

# Vermont Child Care Financial Assistance Co-Payment Survey

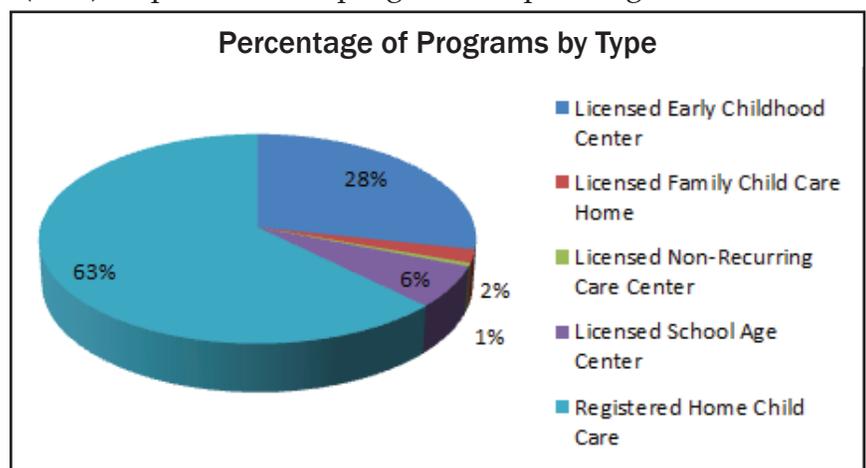
## March 2013

In March of 2013 regulated<sup>1</sup> child care programs in Vermont were surveyed about charging families receiving financial assistance the difference between the child care rates for care and what child care financial assistance pays (this difference is referred to as a co-payment). The survey was distributed directly to the programs through the email address on record at the Vermont Department for Children and Families, Child Development Division's child care system called Bright Futures Information System (BFIS). The programs were asked six questions about their program:

- What type of program they operated
- How many children currently were enrolled
- How many children receiving child care financial assistance were currently enrolled
- What they charge for services
- If they charge a co-payment to families eligible for child care financial assistance
- If they offer any financial assistance to families

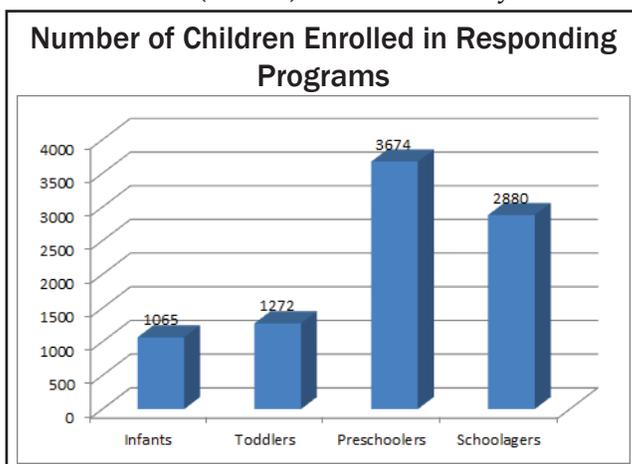
### Who Responded:

Of the 1384 programs that were surveyed, 388 (28%) responded. The programs responding included 243 registered home programs, 110 licensed early childhood programs, 25 licensed school age programs, and 8 licensed homes. Due to the small number of non-recurring care programs responding and available to respond to this survey this type of program is excluded from the program specific data in this report. However they are included in the statewide data reported.



### Demographics of Responding Programs:

The programs responding to the survey currently have 8891 children enrolled in their programs. Of those children 2615 (29.4%) were currently receiving child care financial assistance. A variety of formats were used by programs for their rates. The range for full time care was from \$65 dollars per week to \$480 per week, and part time ranged from \$2.50 per hour to \$4000 per year. To determine if the price charged for services had an impact on the co-payment the amounts charged were standardized at 40 hours per week for full time care (if full time care was available). School age programs typically charged a part time daily or weekly rate. These rates were standardized based on an assumption that children could attend the program five days per week.



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## Do Programs Charge Families a Co-Payment?

When the programs were asked the question: “Do you charge families the difference between what child care financial assistance (subsidy) pays for their child’s care and what you charge (co-payment)?”

- 226 (58.2%) programs responded yes
- 107 (27.6%) programs responded usually with some exceptions
- 55 (14.2%) programs responded no

Descriptions of exceptions to charging the families the co-payment include (in order by the amount of programs indicating the exception from most to least):

- Work with the family to determine what they truly can afford for a co-payment
- Have a sliding fee scale
- If the co-payment is less than \$5 the families does not need to pay
- Only charges the co-payment when the family uses the program for more hours than what child care financial assistance covers.
- Families at 100% of the financial assistance level do not pay the co-payment
- Families under 100% of financial assistance can apply for a scholarship through the program
- Only charge co-payments during the summer (school age program)
- Families in high need can trade services, such as cleaning or repairs, for some co-payment
- Families eligible for the food program receive a scholarship to cover their copayment and/or tuition
- Any child receiving specialized child care child care financial assistance the program uses the 7% additional child care financial assistance amount and applies it to the family’s co-payment

“I keep my rates a little lower so I can provide quality learning opportunities to any child regardless of their parents income.”

*Registered Home Program*

Typically programs charging under \$100 per week did not charge families a co-payment (92.3% of programs). Once the program’s rate was above \$100 there was no significant difference in what programs charged families a co-payment. In school age programs the program’s rates had not impact on families being charged a co-payment.

The size of the program does not seem to have a significant impact on if a program charges families a co-payment or offers other financial support.

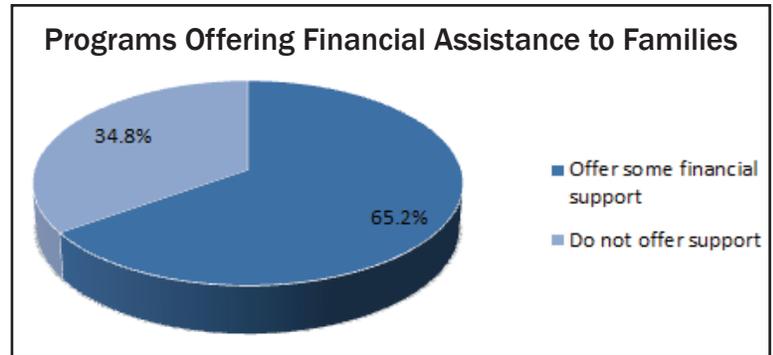
“We consistently try to secure other funding to help support families receiving subsidy for full-time care that does not meet our tuition cost. To date, we do not charge them a co-payment but this is getting more and more difficult for our organization to afford.”

*Licensed Early Childhood Program*

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## Additional Financial Supports Programs Provide to Families

The programs had the opportunity to provide additional information. We asked if they provided additional financial supports. Many programs (including those collecting co-payments) indicated that they try to work with families, especially those with extreme hardships and may not charge the full co-payment or may work out another way of payment, such as trading services for tuition. In addition many programs offered some sort of financial support such as scholarships, sibling discounts, sliding fee scales, employee discounts and more.



“In order to make my own bills, I need to be paid in full.”

*Registered Home Program*

to support a scholarship fund. Only 34.8% (135) programs responded that they do not provide any financial support to at least some families.

253 (65.2%) of the programs indicated that they provide support to families to pay for child care. Some supports provided include:

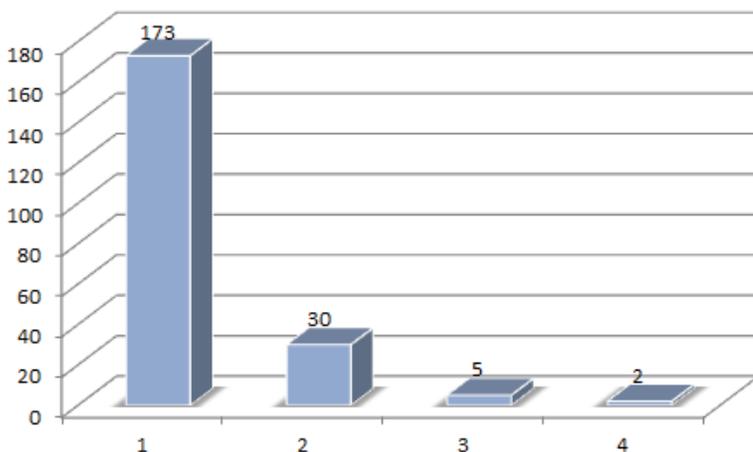
- Not charging the family the financial assistance co-payment;
- Negotiating a lower co-payment,
- Offering scholarships or discounts; or
- Other financial supports.

Some programs receive external support for families including public school funding as part of a public preschool in a school or as a partner; and Strengthening Families Grant through the Child Development Division (CDD). Several programs indicated that they do fundraising or apply for grants each year

“We are not able to [provide financial support or discounts] for financial reasons.”

*Licensed Early Childhood Program*

**Number of Programs Offering Financial Support to Families by the Number of Different Supports Offered**



Programs that indicated they offered financial supports indicated that these supports were for all families and not only for families receiving child care financial assistance. Many programs offered at least one type of financial support for families while some offered up to 4 different types of financial support.

Many of the programs that indicated they do not provide financial supports to families stated that they had done so in the past; wanted to offer support but didn't have the resources; or simply could not afford to offer supports without taking a loss that would hurt their business and/or family.

**Chart of Number of Programs Offering Financial Support to Families  
By Program and Financial Support Type**

Program Type	Scholarship	Sibling Discount	Sliding Fee Scale	Employee Discount	Other Financial Support	Public School or PreK Partnership	Trade Tuition for Services	No Financial Supports Available
Licensed Early Childhood Program	23	28	7	7	26	13	2	24
Licensed Family Child Care Home	0	1	0	0	2	0	1	4
Licensed School Age Program	3	2	2	0	16	1	0	2
Registered Home	3	74	5	0	35	0	1	103

**Summary**

Although there is a wide range of child care rates and options available to families, many of those programs are financially subsidizing the program by offering families financial supports or not charging families the difference between financial assistance and their rate. 14.2% of programs do not charge a co-payment to any family receiving child care financial assistance, and an additional 27.6% only charge under some circumstances.

Many programs (65.2%) that do charge or usually charge parents the co-payment offer additional supports and work with families to determine payments that are affordable. The majority of the financial supports programs provide reduce the income of the business. This limits the resources of the program to pay staff, buy supplies or financially support other quality improvements to their program.

<sup>1</sup> Regulated child care programs include registered homes, licensed early childhood programs, licensed school age programs, licensed non-recurring programs, and licensed family child care homes. Regulated does not include any providers that are exempt from licensing.