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H.676

Introduced by Representatives Jerome of Brandon, Anthony of Barre City,  
Black of Essex, Bos-Lun of Westminster, Brumsted of  
Shelburne, Burrows of West Windsor, Coffey of Guilford,  
Dolan of Waitsfield, Durfee of Shaftsbury, Hooper of  
Burlington, Masland of Thetford, Mrowicki of Putney,  
Mulvaney-Stanak of Burlington, Nicoll of Ludlow, Ode of  
Burlington, Patt of Worcester, Sims of Craftsbury, Sullivan of  
Dorset, White of Bethel, and Wood of Waterbury

Referred to Committee on

Date:

Subject: Human services; child care; financing; capacity development grants

Statement of purpose of bill as introduced: This bill proposes to establish the  
child care capacity development grant program.

An act relating to child care capacity development grants

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly that establishing child care capacity  
development grants pursuant to this act shall:

(1) expand and enhance child care sites;

- 1           (2) encourage private investment in child care facilities;  
2           (3) promote the availability of high-quality, affordable child care  
3 throughout the State; and  
4           (4) provide cooperation between private nonprofit child care  
5 organizations, child care facilities, and the Department for Children and  
6 Families.

7       Sec. 2. 33 V.S.A. § 3523 is added to read:

8       § 3523. CHILD CARE IMPROVEMENT GRANTS

9           (a) Grants.

10           (1) The Commissioner for Children and Families shall distribute funds  
11 appropriated for the purpose of carrying out this section through grants to one  
12 or more nonprofit corporations organized or operating pursuant to Title 11B of  
13 the Vermont Statutes Annotated to plan, develop, and finance child care  
14 facilities. To be eligible, a nonprofit corporation shall have a demonstrated  
15 ability to analyze financing projects, have knowledge of other sources of  
16 public and private financing for child care facilities, and have a relationship  
17 with regional and statewide resources. The staff and board of directors of an  
18 eligible nonprofit corporation shall include members who are knowledgeable  
19 about early childhood education, child care, development and improvement,  
20 and financing.

1           (2) The Commissioners for Children and Families and of Labor and the  
2           Secretary of Commerce and Community Development shall advise any  
3           nonprofit corporations that use grant funds provided under this section for the  
4           financing program described in subdivision (b)(1) of this section.

5           (b) Financing program.

6           (1) A nonprofit corporation that receives a grant pursuant to this section  
7           shall use the funds for one or more of the following activities:

8                   (A) to establish a revolving loan fund to make loans to existing,  
9                   expanding, and newly licensed or registered child care facilities;

10                   (B) to establish a fund to guarantee private loans to improve or  
11                   construct a child care facility;

12                   (C) to establish a fund to provide forgivable loans or grants to match  
13                   all or a part of a loan made pursuant to this section;

14                   (D) to establish a fund as a reserve against bad debt;

15                   (E) to provide business planning assistance for child care providers;

16                   (F) to provide training and consultation for child care providers to  
17                   build and strengthen their businesses and acquire key business skills; and

18                   (G) to provide grants to child care facilities for facility  
19                   improvements, minor renovations, and related equipment and services,  
20                   including assistance to meet licensing requirements needed to establish,  
21                   maintain, or expand licensed and registered child care facilities.

1           (2) A nonprofit corporation establishing loans pursuant to this section  
2           shall establish terms and conditions for loans and loan guarantees, including  
3           interest rates, repayment agreements, private match requirements, and  
4           conditions for loan forgiveness. A nonprofit corporation shall establish a  
5           minimum interest rate for loans to ensure that necessary loan administrative  
6           costs are covered. A nonprofit corporation may use interest earnings for  
7           administrative expenses.

8           (c) Report. Annually on or before December 1, a nonprofit corporation that  
9           receives a grant pursuant to this section shall submit a written report to the  
10          Commissioner for Children and Families containing:

11           (1) the purposes for which the grant funds were used during the past  
12          fiscal year, including a description of the projects supported by the funding;

13           (2) an account of loans and grants made;

14           (3) the financing program's assets and liabilities;

15           (4) an explanation of administrative expenses; and

16           (5) a copy of a report of an independent audit performed in accordance  
17          with generally accepted accounting practices and auditing standards.

18          Sec. 3. EFFECTIVE DATE

19           This act shall take effect on July 1, 2022.