

MAKING CHILD CARE AFFORDABLE FOR MORE RHODE ISLAND FAMILIES

A majority of young Rhode Island children and their families need affordable, quality child care. Almost three-quarters of children under age 6 have working parent(s) meaning that these children spend some time in child care.¹ Parents rely on child care so they can work and at the same time provide the early education experiences that can better prepare their children for school.

Child care is expensive and can easily become the biggest expense in a family's budget. For a single mother of a toddler and a school aged-child, child care costs can consume up to one-third of her family's budget – more than housing or food.²

A family with a three-year old in a licensed center would need to earn \$95,000 in order to be keep child care “affordable” at 10 percent of a family's budget.

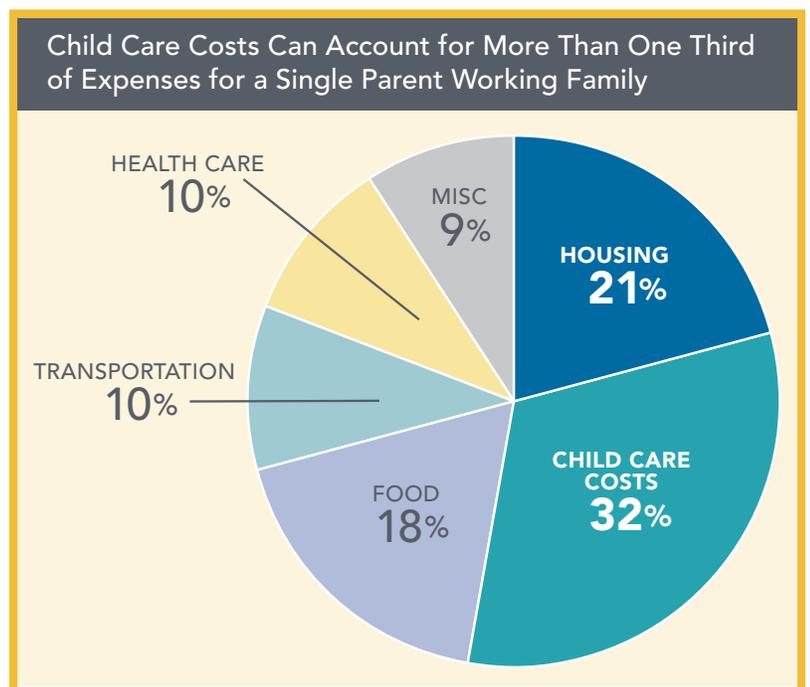
The Child Care Assistance Program (“CCAP”) provides assistance to working families who cannot afford the full cost of quality, regulated care for their children. To be eligible, the parent must be working at least 20 hours per week and have income less than 180 percent of the Federal Poverty Level (\$36,162 for a family of three). This is the lowest eligibility limit for child care assistance in New England.

Families enrolled in CCAP contribute a monthly copayment based on their income. Approximately 8,900 children currently benefit from the program.³

Current Child Care Investment Falls Short

When federal and state welfare programs were reformed in the mid-1990s, Rhode Island lawmakers committed to making child care affordable for low and modest income working families.

The plan was to increase the eligibility limit to 250 percent of FPL from 185% over the next several years, the eligibility limit rose to 225% FPL, but in 2007, the eligibility limit was reduced to 180%, lower than it had been ten years earlier.



Child Care Assistance Eligibility in New England*	
ME	\$54,589
NH	\$50,225
CT	\$44,601
MA	\$44,593 (Exit limit \$75,808)
VT	\$39,576
RI	\$36,162 (Exit limit \$45,203)

* All data is for yearly 2015 income. Calculations are based on a family size of three.

¹ 2011–2013, American Community Survey.

² 2014 Rhode Island Standard of Need, Economic Progress Institute, December 2014.

³ Rhode Island Department of Human Services, Caseload Estimating Conference, October 2015.

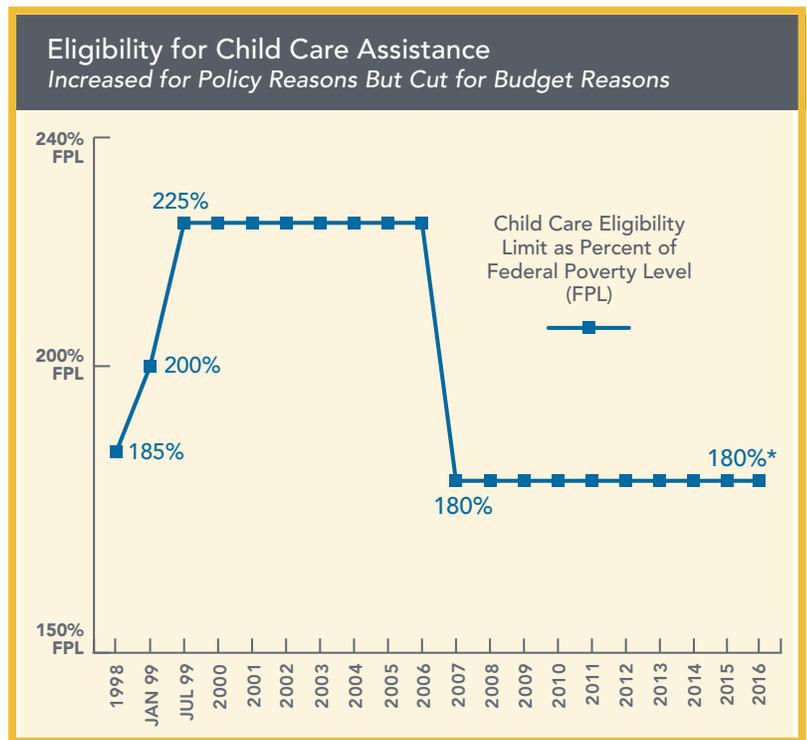
Since 2007, the number of children receiving CCAP assistance dropped dramatically from over 14,000 to 8,900 and state investment in program declined by 80 percent.⁴ Federal funds for child care come primarily from the Child Care Development Block Grant and the TANF Block Grant.

Recent Improvements: The “Exit Limit Pilot”

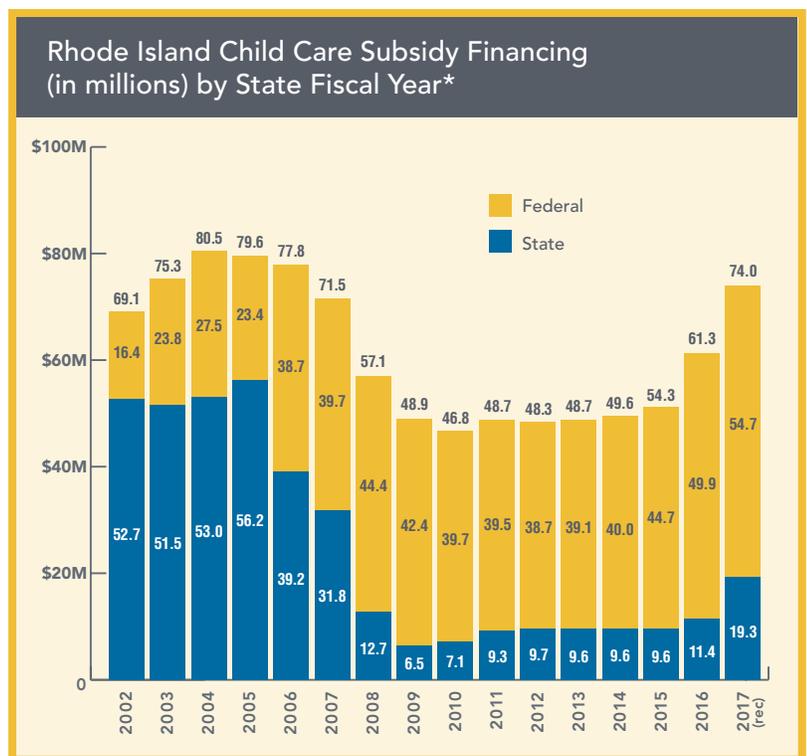
Despite significant setbacks, progress has been made in recent years. A pilot program (“Exit Pilot”) was launched in 2013 allowing parents enrolled in the Child Care Assistance Program to increase their earnings and maintain their child care assistance. The “Exit Pilot” is a real game changer for families who are trying to work their way up the income ladder, allowing families to keep their children in affordable, regulated care at higher incomes, rather than paying the full cost. In 2015, 310 children were able to stay in their child care programs as their parents’ incomes increased.⁵

The “Exit Pilot” is a real game changer for families who are trying to work their way up the income ladder, allowing families to keep their children in affordable, regulated care as earnings increase.

This “Exit Pilot” does not, however, help those families who cannot enter the Child Care Assistance Program because their income is too high. These are families that the program used to help when eligibility limits were higher. A family of three with yearly earnings of \$40,180 (200% FPL) is not eligible for assistance and it cost \$1,373/month (41% of gross earnings) to provide child care for a toddler and a school-aged child. If the CCAP income limit were increased to twice the poverty level, this family would pay \$335/month (10% of income) for child care with the state paying the balance.



* A pilot program enacted in 2012 allows families already receiving CCAP assistance to remain eligible as earnings increase to a maximum level of 225% FPL.



* FY2002–2015 are final expenditures, FY16 is enacted budget. FY17 is governor’s recommended budget. Source: Rhode Island House Fiscal, Rhode Island Enacted Budget. Prepared by Rhode Island KIDS COUNT, 2016

⁴ RI House Fiscal Office. RI Enacted Budgets and FY17 Governor Recommended budget.

⁵ Rhode Island Department of Human Services, Caseload Conference, October 2015.

Child Care for Parents Participating in Short Term Training

Another pilot launched in 2013, the Short Term Training Child Care Pilot, expanded access to child care assistance to enable parents to participate in short-term training. The program became permanent in 2015.

The Short Term Training Child Care Pilot allows unemployed parents to use subsidized child care during time spent in short-term job training programs. To qualify, the parent must be in training at least 20 hours per week and meet the regular CCAP income requirements. Parents can access child care for training that prepares them for available jobs. There are a number of existing programs that use a “train and place” model, where community agencies work with employers to provide customized training for existing jobs. These programs are typically of 12 -13 weeks duration. Without the child care provided through the Short Term Training Child Care Pilot, parents with young children are unable to participate in these programs if they can’t afford necessary child care, even though they would likely be eligible for child care assistance once they started the new job.

Recommendations

High-quality child care helps children, families, businesses and communities prosper. It helps children learn and develop skills they need to succeed in school and in life. It gives parents the support and peace of mind they need to be productive at work. It ensures employers have workers with reliable child care that limits disruptions at work while helping our state stay competitive, by producing a stronger workforce today and in the future.

- **Enact bills introduced by Senator Crowley (S2131) and Representative Diaz (H7236) that make permanent the “Exit Income” limit of 225% FPL.**
- **Enact bills introduced by Senator Goldin (S2130) and Representative Blazewski (H7115) to allow working families with income less than 200 percent of the federal poverty level (\$40,180 for a family of three) to qualify for the Child Care Assistance Program, with a co-payment based on a percentage of income.**