



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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Memorandum

To: The Honorable Steven M. Costantino
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Rosemary Booth Gallogly
Executive Director/State Budget Officer

Date: January 5, 2010

Subject: Amendments to Article 5 of FY 2010 Supplemental Appropriations Act

The Governor requests that Article 5 of the FY 2010 revised Appropriations Act, entitled "Relating to Child Care Subsidies" be replaced with the attached version. The new version provides for a September 30, 2010 sunset for the 5 percent reduction to subsidized child care reimbursement rates. The revised language is indicated by shading.

If you have any questions regarding the amendments to Article 8, please feel free to call Daniel Orgel at 222-2329, or Kevin Madigan of the Department of Human Service at 462-0732.

RBG:sm 10-02

Attachment

cc: Sharon Reynolds Ferland
Peter Marino
Tim Costa
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Gary Alexander
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ARTICLE 5

RELATING TO CHILD CARE SUBSIDIES

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) Subject to the payment limitations in section (b), the maximum reimbursement rates to be paid by the departments of human services and children, youth and families for licensed child care centers and certified family-child care 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 CHILD CARE CENTERS		75th PERCENTILE OF WEEKLY MARKET RATE
INFANT		\$182.00
PRESCHOOL		\$150.00
SCHOOL-AGE		\$135.00
CERTIFIED FAMILY CHILD CARE PROVIDERS		75th PERCENTILE OF WEEKLY MARKET RATE
INFANT		\$150.00
PRESCHOOL		\$150.00
SCHOOL-AGE		\$135.00

(b) The department shall pay child care providers based on the lesser of the applicable rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its public or private child care customers with respect to each of the rate categories, infant, preschool and school-age.

(c)(1) By June 30, 2004 and biennially thereafter, the department of labor and training shall conduct an independent survey or certify an independent survey of the then current weekly market rates for child care in Rhode Island and shall forward such weekly market rate survey to

the department of human services. The departments of human services and labor and training will jointly determine the survey criteria including, but not limited to, rate categories and sub-categories. The 75th percentile of weekly market rates in the table in subsection (a) shall be adjusted by the surveys conducted under this subsection, beginning January 1, 2006 and for the purposes of this section, and until adjusted in accordance with this subsection, the 75th percentile of weekly market rate shall be the average of the 2002 and 2004 weekly market rate surveys.

(2) Beginning January 1, 2010 and terminating September 30, 2010, the rates paid to child care providers by the departments of human services and children, youth and families shall be ninety-five percent (95%) of the reimbursement rates in effect on December 31, 2009.

(d) In order to expand the accessibility and availability of quality child care, the department of human services is authorized to establish by regulation alternative or incentive rates of reimbursement for quality enhancements, innovative or specialized child care and alternative methodologies of child care delivery, including non-traditional delivery systems and collaborations.

(e) On or before January 1, 2007, all child care providers have the option to be paid every two (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of reimbursement payments.

SECTION 2. This article shall take effect as of January 1, 2010.