

WORKING DRAFT

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 1 of 9

1 Introduced by Committee on Human Services

2 Date:

3 Subject: Human services; child care; child care financial assistance program;

4 student loan repayment assistance

5 Statement of purpose of bill as introduced: This bill proposes to amend the
6 eligibility criteria and benefit scale within the Child Care Financial Assistance
7 Program. It proposes to enable expenditures for the modernization of the
8 Bright Futures Information System. This bill also proposes to appropriate
9 funds for student loan repayment assistance for certain early learning
10 professionals and directs changes to educational and experiential rules that
11 apply to family child care providers.

12 An act relating to Vermont's child care system

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

14 * * * Findings * * *

15 Sec. 1. FINDINGS

16 The General Assembly finds that:

17 (1) according to Building Bright Futures' *How Are Vermont's Young*
18 *Children and Families* report, some Vermont families with middle income are
19 spending more than 40 percent of their income on child care, even after
20 receiving support from the State's Child Care Financial Assistance Program;

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 2 of 9

1 (2) a February 2019 study of Vermont families commissioned by the
2 Department for Children and Families found that the majority of households
3 with all parents working cited work as the primary reason for searching for
4 child care and that of households with all parents working, 82 percent stated
5 that the availability of child care affected how much parents worked;

6 (3) a January 2018 report published by Let's Grow Kids entitled *Stalled*
7 at the Start: Vermont's Child Care Challenge found that more than half of
8 Vermont's infants and toddlers who are likely to need child care do not have
9 access to any regulated care;

10 (4) according to the Joint Fiscal Office, child care capacity statewide
11 decreased by 7.1 percent between December 2015 and June 2018;

12 (5) Vermont's shortage of qualified early learning professionals to fill
13 open positions at early care and learning programs is due in large part to the
14 fact that early learning professionals in the State have a median annual salary
15 of \$26,440.00, which is less than Vermont's livable wage;

16 (6) according to a 2015 survey conducted by Georgetown University's
17 Center on Education and the Workforce, graduates who earn bachelor's
18 degrees in early education earn the lowest annual salary of any college degree
19 in the country; and

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 3 of 9

1 (7) making payments on student loans, averaging \$30,651.00 in
2 Vermont, can pose a challenge for new early learning professionals who may
3 earn \$12.71 an hour.

4 * * * Child Care Financial Assistance Program * * *

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

6 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

7 ELIGIBILITY

8 (a)(1) The Child Care Financial Assistance Program is established to
9 subsidize, to the extent that funds permit, the costs of child care for families
10 that need child care services in order to obtain employment, to retain
11 employment, or to obtain training leading to employment. Families seeking
12 employment shall not be entitled to participate in the Program for a period in
13 excess of one month, unless that period is extended by the Commissioner.

14 (2) The subsidy authorized by this subsection shall be on a sliding scale
15 basis. The scale shall be established by the Commissioner, by rule, and shall
16 bear a reasonable relationship to income and family size. The lower limit of
17 the fee scale shall include families whose gross income is up to and including
18 100 percent of the federal poverty guidelines. The upper income limit of the
19 fee scale shall be neither less than 200 percent of the federal poverty guidelines
20 nor more than 100 percent of the State median income, adjusted for the size of
21 the family. The scale shall be structured so that it encourages employment.

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 4 of 9

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* * *

2

(4) A regulated center-based child care program or family child care

3

home as defined by the Department in rule shall not receive funds pursuant to

4

this subsection that are in excess of what [would otherwise be collected in

5

private tuition payments] OR [the center-based child care program or family

6

child care home charges for tuition].

7

* * *

8

Sec. 3. CHILD CARE FINANCIAL ASSISTANCE PROGRAM

9

In fiscal year 2020, \$ X is appropriated from the General Fund to the

10

Department for Children and Families' Child Development Division for the

11

purpose of adjusting the eligibility and rate for the Child Care Financial

12

Assistance Program as follows:

13

* * * Bright Futures Information System * * *

14

Sec. 4. BRIGHT FUTURES INFORMATION SYSTEM;

15

MODERNIZATION PLAN

16

Up to \$100,000.00 appropriated for the Child Care Financial Assistance

17

Program pursuant to Sec. 3 of this act may be used by the Department for

18

Children and Families' Child Development Division for the purpose of

19

developing a modernization plan for the Bright Futures Information System.

20

On or before Dec. 1, 2019, the Commissioner shall submit a report to the

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 5 of 9

1 House Committees on Appropriations and on Human Services and to the
2 Senate Committees on Appropriations and Health and Welfare providing:

3 (1) a project plan and timeline;

4 (2) a fiscal analysis of the plan; and

5 (3) the project team tasked with overseeing the project's
6 implementation.

7 * * * Student Loan Repayment Assistance * * *

8 Sec. 5. STUDENT LOAN REPAYMENT ASSISTANCE

9 (a)(1) In fiscal year 2020, \$1,000,000.00 is appropriated from the General
10 Fund to the Vermont Student Assistance Corporation, which shall use the
11 funds to provide student loan repayments for early learning professionals who
12 have earned a bachelor's or master's degree in early childhood education or
13 early childhood special education within the preceding five years. The
14 Vermont Student Assistance Corporation's duties under this section are subject
15 to the appropriation of funds by the General Assembly specifically for this
16 purpose.

17 (2) An eligible early learning professional shall:

18 (A) work in a private center-based child care and preschool program
19 as a teacher or teacher associate or in a registered or licensed family child care
20 home as defined by the Department for Children and Families in rule for at
21 least an average of 30 hours per week for 45 weeks of the year; and

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 6 of 9

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

2 (3) Upon submission of an application to the Vermont Student
3 Assistance Corporation, an eligible early learning professional may receive up
4 to \$2,000.00 annually in student loan repayment assistance for work in a
5 private preschool classroom and up to \$3,000.00 annually in student loan
6 repayments for work in an infant or toddler classroom.

7 (b) It is the intent of the General Assembly that an appropriation be made
8 in fiscal years 2021 through 2024 to accomplish the purpose set forth in
9 subsection (a) of this section.

10 (c)(1) The Vermont Student Assistance Corporation shall adopt policies,
11 procedures, and guidelines necessary to implement the provisions of this
12 section.

13 (2) Funds used from this appropriation shall be expended for repayment
14 of student loans. Student loan repayments shall be available pursuant to this
15 section on a first-come, first-served basis until the appropriation is depleted.

16 (3) Up to six percent of the total funds appropriated over the course of
17 fiscal years 2020 through 2024 may be used for the Vermont Student
18 Assistance Corporation's staff salaries, fringe benefits, or other expenses
19 associated with the direct administration of this appropriation. Funds shall not
20 be used to cover indirect costs.

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 7 of 9

1 (d) Otherwise eligible early learning professionals with access to
2 alternative loan forgiveness or loan repayment programs shall not be
3 considered eligible for repayment assistance under this section.

4 (e) As used in this section, “early learning professional” means a “child
5 care provider” as defined in 33 V.S.A. § 3511 and a person providing “early
6 childhood education” as defined in 16 V.S.A. § 11.

7 * * * Educational and Experiential Requirements * * *

8 Sec. 6. RULEMAKING; EDUCATIONAL AND EXPERIENTIAL
9 REQUIREMENTS

10 On or before January 1, 2020, the Commissioner for Children and Families
11 shall amend the Department’s existing child care rules pursuant to 3 V.S.A.
12 chapter 25 as follows:

13 (1) Changes to the qualifications and experiences required of family
14 child care providers in registered family child care homes, which took effect on
15 September 1, 2017, shall not be enforced until September 1, 2021.

16 (2) With regard to registered family child care homes, the Department
17 shall establish in rule a process for eligible family child care providers to use
18 professional experiences to satisfy the Department’s qualification and
19 experience requirements. To be eligible to use professional experience to
20 satisfy the Department’s qualification and experience requirements, a family
21 child care provider shall:

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 8 of 9

1 (A) have been employed by his or her current employer on
2 August 31, 2017;

3 (B) have at least five years of experience working with groups of
4 children five years of age or younger on a full-time basis; and

5 (C) maintain a full license in good standing.

6 * * * Increasing corporate tax rate by 0.33% * * *

7 Sec. 7. 32 V.S.A. § 5832 is amended to read:

8 § 5832. TAX ON INCOME OF CORPORATIONS

9 A tax is imposed for each calendar year, or fiscal year ending during that
10 calendar year, upon the income earned or received in that taxable year by every
11 taxable corporation, reduced by any Vermont net operating loss allowed under
12 section 5888 of this title, such tax being the greater of:

13 (1) an amount determined in accordance with the following schedule:

14
15 *Vermont net income of the corpo-*
16 *ration for the taxable year allo-*
17 *cated or apportioned to Vermont*
18 *under section 5833 of this title*

	Tax
19 \$ 0-10,000.00	6.00% <u>6.33%</u>

WORKING Draft

(dr req 19-1256 – draft 2.1)
3/12/2019 - KMM - 08:35 AM

Page 9 of 9

1	10,001.00-25,000.00	\$600.00 plus 7.0% <u>7.33%</u>
2		of the excess over
3		\$10,000.00
4		
5		
6	25,001.00 and over	\$1,650.00 plus
7		8.5% <u>8.83%</u> of the excess
8		over \$25,000.00
9	or	

*** Effective Date ***

Sec. 8. EFFECTIVE DATES

(a) This section and Secs. 1-6 of this act shall take effect on July 1, 2019.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 7 (corporate tax rates) shall take effect retroactively on January 1, 2019 and apply to taxable year 2019 and after.