



Right from the
Start

Child Care Assistance Program

Families need access to affordable, high-quality child care so parents can work and their children can thrive through nurturing relationships with educators who provide enriching early learning experiences. But the rates for Rhode Island's Child Care Assistance Program do not meet federal standards and only 16% of children are in high-quality programs. Low state rates impact the quality of care available to all families. An **investment of \$7.5 million in state and federal funding will ensure more families can access high-quality child care** that provides a strong foundation for children to thrive.

Child Care Facts:

- 73% of children under age 6 and 77% of children ages 6 to 17 in Rhode Island **have all parents in the workforce** and need child care so they can work.
- Many families **need 10 or more hours of child care per day** which means programs must provide staffing in shifts or pay overtime rates.
- In Rhode Island, the average cost for a center-based program is over **\$13,000/year for an infant or toddler**, almost **\$11,000/year** for a three-year-old, and over **\$7,500** for a school-age child.

Rhode Island's Child Care Assistance Program (CCAP) helps low-income working families pay for child care.

- There are **over 10,000 children** whose child care is fully or partially paid for by CCAP; 82% are children of low-wage workers, 10% are in families receiving cash assistance as part of their employment plan, and 8% are in foster families.
- Despite increases and the adoption of tiered quality rates in 2018, **current CCAP rates remain below the minimum federal standards** and are in violation of the 2014 bi-partisan federal Child Care and Development Block Grant law.
- Rhode Island has not restored state funding for the Child Care Assistance Program that was cut during the Great Recession, with **current state funding 80% below peak funding** in 2005.
- Rhode Island must raise the rates paid to child care providers serving low-income children to avoid paying **federal non-compliance fines**.
- As of December 2019, **only 16% of children** receiving a CCAP subsidy **were enrolled in a high-quality program**.
- Access to higher quality programs has **improved after the 2018 rate increases** when only 10% of children receiving CCAP were in high-quality programs.



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What happens when rates are not adequate?

- **Quality suffers** - programs struggle to cover expenses, retain qualified educators, and provide enriching learning opportunities for children.
- **Families have fewer choices** – some high-quality programs cannot afford to accept children who are using the CCAP program.
- **Middle income families shoulder the burden** -- some programs need to charge private pay families a higher rate to make up for the inadequate state rate.

H-7584 (Diaz) and S-???? (Crowley) will increase rates for center-based programs to meet the federal standards for all age groups (0 – 12) and expand the tiered child care rate structure to include school-age children. The legislation ensures all providers are paid at or above the minimum standard to comply with the federal law. Program quality improvement is supported with incrementally better rates. Programs that meet 5-star high-quality standards are paid at or above the federally recommended benchmark (75th percentile of the most recent market rate survey). The bill establishes a placeholder for family child care rates which are determined through collective bargaining.

Article 15 of the Governor’s proposed FY21 budget will increase the tiered quality rates for children under age 6 in centers but only meets the federal standards for children under age 3. The article establishes a placeholder for family child care rates which are determined through collective bargaining.

CCAP Tiered Quality Rates for Centers & School-Age Programs (% increase above current rates)

Child Age	1 star	2 stars	3 stars	4 stars	5 stars
Infant/Toddler					
Current Rates FY20	\$198.48	\$203.32	\$218.81	\$232.37	\$257.54
Gov Budget FY21	\$222.38 (+12.04%)	\$226.83 (+11.56%)	\$240.17 (+9.76%)	\$249.07 (+7.01%)	\$257.54 (0%)
Diaz/Crowley F21	\$222.38 (+12.04%)	\$226.83 (+11.56%)	\$240.17 (+9.76%)	\$249.07 (+7.01%)	\$257.54 (0%)
Preschooler					
Current Rates FY20	\$165.75	\$169.80	\$177.88	\$182.73	\$195.67
Gov Budget FY21	\$176.67 (+6.59%)	\$180.53 (+6.32%)	\$193.94 (+9.03%)	\$201.99 (+10.54%)	\$212.84 (+8.77%)
Diaz/Crowley FY21	\$187.50 (+13.12%)	\$191.25 (+12.63%)	\$210.00 (+18.05%)	\$221.25 (+21.08%)	\$230.00 (+17.54%)
School-Age					
Current Rates FY20	\$146.26	\$146.26	\$146.26	\$146.26	\$146.26
Gov Budget FY 21	N/A	N/A	N/A	N/A	N/A
Diaz/Crowley FY21	\$148.50 (+1.53%)	\$151.47 (+3.56%)	\$170.78 (+16.76%)	\$185.63 (+26.92%)	\$198.75 (+35.88%)

Notes: Federal minimum standards are in **RED = 25th percentile** and the federal equal access standards are in **GREEN = 75th percentile** of the 2018 Rhode Island Child Care Market Rate Survey conducted by URI.