

H.248

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

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

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

§ 3505. SUPPLEMENTAL CHILD CARE GRANTS

(a)(1)(A) The Commissioner for Children and Families may reserve up to  
one-half of one percent of the ~~child care family assistance program~~ Child Care  
Financial Assistance Program funds for extraordinary financial relief to assist  
child care programs that are at risk of closing or not opening due to  
experiencing financial hardship. The Commissioner may provide  
extraordinary financial relief under this subdivision (A) to both licensed and  
registered child care programs and to child care programs that are in the  
process of becoming licensed or registered. The Commissioner shall develop  
guidelines for providing assistance and shall prioritize extraordinary financial  
relief to child care programs in areas of the State with high poverty and low  
access to high quality child care.

(B) ~~If the Commissioner determines a child care program is at risk of  
closure because its operations are not fiscally sustainable, he or she may  
provide assistance to~~ In order to transition children who are currently served by  
the a child care operator program that is closing to a new child care program in

1 an orderly fashion ~~and to help secure other child care opportunities for children~~  
2 ~~served by the program in an effort to minimize the disruption of services, the~~  
3 Commissioner may provide assistance to the existing or new program to  
4 minimize the disruption of services to the effected children.

5 (C) The As needed to implement this subdivision (1), the  
6 Commissioner has the authority to request tax returns and other financial  
7 documents to verify ~~the~~ a child care program's financial hardship and its  
8 ability to sustain or increase operations.

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

15 \* \* \*

16 Sec. 2. 33 V.S.A. § 3512 is amended to read:

17 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

18 ELIGIBILITY

19 (a)(1) The Child Care Financial Assistance Program is established to  
20 subsidize the costs of child care for families that need child care services in  
21 order to obtain employment, to retain employment, or to obtain training

1 leading to employment. Families seeking employment shall be entitled to  
2 participate in the Program for up to three months and the Commissioner may  
3 further extend that period. The Program shall support eligible families by  
4 either:

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

7 (B) providing a subsidy issued pursuant to subdivision (2) of this  
8 subsection (a).

9 (2) The subsidy authorized by this subsection and the corresponding  
10 family contribution shall be established by the Commissioner, by rule, and  
11 shall bear a reasonable relationship to income and family size. The  
12 Commissioner may adjust the subsidy and family contribution by rule to  
13 account for increasing child care costs not to exceed 1.5 times the most recent  
14 annual increase in the NAICS code 611, Educational Services. Families shall  
15 be found eligible using an income eligibility scale based on the current federal  
16 poverty level and adjusted for the size of the family. Co-payments shall be  
17 assigned to the whole family and shall not increase if more than one eligible  
18 child is enrolled in child care. Families with an annual gross income of less  
19 than or equal to 175 percent of the current federal poverty guidelines shall not  
20 have a family co-payment. Families with an annual gross income up to and  
21 including 575 percent of current federal poverty guidelines, adjusted for family

1 size, shall be eligible for a subsidy authorized by this subsection. The scale  
2 shall be structured so that it encourages employment. If the federal poverty  
3 guidelines decrease in a given year, the Division shall maintain the previous  
4 year's federal poverty guidelines for the purpose of determining eligibility and  
5 benefit amount under this subsection.

6 \* \* \*

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

8 § 3514. PAYMENT TO PROVIDERS

9 (a)(1) The Commissioner shall establish a payment schedule for purposes  
10 of ~~reimbursing~~ paying providers for full- or part-time child care services  
11 rendered to families who participate in the programs established under section  
12 3512 or 3513 of this title. The payment schedule shall ensure timely payment  
13 to child care providers by requiring payment in advance of or at the beginning  
14 of the delivery of child care services. The payment schedule shall account for  
15 the age of the children served, and all providers in the same child care setting  
16 category shall receive ~~a reimbursement~~ payment in accordance with a rate  
17 ~~payment~~ established by the Commissioner, which shall be dependent upon  
18 whether the provider operates a child care center and preschool program,  
19 family child care home, or afterschool or summer care program. The  
20 ~~reimbursement~~ payment rate shall then be adjusted to reduce the differential

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

\* \* \*

## Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.