

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 strive to enhance the capacity and affordability of the child
11 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 \$5,764,000.00 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 and school age children
6 participating in CCFAP in fiscal year 2020 with the market rates reported on
7 the 2014 Vermont Market Rate Survey and maintain rates of reimbursement
8 for infants and toddlers participating in CCFAP in fiscal year 2020 with the
9 market rates reported on the 2017 Vermont Market Rate Survey.

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

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

14 In fiscal year 2020, any funds proposed to be appropriated to the
15 Department for Children and Families' Child Development Division for the
16 Early Care and Child Development Grant Program established pursuant to
17 2017 Acts and Resolves No. 85, §§ E.318 and E.318.1 and 2018 (Sp. Sess.)
18 Acts and Resolves No. 11, § E.318 shall be available to fund the Child Care
19 Financial Assistance Program in fiscal year 2020 and thereafter. The Early
20 Care and Child Development Grant Program shall cease operation on June 30,
21 2019.

1 * * * Bright Futures Information System * * *

2 Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;

3 MODERNIZATION PLAN

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

11 (1) a project plan and timeline;

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

13 (3) the project team tasked with overseeing the project's
14 implementation.

15 Sec. 5a. BRIGHT FUTURES INFORMATION SYSTEM;

16 MODERNIZATION PLAN IMPLEMENTATION

17 (a) In fiscal year 2020, \$500,000.00 is appropriated from the General Fund
18 to the Department for Children and Families' Child Development Division to
19 begin implementation of the plan developed pursuant to Sec. 5 of this act.

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

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

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

6 Subchapter 5. Support for Child Care and Early Learning Workforce

7 § 3533. INCENTIVE GRANT FOR EARLY CHILD CARE

8 **PROVIDERS**

9 (a)(1) There is established an incentive grant for early child care
10 providers administered by the Division for the purpose of fostering an
11 interest in the child care profession among students of technical centers.

12 (2) An eligible individual shall have attained a Child Development
13 Associate (CDA) Credential from a technical center in accordance with
14 the Council for Professional Regulation’s CDA Competency Standards
15 and either:

16 (A) work in a privately operated center-based child care program or
17 family child care home that is regulated by the Division for at least an average
18 of 30 hours per week for 48 weeks of the year and receives an annual salary of
19 not more than \$40,000.00; or

20 (B) be enrolled in college-level coursework that leads to a degree
21 in early education or child development.

1 (3) To participate in the program set forth in this section, an eligible
2 individual shall submit to the Division documentation:

3 (A) expressing the individual’s intent to work in a regulated,
4 privately operated center-based child care program or family child care home
5 for at least the following 12 months, if eligible pursuant to subdivision

6 (2)(A) of this subsection; or

7 (B) demonstrating the eligible individual’s financial need and
8 expressing the eligible individual’s intent to continue participation in the
9 relevant coursework for at least the following 12 months if eligible
10 pursuant to subdivision (2)(B) of this subsection.

11 (4) A participant may receive up to \$2,000.00 annually in incentive
12 grants which shall be distributed by the Division in two allotments. The
13 Division shall distribute at least half of the individual’s total annual benefit
14 after the individual has completed six months of employment or coursework
15 in accordance with this section. The remainder of an eligible individual’s total
16 annual benefit shall be distributed by the Division after the individual has
17 completed the 12th month of employment or coursework in accordance with
18 this section.

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

1 (2) Incentive grants shall be available pursuant to this section on a
2 first-come, first-served basis until appropriated funds are depleted.

3 (c) An individual shall not simultaneously receive **an incentive grant for**
4 **early child care providers** set forth in this section and the scholarship
5 program set forth section 3534 of this title.

6 § 3534. CHILD CARE AND EARLY LEARNING WORKFORCE

7 SCHOLARSHIP

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

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

18 (c) An individual shall not simultaneously **receive** the scholarship program
19 set forth in this section and the **incentive grant for early child care providers**
20 set forth in section 3533 of this title.

1 Sec. 7. APPROPRIATIONS; COLLEGE LOAN REPAYMENT

2 ASSISTANCE; CHILD CARE AND EARLY LEARNING

3 WORKFORCE SCHOLARSHIP

4 (a)(1) In fiscal year 2020, \$350,000.00 is appropriated from the General
5 Fund to the Department for Children and Families' Child Development
6 Division for the **incentive grant for early child care providers** established
7 pursuant to 33 V.S.A. § 3533.

8 (2) In fiscal year 2020, \$300,000.00 is appropriated from the General
9 Fund to the Department for Children and Families' Child Development
10 Division for the child care and early learning workforce scholarship program
11 established pursuant to 33 V.S.A. § 3534.

12 (b) It is the intent of the General Assembly that appropriations that meet or
13 exceed each of the amounts appropriated in fiscal year 2020 pursuant to
14 subdivisions (a)(1) and (2) of this section be made in fiscal years 2021 through
15 2024.

16 * * * Evaluation of Expenditures and Programs * * *

17 Sec. 8. REPORT; EVALUATION OF EXPENDITURES AND PROGRAMS

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

1 (1) evaluating the effectiveness of the expenditure in the Child Care
2 Financial Assistance Program set forth in Sec. 3 of this act, the **incentive grant**
3 **for early child care providers** set forth in 33 V.S.A. § 3533, and the
4 scholarship program set forth in 33 V.S.A. § 3534;

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

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

11 * * * Variance for Educational and Experiential Requirements * * *

12 Sec. 9. EDUCATIONAL AND EXPERIENTIAL VARIANCE

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

1 To be eligible for a variance, the family child care provider, family child care
2 assistant, director, or teacher associate shall:

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

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

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

13 (c) Any variance granted under this section shall be terminated on July 1,
14 2024, and extensions shall not be granted beyond that date.

15 * * * Children's Integrated Services * * *

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

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

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* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE