



Improving the Child Care Assistance Program *Providing child care subsidies for workers who want to improve their skills* **May 2014**

The Child Care Assistance Program (“CCAP”) provides subsidies to working parents to help them pay for high quality and stable child care for their young children and for after school care. To qualify, the parent must be working at least 20 hours per week and have income less than 180% FPL (\$36,622 for a family of 3, for example). The subsidy can only be used for child care needed while the parent is “on the job”, leaving parents who want to participate in education or training to improve their job skills to find other child care arrangements.

Legislation introduced by Representative Cimini (**H7243**) and Senator Crowley (**S2317**) would allow parents to use subsidized child care during time spent in education/training leading to increased earnings capacity if the parent is working at least 20 hours/week.

Rhode Island needs more workers with higher skills. To increase its economic competitiveness, Rhode Island needs more workers with higher skills. Close to half of the jobs in Rhode Island (48%) are in middle-skill occupations (those that require more than a high school, but less than a four-year degree). But only 37% of the workforce has the skills to fill those jobs. Approximately 86,000 working aged Rhode Islanders do not have a high school diploma and another 36,000 adults at all education levels lack English proficiency. Allowing parents who are working a minimum of 20 hours/week to access subsidized child care while they go to college, obtain a GED or improve literacy or English language ability creates an opportunity for lower-skilled parents to move up the job ladder.

Continuity of child care is important. Children whose parents want or need to take advantage of opportunities to improve their job skills should be able to stay in the same child care program as when their parents are working. Consistent, quality child care is vital to children’s emotional and educational development.

Creating incentives for parents to increase their skills is good public policy for families and for the state. Adults who earn a GED have earnings (\$28,854) that are 44 percent higher than those without a high school diploma (\$20,035). Adults who obtain an associate's degree earn almost 70 percent more (\$33,739) than those without a high school diploma. As parents earn more, tax revenues increase and parents' need for child care subsidies decrease.