



Testimony Re: Bills relating to Human Services, Child Care Assistance Program H-7236 and H-7115
House Finance Committee – April 27, 2016
Leanne Barrett, Senior Policy Analyst

Rhode Island KIDS COUNT strongly supports both H-7236 and H-7115 which would help families move up the economic ladder and children who benefit when enrolled in a high-quality early learning program through the availability of a child care subsidy.

Our first priority is **H-7236** which would make the Child Care Assistance “cliff effect policy” or transitional child care program permanent. This policy has been successfully piloted in Rhode Island 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 (\$45,360 for a family of 3 in 2016). 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. As of March 2016, there were 418 children who were receiving CCAP as part of this program (4% of all children receiving CCAP). It is our understanding that funding to cover the cost of this program was included in the Governor’s proposed FY17 budget.

H-7115 would restore eligibility for the CCAP program to families with incomes at or below 200% of the federal poverty level (\$40,320 for a family of 2 in 2016). Families with incomes below 200% of FPL cannot afford licensed child care in Rhode Island. The federal affordability guideline for child care indicates that no more than 10% of a family’s income should go toward child care expenses. The 2015 market rate survey conducted by the University of Rhode Island indicates that licensed care for an infant in a center averages over \$12,000 per year while care for a preschooler averages over \$10,000 per year in Rhode Island.

High-quality, affordable, and consistent child care is important for Rhode Island’s short and long-term economy because it helps parents maintain employment and supports young children’s cognitive and emotional development, thereby helping to build skills in tomorrow’s workforce.

Thank you for this opportunity to testify.