



Testimony in Support of Article 15 – Child Care  
House Finance Committee  
March 27, 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 and creating a pilot program allowing parents enrolled in post-secondary education to access child care assistance. While new federal funds will be available to support child care through the recently-enacted increase to the Child Care Development Block Grant, the general revenue investment is critical to ensuring that our state has a high quality child care system that is affordable for families and supports early learning for young children.

### **Tiered Rates**

Science shows us that a child’s brain development starts at birth and begins to plateau by age 4. Child care is a necessity for hundreds of Rhode Island families: 70% of children under age six have all parents in their home working. We must ensure that the time that young children spend in child care supports child development and learning. School age children also need a safe place to be after the school day is over and when schools are closed.

Rhode Island’s child care assistance program (CCAP) which provides subsidies for families earning less than 180% of the federal poverty level (\$36,000 for a family of 3) should help ensure that families eligible for the subsidy can access quality care. But the rates paid to providers by the Department of Human Services (DHS) for CCAP-enrolled children are not adequate to cover the cost of high quality care.

When the Child Care Assistance Program was enacted years ago, the commitment was to adjust the rates every two years to reflect changes in the market rate to support a high quality child care system and provide access to quality programs for lower-income children. While rate adjustments were made in the first years of the program, DHS has provided only one small increase in the last eleven years (since 2006).

Failure to have rates keep pace with costs have led to some providers closing their doors and left others struggling. More and more providers are refusing to accept children 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.

### **Pilot program – CCAP subsidies for parents enrolled in post-secondary education**

Under current law, parents can only access CCAP subsidies if they need child care in order to work or participate in short-term training. Parents who are enrolled in college cannot access the CCAP program for time that they are attending school.

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 so they can attend post-secondary education. All other New England states allow parents to receive assistance while attending post-secondary education.<sup>1</sup>

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

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<sup>1</sup> Connecticut only allows assistance for parents attending school as part of their approved TANF cash assistance plan. Urban Institute, CCDF Policies Database 2015 Book of Tables, Table 2.

<sup>2</sup>[www.economicprogressri.org/StateOfWorkingRI2017](http://www.economicprogressri.org/StateOfWorkingRI2017)

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