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;
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; and
16	(3) investments set forth in this act are meant to be the first of many
17	aimed at strengthening families and the economy.
18	* * * Child Care Financial Assistance Program * * *
19	Sec. 2. 33 V.S.A. § 3512 is amended to read:
20	§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
21	ELIGIBILITY

1	(a)(1) The Child Care Financial Assistance Program is established to
2	subsidize, to the extent that funds permit, the costs of child care for families
3	that need child care services in order to obtain employment, to retain
4	employment, or to obtain training leading to employment. Families seeking
5	employment shall not be entitled to participate in the Program for a period in
6	excess of one month, unless that period is extended by up to three months and
7	the Commissioner may further extend that period.
8	(2) The subsidy authorized by this subsection shall be on a sliding scale
9	basis. The scale shall be established by the Commissioner, by rule, and shall
10	bear a reasonable relationship to income and family size. The lower limit of
11	the fee scale shall include families whose gross income is up to and including
12	100 percent of the current federal poverty guidelines. The upper income limit
13	of the fee scale shall be neither less than 200 percent of the current federal
14	poverty guidelines nor more than 100 percent of the State median income,
15	adjusted for the size of the family. The scale shall be structured so that it
16	encourages employment. If the federal poverty guidelines decrease in a given
17	year, the Division shall maintain the previous year's federal poverty guidelines
18	for the purpose of determining eligibility and benefit amount under this
19	subsection.
20	* * *

1	(4) After September 30, 2021, a regulated center-based child care
2	program or family child care home as defined by the Department in rule shall
3	not receive funds pursuant to this subsection that are in excess of the usual and
4	customary rate for services at the center-based child care program or family
5	child care home.
6	* * *
7	Sec. 3. CHILD CARE FINANCIAL ASSISTANCE PROGRAM
8	In fiscal year 2020, \$1,250,000.00 is appropriated from the General Fund to
9	the Department for Children and Families' Child Development Division to
10	restore the base for the Child Care Financial Assistance Program (CCFAP) and
11	\$4,900,000.00 is appropriated from the General Fund to the Division for the
12	purpose of adjusting the sliding fee scale and reimbursement rates in CCFAP
13	as follows:
14	(1) adjust the sliding fee scale of CCFAP to ensure that families whose
15	gross income is up to 100 percent of the current federal poverty guidelines
16	receive 100 percent of the available benefit and that families whose gross
17	income is between 100 and 300 percent of the current federal poverty
18	guidelines receive between 99 and 10 percent of the available financial
19	assistance benefit, scaling between set eligibility levels as follows:
20	(A) 95 percent of the available financial assistance benefit for
21	families at 125 percent of the current federal poverty guidelines;

1	(B) 75 percent of the available financial assistance benefit for
2	families at 150 percent of the current federal poverty guidelines;
3	(C) 50 percent of the available financial assistance benefit for
4	families at 200 percent of the current federal poverty guidelines; and
5	(D) 10 percent of the available financial assistance benefit for
6	families at 300 percent of the current federal poverty guidelines; and
7	(2) align rates of reimbursement for preschool age children participating
8	in CCFAP in fiscal year 2020 with the market rates reported on the 2012
9	Vermont Market Rate Survey, align rates of reimbursement for school age
10	children participating in CCFAP in fiscal year 2020 with the market rates
11	reported on the 2010 Vermont Market Rate Survey, and maintain rates of
12	reimbursement for infants and toddlers participating in CCFAP in fiscal year
13	2020 with the market rates reported on the 2017 Vermont Market Rate Survey.
14	* * * Early Child Care and Development Program Grant Funds * * *
15	Sec. 4. REALLOCATION OF EARLY CHILD CARE AND
16	DEVELOPMENT PROGRAM FUNDS AND PROGRAM
17	CESSATION
18	In fiscal year 2020, any funds proposed to be appropriated to the
19	Department for Children and Families' Child Development Division for the
20	Early Care and Child Development Grant Program established pursuant to
21	2017 Acts and Resolves No. 85, §§ E.318 and E.318.1 and 2018 (Sp. Sess.)

1	Acts and Resolves No. 11, § E.318 shall be available to fund the Child Care
2	Financial Assistance Program in fiscal year 2020 and thereafter. The Early
3	Care and Child Development Grant Program shall cease operation on June 30,
4	<u>2019.</u>
5	Sec. 4a. 33 V.S.A. § 3515 is added to read:
6	<u>§ 3515. INFANT AND TODDLER CHILD CARE PROVIDER GRANTS</u>
7	(a) There is established an infant and toddler child care provider grant
8	program administered by the Division for the purpose of expanding infant and
9	toddler child care capacity. The Division shall award grants to new or existing
10	center-based child care programs and family child care homes in accordance
11	with subsections (b) and (c) of this section.
12	(b) An eligible applicant shall:
13	(1) be a regulated, privately-operated center-based child care program or
14	family child care home in good standing;
15	(2) participate in the Child Care Financial Assistance Program (CCFAP)
16	and maintain the enrollment of CCFAP supported children at a level of at least
17	<u>30 percent;</u>
18	(3) provide year-round, full-day child care and early learning services
19	for infants and toddlers; and
20	(4) participate in the STep Ahead Recognition System (STARS).

1	(c) In determining how to distribute grants pursuant to this section, the
2	Division shall give priority to center-based child care programs and family
3	child care homes operating or opening in underserved regions of the State.
4	(d) The Division shall provide grants pursuant to this section as funds
5	allow. Center-based child care programs or family child care homes receiving
6	a grant shall remain in compliance with the Division's rules, continue
7	participation in STARS, and maintain high enrollment of children receiving a
8	CCFAP subsidy.
9	Sec. 4b. APPROPRIATION; INFANT AND TODDLER CHILD CARE
10	PROVIDER GRANT
11	In fiscal year 2020, \$1,250,000.00 is appropriated from the General Fund to
12	the Department for Children and Families' Child Development Division for the
13	purpose of funding the infant and toddler child care provider grants set forth in
14	Sec. 4a of this act.
15	* * * Bright Futures Information System * * *
16	Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;
17	MODERNIZATION PLAN
18	In fiscal year 2020, up to \$100,000.00 appropriated for the Child Care
19	Financial Assistance Program pursuant to Sec. 3 of this act may be used by the
20	Department for Children and Families' Child Development Division for the
21	purpose of developing a modernization plan for the Bright Futures Information

1	System. On or before Dec. 1, 2019, the Commissioner shall submit a report to
2	the House Committees on Appropriations and on Human Services and to the
3	Senate Committees on Appropriations and on Health and Welfare providing:
4	(1) an initial project plan and timeline;
5	(2) a fiscal analysis of the plan; and
6	(3) the project team tasked with overseeing the project's
7	implementation.
8	Sec. 5a. BRIGHT FUTURES INFORMATION SYSTEM;
9	MODERNIZATION PLAN DEVELOPMENT AND
10	IMPLEMENTATION
11	(a) In fiscal year 2020, \$200,000.00 is appropriated from the General Fund
12	to the Department for Children and Families' Child Development Division to
13	begin development of the project plan established pursuant to Sec. 5 of this act.
14	(b) In fiscal year 2020, \$1,000,000.00 is appropriated one time from the
15	General Fund to the Department for Children and Families' Child
16	Development Division to begin implementation of the plan established
17	pursuant to Sec. 5 of this act.
18	(c) Any unused funds appropriated pursuant to Sec. 3 of this act or pursuant
19	to subsection (a) of this section shall be reserved to begin implementation of
20	the plan developed pursuant to Sec. 5 of this act.

1	* * * Child Care Provider Incentives and Professional
2	Development Opportunities * * *
3	Sec. 6. [Deleted.]
4	Sec. 7. [Deleted.]
5	Sec. 7a. 33 V.S.A. § 3516 is added to read:
6	§ 3516. GRANT INCENTIVIZING CHILD CARE PROFESSION
7	(a) There is established an incentive program that fosters an interest in the
8	child care profession among students, including students participating in adult
9	education. The incentive program shall provide grants to fund a combination
10	of opportunities for students employed in regulated, privately operated center-
11	based child care programs and family child care homes, including:
12	(1) scholarships;
13	(2) paid internships; and
14	(3) hiring or retention bonuses, or both.
15	(b) The Division shall administer the incentive program set forth in this
16	section or contract for its administration and adopt policies, procedures, and
17	guidelines necessary to implement the provisions of this section. Grants shall
18	be available pursuant to this section on a first-come, first-served basis until
19	appropriated funds are depleted.
20	(c) An individual shall not simultaneously receive funds from the Vermont
21	Department of Labor to complete a paid internship in regulated, privately

1	operated center-based child care programs and family child care homes while
2	receiving funds pursuant to this section.
3	Sec. 7b. APPROPRIATION; GRANT INCENTIVIZING CHILD CARE
4	PROFESSION
5	In fiscal year 2020, \$600,000.00 is appropriated from the General Fund to
6	the Department for Children and Families' Child Development Division for the
7	purpose funding the incentive program set forth in 33 V.S.A. § 3516.
8	Sec. 7c. TECHNICAL CENTERS; CHILD DEVELOPMENT
9	ASSOCIATE CREDENTIAL
10	(a) In fiscal year 2020, \$50,000.00 is appropriated one time from the
11	General Fund to the Department for Children and Families' Child
12	Development Division to facilitate the implementation of the Council for
13	Professional Regulation's Child Development Associate Credential curriculum
14	in technical centers throughout the State.
15	(b) Any unused funds appropriated pursuant to this section shall be
16	reserved to fund grants set forth in 33 V.S.A. § 3516 for students who
17	completed the Child Development Associate Credential at a Vermont technical
18	center.

1	* * * Evaluation of Expenditures and Programs * * *
2	Sec. 8. REPORT; EVALUATION OF EXPENDITURES AND PROGRAMS
3	On or before January 1, 2024, the Commissioner for Children and Families,
4	in consultation with stakeholders, shall submit a report to the House
5	Committee on Human Services and to the Senate Committee on Health and
6	Welfare:
7	(1) evaluating the effectiveness of the expenditure in the Child Care
8	Financial Assistance Program set forth in Sec. 3 of this act, the infant and
9	toddler child care provider grants set forth in 33 V.S.A. § 3515, the grant
10	incentivizing the child care profession set forth in 33 V.S.A. § 3516, and the
11	expenditure for technical centers' curriculum development set forth in Sec. 7b
12	of this act;
13	(2) making recommendations as to whether the expenditures and
14	programs in Secs. 3 and 7b of this act and in 33 V.S.A. §§ 3515-3516 should
15	be continued and, if so, the appropriate funding amount and source; and
16	(3) evaluating how the expenditures and programs in Secs. 3 and 7b of
17	this act and in 33 V.S.A. §§ 3515-3516 contribute to Vermont's children and
18	young people reaching their potential pursuant to 3 V.S.A. § 2311.

1	* * * Variance for Educational and Experiential Requirements * * *
2	Sec. 9. EDUCATIONAL AND EXPERIENTIAL VARIANCE
3	(a) For individuals operating or employed in a registered family child care
4	home or as a director or teacher associate in a center-based program for 10 or
5	more years prior to September 1, 2016, the Commissioner for Children and
6	Families or designee may issue a variance to the Child Development
7	Division's rule regarding educational and experiential requirements to allow an
8	individual to maintain employment in that same role regardless of whether the
9	family child care provider, family child care assistant, director, or teacher
10	associate intends to attain the otherwise necessary educational requirements.
11	To be eligible for a variance, the family child care provider, family child care
12	assistant, director, or teacher associate shall:
13	(1) work continuously in a regulated program with a full license in good
14	standing; and
15	(2) meet the Divisions' educational and experiential requirements in
16	place prior to the adoption of the new rule, which was effective beginning
17	<u>September 1, 2016.</u>
18	(b) The Commissioner or designee shall review any violation occurring in a
19	regulated program where a family child care provider, family child care
20	assistant, director, or teacher associate is under variance and may revoke the

1	variance granted by this section depending upon the seriousness and
2	circumstances of the violation.
3	(c) Any variance granted under this section shall be terminated on July 1,
4	2024, and extensions shall not be granted beyond that date.
5	* * * Children's Integrated Services * * *
6	Sec. 10. REIMBURSEMENT RATES; PROVIDERS OF CHILDREN'S
7	INTEGRATED SERVICES
8	In fiscal year 2020, \$309,714.00 is appropriated from the General Fund to
9	the Department for Children and Families' Children's Integrated Services for
10	the purpose of increasing reimbursement rates to providers.
11	* * * Effective Date * * *
12	Sec. 11. EFFECTIVE DATE
12 13	Sec. 11. EFFECTIVE DATE This act shall take effect on July 1, 2019.
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13 14 15 16	This act shall take effect on July 1, 2019.
13 14 15 16 17	This act shall take effect on July 1, 2019.