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Representatives Brumsted of Shelburne, Gregoire of Fairfield, McFaun of Barre Town, Noyes of Wolcott, Pajala of Londonderry, Pugh of South Burlington, Redmond of Essex, Rosenquist of Georgia, Small of Winooski, Whitman of Bennington, and Wood of Waterbury move that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * 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 (a)(1) The Child Care Financial Assistance Program is established to
2 subsidize, to the extent that funds permit, the costs of child care for families
3 that need child care services in order to obtain employment, to retain
4 employment, or to obtain training leading to employment. Families seeking
5 employment shall be entitled to participate in the Program for up to three
6 months and the Commissioner may further extend that period.

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

1 a subsidy authorized by the subsection. The scale shall be structured so that it
2 encourages employment. If the federal poverty guidelines decrease in a given
3 year, the Division shall maintain the previous year’s federal poverty guidelines
4 for the purpose of determining eligibility and benefit amount under this
5 subsection.

6 * * *

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

8 § 3514. PAYMENT TO PROVIDERS

9 * * *

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

13 (2) The payment schedule shall include reimbursement rate caps tiered
14 in relation to provider ratings in the Vermont STARS program. The lower
15 limit of the reimbursement rate caps shall be not less than the 50th percentile
16 of all 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) consideration be made in fiscal years 2023 through 2026 to
3 progressively adjust the upper income limit of the Child Care Financial
4 Assistance Program fee scale each year; and

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

9 * * * Bright Futures Information System * * *

10 Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;

11 MODERNIZATION PLAN

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

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

19 (2) On or before August 1, 2021, the Department for Children and
20 Families' Child Development Division shall convene and consult with a Bright
21 Futures Information System end-user group, composed of child care providers,

1 eligibility specialists from community child care support agencies, families
2 participating in the Child Care Financial Assistance Program, and any other
3 relevant stakeholders. The Division shall provide periodic updates to the end-
4 user group regarding the Division’s progress in completing the modernization
5 project and any successes or challenges identified once the modernized Bright
6 Futures Information System is operational. The Division shall actively seek
7 advice and feedback from the end-user group regarding the modernized Bright
8 Futures Information System. The end-user group shall be dissolved following
9 full functionality of all components of the modernized Bright Futures
10 Information System.

11 * * * Workforce Supports * * *

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

13 Subchapter 5. Workforce

14 § 3541. SCHOLARSHIPS FOR CURRENT EARLY CHILDHOOD

15 PROVIDERS

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

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

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

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

9 § 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD

10 PROVIDERS

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

15 (2) An eligible individual shall:

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

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

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

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

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

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

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

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

17 § 3543. STUDENT LOAN REPAYMENT ASSISTANCE

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

1 (2) An eligible individual shall:

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

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

6 (C) have earned an associates or bachelor’s degree with a major
7 concentration in early childhood, child and human development, elementary
8 education, special education with a birth to age eight focus, or child and family
9 services 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 12 months following the annual loan repayment award
15 notification. A participant may receive up to \$4,000.00 annually in student
16 loan repayment assistance, which shall be distributed by the Department in
17 four allotments. The Department shall distribute at least one-quarter of the
18 individual’s total annual benefit after the individual has completed three
19 months of employment in accordance with the program. The remainder of an
20 individual’s total annual benefit shall be distributed by the Department every
21 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) Student loan repayments shall be available pursuant to this section
4 on a first-come, first-served basis until appropriated funds are depleted.

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

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

11 Sec. 7. APPROPRIATION AND EVALUATION; EARLY CHILDHOOD

12 WORKFORCE PROGRAMS

13 (a) On or before December 15, 2021, the Commissioner of Finance shall
14 present a recommendation, consistent with the final plan of the working group
15 established in Sec. 10 of this act, as to whether the source of funding for the
16 appropriation in subsection (b) of this section shall be appropriated from the
17 General Fund or from monies provided to the State under the American Rescue
18 Plan Act of 2021, Pub. L. No. 117-2 to the House Committee on Human
19 Services and to the Senate Committee on Health and Welfare. Upon approval
20 of the Commissioner's recommendation by both Committees, the
21 Commissioner shall submit a written certification to the Joint Fiscal

1 Committee as to the Commissioner’s recommendation and requisite approval
2 by the Committees. Once the written certification has been submitted to the
3 Joint Fiscal Committee, the appropriations in subsection (b) of this section
4 shall take effect and be appropriated from the funding source specified in the
5 Commissioner’s written certification.

6 (b) In fiscal year 2022:

7 (1) \$300,000.00 is appropriated to the Department for Children and
8 Families’ Child Development Division for the Current Early Childhood
9 Provider Scholarship Program established pursuant to 33 V.S.A. § 3541.

10 (2) \$400,000.00 is appropriated to the Department for Children and
11 Families for the Prospective Early Childhood Provider Scholarship Program
12 established pursuant to 33 V.S.A. § 3542.

13 (3) \$1,800,000.00 is appropriated to the Department for Children and
14 Families for the student loan repayment assistance program established
15 pursuant to 33 V.S.A. § 3543.

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

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

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

9 Sec. 8. REPEALS

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

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

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

16 * * * Building Bright Futures’ Powers and Duties * * *

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

18 § 4603. POWERS AND DUTIES

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

1 (a) Purpose and membership. Building Bright Futures, in coordination
2 with the Department for Children and Families, shall convene a child care
3 working group composed of mutually agreed to stakeholders that reflect the
4 growing diversity of Vermont’s children and families, including individuals
5 who are Black, Indigenous, and Persons of Color. Members of this working
6 group shall include a representative from both the House Committee on
7 Human Services and the Senate Committee on Health and Welfare, as well as
8 individuals representing families, child care and afterschool providers, the
9 business community, child welfare advocates, and consultation with any other
10 individuals necessary to develop and recommend a plan for most effectively
11 utilizing federal funding received by the State pursuant to the American
12 Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to meet the immediate
13 and future child care needs of Vermonters.

14 (b) Powers and duties. The working group shall produce a plan that makes
15 recommendations to the General Assembly regarding use of the ARPA funds
16 in conjunction with other State and federal resources to maximize the amount
17 of funding available to support high-quality child care. The plan shall ensure
18 that Vermont’s allocation of the federal Child Care Development Block Grant
19 and the Child Care Stabilization Grant are fully utilized. The plan shall
20 specifically address the following priorities, but the working group need not be
21 limited to consideration of listed priorities:

1 (1) funding necessary to ensure that the co-payment for a family
2 participating in the Child Care Financial Assistance Program shall not exceed
3 10 percent of a family’s annual gross income;

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

6 (3) funding necessary to complete the child care and early childhood
7 education systems analysis and financing studies pursuant to Secs. 12 and 13
8 of this act;

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

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

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

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

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

19 (c) Assistance. The working group shall have the administrative and
20 technical assistance of the Department for Children and Families.

1 (d) Reports.

2 (1) On or before April 30, 2021, the working group shall submit an
3 interim written report to the House Committees on Appropriations and on
4 Human Services and to the Senate Committees on Appropriations and on
5 Health and Welfare for further legislative review and action.

6 (2) On or before November 30, 2021, the working group shall submit a
7 written report to the House Committees on Appropriations and on Human
8 Services and to the Senate Committees on Appropriations and on Health and
9 Welfare with the final plan developed in accordance with subsection (b) of this
10 section for further legislative review and action.

11 (e) Meetings.

12 (1) The executive director of Building Bright Futures shall call the first
13 meeting of the working group and shall serve as Chair.

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

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

16 (f) Compensation and reimbursement. Members of the working group
17 shall be entitled to either per diem compensation or reimbursement of
18 expenses, or both, as mutually agreed to by Building Bright Futures and the
19 Department for Children and Families.

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

3 (5) identification of existing needs and challenges; and

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

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

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

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

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

15 Sec. 13. CHILD CARE AND EARLY CHILDHOOD EDUCATION

16 FINANCING STUDY

17 (a) On or before January 1, 2022, the Joint Fiscal Office shall contract with
18 an economist or independent consulting entity with expertise in the field of
19 child care and early childhood education to evaluate the economic impacts of
20 and potential funding mechanisms to adjusting Vermont’s existing child care
21 system regulated pursuant to 33 V.S.A. chapter 35 for children from birth

1 through five years of age with consideration given to the intersection of and
2 impacts on child care for children from six years of age through 12 years of
3 age in alignment with the recommendations of the Universal Afterschool Task
4 Force established pursuant to 2020 Acts and Resolves No. 154, Sec. B.1120.1.
5 The work of the economist or independent consulting entity shall be governed
6 by the following goals:

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

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

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

13 (b)(1) On or before November 15, 2023, the consultant shall submit
14 preliminary results to the Joint Fiscal Office and to the chairs of the House
15 Committees on Appropriations, on Human Services, and on Ways and Means
16 and to the Senate Committees on Appropriations, on Finance, and on Health
17 and Welfare.

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

