AN ACT CONCERNING PAYMENTS TO CHILD CARE PROVIDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (c) of section 17b-749 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(c) The commissioner, in consultation with the Commissioner of Social Services, shall establish eligibility and program standards including, but not limited to: (1) A priority intake and eligibility system with preference given to serving (A) recipients of temporary family assistance who are employed or engaged in employment activities under the Department of Social Services' "Jobs First" program, (B) working families whose temporary family assistance was discontinued not more than five years prior to the date of application for the child care subsidy program, (C) teen parents, (D) low-income working families, (E) adoptive families of children who were adopted from the Department of Children and Families and who are granted a waiver of income standards under subdivision (2) of subsection (b) of this section, (F) working families who are at risk of welfare
dependency, and (G) any household with a child or children participating in the Early Head Start-Child Care Partnership federal grant program for a period of up to twelve months based on Early Head Start eligibility criteria; (2) health and safety standards for child care providers not required to be licensed; (3) a reimbursement system for child care services which account for differences in the age of the child, number of children in the family, the geographic region and type of care provided by licensed and unlicensed caregivers, the cost and type of services provided by licensed and unlicensed caregivers, successful completion of fifteen hours of annual in-service training or credentialing of child care directors and administrators, and program accreditation; (4) supplemental payment for special needs of the child and extended nontraditional hours; (5) an annual rate review process for providers which assures that reimbursement rates are (A) maintained at levels which permit equal access to a variety of child care settings, and (B) at least equal to the seventy-fifth percentile of the market cost of child care, as determined by a market study conducted by the Office of Early Childhood within the previous two years; (6) a sliding reimbursement scale for participating families; (7) an administrative appeals process; (8) an administrative hearing process to adjudicate cases of alleged fraud and abuse and to impose sanctions and recover overpayments; (9) an extended period of program and payment eligibility when a parent who is receiving a child care subsidy experiences a temporary interruption in employment or other approved activity; and (10) a waiting list for the child care subsidy program that (A) allows the commissioner to exercise discretion in prioritizing within and between existing priority groups, including, but not limited to, children described in 45 CFR 98.46, as amended from time to time, and households with an infant or toddler, and (B) reflects the priority and eligibility system set forth in subdivision (1) of this subsection, which is reviewed periodically, with the inclusion of this information in the annual report required to be issued annually by the office to the Governor and the General Assembly in accordance with section 17b-733. Such action will include, but not be limited to, family income, age of child, region of state and length of time on such
waiting list.

Sec. 2. Subsection (b) of section 8-210 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(b) The state, acting by and in the discretion of the Commissioner of Early Childhood, may enter into a contract with a municipality, a human resource development agency or a nonprofit corporation for state financial assistance in developing and operating child care centers for children disadvantaged by reasons of economic, social or environmental conditions, provided no such financial assistance shall be available for the operating costs of any such child care center unless it has been licensed by the Commissioner of Early Childhood pursuant to section 19a-80. Such financial assistance shall be available for a program of a municipality, of a human resource development agency or of a nonprofit corporation which may provide for personnel, equipment, supplies, activities, program materials and renovation and remodeling of the physical facilities of such child care centers. Such contract shall provide for state financial assistance, within available appropriations, in the form of a state grant-in-aid (1) for a portion of the cost of such program, as determined by the Commissioner of Early Childhood, if not federally assisted, (2) equal to one-half of the amount by which the net cost of such program, as approved by the Commissioner of Early Childhood, exceeds the federal grant-in-aid thereof, or (3) in an amount [up to] not less than the per child cost as described in subdivision (1) of subsection (b) of section 10-16q, for each child in such program, [that is three or four years of age and each child that is five years of age who is not eligible to enroll in school, pursuant to section 10-15c, while maintaining services to children under three years of age under this section.] For the fiscal year ending June 30, 2020, and each fiscal year thereafter, any amount of state financial assistance received pursuant to a contract entered into under this subsection over the amount received for the fiscal year ending June 30, 2019, shall be used exclusively to increase the salaries of early childhood educators employed at the child care center. The
Commissioner of Early Childhood may authorize child care centers receiving financial assistance under this subsection to apply a program surplus to the next program year. The Commissioner of Early Childhood shall consult with directors of child care centers in establishing fees for the operation of such centers.

Sec. 3. Section 10-16p of the general statutes is amended by adding subsection (l) as follows (Effective July 1, 2019):

(NEW) (l) For the fiscal year ending June 30, 2020, and each fiscal year thereafter, any school readiness program that (1) is licensed by the Office of Early Childhood pursuant to chapter 368a, (2) provides full-day and year-round child care and education programs for children, and (3) receives funds pursuant to this section or section 10-16u, shall use all such funds over the amount so received for the fiscal year ending June 30, 2019, exclusively to increase the salaries of those individuals with direct responsibility for teaching or caring for children in a classroom at such school readiness program.

Sec. 4. Subdivision (1) of subsection (b) of section 10-16q of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(b) (1) For the fiscal [years] year ending June 30, 2015, [to June 30, 2019, inclusive,] and each fiscal year thereafter, the per child cost of the Office of Early Childhood school readiness program offered by a school readiness provider shall not exceed [eight] nine thousand nine hundred twenty-seven dollars. [For the fiscal year ending June 30, 2020, and each fiscal year thereafter, the commissioner may establish, within available appropriations, new rates for the school readiness program, provided such new rates are established to improve program quality and access. The commissioner may revise the rates for the school readiness program during a fiscal year if the commissioner determines that such revised rates are necessary to improve quality of, increase access to or fill spaces in school readiness programs.]
This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Effective Date</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>July 1, 2019</td>
<td>17b-749(c)</td>
</tr>
<tr>
<td>2</td>
<td>July 1, 2019</td>
<td>8-210(b)</td>
</tr>
<tr>
<td>3</td>
<td>July 1, 2019</td>
<td>10-16p</td>
</tr>
<tr>
<td>4</td>
<td>July 1, 2019</td>
<td>10-16q(b)(1)</td>
</tr>
</tbody>
</table>

**Statement of Purpose:**
To require Care4Kids program payments to be at least equal to the seventy-fifth percentile of the market cost of child care; to require that any increase in funding to child care centers and school readiness program providers are to be used for increasing educator salaries; and to reestablish school readiness grant rates in the general statutes and to increase such rates.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]