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# STATE OF RHODE ISLAND

#### IN GENERAL ASSEMBLY

#### **JANUARY SESSION, A.D. 2022**

# AN ACT

### RELATING TO HUMAN SERVICES -- RHODE ISLAND CHILDCARE IS ESSENTIAL ACT

<u>Introduced By:</u> Senators Cano, Goodwin, DiMario, Gallo, Zurier, Pearson, Acosta, Kallman, Ruggerio, and Valverde

Date Introduced: March 15, 2022

Referred To: Senate Education

It is enacted by the General Assembly as follows:

SECTION 1. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby 1 2 amended by adding thereto the following chapter: 3 CHAPTER 6.7 4 RHODE ISLAND CHILDCARE IS ESSENTIAL ACT 5 40-6.7-1. Legislative findings. The general assembly finds that: 6 7 (1) Access to affordable, high-quality childcare is essential to support labor force participation of parents with children from infancy through age twelve (12) years and to maximize 8 9 the economic productivity of the state. 10 (2) Access to affordable, high-quality childcare is essential for all parents to achieve economic security and independence, particularly for mothers who often have lower lifetime 11 12 earnings because they earn lower wages, work reduced hours, and take longer breaks from work in 13 order to care for children. 14 (3) High-quality childcare programs, staffed by qualified and effective educators, are 15 essential for children to promote healthy development and optimize learning during early childhood and school-age years. 16 17 (4) A landmark 2015 report by the Institute of Medicine and National Research Council 18 found that children begin learning at birth and the adults that provide for the care and education of

children bear a great responsibility for their health, development, and learning -- setting the critical

1	foundation for lifelong progress. The report recommends that states work to increase the
2	qualifications and compensation of childcare educators, including those who care for infants and
3	toddlers.
4	(5) Childcare educators are among the lowest paid workers in Rhode Island. In 2020, the
5	median wage of a childcare educator in Rhode Island was twelve dollars and eleven cents (\$12.11)
6	per hour. As the state minimum wage increases, childcare programs will need additional revenue
7	to comply with the minimum wage rules and to attract and retain qualified and effective educators.
8	(6) The U.S. Department of Health and Human Services provides significant funding to
9	Rhode Island through the Childcare and Development Block Grant and has established clear
10	guidelines for setting rates that provide low-income families with "equal access" to the childcare
11	market as required under federal law. The "equal access" guideline is to pay rates equal to or above
12	the seventy-fifth percentile of a recent market rate survey.
13	(7) The U.S. Department of Health and Human Services has also established a clear
14	guideline for determining whether childcare is affordable. Currently, the federal guideline for
15	affordability is that families should pay no more than seven percent (7%) of family income for
16	childcare. Using that guideline, almost all families with young children in the State of Rhode Island
17	need a subsidy to afford the cost of high-quality childcare staffed by qualified, effective, and fairly-
18	compensated educators.
18 19	<u>compensated educators.</u> <u>40-6.7-2. Childcare assistance Families or assistance units eligible.</u>
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19 20 21 22 23	40-6.7-2. Childcare assistance Families or assistance units eligible.  (a) The department of human services shall provide appropriate childcare to every participant who is eligible for cash assistance and who requires childcare in order to meet the work requirements in accordance with this chapter.  (b) Low-income childcare. The department shall provide childcare to all other families with
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119 220 221 222 223 224 225 226 227	40-6.7-2. Childcare assistance Families or assistance units eligible.  (a) The department of human services shall provide appropriate childcare to every participant who is eligible for cash assistance and who requires childcare in order to meet the work requirements in accordance with this chapter.  (b) Low-income childcare. The department shall provide childcare to all other families with incomes at or below two hundred sixty-six percent (266%) of the federal poverty level if, and to the extent, these other families require childcare in order to work at paid employment and/or to participate in training, apprenticeship, internship, on-the-job training, work experience, work immersion, or other job-readiness/job- attachment programs sponsored or funded by the human
119 220 221 222 223 224 225 226 227 228	40-6.7-2. Childcare assistance Families or assistance units eligible.  (a) The department of human services shall provide appropriate childcare to every participant who is eligible for cash assistance and who requires childcare in order to meet the work requirements in accordance with this chapter.  (b) Low-income childcare. The department shall provide childcare to all other families with incomes at or below two hundred sixty-six percent (266%) of the federal poverty level if, and to the extent, these other families require childcare in order to work at paid employment and/or to participate in training, apprenticeship, internship, on-the-job training, work experience, work immersion, or other job-readiness/job- attachment programs sponsored or funded by the human resource investment council (governor's workforce board) or state agencies that are part of the
19 20 21 22 23 24 25 26 27 28	40-6.7-2. Childcare assistance Families or assistance units eligible.  (a) The department of human services shall provide appropriate childcare to every participant who is eligible for cash assistance and who requires childcare in order to meet the work requirements in accordance with this chapter.  (b) Low-income childcare. The department shall provide childcare to all other families with incomes at or below two hundred sixty-six percent (266%) of the federal poverty level if, and to the extent, these other families require childcare in order to work at paid employment and/or to participate in training, apprenticeship, internship, on-the-job training, work experience, work immersion, or other job-readiness/job- attachment programs sponsored or funded by the human resource investment council (governor's workforce board) or state agencies that are part of the coordinated program system pursuant to § 42-102-11. Effective January 1, 2023, the department
119 220 221 222 223 224 225 226 227 228 229 330	40-6.7-2. Childcare assistance Families or assistance units eligible.  (a) The department of human services shall provide appropriate childcare to every participant who is eligible for cash assistance and who requires childcare in order to meet the work requirements in accordance with this chapter.  (b) Low-income childcare. The department shall provide childcare to all other families with incomes at or below two hundred sixty-six percent (266%) of the federal poverty level if, and to the extent, these other families require childcare in order to work at paid employment and/or to participate in training, apprenticeship, internship, on-the-job training, work experience, work immersion, or other job-readiness/job- attachment programs sponsored or funded by the human resource investment council (governor's workforce board) or state agencies that are part of the coordinated program system pursuant to § 42-102-11. Effective January 1, 2023, the department shall also provide childcare assistance to families with incomes below two hundred sixty-six
19 20 21 22 23 24 25 26 27 28 29 30 31	40-6.7-2. Childcare assistance Families or assistance units eligible.  (a) The department of human services shall provide appropriate childcare to every participant who is eligible for cash assistance and who requires childcare in order to meet the work requirements in accordance with this chapter.  (b) Low-income childcare. The department shall provide childcare to all other families with incomes at or below two hundred sixty-six percent (266%) of the federal poverty level if, and to the extent, these other families require childcare in order to work at paid employment and/or to participate in training, apprenticeship, internship, on-the-job training, work experience, work immersion, or other job-readiness/job- attachment programs sponsored or funded by the human resource investment council (governor's workforce board) or state agencies that are part of the coordinated program system pursuant to § 42-102-11. Effective January 1, 2023, the department shall also provide childcare assistance to families with incomes below two hundred sixty-six percent (266%) of the federal poverty level when such assistance is necessary for a member of

1	the combined value of its liquid resources exceeds one million dollars (\$1,000,000), which
2	corresponds to the amount permitted by the federal government under the state plan and set forth
3	in the administrative rulemaking process by the department. Liquid resources are defined as any
4	interest(s) in property in the form of cash or other financial instruments or accounts that are readily
5	convertible to cash or cash equivalents. These resources include, but are not limited to: cash, bank,
6	credit union, or other financial institution savings, checking, and money market accounts;
7	certificates of deposit or other time deposits; stocks; bonds; mutual funds; and other similar
8	financial instruments or accounts. These resources do not include educational savings accounts,
9	plans, or programs; retirement accounts, plans, or programs; or accounts held jointly with another
10	adult, not including a spouse. The department is authorized to promulgate rules and regulations to
11	determine the ownership and source of the funds in the joint account.
12	(d) For purposes of this section, "appropriate childcare" means childcare, including infant,
13	toddler, preschool, nursery school, and school age, that is provided by a person or organization
14	qualified, approved, and authorized to provide the care by the state agency or agencies designated
15	to make the determinations in accordance with the provisions set forth in this section.
16	(e)(1) Families with incomes at or below one hundred percent (100%) of the applicable
17	federal poverty level guidelines shall be provided with free childcare. Families with incomes
18	greater than one hundred percent (100%) of the applicable federal poverty guideline shall be
19	required to pay for some portion of the childcare they receive, according to a sliding-fee scale
20	adopted by the department in the department's rules, not to exceed seven percent (7%) of income.
21	Income is defined in subsection (g) of this section.
22	(2) Families who are receiving childcare shall continue to be eligible for childcare
23	assistance until their incomes exceed four hundred percent (400%) of the applicable federal poverty
24	guidelines. To be eligible, the families must continue to pay for some portion of the childcare they
25	receive, as indicated in a sliding-fee scale adopted in the department's rules, not to exceed seven
26	percent (7%) of income. Income is defined in subsection (g) of this section.
27	(f) In determining the type of childcare to be provided to a family, the department shall
28	take into account the cost of available childcare options; the suitability of the type of care available
29	for the child; and the parent's preference as to the type of childcare.
30	(g) For purposes of this section, "income" for families receiving cash assistance under §
31	40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
32	§§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3). Income for families applying for or receiving low-income
33	childcare shall mean gross earned income minus a twenty percent (20%) disregard applied to the
34	earnings of each adult family member. Earnings of a child under age eighteen (18) years shall not

be counted. Income shall also include unearned income subject to exclusions as determined by 2 departmental regulations. 3 (h) The caseload estimating conference established by chapter 17 of title 35 shall forecast 4 the expenditures for childcare in accordance with the provisions of § 35-17-1. 5 (i) In determining eligibility for childcare assistance for children of members of reserve components called to active duty during a time of conflict, the department shall freeze the family 6 7 composition and the family income of the reserve component member as it was in the month prior 8 to the month of leaving for active duty. This freeze shall continue until the individual is officially 9 discharged from active duty. 10 (j) In anticipation of significant new federal resources to help more families access 11 affordable, reliable, high-quality childcare, the governor and state agencies are hereby authorized 12 to accept new federal childcare funding and use funds to expand eligibility and reduce or eliminate 13 family copayments for the childcare assistance program. 14 40-6.7-3. Childcare assistance -- Rates established. 15 (a) Effective July 1, 2022, the reimbursement rates to be paid by the departments of human 16 services and children, youth and families for licensed childcare centers shall be updated to reflect 17 findings from the 2021 Rhode Island childcare market rate survey and shall be implemented in a 18 tiered manner, reflective of the quality rating the provider has achieved within the state's quality 19 rating system outlined in § 42-12-23.1. All rates shall meet or exceed the federal equal access 20 benchmark (seventy-fifth percentile from the 2021 Rhode Island childcare market rate survey) and 21 programs that have achieved a high-quality rating shall be paid rates at or above the ninetieth 22 percentile of the 2021 Rhode Island childcare market rate survey. Weekly rates shall be reimbursed 23 as follows: 24 LICENSED CHILDCARE CENTERS 25 Tier One Tier Two Tier Three Tier Four **Tier Five** 26 Infant/Toddler \$281 \$294 \$308 \$322 \$335 27 Preschool \$250 \$257 \$265 \$273 \$280 \$250 28 School-Age <u>\$238</u> <u>\$241</u> <u>\$244</u> <u>\$247</u> 29 LICENSED FAMILY CHILDCARE PROVIDERS 30 Tier One Tier Two **Tier Three** Tier Four Tier Five 31 Infant/Toddler \$250 \$254 \$257 \$263 <u>\$260</u> 32 **Preschool** \$239 <u>\$241</u> \$244 <u>\$247</u> \$250 School-Age \$212 \$225 \$251 33 \$200 <u>\$238</u> 34 (b) Annually, on or before July 1 of each year beginning July 1, 2022, the departments of

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1	human services and children, youth and families shall ensure rates are at or above the federal equal
2	access standard for childcare and shall increase weekly childcare reimbursement rates to reflect
3	increases in program operating costs, based on the Consumer Price Index calculated by the U.S.
4	Bureau of Labor Statistics.
5	(c) As required under the 2014 federal Childcare and Development Block Grant Act, the
6	departments of human services and children, youth and families shall review and update the state's
7	childcare assistance program payment practices to match generally accepted payment practices for
8	childcare programs in the private market, such as payment of tuition before services are delivered,
9	payment based on enrollment, payment of registration and intake fees, and payment rates for part-
10	time and extended-time care options that take into account the higher hourly cost to serve children
11	on part-time schedules or extended-time schedules. New payment practices shall be established in
12	state regulation and be implemented on or before December 1, 2022.
13	(d) In anticipation of significant new federal resources to help more families access
14	affordable, reliable, high-quality childcare, the governor and state agencies are hereby authorized
15	to accept new federal childcare funding and use funds to increase rates and improve payment
16	practices for the childcare assistance program.
17	40-6.7-4. Childcare and pre-k planning and expansion.
18	(a) As outlined under the Rhode Island pre-kindergarten act of 2008, chapter 87 of title 16,
18 19	(a) As outlined under the Rhode Island pre-kindergarten act of 2008, chapter 87 of title 16, the department of elementary and secondary education has established a high quality, pre-
19	the department of elementary and secondary education has established a high quality, pre-
19 20	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood
19 20 21 22	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).
19 20 21	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for
19 20 21 22 22 23	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply
19 20 21 22 23	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall
19 20 21 22 23 24 25 26	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall work together with the department of elementary and secondary education to develop a plan to
19 20 21 22 22 23 24 25	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall work together with the department of elementary and secondary education to develop a plan to strengthen childcare programs statewide in order that they can successfully compete for available
19 20 21 22 22 23 24 25 26	the department of elementary and secondary education has established a high quality, pre- kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall work together with the department of elementary and secondary education to develop a plan to strengthen childcare programs statewide in order that they can successfully compete for available pre-k expansion funds and they can successfully deliver high-quality pre-k for three (3) and four
19 20 21 22 22 23 24 25 26 27 28	the department of elementary and secondary education has established a high quality, pre-kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall work together with the department of elementary and secondary education to develop a plan to strengthen childcare programs statewide in order that they can successfully compete for available pre-k expansion funds and they can successfully deliver high-quality pre-k for three (3) and four (4) year olds within community-based childcare settings that serve children from birth through age
19 20 21 22 23 24 25 26 27 28	the department of elementary and secondary education has established a high quality, pre-kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall work together with the department of elementary and secondary education to develop a plan to strengthen childcare programs statewide in order that they can successfully compete for available pre-k expansion funds and they can successfully deliver high-quality pre-k for three (3) and four (4) year olds within community-based childcare settings that serve children from birth through age five (5) years.
21 22 22 23 24 25 26 27 28 29	the department of elementary and secondary education has established a high quality, pre-kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall work together with the department of elementary and secondary education to develop a plan to strengthen childcare programs statewide in order that they can successfully compete for available pre-k expansion funds and they can successfully deliver high-quality pre-k for three (3) and four (4) year olds within community-based childcare settings that serve children from birth through age five (5) years.  (c) This plan shall include:
19 20 21 22 23 24 25 26 27 28 29	the department of elementary and secondary education has established a high quality, pre-kindergarten program that meets high-quality standards and builds on the existing early childhood education infrastructure in the state (including childcare, Head Start, and public schools).  (b) In anticipation of significant new federal resources to fund high-quality preschool for all children ages three (3) and four (4) years in the state, the governor is hereby authorized to apply for new federal pre-k funding as it becomes available. The department of human services shall work together with the department of elementary and secondary education to develop a plan to strengthen childcare programs statewide in order that they can successfully compete for available pre-k expansion funds and they can successfully deliver high-quality pre-k for three (3) and four (4) year olds within community-based childcare settings that serve children from birth through age five (5) years.  (c) This plan shall include:  (1) Strategies and resources to maintain and expand access to high-quality childcare and

deliver high-quality infant and toddler care, and wage supplements to recruit and retain skilled infant and toddler educators in childcare programs.

- (2) Development of staffed family childcare networks and other strategies that help family
   childcare providers compete for available pre-k expansion funds and successfully deliver high quality pre-k for three (3) and four (4) year olds.
- 6 SECTION 2. Section 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled "The Rhode 7 Island Works Program" is hereby repealed.

### 40-5.2-20. Childcare assistance -- Families or assistance units eligible.

(a) The department shall provide appropriate childcare to every participant who is eligible for cash assistance and who requires childcare in order to meet the work requirements in accordance with this chapter.

(b) Low income childcare. The department shall provide childcare to all other working families with incomes at or below one hundred eighty percent (180%) of the federal poverty level if, and to the extent, these other families require childcare in order to work at paid employment as defined in the department's rules and regulations. Beginning October 1, 2013, the department shall also provide childcare to families with incomes below one hundred eighty percent (180%) of the federal poverty level if, and to the extent, these families require childcare to participate on a short-term-basis, as defined in the department's rules and regulations, in training, apprenticeship, internship, on the job training, work experience, work immersion, or other job readiness/job-attachment program sponsored or funded by the human resource investment council (governor's workforce board) or state agencies that are part of the coordinated program system pursuant to \$42,102,11. Effective from January 1, 2021, through June 30, 2022, the department shall also provide childcare assistance to families with incomes below one hundred eighty percent (180%) of the federal poverty level when such assistance is necessary for a member of these families to enroll or maintain enrollment in a Rhode Island public institution of higher education provided that eligibility to receive funding is capped when expenditures reach \$200,000 for this provision.

(c) No family/assistance unit shall be eligible for childcare assistance under this chapter if the combined value of its liquid resources exceeds one million dollars (\$1,000,000), which corresponds to the amount permitted by the federal government under the state plan and set forth in the administrative rulemaking process by the department. Liquid resources are defined as any interest(s) in property in the form of cash or other financial instruments or accounts that are readily convertible to cash or cash equivalents. These include, but are not limited to: cash, bank, credit union, or other financial institution savings, checking, and money market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual funds; and other similar financial instruments

1	or accounts. These do not include educational savings accounts, plans, or programs; retirement
2	accounts, plans, or programs; or accounts held jointly with another adult, not including a spouse.
3	The department is authorized to promulgate rules and regulations to determine the ownership and
4	source of the funds in the joint account.
5	(d) As a condition of eligibility for childcare assistance under this chapter, the parent or
6	caretaker relative of the family must consent to, and must cooperate with, the department in
7	establishing paternity, and in establishing and/or enforcing child support and medical support
8	orders for any children in the family receiving appropriate childcare under this section in
9	accordance with the applicable sections of title 15, as amended, unless the parent or caretaker
10	relative is found to have good cause for refusing to comply with the requirements of this subsection.
11	(e) For purposes of this section, "appropriate childcare" means childcare, including infant,
12	toddler, preschool, nursery school, and school age, that is provided by a person or organization
13	qualified, approved, and authorized to provide the care by the state agency or agencies designated
14	to make the determinations in accordance with the provisions set forth herein.
15	(f)(1) Families with incomes below one hundred percent (100%) of the applicable federal
16	poverty level guidelines shall be provided with free childcare. Families with incomes greater than
17	one hundred percent (100%) and less than one hundred eighty percent (180%) of the applicable
18	federal poverty guideline shall be required to pay for some portion of the childcare they receive,
19	according to a sliding fee scale adopted by the department in the department's rules, not to exceed
20	seven percent (7%) of income as defined in subsection (h) of this section.
21	(2) Families who are receiving childcare assistance and who become ineligible for
22	childcare assistance as a result of their incomes exceeding one hundred eighty percent (180%) of
23	the applicable federal poverty guidelines shall continue to be eligible for childcare assistance until
24	their incomes exceed two hundred twenty-five percent (225%) of the applicable federal poverty
25	guidelines. To be eligible, the families must continue to pay for some portion of the childcare they
26	receive, as indicated in a sliding fee scale adopted in the department's rules, not to exceed seven
27	percent (7%) of income as defined in subsection (h) of this section, and in accordance with all other
28	eligibility standards.
29	(g) In determining the type of childcare to be provided to a family, the department shall
30	take into account the cost of available childcare options; the suitability of the type of care available
31	for the child; and the parent's preference as to the type of childcare.
32	(h) For purposes of this section, "income" for families receiving cash assistance under §
33	40 5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
34	§§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned and

•	uncumed meetine as determined by departmental regula	tions.			
2	(i) The caseload estimating conference established by chapter 17 of title 35 shall forecas				
3	the expenditures for childcare in accordance with the provisions of § 35-17-1.				
4	(j) In determining eligibility for childcare assistance for children of members of reserve				
5	components called to active duty during a time of conflict, the department shall freeze the family				
6	composition and the family income of the reserve component member as it was in the month prior				
7	to the month of leaving for active duty. This shall	continue until the individual is officially			
8	discharged from active duty.				
9	SECTION 3. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Childcare				
10	- State Subsidies" is hereby repealed.				
11	40-6.2-1.1. Rates established.				
12	(a) Through June 30, 2015, subject to the p	(a) Through June 30, 2015, subject to the payment limitations in subsection (c), the			
13	maximum reimbursement rates to be paid by the departn	nents of human services and children, youth			
14	and families for licensed childcare centers and licensed	l family childcare providers shall be based			
15	on the following schedule of the 75th percentile of the	2002 weekly market rates adjusted for the			
16	average of the 75th percentile of the 2002 and the 2004	weekly market rates:			
17	LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY			
18	3	MARKET RATE			
19	) INFANT	<del>\$182.00</del>			
20	) PRESCHOOL	<del>\$150.00</del>			
21	SCHOOL AGE	<del>\$135.00</del>			
22	LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY			
23	8 PROVIDERS	MARKET RATE			
24	INFANT	<del>\$150.00</del>			
25	5 PRESCHOOL	<del>\$150.00</del>			
26	SCHOOL AGE	<del>\$135.00</del>			
27	Effective July 1, 2015, subject to the payment	limitations in subsection (c), the maximum			
28	reimbursement rates to be paid by the departments of	f human services and children, youth and			
29	families for licensed childcare centers and licensed fami	ly childcare providers shall be based on the			
30	above schedule of the 75th percentile of the 2002 week	dy market rates adjusted for the average of			
31	the 75th percentile of the 2002 and the 2004 weekly ma	rket rates. These rates shall be increased by			
32	ten dollars (\$10.00) per week for infant/toddler car	re provided by licensed family childcare			
33	providers and license exempt providers and then the rai	tes for all providers for all age groups shall			
34	be increased by three percent (3%). For the fiscal year	r ending June 30, 2018, licensed childcare			

1	centers shall be reimbursed a maximum weekly rate of one hundred ninety-three dollars and sixty-
2	four cents (\$193.64) for infant/toddler care and one hundred sixty one dollars and seventy one
3	cents (\$161.71) for preschool age children.
4	(b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the
5	maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of
6	human services and children, youth and families for licensed childcare centers shall be
7	implemented in a tiered manner, reflective of the quality rating the provider has achieved within
8	the state's quality rating system outlined in § 42-12-23.1.
9	(1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent
10	(2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
11	the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
12	2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018 weekly
13	amount, and tier five shall be reimbursed thirty three percent (33%) above the FY 2018 weekly
14	amount.
15	(2) For preschool reimbursement rates, tier one shall be reimbursed two and one half
16	(2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
17	above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY
18	2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018
19	weekly amount, and tier five shall be reimbursed twenty one percent (21%) above the FY 2018
20	weekly amount.
21	(c) [Deleted by P.L. 2019, ch. 88, art. 13, § 4.]
22	(d) By June 30, 2004, and biennially through June 30, 2014, the department of labor and
23	training shall conduct an independent survey or certify an independent survey of the then current
24	weekly market rates for childcare in Rhode Island and shall forward the weekly market rate survey
25	to the department of human services. The next survey shall be conducted by June 30, 2016, and
26	triennially thereafter. The departments of human services and labor and training will jointly
27	determine the survey criteria including, but not limited to, rate categories and sub-categories.
28	(e) In order to expand the accessibility and availability of quality childcare, the department
29	of human services is authorized to establish, by regulation, alternative or incentive rates of
30	reimbursement for quality enhancements, innovative or specialized childcare, and alternative
31	methodologies of childcare delivery, including nontraditional delivery systems and collaborations.
32	(f) Effective January 1, 2007, all childcare providers have the option to be paid every two
33	(2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of
34	reimbursement payments.

1	(g) Effective July	1, 2019, the	<del>maximum inf</del>	<del>ant/toddler re</del>	imbursement	rates to be paid by
2	the departments of human	services and	d children, yo	uth and famil	ies for license	ed family childcare
3	providers shall be impleme	<del>ented in a tie</del>	<del>red manner, r</del>	eflective of th	e quality ratio	ng the provider has
4	achieved within the state	's quality ra	ting system (	outlined in §	42-12-23.1.	Tier one shall be
5	reimbursed two percent (2	<del>!%) above th</del>	e prevailing b	ease rate for s	tep 1 and step	2 providers, three
6	percent (3%) above preva	niling base r	ate for step 3	providers, a	nd four perce	nt (4%) above the
7	prevailing base rate for ste	ep 4 provider	s; tier two sha	all be reimbu	sed five perce	ent (5%) above the
8	prevailing base rate; tier th	<del>ree shall be</del>	<del>reimbursed el</del>	even percent	(11%) above	the prevailing base
9	rate; tier four shall be reimbursed fourteen percent (14%) above the prevailing base rate; and tier					
10	five shall be reimbursed twenty three percent (23%) above the prevailing base rate.					
11	(h) Through Dec	eember 31,	2021, the m	aximum reir	nbursement 1	rates paid by the
12	departments of human serv	vices, and ch	ildren, youth a	and families to	o licensed chil	ldcare centers shall
13	be consistent with the enhance	anced emerg	ency rates pro	vided as of Ju	ine 1, 2021, a	s follows:
14		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
15	Infant/Toddler	\$257.54	\$257.54	\$257.54	\$257.54	\$273.00
16	Preschool Age	\$195.67	\$195.67	\$195.67	\$195.67	\$260.00
17	School Age	\$200.00	\$200.00	\$200.00	\$200.00	\$245.00
18	The maximum re	imbursemen	t rates paid	by the depar	tments of hu	man services, and
19	children, youth and famil	ies to licens	ed family chi	ldcare provid	ers shall be c	consistent with the
20	enhanced emergency rates	provided as	of June 1, 202	21, as follows	÷	
21		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
22	Infant/Toddler	\$224.43	\$224.43	\$224.43	\$224.43	\$224.43
23	Preschool Age	\$171.45	\$171.45	\$171.45	\$171.45	\$171.45
24	School Age	\$162.30	\$162.30	\$162.30	\$162.30	\$162.30
25	(i) Effective Janu	<del>uary 1, 2022</del>	2, the maxim	<del>um reimburs</del>	ement rates (	to be paid by the
26						
	departments of human serv	vices and chi	<del>ldren, youth a</del>	<del>nd families f</del> o	r licensed chi	ldcare centers shall
27	departments of human service be implemented in a tiered		•			
<ul><li>27</li><li>28</li></ul>	•	manner, ref	lective of the o	quality rating	the provider h	nas achieved within
	be implemented in a tiered	manner, ref	lective of the o	quality rating	the provider h	nas achieved within
28	be implemented in a tiered the state's quality rating	manner, ref	lective of the o	quality rating	the provider h	nas achieved within
28 29	be implemented in a tiered the state's quality rating reimbursed as follows:	manner, ref	lective of the o	quality rating 2-12-23.1. M	the provider h aximum wee	has achieved within kly rates shall be
28 29 30	be implemented in a tiered the state's quality rating reimbursed as follows: LICENSED CHILDCARI	manner, ref system out	lective of the d	quality rating 2 12 23.1. M  Tier Three	the provider haximum wee	has achieved within kly rates shall be
28 29 30 31	be implemented in a tiered the state's quality rating reimbursed as follows: LICENSED CHILDCARI CENTERS	system out  Tier One \$236.36	lective of the dined in § 42	Juality rating 2 12 23.1. M  Tier Three  \$257.15	the provider haximum weed  Tier Four  \$268.74	has achieved within kly rates shall be  Tier Five  \$284.39

The maximum reimbursement rates for licensed family childcare providers paid by the
departments of human services, and children, youth and families is determined through collective
bargaining. The maximum reimbursement rates for infant/toddler and preschool age children paid
to licensed family childcare providers by both departments is implemented in a tiered manner that
reflects the quality rating the provider has achieved in accordance with § 42-12-23.1.

6 SECTION 4. This act shall take effect on July 1, 2022.

LC004959

## **EXPLANATION**

#### BY THE LEGISLATIVE COUNCIL

OF

# AN ACT

## RELATING TO HUMAN SERVICES -- RHODE ISLAND CHILDCARE IS ESSENTIAL ACT

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- 1 This act would provide that childcare is part of an early learning program and is an essential 2 program supporting the state's workforce and a strong state economy. The act also would require 3 childcare reimbursement rates to be paid by the departments of human services and children, youth and families for licensed childcare centers to be updated to reflect findings from the 2021 Rhode 4 Island Childcare Market Rate Survey and would be implemented in a tiered manner, reflective of 5 the quality rating the provider has achieved within the state's quality rating system. 6 This act would take effect on July 1, 2022.
- 7

LC004959

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