

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred Senate Bill No.
3 56 entitled “An act relating to child care and early childhood education”
4 respectfully reports that it has considered the same and recommends that the
5 House propose to the Senate that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Legislative Intent * * *

8 Sec. 1. LEGISLATIVE INTENT

9 It is the intent of the General Assembly that investments in and policy
10 changes to Vermont’s child care and early learning system shall:

11 (1) increase access to and the quality of child care services and
12 afterschool and summer programs throughout the State;

13 (2) increase equitable access to and quality of prekindergarten education
14 for children four years of age;

15 (3) provide financial stability to child care programs;

16 (4) stabilize Vermont’s talented child care workforce;

17 (5) address the workforce needs of the State’s employers;

18 (6) maintain a mixed-delivery system for prekindergarten, child care,
19 and afterschool and summer care; and

20 (7) assign school districts with the responsibility of ensuring equitable
21 prekindergarten access for children who are four years of age on the date by

1 which the child’s school district requires kindergarten students to have attained
2 five years of age or who are five years of age and not yet enrolled in
3 kindergarten.

4 * * * Prekindergarten * * *

5 Sec. 2. PREKINDERGARTEN EDUCATION IMPLEMENTATION
6 COMMITTEE; PLAN

7 (a) Creation. There is created the Prekindergarten Education
8 Implementation Committee to assist the Agency of Education in improving
9 and expanding accessible, affordable, and high-quality prekindergarten
10 education for children on a full-day basis on or before July 1, 2026. The
11 prekindergarten program under consideration would require a school district to
12 provide prekindergarten education to all children within the district in either a
13 public school or by contract with private providers, or both. As used in this
14 section, “child” or “children” means a child or children who are four years of
15 age on the date by which the child’s school district requires kindergarten
16 students to have attained five years of age or who are five years of age and not
17 yet enrolled in kindergarten, unless otherwise specified.

18 (b)(1) Membership. The Committee shall be composed of the following
19 members:

20 (A) the Secretary of Education or designee, who shall serve as co-
21 chair;

1 (B) the Secretary of Human Services or designee, who shall serve as

2 co-chair;

3 (C) the Executive Director of the Vermont Principals' Association or

4 designee;

5 (D) the Executive Director of the Vermont Superintendents

6 Association or designee;

7 (E) the Executive Director of the Vermont School Board Association

8 or designee;

9 (F) the Executive Director of the Vermont National Education

10 Association or designee;

11 (G) the Chair of the Vermont Council of Special Education

12 Administrators or designee;

13 (H) the Executive Director of the Vermont Curriculum Leaders

14 Association or designee;

15 (I) the Executive Director of Building Bright Futures or designee;

16 (J) a representative of a prequalified private provider as defined in 16

17 V.S.A. § 829, operating a licensed center-based child care and preschool

18 program, appointed by the Speaker of the House;

19 (K) a representative of a prequalified private provider as defined in

20 16 V.S.A. § 829, providing prekindergarten education at a regulated family

21 child care home, appointed by the Committee on Committees;

1 (L) the Head Start Collaboration Office Director or designee;
2 (M) the Executive Officer of Let’s Grow Kids or designee;
3 (N) a representative, appointed by Vermont Afterschool, Inc.; and
4 (O) two family representatives, one with a child three years of age or
5 younger when the Committee initially convenes and the second with a
6 prekindergarten-age child when the Committee initially convenes, appointed
7 by the Building Bright Futures Council.

8 (2) The Committee shall consult with any stakeholder necessary to
9 accomplish the purposes of this section, including stakeholders with
10 perspectives specific to diversity, equity, and inclusion.

11 (c) Powers and duties. The Committee shall examine the delivery of
12 prekindergarten education in Vermont and make recommendations to expand
13 access for children through the public school system or private providers under
14 contract with the school district, or both. The Committee shall examine and
15 make recommendations on the changes necessary to provide prekindergarten
16 education to all children by or through the public school system on or before
17 July 1, 2026, including transitioning children who are three years of age from
18 the 10-hour prekindergarten benefit to child care and early education. The
19 Committee’s recommendation shall consider the needs of both the State and
20 local education agencies.

1 (d) Assistance. The Committee shall have the administrative, technical,
2 fiscal, and legal assistance of the Agencies of Education and of Human
3 Services. If the Agencies are unable to provide the Committee with adequate
4 support to assist with its administrative, technical, fiscal, or legal needs, then
5 the Agency of Education shall retain a contractor with the necessary expertise
6 to assist the Committee.

7 (e) Report. On or before December 1, 2024, the Committee shall submit a
8 written report to the House Committees on Education and on Human Services
9 and the Senate Committees on Education and on Health and Welfare with its
10 implementation plan based on the analysis conducted pursuant to subsection
11 (c) of this section. The report shall include draft legislative language to
12 support the Committee's plan.

13 (f) Meetings.

14 (1) The Secretary of Education or designee shall call the first meeting of
15 the Committee to occur on or before July 15, 2023.

16 (2) A majority of the membership shall constitute a quorum.

17 (3) The Committee shall cease to exist on February 1, 2025.

18 (g) Compensation and reimbursement. Members of the Committee who
19 are not employees of the State of Vermont and who are not otherwise
20 compensated or reimbursed for their attendance shall be entitled to per diem
21 compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010

1 for not more than 18 meetings. These payments shall be made from monies
2 appropriated to the Agency of Education.

3 (h) Appropriations.

4 (1) The sum of \$7,500.00 is appropriated to the Agency of Education
5 from the General Fund in fiscal year 2024 for per diem compensation and
6 reimbursement of expenses for members of the Committee.

7 (2) The sum of \$100,000.00 is appropriated to the Agency of Education
8 from the General Fund in fiscal year 2024 for the cost of retaining a contractor
9 as provided under subsection (d) of this section.

10 (3) Any unused portion of these appropriations shall, as of July 1, 2025,
11 revert to the General Fund.

12 Sec. 3. 16 V.S.A. § 4010 is amended to read:

13 § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP

14 AND PER PUPIL EDUCATION SPENDING

15 * * *

16 (d) Determination of weighted long-term membership. For each weighting
17 category except the small schools weighting category under subdivision (b)(3)
18 of this section, the Secretary shall compute the weighting count by using the
19 long-term membership, as defined in subdivision 4001(7) of this title, in that
20 category.

1 (1) The Secretary shall first apply grade level weights. Each pupil
2 included in long-term membership from subsection (b) of this section shall
3 count as one, multiplied by the following amounts:

4 (A) ~~prekindergarten—negative 0.54; [Repealed.]~~

5 (B) grades six through eight—0.36; and

6 (C) grades nine through 12—0.39.

7 * * *

8 * * * Agency of Education * * *

9 Sec. 4. PLAN; DEPUTY SECRETARY OF EDUCATION

10 On or before November 1, 2025, the Agency of Education shall submit a
11 plan to the House Committees on Education and on Human Services and to the
12 Senate Committees on Education and on Health and Welfare to implement a
13 second deputy secretary position or commissioner position within the Agency
14 of Education for the purpose of elevating early education and special education
15 within the Agency in accordance with the report produced pursuant to 2021
16 Acts and Resolves No, 45, Sec. 13. The plan shall achieve greater parity in
17 decision-making authority, roles and responsibilities, and reporting structure
18 related to prekindergarten education across the Agency and Department for
19 Children and Families.

1 * * * Child Care and Child Care Subsidies * * *

2 Sec. 5. 33 V.S.A. § 3512 is amended to read:

3 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

4 ELIGIBILITY

5 (a)(1) The Child Care Financial Assistance Program is established to
6 subsidize, to the extent that funds permit, the costs of child care for families
7 that need child care services in order to obtain employment, to retain
8 employment, or to obtain training leading to employment. Families seeking
9 employment shall be entitled to participate in the Program for up to three
10 months and the Commissioner may further extend that period.

11 (2) The subsidy authorized by this subsection and the corresponding
12 family contribution shall be established by the Commissioner, by rule, and
13 shall bear a reasonable relationship to income and family size. The
14 Commissioner may adjust the subsidy and family contribution by rule to
15 account for increasing child care costs not to exceed 1.5 times the most recent
16 annual increase in the NAICS code 611, Educational Services. Families shall
17 be found eligible using an income eligibility scale based on the current federal
18 poverty level and adjusted for the size of the family. Co-payments shall be
19 assigned to the whole family and shall not increase if more than one eligible
20 child is enrolled in child care. Families with an annual gross income of less
21 than or equal to 150 percent of the current federal poverty guidelines shall not

1 have a family co-payment. Families with an annual gross **income up to and**
2 **including 350 not to exceed 550** percent of current federal poverty guidelines,
3 adjusted for family size, shall be eligible for a subsidy authorized by the
4 subsection. The scale shall be structured so that it encourages employment. If
5 the federal poverty guidelines decrease in a given year, the Division shall
6 maintain the previous year's federal poverty guidelines for the purpose of
7 determining eligibility and benefit amount under this subsection.

8 (3) Earnings deposited in a qualified child education savings account,
9 such as the Vermont Higher Education Investment Plan, established in
10 16 V.S.A. § 2877, or any similar plan qualified under 26 U.S.C. § 529, shall be
11 disregarded in determining the amount of a family's income for the purpose of
12 determining continuing eligibility.

13 (4) ~~After September 30, 2021, a~~ A regulated center-based child care
14 program or family child care home as defined by the Department in rule shall
15 not receive funds pursuant to this subsection that are in excess of the usual and
16 customary rate for services at the center-based child care program or family
17 child care home.

18 * * *

19 **Sec. 5a. 33 V.S.A. § 3512 is amended to read:**

20 **§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;**

21 **ELIGIBILITY**

1 (a)(1) The Child Care Financial Assistance Program is established to
2 subsidize, to the extent that funds permit, the costs of child care for families
3 that need child care services in order to obtain employment, to retain
4 employment, or to obtain training leading to employment. Families seeking
5 employment shall be entitled to participate in the Program for up to three
6 months and the Commissioner may further extend that period.

7 * * *

8 (5) The Department shall ensure that applications for the Child Care
9 Financial Assistance Program use a simple, plain-language format.
10 Applications shall be available in both electronic and paper formats and
11 comply with the Office of Racial Equity’s 2023 Language Access Report.

12 (6) A Vermont resident who has a citizenship status that would
13 otherwise exclude the resident from participating in the Child Care Financial
14 Assistance Program shall be served under this Program, provided that the
15 benefit for these residents is solely State-funded. The Department shall not
16 retain data on the citizenship status of any applicant or participant once a child
17 is no longer participating in the program, and it shall not request the citizenship
18 status of any members of the applicant’s or participant’s family. Any records
19 created pursuant to this subsection shall be exempt from public inspection and
20 copying under the Public Records Act.

21 * * *

1 Sec. 5b. FISCAL YEAR 2024; FAMILY CONTRIBUTION

2 In fiscal year 2024, a weekly family contribution for participants in the
3 Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and
4 3513 shall begin at \$27.00 for families at 151 percent of the federal poverty
5 level and increase progressively for families at a higher percentage of the
6 federal poverty level as determined by the Department.

7 Sec. 6. PROVIDER RATE ADJUSTMENT; CHILD CARE FINANCIAL
8 ASSISTANCE PROGRAM

9 (a) It is the intent of the General Assembly that the provider rate
10 adjustment established in this section shall be utilized to begin implementing
11 the recommendations for a professional pay scale as examined in Sec. 15 of
12 this act.

13 (b)(1) On January 1, 2024, the Department for Children and Families shall
14 provide an adjustment to the base child care provider reimbursement rates in
15 the Child Care Financial Assistance Program for child care services provided
16 by center-based child care and preschool programs, family child care homes,
17 and afterschool and summer programs. The adjusted reimbursement rate shall
18 account for the age of the children served and be 38.5 percent higher than the
19 fiscal year 2023 five-STAR reimbursement rate in the Vermont STARS system
20 or higher in the case of family child care homes for the purpose of reducing the
21 differential between family child care homes and center-based child care and

1 preschool programs by 50 percent. All providers in the same child care setting
2 category shall receive an identical reimbursement rate payment, which shall be
3 dependent upon whether the provider operates a regulated child care center and
4 preschool program, regulated family child care home, or afterschool or
5 summer program.

6 (2) The provider rate adjustment established in this section shall become
7 part of the base budget in future fiscal years.

8 Sec. 7. APPROPRIATION; CHILD CARE FINANCIAL ASSISTANCE
9 PROGRAM

10 (a) In addition to fiscal year 2024 funds appropriated for the Child Care
11 Financial Assistance Program in other acts, in fiscal year 2024, \$48,699,264.00
12 is appropriated from the General Fund to the Department for Children and
13 Families' Child Development Division for:

14 (1) the program eligibility expansion in Sec. 5 of this act; and

15 (2) the fiscal year 2024 provider rate adjustment in Sec. 6 of this act.

16 (b)(1) In addition to fiscal year 2024 funds appropriated for the
17 administration of the Department for Children and Families' Child
18 Development Division in other acts, in fiscal year 2024, \$4,000,000.00 is
19 appropriated from the General Fund to the Division to administer adjustments
20 to the Child Care Financial Assistance Program required by this act through

1 the authorization of the following 11 new permanent classified positions within
2 the Division:

3 (A)

4 (B)

5 (C)

6 (D)

7 (E)

8 (F)

9 (G)

10 (H)

11 (I)

12 (J)

13 (K)

14 (2) The Division shall allocate at least \$2,000,000.00 of the amount
15 appropriated in this subsection to the Community Child Care Support
16 Agencies.

17 Sec. 8. READINESS PAYMENTS; CHILD CARE FINANCIAL
18 ASSISTANCE PROGRAM

19 (a)(1) In fiscal year 2024, \$18,873,235.00 is appropriated one time from
20 the General Fund to the Department for Children and Families' Child
21 Development Division for the purpose of providing payments to child care

1 providers, as defined in 33 V.S.A. § 3511, delivering child care services to
2 children, in preparation of the Child Care Financial Assistance Program
3 eligibility expansion in Sec. 5 of this act and for the fiscal year 2024 provider
4 rate adjustment in Sec. 6 of this act. Readiness payments may be used for **the**
5 **following:**

6 **(A) increasing capacity for infants and toddlers;**

7 **(B) expanding the number of family child care homes;**

8 **(C) improving child care facilities;**

9 **(D) preparing private prequalified providers for future changes in the**
10 **prekindergarten system;**

11 **(E) increasing workforce capacity, including signing and retention**
12 **bonuses; and**

13 **(F) any other uses approved by the Commissioner.**

14 (2) Of the funds appropriated in subdivision (1) of this subsection, up to
15 five percent may be used to contract with a third party to provide technical
16 assistance to child care providers to build or maintain capacity and to provide
17 information on the opportunities and requirements of this act.

18 (b) In administering the readiness payment program established by this
19 section, the Division may either use the same distribution framework used to
20 distribute Child Care Development Block Grant funds in accordance with the

1 American Rescue Plan Act of 2021 or it may utilize an alternative distribution
2 framework.

3 (c) The Commissioner shall provide a status report on the distribution of
4 readiness payments to the Joint Fiscal Committee at its November 2023
5 meeting.

6 Sec. 9. 33 V.S.A. § 3514 is amended to read:

7 § 3514. PAYMENT TO PROVIDERS

8 (a)(1) The Commissioner shall establish a payment schedule for purposes
9 of reimbursing providers for full- or part-time child care services rendered to
10 families who participate in the programs established under section 3512 or
11 3513 of this title. Payments established under this section shall reflect the
12 following considerations: whether the provider operates a licensed child care
13 facility or a registered family child care home, type of service provided, cost of
14 providing the service, and the prevailing market rate for comparable service.
15 The payment schedule shall account for the age of the children served, and all
16 providers in the same child care setting category shall receive a reimbursement
17 rate payment, which shall be dependent upon whether the provider operates a
18 child care center and preschool program, family child care home, or
19 after-school or summer program. The rate used to reimburse providers shall be
20 increased over the previous year's rate annually on July 1 in alignment with the

1 most recent annual average wage growth for NAICS code 611, Educational
2 Services, not to exceed five percent.

3 (2) Payments shall be based on enrollment status or any other basis
4 agreed to by the provider and the Division. The Department, in consultation
5 with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to
6 3 V.S.A. chapter 25 that define “enrollment” and the total number of allowable
7 absences to continue participating in the Child Care Financial Assistance
8 Program. The Department shall minimize itemization of absence categories.

9 (b) The Commissioner may establish a separate payment schedule for child
10 care providers who have received specialized training, approved by the
11 Commissioner, relating to protective or family support services.

12 ~~(c)(1) The payment schedule established by the Commissioner may~~
13 ~~reimburse providers in accordance with the results of the most recent Vermont~~
14 ~~Child Care Market Rate Survey.~~

15 ~~(2) The payment schedule shall include reimbursement rate caps tiered~~
16 ~~in relation to provider ratings in the Vermont STARS program. The lower limit~~
17 ~~of the reimbursement rate caps shall be not less than the 50th percentile of all~~
18 ~~reported rates for the same provider setting in each rate category. [Repealed.]~~

19 Sec. 10. 33 V.S.A. § 3515 is added to read:

20 § 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE

21 PROGRAM

1 (a) The Commissioner shall establish a child care quality and capacity
2 incentive program for child care providers participating in the Child Care
3 Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513.
4 Annually, consistent with funds appropriated for this purpose, the
5 Commissioner may provide a child care provider with an incentive payment
6 for the following achievements:

7 (1) achieving a higher level in the quality rating and improvement
8 system, including increasing access to and provision of culturally competent
9 care and multilingual programming and providing other family support
10 services similar to those provided in approved Head Start programs;

11 (2) increasing infant and toddler capacity;

12 (3) maintaining existing infant and toddler capacity;

13 (4) establishing capacity in regions of the State that are identified by the
14 Commissioner as underserved;

15 (5) completing a Commissioner-approved training on protective or
16 family support services; and

17 (6) other quality- or capacity-specific criteria identified by the
18 Commissioner.

19 (b) The Commissioner shall maintain a current incentive payment schedule
20 on the Department’s website.

21 Sec. 11. 33 V.S.A. § 3516 is added to read:

1 § 3516. CHILD CARE WAITLIST AND APPLICATION FEES

2 A child care provider shall not charge an application or waitlist fee for child
3 care services where the applying child qualifies for the Child Care Financial
4 Assistance Program pursuant to section 3512 or 3513 of this title. A child care
5 provider shall reimburse an individual who is charged an application or waitlist
6 fee for child care services if it is later determined that the applying child
7 qualified for the Child Care Financial Assistance Program at the time the fee or
8 fees were paid.

9 Sec. 12. 33 V.S.A. § 3517 is added to read:

10 § 3517. CHILD CARE TUITION RATES

11 A child care provider shall not impose an increase on annual child care
12 tuition that exceeds 1.5 times the most recent annual increase in the NAICS
13 code 611, Educational Services. This amount shall be posted on the
14 Department's website annually.

15 Sec. 12a. 33 V.S.A. § 3518 is added to read:

16 § 3518. DIVERSITY, EQUITY, AND INCLUSION

17 The Department shall consult with the Office of Racial Equity in preparing
18 all public materials and trainings related to the Child Care Financial Assistance
19 Program.

20 Sec. 13. RULEMAKING; CHILD CARE DIRECTORS

1 The Department for Children and Families shall amend the following rules
2 pursuant to 3 V.S.A. chapter 25 to require that a child care director is present at
3 the child care facility that the director operates at least 40 percent of the time
4 that children are present:

5 (1) Department for Children and Families, Licensing Regulations for
6 Afterschool and Child Care Programs (CVR 13-171-003);

7 (2) Department for Children and Families, Licensing Regulations for
8 Center-Based Child Care and Preschool Programs (CVR 13-171-004); and

9 (3) Department for Children and Families, Child Care Licensing
10 Regulations; Registered and Licensed Family Child Care Homes (CVR 13-
11 171-005).

12 * * * Reports * * *

13 **Sec. 14. REPORT; BACKGROUND CHECKS**

14 On or before January 15, 2024, the Vermont Crime Information Center, in
15 collaboration with the Agency of Education and the Department for Children
16 and Families, shall submit a report to the House Committee on Human
17 Services and to the Senate Committee on Health and Welfare providing a
18 recommendation to streamline and improve the timeliness of the background
19 check process for child care and early education providers who are required to
20 complete two separate background checks.

21 **Sec. 15. PROVIDER COMPENSATION; ESTIMATE AND ANALYSIS**

1 (a) On or before November 1, 2024, the Joint Fiscal Office, in consultation
2 with the Department for Children and Families and the Vermont Association
3 for the Education of Young Children, shall submit a report to the House
4 Committee on Human Services and to the Senate Committee on Health and
5 Welfare containing a fiscal estimate of the cost of implementing a professional
6 tiered system of compensation for the child care workforce using total costs of
7 care estimates.

8 (b) On or before November 1, 2024, the Office of Legislative Counsel shall
9 submit a report to the House Committee on Human Services and to the Senate
10 Committee on Health and Welfare concerning the extent to which the State is
11 authorized to impose a compensation scale on private child care providers for
12 professionals providing child care services.

13 * * * Special Accommodations Grant * * *

14 Sec. 16. PLAN; SPECIAL ACCOMMODATIONS GRANT

15 On or before July 1, 2024, the Department for Children and Families' Child
16 Development Division, in consultation with stakeholders, shall develop and
17 submit an implementation plan to the House Committee on Human Services
18 and to the Senate Committee on Health and Welfare to streamline and improve
19 the responsiveness and effectiveness of the application process for special
20 accommodation grants, including:

1 (1) implementing a 12-month or longer grant cycle option for eligible
2 populations;

3 (2) improving support and training for providing inclusive care for
4 children with special needs;

5 (3) determining how to better meet the early learning needs of children
6 with disabilities within a child care setting; and

7 (4) any other considerations the Department deems essential to the goal
8 of streamlining the application process for special accommodation grants.

9 * * * Afterschool and Summer Care Grant Program * * *

10 Sec. 17. 33 V.S.A. chapter 38 is added to read:

11 **CHAPTER 38. AFTERSCHOOL AND SUMMER CARE GRANT**

12 **PROGRAM**

13 **§ 3801. AFTERSCHOOL AND SUMMER CARE GRANT PROGRAM**

14 (a) There is created the Afterschool and Summer Care Grant Program for
15 the purpose of providing grants for child and youth programming operated in
16 public or private settings outside of the school day and over the summer,
17 including before and after school, teacher in-service days, and school vacation
18 weeks. Grants may be used by an afterschool and summer care operator for
19 technical assistance, program implementation, program expansion, program
20 sustainability, and related costs.

1 **(b) In selecting from among eligible grant applicants, the Agency of**
2 **Education and the Department for Children and Families shall prioritize**
3 **applications that serve children and youth in underserved communities.**

4 **(c)(1) The Agency and Department shall jointly adopt policies, procedures,**
5 **and guidelines necessary for the implementation of the Program established**
6 **pursuant to this section.**

7 **(2) The Agency and Department may jointly contract for the**
8 **administration of the Program. Administrative costs and technical assistance**
9 **related to the Afterschool and Summer Care Grant Program shall not exceed**
10 **\$500,000.00 annually.**

11 **§ 3802. AFTERSCHOOL AND SUMMER CARE SPECIAL FUND**

12 **(a) There is established a special fund to be known as the Afterschool and**
13 **Summer Care Special Fund, which shall be used for the purpose of funding the**
14 **Afterschool and Summer Care Grant Program established pursuant to section**
15 **3801 of this title.**

16 **(b) The Fund shall be established and held separate and apart from any**
17 **other funds or monies of the State and shall be used and administered**
18 **exclusively for the purpose of this section. The money in the Fund shall be**
19 **invested in the same manner as permitted for the investment of funds**
20 **belonging to the State or held in the Treasury. The Fund shall consist of any**
21 **combination of the following:**

- 1 (1) cannabis sales tax revenue pursuant to 32 V.S.A. § 7910;
2 (2) such sums as may be appropriated or transferred thereto from time to
3 time by the General Assembly, the State Emergency Board, or the Joint Fiscal
4 Committee during such times as the General Assembly is not in session;
5 (3) interest earned from the investment of Fund balances; and
6 (4) any other money from any other source accepted for the benefit of
7 the Fund.

8 (c) The Fund shall be administered by the Afterschool and Summer Care
9 Special Fund Advisory Committee established pursuant to section 3803 of this
10 title.

11 (d) The Advisory Committee shall administer awards in such a way as to
12 comply with the requirements of Section 108(f) of the Internal Revenue Code.

13 § 3803. AFTERSCHOOL AND SUMMER CARE SPECIAL FUND

14 ADVISORY COMMITTEE

15 (a) There is created the Afterschool and Summer Care Special Fund
16 Advisory Committee jointly managed by the Agency of Education and the
17 Department for Children and Families to:

- 18 (1) provide recommendations to the Secretary of Education and the
19 Commissioner for Children and Families regarding the Afterschool and
20 Summer Care Grant Program established pursuant to section 3801 of this title;
21 and

1 (2) administer the Afterschool and Summer Care Special Fund
2 established pursuant to section 3802 of this title.

3 (b) The Advisory Committee shall comprise the following:

4 (1) the Chief Prevention Officer established in 3 V.S.A. § 2321, who
5 shall serve as chair;

6 (2) the Commissioner of Mental Health or designee;

7 (3) the Commissioner of Health or designee;

8 (4) the Commissioner for Children and Families or designee;

9 (5) the Secretary of Education or designee;

10 (6) a representative, appointed by Vermont Afterschool, Inc;

11 (7) a representative of a municipality that operates an afterschool or
12 summer program, appointed by the Vermont League of Cities and Towns; and

13 (8) two parents whose children participate in an afterschool or summer
14 program.

15 (c)(1) The Chief Prevention Officer shall call the first meeting of the
16 Advisory Committee to occur on or before September 1, 2023.

17 (2) The Advisory Committee shall meet at such times as may reasonably
18 be necessary to carry out its duties but at least once in each calendar quarter.

19 (3) The Agency of Education and Department for Children and Families
20 shall provide technical, legal, and administrative assistance to the Advisory
21 Committee.

1 (d) Notwithstanding 2 V.S.A. § 20(d), on or before November 15 of each
2 year, the Advisory Committee shall submit a report containing a summary of
3 its activities and any recommendations to the House Committees on
4 Appropriations and on Human Services and to the Senate Committees on
5 Appropriations and on Health and Welfare. The report shall address outcomes
6 data on grants awarded pursuant to section 3801 of this title during the
7 previous year, including:

8 (1) the number of afterschool and summer care operators receiving a
9 grant under section 3801 of this title;

10 (2) the number of children and youth served and hours of care provided
11 by afterschool and summer care operators receiving a grant under section 3801
12 of this title;

13 (3) the geographic distribution of afterschool and summer care operators
14 receiving a grant under section 3801 of this title; and

15 (4) the extent to which family costs are reduced for the care of children
16 and youth served by afterschool and summer care operators receiving a grant
17 under section 3801 of this title.

18 Sec. 18. 32 V.S.A. chapter 207 is amended to read:

19 CHAPTER 207. CANNABIS EXCISE TAX AND SALES TAX REVENUE

20 * * *

21 § 7910. CANNABIS SALES TAX REVENUE; AFTERSCHOOL AND

1 SUMMER CARE PROGRAMMING

2 Notwithstanding 16 V.S.A. § 4025, revenue from the sales and use tax
3 imposed by chapter 233 of this title on retail sales of cannabis or cannabis
4 products in this State shall be deposited into the Afterschool and Summer Care
5 Special Fund established pursuant to 33 V.S.A. § 3802.

6 * * * Workforce Supports * * *

7 Sec. 19. 2021 Acts and Resolves No. 45, Sec. 8 is amended to read:

8 Sec. 8. REPEALS

9 (a) ~~33 V.S.A. § 3541(d) (reference to student loan repayment assistance~~
10 ~~program) is repealed on July 1, 2026. [Repealed.]~~

11 (b) ~~33 V.S.A. § 3542 (scholarships for prospective early childhood~~
12 ~~providers) is repealed on July 1, 2026.~~

13 (c) ~~33 V.S.A. § 3543 (student loan repayment assistance program) is~~
14 ~~repealed on July 1, 2026. [Repealed.]~~

15 * * * Transitional Assistance and Governance * * *

16 Sec. 20. CHILD CARE; ADMINISTRATIVE SERVICE ORGANIZATIONS

17 On or before February 15, 2024, the Department for Children and Families
18 shall provide a presentation to the House Committee on Human Services and
19 to the Senate Committee on Health and Welfare regarding the feasibility of and
20 any progress towards establishing administrative service organizations for
21 child care providers.

1 Sec. 21. 33 V.S.A. § 4605 is added to read:

2 § 4605. TECHNICAL ASSISTANCE; ACCOUNTABILITY

3 In order ensure the successful implementation of expanded child care,
4 prekindergarten, and afterschool and summer care, Building Bright Futures
5 shall be responsible for monitoring accountability, supporting stakeholders in
6 collectively defining and measuring success, maximizing stakeholder
7 engagement, and providing technical assistance to build capacity for the
8 Department for Children and Families' Child Development Division and the
9 Agency of Education. Specifically, Building Bright Futures shall:

10 (1) ensure accountability through monitoring transitions over time and
11 submitting a report with the results of this work on January 15 of each year to
12 the House Committee on Human Services and to the Senate Committee on
13 Health and Welfare;

14 (2) define and measure success of expanded child care, prekindergarten,
15 and afterschool and summer care related to process, implementation, and
16 outcomes using a continuous quality improvement framework and engage
17 public, private, legislative, and family partners to develop benchmarks
18 pertaining to:

19 (A) equitable access to high-quality child care;

20 (B) equitable access to high-quality prekindergarten;

21 (C) equitable access to high-quality afterschool and summer care;

1 (D) stability of the early child care education workforce;

2 (E) workforce capacity and needs; and

3 (F) the impact of this act on a mixed-delivery system for

4 prekindergarten, child care, and afterschool and summer care.

5 **Sec. 21a. APPROPRIATION; BUILDING BRIGHT FUTURES**

6 Of the funds appropriated in Sec. 7(b) (appropriation; child care financial
7 assistance program) of this act, the Department for Children and Families shall
8 allocate \$266,707.00 to Building Bright Futures for the purpose of
9 implementing its duties under 33 V.S.A. § 4605. This amount shall become
10 part of the Department’s base for the purpose of supporting Building Bright
11 Future’s work pursuant to 33 V.S.A. § 4605.

12 **Sec. 22. PLAN; DEPARTMENT FOR CHILDREN AND FAMILIES;**

13 **GOVERNANCE**

14 (a) On or before November 1, 2025, the Secretary of Human Services shall
15 submit an implementation plan to the House Committees on Appropriations,
16 on Government Operations and Military Affairs, and on Human Services and
17 to the Senate Committees on Appropriations, on Government Operations, and
18 on Health and Welfare regarding the reorganization of the Department for
19 Children and Families to increase responsiveness to Vermonters and elevate
20 the status of child care and early education within the Agency of Human
21 Services. The implementation plan shall be consistent with the goals of the

1 report produced pursuant to 2021 Acts and Resolves No, 45, Sec. 13. It shall
2 achieve greater parity in decision-making authority, roles and responsibilities,
3 and reporting structure related to prekindergarten education across the Agency
4 of Education and Agency of Human Services.

5 (b) The implementation plan required pursuant to this section shall contain
6 any legislative language required for the division of the Department.

7 * * * Effective Dates * * *

8 Sec. 23. EFFECTIVE DATES

9 (a) Except as provided in subsection (b) of this section, this act shall take
10 effect on July 1, 2023.

11 (b)(1) Sec. 3 (determination of weighted long-term membership and per
12 pupil education spending) shall take effect on July 1, 2026.

13 (2) Sec. 5 (Child Care Financial Assistance Program; eligibility), Sec.
14 5b (fiscal year 2024; family contribution), Sec. 6 (provider rate adjustment;
15 Child Care Financial Assistance Program), and Sec. 9 (payment to providers)
16 shall take effect on January 1, 2024, except that the Commissioner for Children
17 and Families shall adopt any rules necessary prior to that date in order to
18 perform the Commissioner’s duties under this act.

19 (3) Sec. 5a (Child Care Financial Assistance Program; eligibility) and
20 Sec. 10 (child care quality and capacity incentive program) shall take effect on
21 July 1, 2024.

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(Committee vote: _____)

Representative _____

FOR THE COMMITTEE