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Testimony Re: H-7123, Article 13, Child Care Assistance Program
Senate Finance Committee
March 29, 2022
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 **support the Governor's proposals in Article 1, section 13 of his FY23 budget proposal to increase rates, lift family income limits, and make eligibility for low-income college students permanent for the Child Care Assistance Program.**

In December 2021, there were 6,110 children receiving child care assistance in Rhode Island, the lowest number in at least 20 years. The number of subsidies is down 42% from 10,580 in December 2019 and down 57% from 14,333 in December 2002.

In January 2022, the pandemic rates for the Child Care Assistance Program expired which meant that rates were cut for 8 out of 10 infants, toddlers, and school-age children in the program. The current CCAP rates do not meet the federal equal access standard, which was a standard the General Assembly adopted in 1998 and then repealed in 2008.

Governor McKee's budget proposal would:

- Provide rate increases for child care programs serving children in the Child Care Assistance Program, bringing rates up to the federal equal access standard, but only for children under age 6 in child care centers that have achieved a high-quality (4 or 5 stars) rating in BrightStars.
- Lift the family income limit to qualify for the Child Care Assistance Program from 180% to 200% of the federal poverty line (from \$41,454 to \$46,060 for a family of 3), the first proposal from a governor to expand family income limits for the program in at least 20 years.
- Remove the sunset provision for the pilot program which makes low-income colleges students eligible for the Child Care Assistance Program.

These investments are absolutely needed and we urge you to consider passage of **Senator Cano's Child Care is Essential Act (S-2681)** which would provide additional investments to increase rates for children of all ages in all settings so they meet or exceed the equal access standards, significantly increase the family income limits for the program, both at the entrance and at the exit, and remove other eligibility barriers.

There are many families in the program now who cannot accept wage increases, work extra hours, or take on additional shifts because their income would then exceed the program limits. They would then lose the subsidy, but are not able to pay the cost of child care on their own. Felicia Powers, a mom from Woonsocket with a 2-year-old, puts it well – the system keeps parents stuck in low wage jobs and seems like it is designed to hold us down.

Thank you for this opportunity to provide testimony. We applaud the Governor for his proposal to improve rates and lift family income limits for the Child Care Assistance Program.

Type of Care/Age Group	CCAP Rates 5/31/20	CCAP Pandemic Rates 6/2/20 - 12/31/21	CCAP Rates Effective 1/1/22	CCAP Rates Proposed by Gov. McKee for FY23	CCAP Rates in 2022 Child Care is Essential Bill (Diaz, Cano)
Center: Infants & Toddlers					
1 star	\$198.48	\$257.54	\$236.36	\$260	\$281 (75 th 2021 MRS)
2 star	\$203.32	\$257.54	\$244.88	\$265	\$294
3 star	\$218.81	\$257.54	\$257.15	\$270	\$308
4 star	\$232.37	\$257.54	\$268.74	\$289	\$322
5 star	\$257.54	\$273.00	\$284.39	\$300	\$335 (90 th 2021 MRS)
Center: Preschoolers					
1 star	\$165.75	\$195.67	\$207.51	\$217	\$250 (75 th 2021 MRS)
2 star	\$169.80	\$195.67	\$212.27	\$220	\$257
3 star	\$177.88	\$195.67	\$218.45	\$225	\$265
4 star	\$182.73	\$195.67	\$223.50	\$250	\$273
5 star	\$195.67	\$260.00	\$231.39	\$260	\$280 (90 th 2021 MRS)
Center: School-Age Kids					
1 star	\$146.26	\$200.00	\$180.38	\$188	\$238 (75 th 2021 MRS)
2 star	\$146.26	\$200.00	\$182.77	\$196	\$241
3 star	\$146.26	\$200.00	\$185.17	\$200	\$244
4 star	\$146.26	\$200.00	\$187.57	\$205	\$247
5 star	\$146.26	\$245.00	\$189.97	\$210	\$250 (90 th 2021 MRS)
FCC: Infants & Toddlers					
1 star	\$188.59	\$224.43	\$188.59	N/A*	\$250 (75 th 2021 MRS)
2 star	\$190.47	\$224.43	\$190.47	N/A*	\$254
3 star	\$201.79	\$224.43	\$201.79	N/A*	\$257
4 star	\$207.45	\$224.43	\$207.45	N/A*	\$260
5 star	\$224.43	\$224.43	\$224.43	N/A*	\$263 (90 th 2021 MRS)
FCC: Preschoolers					
1 star	\$171.45	\$171.45	\$171.45	N/A*	\$239 (75 th 2021 MRS)
2 star	\$171.45	\$171.45	\$171.45	N/A*	\$241
3 star	\$171.45	\$171.45	\$171.45	N/A*	\$244
4 star	\$171.45	\$171.45	\$171.45	N/A*	\$247
5 star	\$171.45	\$171.45	\$171.45	N/A*	\$250 (90 th 2021 MRS)
FCC: School-Age Kids					
1 star	\$162.30	\$162.30	\$162.30	N/A*	\$200 (75 th 2021 MRS)
2 star	\$162.30	\$162.30	\$162.30	N/A*	\$212
3 star	\$162.30	\$162.30	\$162.30	N/A*	\$225
4 star	\$162.30	\$162.30	\$162.30	N/A*	\$238
5 star	\$162.30	\$162.30	\$162.30	N/A*	\$251 (90 th 2021 MRS)

* Governor's FY23 proposed budget states that family child rates will be determined through collective bargaining.

Governor McKee's FY 23 Budget Proposals

In his FY23 Budget Proposal (H-7123), Governor McKee provides funding and proposes significant policy improvements that align with key Right from the Start Campaign priorities. The Campaign urges passage of these proposals and/or aligned bills sponsored by members of the General Assembly.



Right from the
Start

Child Care:

H-7123, Article 1, Section 16 would:

- Allocate \$18.7 million in American Rescue Plan Act state fiscal recover funds to provide a **second year of \$3,000/year retention bonuses for over 6,000 educators** and direct care staff at licensed child care centers and family child care homes (approximately \$18.7 million).
- Allocate **\$2 million to expand the [Rhode Island's T.E.A.C.H. Early Childhood workforce development model](#)**. Since 2010, the T.E.A.C.H. Early Childhood program has been helping child care educators in Rhode Island earn credentials and complete college degrees at the Community College of Rhode Island, Rhode Island College, and the University of Rhode Island. T.E.A.C.H. is a nationally recognized, evidence-based model for supporting early educators in accessing higher education and reducing staff turnover in child care.
- Include **\$1 million to develop an early educator workforce registry**, a critical piece of data infrastructure needed to share information and opportunities directly with early educators, understand and address the needs of this essential workforce, and track improvements in staff recruitment, retention, and turnover over time. There are at least 37 states that have a statewide early educator registry
- Allocate **\$1 million for quality improvement grants** to help child care and early learning programs increase their BrightStars quality rating.
- Provide a **second year of funding (\$300,000) for family child care startup grants** and technical assistance to recruit and open up to 100 additional family child care homes in the state.

Note: The Rhode Island Early Educator Investment Act ([Casimiro H-7283](#), [Cano S-2235](#)) would require the state to **set goals to improve the compensation of early educators** by establishing a cross-departmental target wage scale for early educators working in child care, Early Intervention, Family Home Visiting, and RI Pre-K. The legislation also requires the state to develop and implement an **early educator workforce registry** and invest **\$5 million to implement a wage supplement program like the national [Child Care WAGE\\$ model](#)**, a research-based model designed to improve compensation and reduce turnover of qualified and skilled early educators working in child care settings. The Child Care WAGE\$ model is the next step for many states that have implemented the T.E.A.C.H. Early Childhood model

H-7123, Article 13 would:

- Provide rate increases for child care programs serving children in the Child Care Assistance Program, bringing rates up to the federal equal access standard for children under age 6 in child care centers that have achieved a high-quality (4 or 5 stars) in BrightStars.
- Lift the family income limit to qualify for the Child Care Assistance Program from 180% to 200% of the federal poverty line (from \$41,454 to \$46,060 for a family of 3), the first proposal from a governor to expand family income limits for the program in at least 20 years.

- Remove the sunset provision for the pilot programs which makes low-income colleges students eligible for the Child Care Assistance Program.

Note: The Rhode Island Child Care is Essential Act (Diaz [H-7177](#), Cano [S-2681](#)) would provide more significant rate increases for child care programs serving children in the Child Care Assistance Program, **bringing rates up to the federal equal access standard for children of all ages and enrolled in all child care settings**, with incremental rate increases for each quality level in BrightStars. The bill also **significantly expands the number of families that would qualify** for a child care subsidy by lifting family income limits at both the entrance (from \$41,454 to \$61,260) and the exit (from \$51,818 to \$91,120 for a family of 3) of the Child Care Assistance Program. This bill would also **remove the requirement that families must cooperate with the child support enforcement** office by establishing paternity/parentage and pursuing a child support order, something that most states do not require for child care assistance and is not required by any other early learning program in Rhode Island. The bill would also make access to child care assistance permanent for low-income college students.

Early Intervention

[H-7123](#), [Article 1, Section 16](#) would allocate \$5.5 million of ARPA funds for stabilization grants to help cover staff salaries and provide staff retention bonuses. The funds would also be directed to performance bonuses for Early Intervention providers who hit certain targets, such as recovering referral numbers and achieving reduced staff turnover.

Note: The Early Intervention & First Connections Act (Giraldo [H-7628](#), Valverde, [S-2546](#)) would require the state to **permanently and significantly increase Medicaid rates for the Early Intervention program and for the First Connections program** and provide for an annual adjustment in rates to keep up with increasing costs. Both programs provide essential services for infants and toddlers with developmental challenges and have not received a rate increase in 20 years. Inadequate state funding has led to a statewide waiting list for infants and toddlers who qualify under Part C of the *Individuals with Disabilities Education Act*.

Maternal & Child Health

[H-7123](#), [Article 12, Section 7](#) would **restore RIte Care/Medicaid coverage to children, regardless of immigration status** and would **extend Medicaid coverage through 12 months postpartum for women, regardless of immigration status**. Currently, comprehensive health insurance coverage only extends through 60 days postpartum.

Note: The Cover All Kids Act ([Morales H-7484](#), [Cano S-2187](#)) makes the same changes as the Governor's budget proposal to provide RIte Care/Medicaid coverage to otherwise eligible children, regardless of immigration status. **The Postpartum Medicaid Extension Act ([Williams H-7290](#), [Goodwin, S-2202](#))** makes the same changes as the Governor's budget proposal to extend Medicaid coverage through 12 months postpartum for people who give birth with Medicaid coverage. In order to make progress toward health equity, it is essential to ensure new moms, babies and children have consistent access to health care.