

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred Senate Bill No.
3 56 entitled “An act relating to child care and early education” respectfully
4 reports that it has considered the same and recommends that the House propose
5 to the Senate that the report of the Committee on Human Services, as amended
6 by the Committee on Education, be further amended as follows:

7 First: In Sec. 5, 33 V.S.A. § 3512, subdivision (a)(1), in the first sentence,
8 by inserting before the period “, including subsidizing care to the fullest extent
9 necessary to ensure that families are able to meet their individualized
10 professional goals”

11 Second: In Sec. 5a, 33 V.S.A. § 3512, in subdivision (a)(1), in the first
12 sentence, by inserting before the period “, including subsidizing care to the
13 fullest extent necessary to ensure that families are able to meet their
14 individualized professional goals”

15 Third: In Sec. 6, provider rate adjustment; Child Care Financial Assistance
16 Program, in subdivision (b)(1), in the fourth sentence, by striking out the
17 phrase “an identical” and inserting in lieu thereof the word “a”

18 Fourth: In Sec. 8, readiness payments; Child Care Financial Assistance
19 Program, in subdivision (a)(1), by inserting a new subdivision (F) to read as
20 follows:

21 (F) addressing gaps in services and expanding capacity;

1 and by relettering the remaining subdivisions to be alphabetically correct.

2 Fifth: By striking out Secs. 12 and 12a in their entireties and inserting in

3 lieu thereof Secs. 12, 12a, and 12b to read as follows:

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

5 § 3517. CHILD CARE TUITION RATES

6 (a) A regulated child care provider shall not impose an increase on annual
7 child care tuition that exceeds 1.5 times the most recent annual increase in the
8 NAICS code 611, Educational Services. This amount shall be posted on the
9 Department’s website annually.

10 (b) A child care provider participating in the Child Care Financial
11 Assistance Program shall not charge any family a tuition rate that exceeds the
12 total amount the child care provider receives for providing child care services
13 to a child enrolled in the Child Care Financial Assistance Program. As used in
14 this subsection, “total amount” means the amount a child care provider is
15 reimbursed pursuant to section 3514 of this section plus the family’s co-
16 payment.

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

18 § 3518. CHILDCARE PROVIDER OWNERSHIP DISCLOSURE

19 (a) As used in this section:

1 (1) “Affiliate” means a person that directly or indirectly owns or
2 controls, is owned or controlled by, or is under common ownership or control
3 with another person.

4 (2) “Applicant” means a person that applies to be eligible to receive
5 State funding for child care services pursuant to a provider rate agreement.

6 (3) “Controls,” “is controlled by,” and “under common control” mean
7 the power to direct, or cause the direction or management and policies of a
8 person, whether through the direct or beneficial ownership of voting securities,
9 by contract, or otherwise. A person who directly or beneficially owns 10
10 percent or more equity interest, or the equivalent thereof, of another person
11 shall be deemed to control the person.

12 (4) “Owner” means a person who controls an applicant.

13 (5) “Principal” means one of the following:

14 (A) the president, vice president, secretary, treasurer, manager, or
15 similar officer of a corporation as provided for by 11A V.S.A. § 8.40,
16 nonprofit corporation as provided for by 11B V.S.A. § 8.40, mutual benefit
17 enterprise as provided for by 11C V.S.A. § 822, cooperative as provided for by
18 11 V.S.A. § 1013, or worker cooperative corporation as provided for by 11
19 V.S.A. § 1089;

20 (B) a director of a corporation as provided for by 11A V.S.A. § 8.01,
21 nonprofit corporation as provided for by 11B V.S.A. § 8.01, mutual benefit

1 enterprise as provided for by 11C V.S.A. § 801, cooperative as provided for by
2 11 V.S.A. § 1006, or worker cooperative corporation as provided for by 11
3 V.S.A. § 1089;

4 (C) a member of a member-managed limited liability company as
5 provided for by 11 V.S.A. § 4054;

6 (D) manager of a manager-managed limited liability company as
7 provided for by 11 V.S.A. § 4054; or

8 (E) a partner of a partnership as provided for by 11 V.S.A. § 3212 or
9 a general partner of a limited partnership as provided for by 11 V.S.A. chapter
10 23.

11 (b) Disclosure. The Department shall adopt procedures to require each
12 applicant to disclose, prior to entering a provider rate agreement:

13 (1) the type of business organization of the applicant;

14 (2) the identity of the applicant's owners and principals; and

15 (3) the identity of the owners and principals of the applicant's affiliates.

16 Sec. 12b. 33 V.S.A. § 3519 is added to read:

17 § 3519. DIVERSITY, EQUITY, AND INCLUSION

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

1 Sixth: By striking out Sec. 13, rulemaking; child care directors, in its
2 entirety and inserting in lieu thereof a new Sec. 13 to read as follows:

3 Sec. 13. RULEMAKING; **PROGRAM DIRECTORS AND FAMILY CHILD**
4 **CARE PROVIDERS**

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 **program** director **or**
7 **family child care provider** is present at the child care facility that the **program**
8 director **or family child care provider** operates at least 40 percent of the time
9 that children are present:

10 (1) Department for Children and Families, Licensing Regulations for
11 Center-Based Child Care and Preschool Programs (CVR 13-171-004); and

12 (2) **Department for Children and Families, Licensing Regulations for**
13 **Registered and Licensed Family Child Care Homes (CVR 13-171-005).**

14 (b) The Department shall **review and consider** amending its:

15 (1) rule prohibiting a person or entity registered or licensed to operate a
16 family child care home from concurrently operating a center-based child care
17 and preschool program or afterschool and summer care program; **and**

18 (2) **eligibility policies addressing self-employment to provide**
19 **consistency with research on best practices in the field to maximize**
20 **participation in the program.**

1 Seventh: By striking out Sec. 15, provider compensation; estimate and
2 analysis, in its entirety and inserting in lieu thereof a new Sec. 15 to read as
3 follows:

4 Sec. 15. [Deleted.]

5 Eighth: By striking out Sec. 17, 16 V.S.A. chapter 1, subchapter 3, Sec.
6 17a, Agency of Education; positions; appropriations, and Sec. 18a, repeals, in
7 their entireties and inserting in lieu thereof the following:

8 Secs. 17–18a. [Deleted.]

9 Ninth: In Sec. 21, 33 V.S.A. § 4605, by striking out subdivision (2)(F) in
10 its entirety and inserting in lieu thereof a new subdivision (2)(F) to read as
11 follows:

12 (F) the impact of expanded child care, prekindergarten, and afterschool
13 and summer care on a mixed-delivery system.

14 Tenth: By inserting a new reader assistance heading and Sec. 23 after Sec.
15 22 to read as follows:

16 * * * Child Care Provider Wages * * *

17 Sec. 23. 33 V.S.A. § 3544 is added to read:

18 § 3544. CHILD CARE PROVIDERS; WAGES

19 (a) Notwithstanding any provision of 21 V.S.A. § 384 to the contrary, a
20 center-based child care and preschool program shall not employ:

21 (1) a program director or teacher at a rate of less than \$24.05;

1 (2) a teacher associate at a rate of less than \$20.45;

2 (3) a teacher assistant at a rate of less than \$19.25; or

3 (4) a classroom aide, trainee, or substitute at a rate of less than \$16.65.

4 (b) Notwithstanding any provision of 21 V.S.A. § 384 to the contrary, a
5 family child care home shall not employ:

6 (1) a family child care provider at a rate of less than \$19.25; or

7 (2) a family child care assistant, classroom aide, trainee, or substitute at
8 a rate of less than \$16.65.

9 (c)(1) Beginning on January 1, 2025 and on each subsequent January 1, the
10 minimum wage rates set forth in subsections (a) and (b) of this section shall be
11 increased by the percentage increase in the average wage for NAICS code 611,
12 Educational Services, not to exceed five percent, but in no event shall the
13 minimum wage rates be decreased. The Division shall publish the rates for the
14 next calendar year on or before November 15 of each year.

15 (2) The minimum wage rates set forth in subsections (a) and (b) of this
16 section shall be rounded off to the nearest \$0.01.

17 (3) If the minimum wage rate established by the U.S. government or
18 pursuant to 21 V.S.A. § 384 is greater than a rate established pursuant to
19 subsection (a) or (b) of this section, the minimum wage rate for the effected
20 position during that year shall be the greater of the rate established by the U.S.
21 government and the rate established pursuant to 21 V.S.A. § 384.

1 (d) As used in this section:

2 (1) “Center-based child care and preschool program” has the same
3 meaning as in the Department for Children and Families, Licensing
4 Regulations for Center-Based Child Care and Preschool Programs (CVR 13-
5 171-004).

6 (2) “Classroom aide” has the same meaning as in the Department for
7 Children and Families, Licensing Regulations for Registered and Licensed
8 Family Child Care Homes (CVR 13-171-005) or the Department for Children
9 and Families, Licensing Regulations for Center-Based Child Care and
10 Preschool Programs (CVR 13-171-004), as applicable.

11 (3) “Family child care assistant” has the same meaning as in the
12 Department for Children and Families, Licensing Regulations for Registered
13 and Licensed Family Child Care Homes (CVR 13-171-005).

14 (4) “Family child care home” has the same meaning as in the
15 Department for Children and Families, Licensing Regulations for Registered
16 and Licensed Family Child Care Homes (CVR 13-171-005).

17 (5) “Family child care provider” has the same meaning as in the
18 Department for Children and Families, Licensing Regulations for Registered
19 and Licensed Family Child Care Homes (CVR 13-171-005).

1 (6) “Program director” has the same meaning as in the Department for
2 Children and Families, Licensing Regulations for Center-Based Child Care and
3 Preschool Programs (CVR 13-171-004).

4 (7) “Substitute” has the same meaning as in the Department for Children
5 and Families, Licensing Regulations for Center-Based Child Care and
6 Preschool Programs (CVR 13-171-004) or Licensing Regulations for
7 Registered and Licensed Family Child Care Homes (CVR 13-171-005), as
8 applicable.

9 (8) “Teacher” has the same meaning as in the Department for Children
10 and Families, Licensing Regulations for Center-Based Child Care and
11 Preschool Programs (CVR 13-171-004).

12 (9) “Teacher assistant” has the same meaning as in the Department for
13 Children and Families, Licensing Regulations for Center-Based Child Care and
14 Preschool Programs (CVR 13-171-004).

15 (10) “Teacher associate” has the same meaning as in the Department for
16 Children and Families, Licensing Regulations for Center-Based Child Care and
17 Preschool Programs (CVR 13-171-004).

18 (11) “Trainee” has the same meaning as in the Department for Children
19 and Families, Licensing Regulations for Center-Based Child Care and
20 Preschool Programs (CVR 13-171-004) or the Department for Children and

1 Families, Licensing Regulations for Registered and Licensed Family Child
2 Care Homes (CVR 13-171-005), as applicable.

3 and by renumbering the remaining section to be numerically correct.

4 Eleventh: By striking out the newly renumbered Sec. 24, effective dates,
5 and inserting in lieu thereof a new Sec. 24 to read as follows:

6 Sec. 24. EFFECTIVE DATES

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

9 (b)(1) Sec. 3 (determination of weighted long-term membership and per
10 pupil education spending) shall take effect on July 1, 2024.

11 (2) Sec. 5 (Child Care Financial Assistance Program; eligibility), Sec.
12 5b (fiscal year 2024; family contribution), Sec. 6 (provider rate adjustment;
13 Child Care Financial Assistance Program), Sec. 9 (payment to providers), **Sec.**
14 **12 (child care tuition rates), and Sec. 23 (child care provider; wages)** shall take
15 effect on January 1, 2024, except that the Commissioner for Children and
16 Families shall initiate any rulemaking necessary prior to that date in order to
17 perform the Commissioner’s duties under this act.

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

21

1
2
3
4
5
6
7
8

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE