

H.531

An act relating to Vermont's child care and early learning system

It is hereby enacted by the General Assembly of the State of Vermont:

\* \* \* Legislative Intent \* \* \*

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly that:

(1) Vermont strive to enhance the capacity and affordability of the child care and early learning system and support the retention, growth, and professional development of its workforce; and

(2) investments and initiatives set forth in this act are meant to compliment the anticipated redesign of the Child Care Financial Assistance Program, which shall be monitored by the General Assembly.

\* \* \* Child Care Financial Assistance Program \* \* \*

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

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall ~~not~~ be entitled to participate in the Program for a ~~period in~~

~~excess of one month up to three months, unless that period is extended by and~~  
the Commissioner may further extend that period.

(2) The subsidy authorized by this subsection shall be on a sliding scale basis. The scale shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the current federal poverty guidelines. The upper income limit of the fee scale shall be neither less than 200 percent of the current federal poverty guidelines nor more than 100 percent of the State median income, adjusted for the size of the family. The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.

\* \* \*

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

\* \* \*

Sec. 3. CHILD CARE FINANCIAL ASSISTANCE PROGRAM

In fiscal year 2020, \$1,250,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division to restore the base for the Child Care Financial Assistance Program (CCFAP) and \$6,900,000.00 is appropriated from the General Fund to the Division for the purpose of adjusting the sliding fee scale and reimbursement rates in CCFAP as follows:

(1) adjust the sliding fee scale of CCFAP to ensure that families whose gross income is up to 100 percent of the current federal poverty guidelines receive 100 percent of the available benefit and that families whose gross income is between 100 and 300 percent of the current federal poverty guidelines receive between 99 and 10 percent of the available financial assistance benefit, scaling between set eligibility levels as follows:

(A) 95 percent of the available financial assistance benefit for families at 125 percent of the current federal poverty guidelines;

(B) 75 percent of the available financial assistance benefit for families at 150 percent of the current federal poverty guidelines;

(C) 50 percent of the available financial assistance benefit for families at 200 percent of the current federal poverty guidelines; and

(D) 10 percent of the available financial assistance benefit for families at 300 percent of the current federal poverty guidelines; and

(2) align rates of reimbursement for preschool and school age children participating in CCFAP in fiscal year 2020 with the market rates reported on the 2015 Vermont Market Rate Survey and maintain rates of reimbursement for infants and toddlers participating in CCFAP in fiscal year 2020 with the market rates reported on the 2017 Vermont Market Rate Survey.

\* \* \* Early Child Care and Development Program Grant Funds \* \* \*

Sec. 4. REALLOCATION OF EARLY CHILD CARE AND  
DEVELOPMENT PROGRAM FUNDS AND PROGRAM  
CESSATION

In fiscal year 2020, any funds proposed to be appropriated to the Department for Children and Families' Child Development Division for the Early Care and Child Development Grant Program established pursuant to 2017 Acts and Resolves No. 85, §§ E.318 and E.318.1 and 2018 (Sp. Sess.) Acts and Resolves No. 11, § E.318 shall be available to fund the Child Care Financial Assistance Program in fiscal year 2020 and thereafter. The Early Care and Child Development Grant Program shall cease operation on June 30, 2019.

\* \* \* Bright Futures Information System \* \* \*

Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;

MODERNIZATION PLAN

In fiscal year 2020, up to \$100,000.00 appropriated for the Child Care Financial Assistance Program pursuant to Sec. 3 of this act may be used by the Department for Children and Families' Child Development Division for the purpose of developing a modernization plan for the Bright Futures Information System. On or before Dec. 1, 2019, the Commissioner shall submit a report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare providing:

- (1) a project plan and timeline;
- (2) a fiscal analysis of the plan; and
- (3) the project team tasked with overseeing the project's

implementation.

Sec. 5a. BRIGHT FUTURES INFORMATION SYSTEM;

MODERNIZATION PLAN IMPLEMENTATION

(a) In fiscal year 2020, \$1,000,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division to begin implementation of the plan developed pursuant to Sec. 5 of this act.

(b) Any unused funds appropriated pursuant to Sec. 3 of this act shall be reserved to begin implementation of the plan developed pursuant to Sec. 5 of this act.

\*\* \* Student Loan Repayment Assistance and Scholarship Program \* \* \*

Sec. 6. 33 V.S.A. § chapter 35, subchapter 5 is added to read:

Subchapter 5. Support for Child Care and Early Learning Workforce

§ 3533. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a student loan repayment assistance program administered by the Division for the purpose of providing student loan repayment assistance to any individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A) work in a privately operated center-based child care program or family child care home that is regulated by the Division for at least an average of 30 hours per week for 48 weeks of the year;

(B) receive an annual salary of not more than \$40,000.00; and

(C) have acquired credits in early childhood development or which are related directly to working with children birth through eight years of age.

(3) To participate in the program set forth in this section, an eligible individual shall submit to the Division documentation expressing the individual's intent to work in a regulated, privately operated center-based child

care program or family child care home for at least the following 12 months.  
A participant may receive up to \$2,000.00 annually in student loan repayment assistance, which shall be distributed by the Division in two allotments. The Division shall distribute at least half of the individual's total annual benefit after the individual has completed six months of employment in accordance with the program. The remainder of an individual's total annual benefit shall be distributed by the Division after the individual has completed the 12th month of employment in accordance with the program.

(b)(1) The Division shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

(2) Funds appropriated for this program shall be expended for repayment of student loans. Student loan repayments shall be available pursuant to this section on a first-come, first-served basis until appropriated funds are depleted.

(c) Otherwise eligible individuals with access to alternative loan forgiveness or loan repayment programs shall not be considered eligible for repayment assistance under this section.

(d) An individual shall not simultaneously participate in the student loan repayment assistance program set forth in this section and the scholarship program set forth section 3534 of this title.

§ 3534. CHILD CARE AND EARLY LEARNING WORKFORCE

SCHOLARSHIP

(a) There is established a need-based scholarship program for individuals employed by a regulated, privately operated center-based child care program or family child care home while acquiring credits in early childhood development or which are related directly to working with children birth through eight years of age.

(b) The Division shall contract for the administration of the program set forth in subsection (a) of this section and adopt policies, procedures, and guidelines necessary for its implementation. Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(c) An individual shall not simultaneously participate in the scholarship program set forth in this section and the student loan repayment assistance program set forth in section 3533 of this title.

Sec. 7. APPROPRIATIONS; COLLEGE LOAN REPAYMENT

ASSISTANCE; CHILD CARE AND EARLY LEARNING

WORKFORCE SCHOLARSHIP

(a)(1) In fiscal year 2020, \$500,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development

Division for the student loan repayment assistance program established pursuant to 33 V.S.A. § 3533.

(2) In fiscal year 2020, \$500,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for the child care and early learning workforce scholarship program established pursuant to 33 V.S.A. § 3534.

(b) It is the intent of the General Assembly that appropriations that meet or exceed each of the amounts appropriated in fiscal year 2020 pursuant to subdivisions (a)(1) and (2) of this section be made in fiscal years 2021 through 2024.

\* \* \* Evaluation of Expenditures and Programs \* \* \*

Sec. 8. REPORT; EVALUATION OF EXPENDITURES AND PROGRAMS

On or before January 1, 2024, the Commissioner for Children and Families, in consultation with stakeholders, shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare:

(1) evaluating the effectiveness of the expenditure in the Child Care Financial Assistance Program set forth in Sec. 3 of this act, the student loan repayment program set forth in 33 V.S.A. § 3533, and the scholarship program set forth in 33 V.S.A. § 3534;

(2) making recommendations as to whether the expenditures and programs in Sec. 3 of this act and in 33 V.S.A. §§ 3533–3534 should be continued and, if so, the appropriate funding amount and source; and

(3) evaluating how the expenditures and programs in Sec. 3 of this act and in 33 V.S.A. §§ 3533–3534 contribute to Vermont’s children and young people reaching their potential pursuant to 3 V.S.A. § 2311.

\* \* \* Variance for Educational and Experiential Requirements\* \* \*

#### Sec. 9. EDUCATIONAL AND EXPERIENTIAL VARIANCE

(a) For individuals operating or employed in a registered family child care home or as a director or teacher associate in a center-based program for 10 or more years prior to September 1, 2016, the Commissioner for Children and Families or designee may issue a variance to the Child Development Division’s rule regarding educational and experiential requirements to allow an individual to maintain employment in that same role regardless of whether the family child care provider, family child care assistant, director, or teacher associate intends to attain the otherwise necessary educational requirements. To be eligible for a variance, the family child care provider, family child care assistant, director, or teacher associate shall:

(1) work continuously in a regulated program with a full license in good standing; and

(2) meet the Divisions' educational and experiential requirements in place prior to the adoption of the new rule, which was effective beginning September 1, 2016.

(b) The Commissioner or designee shall review any violation occurring in a regulated program where a family child care provider, family child care assistant, director, or teacher associate is under variance and may revoke the variance granted by this section depending upon the seriousness and circumstances of the violation.

(c) Any variance granted under this section shall be terminated on July 1, 2024, and extensions shall not be granted beyond that date.

\* \* \* Children's Integrated Services \* \* \*

Sec. 10. REIMBURSEMENT RATES; PROVIDERS OF CHILDREN'S  
INTEGRATED SERVICES

In fiscal year 2020, \$309,714.00 is appropriated from the General Fund to the Department for Children and Families' Children's Integrated Services for the purpose of increasing reimbursement rates to providers.

\* \* \* Effective Date \* \* \*

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2019.