

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred House Bill
3 No. 531 entitled “An act relating to Vermont’s child care and early learning
4 system” respectfully reports that it has considered the same and recommends
5 that the Senate propose to the House that the bill be amended by striking out all
6 after the enacting clause and inserting in lieu thereof the following:

7 * * * Legislative Intent * * *

8 Sec. 1. LEGISLATIVE INTENT

9 It is the intent of the General Assembly that:

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

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

16 * * * Child Care Financial Assistance Program * * *

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

18 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

19 ELIGIBILITY

20 (a)(1) The Child Care Financial Assistance Program is established to
21 subsidize, to the extent that funds permit, the costs of child care for families

1 that need child care services in order to obtain employment, to retain
2 employment, or to obtain training leading to employment. Families seeking
3 employment shall ~~not~~ be entitled to participate in the Program for ~~a period in~~
4 ~~excess of one month, unless that period is extended by~~ up to three months and
5 the Commissioner may further extend that period.

6 (2) The subsidy authorized by this subsection shall be on a sliding scale
7 basis. The scale shall be established by the Commissioner, by rule, and shall
8 bear a reasonable relationship to income and family size. The lower limit of
9 the fee scale shall include families whose gross income is up to and including
10 100 percent of the current federal poverty guidelines. The upper income limit
11 of the fee scale shall be neither less than 200 percent of the current federal
12 poverty guidelines nor more than 100 percent of the State median income,
13 adjusted for the size of the family. The scale shall be structured so that it
14 encourages employment. If the federal poverty guidelines decrease in a given
15 year, the Division shall maintain the previous year's federal poverty guidelines
16 for the purpose of determining eligibility and benefit amount under this
17 subsection.

18 * * *

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

1 customary rate for services at the center-based child care program or family
2 child care home.

3 * * *

4 Sec. 3. CHILD CARE FINANCIAL ASSISTANCE PROGRAM

5 In fiscal year 2020, \$1,250,000.00 is appropriated from the General Fund to
6 the Department for Children and Families' Child Development Division to
7 restore the base for the Child Care Financial Assistance Program (CCFAP) and
8 \$4,900,000.00 is appropriated from the General Fund to the Division for the
9 purpose of adjusting the sliding fee scale and reimbursement rates in CCFAP
10 as follows:

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

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

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

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

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

5 (2) align rates of reimbursement for preschool age children
6 participating in CCFAP in fiscal year 2020 with the market rates reported
7 on the 2012 Vermont Market Rate Survey; align rates of reimbursement
8 for school age children participating in CCFAP in fiscal year 2020 with
9 the market rates reported on the 2010 Vermont Market Rate Survey; and
10 maintain rates of reimbursement for infants and toddlers participating in
11 CCFAP in fiscal year 2020 with the market rates reported on the 2017
12 Vermont Market Rate Survey.

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

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

17 In fiscal year 2020, any funds proposed to be appropriated to the
18 Department for Children and Families' Child Development Division for the
19 Early Care and Child Development Grant Program established pursuant to
20 2017 Acts and Resolves No. 85, §§ E.318 and E.318.1 and 2018 (Sp. Sess.)
21 Acts and Resolves No. 11, § E.318 shall be available to fund the Child Care

1 Financial Assistance Program in fiscal year 2020 and thereafter. The Early
2 Care and Child Development Grant Program shall cease operation on June 30,
3 2019.

4 **Sec. 4a. 33 V.S.A. § 3515 is added to read:**

5 **§ 3515. INFANT AND TODDLER CHILD CARE PROVIDER GRANT**

6 **(a) There is established an infant and toddler child care provider grant**
7 **administered by the Division for the purpose of enhancing the**
8 **reimbursement rates to child care providers serving infants and toddlers**
9 **in underserved areas of the State. The Division shall award grants to**
10 **center-based child care programs and family child care homes**
11 **participating in the STep Ahead Recognition System (STARS) in**
12 **accordance with the formula set forth in subsection (b) of this section.**

13 **(b) The Division shall calculate eligibility for infant and toddler**
14 **provider grants on a quarterly basis. In determining eligibility, the**
15 **Division shall consider:**

16 **(1) the average number of enrollees at a center-based child care**
17 **program or family child care home receiving a Child Care Financial**
18 **Assistance Program (CCFAP) subsidy pursuant to section 3512 of this**
19 **title; and**

20 **(2) the average number of infants and toddlers enrolled in a center-**
21 **based child care program or family child care home.**

1 **Sec. 7. [Deleted.]**

2 **Sec. 7a. GRANT INCENTIVIZING CHILD CARE PROFESSION**

3 **(a) In fiscal year 2020, \$300,000.00 is appropriated from the General**
4 **Fund to the Department for Children and Families' Child Development**
5 **Division for the purpose establishing an incentive program that fosters an**
6 **interest in the child care profession among students, including students**
7 **participating in adult education. The incentive program shall provide**
8 **grants to fund a combination of paid internship opportunities,**
9 **scholarships, and hiring bonuses for child care providers employed in**
10 **regulated, privately operated center-based child care programs and**
11 **family child care homes.**

12 **(b) The Division shall administer the incentive program set forth in**
13 **this section and adopt policies, procedures, and guidelines necessary to**
14 **implement the provisions of this section. Grants shall be available**
15 **pursuant to this section on a first-come, first-served basis until**
16 **appropriated funds are depleted.**

17 **(c) An individual shall not simultaneously receive funds from the**
18 **Vermont Department of Labor to complete a paid internship in regulated,**
19 **privately operated center-based child care programs and family child care**
20 **homes while receiving funds pursuant to this section.**

1 **Sec. 7b. TECHNICAL CENTERS; CHILD DEVELOPMENT**

2 **ASSOCIATE CREDENTIAL**

3 **In fiscal year 2020, \$350,000.00 is appropriated from the General Fund**
4 **to the Department for Children and Families' Child Development Division**
5 **to facilitate the implementation of the Council for Professional**
6 **Regulation's Child Development Associate Credential curriculum in**
7 **technical centers throughout the State.**

8 * * * Evaluation of Expenditures and Programs * * *

9 **Sec. 8. REPORT; EVALUATION OF EXPENDITURES AND PROGRAMS**

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

14 (1) evaluating the effectiveness of the expenditure in the Child Care
15 Financial Assistance Program set forth in Sec. 3 of this act, the **grant**
16 **incentivizing the child care profession set forth in Sec. 7a of this act, and**
17 **the expenditure for technical centers' curriculum development set forth in**
18 **Sec. 7b of this act;**

19 (2) making recommendations as to whether the expenditures and
20 programs in **Secs. 3, 7a, and 7b of this act** should be continued and, if so, the
21 appropriate funding amount and source; and

1 (3) evaluating how the expenditures and programs in **Secs. 3, 7a, and 7b**
2 **of this act** contribute to Vermont’s children and young people reaching their
3 potential pursuant to 3 V.S.A. § 2311.

4 * * * Variance for Educational and Experiential Requirements * * *

5 Sec. 9. EDUCATIONAL AND EXPERIENTIAL VARIANCE

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

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

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

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE