

1 H.171  
2 Introduced by Representatives Brumsted of Shelburne, James of Manchester,  
3 Kornheiser of Brattleboro, Marcotte of Coventry, Townsend of  
4 South Burlington, Wood of Waterbury, Yacovone of  
5 Morristown, Anthony of Barre City, Austin of Colchester,  
6 Batchelor of Derby, Birong of Vergennes, Black of Essex,  
7 Bluemle of Burlington, Bongartz of Manchester, Bos-Lun of  
8 Westminster, Brady of Williston, Briglin of Thetford, Brown of  
9 Richmond, Burke of Brattleboro, Burrows of West Windsor,  
10 Campbell of St. Johnsbury, Chase of Colchester, Christie of  
11 Hartford, Cina of Burlington, Coffey of Guilford, Colburn of  
12 Burlington, Colston of Winooski, Conlon of Cornwall,  
13 Copeland Hanzas of Bradford, Cordes of Lincoln, Dolan of  
14 Essex, Dolan of Waitsfield, Donnally of Hyde Park, Durfee of  
15 Shaftsbury, Elder of Starksboro, Emmons of Springfield,  
16 Gannon of Wilmington, Goldman of Rockingham, Goslant of  
17 Northfield, Grad of Moretown, Gregoire of Fairfield, Hooper of  
18 Randolph, Hooper of Burlington, Houghton of Essex, Howard  
19 of Rutland City, Jerome of Brandon, Killacky of South  
20 Burlington, Kitzmiller of Montpelier, LaLonde of South  
21 Burlington, Lanpher of Vergennes, Lefebvre of Newark, Lippert

1 of Hinesburg, Long of Newfane, Masland of Thetford,  
2 McCarthy of St. Albans City, McCullough of Williston,  
3 McFaun of Barre Town, Morgan, L. of Milton, Morgan, M. of  
4 Milton, Mrowicki of Putney, Mulvaney-Stanak of Burlington,  
5 Nicoll of Ludlow, Nigro of Bennington, Norris of Sheldon,  
6 Noyes of Wolcott, Ode of Burlington, Page of Newport City,  
7 Pajala of Londonderry, Partridge of Windham, Patt of  
8 Worcester, Pugh of South Burlington, Rachelson of Burlington,  
9 Redmond of Essex, Rosenquist of Georgia, Savage of Swanton,  
10 Scheu of Middlebury, Scheuermann of Stowe, Seymour of  
11 Sutton, Sheldon of Middlebury, Sims of Craftsbury, Small of  
12 Winooski, Smith of New Haven, Squirrell of Underhill,  
13 Stebbins of Burlington, Stevens of Waterbury, Till of Jericho,  
14 Toleno of Brattleboro, Troiano of Stannard, Vyhovsky of Essex,  
15 Walz of Barre City, Webb of Shelburne, White of Bethel, White  
16 of Hartford, Whitman of Bennington, and Yantachka of  
17 Charlotte

18 Referred to Committee on

19 Date:

20 Subject: Human services; child care; financial assistance; workforce

1 Statement of purpose of bill as introduced: This bill proposes to: (1) expand  
2 the eligibility of the Child Care Financial Assistance Program; (2) appropriate  
3 funds for the implementation of the Bright Futures Information System  
4 modernization plan; (3) establish scholarships and student loan repayment  
5 assistance programs for existing and prospective members of the child care  
6 workforce; (4) require the completion of studies on child care financing and  
7 governance; and (5) establish an Early Care and Education Governance and  
8 Administration Advisory Committee.

9 An act relating to the governance and financing of Vermont's child care  
10 system

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

12 ~~\*\*\* Findings and Legislative Intent \*\*\*~~

13 Sec. 1. FINDINGS AND LEGISLATIVE INTENT

14 (a) The General Assembly finds that:

15 (1) Child care is an essential component of Vermont's economy.

16 (2) Prior to the COVID-19 pandemic, three out of five of Vermont's  
17 youngest children did not have access to the amount of child care needed by  
18 their families.

1 ~~(3) According to the Georgetown University Center on Education and~~  
2 Workforce, early childhood educators are the lowest paid college graduates of  
3 any degree program.

4 (4) The Vermont Early Care and Learning Dividend Study found that  
5 increased investment in early care and education, as described in the  
6 recommendations of Vermont's Blue Ribbon Commission on Financing High-  
7 Quality, Affordable Child Care, would yield \$3.08 for every additional dollar  
8 invested into the system.

9 (5) The COVID-19 pandemic has exacerbated already pressing  
10 challenges, making it even harder for families to find affordable, high-quality  
11 child care and more difficult for early childhood education programs to find  
12 and retain qualified educators.

13 (6) The Council for a Strong America found in a national child care  
14 economic study that that the U.S. economy loses \$57 billion annually due to  
15 child care challenges.

16 (7) The U.S. Chamber of Commerce Foundation found that high-quality  
17 child care is a powerful two-generation workforce development strategy that  
18 strengthens today's workforce and puts children on the path to develop well  
19 and enter kindergarten ready to thrive in school, work, and life.

20 (b) Therefore, it is the intent of the General Assembly that immediate  
21 investments are necessary to support Vermont's economy, ensure that all

1 ~~families with young children have affordable access to high quality early~~  
2 childhood education, and that Vermont's early childhood educators, the  
3 backbone of our economy, are fairly compensated and well supported.

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, or to support the~~  
12 healthy development of their children. Families seeking employment shall be  
13 entitled to participate in the Program for up to three months and the  
14 Commissioner may further extend that period.

15 (2) The subsidy authorized by this subsection shall be on a sliding scale  
16 basis. The scale shall be established by the Commissioner, by rule, and shall  
17 bear a reasonable relationship to income and family size. The lower limit of  
18 the fee scale shall include families whose gross income is up to and including  
19 ~~400~~ 150 percent of the current federal poverty guidelines. The upper income  
20 limit of the fee scale shall be neither less than 200 percent of the current  
21 ~~federal poverty guidelines nor more than 100 percent of the State median~~

1 ~~income, adjusted for the size of the family. The scale shall be structured so~~  
2 ~~that it encourages supports employment. If the federal poverty guidelines~~  
3 ~~decrease in a given year, the Division shall maintain the previous year's~~  
4 ~~federal poverty guidelines for the purpose of determining eligibility and~~  
5 ~~benefit amount under this subsection.~~

6 \* \* \*

7 Sec. 3. FEE SCALE; FISCAL YEAR 2022

8 Notwithstanding 33 V.S.A. § 3512(a)(2), in fiscal year 2022, the upper  
9 income limit of the fee scale shall not be less than 350 percent of the federal  
10 poverty level guidelines, adjusted for the size of the family.

11 Sec. 4. 33 V.S.A. § 3512 is amended to read:

12 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

13 ELIGIBILITY

14 (a)(1) The Child Care Financial Assistance Program is established to  
15 subsidize, to the extent that funds permit, the costs of child care for families  
16 that need child care services in order to obtain employment, to retain  
17 employment, to obtain training leading to employment, or to support the  
18 healthy development of their children.

19 \* \* \*

20 (4) ~~After September 30, 2021, a~~ A regulated center-based child care  
21 ~~program or family child care home as defined by the Department in rule shall~~

1 ~~not receive funds pursuant to this subsection that are in excess of the usual and~~  
2 customary rate for services at the center-based child care program or family  
3 child care home.

4 (5) Families eligible to participate in the Child Care Financial  
5 Assistance Program shall include those in which a parent or guardian:

6 (A) works at least part-time;

7 (B) works a nontraditional schedule;

8 (C) is enrolled only part-time in a higher education or job training  
9 program, including graduate and professional programs or a second bachelor's  
10 degree program; or

11 (D) is participating in inpatient or intensive outpatient substance  
12 misuse treatment or mental health treatment, or both.

13 \* \* \*

14 Sec. 5. 33 V.S.A. § 3514 is amended to read:

15 § 3514. PAYMENT TO PROVIDERS

16 (a) The Commissioner shall establish a payment schedule for purposes of  
17 reimbursing providers for full or part-time child care services rendered to  
18 families who participate in the programs established under section 3512 or  
19 3513 of this title. Payments established under this section shall reflect the  
20 following considerations: whether the provider operates a licensed child care  
21 ~~facility or a registered family child care home~~ regulated child care program,

1 ~~the type of service provided, and the cost of providing the service and the~~  
2 ~~prevaling market rate for comparable service, including early childhood~~  
3 ~~education; compensation that is commensurate with peers in other fields.~~

4 Payments shall be based on enrollment status or any other basis agreed to by  
5 the provider and the Division.

6 \* \* \*

7 Sec. 6. CHILD CARE AND DEVELOPMENT FUND STATE PLAN;  
8 AMENDMENT

9 To the extent funds permit, the Deputy Commissioner for the Department of  
10 Children and Families' Child Development Division shall seek to amend the  
11 Division's federal Child Care and Development Fund State Plan to:

12 (1) adjust the sliding scale of its Child Care Financial Assistance  
13 Program to ensure that families whose gross income is up to and including  
14 150 percent of the federal poverty guidelines receive 100 percent of the  
15 available financial assistance benefit in accordance with Sec. 2 of this act;

16 (2) adjust the sliding scale of the Child Care Financial Assistance  
17 Program to calculate family contributions based on a percentage of the  
18 family's annual income; and

19 (3) change the methodology used to inform the fee scale in its Child  
20 Care Financial Assistance Program from a market rate survey to a cost of care  
21 calculation.

~~Sec. 7. APPROPRIATION AND LEGISLATIVE INTENT; CHILD CARE~~

~~FINANCIAL ASSISTANCE PROGRAM~~

~~(a) In fiscal year 2022, \$4,750,004.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division above the fiscal year 2021 base appropriation for the purpose of implementing Secs. 2 and 3 of this act.~~

~~(b) It is the intent of the General Assembly that:~~

~~(1) an appropriation that meets or exceeds the amount distributed in fiscal year 2022 be made in fiscal years 2023 through 2026 to progressively adjust the upper income limit of the Child Care Financial Assistance Program fee scale each year; and~~

~~(2) by fiscal year 2026, a family shall spend not more than ten percent of their gross annual income on child care.~~

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

~~Sec. 8. BRIGHT FUTURES INFORMATION SYSTEM;~~

~~MODERNIZATION PLAN~~

~~In fiscal year 2022, \$4,700,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for the purpose of completing implementation of the Bright Futures Information System modernization plan.~~

1 \*\*\* Workforce Supports \*\*\*

2 Sec. 9. 33 V.S.A. chapter 35, subchapter 5 is added to read:

3 Subchapter 5. Workforce

4 § 3541. SCHOLARSHIPS FOR CURRENT EARLY CHILDHOOD

5 PROVIDERS

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

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

16 (c) An individual shall not simultaneously participate in the scholarship  
17 program set forth in this section and the student loan repayment assistance  
18 program set forth in section 3543 of this title.

19 § 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD

20 PROVIDERS

1 ~~(a)(1) There is established a scholarship program for individuals pursuing a~~  
2 college or graduate degree in early childhood education or early childhood  
3 special education. The scholarship program shall provide financial assistance  
4 up to the full cost of tuition for an eligible individual.

5 (2) An eligible individual shall:

6 (A) attend a Vermont college or university at least part-time;

7 (B) be pursuing an associates, bachelor's or master's degree in early  
8 childhood education or early childhood special education; and

9 (C) commit to working in early childhood education in Vermont for  
10 at least three years after completion of their degree program.

11 (b) The Department shall adopt policies, procedures, and guidelines  
12 necessary for implementation of the program described in subsection (a) of  
13 this section. Scholarships distributed pursuant to this section shall be available  
14 on a first-come, first-served basis until any appropriated funds are depleted.

15 (c) An individual shall not simultaneously participate in the scholarship  
16 program set forth in this section and the student loan repayment assistance  
17 program set forth in section 3543 of this title.

18 § 3543. STUDENT LOAN REPAYMENT ASSISTANCE

19 (a)(1) There is established a student loan repayment assistance program for  
20 the purpose of providing student loan repayment assistance to any individual

1 ~~employed by a regulated, privately operated center-based child care program~~  
2 ~~or family child care home.~~

3 ~~(2) An eligible individual shall:~~

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

7 ~~(B) receive an annual salary of not more than \$60,000.00; and~~

8 ~~(C) have earned a bachelor's or master's degree in early childhood~~  
9 ~~education or early childhood special education within the preceding five years.~~

10 ~~(3) To participate in the program set forth in this section, an eligible~~  
11 ~~individual shall submit to the Department for Children and Families~~  
12 ~~documentation expressing the individual's intent to work in a regulated,~~  
13 ~~privately operated center-based child care program or family child care home~~  
14 ~~for at least the following 12 months. A participant may receive up to~~  
15 ~~\$4,500.00 annually in student loan repayment assistance, which shall be~~  
16 ~~distributed by the Department in four allotments. The Department shall~~  
17 ~~distribute at least one-quarter of the individual's total annual benefit after the~~  
18 ~~individual has completed three months of employment in accordance with the~~  
19 ~~program. The remainder of an individual's total annual benefit shall be~~  
20 ~~distributed by the Department every three months after the initial payment.~~

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

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

7 (3) An individual shall not simultaneously participate in the student loan  
8 repayment assistance program set forth in this section and either of the  
9 scholarship programs set forth in section 3541 or 3542 of this title.

10 Sec. 10. APPROPRIATION AND LEGISLATIVE INTENT; EARLY  
11 CHILDHOOD WORKFORCE PROGRAMS

12 (a)(1) In fiscal year 2022, \$300,000.00 is appropriated from the General  
13 Fund to the Department for Children and Families' Child Development  
14 Division for the Current Early Childhood Provider Scholarship Program  
15 established pursuant to 33 V.S.A. § 3541.

16 (2) In fiscal year 2022, \$200,000.00 is appropriated from the General  
17 Fund to the Department for Children and Families for the Prospective Early  
18 Childhood Provider Scholarship Program established pursuant to 33 V.S.A.  
19 § 3542.

1 ~~(2) In fiscal year 2022, \$2,000,000.00 is appropriated from the General~~  
2 Fund to the Department for Children and Families for the student loan  
3 repayment assistance program established pursuant to 33 V.S.A. § 3543.

4 (b) It is the intent of the General Assembly that appropriations that meet or  
5 exceed each of the amounts appropriated in fiscal year 2022 pursuant to  
6 subdivisions (a)(1) through (3) of this section be made in fiscal years 2023  
7 through 2026.

8 Sec. 11. REPEALS

9 (a) 33 V.S.A. § 3541(c) (reference to student loan repayment assistance  
10 program) is repealed on July 1, 2026.

11 (b) 33 V.S.A. § 3542 (scholarships for prospective early childhood  
12 providers) is repealed on July 1, 2026.

13 (c) 33 V.S.A. § 3543 (student loan repayment assistance program) is  
14 repealed on July 1, 2026.

15 \* \* \* Studies and Reports \* \* \*

16 Sec. 12. EARLY CARE AND EDUCATION GOVERNANCE STUDY

17 (a) In order to ensure that Vermont's governance for early childhood  
18 education effectively meets the needs of children, families, and providers,  
19 Building Bright Futures shall undertake an analysis that evaluates and makes  
20 recommendations on the following.

1 ~~(1) existing early childhood education governance and administrative~~  
2 ~~stakeholders and structures;~~

3 ~~(2) early childhood education governance and administrative functions~~  
4 ~~that are currently not staffed or understaffed;~~

5 ~~(3) emerging system needs;~~

6 ~~(4) stakeholder engagement in decision-making processes and State plan~~  
7 ~~development;~~

8 ~~(5) mechanisms to strengthen system oversight and leverage current~~  
9 ~~system strengths;~~

10 ~~(6) identification of existing needs and challenges; and~~

11 ~~(7) ensuring that an antiracist approach is utilized in modifying existing~~  
12 ~~policies and procedures and creating new policies and procedures.~~

13 ~~(b) On or before January 15, 2022, Building Bright Futures shall submit~~  
14 ~~the analysis and recommendations required pursuant to this section to the~~  
15 ~~General Assembly.~~

16 ~~(c) Building Bright Futures shall consult the Early Care and Education~~  
17 ~~Advisory Committee, established in Sec. 14 of this act, in preparing the~~  
18 ~~analysis and recommendations required pursuant to this section.~~

19 ~~(d)(1) In fiscal year 2022, \$150,000.00 is appropriated from the General~~  
20 ~~Fund to Building Bright Futures for the purpose of implementing this section.~~

1 ~~(2) Building Bright Futures may use appropriated funds to cover~~  
2 administrative needs associated with the study and to contract a consultant  
3 with experience in organizational or administrative governance,  
4 administration, or system management experience.

5 (e) As used in this section, “early care and education” means programming  
6 provided at a center-based child care program or family child care home  
7 regulated by the Department for Children and Families’ Child Development  
8 Division that serves children from birth through five years of age.

9 Sec. 13. EARLY CHILDHOOD FINANCING STUDY

10 (a) On or before January 15, 2022, the State Treasurer, Auditor, Joint  
11 Fiscal Office, Commissioner of Finance, and Commissioner of Taxes shall  
12 deliver to the General Assembly a comprehensive report identifying and  
13 determining the feasibility of implementing a stable, long-term funding source  
14 to finance an affordable, high-quality early child care system given child care’s  
15 role in postpandemic stimulus and long-term economic development. The  
16 State Treasurer, Auditor, Joint Fiscal Office, Commissioner of Finance, and  
17 Commissioner of Taxes shall consider stable, ongoing funding necessary to  
18 achieve an early care and education system in which:

19 (1) a family does not spend more than 10 percent of its gross annual  
20 income on child care,

1 ~~(2) child care providers receive compensation on par with their peers in~~  
2 other fields;

3 (3) all Vermont children below five years of age have access to a child  
4 care space that meets their needs; and

5 (4) early care and education programs are able to support families'  
6 access to coordinated services.

7 (b) The report required pursuant to this section shall determine:

8 (1) a stable, long-term funding source to fund the system;

9 (2) the optimum design of a stable, long-term funding source;

10 (3) the feasibility of such a stable, long-term funding source, in terms of  
11 sustainability, equity, and appropriateness; and

12 (4) the feasibility of dedicating revenue from a stable, long-term  
13 funding source to a dedicated Early Care and Education Fund and the most  
14 efficient methods of administering distribution of the Fund.

15 (c) The Treasurer, Auditor, Joint Fiscal Office, and Tax Commissioner  
16 shall include input from State or contracted economists and analysts, or both,  
17 including an economist or analyst with expertise specifically related to early  
18 care and education issues.

19 (d)(1) As part of the report, the Treasurer, Auditor, Joint Fiscal Office,  
20 Commissioner of Finance, Commissioner of Taxes, and contracted advisors  
21 shall produce a consensus evaluation of the economic impact of investment in

1 ~~high quality, affordable child care for children from birth through five years of~~  
2 age through a stable, long-term funding source. The consensus evaluation  
3 shall include both microeconomic and macroeconomic simulations, looking at  
4 individual and economywide impacts and responses, and the allocation of such  
5 impacts across economic sectors, including direct, indirect, and induced  
6 results.

7 (2) Data and tools used to produce the consensus evaluation shall be  
8 employed, including Moody's Analytics and customized Moody's online  
9 Vermont models, as well as dynamic and other input- and output-based  
10 models, including those from Regional Economic Models, Inc. (REMI),  
11 Regional Dynamics, Inc. (REDYN), IMPACTAN, and other models as advised.

12 (3) The consensus evaluation shall consider:

13 (A) demographic impacts;

14 (B) workforce impacts;

15 (C) warnings, savings, and multiplier effects for:

16 (i) parents or guardians;

17 (ii) child care providers;

18 (iii) early care and education programs;

19 (iv) entities providing supplies and services for early care and

20 education programs, and

1 ~~(v) children receiving child care as future members of the~~  
2 ~~workforce;~~  
3 ~~(D) general business earnings and multipliers stemming from~~  
4 ~~increased workforce participation;~~  
5 ~~(E) community development;~~  
6 ~~(F) increased tax revenue; and~~  
7 ~~(G) social service savings, including:~~  
8 ~~(i) health care;~~  
9 ~~(ii) education; and~~  
10 ~~(iii) corrections.~~  
11 ~~(4) The consensus evaluation shall present findings on:~~  
12 ~~(A) the efficacy of the infrastructure investment in high-quality,~~  
13 ~~affordable early care and education as a short-term stimulus to enhance~~  
14 ~~Vermont's economic well-being in the immediate aftermath of the COVID-19~~  
15 ~~pandemic; and~~  
16 ~~(B) the efficacy of the infrastructure investment in high-quality,~~  
17 ~~affordable early care and education as a long-term economic development tool~~  
18 ~~and, to the extent possible, to quantify long-term return on investments.~~  
19 ~~(e) The Secretary of Administration shall be allowed to accept~~  
20 ~~philanthropic contributions to underwrite the cost of hiring economists and~~

1 ~~analysts to provide expertise specific to early care and education in accordance~~  
2 ~~with this section.~~

3 (f) ~~As used in this section, “early care and education” means programming~~  
4 ~~provided at a center-based child care program or family child care home~~  
5 ~~regulated by the Department for Children and Families’ Child Development~~  
6 ~~Division that serves children from birth through five years of age.~~

7 \* \* \* Early Care and Education Governance and Administration  
8 Advisory Commission \* \* \*

9 Sec. 14. EARLY CARE AND EDUCATION GOVERNANCE AND  
10 ADMINISTRATION ADVISORY COMMITTEE

11 (a) Creation. There is created the Early Care and Education Governance  
12 and Administration Advisory Committee to advise the Department for  
13 Children and Families’ Child Development Division on all services pertaining  
14 to child care and early education regulation, including:

15 (1) child care licensing rules, policies, and procedures;

16 (2) administration of the early childhood education system;

17 (3) Child Care Financial Assistance Program rules, policies, procedures,  
18 and plans;

19 (4) child care provider credentialing and compensation standards;

20 (5) early childhood care and education curricula standards, including

21 ~~antiracist early childhood education practices and standards, and~~

1 ~~(6) the early care and education governance and administration study~~  
2 pursuant to Sec. 12 of this act.

3 (b) Membership. The Committee members shall be appointed by Building  
4 Bright Futures and shall be composed of the following members:

5 (1) a parent or caregiver from a large town or city;

6 (2) a parent or caregiver from a rural community;

7 (3) a family child care home provider;

8 (4) a center-based child care and preschool program provider;

9 (5) a Head Start family policy advisory council member;

10 (6) a Head Start early childhood provider or program director;

11 (7) a representative of the Vermont Association for the Education of

12 Young Children;

13 (8) a representative of the Vermont Early Childhood Education Higher

14 Education Consortium;

15 (9) a representative of Vermont's Parent Child Center Network;

16 (10) a representative of a community child care resource agency;

17 (11) a provider of Children's Integrated Services;

18 (12) a provider of early childhood special education services;

19 (13) a regional Universal Pre-K Coordinator;

20 (14) a pediatrician; and

21 (15) a community member.

1 ~~(c) Assistance. The Committee shall have the administrative assistance of~~  
2 Building Bright Futures and the technical and legal assistance of the  
3 Department for Children and Families' Child Development Division.

4 (d) Report. Annually, on or before January 15, the Committee shall submit  
5 a written report to the House Committee on Human Services and to the Senate  
6 Committee on Health and Welfare with a summary of its annual activities,  
7 findings, and any recommendations for legislative action.

8 (e) Meetings.

9 (1) Building Bright Futures shall call the first meeting of the Committee  
10 to occur on or before September 1, 2021.

11 (2) The Committee shall select a chair from among its members at the  
12 first meeting.

13 (3) A majority of the membership shall constitute a quorum.

14 (4) The Committee shall cease to exist on January 1, 2024.

15 (f) Compensation and reimbursement. Members of the Committee  
16 shall be entitled to per diem compensation and reimbursement of expenses as  
17 permitted under 32 V.S.A. § 1010 for not more than six meetings annually.  
18 These payments shall be made from monies appropriated to Building Bright  
19 Futures.

20 (g) Appropriation. In fiscal year 2022, \$25,000.00 is appropriated from  
21 the General Fund to Building Bright Futures.

1 ~~(b) Definition. As used in this section, “early care and education” means~~  
2 ~~programming provided at a center-based child care program or family child~~  
3 ~~care home regulated by the Department for Children and Families’ Child~~  
4 ~~Development Division that serves children from birth through five years of~~  
5 ~~age.~~

6 \* \* \* Effective Dates \* \* \*

7 Sec. 15. EFFECTIVE DATES

8 This act shall take effect on July 1, 2021, except that Sec. 4 (Child Care  
9 ~~Financial Assistance Program, Eligibility) shall take effect on July 1, 2022.~~

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

~~Sec. 1. LEGISLATIVE INTENT~~

~~*It is the intent of the General Assembly:*~~

~~*(1) that immediate investments are necessary to support Vermont’s*~~  
~~*economy, ensure that all families with young children have affordable access to*~~  
~~*high-quality child care and early education, and that Vermont’s early*~~  
~~*childhood educators are fairly compensated and well supported; and*~~

~~*(2) to continue and build upon the five-year redesign of the Child Care*~~  
~~*Financial Assistance Program that began in fiscal year 2020.*~~

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

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

~~§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM,~~

~~ELIGIBILITY~~

~~(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 be entitled to participate in the Program for up to three months 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. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 150 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 350 percent of~~

~~current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by the subsection. 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.~~

~~\* \* \*~~

~~Sec. 3. 33 V.S.A. § 3514 is amended to read:~~

~~§ 3514. PAYMENT TO PROVIDERS~~

~~\* \* \*~~

~~(c)(1) The payment schedule established by the Commissioner shall reimburse providers in accordance with the results of the most recent Vermont Child Care Market Rate Survey and be adjusted following the release of each new Vermont Child Care Market Rate Survey.~~

~~(2) The payment schedule shall include reimbursement rate caps tiered in relation to provider ratings in the Vermont STARS program and the results of the most recent Vermont Child Care Market Rate Survey. The lower limit of the reimbursement rate caps shall be not less than the 50th percentile of all reported rates for the same provider setting in each rate category.~~

~~Sec. 4. APPROPRIATION AND LEGISLATIVE INTENT; CHILD CARE~~

~~FINANCIAL ASSISTANCE PROGRAM~~

~~(a) In fiscal year 2022, \$5,520,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for the purpose of implementing Secs. 2 and 3 of this act.~~

~~(b) It is the intent of the General Assembly that:~~

~~(1) an appropriation that meets or exceeds the amount distributed in fiscal year 2022 be made in fiscal years 2023 through 2026 to progressively adjust the upper income limit of the Child Care Financial Assistance Program fee scale each year;~~

~~(2) by fiscal year 2023, the co-payment at the upper limit of the income eligibility scale for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income; and~~

~~(3) by fiscal year 2026, a family shall spend not more than 10 percent of the family's gross annual income on child care.~~

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

~~Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;~~

~~MODERNIZATION PLAN~~

~~(a) In fiscal year 2022, \$4,500,000.00 is appropriated to the Agency of Digital Services for the purpose of completing the implementation of the Bright Futures Information System modernization plan.~~

~~(b)(1) On or before October 1, 2021, the Department for Children and Families' Child Development Division shall make every reasonable effort to achieve full functionality of the first module of the modernized Bright Futures Information System.~~

~~(2) On or before August 1, 2021, the Department for Children and Families' Child Development Division shall convene and consult with a Bright Futures Information System end-user group, composed of child care providers, eligibility specialists from community child care support agencies, families participating in the Child Care Financial Assistance Program, and any other relevant stakeholders. The Division shall provide periodic updates to the end-user group regarding the Division's progress in completing the modernization project and any successes or challenges identified once the modernized Bright Futures Information System is operational. The Division shall actively seek advice and feedback from the end-user group regarding the modernized Bright Futures Information System. The end-user group shall be dissolved following full functionality of all components of the modernized Bright Futures Information System.~~

~~\*\*\* Workforce Supports \*\*\*~~

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

~~Subchapter 5. Workforce~~

~~§ 3341. SCHOLARSHIPS FOR CURRENT EARLY CHILDHOOD~~

PROVIDERS

*(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 that are related directly to working with children from birth through eight years of age.*

*(b) The Division may 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.*

*(c) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.*

*(d) 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 3543 of this title.*

§ 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD

PROVIDERS

*(a)(1) There is established a need-based scholarship program for individuals pursuing a college degree in early childhood education or early childhood special education. The scholarship program shall provide financial assistance up to the full cost of tuition for an eligible individual.*

*(2) An eligible individual shall.*

~~(A) attend a Vermont college or university at least part time;~~

~~(B) be pursuing an associates or bachelor's degree in early childhood education or early childhood special education; and~~

~~(C) commit to working in a regulated, privately operated center-based child care program or family child care home in Vermont for years equal to those in which scholarship monies are sought under this section.~~

~~(b)(1) The Department shall adopt policies, procedures, and guidelines necessary for implementation of the program described in subsection (a) of this section.~~

~~(2) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.~~

~~(c)(1) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.~~

~~(2) An eligible individual who does not work the required number of years in a regulated, privately operated center-based child care program or family child care home in Vermont after completion of the individual's degree program shall repay scholarship monies received under this section commensurate with the balance of the eligible individual's time commitment.~~

~~(d) 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 3543 of this title.~~

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

~~(a)(1) There is established a need-based student loan repayment assistance program 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 in a 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 \$50,000.00; and~~

~~(C) have earned an associates or bachelor's degree with a major concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.~~

~~(3) To participate in the program set forth in this section, an eligible individual shall submit to the Department for Children and Families 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 12 months following the annual loan repayment award notification. A participant may receive up to \$4,000.00 annually in student loan repayment assistance, which shall be distributed by the Department in four allotments. The Department shall distribute at least one-quarter of the individual's total annual benefit after the individual has completed three months of employment in accordance with the program. The remainder of an individual's total annual benefit shall be distributed by the Department every three months after the initial payment.~~

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

~~(2) Student loan repayments shall be available pursuant to this section on a first-come, first-served basis until appropriated funds are depleted.~~

~~(3) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.~~

~~(c) An individual shall not simultaneously participate in the student loan repayment assistance program set forth in this section and either of the scholarship programs set forth in section 3541 or 3542 of this title.~~

~~Sec. 7. APPROPRIATION, LEGISLATIVE INTENT, AND EVALUATION;~~

~~EARLY CHILDHOOD WORKFORCE PROGRAMS~~

~~(a)(1) In fiscal year 2022, \$300,000.00 is appropriated to the Department for Children and Families' Child Development Division for the Current Early Childhood Provider Scholarship Program established pursuant to 33 V.S.A. § 3541.~~

~~(2) In fiscal year 2022, \$400,000.00 is appropriated to the Department for Children and Families for the Prospective Early Childhood Provider Scholarship Program established pursuant to 33 V.S.A. § 3542.~~

~~(3) In fiscal year 2022, \$1,800,000.00 is appropriated to the Department for Children and Families for the student loan repayment assistance program established pursuant to 33 V.S.A. § 3543.~~

~~(b) It is the intent of the General Assembly that appropriations that meet or exceed each of the amounts appropriated in fiscal year 2022 pursuant to subdivisions (a)(1) through (3) of this section be made in fiscal years 2023 through 2026.~~

~~(c) On or before October 1, 2025, the Department for Children and Families' Child Development Division, 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 scholarship and student loan repayment programs established in 33 V.S.A. Chapter 33, Subchapter 3 at~~

recruiting and retaining providers in Vermont's child care and early learning system; and

(2) recommending whether the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 shall be repealed in accordance with Sec. 8 of this act, retained and funded in their current state, or retained with amendment.

*Sec. 8. REPEALS*

(a) 33 V.S.A. § 3541(d) (reference to student loan repayment assistance program) is repealed on July 1, 2026.

(b) 33 V.S.A. § 3542 (scholarships for prospective early childhood providers) is repealed on July 1, 2026.

(c) 33 V.S.A. § 3543 (student loan repayment assistance program) is repealed on July 1, 2026.

*\* \* \* Advisory Commission \* \* \**

*Sec. 9. RECOMMENDATIONS; ADVISORY COMMITTEE*

(a) Purpose. Building Bright Futures' Early Learning and Development Committee shall advise the Agency of Human Services, Department for Children and Families, and Child Development Division on all services pertaining to child care and early childhood education, including:

(1) child care and early childhood education licensing rules, policies, and procedures,

~~(2) administration of the child care and early childhood education system;~~

~~(3) Child Care Financial Assistance Program rules, policies, procedures, and plans;~~

~~(4) child care provider credentialing and compensation standards;~~

~~(5) the Vermont STARS quality rating and improvement system;~~

~~(6) child care and early childhood education curricula standards, including antiracist early childhood education practices and standards; and~~

~~(7) the child care and early childhood education systems analysis study pursuant to Sec. 10 of this act.~~

~~(b) Membership. The membership of the Committee shall be adjusted for the purposes of providing the recommendations required by this section to reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color; and to engage the following members:~~

~~(1) a parent or caregiver from a large town or city;~~

~~(2) a parent or caregiver from a rural community;~~

~~(3) a foster parent or person providing kinship care for a child under 12 years of age;~~

~~(4) a family child care home provider;~~

~~(5) a center-based child care and preschool program provider,~~

- ~~(6) a Head Start family policy advisory council member;~~
- ~~(7) a Head Start early childhood provider or program director;~~
- ~~(8) a representative of the Vermont Association for the Education of Young Children;~~
- ~~(9) a representative of the Vermont Early Childhood Education Higher Education Consortium;~~
- ~~(10) a representative of Vermont's Parent Child Center Network;~~
- ~~(11) a representative of a community child care resource agency;~~
- ~~(12) a provider of Children's Integrated Services;~~
- ~~(13) a provider of early childhood special education services;~~
- ~~(14) a regional Universal Pre-K Coordinator;~~
- ~~(15) a pediatrician;~~
- ~~(16) a representative of the National Federation of Independent Businesses;~~
- ~~(17) a representative of Vermont Businesses for Social Responsibility;~~
- ~~(18) a representative of the Vermont Business Roundtable;~~
- ~~(19) the Executive Director of the Office of Racial Equity or designee;~~
- ~~(20) an afterschool provider; and~~
- ~~(21) any other member that Building Bright Futures deems necessary to complete the work required by this section.~~

~~(c) Assistance. The Committee shall have the administrative assistance of Building Bright Futures and the technical and legal assistance of the Department for Children and Families' Child Development Division.~~

~~(d) Reports.~~

~~(1) On or before January 15, 2022, the Committee shall submit an interim written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare with a summary of the Committee's efforts to organize and provide advice to the Department to date.~~

~~(2) On or before September 1, 2022 and 2023, the Committee shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare with a summary of its annual activities, findings, and any recommendations for legislative action. All findings and recommendations provided pursuant to this subdivision shall be divided by birth through five years of age and six years of age through 12 years of age.~~

~~(e) Meetings.~~

~~(1) The Committee shall begin the work required by this section on or before September 1, 2021.~~

~~(2) The Committee shall select a chair from among its members at the first meeting.~~

~~(3) The work required by this section shall be completed on or before January 15, 2024.~~

~~(f) Members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings annually. These payments shall be made from monies appropriated to the Department for Children and Families.~~

~~(g) Appropriation.~~

~~(1) In fiscal year 2022, \$33,000.00 is appropriated from the General Fund to the Department for Children and Families for the purpose of implementing this section.~~

~~(2) It is the intent of the General Assembly that \$33,000.00 is appropriated to the Department for Children and Families in fiscal year 2023 for the purpose of implementing this section.~~

~~(h) Definition. As used in this section, "child care and early childhood education" means programming provided at a center-based child care program or family child care home regulated by the Department for Children and Families' Child Development Division that serves children from birth through 12 years of age.~~

~~\*\*\* Studies and Reports \*\*\*~~

~~Sec. 10. CHILD CARE AND EARLY CHILDHOOD EDUCATION~~

~~SYSTEMS ANALYSIS STUDY~~

~~(a) In order to ensure that Vermont's systems for early childhood education effectively meet the needs of children, families, and providers, including child care and early childhood education programs' ability to refer and connect families to needed services, Building Bright Futures shall undertake an analysis that evaluates and makes recommendations on the following:~~

~~(1) existing child care and early childhood education systems and administrative stakeholders and structures;~~

~~(2) child care and early childhood education systems and administrative functions that are currently not staffed or understaffed;~~

~~(3) emerging system needs;~~

~~(4) stakeholder engagement in decision-making processes and State plan development;~~

~~(5) mechanisms to strengthen system oversight and leverage current system strengths;~~

~~(6) identification of existing needs and challenges; and~~

~~(7) ensuring that an antiracist approach is utilized in modifying existing policies and procedures and creating new policies and procedures.~~

~~(b) On or before September 1, 2022, Building Bright Futures shall submit the analysis and recommendations required pursuant to this section to the General Assembly. All findings and recommendations provided pursuant to~~

~~this subsection shall be divided by birth through five years of age and six years of age through 12 years of age.~~

~~(c) In preparing the analysis and recommendations required pursuant to this section, Building Bright Futures shall rely on the work and advice provided pursuant to Sec. 9 of this act.~~

~~(d)(1) In fiscal year 2022, \$200,000.00 is appropriated to the Department for Children and Families for the purpose of implementing this section.~~

~~(2) The Department may use appropriated funds to cover administrative needs associated with the study and to contract a consultant with experience in organizational or administrative systems, administration, or system management experience.~~

~~(e) As used in this section, "child care and early childhood education" means programming provided at a center-based child care program or family child care home regulated by the Department for Children and Families' Child Development Division that serves children from birth through 12 years of age.~~

~~Sec. 11. REPORT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM;~~

~~ENROLLMENT MODEL; CO-PAYMENTS~~

~~On or before July 1, 2022, the Department for Children and Families' Child Development Division shall submit to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare analyses addressing.~~

~~(1) the costs and policy implications associated with moving from an attendance-based model to an enrollment-based model in the Child Care Financial Assistance Program; and~~

~~(2) the costs and policy implications of requiring that co-payments at the upper limit of the income eligibility scale for families participating in the Child Care Financial Assistance Program does not exceed 10 percent of gross annual income.~~

~~Sec. 12. CHILD CARE AND EARLY CHILDHOOD EDUCATION~~

~~FINANCING STUDY~~

~~(a) On or before September 1, 2021, the Joint Fiscal Office shall contract with an economist or independent consulting entity with expertise in the field of child care and early childhood education to evaluate the economic impacts of and potential funding mechanisms to adjusting Vermont's existing child care system regulated pursuant to 33 V.S.A. chapter 35 for children from birth through five years of age with consideration given to the intersection of and impacts on child care for children from six years of age through 12 years of age in alignment with the recommendations of the Universal Afterschool Task Force established pursuant to 2020 Acts and Resolves No. 154, Sec. B 1120.1. The work of the economist or independent consulting entity shall be governed by the following goals.~~

(1) that a family does not spend more than 10 percent of its gross annual income on child care;

(2) that child care providers receive compensation that is commensurate with peers in other fields; and

(3) the utilization of a cost of care model versus a market rate model in the Child Care Financial Assistance Program.

(b)(1) In conducting this evaluation, the consultant shall consult with Building Bright Futures; the State Treasurer; the Commissioners of Finance and Management, of Taxes, and for Children and Families; the Secretary of Education; and any other State entity the consultant deems necessary.

(2) The consultant shall consult with the Auditor for the purpose of ensuring that the consultant's evaluation includes appropriate requirements for ongoing performance review, accountability, and outcomes tracking.

(3) The consultant may consult with the National Association for the Education of Young Children, the Vermont Advancing as a Recognized Profession Task Force, and the Center for the Study of Child Care Employment for determining models for compensation commensurate with peers in other fields. Public school salaries may serve as a relevant benchmark for comparable compensation, assuming comparable qualifications, experience, and job responsibilities.

~~(c) Taking into consideration the analysis completed as part of the Blue Ribbon Commission on Financing High Quality, Affordable Child Care and the report issued by the Universal Afterschool Task Force, the consultant's evaluation shall:~~

~~(1) take into consideration demographic and workforce impacts; and~~

~~(2) review potential indirect impacts and multiplier effects on parents and guardians who may utilize the Child Care Financial Assistance Program; child care providers; and entities providing care, supplies, and services; children participating in child care and early childhood education programs; and other impacts to Vermont's economy and communities.~~

~~(d)(1) On or before November 15, 2022, the consultant shall submit preliminary results to the Joint Fiscal Office and to the chairs of the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare.~~

~~(2) On or before January 15, 2023, the consultant shall submit to the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare results that:~~

~~(A) project the costs of expanding the State's child care benefit to more families in accordance with this section, requiring commensurate pay for~~

~~providers, and utilizing cost of care in the Child Care Financial Assistance Program and the feasibility of implementing each policy in Vermont, both separately and jointly; and~~

~~(B) identify and determine the feasibility of implementing stable, long-term funding sources to finance an affordable, high-quality early child care system for children from birth through five years of age given child care's role in postpandemic stimulus and long-term economic development.~~

~~(e) The Joint Fiscal Office shall be allowed to accept philanthropic contributions to underwrite the cost of hiring economists and analysts to provide expertise specific to early care and childhood education in accordance with this section.~~

~~(f) In fiscal year 2022, \$500,000.00 shall be appropriated from the General Fund to the Joint Fiscal Office for the purpose of hiring a consultant pursuant to this section.~~

~~\*\*\* Effective Dates \*\*\*~~

~~Sec. 13. EFFECTIVE DATES~~

~~This act shall take effect on July 1, 2021, except that Secs. 2 (Child Care Financial Assistance Program; eligibility) and 3 (Payment to Providers) shall take effect on October 1, 2022.~~

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

~~Sec. 1. LEGISLATIVE INTENT~~

It is the intent of the General Assembly:

(1) that immediate investments are necessary to support Vermont's economy, ensure that all families with young children have affordable access to high-quality child care and early education, and that Vermont's early childhood educators are fairly compensated and well supported; and

(2) to continue and build upon the five-year redesign of the Child Care Financial Assistance Program that began in fiscal year 2020.

*\* \* \* 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 be entitled to participate in the Program for up to three months 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. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 150 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 350 percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by the subsection. 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.~~

\* \* \*

Sec. 3. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

\* \* \*

(c)(1) The payment schedule established by the Commissioner may reimburse providers in accordance with the results of the most recent Vermont Child Care Market Rate Survey.

(2) The payment schedule shall include reimbursement rate caps tiered in relation to provider ratings in the Vermont STARS program. The lower limit of the reimbursement rate caps shall be not less than the 50th percentile of all reported rates for the same provider setting in each rate category.

*Sec. 4. APPROPRIATION AND LEGISLATIVE INTENT; CHILD CARE*

*FINANCIAL ASSISTANCE PROGRAM*

(a) In fiscal year 2022, \$5,529,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for the purpose of implementing Secs. 2 and 3 of this act.

(b) It is the intent of the General Assembly that:

(1) consideration be made in fiscal years 2023 through 2026 to progressively adjust the upper income limit of the Child Care Financial Assistance Program fee scale each year; and

(2) by October 1, 2021, the co-payment at the upper limit of the income eligibility scale for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income.

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

*Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;*

*MODERNIZATION PLAN*

*(a) Funds for the modernization of the Bright Futures Information System are located within the Technology Modernization Reserve.*

*(b)(1) On or before October 1, 2021, the Department for Children and Families' Child Development Division shall make every reasonable effort to achieve full functionality of the first module of the modernized Bright Futures Information System.*

*(2) On or before August 1, 2021, the Department for Children and Families' Child Development Division shall convene and consult with a Bright Futures Information System end-user group, composed of child care providers, eligibility specialists from community child care support agencies, families participating in the Child Care Financial Assistance Program, and any other relevant stakeholders. The Division shall provide periodic updates to the end-user group regarding the Division's progress in completing the modernization project and any successes or challenges identified once the modernized Bright Futures Information System is operational. The Division shall actively seek advice and feedback from the end-user group regarding the modernized Bright Futures Information System. The end-user group shall be dissolved following full functionality of all components of the modernized Bright Futures Information System.*

*\* \* \* Workforce Supports \* \* \**

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

*Subchapter 5. Workforce*

*§ 3541. SCHOLARSHIPS FOR CURRENT EARLY CHILDHOOD*

*PROVIDERS*

*(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 that are related directly to working with children from birth through eight years of age.*

*(b) The Department of Children and Families may 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.*

*(c) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.*

*(d) 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 3543 of this title.*

*§ 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD*

*PROVIDERS*

(a)(1) There is established a need-based scholarship program for individuals pursuing a college degree in early childhood education or early childhood special education. The scholarship program shall provide financial assistance up to the full cost of tuition for an eligible individual.

(2) An eligible individual shall:

(A) attend a Vermont college or university at least part-time;

(B) be pursuing an associates or bachelor's degree in early childhood education or early childhood special education; and

(C) commit to working in a regulated, privately operated center-based child care program or family child care home in Vermont for years equal to those in which scholarship monies are sought under this section.

(b)(1) The Department for Children and Families shall adopt policies, procedures, and guidelines necessary for implementation of the program described in subsection (a) of this section.

(2) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c)(1) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(2) An eligible individual who does not work the required number of years in a regulated, privately operated center-based child care program or

family child care home in Vermont after completion of the individual's degree program shall repay scholarship monies received under this section commensurate with the balance of the eligible individual's time commitment.

(d) 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 3543 of this title.

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program 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 in a 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 \$50,000.00; and

(C) have earned an associates or bachelor's degree with a major concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

(3) To participate in the program set forth in this section, an eligible individual shall submit to the Department for Children and Families 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 12 months following the annual loan repayment award notification. A participant may receive up to \$4,000.00 annually in student loan repayment assistance, which shall be distributed by the Department in four allotments. The Department shall distribute at least one-quarter of the individual's total annual benefit after the individual has completed three months of employment in accordance with the program. The remainder of an individual's total annual benefit shall be distributed by the Department every three months after the initial payment.

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

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

(3) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c) An individual shall not simultaneously participate in the student loan repayment assistance program set forth in this section and either of the scholarship programs set forth in section 3541 or 3542 of this title.

*Sec. 7. APPROPRIATION AND EVALUATION; EARLY CHILDHOOD*

*WORKFORCE PROGRAMS*

(a) In fiscal year 2022:

(1) \$300,000.00 is appropriated to the Department for Children and Families' Child Development Division for the current early childhood provider scholarship program established pursuant to 33 V.S.A. § 3541.

(2) \$400,000.00 is appropriated to the Department for Children and Families for the prospective early childhood provider scholarship program established pursuant to 33 V.S.A. § 3542.

(3) \$1,800,000.00 is appropriated to the Department for Children and Families for the student loan repayment assistance program established pursuant to 33 V.S.A. § 3543.

(b) On or before October 1, 2025, the Department for Children and Families' Child Development Division, in consultation with stakeholders, shall submit a report to the House Committees on Commerce and Economic Development and on Human Services and to the Senate Committees on Economic Development, Housing, and General Affairs and on Health and Welfare:

(1) evaluating the effectiveness of the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 at recruiting and retaining providers in Vermont's child care and early learning system; and

(2) recommending whether the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 shall be repealed in accordance with Sec. 8 of this act, retained and funded in their current state, or retained with amendment.

*Sec. 8. REPEALS*

(a) 33 V.S.A. § 3541(d) (reference to student loan repayment assistance program) is repealed on July 1, 2026.

(b) 33 V.S.A. § 3542 (scholarships for prospective early childhood providers) is repealed on July 1, 2026.

(c) 33 V.S.A. § 3543 (student loan repayment assistance program) is repealed on July 1, 2026.

*\* \* \* Building Bright Futures' Powers and Duties \* \* \**

*Sec. 9. 33 V.S.A. § 4603 is amended to read:*

*§ 4603. POWERS AND DUTIES*

*The Council established by section 4602 of this title shall have the following powers and duties necessary and appropriate to effectuating the purposes of this chapter:*

*(1) Advise the Administration and General Assembly on:*

*(A) the status and needs of the early care, health, and education system by conducting a review of the status of young children in Vermont and the care, health, and education services and systems that support them; and*

*(B) planning related to and the administration and operation of Vermont's child care system.*

\* \* \*

*(3) Develop an early care, health, and education system plan for Vermont to serve as the basis for policy and funding recommendations, which shall reflect the growing diversity of Vermont's children and families.*

\* \* \*

*(12) Convene members of the child care community, medical community, education community, business community, and other organizations, as well as State agencies serving young children, to ensure that families receive quality services in the most efficient and cost-effective manner.*

\* \* \*

*\* \* \* Recommendations on the American Rescue Plan Act of 2021 \* \* \**

*Sec. 10. RECOMMENDATIONS; AMERICAN RESCUE PLAN ACT OF*

*2021; CHILD CARE DEVELOPMENT BLOCK GRANT*

*(a) Purpose and membership. The Department for Children and Families, in coordination with Building Bright Futures, shall convene a child care*

working group composed of mutually agreed to stakeholders that reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color. Members of this working group shall include a representative from both the House Committee on Human Services and the Senate Committee on Health and Welfare, as well as individuals representing families, child care and afterschool providers, the business community, child welfare advocates, and consultation with any other individuals necessary to make recommendations for most effectively utilizing Child Care Development Block Grant funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to meet the immediate and future child care needs of Vermonters.

(b) Powers and duties. The working group shall make recommendations to the General Assembly to ensure that the use of the ARPA Child Care Development Block Grant is fully utilized. The working group shall consider the following priorities but need not be limited to consideration of the listed priorities:

(1) funding necessary to ensure that the co-payment for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income;

(2) expansion of the Child Care Financial Assistance Program to families whose incomes are up to 400 percent of the current federal poverty level;

(3) funding necessary to complete the child care and early childhood education systems analysis and financing studies pursuant to Secs. 13 and 14 of this act;

(4) funding necessary to implement the child care workforce support programs established in 33 V.S.A. chapter 35, subchapter 5;

(5) increased access to high-quality infant care;

(6) access to high-quality, affordable child care for culturally and racially diverse families;

(7) support and assistance to stabilize regulated, privately operated center-based child care programs and family child care homes; and

(8) the identification of any statutory or regulatory barriers to using the ARPA funds to address the immediate and future child care needs of Vermonters.

(c) Report. On or before November 30, 2021, the Department for Children and Families shall submit a written report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare containing the working group's recommendations.

(d) Meetings.

(1) The Commissioner for Children and Families or designee and the Executive Director of Building Bright Futures shall call the first meeting of the working group and shall serve as Co-Chairs.

(2) A majority of the membership shall constitute a quorum.

(3) The working group shall cease to exist on December 1, 2021.

*Sec. 11. RECOMMENDATIONS; AMERICAN RESCUE PLAN ACT OF*

*2021; CHILD CARE STABILIZATION GRANTS*

(a) Purpose and membership. The Department for Children and Families, in coordination with Building Bright Futures, shall convene a child care working group composed of mutually agreed to stakeholders that reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color. Members of this working group shall include a representative from both the House Committee on Human Services and the Senate Committee on Health and Welfare, child care and afterschool providers, and consultation with any other individuals

necessary to make recommendations for most effectively utilizing Child Care Stabilization Grants funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to meet the immediate and future child care needs of Vermonters.

(b) Powers and duties. The working group shall make recommendations to ensure that the use of the ARPA Child Care Stabilization Grants funding is fully utilized in a timely manner.

(c) Report and Approval. On or before September 1, 2021, the Department shall submit a written report to the Joint Fiscal Committee and to the Chairs of the House Committee on Human Services and the Senate Committee on Health and Welfare containing the working group's recommendations. Upon receipt, the Joint Fiscal Committee shall have five days to approve or reject the working group's recommendations. If the Joint Fiscal Committee does not act within five days, the recommendations shall be deemed approved and the Department shall distribute the funds according to the recommendations. If the Joint Fiscal Committee rejects the recommendations within the five-day window, it shall hold a meeting as soon as possible to receive testimony from the Department.

(d) Meetings.

(1) The Commissioner for Children and Families or designee and the Executive Director of Building Bright Futures shall call the first meeting of the working group and shall serve as Co-Chairs.

(2) A majority of the membership shall constitute a quorum.

(3) The working group shall cease to exist on January 1, 2022.

\* \* \* *Studies and Reports* \* \* \*

*Sec. 12. REPORT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM;  
ENROLLMENT MODEL*

On or before July 1, 2022, the Department for Children and Families' Child Development Division shall submit to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare analyses addressing the costs and policy implications associated with moving from an attendance-based model to an enrollment-based model in the Child Care Financial Assistance Program.

*Sec. 13. CHILD CARE AND EARLY CHILDHOOD EDUCATION  
SYSTEMS ANALYSIS STUDY*

(a) On or before September 1, 2022, Building Bright Futures shall submit an analysis and recommendations to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the following:

(1) existing child care and early childhood education systems and administrative stakeholders and structures, including functions that are currently not staffed or understaffed;

(2) emerging system needs;

(3) stakeholder engagement in decision-making processes and State plan development;

(4) mechanisms to strengthen system oversight and leverage current system strengths;

(5) identification of existing needs and challenges; and

(6) ensuring that an antiracist approach is utilized in modifying existing policies and procedures and creating new policies and procedures.

(b) All findings and recommendations provided pursuant to this section shall:

(1) be divided by birth through five years of age and six years of age through 12 years of age; and

(2) rely on the work and advice provided pursuant to Sec. 10 of this act.

(c) As used in this section, “child care and early childhood education” means programming provided at a center-based child care program or family child care home regulated by the Department for Children and Families’ Child Development Division that serves children from birth through 12 years of age.

Sec. 14. CHILD CARE AND EARLY CHILDHOOD EDUCATION

*FINANCING STUDY*

(a) On or before January 1, 2022, the Joint Fiscal Office shall contract with an economist or independent consulting entity with expertise in the field of child care and early childhood education to evaluate the economic impacts of and potential funding mechanisms to adjusting Vermont's existing child care system regulated pursuant to 33 V.S.A. chapter 35 for children from birth through five years of age with consideration given to the intersection of and impacts on child care for children from six years of age through 12 years of age in alignment with the recommendations of the Universal Afterschool Task Force established pursuant to 2020 Acts and Resolves No. 154, Sec. B.1120.1. The work of the economist or independent consulting entity shall be governed by the following goals:

(1) that a family does not spend more than 10 percent of its gross annual income on child care;

(2) that child care providers receive compensation that is commensurate with peers in other fields; and

(3) the utilization of a cost of care model versus a market rate model in the Child Care Financial Assistance Program.

(b)(1) On or before November 15, 2023, the consultant shall submit preliminary results to the Joint Fiscal Office and to the chairs of the House Committees on Appropriations, on Human Services, and on Ways and Means

and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare.

(2) On or before January 15, 2024, the consultant shall submit to the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare results that:

(A) project the costs of expanding the State's child care benefit to more families in accordance with this section, requiring commensurate pay for providers, and utilizing cost of care in the Child Care Financial Assistance Program and the feasibility of implementing each policy in Vermont, both separately and jointly; and

(B) identify and determine the feasibility of implementing stable, long-term funding sources to finance an affordable, high-quality early child care system for children from birth through five years of age.

*\* \* \* Federal Funding, Administration \* \* \**

*Sec. 15. FEDERAL FUNDS; ANTICIPATED RECEIPTS*

(a) To the extent that appropriations in this act are made from federal funds provided by the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA), including State holding funds that are established as a result of the ARPA, the Commissioner of Finance and Management is authorized to make expenditures in anticipation of receipts as necessary. In the event monies received by the

State under ARPA cannot be used for their designated purpose, appropriations shall instead be made from the General Fund.

(b) The appropriations in this act from funds provided by ARPA shall carry forward from fiscal year 2021 until expended.

*\* \* \* Effective Dates \* \* \**

*Sec. 16. EFFECTIVE DATES*

(a) This section and Secs. 10 (recommendations; American Rescue Plan Act of 2021; Child Care Development Block Grant) and 11 (recommendations; American Rescue Plan Act of 2021; Child Care Stabilization Grants) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2021, except that Secs. 2 (Child Care Financial Assistance Program; eligibility) and 3 (payment to providers) shall take effect on October 1, 2021.