

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred House Bill  
3 No. 171 entitled “An act relating to the governance and financing of Vermont’s  
4 child care system” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 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:

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

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

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 be entitled to participate in the Program for up to three  
4 months and the Commissioner may further extend that period.

5 (2) The subsidy authorized by this subsection shall be ~~on a sliding scale~~  
6 ~~basis. The scale shall be~~ established by the Commissioner, by rule, and shall  
7 bear a reasonable relationship to income and family size. ~~The lower limit of~~  
8 ~~the fee scale shall include families whose gross income is up to and including~~  
9 ~~100 percent of the current federal poverty guidelines. The upper income limit~~  
10 ~~of the fee scale shall be neither less than 200 percent of the current federal~~  
11 ~~poverty guidelines nor more than 100 percent of the State median income,~~  
12 ~~adjusted for the size of the family. Families shall be found eligible using an~~  
13 income eligibility scale based on the current federal poverty level and adjusted  
14 for the size of the family. Co-payments shall be assigned to the whole family  
15 and shall not increase if more than one eligible child is enrolled in child care.  
16 Families with an annual gross income of less than or equal to 150 percent of  
17 the current federal poverty guidelines shall not have a family co-payment.  
18 Families with an annual gross income up to and including 350 percent of  
19 current federal poverty guidelines, adjusted for family size, shall be eligible for  
20 a subsidy authorized by the subsection. The scale shall be structured so that it  
21 encourages employment. If the federal poverty guidelines decrease in a given

1 year, the Division shall maintain the previous year’s federal poverty guidelines  
2 for the purpose of determining eligibility and benefit amount under this  
3 subsection.

4 \* \* \*

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

6 § 3514. PAYMENT TO PROVIDERS

7 \* \* \*

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

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

17 Sec. 4. APPROPRIATION AND LEGISLATIVE INTENT; CHILD CARE  
18 FINANCIAL ASSISTANCE PROGRAM

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

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

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

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

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

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

13        Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;

14                                MODERNIZATION PLAN

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

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



1 or that are related directly to working with children from birth through eight  
2 years of age.

3 (b) The Division may contract for the administration of the program set  
4 forth in subsection (a) of this section and adopt policies, procedures, and  
5 guidelines necessary for its implementation.

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

8 (d) An individual shall not simultaneously participate in the scholarship  
9 program set forth in this section and the student loan repayment assistance  
10 program set forth in section 3543 of this title.

11 § 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD  
12 PROVIDERS

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

17 (2) An eligible individual shall:

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

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

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

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

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

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

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

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

1        § 3543. STUDENT LOAN REPAYMENT ASSISTANCE

2            (a)(1) There is established a need-based student loan repayment assistance  
3        program for the purpose of providing student loan repayment assistance to any  
4        individual employed by a regulated, privately operated center-based child care  
5        program or family child care home.

6            (2) An eligible individual shall:

7            (A) work in a privately operated center-based child care program or  
8        in a family child care home that is regulated by the Division for at least an  
9        average of 30 hours per week for 48 weeks of the year;

10          (B) receive an annual salary of not more than \$50,000.00; and

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

15          (3) To participate in the program set forth in this section, an eligible  
16        individual shall submit to the Department for Children and Families  
17        documentation expressing the individual’s intent to work in a regulated,  
18        privately operated center-based child care program or family child care home  
19        for at least the 12 months following the annual loan repayment award  
20        notification. A participant may receive up to \$4,000.00 annually in student  
21        loan repayment assistance, which shall be distributed by the Department in

1 four allotments. The Department shall distribute at least one-quarter of the  
2 individual's total annual benefit after the individual has completed three  
3 months of employment in accordance with the program. The remainder of an  
4 individual's total annual benefit shall be distributed by the Department every  
5 three months after the initial payment.

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

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

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

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

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

17 EARLY CHILDHOOD WORKFORCE PROGRAMS

18 (a)(1) In fiscal year 2022, \$300,000.00 is appropriated to the Department  
19 for Children and Families' Child Development Division for the Current Early  
20 Childhood Provider Scholarship Program established pursuant to 33 V.S.A.  
21 § 3541.

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

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

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

11           (c) On or before October 1, 2025, the Department for Children and  
12           Families' Child Development Division, in consultation with stakeholders, shall  
13           submit a report to the House Committee on Human Services and to the Senate  
14           Committee on Health and Welfare:

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

19           (2) recommending whether the scholarship and student loan repayment  
20           programs established in 33 V.S.A. chapter 35, subchapter 5 shall be repealed in

1 accordance with Sec. 8 of this act, retained and funded in their current state, or  
2 retained with amendment.

3 Sec. 8. REPEALS

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

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

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

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

11 Sec. 9. RECOMMENDATIONS; ADVISORY COMMITTEE

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

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

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

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

- 1           (4) child care provider credentialing and compensation standards;
- 2           (5) the Vermont STARS quality rating and improvement system;
- 3           (6) child care and early childhood education curricula standards,
- 4           including antiracist early childhood education practices and standards; and
- 5           (7) the child care and early childhood education systems analysis study
- 6           pursuant to Sec. 10 of this act.

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

- 12           (1) a parent or caregiver from a large town or city;
- 13           (2) a parent or caregiver from a rural community;
- 14           (3) a foster parent or person providing kinship care for a child under 12
- 15           years of age;
- 16           (4) a family child care home provider;
- 17           (5) a center-based child care and preschool program provider;
- 18           (6) a Head Start family policy advisory council member;
- 19           (7) a Head Start early childhood provider or program director;
- 20           (8) a representative of the Vermont Association for the Education of
- 21           Young Children;

- 1           (9) a representative of the Vermont Early Childhood Education Higher  
2           Education Consortium;
- 3           (10) a representative of Vermont’s Parent Child Center Network;  
4           (11) a representative of a community child care resource agency;  
5           (12) a provider of Children’s Integrated Services;  
6           (13) a provider of early childhood special education services;  
7           (14) a regional Universal Pre-K Coordinator;  
8           (15) a pediatrician;  
9           (16) a representative of the National Federation of Independent  
10          Businesses;
- 11           (17) a representative of Vermont Businesses for Social Responsibility;  
12           (18) a representative of the Vermont Business Roundtable;  
13           (19) the Executive Director of the Office of Racial Equity or designee;  
14           (20) an afterschool provider; and  
15           (21) any other member that Building Bright Futures deems necessary to  
16          complete the work required by this section.
- 17           (c) Assistance. The Committee shall have the administrative assistance of  
18          Building Bright Futures and the technical and legal assistance of the  
19          Department for Children and Families’ Child Development Division.

1        (d) Reports.

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

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

13        (e) Meetings.

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

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

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

20            (f) Members of the Committee shall be entitled to per diem compensation  
21        and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not

1 more than six meetings annually. These payments shall be made from monies  
2 appropriated to the Department for Children and Families.

3 (g) Appropriation.

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

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

10 (h) Definition. As used in this section, “child care and early childhood  
11 education” means programming provided at a center-based child care program  
12 or family child care home regulated by the Department for Children and  
13 Families’ Child Development Division that serves children from birth through  
14 12 years of age.

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

16 Sec. 10. CHILD CARE AND EARLY CHILDHOOD EDUCATION  
17 SYSTEMS ANALYSIS STUDY

18 (a) In order to ensure that Vermont’s systems for early childhood  
19 education effectively meet the needs of children, families, and providers,  
20 including child care and early childhood education programs’ ability to refer  
21 and connect families to needed services, Building Bright Futures shall

1 undertake an analysis that evaluates and makes recommendations on the  
2 following:

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

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

7 (3) emerging system needs;

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

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

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

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

15 (b) On or before September 1, 2022, Building Bright Futures shall submit  
16 the analysis and recommendations required pursuant to this section to the  
17 General Assembly. All findings and recommendations provided pursuant to  
18 this subsection shall be divided by birth through five years of age and six years  
19 of age through 12 years of age.

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

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

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

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

14       Sec. 11. REPORT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM;  
15       ENROLLMENT MODEL; CO-PAYMENTS

16       On or before July 1, 2022, the Department for Children and Families’ Child  
17       Development Division shall submit to the House Committees on  
18       Appropriations and on Human Services and to the Senate Committees on  
19       Appropriations and on Health and Welfare analyses addressing:

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

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

8       Sec. 12. CHILD CARE AND EARLY CHILDHOOD EDUCATION  
9               FINANCING STUDY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 Sec. 13. EFFECTIVE DATES

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

1 (Committee vote: \_\_\_\_\_)

2

\_\_\_\_\_

3

Representative \_\_\_\_\_

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FOR THE COMMITTEE