



Testimony in Support of Article 15 and S 2120
Senate Finance Committee
May 17, 2018

The Economic Progress Institute strongly supports the child care provisions included in Article 15 of the Governor's proposed budget, including investing \$1.5 million to create a tiered reimbursement rate structure based on quality for infants and toddlers and creating a pilot program allowing parents enrolled in post-secondary education to access child care assistance.

We also strongly support Senator Crowley's bill S2120 that would expand on Article 15 to create a tiered reimbursement rate structure based on quality for all child care programs.

Tiered Rates

Science shows us that a child's brain development starts at birth and begins to plateau by age 4. Since 70% of kids under age six have all of the parents in their home working, we must ensure that the time the child spends in child care is quality time. School age children also need a safe place to be after the school day is over and when schools are closed.

A recent report by the US Chamber of Commerce, "Workforce of Today: Workforce of Tomorrow: The Business Case for High Quality Child Care"¹ highlights why quality child care is so important. As Katharine Stevens explains, child care is the root of the achievement gap we see later in life. "...many children enter school unprepared to succeed, and schooling largely cannot close initial gaps," Steven argues. This missing link is quality child care.

"In fact," Stevens continues, "if done right, it (child care) can serve two crucial purposes simultaneously: ensuring the healthy development of young children while enabling their parents to contribute as productive members of the workforce. By laying the crucial groundwork for tomorrow's workforce and supporting a strong workforce today, high-quality childcare builds our nation's human capital two generations at a time."

Rhode Island's child care assistance program (CCAP) which provides assistance for families earning less than \$36,000 a year (family of 3) can help provide that quality care. But currently the program does not provide adequate payment to providers to allow them to provide quality care.

The rates were supposed to be adjusted every two years to reflect changes in the market rate, but Rhode Island has only provided one small increase over the last 11 years (since 2006).

¹https://www.uschamberfoundation.org/sites/default/files/Workforce%20of%20Today%2CWorkforce%20of%20Tomorrow%20Report_0.pdf

Failure to have rates keep pace with costs have led to some providers closing and others struggling. More and more providers are refusing to accept children's who use the CCAP subsidy.

It is time for the state to reinvest in the CCAP program before we are left with a gentrified child care system where only higher income families can access quality child care. Increased federal funds and higher than expected revenues make this an opportune time for the state to further curb the crisis and fix the system now.

CCAP during Higher Ed Pilot

Currently, parents can only receive assistance paying for child care for their children when they are working or in a short term training program. This means that parents who are enrolled in college or graduate school cannot access the CCAP program for time that they are attending school or studying.

A report from the Urban Institute shows that Rhode Island is one of a few states that does not allow parents to receive child care assistance while they attend post-secondary education. All other New England states allow parents to receive assistance while attending post-secondary education.²

Our recent report, *State of Working Rhode Island: Paving the Way to Good Jobs*³, shows that 70% of jobs in Rhode Island by 2020 will require at least 2 years of post-secondary education. We must support students with children so they are able to prepare themselves for the jobs of tomorrow and support their families. This pilot is a good place to start.

² Connecticut only allows assistance for parents attending school as part of their approved TANF cash assistance plan. CCDF Policies Database 2015 Book of Tables, Table 2.

³www.economicprogressri.org/StateOfWorkingRI2017
