



Testimony Re: Department of Human Services FY2018 Budget & New Budget Article related to Child Care Assistance
Senate Finance Committee
May 18, 2017
Leanne Barrett, Senior Policy Analyst

Rhode Island KIDS COUNT supports the Governor's FY18 proposed DHS budget, including the New Budget Article related to Child Care Assistance, and we make the following recommendations:

Head Start

The Governor proposes an increase of \$390,000 to the current \$800,000 state supplement for Head Start which funds 130 Head Start seats in the state. This increase will bring state funding per child up to \$9,154 per child per year (up from \$6,154 per child per year) which is equal to the federal funding per child level. This funding increase will help Head Start providers deliver high-quality educational programs to preschool children living in poverty. In 2014, the average wage for a Head Start preschool teacher in Rhode Island was \$31,384 which is substantially less than State Pre-K teachers (\$43,458) and public elementary school teachers (\$65,918) earn in Rhode Island reflecting the lower funding levels per child overall.

Rhode Island KIDS COUNT recommends providing the \$390,000 increase for Head Start.

Child Care Assistance Program – Access to Quality Programs

The Governor proposes a \$1 million increase to the Child Care Assistance Program to create enhanced reimbursement rates for child care providers who offer higher quality care for infants and toddlers. Rhode Island's Child Care Assistance Program (CCAP) is a critical support for low-wage working families and an important component of our state's early learning system but we are not investing enough funds to provide access to quality child care. In fact, the state is spending 18% less overall and 82% less in state funding on CCAP that we spent in 2005.

As of 2016, 38 states and the District of Columbia have established a tiered rates system for child care with enhanced rates for higher-quality child care providers. In Rhode Island the current CCAP rates for infants are at the 12th percentile of the 2015 Market Rate Survey which is well below the 75th percentile level recommended to ensure equal access to quality child care.

Rhode Island KIDS COUNT **recommends strong consideration for using the \$1 million in the Governor's budget as part of a much larger investment to establish a tiered rates system for all age groups of children in CCAP**, as detailed in Senator Crowley's bill S-775. In her January 19 cover memo to the FY18 budget, Governor Raimondo recommended increased funding for quality incentives for CCAP on top of this \$1 million.

Child Care Assistance Program – Stable Access for Families

The Governor's budget includes a commitment to implement changes required under the federal Child Care and Development Block Grant Reauthorization Act of 2014. These changes include establishing a graduated phase-out policy to address the cliff effect, providing 12-month eligibility with uninterrupted access to child care benefits, providing 3 months of continued eligibility when families are between jobs, and increased funding for quality improvement activities.

Rhode Island KIDS COUNT **strongly supports the New Budget Article Relating to Child Care Assistance** which helps families move up the economic ladder by stabilizing children's enrollment in child care programs and would meet the federal requirement for a graduated phase-out of care. The Budget Article would **make the Child Care Assistance "cliff effect policy" or transitional child care program permanent**. This policy has been successfully piloted in Rhode Island since 2013 and allows low-income working families already receiving childcare assistance to remain eligible as long as their family income does not exceed 225% of the federal poverty level (\$45,945 for a family of 3 in 2017). This policy allows families to work additional hours or accept small pay increases without losing access to their child care subsidy, eliminating the financial disincentive to work and earn more.

UHIP and DHS Staffing

We are all aware of the problems that Rhode Island's most vulnerable families have experienced accessing benefits since the UHIP system was implemented in September 2016. We also know that the administration is working to fix the various parts of the system so that clients can be served promptly. However, we want to emphasize that even when the UHIP system is fully operational, computers will not be able to entirely replace the need for qualified and well-trained DHS supervisors and workers. Many of the Rhode Islanders served by DHS programs have low literacy skills (both in terms of reading/writing as well as electronic literacy), they may be homeless, and/or may have other challenges that mean that they will need help from people who

can talk them through and answer questions about applying for and/or renewing their benefits.

Rhode Island KIDS COUNT urges the General Assembly to ensure that DHS has **adequate budget support now and in the future for both supervisory and front line staff** to ensure that Rhode Islanders are able to get help in meeting their basic needs for food, health coverage, and child care.

Thank you for your leadership on behalf of children and families and for this opportunity to testify.