## **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 through the Rhode Island Department of Human Services' Child Care Assistance Program (CCAP). Child care subsidies can be used for care in a child care center, family child care home, or by 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 puts quality care out of reach for many low-income families. State child care subsidy programs help low-income, working families access child care.<sup>1</sup>

In Rhode Island, the average cost of full-time child care for an infant in a child care center consumes 49% of the median single-parent income and is more than the average tuition and fees at public colleges. The average annual cost of child care for two children (an infant and a preschooler) in Rhode Island is more than twice the state's median annual rent and is slightly higher than the average annualized mortgage.<sup>2</sup> 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 earn

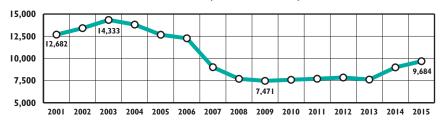
approximately \$101,000 annually to afford the average yearly cost for a three-year-old at a licensed center (\$10,172).<sup>3,4</sup>

Child care subsidies increase the likelihood that low-income parents are able to work, are employed full-time, and are able to maintain employment over longer periods of time. Parental employment improves the economic security of a family and is associated with improved social and emotional well-being of children.<sup>5</sup>

Child care subsidies increase the likelihood that families use licensed child care, and research has shown that licensed child care is generally higher quality than unlicensed care. Subsidies can also help low-income families access higher-quality child care programs that support children's development and learning. Low provider reimbursement rates often restrict access to high-quality child care.

As of January 2016, 10% of children participating in the Rhode Island Child Care Assistance Program (CCAP) ages birth through 12 were enrolled in a program with a high-quality BrightStars rating (four or five stars). Preschool-age children were more likely to be enrolled in a high-quality program than infants and toddlers. The majority of states in the U.S. use a tiered provider reimbursement rate system with higher payments going to higher quality child care programs in order to incentivize and support quality.

## Child Care Subsidies, Rhode Island, 2001-2015



Source: Rhode Island Department of Human Services, December 2001–December 2015.

- ♦ In December 2015, there were 9,684 child care subsidies in Rhode Island, an increase of 8% from 8,991 in December 2014, but down 32% from the 2003 peak.¹¹ In December 2015 in Rhode Island, 78% of child care subsidies were for care in a licensed child care center, 21% were for care by a licensed family child care home or group family child care home, and 1% were for care by a license-exempt relative, friend, or neighbor.¹¹
- ♦ As of 2015, families with incomes under 180% FPL (\$36,162 for a family of three) who work a minimum of 20 hours per week are eligible for CCAP. Families may continue to participate until their income reaches 225% FPL (\$45,203 for a family of three) as part of a pilot set to expire on September 30, 2016 unless it is extended or made permanent. Families in Rhode Island Works and some other low-income families may also be eligible for CCAP to support education and employment activities.¹²
- ◆ In December 2015, 84% of all child care subsidies in Rhode Island were used by low-income working families not receiving cash assistance, 8% by families in the Rhode Island Works Program, and 8% for children in the care of the Rhode Island Department of Children, Youth and Families.<sup>13</sup>

## Average Annual Cost for Full-Time Child Care, Rhode Island, 2015

PROGRAM TYPE	COST PER CHILD
Child Care Center (infant care)	\$12,091
Child Care Center (preschool care)	\$10,172
Family Child Care Home (preschool care)	\$8,655
School-Age Center-Based Program (child age 6-12)	\$7,775

Source: Rhode Island KIDS COUNT analysis of average weekly rates from Bodah, M. M. (2015). Statewide survey of childcare rates in Rhode Island. Kingston, RI: University of Rhode Island.

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Table 34. Child Care Subsidies, Rhode Island, December 2015

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	4	15	19	10	11	13	34
Bristol	1	50	51	15	13	14	42
Burrillville	3	43	46	2	7	26	35
Central Falls	30	392	422	98	142	164	404
Charlestown	0	17	17	5	5	2	12
Coventry	9	129	138	41	54	64	159
Cranston	58	503	561	158	226	172	556
Cumberland	8	101	109	26	43	32	101
East Greenwich	4	13	17	20	30	13	63
East Providence	17	304	321	73	142	167	382
Exeter	0	23	23	5	6	6	17
Foster	2	14	16	5	2	0	7
Glocester	1	16	17	16	17	0	33
Hopkinton	0	16	16	2	1	2	5
Jamestown	0	3	3	3	6	1	10
Johnston	9	143	152	114	119	78	311
Lincoln	5	104	109	33	59	88	180
Little Compton	0	1	1	0	0	0	0
Middletown	6	69	75	19	42	15	76
Narragansett	0	34	34	0	3	9	12
New Shoreham	0	0	0	0	0	0	0
Newport	52	219	271	66	109	101	276
North Kingstown	2	141	143	70	64	48	182
North Providence	8	196	204	41	66	84	191
North Smithfield	2	34	36	18	28	13	59
Pawtucket	48	1,057	1,105	249	390	478	1,117
Portsmouth	1	22	23	12	16	5	33
Providence	405	3,013	3,418	794	1,142	1,457	3,393
Richmond	2	11	13	16	19	19	54
Scituate	0	13	13	2	3	3	8
Smithfield	1	43	44	1	2	0	3
South Kingstown	1	48	49	45	70	35	150
Tiverton	3	27	30	4	11	5	20
Warren	1	48	49	14	30	26	70
Warwick	35	368	403	191	252	210	653
West Greenwich	1	9	10	4	8	1	13
West Warwick	19	275	294	76	87	87	250
Westerly	1	94	95	37	44	35	116
Woonsocket	54	610	664	87	218	310	615
DCYF	NA	NA	820	NA	NA.	NA	NA.
Out-Of-State	0	0	0	16	23	3	42
Four Core Cities	537	5,072	5,609	1,228	1,892	2,409	5,529
Remainder of State	256	3,146	3,402	1,144	1,595	1,374	4,113
Rhode Island	<i>793</i>	8,218	9,831	2,388	3,510	3,786	9,684

#### Source of Data for Table/Methodology

Rhode Island Department of Human Services, InRhodes Database, December 2015.

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.

Out-of-State is Rhode Island resident children who attend child care located outside of Rhode Island; they are included in the total count for Rhode Island.

Core cities are Central Falls, Pawtucket, Providence, and Woonsocket.

NA=Not applicable

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.

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

- 1.9 Schulman, K. & Blank, H. (2015). Building blocks: State child care assistance policies 2015. Washington, DC: National Women's Law Center.
- <sup>2</sup> Parents and the high price of child care: 2015 report. (2015). Arlington, VA: Child Care Aware of America.
- Ju.S. Department of Health and Human Services. (1998). Child Care and Development Fund: Final rule. Federal Register, 63(142). Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families.

(continued on page 182)