

# 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 licensed child care center, a licensed family child care home, or by a license-exempt provider (family, friend, or neighbor).

## 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 care for an infant in a child care center consumes 50% 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 also higher than the average annualized mortgage.<sup>2</sup> Using the federal affordability guideline that families should spend no more than 7% of their

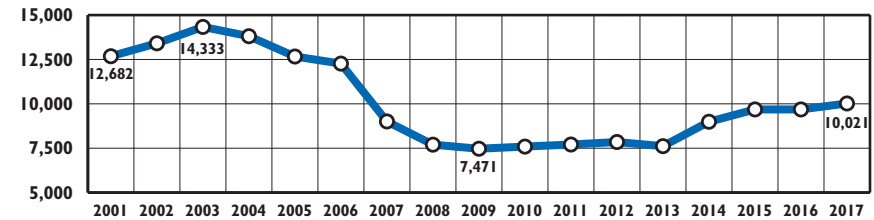
income on child care, a Rhode Island family would need to earn at least \$145,314 annually to afford the average yearly cost for a three-year-old at a licensed center (\$10,172).<sup>3,4</sup>

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

Subsidies help low-income families access higher-quality child care programs that support children's development and learning. Low subsidy reimbursement rates restrict access to high-quality child care providers. Rates set below the 75th percentile of the market do not allow for high-quality care and may violate the federal law's provision that families receiving subsidies have equal access to child care options. Rhode Island is one of only nine states in the U.S. that do not have a tiered child care rate system with higher payments for higher quality child care programs in order to incentivize and support quality.<sup>6,7,8</sup>

As of December 2017, 10% of children participating in CCAP were enrolled in programs with high-quality BrightStars ratings (four or five stars). Preschool-age children were more likely to be enrolled in a high-quality program (13%) than infants and toddlers (8%) or school-age children (8%).<sup>9</sup>

Child Care Subsidies, Rhode Island, 2001-2017



Source: Rhode Island Department of Human Services, December 2001–December 2015, September 2016, December 2017. Data for December 2016 was not available.

◆ In December 2017, there were 10,021 child care subsidies in Rhode Island, up 3% from December 2015, but down 30% from the 2003 peak. In December 2017 in Rhode Island, 77% of child care subsidies were for care in a licensed child care center, 22% were for care by a licensed family child care home or group family child care home, and 1% were for care by a non-licensed relative, friend, or neighbor.<sup>10</sup>

◆ Rhode Island families with incomes at or below 180% Federal Poverty Level (FPL) (\$37,404 for a family of three in 2018) who work a minimum of 20 hours per week are eligible to receive CCAP. Families may continue to receive a child care subsidy until their income reaches 225% FPL (\$46,755 for a family of three in 2018). Families in Rhode Island Works (cash assistance) may also be eligible for CCAP to support education and employment activities.<sup>11,12,13</sup>

◆ In December 2017, 87% of all children receiving child care subsidies were in low-income working families not receiving cash assistance, and 9% were in low-income families receiving cash assistance. Another 5% of child care subsidies were used for children in the care of the Rhode Island Department of Children, Youth and Families.<sup>14</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.

# Children Receiving Child Care Subsidies

Table 35.

## Child Care Subsidies, Rhode Island, December 2017

| CITY/TOWN            | SUBSIDY USE BY CHILD RESIDENCE |          |           |                            | SUBSIDY USE BY PROGRAM LOCATION |                   |                |                            |
|----------------------|--------------------------------|----------|-----------|----------------------------|---------------------------------|-------------------|----------------|----------------------------|
|                      | UNDER AGE 3                    | AGES 3-5 | AGES 6-12 | TOTAL CHILD CARE SUBSIDIES | CENTER                          | FAMILY CHILD CARE | LICENSE EXEMPT | TOTAL CHILD CARE SUBSIDIES |
| Barrington           | 7                              | 10       | 12        | 29                         | 37                              | 1                 | 0              | 38                         |
| Bristol              | 41                             | 41       | 41        | 123                        | 42                              | 2                 | 0              | 44                         |
| Burrillville         | 9                              | 21       | 18        | 48                         | 31                              | 0                 | 0              | 31                         |
| Central Falls        | 88                             | 151      | 186       | 425                        | 329                             | 97                | 3              | 429                        |
| Charlestown          | 5                              | 5        | 5         | 15                         | 7                               | 0                 | 0              | 7                          |
| Coventry             | 40                             | 85       | 55        | 180                        | 177                             | 2                 | 0              | 179                        |
| Cranston             | 130                            | 222      | 211       | 563                        | 640                             | 205               | 2              | 847                        |
| Cumberland           | 21                             | 48       | 61        | 130                        | 109                             | 10                | 0              | 119                        |
| East Greenwich       | 6                              | 8        | 18        | 32                         | 84                              | 0                 | 0              | 84                         |
| East Providence      | 60                             | 106      | 173       | 339                        | 341                             | 9                 | 0              | 350                        |
| Exeter               | 5                              | 13       | 3         | 21                         | 12                              | 4                 | 0              | 16                         |
| Foster               | 2                              | 4        | 0         | 6                          | 4                               | 0                 | 0              | 4                          |
| Glocester            | 6                              | 11       | 4         | 21                         | 41                              | 0                 | 0              | 41                         |
| Hopkinton            | 3                              | 6        | 1         | 10                         | 5                               | 10                | 0              | 15                         |
| Jamestown            | 1                              | 3        | 1         | 5                          | 12                              | 0                 | 0              | 12                         |
| Johnston             | 39                             | 71       | 48        | 158                        | 374                             | 45                | 1              | 420                        |
| Lincoln              | 12                             | 36       | 50        | 98                         | 168                             | 9                 | 0              | 177                        |
| Little Compton       | 0                              | 2        | 0         | 2                          | 0                               | 0                 | 0              | 0                          |
| Middletown           | 8                              | 23       | 44        | 75                         | 74                              | 1                 | 0              | 75                         |
| Narragansett         | 5                              | 21       | 14        | 40                         | 19                              | 0                 | 0              | 19                         |
| New Shoreham         | 0                              | 0        | 0         | 0                          | 0                               | 0                 | 0              | 0                          |
| Newport              | 21                             | 58       | 76        | 155                        | 166                             | 0                 | 0              | 166                        |
| North Kingstown      | 34                             | 69       | 45        | 148                        | 112                             | 0                 | 0              | 112                        |
| North Providence     | 42                             | 69       | 78        | 189                        | 157                             | 25                | 6              | 188                        |
| North Smithfield     | 5                              | 11       | 9         | 25                         | 54                              | 0                 | 0              | 54                         |
| Pawtucket            | 239                            | 401      | 490       | 1,130                      | 945                             | 114               | 8              | 1,067                      |
| Portsmouth           | 4                              | 8        | 3         | 15                         | 21                              | 0                 | 0              | 21                         |
| Providence           | 1,042                          | 1,338    | 1,529     | 3,909                      | 1,748                           | 1,624             | 46             | 3,418                      |
| Richmond             | 5                              | 6        | 1         | 12                         | 3                               | 5                 | 0              | 8                          |
| Scituate             | 6                              | 10       | 8         | 24                         | 0                               | 0                 | 0              | 0                          |
| Smithfield           | 9                              | 13       | 15        | 37                         | 112                             | 0                 | 0              | 112                        |
| South Kingstown      | 59                             | 41       | 38        | 138                        | 129                             | 6                 | 0              | 135                        |
| Tiverton             | 5                              | 17       | 9         | 31                         | 22                              | 4                 | 0              | 26                         |
| Warren               | 8                              | 29       | 23        | 60                         | 76                              | 0                 | 0              | 76                         |
| Warwick              | 99                             | 158      | 135       | 392                        | 653                             | 5                 | 5              | 663                        |
| West Greenwich       | 3                              | 3        | 4         | 10                         | 14                              | 0                 | 2              | 16                         |
| West Warwick         | 80                             | 149      | 122       | 351                        | 272                             | 4                 | 1              | 277                        |
| Westerly             | 24                             | 37       | 40        | 101                        | 102                             | 1                 | 3              | 106                        |
| Woonsocket           | 145                            | 239      | 288       | 672                        | 533                             | 41                | 13             | 587                        |
| DCYF                 | 285                            | 248      | 154       | 687                        | NA                              | NA                | NA             | NA                         |
| Undetermined Address | 5                              | 10       | 8         | 23                         | NA                              | NA                | NA             | NA                         |
| Out-Of-State         | NA                             | NA       | NA        | NA                         | 82                              | 0                 | 0              | 82                         |
| Four Core Cities     | 1,514                          | 2,129    | 2,493     | 6,136                      | 3,555                           | 1,876             | 70             | 5,501                      |
| Remainder of State   | 804                            | 1,414    | 1,365     | 3,583                      | 4,070                           | 348               | 20             | 4,438                      |
| Rhode Island         | 2,608                          | 3,801    | 4,020     | 10,429                     | 7,707                           | 2,224             | 90             | 10,021                     |

### Source of Data for Table/Methodology

Rhode Island Department of Human Services, December 2017. Data for 2016 should not be compared with previous years since the month differs.

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 subsidies used by 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 child's residence. Subsidy use by program type is reported by location of the program. Total subsidies by child residence is greater than total subsidies by program location because the data is currently retrieved from separate systems that haven't been reconciled. In the future, these will be tracked together.

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

- <sup>1,8</sup> Schulman, K. & Blank, H. (2017). *Persistent gaps: State child care assistance policies 2017*. Washington, DC: National Women's Law Center.
- <sup>2</sup> *Parents and the high cost of child care: 2017 report*. (2017). Arlington, VA: Child Care Aware of America.
- <sup>3,7</sup> U.S. Department of Health and Human Services. (2016). Child Care and Development Fund Program: Final rule. *Federal Register*, 81(190), 67438-67595.
- <sup>4</sup> Rhode Island KIDS COUNT calculations based on average weekly rates from Bodah, M. M. (2015). *Statewide survey of child care rates in Rhode Island*. Kingston, RI: University of Rhode Island, Charles T. Schmidt, Jr. Labor Research Center.

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