

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 care 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; AGENCY OF EDUCATION LEADERSHIP

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 or commissioner position within the Agency of  
14 Education for the purpose of elevating the status of early education and special  
15 education within the Agency in accordance with the report produced pursuant  
16 to 2021 Acts and Resolves No. 45, Sec. 13. The plan shall achieve greater  
17 parity in decision-making authority, roles and responsibilities, and reporting  
18 structure related to early care and learning across the Agency and Department  
19 for 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 350 550 percent of current federal poverty guidelines, adjusted for  
3 family size, shall be eligible for a subsidy authorized by the subsection. The  
4 scale shall be structured so that it encourages employment. If the federal  
5 poverty guidelines decrease in a given year, the Division shall maintain the  
6 previous year's federal poverty guidelines for the purpose of determining  
7 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 shall  
11 comply with the Office of Racial Equity's most recent Language Access  
12 Report.

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

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

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

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

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

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

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

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

9 Sec. 7. APPROPRIATION; CHILD CARE FINANCIAL ASSISTANCE

10 PROGRAM

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

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

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

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

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

3 (A) business applications support manager;

4 (B) licensing field specialists;

5 (C) child care business technician;

6 (D) administrative service coordinator II;

7 (E) program integrity investigator; and

8 (F) grants and contracts manager—compliance.

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

12 Sec. 8. READINESS PAYMENTS; CHILD CARE FINANCIAL  
13 ASSISTANCE PROGRAM

14 (a)(1) In fiscal year 2024, \$18,873,235.00 is appropriated one time from  
15 the General Fund to the Department for Children and Families' Child  
16 Development Division for the purpose of providing payments to child care  
17 providers, as defined in 33 V.S.A. § 3511, delivering child care services to  
18 children, in preparation of the Child Care Financial Assistance Program  
19 eligibility expansion in Sec. 5 of this act and for the fiscal year 2024 provider  
20 rate adjustment in Sec. 6 of this act. Readiness payments may be used for the  
21 following:

- 1 (A) increasing capacity for infants and toddlers;
- 2 (B) expanding the number of family child care homes;
- 3 (C) improving child care facilities;
- 4 (D) preparing private prequalified providers for future changes in the
- 5 prekindergarten system;
- 6 (E) expanding hours of operation to provide full-day, full-week child
- 7 care services;
- 8 (F) increasing workforce capacity, including signing and retention
- 9 bonuses; and
- 10 (G) any other uses approved by the Commissioner.

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

15 (b) In administering the readiness payment program established by this  
16 section, the Division may either use the same distribution framework used to  
17 distribute Child Care Development Block Grant funds in accordance with the  
18 American Rescue Plan Act of 2021 or it may utilize an alternative distribution  
19 framework.

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

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

5        § 3514. PAYMENT TO PROVIDERS

6        (a)(1) The Commissioner shall establish a payment schedule for purposes  
7        of reimbursing providers for full- or part-time child care services rendered to  
8        families who participate in the programs established under section 3512 or  
9        3513 of this title. ~~Payments established under this section shall reflect the~~  
10       ~~following considerations: whether the provider operates a licensed child care~~  
11       ~~facility or a registered family child care home, type of service provided, cost of~~  
12       ~~providing the service, and the prevailing market rate for comparable service.~~  
13       ~~The payment schedule shall account for the age of the children served, and all~~  
14       ~~providers in the same child care setting category shall receive a reimbursement~~  
15       ~~rate payment, which shall be dependent upon whether the provider operates a~~  
16       ~~child care center and preschool program, family child care home, or~~  
17       ~~after-school or summer program. The rate used to reimburse providers shall be~~  
18       ~~increased over the previous year's rate annually in alignment with the most~~  
19       ~~recent annual average wage growth for NAICS code 611, Educational~~  
20       ~~Services, not to exceed five percent.~~

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

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

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

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

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

18          § 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE

19                   PROGRAM

20          (a) The Commissioner shall establish a child care quality and capacity  
21          incentive program for child care providers participating in the Child Care



1 Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513.

2 Annually, consistent with funds appropriated for this purpose, the

3 Commissioner may provide a child care provider with an incentive payment

4 for the following achievements:

5 (1) achieving a higher level in the quality rating and improvement

6 system, including increasing access to and provision of culturally competent

7 care and multilingual programming and providing other family support

8 services similar to those provided in approved Head Start programs;

9 (2) increasing infant and toddler capacity;

10 (3) maintaining existing infant and toddler capacity;

11 (4) establishing capacity in regions of the State that are identified by the

12 Commissioner as underserved;

13 (5) providing nonstandard hours of child care services;

14 (6) completing a Commissioner-approved training on protective or

15 family support services; and

16 (7) other quality- or capacity-specific criteria identified by the

17 Commissioner.

18 (b) The Commissioner shall maintain a current incentive payment schedule

19 on the Department's website.

20 **Sec. 10a. LEGISLATIVE INTENT; CHILD CARE QUALITY AND**

21 **CAPACITY INCENTIVE PROGRAM**

1 It is the intent of the General Assembly that in fiscal year 2025 and in future  
2 fiscal years, at least \$10,000,000.00 is appropriated for the child care quality  
3 and capacity incentive program established in 33 V.S.A. § 3515.

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

5 § 3516. CHILD CARE WAITLIST AND APPLICATION FEES

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

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

14 § 3517. CHILD CARE TUITION RATES

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

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

20 § 3518. DIVERSITY, EQUITY, AND INCLUSION

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

4        **Sec. 13. RULEMAKING; CHILD CARE DIRECTORS**

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

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

11               (2) Department for Children and Families, Licensing Regulations for  
12               Center-Based Child Care and Preschool Programs (CVR 13-171-004).

13        (b) The Department shall consider amending its rule prohibiting a  
14        person or entity registered or licensed to operate a family child care home from  
15        concurrently operating a center-based child care and preschool program or  
16        afterschool and summer care program.

17                        \* \* \* Reports \* \* \*

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

19        On or before January 15, 2024, the Vermont Crime Information Center, in  
20        collaboration with the Agency of Education and the Department for Children  
21        and Families, shall submit a report to the House Committee on Human

1 Services and to the Senate Committee on Health and Welfare providing a  
2 recommendation to streamline and improve the timeliness of the background  
3 check process for child care and early education providers who are required to  
4 complete two separate background checks.

5 Sec. 15. PROVIDER COMPENSATION; ESTIMATE AND ANALYSIS

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

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

18 \* \* \* Special Accommodations Grant \* \* \*

19 Sec. 16. PLAN; SPECIAL ACCOMMODATIONS GRANT

20 On or before July 1, 2024, the Department for Children and Families' Child  
21 Development Division, in consultation with stakeholders, shall develop and

1 submit an implementation plan to the House Committee on Human Services  
2 and to the Senate Committee on Health and Welfare to streamline and improve  
3 the responsiveness and effectiveness of the application process for special  
4 accommodation grants, including:

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

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

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

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

13 \* \* \* Afterschool and Summer Care Grant Program \* \* \*

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

15 CHAPTER 38. AFTERSCHOOL AND SUMMER CARE GRANT

16 PROGRAM

17 § 3801. AFTERSCHOOL AND SUMMER CARE GRANT PROGRAM

18 (a) There is created the Afterschool and Summer Care Grant Program for  
19 the purpose of providing grants for child and youth programming operated in  
20 public or private settings outside of the school day and over the summer,  
21 including before and after school, teacher in-service days, and school vacation

1 weeks. Grants may be used by an afterschool and summer care operator for  
2 technical assistance, program implementation, program expansion, program  
3 sustainability, and related costs.

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

7 (c)(1) The Agency and Department shall jointly adopt policies, procedures,  
8 and guidelines necessary for the implementation of the Program established  
9 pursuant to this section.

10 (2) The Agency and Department may jointly contract for the  
11 administration of the Program. Administrative costs and technical assistance  
12 related to the Afterschool and Summer Care Grant Program shall not exceed  
13 \$500,000.00 annually.

14 § 3802. AFTERSCHOOL AND SUMMER CARE SPECIAL FUND

15 (a) There is established a special fund to be known as the Afterschool and  
16 Summer Care Special Fund, which shall be used for the purpose of funding the  
17 Afterschool and Summer Care Grant Program established pursuant to section  
18 3801 of this title.

19 (b) The Fund shall be established and held separate and apart from any  
20 other funds or monies of the State and shall be used and administered  
21 exclusively for the purpose of this section. The money in the Fund shall be

1 invested in the same manner as permitted for the investment of funds  
2 belonging to the State or held in the Treasury. The Fund shall consist of any  
3 combination of the following:

4 (1) cannabis sales tax revenue pursuant to 32 V.S.A. § 7910;

5 (2) such sums as may be appropriated or transferred thereto from time to  
6 time by the General Assembly, the State Emergency Board, or the Joint Fiscal  
7 Committee during such times as the General Assembly is not in session;

8 (3) interest earned from the investment of Fund balances; and

9 (4) any other money from any other source accepted for the benefit of  
10 the Fund.

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

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

16 § 3803. AFTERSCHOOL AND SUMMER CARE SPECIAL FUND

17 ADVISORY COMMITTEE

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

1           (1) provide recommendations to the Secretary of Education and the  
2           Commissioner for Children and Families regarding the Afterschool and  
3           Summer Care Grant Program established pursuant to section 3801 of this title;  
4           and

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

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

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

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

11           (3) the Commissioner of Health or designee;

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

13           (5) the Secretary of Education or designee;

14           (6) the executive director of Building Bright Futures or designee;

15           (7) a representative, appointed by Vermont Afterschool, Inc;

16           (8) a representative of a municipality that operates an afterschool or  
17           summer program, appointed by the Vermont League of Cities and Towns; and

18           (9) two parents whose children participate in an afterschool or summer  
19           program, appointed by Vermont Afterschool, Inc.

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



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

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

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

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

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

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

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

4           (e) For attendance at meetings, members of the Advisory Committee not  
5           otherwise paid for participating in the meetings shall be entitled to per diem  
6           compensation and reimbursement of expenses as permitted under 32 V.S.A.  
7           § 1010. These payments shall be made from the Afterschool and Summer  
8           Care Special Fund.

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

10           CHAPTER 207. CANNABIS EXCISE TAX AND SALES TAX REVENUE

11                           \* \* \*

12           § 7910. CANNABIS SALES TAX REVENUE; AFTERSCHOOL AND  
13           SUMMER CARE PROGRAMMING

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

18                           \* \* \* Workforce Supports \* \* \*

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

20           Sec. 8. REPEALS

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

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

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

7 \* \* \* Transitional Assistance and Governance \* \* \*

8 Sec. 20. CHILD CARE; ADMINISTRATIVE SERVICE ORGANIZATIONS

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

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

15 § 4605. TECHNICAL ASSISTANCE; ACCOUNTABILITY

16 In order to ensure the successful implementation of expanded child care,  
17 prekindergarten, and afterschool and summer care, Building Bright Futures  
18 shall be responsible for monitoring accountability, supporting stakeholders in  
19 collectively defining and measuring success, maximizing stakeholder  
20 engagement, and providing technical assistance to build capacity for the

1 Department for Children and Families' Child Development Division and the  
2 Agency of Education. Specifically, Building Bright Futures shall:

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

7 (2) define and measure success of expanded child care, prekindergarten,  
8 and afterschool and summer care related to process, implementation, and  
9 outcomes using a continuous quality improvement framework and engage  
10 public, private, legislative, and family partners to develop benchmarks  
11 pertaining to:

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

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

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

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

16 (E) workforce capacity and needs of the child care, prekindergarten,  
17 afterschool and summer care systems; and

18 (F) the impact of this act on a mixed-delivery system for  
19 prekindergarten, child care, and afterschool and summer care.

20 Sec. 21a. APPROPRIATION; BUILDING BRIGHT FUTURES

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

7 Sec. 22. PLAN; DEPARTMENT FOR CHILDREN AND FAMILIES;

8 GOVERNANCE

9 (a) On or before November 1, 2025, the Secretary of Human Services shall  
10 submit an implementation plan to the House Committees on Appropriations,  
11 on Government Operations and Military Affairs, and on Human Services and  
12 to the Senate Committees on Appropriations, on Government Operations, and  
13 on Health and Welfare regarding the reorganization of the Department for  
14 Children and Families to increase responsiveness to Vermonters and elevate  
15 the status of child care and early education within the Agency of Human  
16 Services. The implementation plan shall be consistent with the goals of the  
17 report produced pursuant to 2021 Acts and Resolves No. 45, Sec. 13. It shall  
18 achieve greater parity in decision-making authority, roles and responsibilities,  
19 and reporting structure related to early care and learning across the Agency of  
20 Education and Agency of Human Services.

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

3 \* \* \* Effective Dates \* \* \*

4 Sec. 23. EFFECTIVE DATES

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

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

9 (2) Sec. 5 (Child Care Financial Assistance Program; eligibility), Sec.  
10 5b (fiscal year 2024; family contribution), Sec. 6 (provider rate adjustment;  
11 Child Care Financial Assistance Program), and Sec. 9 (payment to providers)  
12 shall take effect on January 1, 2024, except that the Commissioner for Children  
13 and Families shall initiate any rulemaking necessary prior to that date in order  
14 to perform the Commissioner’s duties under this act.

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

18  
19  
20  
21

1 (Committee vote: \_\_\_\_\_)

2

\_\_\_\_\_

3

Representative \_\_\_\_\_

4

FOR THE COMMITTEE