



AGENCY OF HUMAN SERVICES

Department for Children and Families  
Commissioner's Office 5 North  
103 South Main Street  
Waterbury, VT 05671-5920  
(802) 241-2100 Fax (802) 241-2980  
[www.dcf.state.vt.us](http://www.dcf.state.vt.us)

MEMO

To: Child Care Support Agency Directors  
Child Care Subsidy Specialists  
Child Care Advisory Board  
Economic Services Division District Directors  
Family Services Division District Directors  
AHS Field Directors

From: Steve Dale, DCF Commissioner

Re: Changes to Child Care Subsidy Co-Payment Policies

Date: December 11, 2008

As you are all aware, our nation and our state are facing very difficult economic times which are having a negative impact on most budgets. The child care subsidy budget is no exception. While the number of families utilizing assistance through the subsidy program is not significantly growing, the costs are. This is due in part to more families using providers who are nationally accredited or are in the STARS program. It is also being impacted to a large degree by the number of families who are requesting and receiving variances for co-payment assistance in order for them to secure their child arrangement and participate in the workforce. The growth in this latter category is resulting in a substantial cost overrun in the CDD subsidy budget, and it is not sustainable. Therefore we must discontinue the practice of CDD paying the difference between the state subsidy rate and the full rate the provider charges.

At this time, we will not be approving any additional variances for co-payments. This change applies to all families regardless of their service need. The only exception will be for children who are in foster care. Over the next several weeks the Administration and Legislature will be assessing the overall financial status of the state and making decisions on how to reduce government spending. At that time we will know how broadly we may also need to apply the disallowance of variances for co-payments for those families currently receiving co-payment assistance.

We are fully aware of the serious impact this change will have on many families and their ability to obtain and retain appropriate child care arrangements for their children. We also understand the potential impact on child care programs. We regret having to take this step but it is necessary in order to manage the child care subsidy budget within the appropriated allocation. Thank you for your understanding. Please direct questions to Carmen Mentasti, Child Care Subsidy Director at [carmen.mentasti@ahs.state.vt.us](mailto:carmen.mentasti@ahs.state.vt.us) or 241-3108 or Kim Keiser, Deputy Commissioner at [kim.keiser@ahs.state.vt.us](mailto:kim.keiser@ahs.state.vt.us) or 241-4690.