

V E R M O N T
EARLY CHILDHOOD
ADVOCACY ALLIANCE

Legislative Summary for the 2018 Session

This summary has been written during the week of May 21, as the Special Session of the legislature gets underway. Actions taken during that session may lead to amendments and/or changes to this summary.

Alliance staff will be tracking enactment of all these bills, attending meetings, and following reporting requirements through the summer and fall. Sign up for the Alliance's e-network at www.vecaa.org to continue receiving email updates in the coming months.

Legislative Agenda Issues

HOUSING & HOMELESSNESS: FY19 State Budget ([H.924](#))

LEAD ORGANIZATION: Vermont Affordable Housing Coalition

Result: No Progress

Many key housing and homelessness programs were level funded in the FY19 state budget, including the Vermont Housing Conservation Board at \$16.3 million. In general, there were not significant additional state investments for rental assistance and supportive services for homeless and at-risk families with children. A number of programs received one-time investments at modest levels, including supportive housing, mental health outreach, and transitional housing programs. In some cases funding levels were higher in earlier drafts of the budget, but got reduced during final budget negotiations between the House and Senate.

The \$2/night occupancy fee was once again considered by several committees as a possible revenue source to fund housing and homelessness prevention programs. Unfortunately, the proposal was not included in any bills this year.

REACH UP CASELOAD SAVINGS: FY19 State Budget ([H.924](#))

LEAD ORGANIZATION: Voices for Vermont's Children

Result: Progress Made

Advocacy related to Reach Up focused on two issues. First, advocates proposed that reduced program expenses from decreasing Reach Up caseloads could be reinvested to update Reach Up benefit levels. Unfortunately, the FY19 budget continues past practice of using the "savings" to support other state budget needs.

A small victory was secured on a second issue, however, in budget language that directs the Agency of Human Services (AHS) to more accurately portray benefit levels when presenting future budget proposals to the legislature. Starting next year, the state's official "Report on Unfunded Budget Pressures" will have to use the standard of need for the current fiscal year, rather than the figure from 2004 currently being used. This change will allow for legislators and the public to have a clearer understanding of how outdated (and woefully inadequate) the Reach Up benefit levels are, and set the stage for more powerful advocacy. [Sec. E.323 of the budget]

CHILD CARE FINANCIAL ASSISTANCE PROGRAM (CCFAP): *FY19 State Budget (H.924)*

LEAD ORGANIZATIONS: Let's Grow Kids, Vermont Association for the Education of Young Children, and Vermont Child Care Providers Association

Result: Progress Made

No new state funding was allocated for CCFAP in the FY19 budget, so the program will be level-funded from FY18. The grant program initiated last year targeting infant/toddler providers with a high percentage of CCFAP recipients will continue at the same funding level (\$2.2 million) and with the same award criteria for FY19. The program budget does include sufficient funding to pay for updating the Federal Poverty Level (FPL) guidelines to 2018 levels. This was a change from previous years, when a separate, additional appropriation of about \$300,000 was necessary to "true-up" the FPL to current rates.

While state funding is level, CCFAP will gain some additional federal funding. The federal budget deal approved by Congress in March substantially increased funding for the federal Child Care Development Block Grant (CCDBG) program. CCDBG is one of the primary federal funding sources for CCFAP. Vermont will see a \$2.9 million increase in federal CCDBG funds starting in FY19, for at least the next two federal fiscal years. A small portion of this funding will pay for three new Department for Children and Families (DCF) child care licensors. The majority of the funds will be used to increase infant/toddler reimbursement rates, estimated to bring up rates to the 2015 market rate survey level. Note that federal regulators have pressured DCF to address deficiencies in both state licensing staff workloads and our infant/toddler rates for the past few years. [Secs. E.318 and E.318.2]

TEACH WORKFORCE DEVELOPMENT PROGRAMS: *FY19 State Budget (H.924)*

LEAD ORGANIZATION: Vermont Association for the Education of Young Children

Result: No Progress

While advocacy led to a significant increase in awareness and understanding of the importance of the TEACH program on the part of legislators, no additional state funding was secured for FY19. As a result, the program currently has a \$120,000 funding shortfall for the coming fiscal year (beginning in July 2018). Efforts continue to find revenue sources to make up the shortfall. DCF will pick up a large portion of the TEACH budget in FY20 (beginning in July 2019), and other agency and private funding will be pursued for the current fiscal year.

FAMILY AND MEDICAL LEAVE INSURANCE: [H.196](#)

LEAD ORGANIZATIONS: Main Street Alliance of VT and Voices for VT's Children

Result: Success/Governor's Veto

A compromise version of H.196 passed both the House and Senate in the final days of the session. This version of the bill was stronger in some ways than the version passed by the House last year. In the revised bill, the funding source continues to be employee contributions through a small payroll tax, though employers could pay the tax as a benefit to employees.

The bill creates a program that provides up to 12 paid weeks for parental leave (total combined for all parents), with the benefit level set at 70% of average weekly wage. Family care leave for a serious illness or injury is limited to six weeks. Those taking leave would be reinstated in the first suitable position available when they want to return to work. Eligibility has been expanded to include all who have earned at least \$10,710 over the last 12 months (equal to 20 hours per week/year at minimum wage). The program would be administered by the Vermont Department of Labor.

Substantial advocacy energy was invested to secure positive votes in both chambers for the bill, despite the Governor's continued veto threats. The Senate passed the bill on a voice vote, and so it is hard to be sure exactly which and how many Senators are supporting the proposal. In the House, the vote to approve the final vote on the bill was 90 to 53. Given that, it is unlikely that there is the 2/3rds majority needed in both chamber to overturn Gov. Scott's veto, which occurred on May 22.

FARM TO SCHOOL & EARLY CHILDHOOD: *FY19 State Budget (H.924)*

LEAD ORGANIZATIONS: VT FEED, VT Farm to School Network, Hunger Free VT

Result: Success

Thanks to critical support by Senators Tim Ashe (Chittenden) and Bobby Starr (Essex/Orleans), the FY19 budget includes a \$50,000 increase for the Farm to School and Early Childhood grant program, for which early care and education programs are eligible. The funds come from a one-time source, meaning that the increase will not automatically be included in funding levels proposed by the Administration for the FY20 budget.

The program is administered by the Vermont Agency of Agriculture, Food and Markets. While demand will far outstrip available program resources even at this new higher level, the increase is welcomed. [Sec.C.1000.a.10]

PARENT CHILD CENTER NETWORK MASTER GRANT: *FY19 State Budget (H.924)*

LEAD ORGANIZATION: Vermont Parent Child Center Network

Result: Progress Made

Advocacy on this issue led to greater awareness both of the Parent Child Centers' (PCCs) critical role in the provision of services to Vermont families and children, and of the need for substantial

additional state investment in their master grant agreement. Unfortunately, this advocacy did not result in any additional state funding.

However, the budget does include language that directs the Agency of Human Services (AHS) to determine the value of all the services currently being provided to the state by PCCs, and to present their findings to the legislature next winter as part of their FY20 budget presentation. This information will assist in future advocacy for increased funding. [Sec. E.317]

3SQUARESVT INTEGRITY: *H.271 (Act 104)*

LEAD ORGANIZATION: Hunger Free Vermont

Result: Success

H.271, a bill designed to protect the integrity and transparency of 3SquaresVT, was signed into law by the Governor in April. The new law will ensure that if there are significant changes to the state’s Supplemental Nutrition Assistance Program (SNAP) – known as 3SquaresVT – DCF has to give advance notice to legislators and key stakeholders.

While changes to this federal program can be made without the involvement of the state legislature, this new law eliminates any chance that providers and advocates might be caught off-guard by future benefit reductions or program changes. The Alliance thanks Governor Scott and his administration for their strong support of this bill, as well as House Human Services Committee Chair Ann Pugh (S. Burlington) and Vice Chair Sandy Haas (Rochester), who served as lead sponsors of the bill.

CHILDREN’S INTEGRATED SERVICES (CIS): *FY19 State Budget (H.924)*

LEAD ORGANIZATIONS: VT Parent Child Center Network and VT Family Network

Result: No Progress

While substantial advocacy resulted in CIS being discussed regularly by key legislative committees, the program will see a \$1 million reduction in funding for FY19. During the last six months, it was discovered that because of accounting errors, the CIS budget had been allocated \$1 million in unspent funds for FY18 and FY19. While advocates urged legislators to use that funding to meet significant unmet needs in the system, the administration held the position that the money was not needed. Unfortunately, the legislature approved a budget that includes the \$1 million “negative correction” to CIS, removing this funding from the program budget.

FY19 STATE BUDGET: *State Budget (H.924)*

LEAD ORGANIZATION: Vermont Early Childhood Advocacy Alliance

Result: Partial Success

The Governor’s Recommended Budget included a wide variety of program cuts and reductions, and two proposed pilot early childhood initiatives. Unfortunately, most of the proposed reductions were accepted by the legislature. These cuts include reductions to AHS grants to

providers (up to \$2 million), CCFAP transportation programming, Reach Up grants to providers (\$1.1 million), and to the AHS Field Services Director Fund (\$43,000). The AHS grant reduction proposal also included a change in the way these grants would be awarded that would undermine recipients' financial stability. Alliance staff worked with allies to try to understand these details and ask legislators to investigate further.

The Governor's Recommended Budget also included modest funding for two new pilot initiatives, related to home visiting and dental sealants. While both of these proposals had some merit, neither was completely developed and neither had long-term funding sources identified. The Alliance and member organizations strongly advocated that funding should instead be directed to the many existing programs with successful track records that suffered from years of under-funding. The legislature agreed, and chose not to fund these pilots.

Overall, the budget discussion was constrained by the Governor's refusal to support any tax increase, and the legislature's acceptance of that limitation. While a great deal of one-time money was available at the end of the session, legislators maintained their resistance to using one-time funds to pay for ongoing program operations. As a result, advocates were unsuccessful in gaining support for significant new investments in CCFAP, Parent Child Centers, CIS, housing, and other important early childhood programs.

Child Care/Pre-K Studies

The budget includes three different studies of the state's early care and education systems. It allocates \$100,000 from one-time Tobacco Settlement funds to support a Child Care Demand Study. This funding will be combined with other federal, state, and private funds to support a study that DCF had hoped to do several years ago, but lacked the necessary funding. DCF will work with a leading research group to conduct intensive surveys of Vermont families to determine how they utilize both formal and informal child care services, and their preferred arrangements to better understand the demand for child care in our state. The research group is the same one used by the federal government for a national survey of early care and education programs. The Vermont study report will help guide system reforms in the coming years, so that supply can better meet demand. The report is due to the legislature by January 15, 2019. [Sec. C.105.1 (9)]

The second study is also funded with \$100,000 from one-time Tobacco Settlement funds, and was promoted by the House. This study is to be conducted by the Agency of Education, in consultation with AHS, and is to be done by an independent, external entity that will recommend how to more effectively and efficiently provide Pre-Kindergarten education. Legislative committees will get an update on the study's progress on March 15, 2019, with the final report due by July 1, 2019. [Sec. E.500.7]

Finally, the Joint Fiscal Office has been asked to do a "baseline data report" to better understand the relationship the Pre-Kindergarten system and the impact on child care and early education facilities not operated by public school districts. This report was proposed by the Senate. It is due to legislative committees by November 15, 2018. [Sec. E.318.3]

[continued]

Key Issues of Interest Beyond the Legislative Agenda

Minimum Wage, Benefits Cliff, and Wage Pressures: [S.40](#) and [H.924](#)

LEAD ORGANIZATION: Vermont Early Childhood Advocacy Alliance

Result: Partial Success/Governor's Veto

The minimum wage bill passed both chambers late in the session. The bill includes language that would provide some financial cushion to both CCFAP recipients and child care providers to account for changes families and providers would experience as a result of increased wages. CCFAP income eligibility guidelines would be adjusted at the same rate as the minimum wage increased, so that any increase in wages would not lead to a recipient losing the same or greater amount of child care assistance. Similarly, the CCFAP reimbursement rates paid to providers would be adjusted to reflect the upward wage pressures created by the increase in the minimum wage.

The Alliance appreciates that legislative leaders made it very clear early in the development of the bill that it must account for how increases in the minimum wage could impact CCFAP recipients and child care providers. Their commitment stayed firm throughout deliberations on the bill, and is indicative of how legislators are becoming more aware of the challenges facing both providers and families struggling to pay for high quality child care.

Funding to pay for these adjustments was included in the FY19 budget, but unfortunately was allocated from existing CCFAP funding [Sec.318.1]. However, Gov. Scott has vetoed the minimum wage bill, so this issue will not impact CCFAP resources in the coming fiscal year. Alliance staff have argued strongly to legislators that if the issue is considered again in the future, a different funding source needs to be identified to offset possible negative impacts on CCFAP recipients and child care providers.

Universal Pre-Kindergarten: [S.257](#)

LEAD ORGANIZATION: Let's Grow Kids

Result: To Be Determined

The legislature has, as of now, not made any changes to the state's Universal Pre-Kindergarten program. However, both the House and the Senate did pass proposals that would have made substantial changes to the program, starting in the 2019-20 school year. The proposals were included in each chamber's version of S.257, the miscellaneous education bill. Last minute negotiations on that bill resulted in a stalemate, both on the Pre-K language and on other, unrelated issues. Unless an agreement is reached, no statutory changes can be made.

It is possible that negotiations on the bill will continue as part of the Special Legislative Session, which began on May 23. The Alliance will send out updates as the Special Session continues.

[continued]

Trauma/Childhood Resiliency: [S.261](#)

Result: Success

Initially referred to as the “Adverse Childhood Experiences (ACEs) bill,” this legislation was revised by Senate and House committees to focus on trauma and childhood resilience more broadly. Thus, the final title for the bill as passed by both chambers was, “An act relating to mitigating trauma and toxic stress during childhood by strengthening child and family resilience.”

Alliance members, including the PCC Network and others, were directly engaged in work on this bill. Alliance staff assisted in tracking the bill’s progress first through the Senate, then the House, and specifically assisted the CIS and professional development communities in participating in the process. While the Alliance message was that additional funding was a higher priority than enhanced coordination, the slimmed-down final version of the bill created a new position at AHS that will likely help service providers do more to help their clients and communities.

Other Early Childhood-Related Bills Monitored

- **Lead poisoning prevention ([H.736](#)):** Alliance staff helped coordinate preliminary discussions with the Vermont Department of Health (VDH) when bill language was being initially developed, working to ensure early childhood concerns were addressed. When the bill was introduced during the session, Alliance staff assisted housing community leaders in connecting with VDH as the bill consideration process got underway. The bill was passed in May.
- **Poverty Council re-authorization ([S.280](#)):** Alliance staff tracked and notified Alliance members during Senate and House consideration of this bill, which was passed in May. The bill made modest changes to the structure and goals of the Council, renamed it the “Advisory Council for Child Poverty and Strengthening Families,” and authorized it for another 10 years.
- **Joint Legislative Child Protection Oversight Committee (JLCPOC) re-authorization (included in [S.280](#)):** Alliance staff supported re-authorization for another four years, and encouraged linking this Committee to the CHINS reform process (see below). The bill was passed in May.
- **Child Protection (CHINS) system reform:** Alliance staff tracked the proposal that began in the Senate to allocate \$7 million in the state budget for a four-year effort to reform the child protection system in general and the CHINS (Child In Need of Supervision) process in particular. The Alliance successfully advocated for inclusion of the JLCPOC in this process. The proposal was included in the final version of the budget (H.924, Sec. C.106).
- **Women, Infants, and Children (WIC) study language:** Alliance staff worked with Hunger Free Vermont (HFV) to support their engagement in discussions about refining a proposal by Senator Rich Westman (Lamoille) for a study of how to increase enrollment in the WIC nutrition program. The final language in the budget (H.924, Section E.312.2) incorporated input from HFV.