

H.171: An act relating to the governance and financing of Vermont’s child care system

| | As Passed House | As Passed Senate |
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| Sec. 1. Legislative Intent | <ul style="list-style-type: none"> (1): Immediate investments necessary to ensure families with young children have affordable access to high-quality child care and early education and that VT’s early childhood educators are fairly compensated and well-supported (2): Continue and build upon CCFAP 5-year redesign | [Same as House] |
| Sec. 2. Child Care Financial Assistance Program (33 V.S.A. § 3512) | <ul style="list-style-type: none"> (a)(2): Co-payments assigned to whole family (vs by child) (a)(2): Families with an annual gross income of less than or equal to 150% of current FPL do not have a family co-payment (a)(2): Upper limit of income scale is changed to 350% of current FPL (vs 200% current FPL) | [Same as House] |
| Sec. 3. CCFAP Payment to Providers (33 V.S.A. § 3514) | <ul style="list-style-type: none"> (a): Payment schedule under CCFAP to reimburse providers shall be in accordance with most recent Market Rate Survey (b): Payment schedule’s reimbursement rate caps shall be tiered in relation to provider ratings under the STARS program (b): The lower limit of reimbursement rate caps cannot be less than the 50th percentile of all reported rates for the same provider setting in each rate category | [Same as House] |
| Sec. 4. Appropriation & Legislative Intent; CCFAP | <ul style="list-style-type: none"> (a): In FY22, \$5,529,000 is appropriated from GF to CDD to implement Secs. 2 and 3 (b): It is the intent of the GA that: <ul style="list-style-type: none"> In FYs 2023-2026, an appropriation that meets or exceeds the FY22 appropriation is distributed to progressively adjust to upper income limit of CCFAP fee scale; and By FY23, the co-payment at the upper income limit of eligibility scale for CCFAP families does not exceed 10 percent of a family’s annual gross income | <ul style="list-style-type: none"> (a) [Deleted.] |
| Sec. 5. Bright Futures Information System; Modernization Plan | <ul style="list-style-type: none"> (a): Funds for the modernization of BFIS are located within the Technology Modernization Reserve (b)(1): By October 1, 2021, CDD shall make every reasonable effort to achieve full functionality of 1st BFIS module (b)(2): By August 1, 2021, CDD is to convene a BFIS ender-user group, which shall receive periodic updates on the CDD’s progress in implementing BFIS modernization project, including successes and challenges; group shall be dissolved following full functionality of all components of modernized BFIS | <ul style="list-style-type: none"> Subsection (a) replaced with: “To the extent funds exist in fiscal year 2022, the Department for Children and Families shall modernize the Bright Futures Information System.” |
| Sec. 6. Workforce Supports | <ul style="list-style-type: none"> Scholarships for Current Early Childhood Providers (33 V.S.A. § 3541) <ul style="list-style-type: none"> (a): Establishes a need-based scholarship for individuals employed by a regulated, privately operated center-based child care program or | [Same as House] |

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| | <p>family child care home while acquiring credits in early childhood development or related to working with children 0-8 years of age</p> <ul style="list-style-type: none"> ○ (b): CDD may contract for administration of program ○ (c): Scholarships available on first-come, first served basis until funds are depleted ○ (d): Individual cannot participate in this scholarship program and the student loan repayment assistance program at the same time <ul style="list-style-type: none"> ● Scholarships for Prospective Early Childhood Providers (33 V.S.A. § 3542) <ul style="list-style-type: none"> ○ (a)(1): Establishes a need-based scholarship for individuals pursuing a college degree in early education or early childhood special education, which shall provide financial assistance up to the full cost of tuition ○ (a)(2): An eligible individual must: <ul style="list-style-type: none"> ▪ Attend a VT college or university at least part-time; ▪ Be pursuing an associates or bachelor’s degree in early childhood education or early childhood special education; and ▪ Commit to working in a regulated, privately operated center-based child care program or family child care home in VT for years equal to those in which scholarship monies are sought ○ (b)(2): CDD may contract for program administration; which shall not be more than 10% of the total appropriation ○ (c)(1): Funds available on a first-come, first-served basis until depleted ○ (c)(2): If an eligible individual does not work the required number of year in a regulated, privately operated center-based child care program or family child care home in VT after completion of the degree program, the individual must repay scholarship monies received under this section commensurate with the balance of the eligible individual’s time commitment. ○ (d): Individual cannot participate in this scholarship program and the student loan repayment assistance program at the same time ● Student Loan Repayment Assistance (33V.S.A. § 3543) <ul style="list-style-type: none"> ○ (a)(1): Establishes a need-based student loan repayment assistance program for individuals employed at a regulated, privately operated center-based child care program or family child care home in VT ○ (a)(2): An eligible individual must: <ul style="list-style-type: none"> ▪ Work in a regulated, privately operated center-based child care program or family child care home for at least an average of 30 hours/week for 48 weeks/year; ▪ Receive an annual salary of not more than \$50k; and | |
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| | <ul style="list-style-type: none"> ▪ Have earned an associated or bachelor’s degree with a major concentration in early childhood, child and human development, elementary education, special education with 0-8 focus, or child and family services within the preceding 5 years. ○ (a)(3): To participate, eligible individuals must submit to DCF documentation expressing the individual’s intent to work in a regulated, privately operated center-based child care program or family child care home in VT for at least 12 months following the annual award letter ○ (a)(3): Participants may receive up to \$4k annually, which shall be distributed in 4 allotments ○ (b)(1): DCF must adopt policies, etc. to implement program ○ (b)(2): Funds available on a first-come, first-served basis until depleted ○ (b)(3): DCF may contract for the administration of the program, but administrative costs shall not exceed 10% of the total appropriation ○ (c): Individual cannot participate in this student loan repayment assistance program at the same time as either of the scholarship programs established in this section | |
| <p>Sec. 7. Appropriation Legislative Intent, and Evaluation; Early Childhood Workforce Programs</p> | <ul style="list-style-type: none"> • (a) In FY22, the following is appropriated: <ul style="list-style-type: none"> ○ \$300k for Scholarships for Current Early Childhood Providers; ○ \$400k for Scholarships for Prospective Early Childhood Providers; and ○ \$1.8m for Student Loan Repayment Assistance • (b) By Oct. 1, 2025, CDD, in consultation with stakeholders, must submit a report to the General Assembly that: <ul style="list-style-type: none"> ○ Evaluates the effectiveness of the scholarship and student loan repayment programs established in Sec. 6 at recruiting/retaining providers; and ○ Provides recommendations on whether the scholarship and student loan repayment programs established in Sec. 6 shall be repealed in accordance with Sec. 8, retained and funded in their current state, or retained and modified | (a) [Deleted.] |
| <p>Sec. 8. Repeals (to take effect July 1, 2026)</p> | <ul style="list-style-type: none"> • Repeals reference to the student loan repayment program in 33 V.S.A. § 3541 • Repeals Scholarship for Prospective Early Childhood Provider and Student Loan Repayment Assistance | [Same as House] |
| <p>Sec. 9. Building Bright</p> | <ul style="list-style-type: none"> • Expands the existing powers/duties of BBF to include: <ul style="list-style-type: none"> ○ (1)(B): <u>advising the administration and GA on planning related to and the administration and operation of VT’s child care system;</u> | [Same as House] |

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| <p>Futures’ Powers and Duties (33 V.S.A. § 4603)</p> | <ul style="list-style-type: none"> ○ (3): developing an early care, health and education plan <u>that shall reflect the growing diversity on VT’s children and families</u>; and ○ (12): convene members of various communities, <u>including the business community</u>, to ensure families receive quality services in the most efficient and cost-effect manner | |
| <p>Sec. 10. Recommendations; American Rescue Plan Act of 2021; Child Care Development Block Grant</p> | <ul style="list-style-type: none"> ● (a): Directs DCF, in coordination with BBF, to convene a child care working group composed of mutually agreed to stakeholders that reflects the growing diversity of VT’s children and families, including persons who are Black, Indigenous, and Persons of Color. Member of the working group shall include a member of HHS and SHW, individuals representing families, child care and afterschool providers, the business community, child welfare advocates, and consultation with any other necessary individuals. ● (b): Working group is directing to make recommendations to the GA to ensure that the use of American Rescue Plan Act of 2021 (ARPA) Child Care Development Block Grant funds are effectively utilized to meet the immediate and future needs of Vermonters. The working group shall consider the following priorities, but is not limited to consideration of only these priorities: <ul style="list-style-type: none"> ○ (1): funding necessary to ensure the co-payment for a family participating in CCFAP shall not exceed 10% of a family’s annual gross income; ○ (2): expansion of CCFAP to families whose incomes are up to 400% of current FPL; ○ (3): funding necessary to complete the child care and early childhood education systems analysis and financing studies pursuant to Secs. 13 & 14; ○ (4): funding necessary to implement the child care workforce support programs established in Sec. 6; ○ (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): ID of any statutory or regulatory barriers to using ARPA funds to address the immediate needs of Vermonters ● (c): By Nov. 30, 2021, DCF shall submit a report to HAC, HHS, SAC, and SHW with the working group’s recommendations ● (d)(1): Commissioner of DCF and Exec. Dir. of BBF shall call the first meeting and serve as co-chairs ● (d)(2): Working group shall cease to exist on Dec. 1, 2021 | <p>Section was struck in its entirety and replaced with a report (due 1/15/22) from DCF to HAC/HHS/SAC/SHW describing how ARPA Child Care Block Grants were utilized.</p> |

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| <p>Sec. 11. Recommendations; American Rescue Plan Act of 2021; Child Care Stabilization Grants</p> | <ul style="list-style-type: none"> • (a): Directs DCF, in coordination with BBF, to convene a child care working group composed of mutually agreed to stakeholders that reflects the growing diversity of VT’s children and families, including persons who are Black, Indigenous, and Persons of Color. Member of the working group shall include a member of HHS and SHW, individuals representing child care and afterschool providers, and consultation with any other necessary individuals. • (b): Working group is directed to make recommendations to ensure the use of ARPA Child Care Stabilization Grants finding is fully utilized in a timely manner • (c): By Sept. 1, 2021, DCF shall submit a report to JFC and Chairs of HHS and SHW containing the working group’s recommendations. Upon receipt, JFC shall have five days to approve or reject the working group’s recommendations. If JFC does not act within 5 days, recommendations shall be deemed approved and DCF shall distribute funds according to recommendations. If JFC rejects recommendations within 5 days, it must hold a meeting as soon as possible to receive testimony from DCF. • (d)(1): Commissioner of DCF and Exec. Dir. of BBF shall call the first meeting and serve as co-chairs • (d)(2): Working group shall cease to exist on Jan. 1, 2022 | <p>[Deleted.]</p> |
| <p>Sec. 12. Report; CCFAP; Enrollment Model</p> | <ul style="list-style-type: none"> • By July 1, 2022, CDD shall submit report to GA addressing costs/policy implications associated with moving from an attendance-based model to an enrollment-based model in CCFAP | <p>[Same as House]</p> |

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| <p>Sec. 13. Child Care and Early Childhood Education Systems Analysis Study</p> | <ul style="list-style-type: none"> • (a): BBF to analyze and make recommendations on the following: <ul style="list-style-type: none"> ○ (1): Existing systems and administrative stakeholders/structures and administrative functions that are either not staffed or understaffed; ○ (2): Emerging system needs; ○ (3): Stakeholder engagement in decision-making and State plan development; ○ (4): Mechanisms to strengthen system oversight and leverage current system strengths; ○ (5): ID of existing needs and challenges; and ○ (6): Ensuring antiracist approach is utilized in modifying existing policies and in creating new policies. • (b): By Sept. 1, 2022, BBF shall submit findings/recommendations: (1) w/ results divided by 0-5 and 6-12; and (2) that rely on the recommendations of Sec. 10 working group | <ul style="list-style-type: none"> • (a) By Sept. 1, 2021, BBF, in consultation w/ Chairs of HHS & SHW or their designees, is to develop and issue a RFP to select an independent consulting entity w/ expertise in child care and early childhood education. • (b): By July 1, 2022, independent consulting entity shall submit analysis/recommendations |
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| <p>Sec. 14. Child Care and Early Childhood Education Financing Study</p> | <ul style="list-style-type: none"> • (a): By Jan. 1, 2022, JFO shall contract with consultant to evaluate economic impacts of and potential funding mechanisms to adjusting VT’s regulated child care system for children 0-5 with consideration given to the intersection of and impacts on child care for children from 6-12 years of age. • (a): The following goals will govern consultant’s work: <ul style="list-style-type: none"> ○ That a family not spend more than 10% of gross annual income on child care; ○ That providers receive compensation that is commensurate with peers in other fields; and ○ Utilization of a cost of care model versus market rate in CCFAP. • Reports: <ul style="list-style-type: none"> ○ (b)(1): By Nov. 15, 2023: Preliminary results ○ (b)(2): By Jan. 15, 2024: Final results that: <ul style="list-style-type: none"> • Project costs of expanding State’s child care benefit to more families in accordance with this section, requiring commensurate pay for providers, utilizing cost of care in CCFAP, and feasibility of implementing each policy in VT, both jointly and separately; and • ID and determine feasibility of implementing stable, long-term funding sources to finance affordable, high-quality early child care system for children 0-5 | <ul style="list-style-type: none"> • (a) By July 1, 2022, JFO shall contract with consultant... • Reports: <ul style="list-style-type: none"> ○ (b)(1): By Dec. 1, 2022: Preliminary results ○ (b)(2): By Jan. 15, 2023: Final results containing “multiple financing options for public and private funding source” |
| <p>Sec. 15. Federal Funds; Anticipated Receipts</p> | <ul style="list-style-type: none"> • (a): To extent appropriations are made from ARPA, Commissioner of Finance and Management is authorized to make expenditures in anticipation of receipts as necessary. If monies received under ARPA cannot be used for their designated purpose, General Funds shall be used instead. • (b): Appropriations in act from ARPA funds carry forward from FY21 until expended. | <p>[Deleted.]</p> |
| <p>Sec. 16. Effective Dates</p> | <ul style="list-style-type: none"> • (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) take effect on passage • (b): All other sections take effect July 1, 2021, except that Sec. 2 (CCFAP eligibility) and Sec. 3 (Payment to Providers) takes effect Oct. 1, 2021 | <p>[Same as House]</p> |