



**Improving Access to the Child Care Assistance Program  
Making Permanent the Exit Income Eligibility Limit  
April 2016**

The Child Care Assistance Program (“CCAP”) provides subsidies to working parents to help pay for early learning programs for their young children and for safe after school care. To initially be eligible for CCAP, 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 3). Quality child care is expensive: the average cost for care for a child under age 6 is \$866/month.<sup>1</sup> Child care subsidies help low-income families afford regulated care and help families keep their children in stable child care arrangements.<sup>2</sup>

In 2013, the general assembly passed the Child Care Exit Income Pilot that allows families who are already receiving child care assistance to remain on the program until their income reaches 225 percent of the federal poverty level (\$45,203 for a family of 3). This allows families to get a better paying job, increase their hours or receive a small raise without losing their subsidy right away.

Legislation introduced by Representative Diaz (**H7236**) and Senator Crowley (**S2131**) would make the Exit Income Limit permanent - to allow working parents who are receiving child care assistance to continue to remain eligible as long as their income does not exceed 225 percent FPL (\$45,203 for a family of 3).

**Without this legislation, the Exit Income Pilot is set to expire in September 2016.**

**The program is working: since the initiation of the program in 2013, enrollment has modestly but steadily increased.** Twice as many families with income between 180% to 200% of poverty are enrolled as compared to families with income between 200% and 225%. The fact that there are families with income in the higher bracket means that families to continue to increase their earnings.

As of March 2016, the Exit Income Pilot was helping 418 children (in 293 families) maintain child care after a raise.<sup>3</sup> Rhode Island is now among 20 states, along with Massachusetts, that allow working families to keep child care assistance as income rises.<sup>i</sup>

**Providing an exit income eligibility limit allows children to maintain consistent care when parent’s income increases due to a small raise.** Consistent, quality child care is vital to children’s emotional and educational development. Parents are better employees when their children are in safe and stable child care, an important factor for employers as well as families.

<sup>1</sup> Average cost for infant, toddler and preschool care that would allow parent to access care at 75% of RI providers (2015).

<sup>2</sup> Forry, N., Daneri, P., Minton, S. & Durham, C. (2014). Supporting Continuity through Child Care and Development Fund Subsidies: A Review of Select State Policies. OPRE Research Brief #2014-32. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

<sup>3</sup> According to RI Dept of Human Services as reported at 4/25/16 caseload estimating conference

**Families with higher income need subsidies to pay for quality child care as demonstrated by income limits in other New England states (and formerly Rhode Island).**

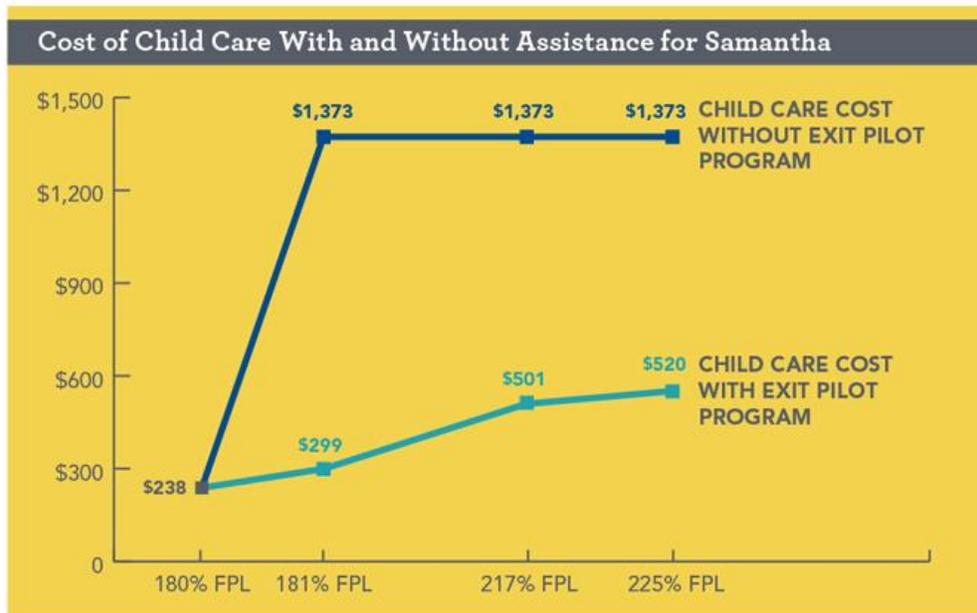
The other New England states recognize that workers at income levels higher than 180 percent of the FPL need help paying for quality child care. In Rhode Island, the state gradually increased the eligibility for child care assistance after passage of the StartingRIte program in 1997, a comprehensive approach to increase access to child care for all working families with an emphasis on providing access to quality care for children in lower-income working families. Eligibility reached 225% of the federal poverty in 1999, but was rolled back in 2007 as a budget-savings measure. The current 180% income limit is lower than the 185% limit in effect when StartingRIte began.

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	<b>\$36,162</b> (Exit limit \$45,203)

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

**Providing an exit income eligibility limit encourages parents to pursue increased earnings, additional hours or a higher paying job.** Workers faced with a significant increase in child care costs resulting from a modest increase in pay may choose to forgo a better paying position or maintain limited hours of work, forfeiting career advancement or additional earnings that could help the family meet basic needs.

The following chart shows how having the “exit income” provides a great benefit to families who are participating in the CCAP program and whose income increases. When the family is allowed to remain on CCAP after a raise, the amount they spend on child care is only 10-14 percent of their net income rather than 40-44 percent.



<sup>1</sup> Building Blocks: State Child Care Assistance Policies 2015, National Women’s Law Center, Table 1A