

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred House Bill No.  
3 248 entitled “An act relating to supplemental child care grants and the Child  
4 Care Financial Assistance Program” respectfully reports that it has considered  
5 the same and recommends that the bill be amended by striking out all after the  
6 enacting clause and inserting in lieu thereof the following:

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

8 § 3505. SUPPLEMENTAL CHILD CARE GRANTS

9 (a)(1)(A) The Commissioner for Children and Families may reserve up to  
10 one-half of one percent of the ~~child care family assistance program~~ Child Care  
11 Financial Assistance Program funds for extraordinary financial relief to assist  
12 child care programs that are at risk of closing due to experiencing financial  
13 hardship. The Commissioner may provide extraordinary financial relief under  
14 this subdivision (A) to both licensed and registered child care programs and to  
15 child care programs that are in the process of becoming licensed or registered.  
16 The Commissioner shall develop guidelines for providing assistance and shall  
17 prioritize extraordinary financial relief to child care programs in areas of the  
18 State with high poverty and low access to high quality child care.

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

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

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

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

16 \* \* \*

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

18 § 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

19 ELIGIBILITY

20 (a)(1) The Child Care Financial Assistance Program is established to  
21 subsidize the costs of child care for families that need child care services in

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

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

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

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

1 including 575 percent of current federal poverty guidelines, adjusted for family  
2 size, shall be eligible for a subsidy authorized by this subsection. The scale  
3 shall be structured so that it encourages employment. If the federal poverty  
4 guidelines decrease in a given year, the Division shall maintain the previous  
5 year's federal poverty guidelines for the purpose of determining eligibility and  
6 benefit amount under this subsection.

7 \* \* \*

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

9 § 3514. PAYMENT TO PROVIDERS

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

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

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

9 \* \* \*

10 Sec. 4. EFFECTIVE DATE

11 This act shall take effect on passage.

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18 (Committee vote: \_\_\_\_\_)

19 \_\_\_\_\_  
20 Representative \_\_\_\_\_  
21 FOR THE COMMITTEE