

1 TO THE HONORABLE SENATE:

2 The Committee on Appropriations to which was referred House Bill No.
3 217 entitled “An act relating to miscellaneous workers’ compensation
4 amendments” respectfully reports that it has considered the same and
5 recommends that the Senate propose to the House that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 * * * Legislative Intent * * *

9 Sec. 1. LEGISLATIVE INTENT

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

12 (1) increase access to and the quality of child care services and
13 after-school and summer care programs throughout the State;

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

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

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

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

19 (6) maintain a mixed-delivery system for prekindergarten, child care,
20 and after-school and summer care; and

1 (7) assign school districts with the responsibility of ensuring equitable
2 prekindergarten access for children who are four years of age on the date by
3 which the child's school district requires kindergarten students to have attained
4 five years of age or who are five years of age and not yet enrolled in
5 kindergarten.

6 * * * Prekindergarten * * *

7 Sec. 2. PREKINDERGARTEN EDUCATION STUDY COMMITTEE;
8 REPORT

9 (a) Creation. There is created the Prekindergarten Education Study
10 Committee to make recommendations on how to improve and expand
11 accessible, affordable, and high-quality prekindergarten education.

12 (b) Membership. The Committee shall be composed of the following
13 members:

14 (1) the Secretary of Education or designee, who shall serve as chair;

15 (2) the Secretary of Human Services or designee;

16 (3) the Executive Director of the Vermont Principals' Association or
17 designee;

18 (4) the Executive Director of the Vermont Superintendents Association
19 or designee;

20 (5) the Executive Director of the Vermont School Board Association or
21 designee;

1 (6) the Executive Director of the Vermont National Education
2 Association or designee;

3 (7) the Chair of the Vermont Council of Special Education
4 Administrators or designee;

5 (8) the Executive Director of the Vermont Curriculum Leaders
6 Association or designee;

7 (9) the Executive Director of Building Bright Futures or designee;

8 (10) a representative of a prequalified private provider as defined in 16
9 V.S.A. § 829, operating a licensed center-based child care and preschool
10 program, appointed by the Speaker of the House;

11 (11) a representative of a prequalified private provider as defined in 16
12 V.S.A. § 829, operating a regulated family child care home, appointed by the
13 Committee on Committees;

14 (12) the Head Start Collaboration Office Director or designee;

15 (13) the Executive Officer of Let’s Grow Kids or designee; and

16 (14) a family representative with a prekindergarten-age child, appointed
17 by the Building Bright Futures Council.

18 (c) Powers and duties. The Committee shall examine the delivery of
19 prekindergarten education in Vermont and make recommendations for
20 expanding equitable access for all children three and four years of age in a
21 manner that achieves the best outcomes for children, whether through the

1 current mixed-delivery system, the public school system, the private
2 prekindergarten system, or a system that allows school districts to contract
3 with private providers. The Committee shall also examine and make
4 recommendations on the changes necessary to provide prekindergarten
5 education to all children three and four years of age through the public school
6 system, including a timeline and transition plan for such changes. In
7 conducting its analysis, the Committee shall address the following topics and
8 questions, which may yield distinct recommendations for children three and
9 four years of age:

10 (1) Outcomes and quality.

11 (A) What are the benchmarks for “high quality” in prekindergarten
12 education?

13 (B) How should best practices be implemented and measured across
14 various prekindergarten education settings?

15 (2) Capacity and demand.

16 (A) How many children, by age, does the current mixed-delivery
17 system have the capacity to serve? In studying this issue, the Committee shall
18 consider the number of children on waitlists and the number of vacancies in
19 programs.

20 (B) What are the workforce requirements to expand prekindergarten
21 education? In studying this question, the Committee may consider:

1 (i) whether there is a gap between the total number of licensed
2 teachers currently working and the number needed for expansion;

3 (ii) whether there is a gap between the total prekindergarten
4 education workforce, including paraeducators, and the number needed for
5 expansion; and

6 (iii) the educational and training costs associated with training and
7 retaining the workforce necessary for expansion?

8 (C) If prekindergarten education in the public school system is
9 provided solely to children four years of age, what is the impact on the
10 capacity and workforce of private prekindergarten providers?

11 (D) If prekindergarten education for children who are four years of
12 age is provided exclusively through the public school system, how will infant
13 capacity in private child care providers be impacted?

14 (E) Are there areas of the State where prekindergarten education can
15 be more effectively and conveniently furnished in an adjacent state due to
16 geographic considerations?

17 (3) Special education.

18 (A) How many children three and four years of age are currently on
19 individual education programs receiving services in public and private
20 settings?

1 (B) Are children three and four years of age on individual education
2 plans receiving the full range of services that they are entitled to?

3 (C) Does the availability or cost of special education services vary
4 between private and public prequalified providers?

5 (4) Public school expansion.

6 (A) What infrastructure changes are necessary to expand
7 prekindergarten education?

8 (B) How would the current prekindergarten education mixed-delivery
9 system transition to a program within the public school system?

10 (C) What capacity needs to be built for developmentally appropriate
11 afterschool and out-of-school-time care?

12 (D) Are changes needed to existing health and safety standards for
13 public schools to accommodate children three and four years of age?

14 (5) Funding and costs.

15 (A) What are fiscally strategic options to sustain and expand
16 universal prekindergarten education?

17 (B) What is the financial and business impact on regulated private
18 child care providers if the prekindergarten system transitions to public schools
19 or is expanded beyond the current 10-hour program?

20 (C) What, if any, changes need to be made to pupil weights for
21 prekindergarten students?

1 (D) What, if any, changes need to be made to tuition rates for private
2 prekindergarten programs?

3 (6) Oversight.

4 (A) What additional Agency of Education personnel or resources
5 would be needed to oversee an expansion of the current prekindergarten
6 education system under either a mixed-delivery model, a public school system
7 model, or a system that allows school districts to contract with private
8 providers?

9 (B) What additional Agency of Human Services personnel or
10 resources would be needed to oversee an expansion of the current mixed-
11 delivery model or a private prekindergarten system?

12 (C) Whether additional leadership capacity is needed at the Agency
13 of Education to address early childhood education, and if so, how should the
14 leadership capacity be expanded?

15 (d) Assistance. The Committee shall have the administrative, technical,
16 fiscal, and legal assistance of the Agencies of Education and of Human
17 Services. If the Agencies are unable to provide the Committee with adequate
18 support to assist with its technical, fiscal, or legal needs, then the Agency of
19 Education shall retain a contractor with the necessary expertise to assist the
20 Committee.

1 (e) Report. On or before December 1, 2023, the Committee shall submit a
2 written report to the House Committees on Education and on Human Services
3 and the Senate Committees on Education and on Health and Welfare with its
4 findings and recommendations based on the analysis conducted pursuant to
5 subsection (c) of this section. The report shall include draft legislative
6 language to support the Committee’s recommendations.

7 (f) Meetings.

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

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

11 (3) The Committee shall cease to exist on February 1, 2024.

12 (g) Compensation and reimbursement. Members of the Committee who
13 are not employees of the State of Vermont and who are not otherwise
14 compensated or reimbursed for their attendance shall be entitled to per diem
15 compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010
16 for not more than 10 meetings per year. These payments shall be made from
17 monies appropriated to the Agency of Education.

18 (h) Appropriations.

19 (1) The sum of \$5,000.00 is appropriated to the Agency of Education
20 from the General Fund in fiscal year 2024 for per diem compensation and
21 reimbursement of expenses for members of the Committee.

1 (2) The sum of \$100,000.000 is appropriated to the Agency of
2 Education from the General Fund in fiscal year 2024 for the cost of retaining a
3 contractor as provided under subsection (d) of this section.

4 (3) Any unused portion of these appropriations shall, as of July 1, 2024,
5 revert to the General Fund.

6 Sec. 2a. PREKINDERGARTEN EDUCATION MODEL CONTRACT

7 On or before December 1, 2024, the Agency of Education, in consultation
8 with the members of the Prekindergarten Education Implementation
9 Committee and other relevant stakeholders, shall develop a model contract for
10 school districts to use for contracting with private providers for
11 prekindergarten education services. The model contract shall include:

12 (1) an antidiscrimination provision that requires compliance with the
13 Vermont Public Accommodations Act, 9 V.S.A. chapter 139, and the Vermont
14 Fair Employment Practices Act, 21 V.S.A. chapter 5, subchapter 6; and

15 (2) requirements for the provision of special education services.

16 Sec. 2b. PREKINDERGARTEN PUPIL WEIGHT; REPORT

17 On or before December 1, 2023, the Agency of Education, in consultation
18 with the Prekindergarten Education Implementation Committee, shall analyze
19 and issue a written report to the General Assembly regarding whether the cost
20 of educating a prekindergarten student is the same as educating a kindergarten
21 student in the context of a full school day. The report shall include a detailed

1 analysis, recommendation, and implementation plan for the sufficient weight to
2 apply to prekindergarten students, in alignment with the weights under current
3 law, for the purposes of determining weighted long-term membership of a
4 school district under 16 V.S.A. § 4010. The report shall include draft
5 legislative language to support the recommended prekindergarten pupil weight
6 and implementation plan.

7 Sec. 2c. AGENCY OF EDUCATION DATA COLLECTION AND
8 SHARING

9 On or before August 1, 2023, the Agency of Education shall collect and
10 share the following data with the Joint Fiscal Office:

11 (1) The number of weighted pupils, which shall not be adjusted by the
12 equalization ratio, for fiscal year 2024:

13 (A) using weights in effect on July 1, 2023 at both the statewide and
14 district levels; and

15 (B) using weights in effect on July 1, 2024 at both the statewide and
16 district levels.

17 (2) The following data, by school district:

18 (A) the total resources needed to operate a public prekindergarten
19 education program that would serve each prekindergarten child in the district;

20 (B) the number of prekindergarten children by year of age;

1 (C) the total education spending and other funds spent in fiscal year
2 2023 for children attending public prekindergarten education programs;

3 (D) the total education spending and other funds spent in fiscal year
4 2023 for prekindergarten children receiving prekindergarten education through
5 a prequalified private provider to whom the district pays tuition;

6 (E) if the school district operates a public prekindergarten education
7 program:

8 (i) the number of hours and slots offered in the public
9 prekindergarten education program;

10 (ii) the number of students residing in the district enrolled in the
11 public prekindergarten education program;

12 (iii) the number and cost of students residing in the district
13 enrolled in a prequalified private provider for whom the district pays tuition for
14 prekindergarten education; and

15 (iv) the number of students enrolled in the public prekindergarten
16 education program who reside outside the district and the corresponding
17 revenues associated with the nonresident student tuition; and

18 (F) if the school district does not operate a prekindergarten education
19 program:

20 (i) the number of hours of prekindergarten education provided to
21 each prekindergarten child; and

1 (ii) the tuition costs for prekindergarten children.

2 Sec. 3. [Deleted.]

3 * * * Agency of Education * * *

4 Sec. 4. PLAN; AGENCY OF EDUCATION LEADERSHIP

5 On or before November 1, 2025, the Agency of Education shall submit a
6 plan to the House Committees on Education and on Human Services and to the
7 Senate Committees on Education and on Health and Welfare for the purpose of
8 elevating the status of early education within the Agency in accordance with
9 the report produced pursuant to 2021 Acts and Resolves No, 45, Sec. 13. The
10 plan shall achieve greater parity in decision-making authority, roles and
11 responsibilities, and reporting structure related to early care and learning across
12 the Agency and Department for Children and Families.

13 * * * Child Care and Child Care Subsidies * * *

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

15 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

16 ELIGIBILITY

17 (a)(1) The Child Care Financial Assistance Program is established to
18 subsidize, to the extent that funds permit, the costs of child care for families
19 that need child care services in order to obtain employment, to retain
20 employment, or to obtain training leading to employment. Families seeking

1 employment shall be entitled to participate in the Program for up to three
2 months and the Commissioner may further extend that period.

3 * * *

4 (4) ~~After September 30, 2021, a regulated center-based child care~~
5 ~~program or family child care home as defined by the Department in rule shall~~
6 ~~not receive funds pursuant to this subsection that are in excess of the usual and~~
7 ~~customary rate for services at the center-based child care program or family~~
8 ~~child care home~~ Nothing in this subsection shall preclude a child care provider
9 from establishing tuition rates that are lower than the provider reimbursement
10 rate in the Child Care Financial Assistance Program.

11 * * *

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

13 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

14 ELIGIBILITY

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

1 ELIGIBILITY

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

8 * * *

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

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

1 created pursuant to this subsection shall be exempt from public inspection and
2 copying under the Public Records Act.

3 * * *

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

5 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

6 ELIGIBILITY

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

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

1 child is enrolled in child care. Families with an annual gross income of less
2 than or equal to 175 percent of the current federal poverty guidelines shall not
3 have a family co-payment. Families with an annual gross income up to and
4 including ~~400~~ 575 percent of current federal poverty guidelines, adjusted for
5 family size, shall be eligible for a subsidy authorized by the subsection. The
6 scale shall be structured so that it encourages employment. If the federal
7 poverty guidelines decrease in a given year, the Division shall maintain the
8 previous year's federal poverty guidelines for the purpose of determining
9 eligibility and benefit amount under this subsection.

10 * * *

11 Sec. 5d. FISCAL YEAR 2024; FAMILY CONTRIBUTION

12 In fiscal year 2024, a weekly family contribution for participants in the
13 Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and
14 3513 shall begin at \$50.00 for families at 176 percent of the federal poverty
15 level and increase for families at a higher percentage of the federal poverty
16 level as determined by the Department.

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

19 (a) It is the intent of the General Assembly that:

20 (1) the provider rate adjustment recommended in this section shall be an
21 initial step toward implementing a professional pay scale; and

1 (2) programs use funds to elevate quality through higher compensation
2 for staff, curriculum implementation, staff professional development, and
3 improvements to learning environments.

4 (b)(1) On January 1, 2024, the Department for Children and Families shall
5 provide an adjustment to the base child care provider reimbursement rates in
6 the Child Care Financial Assistance Program for child care services provided
7 by center-based child care and preschool programs, family child care homes,
8 and afterschool and summer care programs. The adjusted reimbursement rate
9 shall account for the age of the children served and be 35 percent higher than
10 the fiscal year 2023 five-STAR reimbursement rate in the Vermont STARS
11 system. All providers in the same child care setting category shall receive a
12 reimbursement rate payment, which shall be dependent upon whether the
13 provider operates a regulated child care center and preschool program,
14 regulated family child care home, or afterschool or summer care program.

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

17 Sec. 7. APPROPRIATION; CHILD CARE FINANCIAL ASSISTANCE
18 PROGRAM

19 (a) In addition to fiscal year 2024 funds appropriated for the Child Care
20 Financial Assistance Program in other acts, in fiscal year 2024, \$47,800,000.00

1 is appropriated from the General Fund to the Department for Children and
2 Families' Child Development Division for:

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

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

5 (b)(1) In addition to fiscal year 2024 funds appropriated for the
6 administration of the Department for Children and Families' Child
7 Development Division in other acts, in fiscal year 2024, \$4,000,000.00 is
8 appropriated from the General Fund to the Division to administer adjustments
9 to the Child Care Financial Assistance Program required by this act through
10 the authorization of the following 11 new permanent classified positions within
11 the Division:

12 (A) one Business Applications Support Manager;

13 (B) one Licensing Field Specialist I;

14 (C) two Child Care Business Techs;

15 (D) one Administrative Services Coordinator II;

16 (E) one Program Integrity Investigator;

17 (F) one Grants and Contracts Manager – Compliance;

18 (G) one Business Application Support Specialist;

19 (H) one Communications and Outreach Coordinator;

20 (I) one Financial Manager II; and

21 (J) one Grants and Contracts Manger.

1 (2) The Department may seek permission from the Joint Fiscal Committee
2 to replace a position authorized in this subsection with an alternative position.

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

6 Sec. 8. READINESS PAYMENTS; CHILD CARE FINANCIAL
7 ASSISTANCE PROGRAM

8 (a)(1) In fiscal year 2024, \$20,000,000.00 is appropriated one time from
9 the General Fund to the Department for Children and Families' Child
10 Development Division for the purpose of providing payments to child care
11 providers, as defined in 33 V.S.A. § 3511, delivering child care services to
12 children, in preparation of the Child Care Financial Assistance Program
13 eligibility expansion in Sec. 5a of this act and for the fiscal year 2024 provider
14 rate adjustment in Sec. 6 of this act. Readiness payments may be used for the
15 following:

16 (A) increasing capacity for infants and toddlers;

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

18 (C) improving child care facilities;

19 (D) preparing private prequalified providers for future changes in the
20 prekindergarten system;

1 (E) expanding hours of operation to provide full-day, full-week child
2 care services;

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

4 (G) increasing workforce capacity, including signing and retention
5 bonuses; and

6 (H) any other uses approved by the Commissioner.

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

11 (b) In administering the readiness payment program established by this
12 section, the Division shall utilize the Agency of Administration bulletin
13 pertaining to beneficiaries in effect on May 1, 2023. The Division may either
14 use the same distribution framework used to distribute Child Care
15 Development Block Grant funds in accordance with the American Rescue Plan
16 Act of 2021 or it may utilize an alternative distribution framework.

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

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

21 § 3514. PAYMENT TO PROVIDERS

1 (a)(1) The Commissioner shall establish a payment schedule for purposes
2 of reimbursing providers for full- or part-time child care services rendered to
3 families who participate in the programs established under section 3512 or
4 3513 of this title. ~~Payments established under this section shall reflect the~~
5 ~~following considerations: whether the provider operates a licensed child care~~
6 ~~facility or a registered family child care home, type of service provided, cost of~~
7 ~~providing the service, and the prevailing market rate for comparable service.~~
8 The payment schedule shall account for the age of the children served, and all
9 providers in the same child care setting category shall receive a reimbursement
10 rate payment, which shall be dependent upon whether the provider operates a
11 child care center and preschool program, family child care home, or
12 afterschool or summer care program.

13 (2) Payments shall be based on enrollment ~~status or any other basis~~
14 ~~agreed to by the provider and the Division.~~ The Department, in consultation
15 with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to
16 3 V.S.A. chapter 25 that define “enrollment” and the total number of allowable
17 absences to continue participating in the Child Care Financial Assistance
18 Program. The Department shall minimize itemization of absence categories.

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

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

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

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

9 § 3514. PAYMENT TO PROVIDERS

10 (a)(1) The Commissioner shall establish a payment schedule for purposes
11 of reimbursing providers for full- or part-time child care services rendered to
12 families who participate in the programs established under section 3512 or
13 3513 of this title. The payment schedule shall account for the age of the
14 children served, and all providers in the same child care setting category shall
15 receive a reimbursement rate payment, which shall be dependent upon whether
16 the provider operates a child care center and preschool program, family child
17 care home, or afterschool or summer care program. The adjusted
18 reimbursement rate shall then be adjusted to account for the differential
19 between family child care homes and center-based child care and preschool
20 programs by 50 percent. The rate used to reimburse providers shall be
21 increased over the previous year's rate annually in alignment with the most

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

3 * * *

4 Sec. 9b. REPORT; ADJUSTMENT OF CHILD CARE FINANCIAL
5 ASSISTANCE PROGRAM RATES

6 On or before January 15, 2024, the Department for Children and Families’
7 Child Development Division, in collaboration with the Joint Fiscal Office,
8 shall submit a report to the House Committees on Appropriations and on
9 Human Services and the Senate Committees on Appropriations and on Health
10 and Welfare providing recommendations on:

11 (1) the appropriate mechanism for adjusting future reimbursement rates
12 for child care providers participating in the Child Care Financial Assistance
13 Program pursuant to 33 V.S.A. §§ 3512 and 3513;

14 (2) the appropriate reimbursement rate in fiscal years 2025 and 2026 for
15 child care providers participating in the Child Care Financial Assistance
16 Program pursuant to 33 V.S.A. §§ 3512 and 3513; and

17 (3) the appropriate family contribution in fiscal years 2025 and 2026 for
18 families participating in the Child Care Financial Assistance Program pursuant
19 to 33 V.S.A. §§ 3512 and 3513.

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

2 § 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE

3 PROGRAM

4 (a) The Commissioner shall establish a child care quality and capacity
5 incentive program for child care providers participating in the Child Care
6 Financial Assistance Program pursuant to sections 3512 and 3513 of this title.
7 Annually, consistent with funds appropriated for this purpose, the
8 Commissioner may provide a child care provider with an incentive payment
9 for the following achievements:

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

14 (2) increasing infant and toddler capacity;

15 (3) maintaining existing infant and toddler capacity;

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

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

19 (6) completing a Commissioner-approved training on protective or
20 family support services; and

1 (7) other quality- or capacity-specific criteria identified by the
2 Commissioner.

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

5 Sec. 10a. LEGISLATIVE INTENT; CHILD CARE QUALITY AND
6 CAPACITY INCENTIVE PROGRAM

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

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

11 § 3516. CHILD CARE WAITLIST AND APPLICATION FEES

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

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

2 § 3517. CHILD CARE TUITION RATES

3 A child care provider shall ensure that its tuition rates are available to the
4 public. A regulated child care provider shall not impose an increase on annual
5 child care tuition that exceeds 1.5 times the most recent annual increase in the
6 NAICS code 611, Educational Services. This amount shall be posted on the
7 Department’s website annually.

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

9 § 3518. CHILD CARE PROVIDER OWNERSHIP DISCLOSURE

10 (a) As used in this section:

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

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

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

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

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

3 (A) the president, vice president, secretary, treasurer, manager, or
4 similar officer of a corporation as provided for by 11A V.S.A. § 8.40,
5 nonprofit corporation as provided for by 11B V.S.A. § 8.40, mutual benefit
6 enterprise as provided for by 11C V.S.A. § 822, cooperative as provided for by
7 11 V.S.A. § 1013, or worker cooperative corporation as provided for by 11
8 V.S.A. § 1089;

9 (B) a director of a corporation as provided for by 11A V.S.A. § 8.01,
10 nonprofit corporation as provided for by 11B V.S.A. § 8.01, mutual benefit
11 enterprise as provided for by 11C V.S.A. § 801, cooperative as provided for by
12 11 V.S.A. § 1006, or worker cooperative corporation as provided for by 11
13 V.S.A. § 1089;

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

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

18 (E) a partner of a partnership as provided for by 11 V.S.A. § 3212 or
19 a general partner of a limited partnership as provided for by 11 V.S.A. chapter
20 23.

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

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

4 (2) the identity of the applicant’s owners and principals; and

5 (3) the identity of the owners and principals of the applicant’s affiliates.

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

7 § 3519. DIVERSITY, EQUITY, AND INCLUSION

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

11 Sec. 13. RULEMAKING; PROGRAM DIRECTORS

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

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

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

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

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

4 (2) eligibility policies addressing self-employment and other areas of
5 specialized need on a regular basis and revise them consistent with research on
6 best practices in the field to maximize participation in the program and
7 minimize undue burden on families applying for the Child Care Financial
8 Assistance Program.

9 * * * Report * * *

10 Sec. 14. REPORT; BACKGROUND CHECKS

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

18 Sec. 15. [Deleted.]

1 * * * Special Accommodations Grant * * *

2 Sec. 16. PLAN; SPECIAL ACCOMMODATIONS GRANT

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

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

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

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

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

17 * * * Workforce Supports * * *

18 Sec. 17. 2021 Acts and Resolves No. 45, Sec. 8 is amended to read:

19 Sec. 8. REPEALS

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

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

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

5 * * * Transitional Assistance and Governance * * *

6 Sec. 18. CHILD CARE; ADMINISTRATIVE SERVICE ORGANIZATIONS

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

12 Sec. 19. 33 V.S.A. § 4605 is added to read:

13 § 4605. TECHNICAL ASSISTANCE; ACCOUNTABILITY

14 In order to ensure the successful implementation of expanded child care,
15 prekindergarten, and afterschool and summer care, Building Bright Futures
16 shall be responsible for monitoring accountability, supporting stakeholders in
17 collectively defining and measuring success, maximizing stakeholder
18 engagement, and providing technical assistance to build capacity for the
19 Department for Children and Families' Child Development Division and the
20 Agency of Education. Specifically, Building Bright Futures shall:

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

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

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

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

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

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

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

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

18 Sec. 20. APPROPRIATION; BUILDING BRIGHT FUTURES

19 Of the funds appropriated in Sec. 7(b) (appropriation; child care financial
20 assistance program) of this act, the Department for Children and Families shall
21 allocate \$266,707.00 to Building Bright Futures for the purpose of

1 implementing its duties under 33 V.S.A. § 4605. This amount shall become
2 part of the Department’s base for the purpose of supporting Building Bright
3 Future’s work pursuant to 33 V.S.A. § 4605.

4 Sec. 21. PLAN; DEPARTMENT FOR CHILDREN AND FAMILIES;

5 GOVERNANCE

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

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

20 Sec. 22. [Deleted.]

21 * * * Child Care Provider Wages * * *

1 Sec. 23. PROVIDER COMPENSATION AND TOTAL COST OF CARE;
2 RECOMMENDATIONS

3 (a) On or before November 1, 2023, the Department for Children and
4 Families, in consultation with the Department of Labor, the Agency of
5 Education, Building Bright Futures, and the Vermont Association for the
6 Education of Young Children, shall submit a report to the House Committee
7 on Human Services and to the Senate Committee on Health and Welfare
8 addressing the following:

9 (1) whether and how to integrate a tiered professional pay scale for
10 professionals who provide child care services as part of the Child Care
11 Financial Assistance Program;

12 (2) the structure of tiered professional pay scales for professionals who
13 provide child care services that have been implemented in other jurisdictions,
14 including in New Mexico and the District of Columbia; and

15 (3) the appropriate legal mechanism to implement any approved tiered
16 professional pay scale for professionals who provide child care services,
17 including consideration of statute, rule, departmental guidance, or some other
18 appropriate mechanism.

19 (b) On or before November 1, 2024, the Department for Children and
20 Families, in consultation with the Department of Labor, the Agency of
21 Education, Building Bright Futures, and the Vermont Association for the

1 Education of Young Children, shall submit to the House Committee on Human
2 Services and to the Senate Committee on Health and Welfare:

3 (1) A tiered professional pay scale for professionals who provide child
4 care services as defined in 33 V.S.A. § 3511 that is designed to provide
5 professionals who provide child care services with compensation comparable
6 to that received by early childhood educators in Vermont’s public school
7 system who serve children from prekindergarten through grade three. The
8 tiered professional pay scale shall account for professionals’ credentialing and
9 professional child care experience and shall include the addition of an
10 appropriate fringe benefit rate. In developing the tiered professional pay scale,
11 the Department for Children and Families shall refer to the child care and early
12 childhood education financing study required pursuant to 2021 Acts and
13 Resolves No. 45, Sec. 14.

14 (2) A formula to calculate the total cost of care to serve children in a
15 regulated child care facility as defined in 33 V.S.A. § 3511.

16 Sec. 24. [Deleted.]

17 * * * Child Care Contribution * * *

18 Sec. 25. 32 V.S.A. chapter 246 is added to read:

19 CHAPTER 246. CHILD CARE CONTRIBUTION

20 § 10551. PURPOSE

1 The Child Care Contribution is established to provide funding for the Child
2 Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513,
3 including the provision of incentive payments pursuant to 33 V.S.A. § 3517.

4 § 10552. DEFINITIONS

5 As used in this chapter:

6 (1) “Covered wages” means wages paid to an employee by an employer
7 up to two times the amount of the Social Security Contribution and Benefit
8 Base.

9 (2) “Employee” means an individual who receives payments with
10 respect to services performed for an employer from which the employer is
11 required to withhold Vermont income tax pursuant to chapter 151, subchapter
12 4 of this title.

13 (3) “Employer” means a person who employs one or more employees
14 who is required to withhold income tax from wages paid to the employees
15 pursuant to chapter 151, subchapter 4 of this title.

16 (4) “Self-employed individual” means a sole proprietor or partner owner
17 of an unincorporated business, the sole member of a limited liability company,
18 or the sole shareholder of a corporation.

19 (5) “Self-employment income” has the same meaning as in 26 U.S.C.
20 § 1402.

1 (6) “Wages” means payments that are included in the definition of
2 wages set forth in 26 U.S.C. § 3401.

3 § 10553. CONTRIBUTION; RATE; COLLECTION

4 (a)(1) Each employer shall pay the Child Care Contribution on all covered
5 wages paid to each of the employer’s employees and shall remit those amounts
6 to the Department of Taxes pursuant to the provisions of this section. An
7 employer may deduct and withhold from an employee’s covered wages an
8 amount equal to not more than one quarter of the contribution required
9 pursuant to subsection (b) of this section. An employer shall pay the
10 contributions required pursuant to this section as if the contributions were
11 Vermont income tax subject to the withholding requirements of chapter 151,
12 subchapter 4 of this title, including the requirements relating to the time and
13 manner of payment.

14 (2) Each self-employed individual shall pay the Child Care Contribution
15 on self-employment income earned by the individual up to two times the
16 amount of the Social Security Contribution and Benefit Base and shall remit
17 those amounts to the Department of Taxes pursuant to the provisions of this
18 section. A self-employed individual shall make installment payments of
19 estimated contributions pursuant to this subdivision from the enrolled self-
20 employed individual’s self-employment income as if the contributions were

1 Vermont income tax subject to the estimated payment requirements of 32
2 V.S.A. chapter 151, subchapter 5, including the time and manner of payment.

3 (b) The contribution rate shall be 0.43 percent of each employee’s covered
4 wages and each self-employed individual’s self-employment income.

5 (c)(1) The Department shall collect the contributions required pursuant to
6 this section. The administrative and enforcement provisions of chapter 151 of
7 this title shall apply to the contribution requirements under this section as if the
8 contributions required pursuant to this section were Vermont income tax,
9 except penalty and interest shall apply according to chapter 103 of this title.

10 (2) Employers shall be responsible for the full amount of any unpaid
11 contributions due pursuant to subdivision (a)(1) of this section. Self-employed
12 individuals shall be responsible for the full amount of any unpaid contributions
13 due pursuant to subdivision (a)(2) of this section.

14 § 10554. CHILD CARE CONTRIBUTION SPECIAL FUND

15 (a) The Child Care Contribution Special Fund is created pursuant to
16 chapter 7, subchapter 5 of this title and shall be administered by the
17 Department for Children and Families and the Department of Taxes. Monies
18 in the Fund may be expended by the Department of Taxes for the
19 administration of the Child Care Contribution created under this chapter, by
20 the Department for Children and Families for benefits provided by the Child
21 Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513,

1 including the provision of incentive payments pursuant to 33 V.S.A. § 3517,
2 and by the Departments for necessary costs incurred in administering the Fund.
3 All interest earned on Fund balances shall be credited to the Fund.

4 (b) The Fund shall consist of:

5 (1) contributions collected or recovered pursuant to section 10553 of
6 this title;

7 (2) any amounts transferred or appropriated to the Fund by the General
8 Assembly; and

9 (3) any interest earned by the Fund.

10 (c) The Departments may seek and accept grants from any source, public or
11 private, to be dedicated for deposit into the Fund.

12 Sec. 26. CHILD CARE CONTRIBUTION POSITIONS AND
13 APPROPRIATION

14 (a) The establishment of the following 15 new permanent classified
15 positions is authorized in the Department of Taxes in fiscal year 2024:

16 (1) eight full-time, classified tax examiners within the Taxpayer
17 Services Division;

18 (2) two full-time, classified tax examiners within the Compliance
19 Division;

20 (3) three full-time, classified tax compliance officers within the
21 Compliance Division;

1 (4) one full-time, classified financial specialist III within the Revenue
2 Accounting and Returns Processing Division; and

3 (5) one business analyst–tax within the VTax Division.

4 (b) In fiscal year 2024, the amount of \$4,200,00.00 is appropriated from the
5 General Fund to the Department of Taxes to be used for the implementation of
6 the Child Care Contribution pursuant to 32 V.S.A. chapter 246 created by this
7 act.

8 * * * Workers' Compensation * * *

9 Sec. 27. WORKERS' COMPENSATION RATE OF CONTRIBUTION

10 For fiscal year 2024, after consideration of the formula in 21 V.S.A.
11 § 711(b) and historical rate trends, the General Assembly determines that the
12 rate of contribution for the direct calendar year premium for workers'
13 compensation insurance shall be 1.5 percent. The contribution rate for self-
14 insured workers' compensation losses and workers' compensation losses of
15 corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

16 Sec. 28. 21 V.S.A. § 711 is amended to read:

17 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

18 * * *

19 (b)(1) Annually, the General Assembly shall establish the rate of
20 contribution for the direct calendar year premium for workers' compensation
21 insurance. The rate shall equal the amount approved in the appropriations

1 process for the program and the Department’s projection of salary and benefit
2 increases for that fiscal year, less the amount collected in the prior calendar
3 year under subsection (a) of this section from self-insured workers’
4 compensation losses and from corporations approved under this chapter,
5 adjusted by any balance in the fund from the prior fiscal year, divided by the
6 total direct calendar year premium for workers’ compensation insurance for the
7 prior year.

8 (2) In the event that the General Assembly does not establish the rate of
9 contribution for the direct calendar year premium for workers’ compensation
10 insurance for a given fiscal year, the rate shall remain unchanged from the
11 prior fiscal year.

12 Sec. 29. 2014 Acts and Resolves No. 199, Sec. 54b is amended to read:

13 Sec. 54b. 21 V.S.A. § 643a is added to read:

14 § 643a. DISCONTINUANCE OF BENEFITS

15 Unless an injured worker has successfully returned to work, an employer
16 shall notify both the Commissioner and the employee prior to terminating
17 benefits under either section 642 or 646 of this title. The notice of intention to
18 discontinue payments shall be filed on forms prescribed by the Commissioner
19 and shall include the date of the proposed discontinuance, the reasons for it,
20 and, if the employee has been out of work for 90 days, a verification that the
21 employer offered vocational rehabilitation screening and services as required

1 under this chapter. All relevant evidence, including evidence that does not
2 support discontinuance in the possession of the employer not already filed,
3 shall be filed with the notice. The liability for the payments shall continue for
4 seven days after the notice is received by the Commissioner and the employee.
5 If the claimant disputes the discontinuance, the claimant may file with
6 the Commissioner an objection to the discontinuance and seek an extension
7 of 14 days. The objection to the discontinuance shall be specific as to the
8 reasons and include supporting evidence. A copy of the objection shall be
9 provided to the employer at the time the request is made to the Commissioner.
10 ~~These~~ The payments shall be made without prejudice to the employer and may
11 be deducted from any amounts due pursuant to section 648 of this title if the
12 Commissioner determines that the discontinuance is warranted or if otherwise
13 ordered by the Commissioner. Every notice shall be reviewed by the
14 Commissioner to determine the sufficiency of the basis for the proposed
15 discontinuance. If, after review of all the evidence in the file, the
16 Commissioner finds that a preponderance of all the evidence in the file does
17 not reasonably support the proposed discontinuance, the Commissioner shall
18 order that payments continue until a hearing is held and a decision is rendered.
19 Prior to a formal hearing, an injured worker may request reinstatement of
20 benefits by providing additional new evidence to the Department that
21 establishes that a preponderance of all evidence now supports the claim. If the

1 Commissioner’s decision, after a hearing, is that the employee was not entitled
2 to any or all benefits paid between the discontinuance and the final decision,
3 upon request of the employer, the Commissioner may order that the employee
4 repay all benefits to which the employee was not entitled. The employer may
5 enforce a repayment order in any court of law having jurisdiction.

6 Sec. 30. 21 V.S.A. § 640b is amended to read:

7 § 640b. REQUEST FOR PREAUTHORIZATION TO DETERMINE IF
8 ~~PROPOSED TREATMENT IS~~ BENEFITS ARE NECESSARY

9 (a) As used in this section, “benefits” means medical treatment and
10 surgical, medical, and nursing services and supplies, including prescription
11 drugs and durable medical equipment.

12 (b) Within 14 days ~~of~~ after receiving a written request for preauthorization
13 for a proposed ~~medical treatment~~ benefits and medical evidence supporting the
14 requested ~~treatment~~ benefits, a workers’ compensation insurer shall do one of
15 the following, in writing:

16 (1) ~~authorize~~ Authorize the ~~treatment~~ benefits and notify the health care
17 provider, the injured worker, and the Department; ~~or,~~

18 (2)(A) ~~deny~~ Deny the ~~treatment~~ benefits because the entire claim is
19 disputed and the Commissioner has not issued an interim order to pay benefits;
20 ~~or.~~ The insurer shall notify the health care provider, the injured worker, and
21 the Department of the decision to deny benefits.

1 ~~(B)~~(3) ~~deny~~ Deny the ~~treatment~~ benefits if, based on a preponderance
2 of credible medical evidence specifically addressing the proposed ~~treatment~~
3 benefits, ~~it is~~ the benefits are unreasonable or, unnecessary, or unrelated to the
4 work injury. The insurer shall notify the health care provider, the injured
5 worker, and the Department of the decision to deny ~~treatment~~; or benefits.

6 ~~(3)~~(4) ~~notify~~ Notify the health care provider, the injured worker, and
7 the Department that the insurer has scheduled an examination of the employee
8 pursuant to section 655 of this title or ordered a medical record review
9 pursuant to section ~~655~~ 655a of this title. Based on the examination or review,
10 the insurer shall authorize or deny the ~~treatment~~ benefits and notify the
11 Department and the injured worker of the decision within 45 days ~~of~~ after a
12 request for preauthorization. The Commissioner may, ~~in his or her~~ the
13 Commissioner's sole discretion, grant a 10-day extension to the insurer to
14 authorize or deny ~~treatment~~ benefits, and such an extension shall not be subject
15 to appeal.

16 ~~(b)~~(c) If the insurer fails to authorize or deny the ~~treatment~~ benefits
17 pursuant to subsection ~~(a)~~ (b) of this section within 14 days ~~of~~ after receiving a
18 request, the claimant or health care provider may request that the Department
19 issue an order authorizing ~~treatment~~ benefits. After receipt of the request, the
20 Department shall issue an interim order within five days after notice to the
21 insurer, and five days in which to respond, absent evidence that the entire

1 claim is disputed. Upon request of a party, the Commissioner shall notify the
2 parties that the ~~treatment has~~ benefits have been authorized by operation of
3 law.

4 ~~(e)~~(d) If the insurer denies the preauthorization of the ~~treatment~~ benefits
5 pursuant to subdivision (a)(2) ~~or~~, (3), or (4) of this section, the Commissioner
6 may, ~~on his or her~~ the Commissioner's own initiative or upon a request by the
7 claimant, issue an order authorizing the ~~treatment~~ benefits if ~~he or she~~ the
8 Commissioner finds that the evidence shows that the ~~treatment is~~ benefits are
9 reasonable, necessary, and related to the work injury.

10 Sec. 31. 21 V.S.A. § 643d is added to read:

11 § 643d. WORK SEARCH; REQUIREMENTS; EXCEPTIONS

12 (a) An employer may require an employee who is receiving temporary
13 disability benefits pursuant to section 646 of this chapter to engage in a good
14 faith search for suitable work if:

15 (1) the injured employee is medically released to return to work, either
16 with or without limitations;

17 (2) the employer has provided the injured employee with written
18 notification that the employee is medically released to return to work and the
19 notification describes any applicable limitations; and

20 (3) the employer cannot offer the injured employee work that the
21 employee is medically released to do.

1 (b) An injured employee shall not be required to engage in a good faith
2 search for suitable work if the employee:

3 (1) is already employed; or

4 (2) has been referred for or is scheduled to undergo one or more surgical
5 procedures.

6 (c) An employer shall not require an injured employee to contact more than
7 three employers per week as part of a good faith work search performed
8 pursuant to this section.

9 Sec. 32. 21 V.S.A. § 646 is amended to read:

10 § 646. TEMPORARY PARTIAL DISABILITY BENEFITS

11 (a)(1) Where the disability for work resulting from an injury is partial,
12 during the disability and beginning on the eighth day thereof of the period of
13 disability, the employer shall pay the injured employee a weekly compensation
14 equal to the greater of:

15 (A) the difference between the amount the injured employee would
16 be eligible to receive pursuant to section 642 of this chapter, including any
17 applicable cost of living adjustment or dependency benefits that would be due,
18 and the wage the injured employee earns during the period of disability; and

19 (B) two-thirds of the difference between his or her the injured
20 employee's average weekly wage before the injury and the average weekly

1 ~~wage which he or she is able to earn thereafter~~ amount the employee earns
2 during the period of disability.

3 (2) Compensation paid pursuant to this subsection shall be adjusted on
4 the first July 1 following the receipt of 26 weeks of benefits and annually on
5 each subsequent July 1, so that the compensation continues to bear the same
6 percentage relationship to the average weekly wage in the State as it did at the
7 time of injury.

8 (b)(1) In addition to the amount paid pursuant to subsection (a) of this
9 section, the employer shall pay the injured employee during the disability
10 \$20.00 per week for each dependent child under 21 years of age, provided that
11 no other injured worker is receiving the same benefits on behalf of the
12 dependent child or children.

13 (2) The amount allowed for dependent children shall be adjusted weekly
14 to reflect the number of dependent children during each week of payment.

15 Sec. 33. 21 V.S.A. § 646 is amended to read:

16 § 646. TEMPORARY PARTIAL DISABILITY BENEFITS

17 * * *

18 ~~(b)(1) In addition to the amount paid pursuant to subsection (a) of this~~
19 ~~section, the employer shall pay the injured employee during the disability~~
20 ~~\$20.00 per week for each dependent child under 21 years of age, provided that~~

1 ~~no other injured worker is receiving the same benefits on behalf of the~~
2 ~~dependent child or children.~~

3 ~~(2) The amount allowed for dependent children shall be adjusted weekly~~
4 ~~to reflect the number of dependent children during each week of payment.~~

5 [Repealed.]

6 Sec. 34. 21 V.S.A. § 642 is amended to read:

7 § 642. TEMPORARY TOTAL DISABILITY BENEFITS

8 (a)(1) Where the injury causes total disability for work, during ~~such~~ the
9 disability, but not including the first three days; with the day of the accident to
10 be counted as the first day; unless the employee received full wages for that
11 day, the employer shall pay the injured employee a weekly compensation equal
12 to two-thirds of the employee's average weekly wages; ~~but~~

13 (2) The weekly compensation shall be in an amount that is not more
14 than the maximum nor less than the minimum weekly compensation.

15 (3) Compensation paid pursuant to this subsection shall be adjusted on
16 the first July 1 following the receipt of 26 weeks of benefits and annually on
17 each subsequent July 1, so that the compensation continues to bear the same
18 percentage relationship to the average weekly wage in the State as it did at the
19 time of injury.

20 ~~(b)(1) In addition, the injured employee, during the disability period shall~~
21 ~~receive \$10.00 a~~ to the amount paid pursuant to subsection (a) of this section,

1 the employer shall pay the injured employee during the disability \$20.00 per
2 week for each dependent child who is ~~unmarried and~~ under the age of 21 years
3 of age, provided that no other injured worker is receiving the same benefits on
4 behalf of the dependent child or children. ~~However, in no event shall an~~

5 (2) The amount allowed for the dependent children shall be adjusted
6 weekly to reflect the number of dependent children during each week of
7 payment.

8 (c) Notwithstanding any provision of subsection (a) or (b) of this section to
9 the contrary:

10 (1) An employee's total weekly wage replacement benefits, including
11 any payments for a dependent child, shall not exceed 90 percent of the
12 employee's average weekly wage prior to applying any applicable cost of
13 living adjustment. ~~The amount allowed for dependent children shall be~~
14 ~~increased or decreased weekly to reflect the number of dependent children~~
15 ~~extant during the week of payment.~~

16 (2) If the total disability continues after the third day for a period of
17 seven consecutive calendar days or more, compensation shall be paid for the
18 whole period of the total disability.

19 Sec. 35. 21 V.S.A. § 642 is amended to read:

20 § 642. TEMPORARY TOTAL DISABILITY BENEFITS

21 * * *

1 (b)(1) In addition to the amount paid pursuant to subsection (a) of this
2 section, the employer shall pay the injured employee during the disability
3 ~~\$20.00~~ \$10.00 per week for each dependent child who is under 21 years of age,
4 provided that no other injured worker is receiving the same benefits on behalf
5 of the dependent child or children.

6 * * *

7 Sec. 36. DEPENDENT BENEFIT INCREASE; IMPACT; REPORT

8 On or before January 15, 2027, the Commissioner of Labor, in consultation
9 with the Commissioner of Financial Regulation, shall submit a written report
10 to the Senate Committee on Economic Development, Housing and General
11 Affairs and the House Committee on Commerce and Economic Development
12 regarding the impact of the increase in the dependent benefit enacted pursuant
13 to Secs. 32 and 34 of this act on the workers’ compensation system. The report
14 shall include an estimate of the number of claims that have received additional
15 benefits as a result of the increase and the additional cost to the workers’
16 compensation system of the additional dependent benefits.

17 Sec. 37. 21 V.S.A. § 650 is amended to read:

18 § 650. PAYMENT; AVERAGE WAGE; COMPUTATION

19 * * *

20 (d)(1) Compensation computed pursuant to this section shall be adjusted
21 annually on July 1, so that ~~such~~ the compensation continues to bear the same

1 percentage relationship to the average weekly wage in the State ~~as computed~~
2 ~~under this chapter~~ as it did at the time of injury.

3 (2) Temporary total or temporary partial compensation shall first be
4 adjusted on the first July 1 following the receipt of 26 weeks of benefits.

5 (3) Permanent total and permanent partial compensation shall be
6 adjusted for each July 1 following the date of injury regardless of whether
7 indemnity benefits were paid on each intervening July 1.

8 (e)(1) If weekly compensation benefits or weekly accrued benefits are not
9 paid within 21 days after becoming due and payable pursuant to an order of the
10 Commissioner, or in cases in which the overdue benefit is not in dispute, 10
11 percent of the overdue amount shall be added and paid to the employee, in
12 addition to any amounts due pursuant to subsection (f) of this section and
13 interest and any other penalties.

14 (2) In the case of an initial claim, benefits are due and payable upon
15 entering into an agreement pursuant to subsection 662(a) of this title, upon
16 issuance of an order of the Commissioner pursuant to subsection 662(b) of this
17 title, or if the employer has not denied the claim within 21 days after the claim
18 is filed.

19 (3) Benefits are in dispute if the claimant has been provided actual
20 written notice of the dispute within 21 days ~~of~~ after the benefit being due and
21 payable and the evidence reasonably supports the denial.

1 (4) Interest shall accrue and be paid on benefits that are found to be
2 compensable during the period of nonpayment.

3 (5) The Commissioner shall promptly review requests for payment
4 under this section and, consistent with subsection 678(d) of this title, shall
5 allow for the recovery of reasonable attorney’s fees associated with an
6 employee’s successful request for payment under this subsection.

7 (f)(1)(A) When benefits have been awarded or are not in dispute as
8 provided in subsection (e) of this section, the employer shall establish a
9 weekday on which payment shall be mailed or deposited and notify the
10 claimant and the Department of that day. The employer shall ensure that each
11 weekly payment is mailed or deposited on or before the day established.

12 (B) Payment shall be made by direct deposit to a claimant who elects
13 that payment method. The employer shall notify the claimant of ~~his or her~~ the
14 claimant’s right to payment by direct deposit.

15 (2) If the benefit payment is not mailed or deposited on the day
16 established, the employer shall pay to the claimant a late fee of \$10.00 or five
17 percent of the benefit amount, whichever is greater, for each weekly payment
18 that is made after the established day.

19 (3) As used in this subsection, “paid” means the payment is mailed to
20 the claimant’s mailing address or, in the case of direct deposit, transferred into

1 the designated account. In the event of a dispute, proof of payment shall be
2 established by affidavit.

3 Sec. 38. 21 V.S.A. § 678 is amended to read:

4 § 678. COSTS; ATTORNEY’S FEES

5 ~~(a) Necessary costs of proceedings under this chapter, including deposition~~
6 ~~expenses, subpoena fees, and expert witness fees, shall be assessed by the~~
7 ~~Commissioner against the employer or its workers’ compensation carrier when~~
8 ~~the claimant prevails. The Commissioner may allow the claimant to recover~~
9 ~~reasonable attorney’s fees when the claimant prevails.~~ Costs shall not be taxed
10 or allowed either party except as provided in this section.

11 (b)(1) When a claimant prevails in either a formal or informal proceeding
12 under this chapter, the Commissioner shall award the claimant necessary costs
13 incurred in relation to the proceeding, including deposition expenses, subpoena
14 fees, and expert witness fees.

15 (2) The Commissioner may allow a claimant to recover reasonable
16 attorney’s fees when the claimant prevails.

17 (3) In cases for which a formal hearing is requested and the case is
18 resolved prior to a formal hearing:

19 (A) the Commissioner may award reasonable attorney’s fees if the
20 claimant retained an attorney in response to an actual or effective denial of a

1 claim and payments were made to the claimant as a result of the attorney's
2 efforts; and

3 (B) the Commissioner shall award necessary costs if the claimant
4 incurred the costs in response to an actual or effective denial of a claim and
5 payments were made to the claimant as a result of the costs incurred.

6 (c)(1) In appeals to the Superior or Supreme Court, if the claimant prevails,
7 ~~he or she~~ the claimant shall be entitled to reasonable attorney's fees as
8 approved by the court; necessary costs, including deposition expenses,
9 subpoena fees, and expert witness fees; and interest at the rate of 12 percent
10 per annum on that portion of any award the payment of which is contested.

11 (2) Interest shall be computed from the date of the award of the
12 Commissioner.

13 ~~(e)(d)~~ By January 1, 1999, and at least every five years thereafter, the
14 Commissioner shall amend existing rules regarding reasonable attorney's fees
15 awarded under subsection (a) of this section. In amending these rules, the
16 Commissioner shall consider accessibility to legal services, appropriate
17 inflation factors, and any other related factors consistent with the purposes of
18 this chapter. In the event the Commissioner proposes no change in the rules in
19 any five-year period, the Commissioner shall provide a written report to the
20 Legislative Committee on Administrative Rules of the General Assembly
21 explaining the reasons for not changing the rules.

1 ~~(d) In cases for which a formal hearing is requested and the case is resolved~~
2 ~~prior to formal hearing, the Commissioner may award reasonable attorney’s~~
3 ~~fees if the claimant retained an attorney in response to an actual or effective~~
4 ~~denial of a claim and thereafter payments were made to the claimant as a result~~
5 ~~of the attorney’s efforts.~~

6 * * *

7 Sec. 39. ADOPTION OF RULES

8 The Commissioner of Labor shall, on or before July 1, 2024, adopt rules as
9 necessary to implement the provisions of Secs. 30, 31, 32, 33, 34, 35, 37, and
10 38 of this act.

11 * * * Unemployment Insurance * * *

12 Sec. 40. 21 V.S.A. § 1301 is amended to read:

13 § 1301. DEFINITIONS

14 ~~The following words and phrases, as As used in this chapter, shall have the~~
15 ~~following meanings unless the context clearly requires otherwise:~~

16 * * *

17 (25) “Son,” “daughter,” and “child” include an individual’s biological
18 child, foster child, adoptive child, stepchild, a child for whom the individual is
19 listed as a parent on the child’s birth certificate, a legal ward of the individual,
20 a child of the individual’s spouse, or a child that the individual has day-to-day
21 responsibilities to care for and financially support.

1 (26) “Spouse” includes an individual’s domestic partner or civil union
2 partner. As used in this subdivision, “domestic partner” means another
3 individual with whom an individual has an enduring domestic relationship of a
4 spousal nature, provided that the individual and the individual’s domestic
5 partner:

6 (A) have shared a residence for at least six months;

7 (B) are at least 18 years of age;

8 (C) are not married to, in a civil union with, or considered the
9 domestic partner of another individual;

10 (D) are not related by blood closer than would bar marriage under
11 State law; and

12 (E) have agreed between themselves to be responsible for each
13 other’s welfare.

14 Sec. 41. 21 V.S.A. § 1301 is amended to read:

15 § 1301. DEFINITIONS

16 As used in this chapter:

17 * * *

18 (5) “Employer” includes:

19 (A) Any employing unit ~~which, after December 31, 1971~~ that in any
20 calendar quarter in either the current or preceding calendar year paid for
21 service in employment, as ~~hereinafter~~ defined pursuant to subdivision (6) of

1 this section, wages of \$1,500.00 or more, or for some portion of a day in each
2 of 20 different calendar weeks, whether or not such weeks were consecutive, in
3 either the current or the preceding calendar year, had in employment, ~~as~~
4 ~~hereinafter defined~~, at least one individual (irrespective of whether the same
5 individual was in employment in each such day). When an employing unit
6 described in either this subdivision or subdivision ~~(5)(B)~~ of this ~~section~~
7 subdivision (5), becomes an employer within any calendar year, it shall be
8 subject to this chapter for the whole of ~~such~~ the calendar year.

9 (B)(i) Any employing unit for which service in employment for a
10 religious, charitable, educational, or other organization as defined in
11 subdivision (6)(A)(ix) of this section is performed after December 31, 1971;
12 except as provided in subdivision ~~(5)(C)~~ of this ~~section~~ subdivision (5).

13 * * *

14 (6)(A)(i) “Employment,” subject to the other provisions of this
15 subdivision (6), means service within the jurisdiction of this State, ~~performed~~
16 ~~prior to January 1, 1978, which was employment as defined in this subdivision~~
17 ~~prior to such date and, subject to the other provisions of this subdivision,~~
18 ~~service performed after December 31, 1977,~~ performed by an employee, as
19 defined in subsections 3306(i) and (o) of the Federal Unemployment Tax Act,
20 including service in interstate commerce, performed for wages or under any
21 contract of hire, written or oral, expressed or implied. Services partly within

1 and partly ~~without~~ outside this State may by election as ~~hereinbefore~~ provided
2 in subdivision (5)(E)(i) of this section be treated as if wholly within the
3 jurisdiction of this State. ~~And whenever~~ If an employing unit ~~shall have~~ has
4 elected to come under the provisions of a similar act of a state where a part of
5 the services of an employee are performed, the Commissioner, upon ~~his or her~~
6 ~~approval of said~~ approving the election as to ~~any such~~ the employee, may treat
7 the services covered by ~~said approved~~ the election as having been performed
8 wholly ~~without~~ outside the jurisdiction of this State.

9 * * *

10 (ix) The term “employment” shall also include service for any
11 employing unit ~~which is performed after December 31, 1971~~ by an individual
12 in the employ of a religious, charitable, educational, or other organization ~~but~~
13 ~~only if:~~

14 (I) the service is excluded from “employment” as defined in the
15 Federal Unemployment Tax Act solely by reason of ~~section~~ subdivision
16 3306(c)(8) of that act; ~~and~~

17 (II) ~~the organization had four or more individuals in~~
18 ~~employment for some portion of a day in each of 20 different weeks, whether~~
19 ~~or not such weeks were consecutive, within either the current or preceding~~
20 ~~calendar year, regardless of whether they were employed at the same moment~~
21 ~~of time.~~

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Sec. 42. 21 V.S.A. § 1321 is amended to read:

§ 1321. CONTRIBUTIONS; TAXABLE WAGE BASE CHANGES

(c)(1) Financing benefits paid to employees of nonprofit organizations.

(A) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subsection (c).

(B) ~~For the purposes of~~ As used in this subsection (c), a “nonprofit organization” ~~is~~ means an organization ~~(, or group of organizations),~~ described in Section 501(c)(3) of the U.S. Internal Revenue Code ~~which that~~ that is exempt from income tax under Section 501(a) of ~~such~~ the Internal Revenue Code.

(2) Liability for contributions and election of reimbursement. Any nonprofit organization ~~which that~~, pursuant to subdivision 1301(5)(B)(i) of this ~~title chapter~~, is, or becomes, subject to this chapter ~~on or after January 1, 1972~~ shall pay contributions under the provisions of this section, unless it elects, in accordance with this subsection, to pay to the Commissioner, for the Unemployment Insurance Trust Fund, an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, that is attributable to service in the employ of ~~such~~ the nonprofit organization, to individuals for weeks of unemployment ~~which that~~ begin during the effective period of ~~such~~ the election.

1 (A) ~~Any nonprofit organization which is, or becomes, subject to this~~
2 ~~chapter on January 1, 1972 may elect to become liable for payments in lieu of~~
3 ~~contributions for a period of not less than one calendar year beginning with~~
4 ~~January 1, 1972 provided it files with the Commissioner a written notice of its~~
5 ~~election within the 30 day period immediately following such date or within a~~
6 ~~like period immediately following April 16, 1971, whichever occurs later.~~

7 [Repealed.]

8 (B) Any nonprofit organization ~~which~~ that becomes subject to this
9 chapter ~~after January 1, 1972~~ may elect to become liable for payments in lieu
10 of contributions for a period of not less than 12 months ~~beginning with the date~~
11 ~~on which such subjectivity begins~~ by filing a written notice of its election with
12 the Commissioner not later than 30 days immediately following the date of the
13 determination ~~of such subjectivity~~ that the organization is subject to this
14 chapter.

15 (C) Any nonprofit organization ~~which~~ that makes an election in
16 accordance with ~~subdivisions (c)(2)(A) and~~ subdivision (B) of this section ~~will~~
17 subdivision (c)(2) shall continue to be liable for payments in lieu of
18 contributions until it files with the Commissioner a written notice terminating
19 its election not later than 30 days prior to the beginning of the calendar year for
20 which ~~such~~ the termination shall first be effective.

1 (D) Any nonprofit organization ~~which that~~ has been paying
2 contributions under this chapter ~~for a period subsequent to January 1, 1972~~
3 may ~~change to a reimbursable basis~~ elect to become liable for payments in lieu
4 of contributions by filing with the Commissioner not later than 30 days prior to
5 the beginning of any calendar year a written notice of election to become liable
6 for payments in lieu of contributions. ~~Such~~ An election under this subdivision
7 (c)(2)(D) shall not be terminable by the organization for that year and the next
8 year.

9 (E) The Commissioner may for good cause extend the period within
10 which a notice of election, or a notice of termination, must be filed and may
11 permit an election to be retroactive ~~but not any earlier than with respect to~~
12 ~~benefits paid after December 31, 1969.~~

13 (F) The Commissioner, in accordance with ~~such~~ any applicable rules
14 as adopted by the Board ~~may prescribe~~, shall notify each nonprofit
15 organization of any determination ~~which he or she may make of that the~~
16 Commissioner makes with regard to its status as an employer and ~~of the~~
17 effective date of any election ~~which it~~ that the organization makes and of any
18 termination of ~~such~~ an election. ~~Such~~ The determinations shall be subject to
19 reconsideration and to appeal and review in accordance with the provisions of
20 section 1337a of this title.

1 (3) Reimbursement payments. Payments in lieu of contributions shall
2 be made in accordance with the provisions of this subdivision, including either
3 subdivision (A) or ~~subdivision~~ (B).

4 (A) At the end of each calendar quarter, or at the end of any other
5 period as determined by the Commissioner, the Commissioner shall bill each
6 nonprofit organization, or group of ~~such~~ nonprofit organizations, ~~which that~~
7 has elected to make payments in lieu of contributions for an amount equal to
8 the full amount of regular benefits plus one-half of the amount of extended
9 benefits paid during ~~such~~ the quarter or other prescribed period that is
10 attributable to service in the employ of ~~such~~ the organization.

11 (B)(i) Each nonprofit organization that has elected payments in lieu
12 of contributions may request permission to make ~~such~~ payments as provided in
13 this subdivision (c)(3)(B). ~~Such method of payment~~ Payment pursuant to the
14 provisions of this subdivision (c)(3)(B) shall become effective upon approval
15 of the Commissioner.

16 (ii) At the end of each calendar quarter, the Commissioner shall
17 bill each nonprofit organization approved to make payments pursuant to the
18 provisions of this subdivision (c)(3)(B) for an amount representing ~~one of the~~
19 ~~following:~~

20 ~~(i) For 1972, two tenths of one percent of its total payroll for~~
21 ~~1971.~~

1 ~~(H) For years after 1972, such a~~ percentage of its total payroll
2 for the immediately preceding calendar year ~~as that~~ the Commissioner ~~shall~~
3 ~~determine. The determination shall be~~ determines to be appropriate based ~~each~~
4 ~~year~~ on the average benefit costs attributable to service in the employ of
5 nonprofit organizations during the preceding calendar year.

6 ~~(III) For~~ The Commissioner may determine a different rate for
7 any organization ~~which that~~ did not pay wages throughout the four calendar
8 quarters of the preceding calendar year, ~~such percentage of its payroll during~~
9 ~~that year as the Commissioner shall determine.~~

10 (iii) At the end of each calendar year, the Commissioner may
11 modify the quarterly percentage of payroll thereafter payable by the nonprofit
12 organization in order to minimize excess or insufficient payments.

13 (iv) At the end of each calendar year, the Commissioner shall
14 determine whether the total of payments for ~~such the~~ year made by a nonprofit
15 organization is less than, or in excess of, the total amount of regular benefits
16 plus one-half of the amount of extended benefits paid to individuals during
17 ~~such the~~ taxable year based on wages attributable to service in the employ of
18 ~~such the~~ organization. Each nonprofit organization whose total payments for
19 ~~such the~~ year are less than the amount ~~so~~ determined shall be liable for
20 payment of the unpaid balance to the Trust Fund in accordance with
21 subdivision ~~(3)(C)~~ of this ~~subsection~~ subdivision (c)(3). If the total payments

1 exceed the amount so determined for the taxable year, all or a part of the
2 excess shall, at the election of the nonprofit organization, be refunded from the
3 Trust Fund or retained in the Trust Fund as part of the payments ~~which that~~
4 may be required for the next calendar year.

5 (C) Payment of any bill rendered under subdivision (2) ~~or subdivision~~
6 ~~(3)~~ of this subsection (c) or this subdivision (c)(3) shall be made not later than
7 30 days after the bill is mailed to the last known address of the nonprofit
8 organization or is otherwise delivered to it, unless there has been an application
9 for redetermination by the Commissioner or a petition for hearing before a
10 referee in accordance with subdivision ~~(3)~~(E) of this ~~subsection~~ subdivision
11 (c)(3).

12 (D) Payments made by any nonprofit ~~corporation~~ organization under
13 the provisions of this section shall not be deducted or deductible, in whole or in
14 part, from the remuneration of individuals in the employ of the organization.

15 (E)(i) The amount due specified in any bill from the Commissioner
16 shall be conclusive on the organization unless, not later than 30 days after the
17 date of the bill, the organization files an application for reconsideration by the
18 Commissioner, or a petition for a hearing before a referee, setting forth the
19 grounds for ~~such~~ the application or petition.

20 (ii) The Commissioner shall promptly review and reconsider the
21 amount due specified in the bill and shall thereafter issue a redetermination in

1 any case in which ~~such~~ an application for redetermination has been filed. Any
2 such redetermination shall be conclusive on the organization unless, not later
3 than 30 days after the date of the redetermination, the organization files a
4 petition for a hearing before a referee, setting forth the grounds for the petition.

5 (iii) Proceedings on the petition for a hearing before a referee on
6 the amount of a bill rendered under this section or a redetermination of ~~such~~
7 the amount shall be in accordance with the provisions of section 1331 of this
8 title, and the decision of the referee shall be subject to the provisions of that
9 section. Review of the decision of the referee by the Employment Security
10 Board shall be in accordance with, and its decision shall be subject to, the
11 provisions of section 1332 of this title.

12 (F) Any employer, including the State of Vermont ~~which,~~ that makes
13 payments in lieu of contributions under this section shall be subject to the
14 provisions of sections 1314, 1322, 1328, 1329, 1334, and 1336 of this title as
15 follows:

16 (i) ~~that~~ The employer shall be liable for any reports as required by
17 the Commissioner ~~may require~~ pursuant to sections 1314 and 1322 of this
18 title;

19 (ii) ~~that~~ The employer shall be liable for any penalty imposed
20 pursuant to sections 1314 and 1328 of this title;

1 (iii) ~~that~~ The employer shall be liable for the same interest on past
2 due payments pursuant to subsection 1329(a) of this title;

3 (iv) ~~that~~ The employer shall be subject to a civil action for the
4 collection of past due payments as if those payments were contributions
5 pursuant to subsections 1329(b) and 1334(a) of this title; ~~and~~.

6 (v) ~~that~~ The employer shall be subject to ~~those~~ actions for the
7 collection of past due payments as if those payments were contributions
8 pursuant to subsections 1329(c) and (d); and 1334(b) and (c); and section 1336
9 of this title; however, those provisions shall not apply to the State of Vermont.

10 (4) Authority to terminate elections. If any nonprofit organization is
11 delinquent in making payments in lieu of contributions as required under this
12 subsection, the Commissioner may terminate ~~such~~ the organization's election
13 to make payments in lieu of contributions as of the beginning of the next
14 taxable year, and the termination shall be effective for that and the next taxable
15 year.

16 (5) Allocation of benefit costs.

17 (A) Each employer that is liable for payments in lieu of contributions
18 shall pay to the Commissioner for the Trust Fund the amount of regular
19 benefits plus the amount of one-half of extended benefits paid that are
20 attributable to service in the employ of ~~such~~ the employer.

1 (B) If benefits paid to an individual are based on wages paid by more
2 than one employer and one or more of ~~such~~ the employers are liable for
3 payments in lieu of contributions, the amount payable to the Trust Fund by
4 each employer that is liable for ~~such~~ payments in lieu of contributions shall be
5 ~~determined in accordance with subdivisions (5)(A) and (B) of this subsection~~
6 ~~(c):~~

7 ~~(A) Proportionate allocation when fewer than all base period~~
8 ~~employers are liable for reimbursement. If benefits paid to an individual are~~
9 ~~based on wages paid by one or more employers that are liable for payments in~~
10 ~~lieu of contributions and on wages paid by one or more employers who are~~
11 ~~liable for contributions, the amount of benefits payable by each employer that~~
12 ~~is liable for payments in lieu of contributions shall be an amount which that~~
13 ~~bears the same ratio to the total benefits paid to the individual as the total base-~~
14 ~~period wages paid to the individual by ~~such~~ the employer bear to the total base-~~
15 ~~period wages paid to the individual by all of ~~his or her~~ the individual's base-~~
16 ~~period employers.~~

17 ~~(B) Proportionate allocation when all base period employers are~~
18 ~~liable for reimbursement. If benefits paid to an individual are based on wages~~
19 ~~paid by two or more employers that are liable for payments in lieu of~~
20 ~~contributions, the amount of benefits payable by each employer shall be an~~
21 ~~amount which bears the same ratio to the total benefits paid to the individual as~~

1 ~~the total base period wages paid to the individual by the employer bear to the~~
2 ~~total base period wages paid to the individual by all of his or her base period~~
3 ~~employers.~~

4 (6) Group accounts. Two or more employers that have become liable
5 for payments in lieu of contributions, in accordance with the provisions of this
6 section and section 1380 of this title, may file a joint application to the
7 Commissioner for the establishment of a group account for the purpose of
8 sharing the cost of benefits paid that are attributable to service in the employ of
9 ~~such~~ the employers. Each application shall identify and authorize a group
10 representative to act as the group's agent for the purpose of this section. Upon
11 ~~his or her~~ approval of the application, the Commissioner shall establish a group
12 account for ~~such~~ the employers effective as of the beginning of the calendar
13 quarter in which ~~he or she~~ the Commissioner receives the application and shall
14 notify the group's representative of the effective date of the account. The
15 account shall remain in effect for not less than two years and thereafter until
16 terminated at the discretion of the Commissioner or upon application by the
17 group. Upon establishment of the account, each member of the group shall be
18 liable for payments in lieu of contributions with respect to each calendar
19 quarter in the amount that bears the same ratio to the total benefits paid in ~~such~~
20 the quarter that are attributable to service performed in the employ of all
21 members of the group as the total wages paid for service in employment by

1 ~~such~~ the member in ~~such~~ the quarter bear to the total wages paid during ~~such~~
2 the quarter for service performed in the employ of all members of the group.
3 The Board shall ~~prescribe regulations~~ adopt rules as it deems necessary with
4 respect to applications for establishment, maintenance, and termination of
5 group accounts that are authorized by this subdivision, for addition of new
6 members to, and withdrawal of active members from, such accounts, and for
7 the determination of the amounts that are payable under this ~~section~~ subsection
8 by members of the group and the time and manner of ~~such~~ the payments.

9 (7) ~~Notwithstanding any of the foregoing provisions of this section, any~~
10 ~~nonprofit organization that prior to January 1, 1969, paid contributions~~
11 ~~required by this section, and, pursuant to subsection (c) of this section, elects~~
12 ~~within 30 days after January 1, 1972, to make payments in lieu of~~
13 ~~contributions, shall not be required to make any such payment on account of~~
14 ~~any regular or extended benefits paid, on the basis of wages paid by such~~
15 ~~organization to individuals for weeks of unemployment which begin on and~~
16 ~~after the effective date of the election until the total amount of benefits equals~~
17 ~~the amount (1) by which the contributions paid by the organization with~~
18 ~~respect to the two year period before the effective date of the election under~~
19 ~~subsection (b) of this section exceed (2) the total amount of unemployment~~
20 ~~benefits paid for the same period that were attributable to service performed in~~

1 ~~the employ of the organization and were charged to the experience rating~~
2 ~~record of the organization.~~ [Repealed.]

3 * * *

4 (f) Any employer who makes payments in lieu of contributions under the
5 provisions of this section is considered to be self-insuring and shall pay to the
6 Commissioner for the Unemployment Compensation Trust Fund ~~such any~~
7 amounts as the Commissioner finds to be due under this chapter, including
8 benefits paid but denied on appeal or benefits paid in error ~~which that~~ cannot
9 be properly charged either against another employer who makes payments in
10 lieu of contributions or against the experience-rating record of another
11 employer who pays contributions. Benefits improperly paid where repayment
12 by the claimant is ordered pursuant to subsection 1347(a) or (b) of this title
13 will be credited to the employer's account when repayment from the claimant
14 is actually received by the Commissioner.

15 Sec. 43. NONPROFIT AND MUNICIPAL REIMBURSABLE

16 EMPLOYERS; EDUCATION; OUTREACH

17 (a) On or before October 1, 2023, the Commissioner of Labor, in
18 consultation with the Vermont League of Cities and Towns, Common Good
19 Vermont, United Way of Northwest Vermont, and other interested
20 stakeholders, shall develop information and education materials for nonprofit

1 and municipal employers regarding the unemployment insurance system. At a
2 minimum, the materials shall:

3 (1) explain the options available to nonprofit and municipal employers,
4 including paying regular unemployment insurance contributions, reimbursing
5 the Unemployment Insurance Trust Fund for attributable unemployment
6 insurance costs, and, with respect to nonprofit employers, quarterly payments
7 of estimated unemployment insurance costs;

8 (2) identify the potential benefits and drawbacks of each of the options
9 identified in subdivision (1) of this subsection;

10 (3) provide information on how a nonprofit or municipal employer can
11 evaluate its potential liability under each of the options identified in
12 subdivision (1) of this subsection;

13 (4) provide information developed by the Vermont League of Cities and
14 Towns, Common Good Vermont, United Way of Northwest Vermont, and
15 other interested stakeholders regarding how a nonprofit or municipal employer
16 can plan and budget for the potential expenses associated with each of the
17 options identified in subdivision (1) of this subsection; and

18 (5) provide additional information regarding the Unemployment
19 Insurance program and related laws that the Commissioner determines, in
20 consultation with the Vermont League of Cities and Towns, Common Good

1 Vermont, United Way of Northwest Vermont, and other interested
2 stakeholders, to be helpful or necessary for nonprofit and municipal employers.

3 (b)(1) The informational and educational materials developed pursuant to
4 subsection (a) of this section shall be made available on the Department’s
5 website and shall, in coordination with the Secretary of State, Common Good
6 Vermont, United Way of Northwest Vermont, the Vermont League of Cities
7 and Towns, and other interested stakeholders, be shared directly with Vermont
8 nonprofit and municipal employers to the extent practicable.

9 (2) The Secretary of State shall assist the Commissioner of Labor in
10 identifying and contacting all active Vermont nonprofit employers. The Office
11 of the Secretary of State shall also make available on its website a link to the
12 information and educational materials provided on the Department of Labor’s
13 website pursuant to this section.

14 (c) The Department of Labor, in collaboration with the Vermont League of
15 Cities and Towns, Common Good Vermont, United Way of Northwest
16 Vermont, and other interested stakeholders, shall hold one or more
17 informational sessions to present the materials and information developed
18 pursuant to subsection (a) of this section to nonprofit employers and municipal
19 employers. At least one session shall be held on or before November 1, 2023.
20 Each session shall allow for both in-person and remote participation and shall

1 be recorded. Recordings shall be made available to the public and to
2 stakeholder organizations for distribution to their members.

3 Sec. 44. 2021 Acts and Resolves No. 183, Sec. 59(b)(6) is amended to read:

4 (6) Sec. 52g (prospective repeal of unemployment insurance benefit
5 increase) shall take effect ~~upon the payment of a~~ when the cumulative total
6 amount of additional benefits paid pursuant to 21 V.S.A. § 1338(e) when,
7 compared to the rate at which benefits would have been paid under the formula
8 set forth in 21 V.S.A. § 1338(e) on June 30, 2025 ~~equal to \$92,000,000.00,~~
9 plus the ~~difference between \$8,000,000.00 and the~~ amount of additional
10 benefits paid ~~out~~ pursuant to section 52b, ~~if any,~~ compared to the amount that
11 would have been paid pursuant to the provisions of 21 V.S.A. § 1338(f)(1) on
12 June 30, 2022, equals \$100,000,000.00 and shall apply to benefit weeks
13 beginning after that date.

14 Sec. 45. UNEMPLOYMENT DUE TO URGENT, COMPELLING, OR
15 NECESSITOUS CIRCUMSTANCES; COVERAGE; IMPACT;
16 REPORT

17 (a) On or before January 15, 2024, the Commissioner of Labor shall submit
18 a written report prepared in consultation with the Joint Fiscal Office to the
19 House Committee on Commerce and Economic Development and the Senate
20 Committee on Economic Development, Housing and General Affairs regarding
21 the potential impact of extending eligibility for unemployment insurance

1 benefits to individuals who separate from employment due to urgent,
2 compelling, or necessitous circumstances, including the individual’s injury or
3 illness, to obtain or recover from medical treatment, to escape domestic or
4 sexual violence, to care for a child following an unexpected loss of child care,
5 or to care for an ill or injured family member.

6 (b) The report shall include:

7 (1) a list of states in which individuals who separate from employment
8 due to circumstances similar to those described in subsection (a) of this section
9 are eligible for unemployment insurance and shall identify the specific
10 circumstances for separation from employment in each identified state for
11 which there is no waiting period or period of disqualification related to the
12 circumstance;

13 (2) information, to the extent it is available, regarding the number of
14 approved claims in the states identified pursuant to subdivision (1) of this
15 subsection where the individual separated from employment due to
16 circumstances similar to those described in subsection (a) of this section;

17 (3) an estimate of the projected range of additional approved claims per
18 year in Vermont if individuals who separate from employment due to
19 circumstances similar to those described in subsection (a) of this section are
20 made eligible for unemployment insurance;

1 (4) an estimate of the range of potential impacts on the Unemployment
2 Insurance Trust Fund of making individuals who separate from employment
3 due to circumstances similar to those described in subsection (a) of this section
4 eligible for unemployment insurance; and

5 (5) any recommendations for legislative action.

6 Sec. 46. DOMESTIC AND SEXUAL VIOLENCE SURVIVORS’

7 TRANSITIONAL EMPLOYMENT PROGRAM; UTILIZATION;

8 REPORT

9 On or before January 15, 2024, the Commissioner of Labor shall submit a
10 written report to the House Committee on Commerce and Economic
11 Development and the Senate Committee on Economic Development, Housing
12 and General Affairs regarding the utilization of the Domestic and Sexual
13 Violence Survivors’ Transitional Employment Program. The report shall
14 include information regarding the utilization of the Program during the past 10
15 years, a summary of the Department’s efforts to make members of the public
16 aware of the Program and improve access to it, how the identified changes
17 have impacted utilization of the Program in comparison to prior years, any
18 potential ways to further increase awareness and utilization of the Program,
19 and any suggestions for legislative action to improve awareness or utilization
20 of the Program.

1 Sec. 47. 21 V.S.A. § 1256 is added to read:

2 § 1256. NOTIFICATION TO THE PUBLIC

3 The Department shall take reasonable measures to provide information to
4 the public about the Program, including publishing information on the
5 Department’s website and providing timely materials related to the Program to
6 public agencies of the State and organizations that work with domestic and
7 sexual violence survivors, including law enforcement, State’s Attorneys,
8 community justice centers, the Center for Crime Victim Services, the Vermont
9 Network Against Domestic and Sexual Violence (the Network), and any others
10 deemed appropriate by the Commissioner in consultation with the Network.

11 * * * Effective Dates * * *

12 Sec. 48. EFFECTIVE DATES

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

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

1 (2) Sec. 5a (Child Care Financial Assistance Program; eligibility) and
2 Sec. 5d (fiscal year 2024; family contribution) shall take effect on April 1,
3 2024, except that the Commissioner for Children and Families shall initiate
4 any rulemaking necessary prior to that date in order to perform the
5 Commissioner’s duties under this act.

6 (3) Sec. 5b (Child Care Financial Assistance Program; eligibility), Sec.
7 9a (payment to providers), and Sec. 10 (child care quality and capacity
8 incentive program) shall take effect on July 1, 2024, except that the
9 Commissioner for Children and Families shall initiate any rulemaking
10 necessary prior to that date in order to perform the Commissioner’s duties
11 under this act.

12 (4) Sec. 5c (Child Care Financial Assistance Program; eligibility) shall
13 take effect on October 1, 2024.

14 (5) Sec. 25 (Child Care Contribution) shall take effect on July 1, 2024.

15 (6) Secs. 27 (Workers’ Compensation Administrative Fund rate of
16 contribution) and 29 (extension prior to proposed discontinuance of workers’
17 compensation benefits) shall take effect on passage.

18 (7) Sec. 41 (extension of unemployment insurance to small nonprofit
19 employers) shall take effect on July 1, 2024.

20 (8) Secs. 33 and 35 (sunset of workers’ compensation dependent benefit
21 increases) shall take effect on July 1, 2028.

1 and that after passage the title of the bill be amended to read: “An act
2 relating to child care, early education, workers’ compensation, and
3 unemployment insurance”

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10 (Committee vote: _____)

11

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Senator _____

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FOR THE COMMITTEE