

H.248

Introduced by Representatives Gregoire of Fairfield and Noyes of Wolcott

Referred to Committee on

Date:

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

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

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) The Commissioner for Children and Families may reserve up to one-  
half of one percent of the child care family assistance program funds for  
extraordinary financial relief to assist child care programs that are at risk of  
closing due to experiencing financial hardship. The Commissioner may  
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. 2-23 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  
7 family size, shall be eligible for a subsidy authorized by this subsection. The  
8 scale shall be structured so that it encourages employment. If the federal  
9 poverty guidelines decrease in a given year, the Division shall maintain the  
10 previous year's federal poverty guidelines for the purpose of determining  
11 eligibility and 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.~~

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

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

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

\* \* \*

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

*§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;*

*ELIGIBILITY*

*(a)(1) The Child Care Financial Assistance Program is established to subsidize the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period. The Program shall support eligible families by either:*

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

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

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

\* \* \*

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

*§ 3514. PAYMENT TO PROVIDERS*



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

*(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.*