

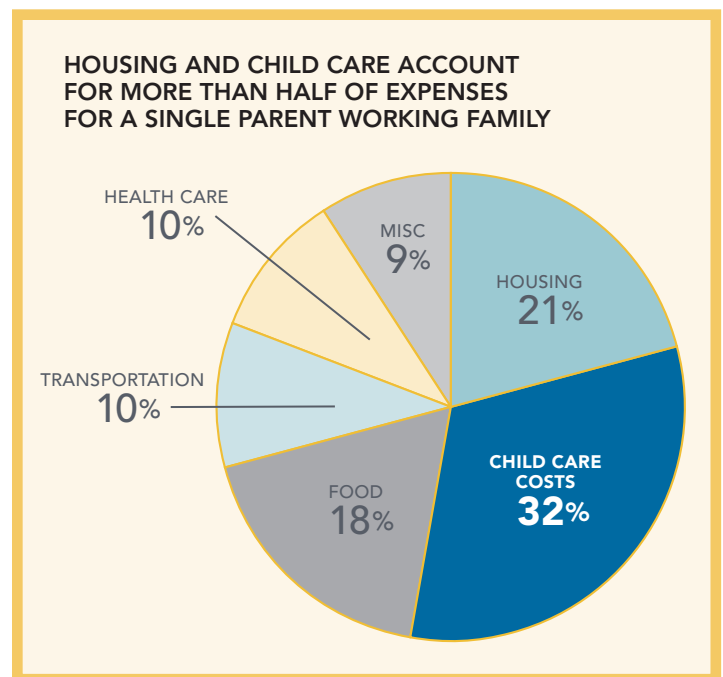
MAKING CHILD CARE AFFORDABLE FOR MORE RHODE ISLAND FAMILIES

A majority of young Rhode Island children and their families need affordable, quality child care. Almost three-quarters of children under age six have their parent(s) working, 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, costs can consume up to one-third of her family's budget – more than the cost of housing or food.²

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 (\$35,622 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



CHILD CARE ASSISTANCE ELIGIBILITY LIMITS*

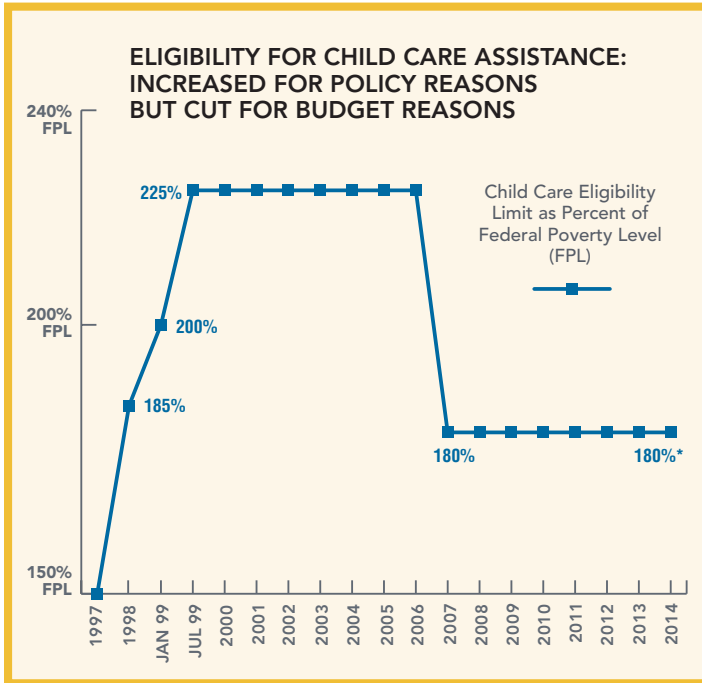
NH	\$49,475
ME	\$48,828
MA	\$43,909 (Exit limit \$74,645)
CT	\$43,770
VT	\$39,576
RI	\$35,622 (Exit limit \$44,528)

¹ 2011–2013, American Community Survey.

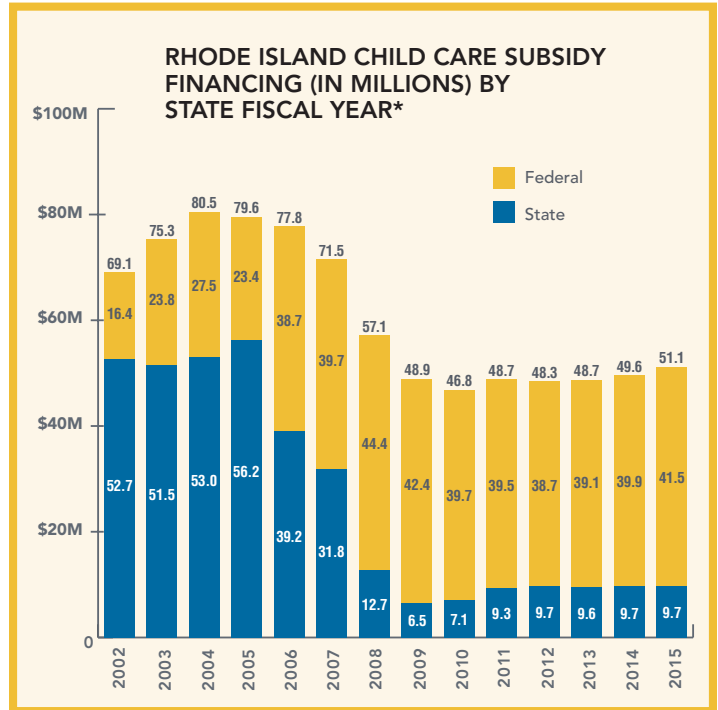
² 2014 Rhode Island Standard of Need, Economic Progress Institute, December 2014.

³ Rhode Island Department of Human Services, December 2014

* All data is for yearly 2014 income. Calculations are based on a family size of three.



* 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



* FY2002–2014 are final expenditures, FY15 is enacted budget. Source: Rhode Island House Fiscal, Rhode Island Enacted Budget. Prepared by Rhode Island KIDS COUNT, 2015

Current Child Care Commitment Falls Short

When federal and state welfare programs were reformed in the late 1990s, Rhode Island lawmakers committed to making child care affordable to the low-income mothers who would be entering the workforce. Plans to increase eligibility limits to 250 percent of FPL were halted and eligibility peaked at 225 percent FPL. Years later, in 2007, the eligibility limit was dropped to 180 percent of FPL to close budget shortfalls. Since then, the number of children receiving CCAP assistance subsequently dropped dramatically from over 14,000 to 8,900 and state investments in the program declined by 80 percent.⁴

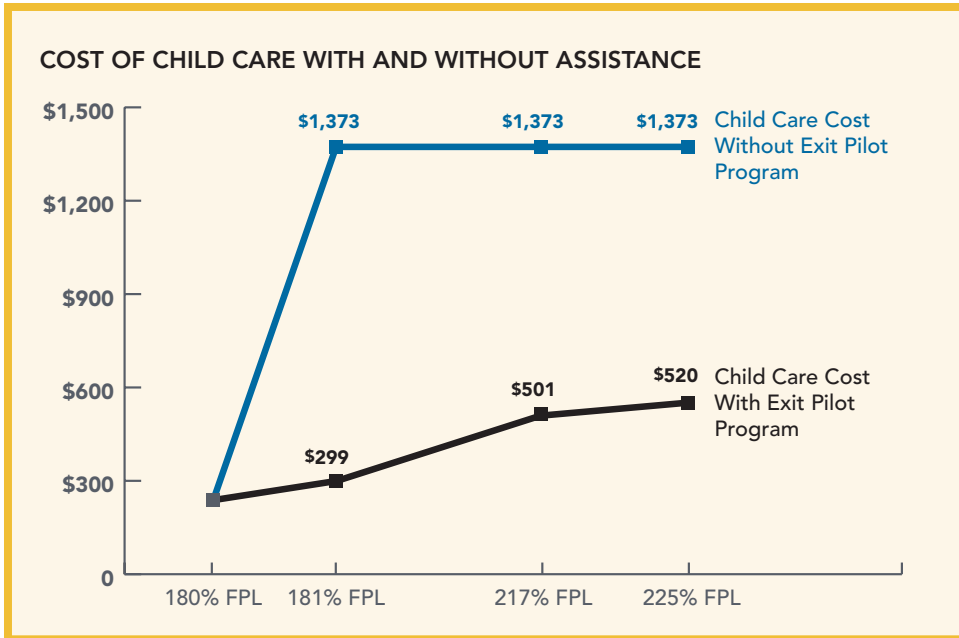
Recent Improvements: The “Exit Limit Pilot”

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” can be 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, rather than paying the full cost. Since the inception of the program, over 450 families, including 650 children, have been able to increase their earnings and remain in CCAP as a result.⁵

This “Exit Pilot” does not, however, help those families who cannot get in the front door of the Child Care Assistance Program because their income is too high. These are families that the program used to help when the eligibility limit was higher. A family of three with earnings of approximately \$43,000 a year (217% FPL) would not be eligible for assistance and would have child care costs of approximately \$1,373 a month versus \$500 a month if the eligibility limit for the Child Care Assistance Program is increased back to 225 percent of FPL.

⁴ FY2002–2014 are final expenditures, FY15 is enacted budget. Source: Rhode Island House Fiscal, Rhode Island Enacted Budget. Prepared by Rhode Island KIDS COUNT, 2015

⁵ Rhode Island Department of Human Services, April 2015



The “Exit Pilot” can be 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.

Short Term Training Child Care Pilot

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. This program is set to expire June 30, 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. Prior to the implementation of the pilot, the subsidy could only be used for child care needed while the parent is “on the job”, leaving parents who wanted to participate in education or training to improve their job skills to find other child care arrangements. 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 start 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 legislation introduced by Senator Goldin (S99) and Representative Ruggiero (H5348) that would make the Short Term Training Child Care program permanent. Under current law, the pilot is set to expire June 30, 2015.**
- **Enact legislation introduced by Senator Crowley (S470) and Representative Diaz (H5544) to allow working families with income less than 225 percent of the federal poverty level (\$44,528 for a family of three) to qualify for the Child Care Assistance Program, with a co-payment based on a percentage of income.**