

Children Receiving Child Care Subsidies

DEFINITION

Children receiving child care subsidies is the number of children receiving child care that is either fully or partially paid for with a child care subsidy from the Rhode Island Department of Human Services. Child care subsidies can be used for care by a child care center, family child care home, a relative or an in-home caregiver.

SIGNIFICANCE

Families rely on child care to enable them to work and to provide the early education experiences needed to prepare their children for school. Yet the high cost of child care in the United States (\$3,400 - \$15,900 per child per year) puts quality care out of reach for many low-income families.¹

In Rhode Island, the average cost of full-time child care for an infant in a child care center consumes 44% of the median single-parent family income and 11% of the median two-parent family income. The average cost of child care for two children in Rhode Island, exceeds the state's median monthly rent and approaches the average monthly mortgage payment.² Using the federal affordability guideline that families should spend no more than 10% of their gross income on child care, a Rhode Island family would need to make at least \$91,000 per year to afford the average cost of child care for a three-

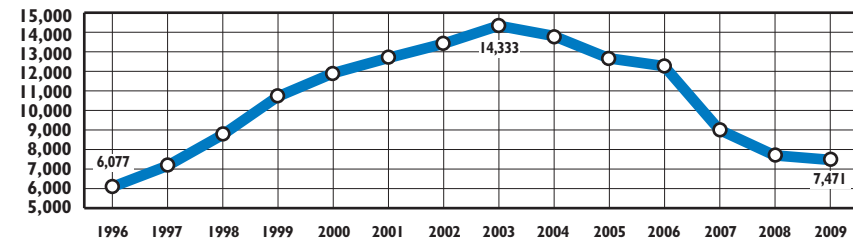
year-old at a licensed center (\$9,119).^{3,4}

Use of child care subsidies increases the likelihood that low-income parents are able to work and remain employed. Child care subsidies reduce the likelihood that former cash assistance recipients return to the program and increase the range of types of child care that low-income families can afford. Families who use child care subsidies have higher rates of maternal employment, more stable employment, and higher wages than disadvantaged families who do not use child care subsidies.^{5,6}

In 1996, Rhode Island established an entitlement to child care assistance for families with incomes up to 185% of the federal poverty level (FPL) as a key component of welfare reform. In 1998, eligibility was expanded to families with incomes up to 225% of the FPL, children ages 13-15 were added and rates paid to child care providers were to be adjusted biennially in order to provide low-income families with access to high-quality child care.⁷

In 2007, eligibility for child care subsidies was reduced to 180% of the FPL (\$32,958 for a family of three in 2009) and eligibility for children ages 13-15 was eliminated.^{8,9} In 2008, rates paid to providers serving children with subsidies were increased slightly to the average of the 2002 and 2004 market rate levels.¹⁰

Child Care Subsidies, Rhode Island, 1996-2009



Source: Rhode Island Department of Human Services, December 1996 – December 2009.

- ◆ In December 2009, there were 7,471 children receiving child care subsidies in Rhode Island, down from 7,700 in December 2008. The number of child care subsidies increased steadily from 6,077 in 1996 to 14,333 in 2003. Since 2003, there has been a 48% decrease in the number of child care subsidies.¹¹ In September 2007, the state cut income eligibility for the Child Care Assistance Program from 225% of the FPL to 180% of the FPL, increased family co-payments, and eliminated eligibility for children ages 13 to 15, which has resulted in fewer families qualifying for subsidies.¹²
- ◆ In 2009 in Rhode Island, 70% of children receiving child care subsidies were enrolled in a licensed child care center, 29% were enrolled in a licensed family child care home or group family child care home, and 1% were being cared for by a non-licensed relative, friend or neighbor.¹³
- ◆ In December 2009, 80% of all child care subsidies in Rhode Island were being used by low-income working families not receiving cash assistance and 11% were being used by families enrolled in the Rhode Island Works Program who were engaged in employment activities. Another 8% of child care subsidies were being used for children in the care of the Rhode Island Department of Children, Youth and Families.¹⁴

Average Annual Cost for Full-Time Child Care, Rhode Island, 2009

PROGRAM TYPE	COST PER CHILD
Child Care Center (infant care)	\$11,374
Child Care Center (preschool care)	\$9,119
Family Child Care Home (preschool care)	\$8,303
School-Age Center-Based Program (child age 6 - 12)	\$7,067

Source: Rhode Island KIDS COUNT analysis of average weekly rates from Bodah, M. M. (2009). *Statewide survey of childcare rates in Rhode Island*. Kingston, RI: University of Rhode Island.

Children Receiving Child Care Subsidies

Table 38.

Child Care Subsidies, Rhode Island, December 2009

CITY/TOWN	SUBSIDY USE BY CHILD RESIDENCE			SUBSIDY USE BY PROGRAM LOCATION			
	ENROLLED IN RI WORKS	NOT ENROLLED IN RI WORKS	TOTAL CHILD CARE SUBSIDIES	UNDER AGE 3	AGES 3-5	AGES 6-12	TOTAL CHILD CARE SUBSIDIES
Barrington	0	14	14	8	7	10	25
Bristol	11	26	37	5	16	5	26
Burrillville	4	40	44	14	30	27	71
Central Falls	45	249	294	78	90	126	294
Charlestown	0	15	15	1	5	1	7
Coventry	7	112	119	19	44	42	105
Cranston	40	424	464	154	193	229	576
Cumberland	7	92	99	24	23	37	84
East Greenwich	2	25	27	30	24	21	75
East Providence	28	198	226	46	103	89	238
Exeter	2	9	11	6	9	5	20
Foster	0	6	6	2	1	1	4
Glocester	0	9	9	5	13	3	21
Hopkinton	0	10	10	2	2	4	8
Jamestown	0	4	4	4	4	0	8
Johnston	7	91	98	55	63	51	169
Lincoln	7	61	68	29	34	60	123
Little Compton	0	2	2	0	0	0	0
Middletown	12	53	65	65	57	22	144
Narragansett	4	26	30	0	2	10	12
New Shoreham	0	0	0	0	0	0	0
Newport	43	173	216	42	73	68	183
North Kingstown	16	85	101	42	63	33	138
North Providence	13	96	109	28	32	32	92
North Smithfield	5	7	12	19	11	5	35
Pawtucket	77	629	706	175	259	253	687
Portsmouth	6	26	32	5	11	7	23
Providence	363	2,501	2,864	730	987	1,256	2,973
Richmond	0	11	11	0	0	0	0
Scituate	1	2	3	0	0	0	0
Smithfield	2	26	28	18	31	10	59
South Kingstown	4	54	58	23	37	18	78
Tiverton	2	19	21	3	8	7	18
Warren	3	29	32	3	3	5	11
Warwick	16	229	245	101	159	139	399
West Greenwich	0	9	9	6	11	1	18
West Warwick	17	180	197	54	63	80	197
Westerly	6	48	54	28	22	12	62
Woonsocket	98	396	494	111	161	195	467
DCYF	NA	NA	623	NA	NA	NA	NA
Out-of-State*	NA	NA	NA	7	10	4	21
Core Cities	643	4,128	4,771	1,190	1,633	1,978	4,801
Remainder of State	205	1,858	2,063	745	1,018	886	2,649
Rhode Island	848	5,986	7,457	1,942	2,661	2,868	7,471

Source of Data for Table/Methodology

The Rhode Island Department of Human Services, InRhodes Database, December 2009.

Subsidy data by age of child are reported by the location of the program. Total subsidy use numbers by child residence and total subsidy use numbers by program location do not match because children may be enrolled in more than one program and the InRhodes database is a live system and reports run on different days can have slight variation.

* Out-of-State is Rhode Island resident children who attend child care located outside of Rhode Island.

RI Works is Rhode Island's cash-assistance program (formerly known as the Family Independence Program). DCYF is the number of children in the care of the Department of Children, Youth and Families who are receiving child care subsidies.

Parents who are working and are enrolled in RI Works can claim a "child care disregard." When cash benefits levels are calculated based on monthly income, the child care disregard allows families to not count or "disregard" and designate for child care expenses up to \$200 of their monthly income for children under two years of age and up to \$175 for children two years and older. The child care disregard is a form of subsidy not included in this table. In December 2009, 19 families used child care disregards.

The average annual cost for full-time child care was determined by multiplying the average weekly tuition rate by 52 weeks (for infants and preschoolers). For school-age children, the annual cost was determined by multiplying the average weekly tuition for before and after school care by 39 weeks and adding three weeks of average school vacation tuition and 10 weeks of average summer vacation tuition.

References

- Schulman, K. & Blank, H. (2009). *State child care assistance policies 2009: Most states hold the line, but some lose ground in hard times*. Washington, DC: National Women's Law Center.
- Parents and the high price of child care: 2009 update. (2009). Arlington, VA: National Association of Child Care Resource and Referral Agencies.

(continued on page 170)