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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

**RELATING TO HUMAN SERVICES -- THE RHODE ISLAND WORKS PROGRAM--
RHODE ISLAND CHILD CARE IS ESSENTIAL ACT**

Introduced By: Senators Vargas, DiMario, Urso, Murray, and DiPalma

Date Introduced: February 27, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 40-5.2-20 and 40-5.2-35 of the General Laws in Chapter 40-5.2
2 entitled "The Rhode Island Works Program" are hereby amended to read as follows:

3 **40-5.2-20. Childcare assistance — Families or assistance units eligible.**

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

7 (b) **Low-income child care.** The department shall provide child care to all other working
8 families with incomes at or below ~~two hundred sixty one percent (261%)~~ two hundred eighty-five
9 percent (285%) of the federal poverty level if, and to the extent, these other families require child
10 care in order to work at paid employment as defined in the department's rules and regulations. The
11 department shall also provide child care to families with incomes below ~~two hundred sixty one~~
12 ~~percent (261%)~~ two hundred eighty-five percent (285%) of the federal poverty level if, and to the
13 extent, these families require child care to participate on a short-term basis, as defined in the
14 department's rules and regulations, in training, apprenticeship, internship, on-the-job training, work
15 experience, work immersion, or other job-readiness/job-attachment program sponsored or funded
16 by the human resource investment council (governor's workforce board) or state agencies that are
17 part of the coordinated program system pursuant to § 42-102-11. Effective from January 1, 2021,
18 through June 30, 2022, the department shall also provide childcare assistance to families with

1 incomes below one hundred eighty percent (180%) of the federal poverty level when such
2 assistance is necessary for a member of these families to enroll or maintain enrollment in a Rhode
3 Island public institution of higher education provided that eligibility to receive funding is capped
4 when expenditures reach \$200,000 for this provision. Effective July 1, 2022 through December 31,
5 2024, the department shall also provide childcare assistance to families with incomes below two
6 hundred percent (200%) of the federal poverty level when such assistance is necessary for a
7 member of these families to enroll or maintain enrollment in a Rhode Island public institution of
8 higher education. Effective from January 1, 2025 through December 31, 2026, the department shall
9 also provide childcare assistance to families with incomes below two hundred sixty-one percent
10 (261%) of the federal poverty level when such assistance is necessary for a member of these
11 families to enroll or maintain enrollment in a Rhode Island public institution of higher education.
12 Effective on January 1, 2027, the department shall also provide childcare assistance to families
13 with incomes below two hundred eighty-five percent (285%) of the federal poverty level when such
14 assistance is necessary for a member of these families to enroll or maintain enrollment in a Rhode
15 Island public institution of higher education.

16 (c) The department shall also provide childcare assistance to families who meet the
17 requirements of the protective services group. For the purposes of this section, "protective services
18 group" means foster or kinship children served through the department of children, youth and
19 families as well as the children of childcare educators as defined in subsection (l) of this section.

20 ~~(e)~~(d) No family/assistance unit shall be eligible for childcare assistance under this chapter
21 if the combined value of its liquid resources exceeds one million dollars (\$1,000,000), which
22 corresponds to the amount permitted by the federal government under the state plan and set forth
23 in the administrative rulemaking process by the department. Liquid resources are defined as any
24 interest(s) in property in the form of cash or other financial instruments or accounts that are readily
25 convertible to cash or cash equivalents. These include, but are not limited to: cash, bank, credit
26 union, or other financial institution savings, checking, and money market accounts; certificates of
27 deposit or other time deposits; stocks; bonds; mutual funds; and other similar financial instruments
28 or accounts. These do not include educational savings accounts, plans, or programs; retirement
29 accounts, plans, or programs; or accounts held jointly with another adult, not including a spouse.
30 The department is authorized to promulgate rules and regulations to determine the ownership and
31 source of the funds in the joint account.

32 ~~(d)~~(e) As a condition of eligibility for childcare assistance under this chapter, the parent or
33 caretaker relative of the family must consent to, and must cooperate with, the department in
34 establishing paternity, and in establishing and/or enforcing child support and medical support

1 orders for any children in the family receiving appropriate child care under this section in
2 accordance with the applicable sections of title 15, as amended, unless the parent or caretaker
3 relative is found to have good cause for refusing to comply with the requirements of this subsection.

4 ~~(e)~~(f) For purposes of this section, “appropriate child care” means child care, including
5 infant, toddler, preschool, nursery school, and school-age, that is provided by a person or
6 organization qualified, approved, and authorized to provide the care by the state agency or agencies
7 designated to make the determinations in accordance with the provisions set forth herein.

8 ~~(f)~~(g)(1) Families with incomes below one hundred percent (100%) of the applicable
9 federal poverty level guidelines shall be provided with free child care. Families with incomes
10 greater than one hundred percent (100%) and less than two hundred percent (200%) of the
11 applicable federal poverty guideline shall be required to pay for some portion of the child care they
12 receive, according to a sliding-fee scale adopted by the department in the department’s rules, not
13 to exceed seven percent (7%) of income as defined in subsection (h) of this section.

14 (2) Families who are receiving childcare assistance and who become ineligible for
15 childcare assistance as a result of their incomes exceeding ~~two hundred sixty one percent (261%)~~
16 two hundred eighty-five percent (285%) of the applicable federal poverty guidelines shall continue
17 to be eligible for childcare assistance until their incomes exceed ~~three hundred percent (300%)~~ three
18 hundred twenty-five percent (325%) of the applicable federal poverty guidelines. To be eligible,
19 the families must continue to pay for some portion of the child care they receive, as indicated in a
20 sliding-fee scale adopted in the department’s rules, not to exceed seven percent (7%) of income as
21 defined in subsection (h) of this section, and in accordance with all other eligibility standards.

22 ~~(g)~~(h) In determining the type of child care to be provided to a family, the department shall
23 take into account the cost of available childcare options; the suitability of the type of care available
24 for the child; and the parent’s preference as to the type of child care.

25 ~~(h)~~(i) For purposes of this section, “income” for families receiving cash assistance under §
26 40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
27 §§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned and
28 unearned income as determined by departmental regulations.

29 ~~(i)~~(j) The caseload estimating conference established by chapter 17 of title 35 shall forecast
30 the expenditures for child care in accordance with the provisions of § 35-17-1.

31 ~~(j)~~(k) In determining eligibility for childcare assistance for children of members of reserve
32 components called to active duty during a time of conflict, the department shall freeze the family
33 composition and the family income of the reserve component member as it was in the month prior
34 to the month of leaving for active duty. This shall continue until the individual is officially

1 discharged from active duty.

2 ~~(H)(I)~~ Effective from August 1, 2023, through July 31, ~~2028~~2030, the department shall
3 provide funding for child care for eligible childcare educators, and childcare staff, who work at
4 least twenty (20) hours a week in licensed childcare centers and licensed family childcare homes
5 as defined in the department's rules and regulations. Eligibility is limited to qualifying childcare
6 educators and childcare staff with family incomes up to three hundred percent (300%) of the
7 applicable federal poverty guidelines and will have no copayments. This protective service group
8 shall continue to be eligible for childcare assistance until their incomes exceed three hundred
9 twenty-five percent (325%) of the applicable federal poverty guidelines. Qualifying participants
10 may select the childcare center or family childcare home for their children. The department shall
11 promulgate regulations necessary to implement this section, and will collect applicant and
12 participant data to report estimated demand for state-funded child care for eligible childcare
13 educators and childcare staff. The report shall be due annually to the governor and the general
14 assembly by November 1.

15 **40-5.2-35. Child support pass-through.**

16 For any month in which a noncustodial parent makes a child support payment in the month
17 when due and the support is collected by the department of human services, for a child or children
18 receiving cash assistance pursuant to this chapter, in a household of one child the first ~~fifty dollars~~
19 ~~(\$50.00)~~ one hundred dollars (\$100) of the child support payment, or the actual amount of the child
20 support payment if the payment is less than ~~fifty dollars (\$50.00)~~ one hundred dollars (\$100), shall
21 be paid to the family in which the child resides; in a household of two (2) or more children the first
22 two hundred dollars (\$200) of the child support payment, or the actual amount of the child support
23 payment if the payment is less than two hundred dollars (\$200), shall be paid to the family in which
24 the child resides. If more than one noncustodial parent makes a child support payment to children
25 living in the same family, there shall only be one payment of ~~fifty (\$50.00)~~ one hundred dollars
26 (\$100) for a household of one child, or two hundred dollars (\$200) for a household with two (2) or
27 more children paid to the family from the child support collected. This payment is known as the
28 "pass through" payment and shall be sent to the family within two (2) business days of the
29 determination that the amount is due and owing and no later than within two (2) business days of
30 the end of the month in which the support was collected.

31 SECTION 2. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
32 Care — State Subsidies" is hereby amended to read as follows:

33 **40-6.2-1.1. Rates established.**

34 (a) Through June 30, 2015, subject to the payment limitations in subsection (c), the

1 maximum reimbursement rates to be paid by the departments of human services and children, youth
2 and families for licensed childcare centers and licensed family childcare providers shall be based
3 on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
4 average of the 75th percentile of the 2002 and the 2004 weekly market rates:

5	Licensed Childcare Centers	75th Percentile of Weekly Market Rate
6	Infant	\$182.00
7	Preschool	\$150.00
8	School-Age	\$135.00
9	Licensed Family Childcare Providers	75th Percentile of Weekly Market Rate
10	Infant	\$150.00
11	Preschool	\$150.00
12	School-Age	\$135.00

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

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

29 (1) For infant/toddler child care, tier one shall be reimbursed two and one-half percent
30 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
31 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
32 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018 weekly
33 amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018 weekly
34 amount.

1 (2) For preschool reimbursement rates, tier one shall be reimbursed two and one-half
2 percent (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
3 above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY
4 2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018
5 weekly amount, and tier five shall be reimbursed twenty-one percent (21%) above the FY 2018
6 weekly amount.

7 (c) [Deleted by P.L. 2019, ch. 88, art. 13, § 4.]

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

14 (e) In order to expand the accessibility and availability of quality child care, the department
15 of human services is authorized to establish, by regulation, alternative or incentive rates of
16 reimbursement for quality enhancements, innovative or specialized child care, and alternative
17 methodologies of childcare delivery, including nontraditional delivery systems and collaborations.

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

21 (g) Effective July 1, 2019, the maximum infant/toddler reimbursement rates to be paid by
22 the departments of human services and children, youth and families for licensed family childcare
23 providers shall be implemented in a tiered manner, reflective of the quality rating the provider has
24 achieved within the state's quality rating system outlined in § 42-12-23.1. Tier one shall be
25 reimbursed two percent (2%) above the prevailing base rate for step 1 and step 2 providers, three
26 percent (3%) above prevailing base rate for step 3 providers, and four percent (4%) above the
27 prevailing base rate for step 4 providers; tier two shall be reimbursed five percent (5%) above the
28 prevailing base rate; tier three shall be reimbursed eleven percent (11%) above the prevailing base
29 rate; tier four shall be reimbursed fourteen percent (14%) above the prevailing base rate; and tier
30 five shall be reimbursed twenty-three percent (23%) above the prevailing base rate.

31 (h) Through December 31, 2021, the maximum reimbursement rates paid by the
32 departments of human services, and children, youth and families to licensed childcare centers shall
33 be consistent with the enhanced emergency rates provided as of June 1, 2021, as follows:

34 Tier 1 Tier 2 Tier 3 Tier 4 Tier 5

1	Infant/Toddler	\$257.54	\$257.54	\$257.54	\$257.54	\$273.00
2	Preschool Age	\$195.67	\$195.67	\$195.67	\$195.67	\$260.00
3	School Age	\$200.00	\$200.00	\$200.00	\$200.00	\$245.00

4 The maximum reimbursement rates paid by the departments of human services, and
5 children, youth and families to licensed family childcare providers shall be consistent with the
6 enhanced emergency rates provided as of June 1, 2021, as follows:

7		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
8	Infant/Toddler	\$224.43	\$224.43	\$224.43	\$224.43	\$224.43
9	Preschool Age	\$171.45	\$171.45	\$171.45	\$171.45	\$171.45
10	School Age	\$162.30	\$162.30	\$162.30	\$162.30	\$162.30

11 (i) Effective January 1, 2022, the maximum reimbursement rates to be paid by the
12 departments of human services and children, youth and families for licensed childcare centers
13 shall be implemented in a tiered manner, reflective of the quality rating the provider has achieved
14 within the state’s quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
15 reimbursed as follows:

16 Licensed Childcare Centers

17		Tier One	Tier Two	Tier Three	Tier Four	Tier Five
18	Infant/Toddler	\$236.36	\$244.88	\$257.15	\$268.74	\$284.39
19	Preschool	\$207.51	\$212.27	\$218.45	\$223.50	\$231.39
20	School-Age	\$180.38	\$182.77	\$185.17	\$187.57	\$189.97

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

26 (j) Effective July 1, 2022, the maximum reimbursement rates to be paid by the departments
27 of human services and children, youth and families for licensed childcare centers shall be
28 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
29 the state’s quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
30 reimbursed as follows:

31 Licensed Childcare Centers

32		Tier One	Tier Two	Tier Three	Tier Four	Tier Five
33	Infant/Toddler	\$265	\$270	\$282	\$289	\$300
34	Preschool	\$225	\$235	\$243	\$250	\$260

1 School-Age \$200 \$205 \$220 \$238 \$250

2 (k) Effective July 1, 2024, the maximum reimbursement rates to be paid by the departments
 3 of human services and children, youth and families for licensed childcare centers shall be
 4 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
 5 the state's quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
 6 reimbursed as follows:

7 Licensed Childcare Centers

8	Tier One	Tier Two	Tier Three	Tier Four	Tier Five
9 Infant/Toddler	\$278	\$284	\$296	\$303	\$315
10 Preschool	\$236	\$247	\$255	\$263	\$273
11 School-Age	\$210	\$215	\$231	\$250	\$263

12 (l) Effective July 1, 2025, the maximum reimbursement rates to be paid by the departments
 13 of human services and children, youth and families for licensed childcare centers shall be
 14 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
 15 the state's quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
 16 reimbursed as follows:

17	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
18 Infant	\$334	\$341	\$355	\$364	\$378
19 Toddlers	\$278	\$284	\$296	\$303	\$315
20 Preschoolers	\$236	\$247	\$255	\$263	\$273
21 School Age	\$210	\$215	\$231	\$250	\$263

22 (m) Effective July 1, 2026, the maximum reimbursement rates to be paid by the
 23 departments of human services and children, youth and families for licensed childcare centers shall
 24 be implemented in a tiered manner, reflective of the quality rating the provider has achieved within
 25 the state's quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
 26 reimbursed as follows:

27	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	<u>Tier 4</u>	<u>Tier 5</u>
28 <u>Infant</u>	<u>\$351</u>	<u>\$358</u>	<u>\$373</u>	<u>\$382</u>	<u>\$397</u>
29 <u>Toddlers</u>	<u>\$278</u>	<u>\$284</u>	<u>\$296</u>	<u>\$303</u>	<u>\$315</u>
30 <u>Preschoolers</u>	<u>\$236</u>	<u>\$247</u>	<u>\$255</u>	<u>\$263</u>	<u>\$273</u>
31 <u>School Age</u>	<u>\$210</u>	<u>\$215</u>	<u>\$231</u>	<u>\$250</u>	<u>\$263</u>

1 SECTION 3. Section 1 of this act shall take effect after January 1, 2027, except for the
2 provisions of § 40-5.2-20(c) which shall take effect July 1, 2026. Section 2 of this act shall take
3 effect July 1, 2026.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HUMAN SERVICES -- THE RHODE ISLAND WORKS PROGRAM--
RHODE ISLAND CHILD CARE IS ESSENTIAL ACT

1 This act would increase the income limit for eligible families from two hundred sixty-one
2 percent (261%) to two hundred eighty-five percent (285%) of the federal poverty level (FPL)
3 beginning January 1, 2027, and would increase the exit threshold from three hundred percent
4 (300%) to three hundred twenty-five percent (325%). This act would also increase the
5 reimbursement rates for infants by five percent (5%).

6 Section 1 of this act would take effect after January 1, 2027, except for the provisions of §
7 40-5.2-20(c) which would take effect July 1, 2026. Section 2 of this act would take effect July 1,
8 2026.

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