

1 Sec. D.103 RESERVES

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(b) In fiscal year 2026, \$5,000,000 shall be reserved within the Child Care Contribution Special Fund. If in fiscal year 2026 the Child Care Contribution Special Fund is found to have an undesignated fund deficit, these funds shall be unreserved and used to the extent necessary to offset the deficit as determined by Generally Accepted Accounting Principles. If these funds are used in fiscal year 2026, the Commissioner of Finance and Management shall report to the House and Senate Committees on Appropriations, or the Joint Fiscal Committee when the General Assembly is not in session, on the amount used.

1 Sec. D.101 FUND TRANSFERS

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3 (d) Notwithstanding any other provision of law to the contrary in fiscal
4 year 2026, after meeting the reserve requirements of Sec. D.103(b) of this act,
5 \$19,000,000 shall be transferred from the Child Care Contribution Special
6 Fund to the General Fund.

1 Sec. E.318 33 V.S.A. § 3505 is amended to read:

2 § 3505. SUPPLEMENTAL CHILD CARE GRANTS

3 (a)(1) The Commissioner for Children and Families may reserve up to one-
4 half of one percent of the ~~child care family assistance program~~ Child Care
5 Financial Assistance Program funds for extraordinary financial relief to assist
6 child care programs that are at risk of closing due to financial hardship. The
7 Commissioner shall develop guidelines for providing assistance and shall
8 prioritize extraordinary financial relief to child care programs in areas of the
9 State with high poverty and low access to high quality child care. If the
10 Commissioner determines a child care program is at risk of closure because its
11 operations are not fiscally sustainable, ~~he or she~~ they may provide assistance to
12 transition children served by the child care operator in an orderly fashion and
13 to help secure other child care opportunities for children served by the program
14 in an effort to minimize the disruption of services. The Commissioner has the
15 authority to request tax returns and other financial documents to verify the
16 financial hardship and ability to sustain operations.

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