

1 H.217

2 Introduced by Representatives Marcotte of Coventry, Carroll of Bennington,  
3 Graning of Jericho, Jerome of Brandon, Mulvaney-Stanak of  
4 Burlington, Nicoll of Ludlow, Priestley of Bradford, White of  
5 Bethel, and Williams of Barre City

6 Referred to Committee on

7 Date:

8 Subject: Labor; workers' compensation; Workers' Compensation

9 Administration Fund; rate of contribution; discontinuance of benefits

10 Statement of purpose of bill as introduced: This bill proposes to set the annual  
11 rate of contribution for the Workers' Compensation Administration Fund, to  
12 establish a default rate of contribution in the event that the General Assembly  
13 does not set rate of contribution for a fiscal year, and to make permanent a  
14 provision permitting a worker to appeal of a proposed discontinuance of  
15 workers' compensation benefits and to obtain a 14-day extension to the time  
16 for filing an appeal.

17 ~~An act relating to miscellaneous workers' compensation amendments~~

18 *An act relating to child care, early education, workers' compensation, and*  
19 *unemployment insurance*

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

2 ~~Sec. 1. WORKERS' COMPENSATION RATE OF CONTRIBUTION~~

3 ~~For fiscal year 2024, after consideration of the formula in 21 V.S.A.~~  
4 ~~§ 711(b) and historical rate trends, the General Assembly determines that the~~  
5 ~~rate of contribution for the direct calendar year premium for workers'~~  
6 ~~compensation insurance shall be 1.5 percent. The contribution rate for self-~~  
7 ~~insured workers' compensation losses and workers' compensation losses of~~  
8 ~~corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.~~

9 Sec. 2. 21 V.S.A. § 711 is amended to read:

10 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

11 \* \* \*

12 (b)(1) Annually, the General Assembly shall establish the rate of  
13 contribution for the direct calendar year premium for workers' compensation  
14 insurance. The rate shall equal the amount approved in the appropriations  
15 process for the program and the Department's projection of salary and benefit  
16 increases for that fiscal year, less the amount collected in the prior calendar  
17 year under subsection (a) of this section from self-insured workers'  
18 compensation losses and from corporations approved under this chapter,  
19 adjusted by any balance in the fund from the prior fiscal year, divided by the  
20 total direct calendar year premium for workers' compensation insurance for  
21 the prior year.

1 ~~(2) In the event that the General Assembly does not establish the rate of~~  
2 contribution for the direct calendar year premium for workers' compensation  
3 insurance for a given fiscal year, the rate shall remain unchanged from the  
4 prior fiscal year.

5 Sec. 3. 2014 Acts and Resolves No. 199, Sec. 54b is amended to read:

6 Sec. 54b. 21 V.S.A. § 643a is added to read:

7 § 643a. DISCONTINUANCE OF BENEFITS

8 Unless an injured worker has successfully returned to work, an employer  
9 shall notify both the Commissioner and the employee prior to terminating  
10 benefits under either section 642 or 646 of this title. The notice of intention to  
11 discontinue payments shall be filed on forms prescribed by the Commissioner  
12 and shall include the date of the proposed discontinuance, the reasons for it,  
13 and, if the employee has been out of work for 90 days, a verification that the  
14 employer offered vocational rehabilitation screening and services as required  
15 under this chapter. All relevant evidence, including evidence that does not  
16 support discontinuance in the possession of the employer not already filed,  
17 shall be filed with the notice. The liability for the payments shall continue for  
18 seven days after the notice is received by the Commissioner and the employee.  
19 If the claimant disputes the discontinuance, the claimant may file with  
20 the Commissioner an objection to the discontinuance and seek an extension  
21 of 14 days. The objection to the discontinuance shall be specific as to the

1 ~~reasons and include supporting evidence. A copy of the objection shall be~~  
2 ~~provided to the employer at the time the request is made to the Commissioner.~~  
3 ~~Those~~ The payments shall be made without prejudice to the employer and may  
4 be deducted from any amounts due pursuant to section 648 of this title if the  
5 Commissioner determines that the discontinuance is warranted or if otherwise  
6 ordered by the Commissioner. Every notice shall be reviewed by the  
7 Commissioner to determine the sufficiency of the basis for the proposed  
8 discontinuance. If, after review of all the evidence in the file, the  
9 Commissioner finds that a preponderance of all the evidence in the file does  
10 not reasonably support the proposed discontinuance, the Commissioner shall  
11 order that payments continue until a hearing is held and a decision is rendered.  
12 Prior to a formal hearing, an injured worker may request reinstatement of  
13 benefits by providing additional new evidence to the Department that  
14 establishes that a preponderance of all evidence now supports the claim. If the  
15 Commissioner's decision, after a hearing, is that the employee was not entitled  
16 to any or all benefits paid between the discontinuance and the final decision,  
17 upon request of the employer, the Commissioner may order that the employee  
18 repay all benefits to which the employee was not entitled. The employer may  
19 enforce a repayment order in any court of law having jurisdiction.

20 Sec. 4. EFFECTIVE DATE

21 ~~This act shall take effect on passage.~~

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

*Sec. 1. LEGISLATIVE INTENT*

*It is the intent of the General Assembly that investments in and policy changes to Vermont's child care and early learning system shall:*

*(1) increase access to and the quality of child care services and afterschool and summer care programs throughout the State;*

*(2) increase equitable access to and quality of prekindergarten education for children four years of age;*

*(3) provide financial stability to child care programs;*

*(4) stabilize Vermont's talented child care workforce;*

*(5) address the workforce needs of the State's employers;*

*(6) maintain a mixed-delivery system for prekindergarten, child care, and afterschool and summer care; ~~and~~*

*(7) recognize that family child care homes are a key resource for families in rural communities and allow for ongoing financial support to:*

*(A) enable parents to choose to send their children to family child care homes; and*

*(B) provide technical assistance to family child care homes to ensure high-quality child care services are accessible throughout the State; and*

*(8) ~~(7)~~ assign school districts with the responsibility of ensuring equitable prekindergarten access for children who are four years of age on the*

date by which the child's school district requires kindergarten students to have attained five years of age or who are five years of age and not yet enrolled in kindergarten.

*\* \* \* Prekindergarten \* \* \**

*Sec. 2. PREKINDERGARTEN EDUCATION IMPLEMENTATION*

*COMMITTEE; PLAN*

(a) Creation. There is created the Prekindergarten Education Implementation Committee to assist the Agency of Education in improving and expanding accessible, affordable, and high-quality prekindergarten education for children on a full-day basis on or before July 1, 2026. The prekindergarten program under consideration would require a school district to provide prekindergarten education to all children within the district in either a public school or by contract with private providers, or both. As used in this section, "child" or "children" means a child or children who are four years of age on the date by which the child's school district requires kindergarten students to have attained five years of age or who are five years of age and not yet enrolled in kindergarten, unless otherwise specified.

(b) Membership.

(1) The Committee shall be composed of the following members:

(A) the Secretary of Education or designee, who shall serve as co-chair;

(B) the Secretary of Human Services or designee, who shall serve as co-chair;

(C) the Executive Director of the Vermont Principals' Association or designee;

(D) the Executive Director of the Vermont Superintendents Association or designee;

(E) the Executive Director of the Vermont School Board Association or designee;

(F) the Executive Director of the Vermont National Education Association or designee;

(G) the Chair of the Vermont Council of Special Education Administrators or designee;

(H) the Executive Director of the Vermont Curriculum Leaders Association or designee;

(I) the Executive Director of Building Bright Futures or designee;

(J) a representative of a prequalified private provider as defined in 16 V.S.A. § 829, operating a licensed center-based child care and preschool program, appointed by the Speaker of the House;

(K) a representative of a prequalified private provider as defined in 16 V.S.A. § 829, providing prekindergarten education at a regulated family child care home, appointed by the Committee on Committees;

(L) the Head Start Collaboration Office Director or designee;

(M) the Executive Officer of Let's Grow Kids or designee;

(N) a representative, appointed by Vermont Afterschool, Inc.;

(O) a representative, appointed by the Vermont Association for the Education of Young Children;

(P) a regional prekindergarten coordinator, appointed by the Vermont Principals' Association;

(Q) two family representatives, one with a child three years of age or younger when the Committee initially convenes and the second with a prekindergarten-age child when the Committee initially convenes, appointed by the Building Bright Futures Council; and

(R) a member of the School Construction Aid Task Force, appointed by the Secretary of Education.

(2) The Committee shall consult with any stakeholder necessary to accomplish the purposes of this section, including stakeholders with perspectives specific to diversity, equity, and inclusion.

(c) Powers and duties. The Committee shall examine the delivery of prekindergarten education in Vermont and make recommendations to expand access for children through the public school system or private providers under contract with the school district, or both. The Committee shall examine and make recommendations on the changes necessary to provide prekindergarten



*education to all children by or through the public school system on or before July 1, 2026, including transitioning children who are three years of age from the 10-hour prekindergarten benefit to child care and early education. ~~The Committee's analysis may yield distinct recommendations for different prekindergarten ages.~~ The Committee's recommendation shall consider:*

- (1) the needs of both the State and local education agencies;*
- (2) the minimum number of hours that shall constitute a full school day for both prekindergarten and kindergarten;*
- (3) whether there are areas of the State where prekindergarten education can be more effectively and conveniently furnished in an adjacent state due to geographic considerations;*
- (4) benchmarks and best practices to ensure high-quality prekindergarten education;*
- (5) measures to ensure capacity is available to meet the demand for prekindergarten education;*
- (6) special education services for children participating in prekindergarten in both public and private settings;*
- (7) any necessary infrastructure changes to expand prekindergarten;*
- (8) costs associated with expanding prekindergarten, including fiscally strategic options to sustain an expansion of prekindergarten;*
- (9) recommendations for the oversight of the prekindergarten system;*

and

(10) any other issue the Committee deems relevant.

(d) Assistance. The Committee shall have the administrative, technical, fiscal, and legal assistance of the Agencies of Education and of Human Services. If the Agencies are unable to provide the Committee with adequate support to assist with its administrative, technical, fiscal, or legal needs, then the Agency of Education shall retain a contractor with the necessary expertise to assist the Committee.

(e) Report. On or before December 1, 2024, the Committee shall submit a written report to the House Committees on Education and on Human Services and the Senate Committees on Education and on Health and Welfare with its implementation plan based on the analysis conducted pursuant to subsection (c) of this section. The report shall include draft legislative language to support the Committee's plan.

(f) Meetings.

(1) The Secretary of Education or designee shall call the first meeting of the Committee to occur on or before July 15, 2023.

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

(3) The Committee shall cease to exist on February 1, 2025.

(g) Compensation and reimbursement. Members of the Committee who are not employees of the State of Vermont and who are not otherwise compensated

or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than 18 meetings. These payments shall be made from monies appropriated to the Agency of Education.

(h) Appropriations.

(1) The sum of \$7,500.00 is appropriated to the Agency of Education from the General Fund in fiscal year 2024 for per diem compensation and reimbursement of expenses for members of the Committee.

(2) The sum of \$100,000.00 is appropriated to the Agency of Education from the General Fund in fiscal year 2024 for the cost of retaining a contractor as provided under subsection (d) of this section.

(3) Any unused portion of these appropriations shall, as of July 1, 2025, revert to the General Fund.

Sec. 2a. PREKINDERGARTEN EDUCATION MODEL CONTRACT

On or before December 1, 2024, the Agency of Education, in consultation with the members of the Prekindergarten Education Implementation Committee and other relevant stakeholders, shall develop a model contract for school districts to use for contracting with private providers for prekindergarten education services. The model contract shall include:

(1) an antidiscrimination provision that requires compliance with the Vermont Public Accommodations Act, 9 V.S.A. chapter 139, and the Vermont

Fair Employment Practices Act, 21 V.S.A. chapter 5, subchapter 6; and

(2) requirements for the provision of special education services.

*Sec. 2b. PREKINDERGARTEN PUPIL WEIGHT; REPORT*

On or before December 1, 2023, the Agency of Education, in consultation with the Prekindergarten Education Implementation Committee, shall analyze and issue a written report to the General Assembly 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. The report shall include a detailed analysis, recommendation, and implementation plan for the sufficient weight to apply to prekindergarten students, in alignment with the weights under current law, for the purposes of determining weighted long-term membership of a school district under 16 V.S.A. § 4010. The report shall include draft legislative language to support the recommended prekindergarten pupil weight and implementation plan.

*Sec. 2c. AGENCY OF EDUCATION DATA COLLECTION AND*

*SHARING*

On or before August 1, 2023, the Agency of Education shall collect and share the following data with the Joint Fiscal Office:

(1) The number of weighted pupils, which shall not be adjusted by the equalization ratio, for fiscal year 2024:

(A) using weights in effect on July 1, 2023 at both the statewide and

district levels; and

(B) using weights in effect on July 1, 2024 at both the statewide and district levels.

(2) The following data, by school district:

(A) the total resources needed to operate a public prekindergarten education program that would serve each prekindergarten child in the district;

(B) the number of prekindergarten children by year of age;

(C) the total education spending and other funds spent in fiscal year 2023 for children attending public prekindergarten education programs;

(D) the total education spending and other funds spent in fiscal year 2023 for prekindergarten children receiving prekindergarten education through a prequalified private provider to whom the district pays tuition;

(E) if the school district operates a public prekindergarten education program:

(i) the number of hours and slots offered in the public prekindergarten education program;

(ii) the number of students residing in the district enrolled in the public prekindergarten education program;

(iii) the number and cost of students residing in the district enrolled in a prequalified private provider for whom the district pays tuition for prekindergarten education; and

(iv) the number of students enrolled in the public prekindergarten education program who reside outside the district and the corresponding revenues associated with the nonresident student tuition; and

(F) if the school district does not operate a prekindergarten education program:

(i) the number of hours of prekindergarten education provided to each prekindergarten child; and

(ii) the tuition costs for prekindergarten children.

Sec. 3. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP  
AND PER PUPIL EDUCATION SPENDING

\* \* \*

*(d) Determination of weighted long-term membership. For each weighting category except the small schools weighting category under subdivision (b)(3) of this section, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.*

*(1) The Secretary shall first apply grade level weights. Each pupil included in long-term membership from subsection (b) of this section shall count as one, multiplied by the following amounts:*

*(A) ~~prekindergarten—negative 0.54; [Repealed.]~~*

*(B) grades six through eight—0.36; and*

*(C) grades nine through 12—0.39.*

*\* \* \**

*Sec. 3a. CONTINGENT EFFECTIVE DATE OF PREKINDERGARTEN*

*EDUCATION WEIGHT CHANGE*

*The amendments to 16 V.S.A. § 4010 (weighted long-term membership) set forth in Sec. 3 of this act shall not take effect unless, on or before July 1, 2026, the General Assembly enacts legislation establishing the following:*

*(1) a definition for the minimum number of hours that constitute a full school day for prekindergarten education;*

*(2) a requirement that all school districts shall be required to follow the same minimum number of hour requirements for prekindergarten education;*

*and*

*(3) a requirement that all school districts shall be required to follow the same contracting requirements for the provision of prekindergarten education.*

*\* \* \* Agency of Education \* \* \**

*Sec. 4. PLAN; AGENCY OF EDUCATION LEADERSHIP*

*On or before November 1, 2025, the Agency of Education shall submit a plan to the House Committees on Education and on Human Services and to the Senate Committees on Education and on Health and Welfare 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. The plan shall achieve greater parity in decision-making authority, roles and responsibilities, and reporting structure related to early care and learning across the Agency and Department for Children and Families.

*\* \* \* Child Care and Child Care Subsidies \* \* \**

*Sec. 5. 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.*

*\* \* \**

*(4) ~~After September 30, 2021, a regulated center-based child care program or family child care home as defined by the Department in rule shall not receive funds pursuant to this subsection that are in excess of the usual and customary rate for services at the center-based child care program or family child care home~~ Nothing in this subsection shall preclude a child care provider from establishing tuition rates that are lower than the provider reimbursement*



*rate in the Child Care Financial Assistance Program.*

\* \* \*

*Sec. 5a. 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 and the corresponding family contribution shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The Commissioner may 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 code 611, Educational Services. 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~~ 175 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~~ 400 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. 5b. 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.*

\* \* \*

*(5) The Department shall ensure that applications for the Child Care Financial Assistance Program use a simple, plain-language format.*

Applications shall be available in both electronic and paper formats and shall comply with the Office of Racial Equity's most recent Language Access Report.

(6) A Vermont resident who has a citizenship status that would otherwise exclude the resident from participating in the Child Care Financial Assistance Program shall be served under this Program, provided that the benefit for these residents is solely State-funded. The Department shall not retain data on the citizenship status of any applicant or participant once a child is no longer participating in the program, and it shall not request the citizenship status of any members of the applicant's or participant's family. Any records created pursuant to this subsection shall be exempt from public inspection and copying under the Public Records Act.

\* \* \*

Sec. 5c. 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 and the corresponding family contribution shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The Commissioner may 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 code 611, Educational Services. 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 175 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including ~~400~~ 575 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. 5d. FISCAL YEAR 2024; FAMILY CONTRIBUTION*

In fiscal year 2024, a weekly family contribution for participants in the Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513 shall begin at \$50.00 for families at 176 percent of the federal poverty level and increase for families at a higher percentage of the federal poverty level as determined by the Department.

*Sec. 6. PROVIDER RATE ADJUSTMENT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM*

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

(1) the provider rate adjustment recommended in this section shall be an initial step toward implementing a professional pay scale; and

(2) programs use funds to elevate quality through higher compensation for staff, curriculum implementation, staff professional development, and improvements to learning environments.

(b)(1) On January 1, 2024, the Department for Children and Families shall provide an adjustment to the base child care provider reimbursement rates in the Child Care Financial Assistance Program for child care services provided by center-based child care and preschool programs, family child care homes, and afterschool and summer care programs. The adjusted reimbursement rate shall account for the age of the children served and be 35 percent higher than the fiscal year 2023 five-STAR reimbursement rate in the Vermont STARS system. All providers in the same child care setting category shall receive a

reimbursement rate payment, which shall be dependent upon whether the provider operates a regulated child care center and preschool program, regulated family child care home, or afterschool or summer care program.

(2) The provider rate adjustment established in this section shall become part of the base budget in future fiscal years.

*Sec. 7. APPROPRIATION; CHILD CARE FINANCIAL ASSISTANCE*

*PROGRAM*

(a) In addition to fiscal year 2024 funds appropriated for the Child Care Financial Assistance Program in other acts, in fiscal year 2024, \$47,800,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for:

(1) the program eligibility expansion in Sec. 5a of this act; and

(2) the fiscal year 2024 provider rate adjustment in Sec. 6 of this act.

(b)(1) In addition to fiscal year 2024 funds appropriated for the administration of the Department for Children and Families' Child Development Division in other acts, in fiscal year 2024, \$4,000,000.00 is appropriated from the General Fund to the Division to administer adjustments to the Child Care Financial Assistance Program required by this act through the authorization of the following 11 new permanent classified positions within the Division:

(A) one Business Applications Support Manager;

(B) one Licensing Field Specialist I;

(C) two Child Care Business Techs;

(D) one Administrative Services Coordinator II;

(E) one Program Integrity Investigator;

(F) one Grants and Contracts Manager – Compliance;

(G) one Business Application Support Specialist;

(H) one Communications and Outreach Coordinator;

(I) one Financial Manager II; and

(J) one Grants and Contracts Manager.

(2) The Department may seek permission from the Joint Fiscal Committee to replace a position authorized in this subsection with an alternative position.

(3) The Division shall allocate at least \$2,000,000.00 of the amount appropriated in this subsection to the Community Child Care Support Agencies.

*Sec. 8. READINESS PAYMENTS; CHILD CARE FINANCIAL*

*ASSISTANCE PROGRAM*

(a)(1) In fiscal year 2024, \$20,000,000.00 is appropriated one time from the General Fund to the Department for Children and Families' Child Development Division for the purpose of providing payments to child care providers, as defined in 33 V.S.A. § 3511, delivering child care services to children, in preparation of the Child Care Financial Assistance Program

eligibility expansion in Sec. 5a of this act and for the fiscal year 2024 provider rate adjustment in Sec. 6 of this act. Readiness payments may be used for the following:

(A) increasing capacity for infants and toddlers;

(B) expanding the number of family child care homes;

(C) improving child care facilities;

(D) preparing private prequalified providers for future changes in the prekindergarten system;

(E) expanding hours of operation to provide full-day, full-week child care services;

(F) addressing gaps in services and expanding capacity;

(G) increasing workforce capacity, including signing and retention bonuses; and

(H) any other uses approved by the Commissioner.

(2) Of the funds appropriated in subdivision (1) of this subsection, up to five percent may be used to contract with a third party to provide technical assistance to child care providers to build or maintain capacity and to provide information on the opportunities and requirements of this act.

(b) In administering the readiness payment program established by this section, the Division shall utilize the Agency of Administration bulletin pertaining to beneficiaries in effect on May 1, 2023. The Division may either



use the same distribution framework used to distribute Child Care Development Block Grant funds in accordance with the American Rescue Plan Act of 2021 or it may utilize an alternative distribution framework.

(c) The Commissioner shall provide a status report on the distribution of readiness payments to the Joint Fiscal Committee at its November 2023 meeting.

Sec. 8a. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

*(a) The Commissioner shall establish a payment schedule for purposes of reimbursing providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. Payments established under this section shall reflect the following considerations: whether the provider operates a licensed child care facility or a registered family child care home, type of service provided, cost of providing the service, and the prevailing market rate for comparable service. Payments shall be based on enrollment status or any other basis agreed to by the provider and the Division and shall reimburse all providers using the fiscal year 2023 5-STAR rate.*

\* \* \*

Sec. 9. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

*(a)(1) The Commissioner shall establish a payment schedule for purposes of reimbursing providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. ~~Payments established under this section shall reflect the following considerations: whether the provider operates a licensed child care facility or a registered family child care home, type of service provided, cost of providing the service, and the prevailing market rate for comparable service.~~ The payment schedule shall account for the age of the children served, and all providers in the same child care setting category shall receive a reimbursement rate payment, which shall be dependent upon whether the provider operates a child care center and preschool program, family child care home, or afterschool or summer care program.*

*(2) ~~Payments shall be based on enrollment status or any other basis agreed to by the provider and the Division and shall reimburse all providers using the fiscal year 2023 5-STAR rate.~~ The Department, in consultation with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to 3 V.S.A. chapter 25 that define “enrollment” and the total number of allowable absences to continue participating in the Child Care Financial Assistance Program. The Department shall minimize itemization of absence categories.*

*(b) The Commissioner may establish a separate payment schedule for child care providers who have received specialized training, approved by the*

*Commissioner, relating to protective or family support services.*

~~*(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. [Repealed.]*~~

*Sec. 9a. 33 V.S.A. § 3514 is amended to read:*

*§ 3514. PAYMENT TO PROVIDERS*

*(a)(1) The Commissioner shall establish a payment schedule for purposes of reimbursing providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. The payment schedule shall account for the age of the children served, and all providers in the same child care setting category shall receive a reimbursement rate payment, which shall be dependent upon whether the provider operates a child care center and preschool program, family child care home, or afterschool or summer care program. The reimbursement rate shall then be adjusted to reduce the differential between family child care homes and center-based child care and preschool programs by 50 percent.*

*\* \* \**

*Sec. 9b. REPORT; ADJUSTMENT OF CHILD CARE FINANCIAL*

*ASSISTANCE PROGRAM RATES*

*On or before January 15, 2024, the Department for Children and Families' Child Development Division, in collaboration with the Joint Fiscal Office, shall submit a report to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare providing recommendations on:*

*(1) the appropriate mechanism for adjusting future reimbursement rates for child care providers participating in the Child Care Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513;*

*(2) the appropriate reimbursement rate in fiscal years 2025 and 2026 for child care providers participating in the Child Care Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513; and*

*(3) the appropriate family contribution in fiscal years 2025 and 2026 for families participating in the Child Care Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513.*

*Sec. 10. 33 V.S.A. § 3515 is added to read:*

*§ 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE*

*PROGRAM*

*(a) The Commissioner shall establish a child care quality and capacity incentive program for child care providers participating in the Child Care*

Financial Assistance Program pursuant to sections 3512 and 3513 of this title. Annually, consistent with funds appropriated for this purpose, the Commissioner may provide a child care provider with an incentive payment for the following achievements:

(1) achieving a higher level in the quality rating and improvement system, including increasing access to and provision of culturally competent care and multilingual programming and providing other family support services similar to those provided in approved Head Start programs;

(2) increasing infant and toddler capacity;

(3) maintaining existing infant and toddler capacity;

(4) establishing capacity in regions of the State that are identified by the Commissioner as underserved;

(5) providing nonstandard hours of child care services;

(6) completing a Commissioner-approved training on protective or family support services; and

(7) other quality- or capacity-specific criteria identified by the Commissioner.

(b) The Commissioner shall maintain a current incentive payment schedule on the Department's website.

*Sec. 10a. LEGISLATIVE INTENT; CHILD CARE QUALITY AND*

*CAPACITY INCENTIVE PROGRAM*

*It is the intent of the General Assembly that in fiscal year 2025 and in future fiscal years, at least \$10,000,000.00 is appropriated for the child care quality and capacity incentive program established in 33 V.S.A. § 3515.*

*Sec. 11. 33 V.S.A. § 3516 is added to read:*

*§ 3516. CHILD CARE WAITLIST AND APPLICATION FEES*

*A child care provider shall not charge an application or waitlist fee for child care services where the applying child qualifies for the Child Care Financial Assistance Program pursuant to section 3512 or 3513 of this title. A child care provider shall reimburse an individual who is charged an application or waitlist fee for child care services if it is later determined that the applying child qualified for the Child Care Financial Assistance Program at the time the fee or fees were paid.*

*Sec. 12. 33 V.S.A. § 3517 is added to read:*

*§ 3517. CHILD CARE TUITION RATES*

*A child care provider shall ensure that its tuition rates are available to the public. A regulated child care provider shall not impose an increase on annual child care tuition that exceeds 1.5 times the most recent annual increase in the NAICS code 611, Educational Services. This amount shall be posted on the Department's website annually.*

*Sec. 12a. 33 V.S.A. § 3518 is added to read:*

*§ 3518. CHILD CARE PROVIDER OWNERSHIP DISCLOSURE*

(a) As used in this section:

(1) “Affiliate” means a person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with another person.

(2) “Controls,” “is controlled by,” and “under common control” mean the power to direct, or cause the direction or management and policies of a person, whether through the direct or beneficial ownership of voting securities, by contract, or otherwise. A person who directly or beneficially owns 10 percent or more equity interest, or the equivalent thereof, of another person shall be deemed to control the person.

(3) “Licensee” means a person that the Department approves to receive Child Care Financial Assistance Program funding for child care services pursuant to a provider rate agreement.

(4) “Principal” means one of the following:

(A) the president, vice president, secretary, treasurer, manager, or similar officer of a corporation as provided for by 11A V.S.A. § 8.40, nonprofit corporation as provided for by 11B V.S.A. § 8.40, mutual benefit enterprise as provided for by 11C V.S.A. § 822, cooperative as provided for by 11 V.S.A. § 1013, or worker cooperative corporation as provided for by 11 V.S.A. § 1089;

(B) a director of a corporation as provided for by 11A V.S.A. § 8.01, nonprofit corporation as provided for by 11B V.S.A. § 8.01, mutual benefit

enterprise as provided for by 11C V.S.A. § 801, cooperative as provided for by 11 V.S.A. § 1006, or worker cooperative corporation as provided for by 11 V.S.A. § 1089;

(C) a member of a member-managed limited liability company as provided for by 11 V.S.A. § 4054;

(D) manager of a manager-managed limited liability company as provided for by 11 V.S.A. § 4054; or

(E) a partner of a partnership as provided for by 11 V.S.A. § 3212 or a general partner of a limited partnership as provided for by 11 V.S.A. chapter 23.

(b) Disclosure. The Department shall adopt procedures to require each licensee to disclose, as a condition of receiving Child Care Financial Assistance Program funding pursuant to a provider rate agreement:

(1) the type of business organization of the licensee;

(2) the identity of the licensee's owners and principals; and

(3) the identity of the owners and principals of the licensee's affiliates.

Sec. 12b. 33 V.S.A. § 3519 is added to read:

§ 3519. DIVERSITY, EQUITY, AND INCLUSION

The Department shall consult with the Office of Racial Equity in preparing all public materials and trainings related to the Child Care Financial Assistance Program.



*Sec. 13. RULEMAKING; PROGRAM DIRECTORS*

(a) The Department for Children and Families shall amend the following rules pursuant to 3 V.S.A. chapter 25 to require that a program director is present at the child care facility that the program director operates at least 40 percent of the time that children are present:

(1) Department for Children and Families, Licensing Regulations for Afterschool and Child Care Programs (CVR 13-171-003); and

(2) Department for Children and Families, Licensing Regulations for Center-Based Child Care and Preschool Programs (CVR 13-171-004).

(b) The Department shall review and consider amending its:

(1) rule prohibiting a person or entity registered or licensed to operate a family child care home from concurrently operating a center-based child care and preschool program or afterschool and summer care program; and

(2) eligibility policies addressing self-employment and other areas of specialized need on a regular basis and revise them consistent with research on best practices in the field to maximize participation in the program and minimize undue burden on families applying for the Child Care Financial Assistance Program.

*\* \* \* Report \* \* \**

*Sec. 14. REPORT; BACKGROUND CHECKS*

On or before January 15, 2024, the Vermont Crime Information Center, in

collaboration with the Agency of Education and the Department for Children and Families, shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare providing a recommendation to streamline and improve the timeliness of the background check process for child care and early education providers who are required to complete two separate background checks.

Sec. 15. [Deleted.]

\* \* \* *Special Accommodations Grant* \* \* \*

Sec. 16. *PLAN; SPECIAL ACCOMMODATIONS GRANT*

On or before July 1, 2024, the Department for Children and Families' Child Development Division, in consultation with stakeholders, shall develop and submit an implementation plan to the House Committee on Human Services and to the Senate Committee on Health and Welfare to streamline and improve the responsiveness and effectiveness of the application process for special accommodation grants, including:

(1) implementing a 12-month or longer grant cycle option for eligible populations;

(2) improving support and training for providing inclusive care for children with special needs;

(3) determining how to better meet the early learning needs of children with disabilities within a child care setting; and

(4) any other considerations the Department deems essential to the goal of streamlining the application process for special accommodation grants.

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

*Sec. 17. 2021 Acts and Resolves No. 45, Sec. 8 is amended to read:*

*Sec. 8. REPEALS*

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

*(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. [Repealed.]~~*

*\* \* \* Transitional Assistance and Governance \* \* \**

*Sec. 18. CHILD CARE; ADMINISTRATIVE SERVICE ORGANIZATIONS*

*On or before February 15, 2024, the Department for Children and Families shall provide a presentation to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the feasibility of and any progress towards establishing administrative service organizations for child care providers.*

*Sec. 19. 33 V.S.A. § 4605 is added to read:*

*§ 4605. TECHNICAL ASSISTANCE; ACCOUNTABILITY*

*In order to ensure the successful implementation of expanded child care,*

prekindergarten, and afterschool and summer care, Building Bright Futures shall be responsible for monitoring accountability, supporting stakeholders in collectively defining and measuring success, maximizing stakeholder engagement, and providing technical assistance to build capacity for the Department for Children and Families' Child Development Division and the Agency of Education. Specifically, Building Bright Futures shall:

(1) ensure accountability through monitoring transitions over time and submitting a report with the results of this work on January 15 of each year to the House Committee on Human Services and to the Senate Committee on Health and Welfare; and

(2) define and measure success of expanded child care, prekindergarten, and afterschool and summer care related to process, implementation, and outcomes using a continuous quality improvement framework and engage public, private, legislative, and family partners to develop benchmarks pertaining to:

(A) equitable access to high-quality child care;

(B) equitable access to high-quality prekindergarten;

(C) equitable access to high-quality afterschool and summer care;

(D) stability of the early child care education workforce;

(E) workforce capacity and needs of the child care, prekindergarten, afterschool and summer care systems; and

(F) the impact of expanded child care, prekindergarten, and afterschool and summer care on a mixed-delivery system.

*Sec. 20. APPROPRIATION; BUILDING BRIGHT FUTURES*

Of the funds appropriated in Sec. 7(b) (appropriation; Child Care Financial Assistance Program) of this act, the Department for Children and Families shall allocate \$266,707.00 to Building Bright Futures for the purpose of implementing its duties under 33 V.S.A. § 4605. This amount shall become part of the Department's base for the purpose of supporting Building Bright Future's work pursuant to 33 V.S.A. § 4605.

*Sec. 21. PLAN; DEPARTMENT FOR CHILDREN AND FAMILIES;*

*GOVERNANCE*

(a) On or before November 1, 2025, the Secretary of Human Services shall submit an implementation plan to the House Committees on Appropriations, on Government Operations and Military Affairs, and on Human Services and to the Senate Committees on Appropriations, on Government Operations, and on Health and Welfare regarding the reorganization of the Department for Children and Families to increase responsiveness to Vermonters and elevate the status of child care and early education within the Agency of Human Services. The implementation plan shall be consistent with the goals of the report produced pursuant to 2021 Acts and Resolves No. 45, Sec. 13. It shall achieve greater parity in decision-making authority, roles and responsibilities,

and reporting structure related to early care and learning across the Agency of Education and Agency of Human Services.

(b) The implementation plan required pursuant to this section shall contain any legislative language required for the division of the Department.

Sec. 22. [Deleted.]

*\* \* \* Child Care Provider Wages \* \* \**

Sec. 23. *WAGES FOR CHILD CARE PROVIDERS; INTENT*

It is the intent of the General Assembly that, upon reaching provider reimbursement rates that are equivalent, when adjusted for inflation, to the rates recommended by the report produced pursuant to 2021 Acts and Resolves No. 45, Sec. 14:

(1) Vermont may establish minimum wage rates for child care providers that align with the recommendations of the Vermont Association for the Education of Young Children's recommendations in the 2021 Advancing ECE as a Profession Task Force report;

(2) the minimum wage rates may annually increase based on the percentage increase in the average wage for NAICS code 611, Educational Services; and

(3) the initial minimum wage rates may be adjusted for inflation based on the findings and recommendations of the report prepared pursuant to Sec. 23a of this act.

*Sec. 23a. REPORT; CHILD CARE PROVIDER WAGES*

*On or before January 1, 2026, the Department of Labor, in consultation with the Department for Children and Families Child Development Division and the Joint Fiscal Office, shall submit information to the House Committees on Human Services and on Ways and Means and to the Senate Committees on Health and Welfare and on Finance providing estimated current minimum wage levels based on Vermont and other state data regarding wage levels for early care and education providers.*

*\* \* \* Child Care Contribution \* \* \**

*Sec. 24. 32 V.S.A. chapter 246 is added to read:*

*CHAPTER 246. CHILD CARE CONTRIBUTION*

*§ 10551. PURPOSE*

*The Child Care Contribution is established to provide funding for the Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513, including the provision of incentive payments pursuant to 33 V.S.A. § 3515.*

*§ 10552. DEFINITIONS*

*As used in this chapter:*

*(1) “Covered wages” means wages paid to an employee by an employer.*

*(2) “Employee” means an individual who receives payments with respect to services performed for an employer from which the employer is*

required to withhold Vermont income tax pursuant to chapter 151, subchapter 4 of this title.

(3) "Employer" means a person who employs one or more employees who is required to withhold income tax from wages paid to the employees pursuant to chapter 151, subchapter 4 of this title.

~~(4) "Self-employed individual" means a sole proprietor or partner owner of an unincorporated business, the sole member of a limited liability company, or the sole shareholder of a corporation.~~

(4) "Self-employed individual" means an individual who earns self-employment income.

(5) "Self-employment income" has the same meaning as in 26 U.S.C. § 1402.

(6) "Wages" means payments that are included in the definition of wages set forth in 26 U.S.C. § 3401.

§ 10553. CONTRIBUTION; RATE; COLLECTION

(a)(1) Each employer shall pay the Child Care Contribution on all covered wages paid to each of the employer's employees and shall remit those amounts to the Department of Taxes pursuant to the provisions of this section. An employer may deduct and withhold from an employee's covered wages an amount equal to not more than one quarter of the contribution required pursuant to subsection (b) of this section. An employer shall pay the



contributions required pursuant to this section as if the contributions were Vermont income tax subject to the withholding requirements of chapter 151, subchapter 4 of this title, including the requirements relating to the time and manner of payment.

(2) Each self-employed individual shall pay the Child Care Contribution on self-employment income earned by the individual and shall remit those amounts to the Department of Taxes pursuant to the provisions of this section. A self-employed individual shall make installment payments of estimated contributions pursuant to this subdivision from the enrolled self-employed individual's self-employment income as if the contributions were Vermont income tax subject to the estimated payment requirements of 32 V.S.A. chapter 151, subchapter 5, including the time and manner of payment.

(b) The contribution rate shall be 0.44 percent of each employee's covered wages and 0.11 percent on each self-employed individual's self-employment income.

(c)(1) The Department shall collect the contributions required pursuant to this section. The administrative and enforcement provisions of chapter 151 of this title shall apply to the contribution requirements under this section as if the contributions required pursuant to this section were Vermont income tax, except penalty and interest shall apply according to chapter 103 of this title.

(2) Employers shall be responsible for the full amount of any unpaid

contributions due pursuant to subdivision (a)(1) of this section. Self-employed individuals shall be responsible for the full amount of any unpaid contributions due pursuant to subdivision (a)(2) of this section.

§ 10554. CHILD CARE CONTRIBUTION SPECIAL FUND

(a) The Child Care Contribution Special Fund is created pursuant to chapter 7, subchapter 5 of this title and shall be administered by the Department for Children and Families and the Department of Taxes. Monies in the Fund may be expended by the Department of Taxes for the administration of the Child Care and Parental Leave Contribution created under this chapter; by the Department for Children and Families for benefits provided by the Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513, including the provision of incentive payments pursuant to 33 V.S.A. § 3515; and by the Departments for necessary costs incurred in administering the Fund. All interest earned on Fund balances shall be credited to the Fund.

(b) The Fund shall consist of:

(1) contributions collected or recovered pursuant to section 10553 of this title;

(2) any amounts transferred or appropriated to the Fund by the General Assembly; and

(3) any interest earned by the Fund.

(c) The Departments may seek and accept grants from any source, public or private, to be dedicated for deposit into the Fund.

*Sec. 25. CHILD CARE CONTRIBUTION POSITIONS AND  
APPROPRIATION*

(a) The establishment of the following 15 new permanent classified positions is authorized in the Department of Taxes in fiscal year 2024:

(1) eight full-time, classified tax examiners within the Taxpayer Services Division;

(2) two full-time, classified tax examiners within the Compliance Division;

(3) three full-time, classified tax compliance officers within the Compliance Division;

(4) one full-time, classified financial specialist III within the Revenue Accounting and Returns Processing Division; and

(5) one business analyst–tax within the VTax Division.

(b) In fiscal year 2024, the amount of \$4,200,000.00 is appropriated from the General Fund to the Department of Taxes to be used for the implementation of the Child Care Contribution pursuant to 32 V.S.A. chapter 246 created by this act.

*\* \* \* Workers' Compensation \* \* \**

*Sec. 26. WORKERS' COMPENSATION RATE OF CONTRIBUTION*

For fiscal year 2024, after consideration of the formula in 21 V.S.A. § 711(b) and historical rate trends, the General Assembly determines that the rate of contribution for the direct calendar year premium for workers' compensation insurance shall be 1.5 percent. The contribution rate for self-insured workers' compensation losses and workers' compensation losses of corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

Sec. 27. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

\* \* \*

(b)(1) Annually, the General Assembly shall establish the rate of contribution for the direct calendar year premium for workers' compensation insurance. The rate shall equal the amount approved in the appropriations process for the program and the Department's projection of salary and benefit increases for that fiscal year, less the amount collected in the prior calendar year under subsection (a) of this section from self-insured workers' compensation losses and from corporations approved under this chapter, adjusted by any balance in the fund from the prior fiscal year, divided by the total direct calendar year premium for workers' compensation insurance for the prior year.

(2) In the event that the General Assembly does not establish the rate of contribution for the direct calendar year premium for workers' compensation

insurance for a given fiscal year, the rate shall remain unchanged from the prior fiscal year.

*Sec. 28. 2014 Acts and Resolves No. 199, Sec. 54b is amended to read:*

*Sec. 54b. 21 V.S.A. § 643a is added to read:*

*§ 643a. DISCONTINUANCE OF BENEFITS*

*Unless an injured worker has successfully returned to work, an employer shall notify both the Commissioner and the employee prior to terminating benefits under either section 642 or 646 of this title. The notice of intention to discontinue payments shall be filed on forms prescribed by the Commissioner and shall include the date of the proposed discontinuance, the reasons for it, and, if the employee has been out of work for 90 days, a verification that the employer offered vocational rehabilitation screening and services as required under this chapter. All relevant evidence, including evidence that does not support discontinuance in the possession of the employer not already filed, shall be filed with the notice. The liability for the payments shall continue for seven days after the notice is received by the Commissioner and the employee. If the claimant disputes the discontinuance, the claimant may file with the Commissioner an objection to the discontinuance and seek an extension of 14 days. The objection to the discontinuance shall be specific as to the reasons and include supporting evidence. A copy of the objection shall be provided to the employer at the time the request is made to the Commissioner.*

*Those ~~The~~ payments shall be made without prejudice to the employer and may be deducted from any amounts due pursuant to section 648 of this title if the Commissioner determines that the discontinuance is warranted or if otherwise ordered by the Commissioner. Every notice shall be reviewed by the Commissioner to determine the sufficiency of the basis for the proposed discontinuance. If, after review of all the evidence in the file, the Commissioner finds that a preponderance of all the evidence in the file does not reasonably support the proposed discontinuance, the Commissioner shall order that payments continue until a hearing is held and a decision is rendered. Prior to a formal hearing, an injured worker may request reinstatement of benefits by providing additional new evidence to the Department that establishes that a preponderance of all evidence now supports the claim. If the Commissioner's decision, after a hearing, is that the employee was not entitled to any or all benefits paid between the discontinuance and the final decision, upon request of the employer, the Commissioner may order that the employee repay all benefits to which the employee was not entitled. The employer may enforce a repayment order in any court of law having jurisdiction.*

*Sec. 29. 21 V.S.A. § 640b is amended to read:*

*§ 640b. REQUEST FOR PREAUTHORIZATION TO DETERMINE IF*

*~~PROPOSED TREATMENT IS~~ BENEFITS ARE NECESSARY*

*(a) As used in this section, “benefits” means medical treatment and surgical, medical, and nursing services and supplies, including prescription drugs and durable medical equipment.*

*(b) Within 14 days of after receiving a written request for preauthorization for a proposed medical treatment benefits and medical evidence supporting the requested treatment benefits, a workers’ compensation insurer shall do one of the following, in writing:*

*(1) authorize Authorize the treatment benefits and notify the health care provider, the injured worker, and the Department; or,*

*(2)(A) deny Deny the treatment benefits because the entire claim is disputed and the Commissioner has not issued an interim order to pay benefits; or, The insurer shall notify the health care provider, the injured worker, and the Department of the decision to deny benefits.*

*(B)(3) deny Deny the treatment benefits if, based on a preponderance of credible medical evidence specifically addressing the proposed treatment benefits, it is the benefits are unreasonable or, unnecessary, or unrelated to the work injury. The insurer shall notify the health care provider, the injured worker, and the Department of the decision to deny treatment; or benefits.*

*(3)(4) notify Notify the health care provider, the injured worker, and the Department that the insurer has scheduled an examination of the employee pursuant to section 655 of this title or ordered a medical record review*

*pursuant to section ~~655~~ 655a of this title. Based on the examination or review, the insurer shall authorize or deny the ~~treatment~~ benefits and notify the Department and the injured worker of the decision within 45 days of after a request for preauthorization. The Commissioner may, in ~~his or her~~ the Commissioner's sole discretion, grant a 10-day extension to the insurer to authorize or deny ~~treatment~~ benefits, and such an extension shall not be subject to appeal.*

*~~(b)(c)~~ (c) If the insurer fails to authorize or deny the ~~treatment~~ benefits pursuant to subsection ~~(a)(b)~~ of this section within 14 days of after receiving a request, the claimant or health care provider may request that the Department issue an order authorizing ~~treatment~~ benefits. After receipt of the request, the Department shall issue an interim order within five days after notice to the insurer, and five days in which to respond, absent evidence that the entire claim is disputed. Upon request of a party, the Commissioner shall notify the parties that the ~~treatment has~~ benefits have been authorized by operation of law.*

*~~(e)(d)~~ (d) If the insurer denies the preauthorization of the ~~treatment~~ benefits pursuant to subdivision ~~(a)(2) or (b)(2), (3), or (4)~~ of this section, the Commissioner may, on ~~his or her~~ the Commissioner's own initiative or upon a request by the claimant, issue an order authorizing the ~~treatment~~ benefits if ~~he or she~~ the Commissioner finds that the evidence shows that the ~~treatment is~~*



benefits are reasonable, necessary, and related to the work injury.

Sec. 30. 21 V.S.A. § 643d is added to read:

§ 643d. WORK SEARCH; REQUIREMENTS; EXCEPTIONS

(a) An employer may require an employee who is receiving temporary disability benefits pursuant to section 646 of this chapter to engage in a good faith search for suitable work if:

(1) the injured employee is medically released to return to work, either with or without limitations;

(2) the employer has provided the injured employee with written notification that the employee is medically released to return to work and the notification describes any applicable limitations; and

(3) the employer cannot offer the injured employee work that the employee is medically released to do.

(b) An injured employee shall not be required to engage in a good faith search for suitable work if the employee:

(1) is already employed; or

(2) has been referred for or is scheduled to undergo one or more surgical procedures.

(c) An employer shall not require an injured employee to contact more than three employers per week as part of a good faith work search performed pursuant to this section.

*Sec. 31. 21 V.S.A. § 646 is amended to read:*

*§ 646. TEMPORARY PARTIAL DISABILITY BENEFITS*

*(a)(1) Where the disability for work resulting from an injury is partial, during the disability and beginning on the eighth day thereof of the period of disability, the employer shall pay the injured employee a weekly compensation equal to the greater of:*

*(A) the difference between the amount the injured employee would be eligible to receive pursuant to section 642 of this chapter, including any applicable cost of living adjustment or dependency benefits that would be due, and the wage the injured employee earns during the period of disability; and*

*(B) two-thirds of the difference between his or her the injured employee's average weekly wage before the injury and the average weekly wage which he or she is able to earn thereafter amount the employee earns during the period of disability.*

*(2) Compensation paid pursuant to this subsection shall be adjusted on the first July 1 following the receipt of 26 weeks of benefits and annually on each subsequent July 1, so that the compensation continues to bear the same percentage relationship to the average weekly wage in the State as it did at the time of injury.*

*(b)(1) In addition to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability*

~~\$20.00 per week for each dependent child under 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children.~~

~~(2) The amount allowed for dependent children shall be adjusted weekly to reflect the number of dependent children during each week of payment.~~

Sec. 32. 21 V.S.A. § 646 is amended to read:

§ 646. TEMPORARY PARTIAL DISABILITY BENEFITS

\* \* \*

~~(b)(1) In addition to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability \$20.00 per week for each dependent child under 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children.~~

~~(2) The amount allowed for dependent children shall be adjusted weekly to reflect the number of dependent children during each week of payment.~~

~~[Repealed.]~~

Sec. 33. 21 V.S.A. § 642 is amended to read:

§ 642. TEMPORARY TOTAL DISABILITY BENEFITS

~~(a)(1) Where the injury causes total disability for work, during such the disability, but not including the first three days, with the day of the accident to be counted as the first day, unless the employee received full wages for that~~

*day, the employer shall pay the injured employee a weekly compensation equal to two-thirds of the employee's average weekly wages, ~~but~~.*

*(2) The weekly compensation shall be in an amount that is not more than the maximum nor less than the minimum weekly compensation.*

*(3) Compensation paid pursuant to this subsection shall be adjusted on the first July 1 following the receipt of 26 weeks of benefits and annually on each subsequent July 1, so that the compensation continues to bear the same percentage relationship to the average weekly wage in the State as it did at the time of injury.*

*(b)(1) In addition, ~~the injured employee, during the disability period shall receive \$10.00 a~~ to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability \$20.00 per week for each dependent child who is ~~unmarried and~~ under the age of 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children. However, in no event shall an*

*(2) The amount allowed for the dependent children shall be adjusted weekly to reflect the number of dependent children during each week of payment.*

*(c) Notwithstanding any provision of subsection (a) or (b) of this section to the contrary:*

*(1) An employee's total weekly wage replacement benefits, including*

*any payments for a dependent child, shall not exceed 90 percent of the employee's average weekly wage prior to applying any applicable cost of living adjustment. ~~The amount allowed for dependent children shall be increased or decreased weekly to reflect the number of dependent children extant during the week of payment.~~*

*(2) If the total disability continues after the third day for a period of seven consecutive calendar days or more, compensation shall be paid for the whole period of the total disability.*

*Sec. 34. 21 V.S.A. § 642 is amended to read:*

*§ 642. TEMPORARY TOTAL DISABILITY BENEFITS*

*\* \* \**

*(b)(1) In addition to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability ~~\$20.00~~ \$10.00 per week for each dependent child who is under 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children.*

*\* \* \**

*Sec. 35. DEPENDENT BENEFIT INCREASE; IMPACT; REPORT*

*On or before January 15, 2027, the Commissioner of Labor, in consultation with the Commissioner of Financial Regulation, shall submit a written report to the Senate Committee on Economic Development, Housing and General*

Affairs and the House Committee on Commerce and Economic Development regarding the impact of the increase in the dependent benefit enacted pursuant to Secs. 31 and 33 of this act on the workers' compensation system. The report shall include an estimate of the number of claims that have received additional benefits as a result of the increase and the additional cost to the workers' compensation system of the additional dependent benefits.

Sec. 36. 21 V.S.A. § 650 is amended to read:

§ 650. PAYMENT; AVERAGE WAGE; COMPUTATION

\* \* \*

(d)(1) Compensation computed pursuant to this section shall be adjusted annually on July 1, so that ~~such~~ the compensation continues to bear the same percentage relationship to the average weekly wage in the State ~~as computed under this chapter~~ as it did at the time of injury.

(2) Temporary total or temporary partial compensation shall first be adjusted on the first July 1 following the receipt of 26 weeks of benefits.

(3) Permanent total and permanent partial compensation shall be adjusted for each July 1 following the date of injury regardless of whether indemnity benefits were paid on each intervening July 1.

(e)(1) If weekly compensation benefits or weekly accrued benefits are not paid within 21 days after becoming due and payable pursuant to an order of the Commissioner, or in cases in which the overdue benefit is not in dispute, 10

*percent of the overdue amount shall be added and paid to the employee, in addition to any amounts due pursuant to subsection (f) of this section and interest and any other penalties.*

*(2) In the case of an initial claim, benefits are due and payable upon entering into an agreement pursuant to subsection 662(a) of this title, upon issuance of an order of the Commissioner pursuant to subsection 662(b) of this title, or if the employer has not denied the claim within 21 days after the claim is filed.*

*(3) Benefits are in dispute if the claimant has been provided actual written notice of the dispute within 21 days ~~of~~ after the benefit being due and payable and the evidence reasonably supports the denial.*

*(4) Interest shall accrue and be paid on benefits that are found to be compensable during the period of nonpayment.*

*(5) The Commissioner shall promptly review requests for payment under this section and, consistent with subsection 678(d) of this title, shall allow for the recovery of reasonable attorney's fees associated with an employee's successful request for payment under this subsection.*

*(f)(1)(A) When benefits have been awarded or are not in dispute as provided in subsection (e) of this section, the employer shall establish a weekday on which payment shall be mailed or deposited and notify the claimant and the Department of that day. The employer shall ensure that each*

*weekly payment is mailed or deposited on or before the day established.*

*(B) Payment shall be made by direct deposit to a claimant who elects that payment method. The employer shall notify the claimant of his or her the claimant's right to payment by direct deposit.*

*(2) If the benefit payment is not mailed or deposited on the day established, the employer shall pay to the claimant a late fee of \$10.00 or five percent of the benefit amount, whichever is greater, for each weekly payment that is made after the established day.*

*(3) As used in this subsection, "paid" means the payment is mailed to the claimant's mailing address or, in the case of direct deposit, transferred into the designated account. In the event of a dispute, proof of payment shall be established by affidavit.*

*Sec. 37. 21 V.S.A. § 678 is amended to read:*

*§ 678. COSTS; ATTORNEY'S FEES*

*(a) ~~Necessary costs of proceedings under this chapter, including deposition expenses, subpoena fees, and expert witness fees, shall be assessed by the Commissioner against the employer or its workers' compensation carrier when the claimant prevails. The Commissioner may allow the claimant to recover reasonable attorney's fees when the claimant prevails. Costs shall not be taxed or allowed either party except as provided in this section.~~*

*(b)(1) When a claimant prevails in either a formal or informal proceeding*



under this chapter, the Commissioner shall award the claimant necessary costs incurred in relation to the proceeding, including deposition expenses, subpoena fees, and expert witness fees.

(2) The Commissioner may allow a claimant to recover reasonable attorney's fees when the claimant prevails.

(3) In cases for which a formal hearing is requested and the case is resolved prior to a formal hearing:

(A) the Commissioner may award reasonable attorney's fees if the claimant retained an attorney in response to an actual or effective denial of a claim and payments were made to the claimant as a result of the attorney's efforts; and

(B) the Commissioner shall award necessary costs if the claimant incurred the costs in response to an actual or effective denial of a claim and payments were made to the claimant as a result of the costs incurred.

(c)(1) In appeals to the Superior or Supreme Court, if the claimant prevails, ~~he or she~~ the claimant shall be entitled to reasonable attorney's fees as approved by the court; necessary costs, including deposition expenses, subpoena fees, and expert witness fees; and interest at the rate of 12 percent per annum on that portion of any award the payment of which is contested.

(2) Interest shall be computed from the date of the award of the Commissioner.

~~(e)(d)~~ *By January 1, 1999, and at least every five years thereafter, the Commissioner shall amend existing rules regarding reasonable attorney's fees awarded under subsection (a) of this section. In amending these rules, the Commissioner shall consider accessibility to legal services, appropriate inflation factors, and any other related factors consistent with the purposes of this chapter. In the event the Commissioner proposes no change in the rules in any five-year period, the Commissioner shall provide a written report to the Legislative Committee on Administrative Rules of the General Assembly explaining the reasons for not changing the rules.*

~~(d)~~ *In cases for which a formal hearing is requested and the case is resolved prior to formal hearing, the Commissioner may award reasonable attorney's fees if the claimant retained an attorney in response to an actual or effective denial of a claim and thereafter payments were made to the claimant as a result of the attorney's efforts.*

\* \* \*

*Sec. 38. ADOPTION OF RULES*

*The Commissioner of Labor shall, on or before July 1, 2024, adopt rules as necessary to implement the provisions of Secs. 30, 31, 32, 33, 34, 35, 37, and 38 of this act.*

\* \* \* *Unemployment Insurance* \* \* \*

*Sec. 39. 21 V.S.A. § 1301 is amended to read:*

§ 1301. DEFINITIONS

~~The following words and phrases, as As used in this chapter, shall have the following meanings unless the context clearly requires otherwise:~~

\* \* \*

~~(25) “Son,” “daughter,” and “child” include an individual’s biological child, foster child, adoptive child, stepchild, a child for whom the individual is listed as a parent on the child’s birth certificate, a legal ward of the individual, a child of the individual’s spouse, or a child that the individual has day-to-day responsibilities to care for and financially support.~~

~~(26) “Spouse” includes an individual’s domestic partner or civil union partner. As used in this subdivision, “domestic partner” means another individual with whom an individual has an enduring domestic relationship of a spousal nature, provided that the individual and the individual’s domestic partner:~~

~~(A) have shared a residence for at least six months;~~

~~(B) are at least 18 years of age;~~

~~(C) are not married to, in a civil union with, or considered the domestic partner of another individual;~~

~~(D) are not related by blood closer than would bar marriage under State law; and~~

~~(E) have agreed between themselves to be responsible for each~~

other's welfare.

Sec. 40. 21 V.S.A. § 1301 is amended to read:

§ 1301. DEFINITIONS

As used in this chapter:

\* \* \*

(5) "Employer" includes:

(A) Any employing unit ~~which, after December 31, 1971~~ that in any calendar quarter in either the current or preceding calendar year paid for service in employment, as hereinafter defined pursuant to subdivision (6) of this section, wages of \$1,500.00 or more, or for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, had in employment, as hereinafter defined, at least one individual (irrespective of whether the same individual was in employment in each such day). When an employing unit described in either this subdivision or subdivision (5)(B) of this section ~~subdivision (5), becomes an employer within any calendar year, it shall be subject to this chapter for the whole of such~~ the calendar year.

(B)(i) Any employing unit for which service in employment for a religious, charitable, educational, or other organization as defined in subdivision (6)(A)(ix) of this section is performed after December 31, 1971, ~~except as provided in subdivision (5)(C) of this section~~ subdivision (5).

\* \* \*

*(6)(A)(i) “Employment,” subject to the other provisions of this subdivision (6), means service within the jurisdiction of this State, ~~performed prior to January 1, 1978, which was employment as defined in this subdivision prior to such date and, subject to the other provisions of this subdivision, service performed after December 31, 1977,~~ performed by an employee, as defined in subsections 3306(i) and (o) of the Federal Unemployment Tax Act, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, expressed or implied. Services partly within and partly ~~without~~ outside this State may by election as ~~hereinbefore~~ provided in subdivision (5)(E)(i) of this section be treated as if wholly within the jurisdiction of this State. ~~And whenever~~ If an employing unit shall have has elected to come under the provisions of a similar act of a state where a part of the services of an employee are performed, the Commissioner, upon ~~his or her~~ approval of said approving the election as to ~~any such~~ the employee, may treat the services covered by ~~said approved~~ the election as having been performed wholly ~~without~~ outside the jurisdiction of this State.*

\* \* \*

*(ix) The term “employment” shall also include service for any employing unit ~~which is performed after December 31, 1971~~ by an individual in the employ of a religious, charitable, educational, or other organization ~~but~~*

~~only if:~~

~~(F) the service is excluded from “employment” as defined in the Federal Unemployment Tax Act solely by reason of section subdivision 3306(c)(8) of that act; and~~

~~(H) the organization had four or more individuals in employment for some portion of a day in each of 20 different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.~~

\* \* \*

*Sec. 41. 21 V.S.A. § 1321 is amended to read:*

*§ 1321. CONTRIBUTIONS; TAXABLE WAGE BASE CHANGES*

\* \* \*

*(c)(1) Financing benefits paid to employees of nonprofit organizations.*

*(A) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subsection (c).*

*(B) For the purposes of As used in this subsection (c), a “nonprofit organization” is means an organization ~~(, or group of organizations),~~ described in Section 501(c)(3) of the U.S. Internal Revenue Code ~~which~~ that is exempt from income tax under Section 501(a) of ~~such~~ the Internal Revenue Code.*

*(2) Liability for contributions and election of reimbursement. Any nonprofit organization ~~which~~ that, pursuant to subdivision 1301(5)(B)(i) of this title chapter, is, or becomes, subject to this chapter ~~on or after January 1, 1972~~ shall pay contributions under the provisions of this section, unless it elects, in accordance with this subsection, to pay to the Commissioner, for the Unemployment Insurance Trust Fund, an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, that is attributable to service in the employ of ~~such~~ the nonprofit organization, to individuals for weeks of unemployment ~~which~~ that begin during the effective period of ~~such~~ the election.*

*(A) ~~Any nonprofit organization which is, or becomes, subject to this chapter on January 1, 1972 may elect to become liable for payments in lieu of contributions for a period of not less than one calendar year beginning with January 1, 1972 provided it files with the Commissioner a written notice of its election within the 30-day period immediately following such date or within a like period immediately following April 16, 1971, whichever occurs later.~~*  
*[Repealed.]*

*(B) Any nonprofit organization ~~which~~ that becomes subject to this chapter ~~after January 1, 1972~~ may elect to become liable for payments in lieu of contributions for a period of not less than 12 months ~~beginning with the date on which such subjectivity begins~~ by filing a written notice of its election*

*with the Commissioner not later than 30 days immediately following the date of the determination ~~of such subjectivity~~ that the organization is subject to this chapter.*

*(C) Any nonprofit organization ~~which~~ that makes an election in accordance with ~~subdivisions (c)(2)(A) and~~ subdivision (B) of this section ~~will~~ subdivision (c)(2) shall continue to be liable for payments in lieu of contributions until it files with the Commissioner a written notice terminating its election not later than 30 days prior to the beginning of the calendar year for which ~~such~~ the termination shall first be effective.*

*(D) Any nonprofit organization ~~which~~ that has been paying contributions under this chapter ~~for a period subsequent to January 1, 1972~~ may ~~change to a reimbursable basis~~ elect to become liable for payments in lieu of contributions by filing with the Commissioner not later than 30 days prior to the beginning of any calendar year a written notice of election to become liable for payments in lieu of contributions. ~~Such~~ An election under this subdivision (c)(2)(D) shall not be terminable by the organization for that year and the next year.*

*(E) The Commissioner may for good cause extend the period within which a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive ~~but not any earlier than~~ with respect to benefits paid after December 31, 1969.*



*(F) The Commissioner, in accordance with ~~such~~ any applicable rules as adopted by the Board may prescribe, shall notify each nonprofit organization of any determination ~~which he or she may make of that the Commissioner makes with regard to its status as an employer and of the effective date of any election which it that the organization makes and of any termination of such an election.~~ The determinations shall be subject to reconsideration and to appeal and review in accordance with the provisions of section 1337a of this title.*

*(3) Reimbursement payments. Payments in lieu of contributions shall be made in accordance with the provisions of this subdivision, including either subdivision (A) or ~~subdivision~~ (B).*

*(A) At the end of each calendar quarter, or at the end of any other period as determined by the Commissioner, the Commissioner shall bill each nonprofit organization, or group of ~~such~~ nonprofit organizations, ~~which that~~ has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one-half of the amount of extended benefits paid during ~~such~~ the quarter or other prescribed period that is attributable to service in the employ of ~~such~~ the organization.*

*(B)(i) Each nonprofit organization that has elected payments in lieu of contributions may request permission to make ~~such~~ payments as provided in this subdivision (c)(3)(B). ~~Such method of payment~~ Payment pursuant to the*

*provisions of this subdivision (c)(3)(B) shall become effective upon approval of the Commissioner.*

*(ii) At the end of each calendar quarter, the Commissioner shall bill each nonprofit organization approved to make payments pursuant to the provisions of this subdivision (c)(3)(B) for an amount representing one of the following:*

*~~(I) For 1972, two-tenths of one percent of its total payroll for 1971.~~*

*~~(II) For years after 1972, such a percentage of its total payroll for the immediately preceding calendar year as that the Commissioner shall determine.—The determination shall be determines to be appropriate based each year on the average benefit costs attributable to service in the employ of nonprofit organizations during the preceding calendar year.~~*

*~~(III) For The Commissioner may determine a different rate for any organization which that did not pay wages throughout the four calendar quarters of the preceding calendar year, such percentage of its payroll during that year as the Commissioner shall determine.~~*

*(iii) At the end of each calendar year, the Commissioner may modify the quarterly percentage of payroll thereafter payable by the nonprofit organization in order to minimize excess or insufficient payments.*

*(iv) At the end of each calendar year, the Commissioner shall*

*determine whether the total of payments for ~~such~~ the year made by a nonprofit organization is less than, or in excess of, the total amount of regular benefits plus one-half of the amount of extended benefits paid to individuals during ~~such~~ the taxable year based on wages attributable to service in the employ of ~~such~~ the organization. Each nonprofit organization whose total payments for ~~such~~ the year are less than the amount so determined shall be liable for payment of the unpaid balance to the Trust Fund in accordance with subdivision ~~(3)~~(C) of this ~~subsection~~ subdivision (c)(3). If the total payments exceed the amount so determined for the taxable year, all or a part of the excess shall, at the election of the nonprofit organization, be refunded from the Trust Fund or retained in the Trust Fund as part of the payments ~~which~~ that may be required for the next calendar year.*

*(C) Payment of any bill rendered under subdivision (2) ~~or~~ ~~subdivision~~ ~~(3)~~ of this subsection (c) or this subdivision (c)(3) shall be made not later than 30 days after the bill is mailed to the last known address of the nonprofit organization or is otherwise delivered to it, unless there has been an application for redetermination by the Commissioner or a petition for hearing before a referee in accordance with subdivision ~~(3)~~(E) of this ~~subsection~~ subdivision (c)(3).*

*(D) Payments made by any nonprofit ~~corporation~~ organization under the provisions of this section shall not be deducted or deductible, in whole or*

*in part, from the remuneration of individuals in the employ of the organization.*

*(E)(i) The amount due specified in any bill from the Commissioner shall be conclusive on the organization unless, not later than 30 days after the date of the bill, the organization files an application for reconsideration by the Commissioner; or a petition for a hearing before a referee, setting forth the grounds for ~~such~~ the application or petition.*

*(ii) The Commissioner shall promptly review and reconsider the amount due specified in the bill and shall thereafter issue a redetermination in any case in which ~~such~~ an application for redetermination has been filed. Any such redetermination shall be conclusive on the organization unless, not later than 30 days after the date of the redetermination, the organization files a petition for a hearing before a referee; setting forth the grounds for the petition.*

*(iii) Proceedings on the petition for a hearing before a referee on the amount of a bill rendered under this section or a redetermination of ~~such~~ the amount shall be in accordance with the provisions of section 1331 of this title, and the decision of the referee shall be subject to the provisions of that section. Review of the decision of the referee by the Employment Security Board shall be in accordance with, and its decision shall be subject to, the provisions of section 1332 of this title.*

*(F) Any employer, including the State of Vermont ~~which,~~ that makes*

*payments in lieu of contributions under this section shall be subject to the provisions of sections 1314, 1322, 1328, 1329, 1334, and 1336 of this title as follows:*

*(i) ~~that~~ The employer shall be liable for any reports as required by the Commissioner ~~may require~~ pursuant to sections 1314 and 1322 of this title;*

*(ii) ~~that~~ The employer shall be liable for any penalty imposed pursuant to sections 1314 and 1328 of this title;*

*(iii) ~~that~~ The employer shall be liable for the same interest on past due payments pursuant to subsection 1329(a) of this title;*

*(iv) ~~that~~ The employer shall be subject to a civil action for the collection of past due payments as if those payments were contributions pursuant to subsections 1329(b) and 1334(a) of this title; ~~and~~*

*(v) ~~that~~ The employer shall be subject to ~~those~~ actions for the collection of past due payments as if those payments were contributions pursuant to subsections 1329(c) and (d), and 1334(b) and (c), ~~and~~ section 1336 of this title; however, those provisions shall not apply to the State of Vermont.*

*(4) Authority to terminate elections. If any nonprofit organization is delinquent in making payments in lieu of contributions as required under this subsection, the Commissioner may terminate ~~such~~ the organization's election*

*to make payments in lieu of contributions as of the beginning of the next taxable year; and the termination shall be effective for that and the next taxable year.*

*(5) Allocation of benefit costs.*

*(A) Each employer that is liable for payments in lieu of contributions shall pay to the Commissioner for the Trust Fund the amount of regular benefits plus the amount of one-half of extended benefits paid that are attributable to service in the employ of ~~such~~ the employer.*

*(B) If benefits paid to an individual are based on wages paid by more than one employer and one or more of ~~such~~ the employers are liable for payments in lieu of contributions, the amount payable to the Trust Fund by each employer that is liable for ~~such~~ payments in lieu of contributions shall be determined in accordance with subdivisions ~~(5)(A) and (B)~~ of this subsection ~~(e)~~:*

*~~(A) Proportionate allocation when fewer than all base-period employers are liable for reimbursement. If benefits paid to an individual are based on wages paid by one or more employers that are liable for payments in lieu of contributions and on wages paid by one or more employers who are liable for contributions, the amount of benefits payable by each employer that is liable for payments in lieu of contributions shall be an amount which that bears the same ratio to the total benefits paid to the individual as the total~~*

*base-period wages paid to the individual by ~~such~~ the employer bear to the total base-period wages paid to the individual by all of ~~his or her~~ the individual's base-period employers.*

*~~(B) Proportionate allocation when all base-period employers are liable for reimbursement. If benefits paid to an individual are based on wages paid by two or more employers that are liable for payments in lieu of contributions, the amount of benefits payable by each employer shall be an amount which bears the same ratio to the total benefits paid to the individual as the total base-period wages paid to the individual by the employer bear to the total base-period wages paid to the individual by all of his or her base-period employers.~~*

*(6) Group accounts. Two or more employers that have become liable for payments in lieu of contributions, in accordance with the provisions of this section and section 1380 of this title, may file a joint application to the Commissioner for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of ~~such~~ the employers. Each application shall identify and authorize a group representative to act as the group's agent for the purpose of this section. Upon ~~his or her~~ approval of the application, the Commissioner shall establish a group account for ~~such~~ the employers effective as of the beginning of the calendar quarter in which ~~he or she~~ the Commissioner receives the application*

*and shall notify the group's representative of the effective date of the account. The account shall remain in effect for not less than two years and thereafter until terminated at the discretion of the Commissioner or upon application by the group. Upon establishment of the account, each member of the group shall be liable for payments in lieu of contributions with respect to each calendar quarter in the amount that bears the same ratio to the total benefits paid in ~~such~~ the quarter that are attributable to service performed in the employ of all members of the group as the total wages paid for service in employment by ~~such~~ the member in ~~such~~ the quarter bear to the total wages paid during ~~such~~ the quarter for service performed in the employ of all members of the group. The Board shall ~~prescribe regulations~~ adopt rules as it deems necessary with respect to applications for establishment, maintenance, and termination of group accounts that are authorized by this subdivision, for addition of new members to, and withdrawal of active members from, such accounts, and for the determination of the amounts that are payable under this ~~section~~ subsection by members of the group and the time and manner of ~~such~~ the payments.*

*(7) ~~Notwithstanding any of the foregoing provisions of this section, any nonprofit organization that prior to January 1, 1969, paid contributions required by this section, and, pursuant to subsection (c) of this section, elects within 30 days after January 1, 1972, to make payments in lieu of~~*



~~contributions, shall not be required to make any such payment on account of any regular or extended benefits paid, on the basis of wages paid by such organization to individuals for weeks of unemployment which begin on and after the effective date of the election until the total amount of benefits equals the amount (1) by which the contributions paid by the organization with respect to the two-year period before the effective date of the election under subsection (b) of this section exceed (2) the total amount of unemployment benefits paid for the same period that were attributable to service performed in the employ of the organization and were charged to the experience rating record of the organization. [Repealed.]~~

\* \* \*

~~(f) Any employer who makes payments in lieu of contributions under the provisions of this section is considered to be self-insuring and shall pay to the Commissioner for the Unemployment Compensation Trust Fund such any amounts ~~as~~ the Commissioner finds to be due under this chapter, including benefits paid but denied on appeal or benefits paid in error ~~which~~ that cannot be properly charged either against another employer who makes payments in lieu of contributions or against the experience-rating record of another employer who pays contributions. Benefits improperly paid where repayment by the claimant is ordered pursuant to subsection 1347(a) or (b) of this title will be credited to the employer's account when repayment from the claimant~~

*is actually received by the Commissioner.*

*Sec. 42. NONPROFIT AND MUNICIPAL REIMBURSABLE*

*EMPLOYERS; EDUCATION; OUTREACH*

*(a) On or before October 1, 2023, the Commissioner of Labor, in consultation with the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont, and other interested stakeholders, shall develop information and education materials for nonprofit and municipal employers regarding the unemployment insurance system. At a minimum, the materials shall:*

*(1) explain the options available to nonprofit and municipal employers, including paying regular unemployment insurance contributions, reimbursing the Unemployment Insurance Trust Fund for attributable unemployment insurance costs, and, with respect to nonprofit employers, quarterly payments of estimated unemployment insurance costs;*

*(2) identify the potential benefits and drawbacks of each of the options identified in subdivision (1) of this subsection;*

*(3) provide information on how a nonprofit or municipal employer can evaluate its potential liability under each of the options identified in subdivision (1) of this subsection;*

*(4) provide information developed by the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont, and other*

interested stakeholders regarding how a nonprofit or municipal employer can plan and budget for the potential expenses associated with each of the options identified in subdivision (1) of this subsection; and

(5) provide additional information regarding the Unemployment Insurance program and related laws that the Commissioner determines, in consultation with the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont, and other interested stakeholders, to be helpful or necessary for nonprofit and municipal employers.

(b)(1) The informational and educational materials developed pursuant to subsection (a) of this section shall be made available on the Department's website and shall, in coordination with the Secretary of State, Common Good Vermont, United Way of Northwest Vermont, the Vermont League of Cities and Towns, and other interested stakeholders, be shared directly with Vermont nonprofit and municipal employers to the extent practicable.

(2) The Secretary of State shall assist the Commissioner of Labor in identifying and contacting all active Vermont nonprofit employers. The Office of the Secretary of State shall also make available on its website a link to the information and educational materials provided on the Department of Labor's website pursuant to this section.

(c) The Department of Labor, in collaboration with the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont,

and other interested stakeholders, shall hold one or more informational sessions to present the materials and information developed pursuant to subsection (a) of this section to nonprofit employers and municipal employers. At least one session shall be held on or before November 1, 2023. Each session shall allow for both in-person and remote participation and shall be recorded. Recordings shall be made available to the public and to stakeholder organizations for distribution to their members.

Sec. 43. 2021 Acts and Resolves No. 183, Sec. 59(b)(6) is amended to read:

(6) Sec. 52g (prospective repeal of unemployment insurance benefit increase) shall take effect ~~upon the payment of a~~ when the cumulative total amount of additional benefits paid pursuant to 21 V.S.A. § 1338(e) when, compared to the rate at which benefits would have been paid under the formula set forth in 21 V.S.A. § 1338(e) on June 30, 2025 equal to \$92,000,000.00, plus the difference between \$8,000,000.00 and the amount of additional benefits paid out pursuant to section 52b, if any, compared to the amount that would have been paid pursuant to the provisions of 21 V.S.A. § 1338(f)(1) on June 30, 2022, equals \$100,000,000.00 and shall apply to benefit weeks beginning after that date.

Sec. 44. UNEMPLOYMENT DUE TO URGENT, COMPELLING, OR  
NECESSITOUS CIRCUMSTANCES; COVERAGE; IMPACT;  
REPORT

(a) On or before January 15, 2024, the Commissioner of Labor shall submit a written report prepared in consultation with the Joint Fiscal Office to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs regarding the potential impact of extending eligibility for unemployment insurance benefits to individuals who separate from employment due to urgent, compelling, or necessitous circumstances, including the individual's injury or illness, to obtain or recover from medical treatment, to escape domestic or sexual violence, to care for a child following an unexpected loss of child care, or to care for an ill or injured family member.

(b) The report shall include:

(1) a list of states in which individuals who separate from employment due to circumstances similar to those described in subsection (a) of this section are eligible for unemployment insurance and shall identify the specific circumstances for separation from employment in each identified state for which there is no waiting period or period of disqualification related to the circumstance;

(2) information, to the extent it is available, regarding the number of approved claims in the states identified pursuant to subdivision (1) of this subsection where the individual separated from employment due to circumstances similar to those described in subsection (a) of this section;

(3) an estimate of the projected range of additional approved claims per year in Vermont if individuals who separate from employment due to circumstances similar to those described in subsection (a) of this section are made eligible for unemployment insurance;

(4) an estimate of the range of potential impacts on the Unemployment Insurance Trust Fund of making individuals who separate from employment due to circumstances similar to those described in subsection (a) of this section eligible for unemployment insurance; and

(5) any recommendations for legislative action.

*Sec. 45. DOMESTIC AND SEXUAL VIOLENCE SURVIVORS'*

*TRANSITIONAL EMPLOYMENT PROGRAM; UTILIZATION;  
REPORT*

On or before January 15, 2024, the Commissioner of Labor shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs regarding the utilization of the Domestic and Sexual Violence Survivors' Transitional Employment Program. The report shall include information regarding the utilization of the Program during the past 10 years, a summary of the Department's efforts to make members of the public aware of the Program and improve access to it, how the identified changes have impacted utilization of the Program in comparison to prior years, any

potential ways to further increase awareness and utilization of the Program, and any suggestions for legislative action to improve awareness or utilization of the Program.

Sec. 46. 21 V.S.A. § 1256 is added to read:

§ 1256. NOTIFICATION TO THE PUBLIC

The Department shall take reasonable measures to provide information to the public about the Program, including publishing information on the Department's website and providing timely materials related to the Program to public agencies of the State and organizations that work with domestic and sexual violence survivors, including law enforcement, State's Attorneys, community justice centers, the Center for Crime Victim Services, the Vermont Network Against Domestic and Sexual Violence (the Network), and any others deemed appropriate by the Commissioner in consultation with the Network.

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

Sec. 47. EFFECTIVE DATES

(a) Except as provided in subsection (b) of this section, this act shall take effect on July 1, 2023.

(b)(1) Sec. 3 (determination of weighted long-term membership and per pupil education spending) shall take effect on July 1, 2026, subject to the contingency provisions in Sec. 3a.

(2) Sec. 5 (Child Care Financial Assistance Program; eligibility), Sec. 6

(provider rate adjustment; Child Care Financial Assistance Program), and Sec. 9 (payment to providers) shall take effect on January 1, 2024, except that the Commissioner for Children and Families shall initiate any rulemaking necessary prior to that date in order to perform the Commissioner's duties under this act.

(3) Sec. 5a (Child Care Financial Assistance Program; eligibility) and Sec. 5d (fiscal year 2024; family contribution) shall take effect on April 1, 2024, except that the Commissioner for Children and Families shall initiate any rulemaking necessary prior to that date in order to perform the Commissioner's duties under this act.

(4) Sec. 5b (Child Care Financial Assistance Program; eligibility), Sec. 9a (payment to providers), and Sec. 10 (child care quality and capacity incentive program) shall take effect on July 1, 2024, except that the Commissioner for Children and Families shall initiate any rulemaking necessary prior to that date in order to perform the Commissioner's duties under this act.

(5) Sec. 5c (Child Care Financial Assistance Program; eligibility) shall take effect on October 1, 2024.

(6) Sec. 24 (Child Care Contribution) shall take effect on July 1, 2024.

(7) Secs. 26 (Workers' Compensation Administrative Fund rate of contribution) and 28 (extension prior to proposed discontinuance of workers'



*compensation benefits) shall take effect on passage.*

*(8) Sec. 40 (extension of unemployment insurance to small nonprofit employers) shall take effect on July 1, 2024.*

*(9) Secs. 32 and 34 (sunset of workers' compensation dependent benefit increases) shall take effect on July 1, 2028.*