

1 H.248

2 Introduced by Representatives Gregoire of Fairfield and Noyes of Wolcott

3 Referred to Committee on

4 Date:

5 Subject: Human services; child care; CCFAP; supplement grants; payments to
6 providers

7 Statement of purpose of bill as introduced: This bill proposes to expand the
8 manner in which supplemental child care grants can be used. It further
9 proposes to make miscellaneous amendments to the Child Care Financial
10 Assistance Program.

11 An act relating to supplemental child care grants and the Child Care
12 Financial Assistance Program

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

14 Sec. 1. 33 V.S.A. § 3505 is amended to read:

15 § 3505. SUPPLEMENTAL CHILD CARE GRANTS

16 (a)(1) The Commissioner for Children and Families may reserve up to one-
17 half of one percent of the child care family assistance program funds for
18 extraordinary financial relief to assist child care programs that are at risk of
19 closing due to experiencing financial hardship. The Commissioner may
20 provide extraordinary financial relief under this subdivision to both licensed

1 and registered child care programs and to child care programs that are in the
2 process of becoming licensed or registered. The Commissioner shall develop
3 guidelines for providing assistance and shall prioritize extraordinary financial
4 relief to child care programs in areas of the State with high poverty and low
5 access to high quality child care. If a child care program has closed or the
6 Commissioner determines that a child care program is at risk of closure
7 because its operations are not fiscally sustainable, ~~he or she~~ the Commissioner
8 may provide assistance to transition children served by the child care ~~operator~~
9 program in an orderly fashion and to help secure other child care opportunities
10 for children served by the program in an effort to minimize the disruption of
11 services. The Commissioner has the authority to request tax returns and other
12 financial documents to verify the financial hardship and ability to sustain
13 operations.

14 (2) Annually on or before January 15, the Commissioner shall report to
15 the Senate Committee on Health and Welfare and to the House Committee on
16 Human Services regarding any funds distributed pursuant to subdivision (1) of
17 this subsection. Specifically, the report shall address how funds were
18 distributed and used. It shall also address results related to any distribution of
19 funds.

20 * * *

1 Sec. 2. 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 the costs of child care for families that need child care services in
6 order to obtain employment, to retain employment, or to obtain training
7 leading to employment. Families seeking employment shall be entitled to
8 participate in the Program for up to three months and the Commissioner may
9 further extend that period. The Program shall support eligible families by
10 either:

11 (A) establishing services with a child care provider with whom the
12 Division has contracted or issued a grant for child care services; or

13 (B) providing a subsidy issued pursuant to subdivision (2) of this
14 section.

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

1 poverty level and adjusted for the size of the family. Co-payments shall be
2 assigned to the whole family and shall not increase if more than one eligible
3 child is enrolled in child care. Families with an annual gross income of less
4 than or equal to 175 percent of the current federal poverty guidelines shall not
5 have a family co-payment. Families with an annual gross income up to and
6 including 575 percent of current federal poverty guidelines, adjusted for family
7 size, shall be eligible for a subsidy authorized by this subsection. The scale
8 shall be structured so that it encourages employment. If the federal poverty
9 guidelines decrease in a given year, the Division shall maintain the previous
10 year's federal poverty guidelines for the purpose of determining eligibility and
11 benefit amount under this subsection.

12 * * *

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

14 § 3514. PAYMENT TO PROVIDERS

15 (a)(1) The Commissioner shall establish a payment schedule for purposes
16 of ~~reimbursing~~ paying providers for full- or part-time child care services
17 rendered to families who participate in the programs established under section
18 3512 or 3513 of this title. The payment schedule shall ensure timely payment
19 to child care providers by requiring payment in advance of or at the beginning
20 of the delivery of child care services. The payment schedule shall account for
21 the age of the children served, and all providers in the same child care setting

1 category shall receive a ~~reimbursement~~ payment in accordance with a rate
2 ~~payment~~ established by the Commissioner, which shall be dependent upon
3 whether the provider operates a child care center and preschool program,
4 family child care home, or afterschool or summer care program. The
5 ~~reimbursement~~ payment rate shall then be adjusted to reduce the differential
6 between family child care homes and center-based child care and preschool
7 programs by 50 percent.

8 (2) Payments shall be based on a child's authorized enrollment. The
9 Department, in consultation with the Office of Racial Equity and stakeholders,
10 shall adopt rules pursuant to 3 V.S.A. chapter 25 that define "enrollment" and
11 the total number of allowable absences to continue participating in the Child
12 Care Financial Assistance Program. The Department shall minimize
13 itemization of absence categories.

14 * * *

15 Sec. 4. EFFECTIVE DATE

16 This act shall take effect on July 1, 2025.