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Act No. 76 (H. 217). An act relating to child care, early education, workers' compensation, and unemployment insurance

Subjects: Human services; child care; labor; workers' compensation

This act addresses child care and early education, prekindergarten education, taxation, and workers' compensation.

Sec. 1 of this act establishes the General Assembly's legislative intent with regard to child care, early education, and prekindergarten education.

Secs. 2–3a of this act address prekindergarten more specifically. Sec. 2 of this act establishes the Prekindergarten Education Implementation Committee to develop a plan for the implementation of a prekindergarten program for four-year-old children in either a public school setting or through the school district by contract with private providers. Sec. 2a of this act directs the Agency of Education, in consultation with the Prekindergarten Education Implementation Committee, to develop a model contract for school districts to use for contracting with private providers for prekindergarten services. Sec. 2b of this act directs the Agency of Education, in consultation with the Prekindergarten Education Implementation Committee, to analyze and issue a report regarding whether the cost of educating a prekindergarten student is the same as educating a kindergarten student in the context of a full school day. Sec. 2c of this act requires the Agency the Education to share specific data with the Joint Fiscal Office. Sec. 3 of this act changes the grade level weight for prekindergarten students from -0.54 to 1 as of July 1, 2026, pending the contingencies listed in Sec. 3a of this act.

Sec. 4 of this act directs the Agency of Education submit a plan to the General Assembly for the purpose of elevating the status of early education within the Agency in accordance with the report produced pursuant to 2021 Acts and Resolves No. 45, Sec. 13.

Secs. 5–5d of this act make multiple amendments to the Child Care Financial Assistance Program (CCFAP) effective on various dates between January 1, 2024, and October 1, 2024. Sec. 5 of this act authorizes child care providers to establish tuition rates that are lower than the provider reimbursement rate in CCFAP. Sec. 5a of this act authorizes the Commissioner for Children and Families to adjust the subsidy and family contribution by rule to account for increasing child care costs, not to exceed 1.5 times the most recent annual increase in the NAICS index for education services. On April 1, 2024, this section also expands from 150 percent FPL to 175 percent FPL the allowed gross income of those families participating in CCFAP who do not have a co-payment and expands from 350 percent FPL to 400 percent FPL the allowed gross income of those families eligible to participate in CCFAP. On July 1, 2024, Sec. 5b of this act allows Vermont residents whose citizenship status would otherwise exclude them from participating in CCFAP to be served under the Program using solely State funds. On October 1, 2024, Sec. 5c of this act expands from 400 percent FPL to 575 percent FPL

the allowed gross income of those families eligible to participate in CCFAP. Sec. 5d of this act adjusts a family contribution scale to begin at \$50.00 per week for families at 176 percent FPL.

Sec. 6 of this act readjusts the child care provider reimbursement rate within CCFAP to be 35 percent higher than the 2023 5-STAR (STep Ahead Recognition System) rate beginning on January 1, 2024. Sec. 7 of this act appropriates fiscal year 2024 funds to implement the policies in Secs. 5a and 6 of this act and to create 11 new positions within the Department for Children and Families (DCF).

Sec. 8 of this act appropriates \$20 million in fiscal year 2024 to provide payments to child care providers in preparation for the CCFAP eligibility expansion and provider rate adjustment. The act authorizes the use of readiness payments for multiple purposes, including increasing capacity for infants and toddlers, improving facilities, expanding hours of operation, and increasing workforce capacity.

Secs. 8a through 9a of this act make multiple amendments to the CCFAP provider payments on various effective dates. Sec. 8a of this act directs DCF to use the 2023 5-STAR rate to reimburse all child care providers participating in CCFAP beginning on July 1, 2023. Effective January 1, 2024, Sec. 9 of this act directs that the payment schedule shall account for the age of the children served and account for the type of child care setting category a child is being served in. It further specifies that CCFAP provider payments will utilize an enrollment versus attendance model and decouples the STARS program from the CCFAP reimbursement schedule. Sec. 9a of this act adjusts the provider payment on July 1, 2024, to reduce the differential between family child care homes and center-based child care and preschool programs by 50 percent. Sec. 9b of this act requires DCF, in collaboration with the Joint Fiscal Office, to submit a report pertaining to future CCFAP rates.

Sec. 10 of this act establishes the child care quality and capacity incentive program, which enables the Commissioner of DCF to award child care providers with incentive payments when certain achievements are attained, including achieving a higher level in the quality rating and improvement system, increasing and maintaining infant and toddler capacity, and providing nonstandard hours of child care services. Sec. 10a of this act specifies the General Assembly's intent to appropriate at least \$10 million for the child care quality and capacity incentive annually.

Sec. 11 of this act prohibits a child care provider from charging a waitlist or application fee where the applying child qualifies for CCFAP. Sec. 12 of this act prohibits a regulated child care provider from imposing an increase in child care tuition rates that exceed 1.5 times the most recent NAICS index for education services. Sec. 12a of this act requires DCF to adopt procedures to require regulated child care providers to disclose certain ownership information as a condition of CCFAP participation. Sec. 12b of this act requires DCF to consult the Office of Racial Equity in preparing public materials and trainings related to CCFAP.

Sec. 13 of this act directs DCF to amend its rules to require that a program director is present at least 40 percent of the time that children are present. It further directs DCF to review and consider amending (1) its rule prohibiting a person or entity registered or

licensed to operate a family child care home from concurrently operating another type of program and (2) eligibility policies addressing self-employment and other areas of specialized need.

Sec. 14 of this act directs the Vermont Crime Information Center to submit a report containing recommendations to streamline and improve timeliness of the background check process for child care providers. Sec. 16 of this act requires DCF to submit an implementation plan to streamline and improve the responsiveness and effectiveness of an application process for special accommodation grants.

Sec. 17 of this act removes the repeal of the student loan repayment assistance program and the repeal of a corresponding reference.

Sec. 18 of this act requires DCF provide a presentation to certain legislative committees regarding the feasibility of any progress towards establishing administrative service organizations for child care providers.

Sec. 19 of this act directs Building Bright Futures to monitor accountability, support stakeholders in defining and measuring success, and provide technical assistance related to the expansion of child care, prekindergarten, and afterschool and summer care. Sec. 20 of this act allocates monies for this purpose.

Sec. 21 of this act directs the Agency of Human Services to develop and submit an implementation plan regarding the reorganization of DCF to increase responsiveness to Vermonters and elevate the status of child care and early education within the Agency.

Sec. 23 of this act sets forth the intent of the General Assembly with respect to potential future wage requirements for child care providers.

Sec. 23a of this act requires a report on current wage information for early care and education providers.

Sec. 24 of this act establishes a payroll tax known as the Child Care Contribution that will provide funding for the Child Care Financial Assistance Program.

Sec. 25 of this act appropriates funding and establishes new positions in the Department of Taxes to implement the Child Care Contribution.

Sec. 26 of this act sets the rate of contribution to the Workers' Compensation Administrative Fund for direct calendar year premiums for workers' compensation in fiscal year 2024.

Sec. 27 of this act adds a new provision that will maintain the previous year's rate of contribution to the Workers' Compensation Administrative Fund if the General Assembly fails to adopt a new rate.

Sec. 28 of this act makes permanent a provision permitting workers to obtain a 14-day extension of workers' compensation benefits upon receipt of notice of the employer's intent to discontinue the benefits.

Sec. 29 of this act amends the provisions related to the preauthorization of workers' compensation benefits for certain expenses.

Sec. 30 of this act adds a new section regulating when a worker receiving workers' compensation benefits may be required to engage in a work search.

Secs. 31 through 34 of this act amend the provisions relating to the payment of temporary partial disability and temporary total disability workers' compensation benefits.

Sec. 35 of this act requires a report on the impacts of an increase in the dependent benefit provided as part of temporary partial disability and temporary total disability workers' compensation benefits.

Sec. 36 of this act clarifies when a worker receiving workers' compensation benefits is entitled to a cost-of-living adjustment.

Sec. 37 of this act clarifies provisions relating to when a worker can recover costs and attorney's fees in relation to a workers' compensation proceeding before the Department of Labor.

Sec. 38 of this act requires the Department of Labor to make necessary amendments to the Workers' Compensation Rules by July 1, 2024.

Secs. 39 and 40 of this act add new definitions and amend the definition of employer in relation to nonprofit organizations for purposes of unemployment insurance.

Sec. 41 of this act makes various technical amendments to provisions permitting nonprofit employers to reimburse the Unemployment Insurance Program for benefits paid to their former employees in lieu of paying payroll taxes.

Sec. 42 of this act requires the Department of Labor to develop informational materials relating to the Unemployment Insurance Program for and conduct related outreach with nonprofit and municipal employers.

Sec. 43 of this act amends the prospective repeal of an Unemployment Insurance benefit increase to correct an arithmetic error in the language.

Secs. 44 and 45 of this act require the preparation of reports related to expanding eligibility for unemployment insurance and efforts to improve utilization of the Domestic and Sexual Violence Survivors' Transitional Employment Program.

Sec. 46 of this act requires the Department of Labor to take additional actions to inform the public about the Domestic and Sexual Violence Survivors' Transitional Employment Program.

Effective Date: Multiple effective dates, beginning on June 20, 2023