

2026 -- S 2667 SUBSTITUTE A AS AMENDED

LC004412/SUB A

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. Section 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled "The Rhode
2 Island Works Program" is 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) No family/assistance unit shall be eligible for childcare assistance under this chapter if
17 the combined value of its liquid resources exceeds one million dollars (\$1,000,000), which
18 corresponds to the amount permitted by the federal government under the state plan and set forth
19 in the administrative rulemaking process by the department. Liquid resources are defined as any
20 interest(s) in property in the form of cash or other financial instruments or accounts that are readily
21 convertible to cash or cash equivalents. These include, but are not limited to: cash, bank, credit
22 union, or other financial institution savings, checking, and money market accounts; certificates of
23 deposit or other time deposits; stocks; bonds; mutual funds; and other similar financial instruments
24 or accounts. These do not include educational savings accounts, plans, or programs; retirement
25 accounts, plans, or programs; or accounts held jointly with another adult, not including a spouse.
26 The department is authorized to promulgate rules and regulations to determine the ownership and
27 source of the funds in the joint account.

28 (d) As a condition of eligibility for childcare assistance under this chapter, the parent or
29 caretaker relative of the family must consent to, and must cooperate with, the department in
30 establishing paternity, and in establishing and/or enforcing child support and medical support
31 orders for any children in the family receiving appropriate child care under this section in
32 accordance with the applicable sections of title 15, as amended, unless the parent or caretaker
33 relative is found to have good cause for refusing to comply with the requirements of this subsection.

34 (e) For purposes of this section, “appropriate child care” means child care, including infant,

1 toddler, preschool, nursery school, and school-age, that is provided by a person or organization
2 qualified, approved, and authorized to provide the care by the state agency or agencies designated
3 to make the determinations in accordance with the provisions set forth herein.

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

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

18 (g) In determining the type of child care to be provided to a family, the department shall
19 take into account the cost of available childcare options; the suitability of the type of care available
20 for the child; and the parent's preference as to the type of child care.

21 (h) For purposes of this section, "income" for families receiving cash assistance under §
22 40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
23 §§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned and
24 unearned income as determined by departmental regulations.

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

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

32 (k) Effective from August 1, 2023, through July 31, ~~2028~~2030, the department shall
33 provide funding for child care for eligible childcare educators, and childcare staff, who work at
34 least twenty (20) hours a week in licensed childcare centers and licensed family childcare homes

1 as defined in the department's rules and regulations. Eligibility is limited to qualifying childcare
 2 educators and childcare staff with family incomes up to three hundred percent (300%) of the
 3 applicable federal poverty guidelines and will have no copayments. [This protective service group](#)
 4 [shall continue to be eligible for childcare assistance until their incomes exceed three hundred](#)
 5 [twenty-five percent \(325%\) of the applicable federal poverty guidelines.](#) Qualifying participants
 6 may select the childcare center or family childcare home for their children. The department shall
 7 promulgate regulations necessary to implement this section, and will collect applicant and
 8 participant data to report estimated demand for state-funded child care for eligible childcare
 9 educators and childcare staff. The report shall be due annually to the governor and the general
 10 assembly by November 1.

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

13 **40-6.2-1.1. Rates established.**

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

19	Licensed Childcare Centers	75th Percentile of Weekly Market Rate
20	Infant	\$182.00
21	Preschool	\$150.00
22	School-Age	\$135.00
23	Licensed Family Childcare Providers	75th Percentile of Weekly Market Rate
24	Infant	\$150.00
25	Preschool	\$150.00
26	School-Age	\$135.00

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 human services and children, youth and
 29 families for licensed childcare centers and licensed family childcare providers shall be based on the
 30 above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of
 31 the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be increased by
 32 ten dollars (\$10.00) per week for infant/toddler care provided by licensed family childcare
 33 providers and license-exempt providers and then the rates for all providers for all age groups shall
 34 be increased by three percent (3%). For the fiscal year 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 child care, 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 percent (2.5%) 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 child care 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 child care, 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 child care, 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 maximum infant/toddler reimbursement rates to be paid by
 2 the departments of human services and children, youth and families for licensed family childcare
 3 providers shall be implemented in a tiered manner, reflective of the quality rating the provider has
 4 achieved within the state's quality rating system outlined in § 42-12-23.1. Tier one shall be
 5 reimbursed two percent (2%) above the prevailing base rate for step 1 and step 2 providers, three
 6 percent (3%) above prevailing base rate for step 3 providers, and four percent (4%) above the
 7 prevailing base rate for step 4 providers; tier two shall be reimbursed five percent (5%) above the
 8 prevailing base rate; tier three shall be reimbursed eleven 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 December 31, 2021, the maximum reimbursement rates paid by the
 12 departments of human services, and children, youth and families to licensed childcare centers shall
 13 be consistent with the enhanced emergency rates provided as of June 1, 2021, as follows:

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
14 Infant/Toddler	\$257.54	\$257.54	\$257.54	\$257.54	\$273.00
15 Preschool Age	\$195.67	\$195.67	\$195.67	\$195.67	\$260.00
16 School Age	\$200.00	\$200.00	\$200.00	\$200.00	\$245.00

17
 18 The maximum reimbursement rates paid by the departments of human services, and
 19 children, youth and families to licensed family childcare providers shall be consistent with the
 20 enhanced emergency rates provided as of June 1, 2021, as follows:

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
21 Infant/Toddler	\$224.43	\$224.43	\$224.43	\$224.43	\$224.43
22 Preschool Age	\$171.45	\$171.45	\$171.45	\$171.45	\$171.45
23 School Age	\$162.30	\$162.30	\$162.30	\$162.30	\$162.30

24
 25 (i) Effective January 1, 2022, the maximum reimbursement rates to be paid by the
 26 departments of human services and children, youth and families for licensed childcare centers
 27 shall be implemented in a tiered manner, reflective of the quality rating the provider has achieved
 28 within the state's quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
 29 reimbursed as follows:

30 Licensed Childcare Centers

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

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

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

11 Licensed Childcare Centers

	Tier One	Tier Two	Tier Three	Tier Four	Tier Five
13 Infant/Toddler	\$265	\$270	\$282	\$289	\$300
14 Preschool	\$225	\$235	\$243	\$250	\$260
15 School-Age	\$200	\$205	\$220	\$238	\$250

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

21 Licensed Childcare Centers

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

26 (l) Effective July 1, 2025, 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:

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
32 Infant	\$334	\$341	\$355	\$364	\$378
33 Toddlers	\$278	\$284	\$296	\$303	\$315
34 Preschoolers	\$236	\$247	\$255	\$263	\$273

1 School Age \$210 \$215 \$231 \$250 \$263

2 (m) Effective July 1, 2026, the maximum reimbursement rates to be paid by the
3 departments of human services and children, youth and families for licensed childcare centers shall
4 be 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		<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	<u>Tier 4</u>	<u>Tier 5</u>
8	<u>Infant</u>	<u>\$351</u>	<u>\$358</u>	<u>\$373</u>	<u>\$382</u>	<u>\$397</u>
9	<u>Toddlers</u>	<u>\$278</u>	<u>\$284</u>	<u>\$296</u>	<u>\$303</u>	<u>\$315</u>
10	<u>Preschoolers</u>	<u>\$236</u>	<u>\$247</u>	<u>\$255</u>	<u>\$263</u>	<u>\$273</u>
11	<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.

=====
LC004412/SUB A
=====

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.

=====
LC004412/SUB A
=====