

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred Senate Bill No.
3 56 entitled “An act relating to child care and early childhood education”
4 respectfully reports that it has considered the same and recommends that the
5 House propose to the Senate that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Legislative Intent * * *

8 Sec. 1. LEGISLATIVE INTENT

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

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

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

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

16 (4) stabilize Vermont’s talented child care workforce;

17 (5) address the workforce needs of the State’s employers;

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

20 (7) assign school districts with the responsibility of ensuring equitable
21 prekindergarten access for children who are four years of age on the date by

1 which the child’s school district requires kindergarten students to have attained
2 five years of age or who are five years of age and not yet enrolled in
3 kindergarten.

4 * * * Prekindergarten * * *

5 Sec. 2. PREKINDERGARTEN EDUCATION IMPLEMENTATION

6 COMMITTEE; PLAN

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

18 (b)(1) Membership. The Committee shall be composed of the following
19 members:

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

1 (B) the Secretary of Human Services or designee, who shall serve as

2 co-chair;

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

4 designee;

5 (D) the Executive Director of the Vermont Superintendents

6 Association or designee;

7 (E) the Executive Director of the Vermont School Board Association

8 or designee;

9 (F) the Executive Director of the Vermont National Education

10 Association or designee;

11 (G) the Chair of the Vermont Council of Special Education

12 Administrators or designee;

13 (H) the Executive Director of the Vermont Curriculum Leaders

14 Association or designee;

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

16 (J) a representative of a prequalified private provider as defined in 16

17 V.S.A. § 829, operating a licensed center-based child care and preschool

18 program, appointed by the Speaker of the House;

19 (K) a representative of a prequalified private provider as defined in

20 16 V.S.A. § 829, providing prekindergarten education at a regulated family

21 child care home, appointed by the Committee on Committees;

1 (L) the Head Start Collaboration Office Director or designee;
2 (M) the Executive Officer of Let’s Grow Kids or designee;
3 (N) a representative, appointed by Vermont Afterschool, Inc.; and
4 (O) two family representatives, one with a child three years of age or
5 younger when the Committee initially convenes and the second with a
6 prekindergarten-age child when the Committee initially convenes, appointed
7 by the Building Bright Futures Council.

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

11 (c) Powers and duties. The Committee shall examine the delivery of
12 prekindergarten education in Vermont and make recommendations to expand
13 access for children through the public school system or private providers under
14 contract with the school district, or both. The Committee shall examine and
15 make recommendations on the changes necessary to provide prekindergarten
16 education to all children by and through the public school system on or before
17 July 1, 2026, including transitioning children who are three years of age from
18 the 10-hour prekindergarten benefit to child care and early education. The
19 Committee’s recommendation shall consider the needs of both the State and
20 local education agencies.

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

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

13 (f) Meetings.

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

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

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

18 (g) Compensation and reimbursement. Members of the Committee who
19 are not employees of the State of Vermont and who are not otherwise
20 compensated or reimbursed for their attendance shall be entitled to per diem
21 compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010

1 for not more than 18 meetings. These payments shall be made from monies
2 appropriated to the Agency of Education.

3 (h) Appropriations.

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

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

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

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

13 § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP

14 AND PER PUPIL EDUCATION SPENDING

15 * * *

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

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

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

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

6 (C) grades nine through 12—0.39.

7 * * *

8 * * * Agency of Education * * *

9 Sec. 4. 16 V.S.A. § 213 is amended to read:

10 § 213. DEPUTY SECRETARIES

11 ~~The Secretary shall employ such number of deputy secretaries as he or she~~
12 ~~deems necessary at least two deputy secretaries.~~

13 Sec. 4a. AGENCY OF EDUCATION; DEPUTY SECRETARY

14 AUTHORIZATION

15 The establishment of a second Deputy Secretary position within the Agency
16 of Education pursuant to 16 V.S.A. § 213 is authorized beginning in fiscal year
17 2025.

18 Sec. 4b. PLAN; DEPUTY SECRETARY OF EDUCATION

19 On or before November 1, 2023, the Agency of Education shall submit a
20 plan to the House Committees on Education and on Human Services and to the
21 Senate Committees on Education and on Health and Welfare to implement a

1 second deputy secretary position within the Agency of Education in
2 accordance with Secs. 4 and 4a of this act and the report produced pursuant to
3 2021 Acts and Resolves No, 45, Sec. 13.

4 * * * Child Care and Child Care Subsidies * * *

5 Sec. 5. 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 Consumer Price Index. Families shall be found eligible
20 using an income eligibility scale based on the current federal poverty level and
21 adjusted for the size of the family. Co-payments shall be assigned to the whole

1 family and shall not increase if more than one eligible child is enrolled in child
2 care. Families with an annual gross income of less than or equal to 150
3 percent of the current federal poverty guidelines shall not have a family co-
4 payment. Families with an annual gross income up to and including 350 not to
5 exceed 550 percent of current federal poverty guidelines, adjusted for family
6 size, shall be eligible for a subsidy authorized by the subsection. The scale
7 shall be structured so that it encourages employment. If the federal poverty
8 guidelines decrease in a given year, the Division shall maintain the previous
9 year's federal poverty guidelines for the purpose of determining eligibility and
10 benefit amount under this subsection.

11 (3) Earnings deposited in a qualified child education savings account,
12 such as the Vermont Higher Education Investment Plan, established in
13 16 V.S.A. § 2877, or any similar plan qualified under 26 U.S.C. § 529, shall be
14 disregarded in determining the amount of a family's income for the purpose of
15 determining continuing eligibility.

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

21 * * *

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

2 **§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;**

3 **ELIGIBILITY**

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

10 * * *

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

13 Applications shall be available in both electronic and paper formats and
14 comply with the Office of Racial Equity’s 2023 Language Access Report.

15 (6) A Vermont resident who has a citizenship status that would
16 otherwise exclude the resident from participating in the Child Care Financial
17 Assistance Program shall be served under this Program, provided that the
18 benefit for these residents is solely State-funded. The Department shall not
19 retain data on the citizenship status of any applicant or participant once a child
20 is no longer participating in the program, and it may not request the citizenship
21 status of any members of the applicant’s family. Any records created pursuant

1 to this subsection shall be exempt from public inspection and copying under
2 the Public Records Act.

3 * * *

4 Sec. 5b. FISCAL YEAR 2024; FAMILY CONTRIBUTION

5 In fiscal year 2024, a weekly family contribution for participants in the
6 Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and
7 3513 shall begin at \$27.00 for families at 151 percent of the federal poverty
8 level and increase progressively for families at a higher percentage of the
9 federal poverty level as determined by the Department.

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

12 (a) It is the intent of the General Assembly that the provider rate
13 adjustment established in this section shall be utilized to begin implementing
14 the recommendations for a professional pay scale as examined in Sec. 14 of
15 this act.

16 (b)(1) On January 1, 2024, the Department for Children and Families shall
17 provide an adjustment to the base child care provider reimbursement rates in
18 the Child Care Financial Assistance Program for child care services provided
19 by center-based child care and preschool programs, family child care homes,
20 and afterschool and summer programs. The adjusted reimbursement rate shall
21 account for the age of the children served and be 38.5 percent higher than the

1 fiscal year 2023 five-STAR reimbursement rate in the Vermont STARS system
2 or higher in the case of family child care homes for the purpose of reducing the
3 differential between family child care homes and center-based child care and
4 preschool programs by 50 percent. All providers in the same child care setting
5 category shall receive an identical reimbursement rate payment, which shall be
6 dependent upon whether the provider operates a regulated child care center and
7 preschool program, regulated family child care home, or afterschool or
8 summer program.

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

11 Sec. 7. APPROPRIATION; CHILD CARE FINANCIAL ASSISTANCE
12 PROGRAM

13 (a) In addition to fiscal year 2024 funds appropriated for the Child Care
14 Financial Assistance Program in other acts, in fiscal year 2024, \$48,699,264.00
15 is appropriated from the General Fund to the Department for Children and
16 Families' Child Development Division for:

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

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

19 (b) In addition to fiscal year 2024 funds appropriated for the administration
20 of the Department for Children and Families' Child Development Division in
21 other acts, in fiscal year 2024, \$4,000,000.00 is appropriated from the General

1 Fund to the Division to administer the Child Care Financial Assistance
2 Program eligibility expansion in Sec. 5 of this act and for the fiscal year 2024
3 provider rate adjustment in Sec. 6 of this act through the authorization of 11
4 new positions within the Division. The Division shall allocate at least
5 \$2,000,000.00 of the amount appropriated in this subsection to the Community
6 Child Care Support Agencies.

7 Sec. 8. READINESS PAYMENTS; CHILD CARE FINANCIAL
8 ASSISTANCE PROGRAM

9 (a)(1) In fiscal year 2024, \$18,873,235.00 is appropriated one time from
10 the General Fund to the Department for Children and Families' Child
11 Development Division for the purpose of providing payments to child care
12 providers, as defined in 33 V.S.A. § 3511, delivering child care services to
13 children, in preparation of the Child Care Financial Assistance Program
14 eligibility expansion in Sec. 5 of this act and for the fiscal year 2024 provider
15 rate adjustment in Sec. 6 of this act. Readiness payments may be used for the
16 following:

17 (A) increasing capacity for infants and toddlers;

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

19 (C) improving child care facilities;

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

- 1 (E) increasing workforce capacity, including signing and retention
2 bonuses; and
3 (F) any other uses approved by the Commissioner.

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

8 (b) In administering the readiness payment program established by this
9 section, the Division may either use the same distribution framework used to
10 distribute Child Care Development Block Grant funds in accordance with the
11 American Rescue Plan Act of 2021 or it may utilize an alternative distribution
12 framework.

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

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

17 § 3514. PAYMENT TO PROVIDERS

18 (a)(1) The Commissioner shall establish a payment schedule for purposes
19 of reimbursing providers for full- or part-time child care services rendered to
20 families who participate in the programs established under section 3512 or
21 3513 of this title. Payments established under this section shall reflect the

1 following considerations: whether the provider operates a licensed child care
2 facility or a registered family child care home, type of service provided, cost of
3 providing the service, and the prevailing market rate for comparable service.
4 The payment schedule shall account for the age of the children served, and all
5 providers in the same child care setting category shall receive a reimbursement
6 rate payment, which shall be dependent upon whether the provider operates a
7 child care center and preschool program, family child care home, or
8 afterschool or summer program. The rate used to reimburse providers shall be
9 increased over the previous year's rate annually on July 1 in alignment with the
10 most recent annual average wage growth for NAICS code 611, Educational
11 Services, not to exceed five percent.

12 (2) Payments shall be based on enrollment status or any other basis
13 agreed to by the provider and the Division. The Department, in consultation
14 with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to
15 3 V.S.A. chapter 25 that define "enrollment" and the total number of allowable
16 absences to continue participating in the Child Care Financial Assistance
17 Program. The Department shall minimize itemization of absence categories.

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

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

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

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

9 § 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE

10 PROGRAM

11 (a) The Commissioner shall establish a child care quality and capacity
12 incentive program for child care providers participating in the Child Care
13 Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513.
14 Annually, consistent with funds appropriated for this purpose, the
15 Commissioner may provide a child care provider with an incentive payment
16 for the following achievements:

17 (1) completing a Commissioner-approved training on protective or
18 family support services;

19 (2) achieving improvement in the State's quality recognition and
20 improvement system;

21 (3) increasing infant and toddler capacity;

- 1 (4) maintaining existing infant and toddler capacity;
2 (5) establishing capacity in regions of the State that are identified by the
3 Commissioner as underserved;
4 (6) achieving a higher level in the quality rating and improvement
5 system, including increasing access to culturally appropriate care and
6 multilingual programming and providing other family support services similar
7 to those provided in approved Head Start programs; and
8 (7) any other quality- or capacity-specific criteria identified by the
9 Commissioner.

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

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

13 § 3516. CHILD CARE WAITLIST AND APPLICATION FEES

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

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

2 § 3517. CHILD CARE TUITION RATES

3 A child care provider shall not impose an increase on annual child care
4 tuition that exceeds 1.5 times the most recent annual increase in the **Consumer**
5 **Price Index**. This amount shall be posted on the Department's website
6 annually.

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

8 § 3518. DIVERSITY AND INCLUSION

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

12 Sec. 12b. RULEMAKING; CHILD CARE DIRECTORS

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

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

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

1 (3) Department for Children and Families, Child Care Licensing
2 Regulations; Registered and Licensed Family Child Care Homes (CVR 13-
3 171-005).

4 * * * Reports * * *

5 Sec. 13. 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. 14. PROVIDER COMPENSATION; ESTIMATE AND ANALYSIS

14 (a) On or before November 1, 2024, the Joint Fiscal Office, in consultation
15 with the Department for Children and Families and the Vermont Association
16 for the Education of Young Children, shall submit a report to the House
17 Committee on Human Services and to the Senate Committee on Health and
18 Welfare containing a fiscal estimate of the cost of implementing a professional
19 tiered system of compensation for the child care workforce using the total-cost-
20 of-care model.

1 **(b) On or before November 1, 2024, the Office of Legislative Counsel shall**
2 **submit a report to the House Committee on Human Services and to the Senate**
3 **Committee on Health and Welfare concerning the extent to which the State is**
4 **authorized to impose a compensation scale on private child care providers for**
5 **professionals providing child care services.**

6 * * * Special Accommodations Grant * * *

7 Sec. 15. **PLAN**; SPECIAL ACCOMMODATIONS GRANT

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

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

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

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

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

21 * * * Afterschool and Summer Care Grant Program * * *

1 Sec. 16. 33 V.S.A. chapter 38 is added to read:

2 CHAPTER 38. AFTERSCHOOL AND SUMMER CARE GRANT

3 PROGRAM

4 § 3801. AFTERSCHOOL AND SUMMER CARE GRANT PROGRAM

5 (a) There is created the Afterschool and Summer Care Grant Program for
6 the purpose of providing grants for child and youth programming operated in
7 public or private settings outside of the school day and over the summer,
8 including before and after school, teacher in-service days, and school vacation
9 weeks. Grants may be used by an afterschool and summer care operator for
10 technical assistance, program implementation, program expansion, program
11 sustainability, and related costs.

12 (b) In selecting from among eligible grant applicants, the Agency of
13 Education and the Department for Children and Families shall prioritize
14 applications that serve children and youth in underserved communities.

15 (c)(1) The Agency and Department shall jointly adopt policies, procedures,
16 and guidelines necessary for the implementation of the Program established
17 pursuant to this section.

18 (2) The Agency and Department may jointly contract for the
19 administration of the Program. Administrative costs and technical assistance
20 related to the Afterschool and Summer Care Grant Program shall not exceed
21 \$500,000.00 annually.

1 § 3802. AFTERSCHOOL AND SUMMER CARE SPECIAL FUND

2 (a) There is established a special fund to be known as the Afterschool and
3 Summer Care Special Fund, which shall be used for the purpose of funding the
4 Afterschool and Summer Care Grant Program established pursuant to section
5 3801 of this title.

6 (b) The Fund shall be established and held separate and apart from any
7 other funds or monies of the State and shall be used and administered
8 exclusively for the purpose of this section. The money in the Fund shall be
9 invested in the same manner as permitted for the investment of funds
10 belonging to the State or held in the Treasury. The Fund shall consist of any
11 combination of the following:

12 (1) cannabis sales tax revenue pursuant to 32 V.S.A. § 7910;

13 (2) such sums as may be appropriated or transferred thereto from time to
14 time by the General Assembly, the State Emergency Board, or the Joint Fiscal
15 Committee during such times as the General Assembly is not in session;

16 (3) interest earned from the investment of Fund balances; and

17 (4) any other money from any other source accepted for the benefit of
18 the Fund.

19 (c) The Fund shall be administered by the Afterschool and Summer Care
20 Special Fund Advisory Committee established pursuant to section 3803 of this
21 title.

1 (d) The Advisory Committee shall administer awards in such a way as to
2 comply with the requirements of Section 108(f) of the Internal Revenue Code.

3 § 3803. AFTERSCHOOL AND SUMMER CARE SPECIAL FUND

4 ADVISORY COMMITTEE

5 (a) There is created the Afterschool and Summer Care Special Fund
6 Advisory Committee jointly managed by the Agency of Education and the
7 Department for Children and Families to:

8 (1) provide recommendations to the Secretary of Education and the
9 Commissioner for Children and Families regarding the Afterschool and
10 Summer Care Grant Program established pursuant to section 3801 of this title;
11 and

12 (2) administer the Afterschool and Summer Care Special Fund
13 established pursuant to section 3802 of this title.

14 (b) The Advisory Committee shall comprise the following:

15 (1) the Chief Prevention Officer established in 3 V.S.A. § 2321, who
16 shall serve as chair;

17 (2) the Commissioner of Mental Health or designee;

18 (3) the Commissioner of Health or designee;

19 (4) the Commissioner for Children and Families or designee;

20 (5) the Secretary of Education or designee;

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

1 (7) a representative of a municipality that operates an afterschool or
2 summer program, appointed by the Vermont League of Cities and Towns; and

3 (8) two parents whose children participate in an afterschool or summer
4 program.

5 (c)(1) The Chief Prevention Officer shall call the first meeting of the
6 Advisory Committee to occur on or before September 1, 2023.

7 (2) The Advisory Committee shall meet at such times as may reasonably
8 be necessary to carry out its duties but at least once in each calendar quarter.

9 (3) The Agency of Education and Department for Children and Families
10 shall provide technical, legal, and administrative assistance to the Advisory
11 Committee.

12 (d) Notwithstanding 2 V.S.A. § 20(d), on or before November 15 of each
13 year, the Advisory Committee shall submit a report containing a summary of
14 its activities and any recommendations to the House Committees on
15 Appropriations and on Human Services and to the Senate Committees on
16 Appropriations and on Health and Welfare. The report shall address outcomes
17 data on grants awarded pursuant to section 3801 of this title during the
18 previous year, including:

19 (1) the number of afterschool and summer care operators receiving a
20 grant under section 3801 of this title;

1 (2) the number of children and youth served and hours of care provided
2 by afterschool and summer care operators receiving a grant under section 3801
3 of this title;

4 (3) the geographic distribution of afterschool and summer care operators
5 receiving a grant under section 3801 of this title; and

6 (4) the extent to which family costs are reduced for the care of children
7 and youth served by afterschool and summer care operators receiving a grant
8 under section 3801 of this title.

9 Sec. 17. 32 V.S.A. chapter 207 is amended to read:

10 CHAPTER 207. CANNABIS EXCISE TAX AND SALES TAX REVENUE

11 * * *

12 § 7910. CANNABIS SALES TAX REVENUE; AFTERSCHOOL AND
13 SUMMER CARE PROGRAMMING

14 Notwithstanding 16 V.S.A. § 4025, revenue from the sales and use tax
15 imposed by chapter 233 of this title on retail sales of cannabis or cannabis
16 products in this State shall be deposited into the Afterschool and Summer Care
17 Special Fund established pursuant to 33 V.S.A. § 3802.

18 * * * Workforce Supports * * *

19 Sec. 18. 2021 Acts and Resolves No. 45, Sec. 8 is amended to read:

20 Sec. 8. REPEALS

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

3 (b) 33 V.S.A. § 3542 (scholarships for prospective early childhood
4 providers) is repealed on July 1, 2026. [Repealed.]

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

7 Sec. 19. APPROPRIATION; SCHOLARSHIPS FOR CURRENT EARLY
8 CHILDHOOD PROVIDERS

9 In fiscal year 2024, \$500,000.00 is appropriated in addition to the base
10 funding to the Department for Children and Families for the purpose of
11 funding scholarships for current early childhood providers pursuant to 33
12 V.S.A. § 3541.

13 * * * Transitional Assistance and Governance * * *

14 Sec. 20. CHILD CARE; ADMINISTRATIVE SERVICE ORGANIZATIONS

15 On or before February 15, 2024, the Department for Children and Families
16 shall provide a presentation to the House Committee on Human Services and
17 to the Senate Committee on Health and Welfare regarding its progress to date
18 on establishing an administrative service organization for child care providers.

19 Sec. 21. 33 V.S.A. § 4605 is added to read:

20 § 4605. TECHNICAL ASSISTANCE; ACCOUNTABILITY

- 1 In order ensure the successful implementation of expanded child care,
2 prekindergarten, and afterschool and summer care, Building Bright Futures
3 shall be responsible for monitoring accountability, supporting stakeholders in
4 collectively defining and measuring success, maximizing stakeholder
5 engagement, and providing technical assistance to build capacity for the
6 Department for Children and Families’ Child Development Division and the
7 Agency of Education. Specifically, Building Bright Futures shall:
- 8 (1) ensure accountability through monitoring transitions over time and
9 submitting a report with the results of this work on January 15 of each year to
10 the House Committee on Human Services and to the Senate Committee on
11 Health and Welfare;
- 12 (2) define and measure success for expanded child care,
13 prekindergarten, and afterschool and summer care related to process,
14 implementation, and outcomes using a continuous quality improvement
15 framework and engage public, private, legislative, and family partners to
16 develop benchmarks pertaining to:
- 17 (A) equitable access to high-quality child care;
18 (B) equitable access to high-quality prekindergarten;
19 (C) equitable access to high-quality afterschool and summer care;
20 (D) stability of the early child care education workforce;
21 (E) workforce capacity and needs; and

1 (F) the impact of this act on a mixed-delivery system for
2 prekindergarten, child care, and afterschool and summer care.

3 **Sec. 21. APPROPRIATION; BUILDING BRIGHT FUTURES**

4 Of the funds appropriated in Sec. 7(b) (appropriation; child care financial
5 assistance program) of this act, the Department for Children and Families shall
6 allocate \$266,707.00 to Building Bright Futures for the purpose of
7 implementing its duties under 33 V.S.A. § 4605. This amount shall become
8 part of the Department’s base for the purpose of supporting Building Bright
9 Future’s work pursuant to 33 V.S.A. § 4605.

10 Sec. 22. **PLAN; DEPARTMENT FOR CHILDREN AND FAMILIES;**
11 **GOVERNANCE**

12 (a) On or before November 1, 2025, the Secretary of Human Services shall
13 submit an implementation plan to the House Committees on Appropriations,
14 on Government Operations and Military Affairs, and on Human Services and
15 to the Senate Committees on Appropriations, on Government Operations, and
16 on Health and Welfare regarding the reorganization of the Department for
17 Children and Families to increase responsiveness to Vermonters. The
18 implementation plan shall be consistent with the goals of the report produced
19 pursuant to 2021 Acts and Resolves No. 45, Sec. 13.

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

* * * Effective Dates * * *

1
2 Sec. 23. EFFECTIVE DATES

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

5 (b)(1) Sec. 3 (determination of weighted long-term membership and per
6 pupil education spending) shall take effect on July 1, 2026.

7 (2) Sec. 4 (deputy secretaries) shall take effect on July 1, 2024.

8 (3) Sec. 5 (Child Care Financial Assistance Program; eligibility), Sec.
9 5b (fiscal year 2024; family contribution), Sec. 6 (provider rate adjustment;
10 Child Care Financial Assistance Program), and Sec. 9 (payment to providers)
11 shall take effect on January 1, 2024, except that the Commissioner for Children
12 and Families shall adopt any rules necessary prior to that date in order to
13 perform the Commissioner’s duties under this act.

14 (4) Sec. 5a (Child Care Financial Assistance Program; eligibility) and
15 Sec. 10 (child care quality and capacity incentive program) shall take effect on
16 July 1, 2024.

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21 (Committee vote: _____)

1

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Representative _____

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FOR THE COMMITTEE