

1 H.217

2 An act relating to child care, early education, workers' compensation, and
3 unemployment insurance

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

5 * * * Legislative Intent * * *

6 Sec. 1. LEGISLATIVE INTENT

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

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

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

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

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

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

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

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

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

22 (B) provide technical assistance to family child care homes to ensure

1 high-quality child care services are accessible throughout the State; and
2 (8) assign school districts with the responsibility of ensuring equitable
3 prekindergarten access for children who are four years of age on the date by
4 which the child's school district requires kindergarten students to have attained
5 five years of age or who are five years of age and not yet enrolled in
6 kindergarten.

7 * * * Prekindergarten * * *

8 Sec. 2. PREKINDERGARTEN EDUCATION IMPLEMENTATION

9 COMMITTEE; PLAN

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

21 (b) Membership.

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

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

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

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

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

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

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

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

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

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

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

1 (K) a representative of a prequalified private provider as defined in
2 16 V.S.A. § 829, providing prekindergarten education at a regulated family
3 child care home, appointed by the Committee on Committees;

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

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

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

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

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

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

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

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

20 (c) Powers and duties. The Committee shall examine the delivery of
21 prekindergarten education in Vermont and make recommendations to expand

1 access for children through the public school system or private providers under
2 contract with the school district, or both. The Committee shall examine and
3 make recommendations on the changes necessary to provide prekindergarten
4 education to all children by or through the public school system on or before
5 July 1, 2026, including transitioning children who are three years of age from
6 the 10-hour prekindergarten benefit to child care and early education. The
7 Committee's recommendation shall consider:

8 (1) the needs of both the State and local education agencies;

9 (2) the minimum number of hours that shall constitute a full school day
10 for both prekindergarten and kindergarten;

11 (3) whether there are areas of the State where prekindergarten education
12 can be more effectively and conveniently furnished in an adjacent state due to
13 geographic considerations;

14 (4) benchmarks and best practices to ensure high-quality
15 prekindergarten education;

16 (5) measures to ensure capacity is available to meet the demand for
17 prekindergarten education;

18 (6) special education services for children participating in
19 prekindergarten in both public and private settings;

20 (7) any necessary infrastructure changes to expand prekindergarten;

21 (8) costs associated with expanding prekindergarten, including fiscally

1 strategic options to sustain an expansion of prekindergarten;

2 (9) recommendations for the oversight of the prekindergarten system;

3 and

4 (10) any other issue the Committee deems relevant.

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

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

17 (f) Meetings.

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

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

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

1 (g) Compensation and reimbursement. Members of the Committee who
2 are not employees of the State of Vermont and who are not otherwise
3 compensated or reimbursed for their attendance shall be entitled to per diem
4 compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010
5 for not more than 18 meetings. These payments shall be made from monies
6 appropriated to the Agency of Education.

7 (h) Appropriations.

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

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

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

16 Sec. 2a. PREKINDERGARTEN EDUCATION MODEL CONTRACT

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

- 1 (1) an antidiscrimination provision that requires compliance with the
2 Vermont Public Accommodations Act, 9 V.S.A. chapter 139, and the Vermont
3 Fair Employment Practices Act, 21 V.S.A. chapter 5, subchapter 6; and
4 (2) requirements for the provision of special education services.

5 Sec. 2b. PREKINDERGARTEN PUPIL WEIGHT; REPORT

6 On or before December 1, 2023, the Agency of Education, in consultation
7 with the Prekindergarten Education Implementation Committee, shall analyze
8 and issue a written report to the General Assembly regarding whether the cost
9 of educating a prekindergarten student is the same as educating a kindergarten
10 student in the context of a full school day. The report shall include a detailed
11 analysis, recommendation, and implementation plan for the sufficient weight to
12 apply to prekindergarten students, in alignment with the weights under current
13 law, for the purposes of determining weighted long-term membership of a
14 school district under 16 V.S.A. § 4010. The report shall include draft
15 legislative language to support the recommended prekindergarten pupil weight
16 and implementation plan.

17 Sec. 2c. AGENCY OF EDUCATION DATA COLLECTION AND
18 SHARING

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

- 21 (1) The number of weighted pupils, which shall not be adjusted by the

1 equalization ratio, for fiscal year 2024:

2 (A) using weights in effect on July 1, 2023 at both the statewide and
3 district levels; and

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

6 (2) The following data, by school district:

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

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

10 (C) the total education spending and other funds spent in fiscal year
11 2023 for children attending public prekindergarten education programs;

12 (D) the total education spending and other funds spent in fiscal year
13 2023 for prekindergarten children receiving prekindergarten education through
14 a prequalified private provider to whom the district pays tuition;

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

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

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

21 (iii) the number and cost of students residing in the district

1 enrolled in a prequalified private provider for whom the district pays tuition for
2 prekindergarten education; and

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

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

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

10 (ii) the tuition costs for prekindergarten children.

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

12 § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP
13 AND PER PUPIL EDUCATION SPENDING

14 * * *

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

20 (1) The Secretary shall first apply grade level weights. Each pupil
21 included in long-term membership from subsection (b) of this section shall

1 count as one, multiplied by the following amounts:

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

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

4 (C) grades nine through 12—0.39.

5 * * *

6 Sec. 3a. CONTINGENT EFFECTIVE DATE OF PREKINDERGARTEN

7 EDUCATION WEIGHT CHANGE

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

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

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

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

18 * * * Agency of Education * * *

19 Sec. 4. PLAN; AGENCY OF EDUCATION LEADERSHIP

20 On or before November 1, 2025, the Agency of Education shall submit a
21 plan to the House Committees on Education and on Human Services and to the

1 Senate Committees on Education and on Health and Welfare for the purpose of
2 elevating the status of early education within the Agency in accordance with
3 the report produced pursuant to 2021 Acts and Resolves No, 45, Sec. 13. The
4 plan shall achieve greater parity in decision-making authority, roles and
5 responsibilities, and reporting structure related to early care and learning across
6 the Agency and Department for Children and Families.

7 * * * Child Care and Child Care Subsidies * * *

8 Sec. 5. 33 V.S.A. § 3512 is amended to read:

9 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

10 ELIGIBILITY

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

17 * * *

18 (4) ~~After September 30, 2021, a regulated center based child care~~
19 ~~program or family child care home as defined by the Department in rule shall~~
20 ~~not receive funds pursuant to this subsection that are in excess of the usual and~~
21 ~~customary rate for services at the center based child care program or family~~

1 ~~child care home~~ Nothing in this subsection shall preclude a child care provider
2 from establishing tuition rates that are lower than the provider reimbursement
3 rate in the Child Care Financial Assistance Program.

4 * * *

5 Sec. 5a. 33 V.S.A. § 3512 is amended to read:

6 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

7 ELIGIBILITY

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

14 (2) The subsidy authorized by this subsection and the corresponding
15 family contribution shall be established by the Commissioner, by rule, and
16 shall bear a reasonable relationship to income and family size. The
17 Commissioner may adjust the subsidy and family contribution by rule to
18 account for increasing child care costs not to exceed 1.5 times the most recent
19 annual increase in the NAICS code 611, Educational Services. Families shall
20 be found eligible using an income eligibility scale based on the current federal
21 poverty level and adjusted for the size of the family. Co-payments shall be

1 assigned to the whole family and shall not increase if more than one eligible
2 child is enrolled in child care. Families with an annual gross income of less
3 than or equal to ~~450~~ 175 percent of the current federal poverty guidelines shall
4 not have a family co-payment. Families with an annual gross income up to and
5 including ~~350~~ 400 percent of current federal poverty guidelines, adjusted for
6 family size, shall be eligible for a subsidy authorized by the subsection. The
7 scale shall be structured so that it encourages employment. If the federal
8 poverty guidelines decrease in a given year, the Division shall maintain the
9 previous year's federal poverty guidelines for the purpose of determining
10 eligibility and benefit amount under this subsection.

11 * * *

12 Sec. 5b. 33 V.S.A. § 3512 is amended to read:

13 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

14 ELIGIBILITY

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

21 * * *

1 employment, or to obtain training leading to employment. Families seeking
2 employment shall be entitled to participate in the Program for up to three
3 months and the Commissioner may further extend that period.

4 (2) The subsidy authorized by this subsection and the corresponding
5 family contribution shall be established by the Commissioner, by rule, and
6 shall bear a reasonable relationship to income and family size. The
7 Commissioner may adjust the subsidy and family contribution by rule to
8 account for increasing child care costs not to exceed 1.5 times the most recent
9 annual increase in the NAICS code 611, Educational Services. Families shall
10 be found eligible using an income eligibility scale based on the current federal
11 poverty level and adjusted for the size of the family. Co-payments shall be
12 assigned to the whole family and shall not increase if more than one eligible
13 child is enrolled in child care. Families with an annual gross income of less
14 than or equal to 175 percent of the current federal poverty guidelines shall not
15 have a family co-payment. Families with an annual gross income up to and
16 including ~~400~~ 575 percent of current federal poverty guidelines, adjusted for
17 family size, shall be eligible for a subsidy authorized by the subsection. The
18 scale shall be structured so that it encourages employment. If the federal
19 poverty guidelines decrease in a given year, the Division shall maintain the
20 previous year's federal poverty guidelines for the purpose of determining
21 eligibility and benefit amount under this subsection.

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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

1 the fiscal year 2023 five-STAR reimbursement rate in the Vermont STARS
2 system. All providers in the same child care setting category shall receive a
3 reimbursement rate payment, which shall be dependent upon whether the
4 provider operates a regulated child care center and preschool program,
5 regulated family child care home, or afterschool or summer care program.

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

8 Sec. 7. APPROPRIATION; CHILD CARE FINANCIAL ASSISTANCE
9 PROGRAM

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

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

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

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

1 the Division:

2 (A) one Business Applications Support Manager;

3 (B) one Licensing Field Specialist I;

4 (C) two Child Care Business Techs;

5 (D) one Administrative Services Coordinator II;

6 (E) one Program Integrity Investigator;

7 (F) one Grants and Contracts Manager – Compliance;

8 (G) one Business Application Support Specialist;

9 (H) one Communications and Outreach Coordinator;

10 (I) one Financial Manager II; and

11 (J) one Grants and Contracts Manager.

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

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

17 Sec. 8. READINESS PAYMENTS; CHILD CARE FINANCIAL
18 ASSISTANCE PROGRAM

19 (a)(1) In fiscal year 2024, \$20,000,000.00 is appropriated one time from
20 the General Fund to the Department for Children and Families' Child
21 Development Division for the purpose of providing payments to child care

1 providers, as defined in 33 V.S.A. § 3511, delivering child care services to
2 children, in preparation of the Child Care Financial Assistance Program
3 eligibility expansion in Sec. 5a of this act and for the fiscal year 2024 provider
4 rate adjustment in Sec. 6 of this act. Readiness payments may be used for the
5 following:

6 (A) increasing capacity for infants and toddlers;

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

8 (C) improving child care facilities;

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

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

13 (F) addressing gaps in services and expanding capacity;

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

16 (H) any other uses approved by the Commissioner.

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

21 (b) In administering the readiness payment program established by this

1 section, the Division shall utilize the Agency of Administration bulletin
2 pertaining to beneficiaries in effect on May 1, 2023. The Division may either
3 use the same distribution framework used to distribute Child Care
4 Development Block Grant funds in accordance with the American Rescue Plan
5 Act of 2021 or it may utilize an alternative distribution framework.

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

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

10 § 3514. PAYMENT TO PROVIDERS

11 (a) The Commissioner shall establish a payment schedule for purposes of
12 reimbursing providers for full- or part-time child care services rendered to
13 families who participate in the programs established under section 3512 or
14 3513 of this title. Payments established under this section shall reflect the
15 following considerations: whether the provider operates a licensed child care
16 facility or a registered family child care home, type of service provided, cost of
17 providing the service, and the prevailing market rate for comparable service.
18 Payments shall be based on enrollment status or any other basis agreed to by
19 the provider and the Division and shall reimburse all providers using the fiscal
20 year 2023 5-STAR rate.

21 * * *

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

2 § 3514. PAYMENT TO PROVIDERS

3 (a)(1) The Commissioner shall establish a payment schedule for purposes
4 of reimbursing providers for full- or part-time child care services rendered to
5 families who participate in the programs established under section 3512 or
6 3513 of this title. ~~Payments established under this section shall reflect the~~
7 ~~following considerations: whether the provider operates a licensed child care~~
8 ~~facility or a registered family child care home, type of service provided, cost of~~
9 ~~providing the service, and the prevailing market rate for comparable service.~~
10 The payment schedule shall account for the age of the children served, and all
11 providers in the same child care setting category shall receive a reimbursement
12 rate payment, which shall be dependent upon whether the provider operates a
13 child care center and preschool program, family child care home, or
14 after school or summer care program.

15 (2) ~~Payments shall be based on enrollment status or any other basis~~
16 ~~agreed to by the provider and the Division and shall reimburse all providers~~
17 ~~using the fiscal year 2023-5-STAR rate. The Department, in consultation with~~
18 ~~the Office of Racial Equity and stakeholders, shall adopt rules pursuant to~~
19 ~~3 V.S.A. chapter 25 that define “enrollment” and the total number of allowable~~
20 ~~absences to continue participating in the Child Care Financial Assistance~~
21 ~~Program. The Department shall minimize itemization of absence categories.~~

1 (b) The Commissioner may establish a separate payment schedule for child
2 care providers who have received specialized training, approved by the
3 Commissioner, relating to protective or family support services.

4 ~~(c)(1) The payment schedule established by the Commissioner may~~
5 ~~reimburse providers in accordance with the results of the most recent Vermont~~
6 ~~Child Care Market Rate Survey.~~

7 ~~(2) The payment schedule shall include reimbursement rate caps tiered~~
8 ~~in relation to provider ratings in the Vermont STARS program. The lower limit~~
9 ~~of the reimbursement rate caps shall be not less than the 50th percentile of all~~
10 ~~reported rates for the same provider setting in each rate category. [Repealed.]~~

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

12 § 3514. PAYMENT TO PROVIDERS

13 (a)(1) The Commissioner shall establish a payment schedule for purposes
14 of reimbursing providers for full- or part-time child care services rendered to
15 families who participate in the programs established under section 3512 or
16 3513 of this title. The payment schedule shall account for the age of the
17 children served, and all providers in the same child care setting category shall
18 receive a reimbursement rate payment, which shall be dependent upon whether
19 the provider operates a child care center and preschool program, family child
20 care home, or afterschool or summer care program. The reimbursement rate
21 shall then be adjusted to reduce the differential between family child care

1 homes and center-based child care and preschool programs by 50 percent.

2 * * *

3 Sec. 9b. REPORT; ADJUSTMENT OF CHILD CARE FINANCIAL
4 ASSISTANCE PROGRAM RATES

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

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

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

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

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

2 § 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE

3 PROGRAM

4 (a) The Commissioner shall establish a child care quality and capacity
5 incentive program for child care providers participating in the Child Care
6 Financial Assistance Program pursuant to sections 3512 and 3513 of this title.
7 Annually, consistent with funds appropriated for this purpose, the
8 Commissioner may provide a child care provider with an incentive payment
9 for the following achievements:

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

14 (2) increasing infant and toddler capacity;

15 (3) maintaining existing infant and toddler capacity;

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

18 (5) providing nonstandard hours of child care services;

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

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

1 Commissioner.

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

4 Sec. 10a. LEGISLATIVE INTENT; CHILD CARE QUALITY AND
5 CAPACITY INCENTIVE PROGRAM

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

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

10 § 3516. CHILD CARE WAITLIST AND APPLICATION FEES

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

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

19 § 3517. CHILD CARE TUITION RATES

20 A child care provider shall ensure that its tuition rates are available to the
21 public. A regulated child care provider shall not impose an increase on annual

1 child care tuition that exceeds 1.5 times the most recent annual increase in the
2 NAICS code 611, Educational Services. This amount shall be posted on the
3 Department's website annually.

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

5 § 3518. CHILD CARE PROVIDER OWNERSHIP DISCLOSURE

6 (a) As used in this section:

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

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

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

19 (4) "Principal" means one of the following:

20 (A) the president, vice president, secretary, treasurer, manager, or
21 similar officer of a corporation as provided for by 11A V.S.A. § 8.40,

1 nonprofit corporation as provided for by 11B V.S.A. § 8.40, mutual benefit
2 enterprise as provided for by 11C V.S.A. § 822, cooperative as provided for by
3 11 V.S.A. § 1013, or worker cooperative corporation as provided for by 11
4 V.S.A. § 1089;

5 (B) a director of a corporation as provided for by 11A V.S.A. § 8.01,
6 nonprofit corporation as provided for by 11B V.S.A. § 8.01, mutual benefit
7 enterprise as provided for by 11C V.S.A. § 801, cooperative as provided for by
8 11 V.S.A. § 1006, or worker cooperative corporation as provided for by 11
9 V.S.A. § 1089;

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

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

14 (E) a partner of a partnership as provided for by 11 V.S.A. § 3212 or
15 a general partner of a limited partnership as provided for by 11 V.S.A chapter
16 23.

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

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

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

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

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

3 § 3519. DIVERSITY, EQUITY, AND INCLUSION

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

7 Sec. 13. RULEMAKING; PROGRAM DIRECTORS

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

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

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

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

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

20 (2) eligibility policies addressing self-employment and other areas of
21 specialized need on a regular basis and revise them consistent with research on

1 best practices in the field to maximize participation in the program and
2 minimize undue burden on families applying for the Child Care Financial
3 Assistance Program.

4 * * * Report * * *

5 Sec. 14. REPORT; BACKGROUND CHECKS

6 On or before January 15, 2024, the Vermont Crime Information Center, in
7 collaboration with the Agency of Education and the Department for Children
8 and Families, shall submit a report to the House Committee on Human
9 Services and to the Senate Committee on Health and Welfare providing a
10 recommendation to streamline and improve the timeliness of the background
11 check process for child care and early education providers who are required to
12 complete two separate background checks.

13 Sec. 15. [Deleted.]

14 * * * Special Accommodations Grant * * *

15 Sec. 16. PLAN; SPECIAL ACCOMMODATIONS GRANT

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

1 to the Senate Committee on Health and Welfare regarding the feasibility of and
2 any progress towards establishing administrative service organizations for
3 child care providers.

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

5 § 4605. TECHNICAL ASSISTANCE; ACCOUNTABILITY

6 In order to ensure the successful implementation of expanded child care,
7 prekindergarten, and afterschool and summer care, Building Bright Futures
8 shall be responsible for monitoring accountability, supporting stakeholders in
9 collectively defining and measuring success, maximizing stakeholder
10 engagement, and providing technical assistance to build capacity for the
11 Department for Children and Families' Child Development Division and the
12 Agency of Education. Specifically, Building Bright Futures shall:

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

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

- 1 (A) equitable access to high-quality child care;
2 (B) equitable access to high-quality prekindergarten;
3 (C) equitable access to high-quality afterschool and summer care;
4 (D) stability of the early child care education workforce;
5 (E) workforce capacity and needs of the child care, prekindergarten,
6 afterschool and summer care systems; and
7 (F) the impact of expanded child care, prekindergarten, and
8 afterschool and summer care on a mixed-delivery system.

9 Sec. 20. APPROPRIATION; BUILDING BRIGHT FUTURES

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

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

17 GOVERNANCE

18 (a) On or before November 1, 2025, the Secretary of Human Services shall
19 submit an implementation plan to the House Committees on Appropriations,
20 on Government Operations and Military Affairs, and on Human Services and
21 to the Senate Committees on Appropriations, on Government Operations, and

1 on Health and Welfare regarding the reorganization of the Department for
2 Children and Families to increase responsiveness to Vermonters and elevate
3 the status of child care and early education within the Agency of Human
4 Services. The implementation plan shall be consistent with the goals of the
5 report produced pursuant to 2021 Acts and Resolves No. 45, Sec. 13. It shall
6 achieve greater parity in decision-making authority, roles and responsibilities,
7 and reporting structure related to early care and learning across the Agency of
8 Education and Agency of Human Services.

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

11 Sec. 22. [Deleted.]

12 * * * Child Care Provider Wages * * *

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

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

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

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

4 (3) the initial minimum wage rates may be adjusted for inflation based
5 on the findings and recommendations of the report prepared pursuant to Sec.
6 23a of this act.

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

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

15 * * * Child Care Contribution * * *

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

17 CHAPTER 246. CHILD CARE CONTRIBUTION

18 § 10551. PURPOSE

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

1 § 10552. DEFINITIONS

2 As used in this chapter:

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

4 (2) “Employee” means an individual who receives payments with
5 respect to services performed for an employer from which the employer is
6 required to withhold Vermont income tax pursuant to chapter 151, subchapter
7 4 of this title.

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

11 (4) “Self-employed individual” means an individual who earns self-
12 employment income.

13 (5) “Self-employment income” has the same meaning as in 26 U.S.C.
14 § 1402.

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

17 § 10553. CONTRIBUTION; RATE; COLLECTION

18 (a)(1) Each employer shall pay the Child Care Contribution on all covered
19 wages paid to each of the employer’s employees and shall remit those amounts
20 to the Department of Taxes pursuant to the provisions of this section. An
21 employer may deduct and withhold from an employee’s covered wages an

1 amount equal to not more than one quarter of the contribution required
2 pursuant to subsection (b) of this section. An employer shall pay the
3 contributions required pursuant to this section as if the contributions were
4 Vermont income tax subject to the withholding requirements of chapter 151,
5 subchapter 4 of this title, including the requirements relating to the time and
6 manner of payment.

7 (2) Each self-employed individual shall pay the Child Care Contribution
8 on self-employment income earned by the individual and shall remit those
9 amounts to the Department of Taxes pursuant to the provisions of this section.
10 A self-employed individual shall make installment payments of estimated
11 contributions pursuant to this subdivision from the enrolled self-employed
12 individual's self-employment income as if the contributions were Vermont
13 income tax subject to the estimated payment requirements of 32 V.S.A. chapter
14 151, subchapter 5, including the time and manner of payment.

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

18 (c)(1) The Department shall collect the contributions required pursuant to
19 this section. The administrative and enforcement provisions of chapter 151 of
20 this title shall apply to the contribution requirements under this section as if the
21 contributions required pursuant to this section were Vermont income tax,

1 except penalty and interest shall apply according to chapter 103 of this title.

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

6 § 10554. CHILD CARE CONTRIBUTION SPECIAL FUND

7 (a) The Child Care Contribution Special Fund is created pursuant to
8 chapter 7, subchapter 5 of this title and shall be administered by the
9 Department for Children and Families and the Department of Taxes. Monies
10 in the Fund may be expended by the Department of Taxes for the
11 administration of the Child Care and Parental Leave Contribution created
12 under this chapter; by the Department for Children and Families for benefits
13 provided by the Child Care Financial Assistance Program established in
14 33 V.S.A. §§ 3512 and 3513, including the provision of incentive payments
15 pursuant to 33 V.S.A. § 3515; and by the Departments for necessary costs
16 incurred in administering the Fund. All interest earned on Fund balances shall
17 be credited to the Fund.

18 (b) The Fund shall consist of:

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

21 (2) any amounts transferred or appropriated to the Fund by the General

1 Assembly; and

2 (3) any interest earned by the Fund.

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

5 Sec. 25. CHILD CARE CONTRIBUTION POSITIONS AND
6 APPROPRIATION

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

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

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

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

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

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

18 (b) In fiscal year 2024, the amount of \$4,200,000.00 is appropriated from
19 the General Fund to the Department of Taxes to be used for the
20 implementation of the Child Care Contribution pursuant to 32 V.S.A. chapter
21 246 created by this act.

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. 28. 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.

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

2 § 640b. REQUEST FOR PREAUTHORIZATION TO DETERMINE IF
3 PROPOSED ~~TREATMENT IS~~ BENEFITS ARE NECESSARY

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

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

11 (1) ~~authorize~~ Authorize the ~~treatment~~ benefits and notify the health care
12 provider, the injured worker, and the Department; ~~or~~.

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

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

1 ~~(3)~~(4) ~~notify~~ Notify the health care provider, the injured worker, and
2 the Department that the insurer has scheduled an examination of the employee
3 pursuant to section 655 of this title or ordered a medical record review
4 pursuant to section ~~655~~ 655a of this title. Based on the examination or review,
5 the insurer shall authorize or deny the ~~treatment~~ benefits and notify the
6 Department and the injured worker of the decision within 45 days ~~of~~ after a
7 request for preauthorization. The Commissioner may, ~~in his or her~~ the
8 Commissioner's sole discretion, grant a 10-day extension to the insurer to
9 authorize or deny ~~treatment~~ benefits, and such an extension shall not be subject
10 to appeal.

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

20 ~~(e)~~(d) If the insurer denies the preauthorization of the ~~treatment~~ benefits
21 pursuant to subdivision ~~(a)(2)~~ of (b)(2), (3), or (4) of this section, the

1 Commissioner may, on ~~his or her~~ the Commissioner's own initiative or upon a
2 request by the claimant, issue an order authorizing the ~~treatment~~ benefits if ~~he~~
3 ~~or she~~ the Commissioner finds that the evidence shows that the ~~treatment~~ is
4 benefits are reasonable, necessary, and related to the work injury.

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

6 § 643d. WORK SEARCH; REQUIREMENTS; EXCEPTIONS

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

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

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

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

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

19 (1) is already employed; or

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

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

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

5 § 646. TEMPORARY PARTIAL DISABILITY BENEFITS

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

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

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

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

1 time of injury.

2 (b)(1) In addition to the amount paid pursuant to subsection (a) of this
3 section, the employer shall pay the injured employee during the disability
4 \$20.00 per week for each dependent child under 21 years of age, provided that
5 no other injured worker is receiving the same benefits on behalf of the
6 dependent child or children.

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

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

10 § 646. TEMPORARY PARTIAL DISABILITY BENEFITS

11 * * *

12 ~~(b)(1) In addition to the amount paid pursuant to subsection (a) of this~~
13 ~~section, the employer shall pay the injured employee during the disability~~
14 ~~\$20.00 per week for each dependent child under 21 years of age, provided that~~
15 ~~no other injured worker is receiving the same benefits on behalf of the~~
16 ~~dependent child or children.~~

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

19 [Repealed.]

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

2 § 642. TEMPORARY TOTAL DISABILITY BENEFITS

3 (a)(1) Where the injury causes total disability for work, during such the
4 disability, but not including the first three days; with the day of the accident to
5 be counted as the first day; unless the employee received full wages for that
6 day, the employer shall pay the injured employee a weekly compensation equal
7 to two-thirds of the employee's average weekly wages; but,

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

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

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

21 (2) The amount allowed for the dependent children shall be adjusted

1 weekly to reflect the number of dependent children during each week of
2 payment.

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

5 (1) An employee's total weekly wage replacement benefits, including
6 any payments for a dependent child, shall not exceed 90 percent of the
7 employee's average weekly wage prior to applying any applicable cost of
8 living adjustment. ~~The amount allowed for dependent children shall be~~
9 ~~increased or decreased weekly to reflect the number of dependent children~~
10 ~~extant during the week of payment.~~

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

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

15 § 642. TEMPORARY TOTAL DISABILITY BENEFITS

16 * * *

17 (b)(1) In addition to the amount paid pursuant to subsection (a) of this
18 section, the employer shall pay the injured employee during the disability
19 ~~\$20.00~~ \$10.00 per week for each dependent child who is under 21 years of age,
20 provided that no other injured worker is receiving the same benefits on behalf
21 of the dependent child or children.

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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

1 adjusted for each July 1 following the date of injury regardless of whether
2 indemnity benefits were paid on each intervening July 1.

3 (e)(1) If weekly compensation benefits or weekly accrued benefits are not
4 paid within 21 days after becoming due and payable pursuant to an order of the
5 Commissioner, or in cases in which the overdue benefit is not in dispute, 10
6 percent of the overdue amount shall be added and paid to the employee, in
7 addition to any amounts due pursuant to subsection (f) of this section and
8 interest and any other penalties.

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

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

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

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

1 employee's successful request for payment under this subsection.

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

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

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

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

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

19 § 678. COSTS; ATTORNEY'S FEES

20 (a) ~~Necessary costs of proceedings under this chapter, including deposition~~
21 ~~expenses, subpoena fees, and expert witness fees, shall be assessed by the~~

1 ~~Commissioner against the employer or its workers' compensation carrier when~~
2 ~~the claimant prevails. The Commissioner may allow the claimant to recover~~
3 ~~reasonable attorney's fees when the claimant prevails.~~ Costs shall not be taxed
4 or allowed either party except as provided in this section.

5 (b)(1) When a claimant prevails in either a formal or informal proceeding
6 under this chapter, the Commissioner shall award the claimant necessary costs
7 incurred in relation to the proceeding, including deposition expenses, subpoena
8 fees, and expert witness fees.

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

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

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

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

20 (c)(1) In appeals to the Superior or Supreme Court, if the claimant prevails,
21 he or she the claimant shall be entitled to reasonable attorney's fees as

1 approved by the court; necessary costs, including deposition expenses,
2 subpoena fees, and expert witness fees; and interest at the rate of 12 percent
3 per annum on that portion of any award the payment of which is contested.

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

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

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

20 * * *

1 subdivision (5), becomes an employer within any calendar year, it shall be
2 subject to this chapter for the whole of ~~such~~ the calendar year.

3 (B)(i) Any employing unit for which service in employment for a
4 religious, charitable, educational, or other organization as defined in
5 subdivision (6)(A)(ix) of this section is performed after December 31, 1971 $\frac{1}{2}$,
6 except as provided in subdivision ~~(5)(C)~~ of this ~~section~~ subdivision (5).

7 * * *

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

1 the services covered by ~~said approved~~ the election as having been performed
2 wholly ~~without~~ outside the jurisdiction of this State.

3 * * *

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

8 ~~(I)~~ the service is excluded from “employment” as defined in the
9 Federal Unemployment Tax Act solely by reason of ~~section~~ subdivision
10 3306(c)(8) of that act; ~~and~~

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

16 * * *

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

18 § 1321. CONTRIBUTIONS; TAXABLE WAGE BASE CHANGES

19 * * *

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

21 (A) Benefits paid to employees of nonprofit organizations shall be

1 financed in accordance with the provisions of this subsection (c).

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

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

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

1 [Repealed.]

2 (B) Any nonprofit organization ~~which~~ that becomes subject to this
3 chapter ~~after January 1, 1972~~ may elect to become liable for payments in lieu
4 of contributions for a period of not less than 12 months ~~beginning with the date~~
5 ~~on which such subjectivity begins~~ by filing a written notice of its election with
6 the Commissioner not later than 30 days immediately following the date of the
7 determination ~~of such subjectivity~~ that the organization is subject to this
8 chapter.

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

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

1 year.

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

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

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

17 (A) At the end of each calendar quarter, or at the end of any other
18 period as determined by the Commissioner, the Commissioner shall bill each
19 nonprofit organization, or group of ~~such~~ nonprofit organizations, ~~which that~~
20 has elected to make payments in lieu of contributions for an amount equal to
21 the full amount of regular benefits plus one-half of the amount of extended

1 benefits paid during ~~such~~ the quarter or other prescribed period that is
2 attributable to service in the employ of ~~such~~ the organization.

3 (B)(i) Each nonprofit organization that has elected payments in lieu
4 of contributions may request permission to make ~~such~~ payments as provided in
5 this subdivision (c)(3)(B). ~~Such method of payment~~ Payment pursuant to the
6 provisions of this subdivision (c)(3)(B) shall become effective upon approval
7 of the Commissioner.

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

12 ~~(I) For 1972, two tenths of one percent of its total payroll for~~
13 ~~1971.~~

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

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

1 ~~that year as the Commissioner shall determine.~~

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

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

18 (C) Payment of any bill rendered under subdivision (2) ~~or subdivision~~
19 ~~(3)~~ of this subsection (c) or this subdivision (c)(3) shall be made not later than
20 30 days after the bill is mailed to the last known address of the nonprofit
21 organization or is otherwise delivered to it, unless there has been an application

1 for redetermination by the Commissioner or a petition for hearing before a
2 referee in accordance with subdivision ~~(3)~~(E) of this ~~subsection~~ subdivision
3 (c)(3).

4 (D) Payments made by any nonprofit ~~corporation~~ organization under
5 the provisions of this section shall not be deducted or deductible, in whole or in
6 part, from the remuneration of individuals in the employ of the organization.

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

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

18 (iii) Proceedings on the petition for a hearing before a referee on
19 the amount of a bill rendered under this section or a redetermination of ~~such~~
20 the amount shall be in accordance with the provisions of section 1331 of this
21 title, and the decision of the referee shall be subject to the provisions of that

1 section. Review of the decision of the referee by the Employment Security
2 Board shall be in accordance with, and its decision shall be subject to, the
3 provisions of section 1332 of this title.

4 (F) Any employer, including the State of Vermont ~~which,~~ that makes
5 payments in lieu of contributions under this section shall be subject to the
6 provisions of sections 1314, 1322, 1328, 1329, 1334, and 1336 of this title as
7 follows:

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

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

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

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

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

1 (4) Authority to terminate elections. If any nonprofit organization is
2 delinquent in making payments in lieu of contributions as required under this
3 subsection, the Commissioner may terminate ~~such~~ the organization's election
4 to make payments in lieu of contributions as of the beginning of the next
5 taxable year, and the termination shall be effective for that and the next taxable
6 year.

7 (5) Allocation of benefit costs.

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

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

18 ~~(A) Proportionate allocation when fewer than all base period~~
19 ~~employers are liable for reimbursement. If benefits paid to an individual are~~
20 ~~based on wages paid by one or more employers that are liable for payments in~~
21 ~~lieu of contributions and on wages paid by one or more employers who are~~

1 ~~liable for contributions, the amount of benefits payable by each employer that~~
2 ~~is liable for payments in lieu of contributions shall be an amount which that~~
3 bears the same ratio to the total benefits paid to the individual as the total base-
4 period wages paid to the individual by ~~such~~ the employer bear to the total base-
5 period wages paid to the individual by all of ~~his or her~~ the individual's base-
6 period employers.

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

15 (6) Group accounts. Two or more employers that have become liable
16 for payments in lieu of contributions, in accordance with the provisions of this
17 section and section 1380 of this title, may file a joint application to the
18 Commissioner for the establishment of a group account for the purpose of
19 sharing the cost of benefits paid that are attributable to service in the employ of
20 ~~such~~ the employers. Each application shall identify and authorize a group
21 representative to act as the group's agent for the purpose of this section. Upon

1 ~~his or her~~ approval of the application, the Commissioner shall establish a group
2 account for ~~such the~~ employers effective as of the beginning of the calendar
3 quarter in which ~~he or she~~ the Commissioner receives the application and shall
4 notify the group's representative of the effective date of the account. The
5 account shall remain in effect for not less than two years and thereafter until
6 terminated at the discretion of the Commissioner or upon application by the
7 group. Upon establishment of the account, each member of the group shall be
8 liable for payments in lieu of contributions with respect to each calendar
9 quarter in the amount that bears the same ratio to the total benefits paid in ~~such~~
10 the quarter that are attributable to service performed in the employ of all
11 members of the group as the total wages paid for service in employment by
12 ~~such the~~ member in ~~such the~~ quarter bear to the total wages paid during ~~such~~
13 the quarter for service performed in the employ of all members of the group.
14 The Board shall ~~prescribe regulations~~ adopt rules as it deems necessary with
15 respect to applications for establishment, maintenance, and termination of
16 group accounts that are authorized by this subdivision, for addition of new
17 members to, and withdrawal of active members from, such accounts, and for
18 the determination of the amounts that are payable under this ~~section~~ subsection
19 by members of the group and the time and manner of ~~such the~~ payments.

20 (7) ~~Notwithstanding any of the foregoing provisions of this section, any~~
21 ~~nonprofit organization that prior to January 1, 1969, paid contributions~~

1 ~~required by this section, and, pursuant to subsection (c) of this section, elects~~
2 ~~within 30 days after January 1, 1972, to make payments in lieu of~~
3 ~~contributions, shall not be required to make any such payment on account of~~
4 ~~any regular or extended benefits paid, on the basis of wages paid by such~~
5 ~~organization to individuals for weeks of unemployment which begin on and~~
6 ~~after the effective date of the election until the total amount of benefits equals~~
7 ~~the amount (1) by which the contributions paid by the organization with~~
8 ~~respect to the two year period before the effective date of the election under~~
9 ~~subsection (b) of this section exceed (2) the total amount of unemployment~~
10 ~~benefits paid for the same period that were attributable to service performed in~~
11 ~~the employ of the organization and were charged to the experience rating~~
12 ~~record of the organization. [Repealed.]~~

13 * * *

14 (f) Any employer who makes payments in lieu of contributions under the
15 provisions of this section is considered to be self-insuring and shall pay to the
16 Commissioner for the Unemployment Compensation Trust Fund ~~such any~~
17 amounts as the Commissioner finds to be due under this chapter, including
18 benefits paid but denied on appeal or benefits paid in error ~~which~~ that cannot
19 be properly charged either against another employer who makes payments in
20 lieu of contributions or against the experience-rating record of another
21 employer who pays contributions. Benefits improperly paid where repayment

1 by the claimant is ordered pursuant to subsection 1347(a) or (b) of this title
2 will be credited to the employer's account when repayment from the claimant
3 is actually received by the Commissioner.

4 Sec. 42. NONPROFIT AND MUNICIPAL REIMBURSABLE

5 EMPLOYERS; EDUCATION; OUTREACH

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

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

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

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

1 (4) provide information developed by the Vermont League of Cities and
2 Towns, Common Good Vermont, United Way of Northwest Vermont, and
3 other interested stakeholders regarding how a nonprofit or municipal employer
4 can plan and budget for the potential expenses associated with each of the
5 options identified in subdivision (1) of this subsection; and

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

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

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

1 (c) The Department of Labor, in collaboration with the Vermont League of
2 Cities and Towns, Common Good Vermont, United Way of Northwest
3 Vermont, and other interested stakeholders, shall hold one or more
4 informational sessions to present the materials and information developed
5 pursuant to subsection (a) of this section to nonprofit employers and municipal
6 employers. At least one session shall be held on or before November 1, 2023.
7 Each session shall allow for both in-person and remote participation and shall
8 be recorded. Recordings shall be made available to the public and to
9 stakeholder organizations for distribution to their members.

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

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

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

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

14 (b) The report shall include:

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

21 (2) information, to the extent it is available, regarding the number of

1 approved claims in the states identified pursuant to subdivision (1) of this
2 subsection where the individual separated from employment due to
3 circumstances similar to those described in subsection (a) of this section;

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

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

12 (5) any recommendations for legislative action.

13 Sec. 45. DOMESTIC AND SEXUAL VIOLENCE SURVIVORS’

14 TRANSITIONAL EMPLOYMENT PROGRAM; UTILIZATION;
15 REPORT

16 On or before January 15, 2024, the Commissioner of Labor shall submit a
17 written report to the House Committee on Commerce and Economic
18 Development and the Senate Committee on Economic Development, Housing
19 and General Affairs regarding the utilization of the Domestic and Sexual
20 Violence Survivors’ Transitional Employment Program. The report shall
21 include information regarding the utilization of the Program during the past 10

1 years, a summary of the Department's efforts to make members of the public
2 aware of the Program and improve access to it, how the identified changes
3 have impacted utilization of the Program in comparison to prior years, any
4 potential ways to further increase awareness and utilization of the Program,
5 and any suggestions for legislative action to improve awareness or utilization
6 of the Program.

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

8 § 1256. NOTIFICATION TO THE PUBLIC

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

17 * * * Effective Dates * * *

18 Sec. 47. EFFECTIVE DATES

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

21 (b)(1) Sec. 3 (determination of weighted long-term membership and per

1 pupil education spending) shall take effect on July 1, 2026, subject to the
2 contingency provisions in Sec. 3a.

3 (2) Sec. 5 (Child Care Financial Assistance Program; eligibility), Sec. 6
4 (provider rate adjustment; Child Care Financial Assistance Program), and Sec.
5 9 (payment to providers) shall take effect on January 1, 2024, except that the
6 Commissioner for Children and Families shall initiate any rulemaking
7 necessary prior to that date in order to perform the Commissioner's duties
8 under this act.

9 (3) Sec. 5a (Child Care Financial Assistance Program; eligibility) and
10 Sec. 5d (fiscal year 2024; family contribution) shall take effect on April 1,
11 2024, except that the Commissioner for Children and Families shall initiate
12 any rulemaking necessary prior to that date in order to perform the
13 Commissioner's duties under this act.

14 (4) Sec. 5b (Child Care Financial Assistance Program; eligibility), Sec.
15 9a (payment to providers), and Sec. 10 (child care quality and capacity
16 incentive program) shall take effect on July 1, 2024, except that the
17 Commissioner for Children and Families shall initiate any rulemaking
18 necessary prior to that date in order to perform the Commissioner's duties
19 under this act.

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

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

2 (7) Secs. 26 (Workers' Compensation Administrative Fund rate of
3 contribution) and 28 (extension prior to proposed discontinuance of workers'
4 compensation benefits) shall take effect on passage.

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

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