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Testimony Re: S-2847, Child Care is Essential Act
Senate Education Committee
April 3, 2024
Leanne Barrett, Senior Policy Analyst



Rhode Island KIDS COUNT coordinates the Right from the Start Campaign, a state policy coalition led by eight organizations to advance state policies and budget priorities that will help families with young children.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support Senator Sandra Cano's Child Care is Essential Act, S-2847 which would create a new statute for child care (separate from RI Works cash assistance) and move the state towards a national leadership position.

Families across the state are struggling to find and pay for quality child care so they can work, and child care programs are struggling to offer competitive wages so they can find and keep skilled educators.

The bill would significantly expand family eligibility for child care assistance to join at least 12 states in the country (including Maine and Vermont) that meet or exceed the federal benchmark of 85% of State Median Income and allow families to retain the subsidy up to 100% of State Median Income. The bill would also remove the outdated requirement that families participate in child support enforcement activities as a condition of eligibility – a requirement that only 9 states currently impose.

Rhode Island currently has the lowest family income limit for child care assistance in the northeastern United States. We have cut \$46-\$48 million in state general revenue from the Child Care Assistance Program since 2005. The statewide labor shortage, particularly in female dominated fields, is likely because families cannot afford the cost of child care without a subsidy. Using the federal affordability standard, families need to earn at least \$197,000/year to pay the average cost of care for one infant enrolled in an average center that pays staff close to minimum wage.

Recent legislative changes to eligibility have not made a significant difference in helping families. In June of 2022, the Governor's recommended budget included an increase in the family income eligibility limit at the entrance from 180% to 200% of the federal poverty level (partially restoring eligibility in place prior to the 2007 cuts). The General Assembly concurred and went further to lift the exit limit was lifted from 225% to 300% of the federal poverty level. Unfortunately, these changes had a minimal impact on helping more families. In December 2022, there were 6,072 children receiving child care assistance in Rhode Island, the lowest number in at least 20 years. Rhode Island used to help over 14,000 children and their families access child care. In December 2023, the number went up slightly to 6,408 children. **More than half (52%) of subsidies were used by families with incomes at or below the federal poverty level; 43% had**

incomes between 100% and 200%, and only 5% were used by families with incomes over 200% of the federal poverty level.

It is time for Rhode Island to expand eligibility and it is also time to increase rates. Rate increases help providers and they help families. Rates increases wages for staff which can make a big difference in recruitment and retention rates enabling classrooms and programs to remain open and to keep skilled educators working in child care rather than leaving the field..

In 2022, the General Assembly enacted rate increases that brought us into minimum compliance with federal law, but we are still not meeting the federal equal access benchmark. **We are asking you to focus on increasing rates for infants under the age of 18 months to help address staffing and operating challenges in programs serving babies. Rates for infants under 18 months are exactly the same as they are for toddlers ages 18 months to age 3 even though staffing requirements for infants mean child care centers can serve 50% fewer children (4 infants versus 6 toddlers per teacher) with the same number of staff.**

Thank you for this opportunity to provide testimony. We applaud Senator Cano's persistence in working to restore and expand Rhode Island's commitment to meeting the needs of working families and to strengthening our state's child care and early learning system.

Child Care is Essential 2024

[H-7124](#) (Diaz) & [S-2847](#) (Cano) Child Care is Essential

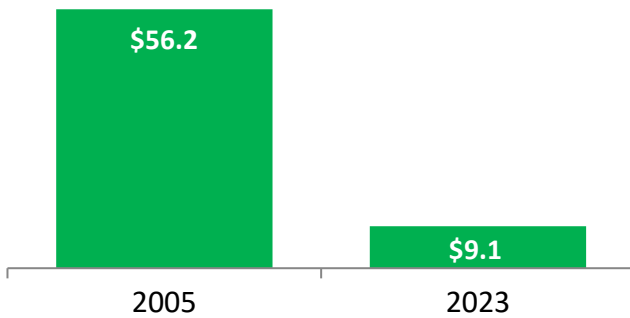


Right from the Start

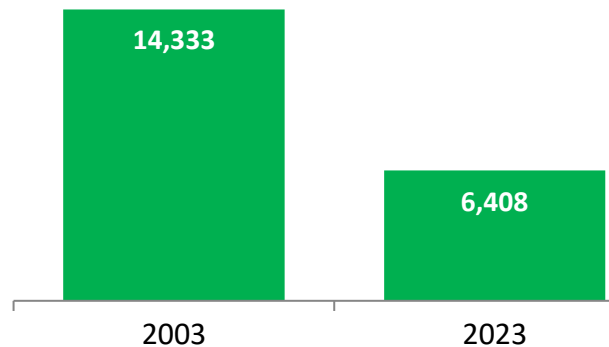
Why Focus on Child Care? Families need access to affordable, high-quality child care so parents can work, and children can learn and thrive. **Experts agree that 9 out of 10 families cannot afford child care.** Because middle-income families cannot afford the cost of quality care and government subsidies are inadequate, the median wage for a child care educator in Rhode Island was \$13.97/hour in 2022.

Less State Funding and Fewer Families Helped Now Compared to 20 Years Ago

RI State General Revenue Spending on Child Care Assistance



RI Children Receiving a Child Care Subsidy



The Rhode Island Child Care is Essential Act

- 1. Creates a new state law,** separate from the RI Works Cash Assistance statute, recognizing that high-quality child care is essential for parents to work, for the state to have a strong economy, and to promote children’s healthy development and learning.
- 2. Allows more families to qualify for the RI Child Care Assistance Program** by raising the family income limits to qualify for the Child Care Assistance Program to the federal Child Care and Development Block Grant benchmark, 85% of the state median family income and raises the “exit” income limit to 100% of the state median family income.
- 3. Makes child support participation voluntary.** Rhode Island would join 41 other states by keeping child care eligibility aligned with all other early learning programs that do not require families to establish paternity/parentage or seek child support to participate. The state child support enforcement office would remain available as an option for families who want and need help securing paternity/parentage and child support.
- 4. Provides a 50% rate increase for infants under the age of 18 months** to provide revenue parity with toddler classrooms so that the wages of infant teachers can be increased, closed infant classrooms can reopen, and waiting lists can be shortened.
- 5. Adjusts rates for the RI Child Care Assistance Program** to meet or exceed the current federal equal access standard (75th percentile of the 2021 RI Child Care Market Rate Survey) for all ages and settings.

The Rhode Island Child Care Assistance Program (CCAP) is managed by the Rhode Island Department of Human Services (DHS) and helps families pay for child care. Eligible low-income families are approved for a certificate they can use to enroll their children (birth – age 12) at a child care program that accepts the certificate. DHS pays child care programs based on rates that are set in statute. Some families are assessed a copayment that they pay directly to the child care program.

Current and Proposed Family Income Eligibility Limits for Family of 3

	Current RI Law 2024	Child Care is Essential 2024
Entrance	\$51,640 ≤ 200% of the federal poverty level	\$89,482 ≤ 85% of State Median Family Income*
Exit	\$77,460 ≤ 300% of the federal poverty level	\$105,273 ≤ 100% of State Median Family Income*

*Federal Eligibility Benchmark. States use LIHEAP method to calculate.

Family Income Eligibility Limits for Entrance to Child Care Subsidy, Nearby States (Family of 3)

State	Family Income Limit 2023
Vermont*	\$142,945
Maine*	\$103,860
New York	\$89,180
Connecticut	\$69,090
Massachusetts	\$67,124
New Hampshire	\$57,093
Rhode Island	\$49,720

***Both Maine and Vermont set family income eligibility limits at or above the federal benchmark (85% of State Median Family Income). A total of 12 states meet or exceed the federal benchmark for family income eligibility.** In addition to Maine and Vermont, they are California, Georgia, Louisiana, Mississippi, New Mexico, North Dakota, Oklahoma, South Carolina, and Tennessee. Virginia also meets this benchmark but only for families that have at least one child under age 5.

50% Rate Increase for Infants in the Child Care Assistance Program

The Child Care is Essential bill provides a 50% rate increase for infants under age 18 months ranging from \$132.50 to \$150.00 per week based on current rates to account for the increased staffing requirements for infants (4 infants for 1 teacher) versus toddlers (6 toddlers for 1 teacher).

Adjusting Child Care Assistance Program Rates to Meet 2021 Federal Standards

	1 Star	2 Stars	3 Stars	4 Stars	5 Stars
Infant/Toddler Current Rate	\$265	\$270	\$282	\$289	\$300
Infant/Toddler Proposed Rate	\$289*	\$305	\$321	\$337	\$353
Preschool Current Rate	\$225	\$235	\$243	\$250	\$260
Preschool Proposed Rate	\$250*	\$257	\$265	\$273	\$280
School-Age Current Rate	\$200	\$205	\$220	\$238	\$250
School-Age Proposed Rate	\$238*	\$241	\$244	\$247	\$250

* Equal Access Benchmark (75th percentile of the 2021 RI Child Care Market Rate Survey)