



STATE OF VERMONT
HOUSE OF REPRESENTATIVES

REVISED MEMORANDUM

To: Rep. Thomas Stevens, Chair, House Committee on General, Housing, and Military Affairs

From: Rep. Ann Pugh, Chair, House Committee on Human Services

Date: April 23, 2019

Subject: S.23; Child Care Financial Assistance Program recommendation

The House Committee on Human Services (Committee) thanks the House Committee on General, Housing, and Military Affairs for the opportunity to review Sec. 3 of S.23 as passed by the Senate, which proposes changes to the Child Care Financial Assistance Program. After taking testimony on the S.23 proposal, the Committee proposes striking out the existing Sec. 3 in its entirety and inserting in lieu thereof a new Sec. 3 and Sec. 3a to read as follows:

Sec. 3. CHILD CARE FINANCIAL ASSISTANCE PROGRAM

(a) It is the intent of the General Assembly that investments and initiatives set forth in this section and Sec. 3a of this act are meant to complement the anticipated redesign of the Child Care Financial Assistance Program, which shall be monitored by the General Assembly.

(b) In fiscal year 2020, \$1,250,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division to restore the base for the Child Care Financial Assistance Program (CCFAP) and \$6,900,000.00 is appropriated from the General Fund to the Division for the purpose of adjusting the sliding fee scale and reimbursement rates in CCFAP as follows:

(1) adjust the sliding fee scale of CCFAP to ensure that families whose gross income is up to 100 percent of the current federal poverty guidelines receive 100 percent of the available

benefit and that families whose gross income is between 100 and 300 percent of the current federal poverty guidelines receive between 99 and 10 percent of the available financial assistance benefit, scaling between set eligibility levels as follows:

(A) 95 percent of the available financial assistance benefit for families at 125 percent of the current federal poverty guidelines;

(B) 75 percent of the available financial assistance benefit for families at 150 percent of the current federal poverty guidelines;

(C) 50 percent of the available financial assistance benefit for families at 200 percent of the current federal poverty guidelines; and

(D) 10 percent of the available financial assistance benefit for families at 300 percent of the current federal poverty guidelines; and

(2) align rates of reimbursement for preschool and school age children participating in CCFAP in fiscal year 2020 with the market rates reported on the 2015 Vermont Market Rate Survey and maintain rates of reimbursement for infants and toddlers participating in CCFAP in fiscal year 2020 with the market rates reported on the 2017 Vermont Market Rate Survey.

Sec. 3a. 33 V.S.A. § 3512(a)(4) is added to read:

(4) Beginning on January 1, 2025 and each subsequent year the minimum wage is increased thereafter, the Commissioner for Children and Families shall amend the Department for Children and Families' Child Care Financial Assistance Program to:

(A) adjust the sliding fee scale to correspond with each minimum wage increase required pursuant to 21 V.S.A. § 384(a)(1) in order to ensure that the benefit percentage at each new minimum wage level is not lower than the percentage applied under the former minimum wage; and

(B) adjust the rate of reimbursement paid to providers on behalf of families participating in the Child Care Financial Assistance Program in a manner that offsets the estimated increased cost of child care in Vermont resulting from an increase in the minimum wage required pursuant to 21 V.S.A. § 384(a)(1).