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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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BUDGET OFFICE
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MEMORANDUM

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable William J. Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: March 25, 2019

Subject: Amendments to Article 15 of the FY 2020 Appropriations Act
(19-H-5151)

The Governor requests that Article 15 entitled "Relating to Children and Families" be amended as follows. This proposed amendment is in lieu of and fully incorporating the amendment submitted on February 25, 2019.

Section 6 on child care state subsidies is amended to correct a drafting oversight which erroneously included preschool age reimbursement rates in the tiered rate structure established by the article. Tiered reimbursement will only be applied to infant/toddler rates as set forth in the collective bargaining agreement with SEIU District 1199NE. Additionally, Section 6 is amended to clarify the base rate from which the tiered reimbursement is to be applied, as well as to more clearly describe the interaction between provider steps and the tiered reimbursement paradigm. The funding as recommended in the Governor's FY 2020 budget was based on the tiered reimbursement paradigm as proposed in this updated language.

<u>Article</u>	<u>Location</u>	<u>Description</u>
15	Page 382, Line 34 through Page 383, Line 9	Strike subsection (f).

Replace subsection (f) with the following:

(f) Effective July 1, 2019, the maximum infant/toddler reimbursement rates to be paid by the departments of human services and children, youth and families for licensed family childcare providers shall be implemented in a tiered manner, reflective of the quality rating the provider has achieved within the state's quality rating system outlined in § 42-12-23.1. Tier one shall be reimbursed two (2) percent above the prevailing base rate for Step 1 and Step 2 providers, three (3) percent above the prevailing base rate for Step 3 providers, and

four (4) percent above the prevailing base rate for Step 4 providers; tier two shall be reimbursed five (5) percent above the prevailing base rate; tier three shall be reimbursed eleven (11) percent above the prevailing base rate; tier four shall be reimbursed fourteen (14) percent above the prevailing base rate; and tier five shall be reimbursed twenty three (23) percent above the prevailing base rate.

TAM: 20-Amend-11

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Lindsey Callahan, Budget Analyst
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Lisa VuraWeis, Acting Secretary, Executive Office of Health and Human Services