act 76 and/or align with the initial purposes already approved.

*The Department of Children and Families requests flexibility to spend down all remaining CCDF ARPA Discretionary funds for any allowed purposes within CCDF to ensure that these federal funds are fully liquidated.*

Top priority will be to support the completion of the CDD Information System (CDDIS) Module 1 and maximize state funding available for CDDIS Module 2. This will likely be between \$1.2M and \$2M based on the timing of expenses.

Second priority will be Readiness for Act 76 changes; this would likely be \$2M to \$3M. CDD will provide additional funding and resources to child care programs and/or staff at child care programs to support program quality, inclusion practices, and workforce development in preparation for growth anticipated in Act 76. CDD has identified the following projects that are administratively feasible and high priority are:

- ~\$800K for additional support and training for inclusion and family supports (i.e., increased Strengthening Families grants)
- ~\$1.2M for materials supporting program quality and achievement at higher levels in new STARS quality recognition and improvement system
- ~\$500K for resources and supports for early childhood education students seeking credentials and degrees via institutions of higher education serving Vermont students.

If we still anticipate being unable to spend all funds by September 30, 2024, CDD would award additional Act 76 Readiness Payments to child care programs before the liquidation period ends.



**CCDF ARPA Discretionary Funds (must be obligated by 9/30/23, spent by 9/30/24)**

Purpose	Budgeted	Spent by 9/15/23	Projected by 9/30/24	Notes
<b>Workforce Supports (approved to move funds within workforce projects with FY23 BAA)</b>				
TEACH Scholarship Program	900,000	656,378	2,000,000	Active program via VTAEYC, have increased degree types and scholarship levels, additional \$1.1M in funds from other workforce programs that are underspent
Prospective ECE Scholarship	1,200,000	108,957	108,957	Program sunsetted after one round because of mismatch between program rules and funding source plus limited interest when other scholarship programs available
Student Loan Repayment	5,100,000	535,094	1,800,000	Active program via VTAEYC, lower spending due to federal student loan payment pause, anticipating ramp up in October 2023
ECE Pre-Apprenticeship	300,000	0	150,000	Active program via VTAEYC, no APRA spending to date as program used pre-existing funding not spent due to COVID precautions in schools
<b>Capacity-building</b>				
Capacity-building grants (Infant Toddler, Afterschool)	5,400,000	3,074,526	5,400,000	Active grant programs being run by Let's Grow Kids, First Children's Finance, and Vermont Afterschool; additional grant funds awarded from regular CCDF as well
Business Technical Assistance Program	1,000,000	236,371	1,000,000	Awarded to First Children's Finance in January 2023
<b>Supports for Inclusion and Quality</b>				
Special Accommodation Grants	1,000,000	341,770	1,200,000	Actively awarding grants and spending, grant process streamlined as of February 2023 to allow for quicker approvals
SPARQS (Quality Coaching)	2,500,000	553,832	2,000,000	Awarded to VTAEYC in May 2023; projection lower than budget due to program ramp up
Administrative	639,732	675,000	900,000	Staffing costs ahead of estimate, need for an additional year
<b>Totals</b>	<b>18,339,732</b>	<b>6,181,928</b>	<b>14,573,128</b>	
<b>BALANCE</b>			<b>3,780,775</b>	

