

2019 -- H 5106

LC000541

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO HUMAN SERVICES -- CHILD CARE -- STATE SUBSIDIES

Introduced By: Representatives Diaz, Donovan, Casimiro, Slater, and Ackerman

Date Introduced: January 10, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child Care - State Subsidies" is hereby amended to read as follows:

40-6.2-1.1. Rates established.

(a) In order to provide families and children with access to high-quality childcare and to promote and support quality improvement of childcare programs, payment rates for the Rhode Island Child Care Assistance Program shall be tiered and shall meet or exceed the federal benchmark for access to high-quality childcare, with rates for programs that have achieved high-quality ratings in the state's quality rating system outlined in § 42-12-23.1 set at or above the 75th percentile of the most recent market rate survey.

~~(a)(b)~~ Through June 30, 2015, ~~subject to the payment limitations in subsection (c),~~ the ~~maximum~~ reimbursement rates to be paid by the departments of human services and children, youth and families for licensed childcare centers and licensed family-childcare providers shall be based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY MARKET RATE
INFANT	\$182.00
PRESCHOOL	\$150.00
SCHOOL-AGE	\$135.00

1	LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY
2	PROVIDERS	MARKET RATE
3	INFANT	\$150.00
4	PRESCHOOL	\$150.00
5	SCHOOL-AGE	\$135.00

6 Effective July 1, 2015, ~~subject to the payment limitations in subsection (c)~~, the ~~maximum~~
7 reimbursement rates to be paid by the departments of human services and children, youth and
8 families for licensed childcare centers and licensed family-childcare providers shall be based on
9 the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
10 average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be
11 increased by ten dollars (\$10.00) per week for infant/toddler care provided by licensed family-
12 childcare providers and license-exempt providers and then the rates for all providers for all age
13 groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018,
14 licensed childcare centers shall be reimbursed a maximum weekly rate of one hundred ninety-
15 three dollars and sixty-four cents (\$193.64) for infant/toddler care and one hundred sixty-one
16 dollars and seventy-one cents (\$161.71) for preschool-age children.

17 ~~(b)(c)~~ Effective July 1, 2018, ~~subject to the payment limitations in subsection (c)~~, the
18 ~~maximum~~ infant/toddler and preschool-age reimbursement rates to be paid by the departments of
19 human services and children, youth and families for licensed childcare centers shall be
20 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
21 the state's quality rating system outlined in § 42-12-23.1.

22 (1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent
23 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
24 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
25 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018
26 weekly amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018
27 weekly amount.

28 (2) For preschool reimbursement rates, tier one shall be reimbursed two and one-half
29 (2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
30 above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY
31 2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018
32 weekly amount, and tier five shall be reimbursed twenty-one percent (21%) above the FY 2018
33 weekly amount. Effective July 1, 2019, the preschool reimbursement rates for tier three shall be
34 reimbursed thirteen percent (13%) above the FY 2018 weekly amount, tier four shall be

1 reimbursed twenty percent (20%) above the FY 2018 weekly amount, and tier five shall be
2 reimbursed forty-three percent (43%) above the FY 2018 weekly amount.

3 (3) For school-age reimbursement rates, tier one shall be reimbursed two and one-half
4 percent (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
5 above the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above
6 the FY 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY
7 2018 weekly amount, and tier five shall be reimbursed thirty-six percent (36%) above the FY
8 2018 weekly amount.

9 ~~(c) The departments shall pay childcare providers based on the lesser of the applicable~~
10 ~~rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its~~
11 ~~public or private childcare customers with respect to each of the rate categories, infant, preschool~~
12 ~~and school age.~~

13 (d) By June 30, 2004, and biennially through June 30, 2014, the department of labor and
14 training shall conduct an independent survey or certify an independent survey of the then current
15 weekly market rates for childcare in Rhode Island and shall forward such weekly market rate
16 survey to the department of human services. The next survey shall be conducted by June 30,
17 2016, and triennially thereafter. The departments of human services and labor and training will
18 jointly determine the survey criteria including, but not limited to, rate categories and sub-
19 categories.

20 (e) In order to expand the accessibility and availability of quality childcare, the
21 department of human services is authorized to establish by regulation alternative or incentive
22 rates of reimbursement for quality enhancements, innovative or specialized childcare and
23 alternative methodologies of childcare delivery, including non-traditional delivery systems and
24 collaborations.

25 (f) Effective January 1, 2007, all childcare providers have the option to be paid every two
26 (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of
27 reimbursement payments.

28 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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1 This act would expand the tiered-rate structure for the childcare assistance program to
2 meet the federal benchmark for access to high-quality childcare for all age groups of children,
3 with higher rates paid to licensed child care centers that have achieved higher quality ratings in
4 "BrightStars", the state's quality rating and improvement system. A requirement that childcare
5 providers must raise tuition rates for all other public or private paying families in order to receive
6 higher state rates is removed.

7 This act would take effect upon passage.

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