



State Fiscal Note for Bill

Number: 2022-H-7177

Date of State Budget Office Approval: Thursday, May 19, 2022

Date Requested: Monday, May 16, 2022

Date Due: Thursday, May 26, 2022

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2022	N/A	FY 2022	N/A
FY 2023	\$50,931,219	FY 2023	N/A
FY 2024	\$52,261,420	FY 2024	N/A

Explanation by State Budget Office: This Act would repeal and replace the current Child Care Assistance Program (CCAP), replacing it with a modified program of subsidized childcare.

Section one sets forth a new Chapter 6.7 RIGL entitled “Rhode Island Childcare is Essential Act.” This Act would change the Child Care Assistance Program to: 1.) Increase eligibility from 180% of the Federal Poverty Level (FPL) to 266%; 2.) Alter the continuing eligibility threshold from 225% of FPL to 400% FPL; and 3.) Increase reimbursement rates for family and center-based childcare providers. This proposal maintains provisions from the prior program that allows families under 100% FPL to receive free childcare and families above 100% FPL pay for a portion of childcare using a sliding-fee scale not to exceed 7% of total income. This Act would take effect July 1, 2022.

Section two repeals Rhode Island General Law (RIGL) 40-5.2-20, entitled “Childcare assistance – Families or assistance units eligible” under the Rhode Island Works program.

Eligibility

Rhode Island General Law (RIGL) 40-5.2-20 (b) currently obligates the state to provide subsidized childcare to families “at or below one hundred eighty percent of the federal poverty level if, and to the extent, these other families require childcare in order to work at paid employment as defined in the department’s rules and regulations.” RIGL 40-5.2-20 (f)(2) stipulates that families who become ineligible for childcare assistance due to their “incomes exceeding one hundred eighty percent of the applicable federal poverty guidelines shall continue to be eligible for childcare assistance until their incomes exceed two hundred twenty-five percent of the applicable federal poverty guidelines.”

The newly established program changes income eligibility for assistance from 180% FPL to 266% FPL and extends continuing eligibility until a family’s income exceed 400% FPL rather than 225%.

Prior to FY 2008, CCAP eligibility was 225% of the FPL. Eligibility decreased to 180% of the FPL as part of the FY 2008 enacted budget. The program has remained at 180% FPL (with continued eligibility capped at 225% FPL) since FY 2008.

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Co-payments

RIGL 40-5.2-20 (f)(1) currently require's families above 100% FPL to pay for "some portion of the childcare they receive" in accordance with a "a sliding-fee scale" not to exceed seven percent of income. DHS regulations define the amount a family is expected to contribute to co-payments. The tiers range from households between 0%-100% of the FPL contributing 0% of income, 100%-125% of FPL contribute 2% of income, 125%-150% of FPL contribute 5% of income, and greater than 150% of FPL contribute 7% of income. An eligible household receiving childcare continues to receive assistance until the household achieves 225% of the FPL.

H-7177 maintains the current tiered co-payment provision with a 7% cap of household income but expands the continuing eligibility threshold to 400% of the FPL.

Family co-payments are paid directly to the Childcare facility or provider and lowers the cost of the individual subsidy borne by the State. Per the DHS CCAP Provider handbook, childcare providers in contract with the State to provide CCAP services agree to accept DHS rates as full payment for childcare services. Likewise, for families required to share in the cost of paying for childcare services (families above 100% FPL), the combination of payments made by DHS and the family co-payment is agreed to constitute full and total payment.

To assist populations most impacted by the pandemic, family co-payments were waived from February 21, 2021, making co-payments an additional cost to the State CCAP. This provision ended March 5, 2022. This Act would take effect July 1, 2022. Therefore, the temporary waiver will not impact the cost projections in this analysis.

Reimbursement Rate Increase

RIGL 40-6.2-1.1 defines the current reimbursement rate structure for subsidized childcare for both family and center-based providers. The rates are tiered based on the State's Quality Rating and Improvement System, with designated "BrightStars" ratings of 1-5 stars.

H-7177 maintains the BrightStars ratings in the new program but establishes base rates that meet or exceed the federal equal access benchmarks from the 2021 Rhode Island childcare market rate survey. The increase represents a 19%-32% increase for Childcare Centers and a 28%-41% increase for Family Providers.

To aid childcare facilities during the pandemic, the Governor's state of emergency declaration suspended the current statutory rates and implemented a higher rate structure with the intention of incentivizing providers to re-open. H-7177 would establish a new statutory rate structure equivalent to the rates established in the Governor's emergency executive order. This provision ended January 1, 2022.

Childcare and Pre-K Planning and Expansion

This Act establishes a new initiative to expand Pre-K in the State by directing DHS and RIDE to collaborate on the development of a statewide plan to expand high-quality Pre-K options for three- and four-year-old children. This plan must include strategies to expand access to early learning programs, plan contracts with care facilities, prepare wage supplements to recruit and retain educators, and include development initiatives for staffed family childcare networks. The goal of this plan is to enhance early learning and childcare programs in the State in preparation of enhanced federal funding for high-quality childcare preschool.

*Comments on
Sources of Funds:*

The November 2021 Caseload Estimate Conference adopted FY 2021 estimate for CCAP consisted of \$8,798,583 in General Revenue and \$71,951,417 in Federal Funds. Federal Funds comes from a variety of sources such as the: Social Services Block Grant, the Childcare and Development Block Grant, and TANF Funds including specialized COVID federal appropriations.

Due to the finite amount of federal support available to finance CCAP, OMB assumes the full additional cost of H-7177 in FY 2023 and in the outyears will be borne by the State.

*Summary of Facts
and Assumptions:*

For each section of the proposed legislation, OMB assumes a July 1 enactment and implementation date.

New Eligible Population

H-7177 raises initial eligibility to 266% of the Federal Poverty Line. Using 2020 Census data to estimate the number of children eligible under current law, RI has approximately 51,660 children under 14 at or below 180% FPL. The expanded eligible population under H-7177 would be approximately 68,926 children under 14 at or below 266% of the FPL.

To determine the caseload impact of this expanded population, OMB calculated a utilization rate of 17% based on FY 2020 data (Total Children Served, 8,724 / Total Eligible Population, 51,660).

Under H-7177, OMB assumes a total of 11,640 subsidies for FY 2023 (17% of the new total eligible population, 68,926). The November CEC estimated total subsidies of 8,500. This represents an eligibility increase of 3,140 subsidies.

DHS Data

The following data shows the distribution of where children are being served in CCAP by type of facility and associated distributions by income and Brightstar ratings, etc.

Distribution of Households Served by FPL Range

- = 0% to 100% FPL 2089
- > 100 % FPL & <= 125% FPL 602
- > 125% FPL & <= 150% FPL 606
- > 150% FPL & <= 180% FPL 546
- > 180% FPL & <= 200% FPL 134
- > 200% FPL & <= 225% FPL 114

Average distribution between Childcare Centers and Family Childcare Providers

- Centers - 79%
- Family Providers - 21%

Average Distribution by Age

- Infants/Toddlers - 23%
- Preschoolers - 43%
- School-Age - 34%

Average Distribution by BrightStart Rating – Childcare Centers

- Infants/Toddlers - 1: 29%, 2: 41%, 3: 10%, 4: 18%, and 5: 2%
- Preschoolers - 1: 29%, 2: 38%, 3: 11%, 4: 19%, and 5: 4%
- School-Age - 1: 42%, 2: 25%, 3: 14%, 4: 17%, and 5: 2%

Average Distribution by BrightStart Rating – Family Childcare Providers

- Infants/Toddlers - 1: 14.9%, 2: 10.0%, 3: 0.2%, and 4: 0.4%
- Preschoolers - 1: 22.8%, 2: 16.4%, 3: 0.2%, and 4: 0.4%
- School-Age - 1: 19.0%, 2: 15.0%, 3: 0.1%, and 4: 0.6%

Rate Increase – New Eligibility

OMB assumes an equal distribution of new subsidies to that described above to determine the cost of an additional 3,140 subsidies for CCAP under the new rate structure. H-7177 would necessitate 2,480 new Childcare Center subsidies and 659 new Family Childcare Provider subsidies.

For example, the proposed reimbursement rate for 1-star Childcare Center serving infants and toddlers is \$281.00. Assuming the same utilization as the current population, there would be 165 additional infants/toddlers in 1-star Childcare Center ($3140 * 0.79$ (Centers) $* 0.23$ (Infant and Toddlers) $* 0.29$ (Brightstar rating) = 165). The rate $\$281.00 * 165$ infants/toddlers $* 52$ weeks = \$2,412,892. This represents the cost of increased eligibility under H-7177 for this age/star group.

For all 3,140 additional subsidies, H-7177 is estimated to cost an additional \$41,710,346 in FY 2023 for all age groups and Brightstar levels across both childcare centers and family providers. OMB assumes a growth at a rate of 2.1% for FY 2024 to adjust for the CPI, a rate adopted during the November CEC. With this assumption, FY 2024 costs are estimated to increase by approximately \$42,586,263.

For a full accounting of the impact for center-based providers and family providers per age group per Brightstar level, please see Tables 2 and 3.

Rate Increase – Existing Eligibility

As mentioned above, the proposed rates under S-2681 represents a 19%-32% increase for Childcare Centers and a 28%-41% increase for Family Providers based on the Bright Star rating and age group. Recent data such as the average cost of subsidies or FY 2021 or FY 2022 actual cost were not used in projections to ensure the provisions set forth by the Governor's executive order to temporarily increase rates would not impact the results of this analysis.

To estimate the additional cost in FY 2023 for the 8,500 subsidies adopted in the November CEC, OMB calculated the estimated cost under the current rate structure and new rates to determine the difference.

For example, the current reimbursement rate for 1-star Childcare Center serving infants and toddlers is \$236.36. H-7177 increases that rate to \$281.00. Assuming the same utilization as the current population, there would be 447 infants/toddlers in 1-star Childcare Center ($8,500 * 0.79$ (Centers) $* 0.23$ (Infant and Toddlers) $* 0.29$ (Brightstar rating) = 447). The difference in the rates $(\$281.00 - \$236.36) * 447$ infants/toddlers $* 52$ weeks = \$1,037,717 cost of the increased rates in H-7177 for this age/star group.

For FY 2023, across all age groups and Brightstar levels across family and center-based providers, the total rate increase would cost \$21,632,568 additional funds for our currently served population. OMB assumes a growth at a rate of 2.1% for FY 2024 to adjust for CPI, a rate adopted during the November CEC. With this assumption, FY 2024 is estimated to cost approximately \$22,086,852 additional funds for our currently served population.

For a full accounting of the impact for center-based providers and family providers per age group per Brightstar level, please see Tables 4 and 5.

Co-payments

As previously mentioned, H-7177 maintains the current tiered co-payment provision with a 7% cap of household income but expands the continuing eligibility threshold to 400% of the FPL.

New eligibility under H-7177 does not change subsidies from 0-180% FPL. OMB assumes the remaining subsidies are proportionally distributed within the FPL ranges provided above, with a slight decrease in subsidies after 266% of the FPL due to the new eligibility threshold. For a detailed breakout of subsidy distribution by FPL level, please see Table 6.2.

According to current DHS data, the average household size is 3.3. Therefore, the average income of a 3-person household is used to estimate the average annual co-payment in each FPL bracket.

Under the current program, OMB determined providers would collect an estimated \$7,016,234 of co-payments in FY 2023. Under H-7177, with additional eligibility and the increase to 400%, estimated copayments increases to \$19,427,929 in FY 2023. Therefore, the fiscal impact is approximately \$12,411,695 for FY 2023. OMB assumes no year over year change in these co-payments.

For a full analysis of distribution and co-payments by income, please see Tables 6.1.

Overall Costs:

A. Rate Increase – New Eligibility

FY 2023: \$41,710,346

FY 2024: \$42,586,263

B. Rate Increase – Existing Eligibility

FY 2023: \$21,632,568

FY 2024: \$22,086,852

C. New Family Co-payments

FY 2023: \$12,411,695

FY 2024: \$12,411,695

Total Fiscal Impact (A + B - C = Total)

FY 2023: \$50,931,219

FY 2024: \$52,261,420

*Summary of Fiscal
Impact:*

FY 2023: \$50,931,219

FY 2024: \$52,261,420

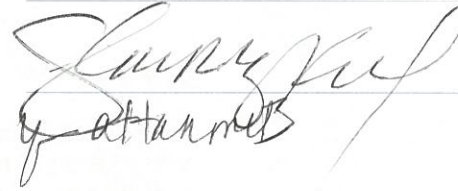
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* note several pages of attachments



State Subsidy

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Family Share

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Total Increased Cost

New Eligibility	
FY 2023	
Increase in Subsidies	\$ 41,710,346
Center Providers	\$ 33,785,155
Family Providers	\$ 7,925,191
FY 2024	
Increase in Subsidies	\$ 42,586,263
Center Providers	\$ 34,494,644
Family Providers	\$ 8,091,620

Existing Eligibility	
FY 2023	
Increase in Subsidies	\$ 21,632,568
Center Providers	\$ 16,310,696
Family Providers	\$ 5,321,872
FY 2024	
Increase in Subsidies	\$ 22,086,852
Center Providers	\$ 16,653,221
Family Providers	\$ 5,433,631

Co-payments	
FY 2023	\$ 12,411,695
FY 2024	\$ 12,411,695

Total H7177 Fiscal Impact			
	FY 2023		FY 2024
Total Increase	\$	50,931,219	\$ 52,261,420

Overall Cost of CCAP with H7177			
	FY 2023		FY 2024
Total	\$	131,681,219	\$ 133,011,420
Increase (%)		39%	39%
General Revenue	\$	59,729,801	\$ 133,011,420
Federal Funds*	\$	71,951,417	

* Determined at Nov. CEC

Table 1

Childcare Assistance Program (CCAP)	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	Average	Average
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Pre-COVID	10-Year Avg
Subsidies	6,499	6,906	6,777	6,909	7,113	7,838	8,537	8,513	8,895	9,099	8,724	5,621	7,709	7,619
Annual Cost per Subsidy	\$ 7,207	\$ 7,064	\$ 7,130	\$ 7,048	\$ 6,918	\$ 6,823	\$ 7,136	\$ 7,628	\$ 7,316	\$ 7,678	\$ 7,705	\$ 9,841	\$ 7,195	\$ 7,458
Total Costs	\$ 46,838,293	\$ 48,783,984	\$ 48,321,127	\$ 48,697,881	\$ 49,204,361	\$ 53,476,141	\$ 60,920,032	\$ 64,937,164	\$ 65,073,569	\$ 69,863,305	\$ 67,218,420	\$ 55,316,261	\$ 55,611,586	\$ 56,554,211
Year over year Sub Increase		6.3%	-1.9%	1.9%	3.0%	10.2%	8.9%	-0.3%	4.5%	2.3%	-4.1%	-35.6%	3.9%	-0.4%
Year over year Total % change		4.2%	-0.9%	0.8%	1.0%	8.7%	13.9%	6.6%	0.2%	7.4%	-3.8%	-17.7%	4.6%	1.8%
Year over year Cost Increase		\$ 1,945,691	\$ (462,857)	\$ 376,754	\$ 506,480	\$ 4,271,780	\$ 7,443,891	\$ 4,017,132	\$ 136,405	\$ 4,789,736	\$ (2,644,885)	\$ (11,902,159)	\$ 2,038,013	\$ 770,724

*2020 Actuals
used to determine
utilization rate*

New Eligibility Estimates & Additional Cost

Children below 200FPL	63,000
Children below 180FPL	56,700
Percent below 14	82%
Current Total Eligible Population	51,660

Children below 250FPL	79,000
Children below 266FPL	84,056
Percent below 14	82%
Total Eligible Population under S2681	68,926

CCAP Utilization Rate	17%
Estimated Subsidies	11,640
Minus Current CCAP Subsidies	8,500
Total Increase given S2681	3,140

Assumptions

Total from census data
Existing Eligibility
% assumed based on current population data

Total from census data
Bill changes eligibility to below 266%
% assumed based on current population data

2020 Total children below 14/below 180FPL / 2020 Actuals of subsidies

17% of total population, based on current utilization
Minus current CCAP subsidies estimated at the Nov. CEC
Assumed increase in eligibility to current Subsidies

Eligibility Increase CCAP Subsidies

Centers - 79% of the Distribution	2,480
Family Providers - 21% of the Distribution	659

79% distribution determined from current DHS data
21% distribution determined from current DHS data

Current CCAP Subsidies	8,500
Centers - 79% of the Distribution	6,715
Family Providers - 21% of the Distribution	1,785

79% distribution determined from current DHS data
21% distribution determined from current DHS data

Table 2

OMB H-7177 Eligibility Increase Estimate										
PROPOSED NEW QUALITY RATES						CCAP Enrollment by BrightStart Rating OMB Estimate				
Centers	1 star	2 star	3 star	4 star	5 star	Centers	1 Star	2 Star	3 Star	4 Star
Infant/Toddler	\$281.00	\$294.00	\$308.00	\$322.00	\$335.00	Infants/Toddlers	165	233	56	100
Preschool	\$250.00	\$257.00	\$265.00	\$273.00	\$280.00	Preschoolers	305	399	118	201
School-Age	\$238.00	\$241.00	\$244.00	\$247.00	\$250.00	School-Age	361	211	123	141
						TOTAL	831	843	297	442
										67
										2,480

ANNUAL ADDITIONAL COST						
Centers	1 star	2 star	3 star	4 star	5 star	TOTALS
Infant/Toddler	\$2,412,892	\$3,561,759	\$898,043	\$1,672,740	\$156,283	\$ 8,701,717
Preschool	\$3,961,139	\$5,333,073	\$1,626,348	\$2,850,634	\$604,251	\$ 14,375,446
School-Age	\$4,464,268	\$2,647,832	\$1,560,277	\$1,815,077	\$220,539	\$ 10,707,993
TOTALS	\$10,838,299	\$11,542,665	\$4,084,668	\$6,338,451	\$981,073	\$ 33,785,155

School-Age calculated at 42 weeks FT (40 weeks at .75 time + 12 weeks at FT)

Estimated FY 2024 CPI Increase	
2.10%	\$ 34,494,644

Enrollment Distribution Estimate:

Estimated Population* 2,480

*Source Sheet: New Eligibility Assumptions

Average Distribution by Age		
Infants/Toddlers	23%	563
Preschoolers	43%	1,064
School-Age	34%	853
		2,480

1 Star	2 Star	3 Star	4 Star	5 Star	Total
165	233	56	100	9	563
305	399	118	201	42	1,064
361	211	123	141	17	853
831	843	297	442	67	2,480 Check

Average Distribution by BrightStart Rating				
29.33%	41.38%	9.96%	17.74%	1.59%
28.63%	37.50%	11.09%	18.87%	3.90%
42.28%	24.76%	14.41%	16.56%	1.99%
				100% Check
				100% Check
				100% Check

Table 3

OMB H-7177 Eligibility Increase Estimate												
PROPOSED NEW QUALITY RATES						CCAP Enrollment by BrightStars Rating OMB Estimate						
Family	1 star	2 star	3 star	4 star	5 star	Family	1 Star	2 Star	3 Star	4 Star	5 Star	TOTAL
Infant/Toddler	\$250.00	\$254.00	\$257.00	\$260.00	\$263.00	Infants/Toddlers	98	66	1	2		168
Preschool	\$239.00	\$241.00	\$244.00	\$247.00	\$250.00	Preschoolers	150	108	1	3		262
School-Age	\$200.00	\$212.00	\$225.00	\$238.00	\$251.00	School-Age	125	99	1	4		229
						TOTAL	374	273	4	9	-	659

ANNUAL ADDITIONAL COST						
Centers	1 star	2 star	3 star	4 star	5 star	TOTALS
Infant/Toddler	\$1,280,243	\$873,345	\$18,801	\$31,701	\$0	\$ 2,204,090
Preschool	\$1,865,009	\$1,351,693	\$17,850	\$36,139	\$0	\$ 3,270,691
School-Age	\$1,302,190	\$1,090,816	\$10,974	\$46,430	\$0	\$ 2,450,409
TOTALS	\$4,447,441	\$3,315,853	\$47,625	\$114,271	\$0	\$ 7,925,191

School-Age calculated at 42 weeks FT (40 weeks at .75 time + 12 weeks at FT)

Estimated FY 2024 CPI Increase	
2.10%	\$ 8,091,620

Enrollment Distribution Estimate:

Estimated Population* 659

*Source Sheet: New Eligibility Assumptions

	1 Star	2 Star	3 Star	4 Star	5 Star	Total
Infants/Toddlers	98	66	1	2	-	168
Preschoolers	150	108	1	3	-	262
School-Age	125	99	1	4	-	229
	374	273	4	9	-	659 Check

Average Distribution by BrightStart Rating					
14.9%	10.0%	0.2%	0.4%	0.0%	
22.8%	16.4%	0.2%	0.4%	0.0%	
19.0%	15.0%	0.1%	0.6%	0.0%	100.0% Check

DHS Family Enrollment Distribution - 2021						
	1	2	3	4	5	Total
Infant/Toddler	210	141	3	5	0	359
Preschool	320	230	3	6	0	559
School Age	267	211	2	8	0	488
	797	582	8	19	0	1406

CURRENT QUALITY RATES (Enacted FY 22 Rates)

Centers	1 star	2 star	3 star	4 star	5 star
Infant/Toddler	\$ 236.36	\$ 244.88	\$ 257.15	\$ 268.74	\$ 284.39
Preschool	\$ 207.51	\$ 212.27	\$ 218.45	\$ 223.50	\$ 231.39
School-Age	\$ 180.38	\$ 182.77	\$ 185.17	\$ 187.57	\$ 189.97

Family	1 star	2 star	3 star	4 star	5 star
Infant/Toddler	186.26	190.43	201.58	207.15	223.88
Preschool	168.92	168.92	168.92	168.92	168.92
School-Age	159.9	159.9	159.9	159.9	159.9

To Estimate Current Star Rates for Family Providers:

Steps	Infant/Toddler					PreK	SA
	Star 1	Star 2	Star 3	Star 4	Star 5	Star 1	Star 1
1	\$ 184.87	\$ 190.36	\$ 201.35	\$ 206.84	\$ 223.31	\$ 166.41	\$ 157.53
2	\$ 184.87	\$ 190.42	\$ 201.52	\$ 207.06	\$ 223.70	\$ 168.07	\$ 159.10
3	\$ 186.72	\$ 190.45	\$ 201.66	\$ 207.26	\$ 224.07	\$ 169.75	\$ 160.68
4	\$ 188.59	\$ 190.47	\$ 201.79	\$ 207.45	\$ 224.43	\$ 171.45	\$ 162.30
Step Average	\$ 186.26	\$ 190.43	\$ 201.58	\$ 207.15	\$ 223.88	\$ 168.92	\$ 159.90

Table 4

OMB H-7177 Rate Increase Estimate										
CURRENT QUALITY RATES						CCAP Enrollment by BrightStart Rating OMB Estimate				
Centers	1 star	2 star	3 star	4 star	5 star	Centers				
Infant/Toddler	\$ 236.36	\$ 244.88	\$ 257.15	\$ 268.74	\$ 284.39	1 Star	2 Star	3 Star	4 Star	5 Star
Preschool	\$ 207.51	\$ 212.27	\$ 218.45	\$ 223.50	\$ 231.39					
School-Age	\$ 180.38	\$ 182.77	\$ 185.17	\$ 187.57	\$ 189.97					
PROPOSED NEW QUALITY RATES						TOTAL				
Centers	1 star	2 star	3 star	4 star	5 star					
Infant/Toddler	\$281.00	\$294.00	\$308.00	\$322.00	\$335.00					
Preschool	\$250.00	\$257.00	\$265.00	\$273.00	\$280.00					
School-Age	\$238.00	\$241.00	\$244.00	\$247.00	\$250.00					
PERCENT INCREASE										
Centers	1 star	2 star	3 star	4 star	5 star					
Infant/Toddler	19%	20%	20%	20%	18%					
Preschool	20%	21%	21%	22%	21%					
School-Age	32%	32%	32%	32%	32%					
ANNUAL ADDITIONAL COST										
Centers	1 star	2 star	3 star	4 star	5 star	TOTALS				
Infant/Toddler	\$1,037,717	\$1,611,012	\$401,384	\$749,026	\$63,918	\$	3,863,058			
Preschool	\$1,822,594	\$2,512,850	\$773,411	\$1,399,289	\$283,993	\$	6,792,138			
School-Age	\$2,363,283	\$1,398,909	\$822,583	\$954,933	\$115,793	\$	5,655,501			
TOTALS	\$5,223,594	\$5,522,771	\$1,997,379	\$3,103,248	\$463,705	\$	16,310,696			

School-Age calculated at 42 weeks FT (40 weeks at 75 time + 12 weeks at FT)

Estimated FY 2024 Increase	
2.10%	\$ 16,653,221

Enrollment Distribution Estimate:

Estimated Population* 6,715

**Source Sheet: New Eligibility Assumptions*

Average Distribution by Age		
Infants/Toddlers	22.70%	1,524
Preschoolers	42.90%	2,881
School-Age	34.40%	2,310
		6,715

1 Star	2 Star	3 Star	4 Star	5 Star	Total	
447	631	152	270	24	1,524	Check
825	1,080	320	544	112	2,881	Check
977	572	333	383	46	2,310	Check
2,248	2,283	804	1,197	183	6,715	Check

Average Distribution by BrightStart Rating					
29.33%	41.38%	9.96%	17.74%	1.59%	1 Check
28.63%	37.50%	11.09%	18.87%	3.90%	1 Check
42.28%	24.76%	14.41%	16.56%	1.99%	1 Check

Table 5

OMB H-7177 Rate Increase Estimate

CURRENT QUALITY RATES					
Family	1 star	2 star	3 star	4 star	5 star
Infant/Toddler	\$186.26	\$190.43	\$201.58	\$207.15	\$223.88
Preschool	\$168.92	\$168.92	\$168.92	\$168.92	\$168.92
School-Age	\$159.90	\$159.90	\$159.90	\$159.90	\$159.90

CCAP Enrollment by BrightStars Rating OMB Estimate						
Family	1 Star	2 Star	3 Star	4 Star	5 Star	TOTAL
Infants/Toddlers	267	179	4	6	-	456
Preschoolers	406	292	4	8	-	710
School-Age	339	268	3	10	-	620
TOTAL	1,012	739	10	24	-	1,785

PROPOSED NEW QUALITY RATES					
Family	1 star	2 star	3 star	4 star	5 star
Infant/Toddler	\$250.00	\$254.00	\$257.00	\$260.00	\$263.00
Preschool	\$239.00	\$241.00	\$244.00	\$247.00	\$250.00
School-Age	\$200.00	\$212.00	\$225.00	\$238.00	\$251.00

PERCENT INCREASE					
	1 star	2 star	3 star	4 star	5 star
Infant/Toddler	34%	33%	27%	26%	17%
Preschool	41%	43%	44%	46%	48%
School-Age	25%	33%	41%	49%	57%

ANNUAL ADDITIONAL COST						
Centers	1 star	2 star	3 star	4 star	5 star	TOTALS
Infant/Toddler	\$883,665	\$591,735	\$10,976	\$17,445	\$0	\$ 1,503,821
Preschool	\$1,480,472	\$1,094,457	\$14,870	\$30,928	\$0	\$ 2,620,727
School-Age	\$570,897	\$586,168	\$6,942	\$33,315	\$0	\$ 1,197,323
TOTALS	\$2,935,034	\$2,272,361	\$32,788	\$81,688	\$0	\$ 5,321,872

School-Age calculated at 42 weeks FT (40 weeks at .75 time + 12 weeks at FT)

Estimated FY 2024 Increase	
2.10%	\$ 5,433,631

Enrollment Distribution Estimate:

Estimated Population* 1785

**Source Sheet: New Eligibility Assumptions*

	1 Star	2 Star	3 Star	4 Star	5 Star	Total
Infants/Toddlers	267	179	4	6	-	456
Preschoolers	406	292	4	8	-	710
School-Age	339	268	3	10	-	620
	1,012					1,785 Check

Average Distribution by BrightStart Rating					
14.9%	10.0%	0.2%	0.4%	0.0%	
22.8%	16.4%	0.2%	0.4%	0.0%	
19.0%	15.0%	0.1%	0.6%	0.0%	100.0% Check

DHS Family Enrollment Distribution - 2021						
	1	2	3	4	5	Total
Infant/Toddler	210	141	3	5	0	359
Preschool	320	230	3	6	0	559
School Age	267	211	2	8	0	488
	797	582	8	19	0	1406

Table 6.1

Estimated Current Co-Pay's			*Paid by Families							
Level	FPL	Number of CCAP Children	Average biweekly co-payment	Annual Co-Payments Per Subsidy	Biweekly co-payments collected	Total Co-payments collected	% of Annual Income	% per level		
0	0% - 100%	4,340	\$ -	\$ -	\$ -	\$ -	0.0%	51.1%		
1	100% - 125%	1,251	\$ 19.00	\$ 494.10	\$ 23,770	\$ 618,018	2.0%	14.7%		
2	125% - 150%	1,259	\$ 57.52	\$ 1,495.48	\$ 72,422	\$ 1,882,962	5.0%	14.8%		
3	150% - 180%	1,134	\$ 99.52	\$ 2,587.62	\$ 112,904	\$ 2,935,503	7.0%	13.3%		
4	180% - 200%	278	\$ 111.35	\$ 2,895.06	\$ 31,001	\$ 806,031	7.0%	3.3%		
5	200% - 225%	237	\$ 125.64	\$ 3,266.55	\$ 29,758	\$ 773,720	7.0%	2.8%		
Total		8,500				\$ 7,016,234				

Estimated FY 2023 Co-Pay's										
Level	FPL	Number of CCAP Children	Average weekly co-payment	Annual Co-Payments Per Subsidy	Biweekly co-payments collected	Total Co-payments collected	% of Annual Income	% per level		
0	0% - 100%	4,340	\$ -	\$ -	\$ -	\$ -	0.0%	37.3%		
1	100% - 125%	1,251	\$ 19.00	\$ 494.10	\$ 23,770	\$ 618,018	2.0%	10.7%		
2	125% - 150%	1,259	\$ 57.52	\$ 1,495.48	\$ 72,422	\$ 1,882,962	5.0%	10.8%		
3	150% - 180%	1,134	\$ 99.52	\$ 2,587.62	\$ 112,904	\$ 2,935,503	7.0%	9.7%		
4	180% - 200%	720	\$ 111.35	\$ 2,895.06	\$ 80,167	\$ 2,084,334	7.0%	6.2%		
5	200% - 225%	720	\$ 125.64	\$ 3,266.55	\$ 90,454	\$ 2,351,792	7.0%	6.2%		
6	225% - 250%	720	\$ 140.42	\$ 3,650.85	\$ 101,095	\$ 2,628,474	7.0%	6.2%		
7	250% - 275%	720	\$ 155.20	\$ 4,035.15	\$ 111,737	\$ 2,905,155	7.0%	6.2%		
8	275% - 300%	155	\$ 169.98	\$ 4,419.45	\$ 26,353	\$ 685,177	7.0%	1.3%		
9	300% - 325%	155	\$ 184.76	\$ 4,803.75	\$ 28,645	\$ 744,758	7.0%	1.3%		
10	325% - 350%	155	\$ 199.54	\$ 5,188.05	\$ 30,936	\$ 804,338	7.0%	1.3%		
11	350% - 375%	155	\$ 214.32	\$ 5,572.35	\$ 33,228	\$ 863,919	7.0%	1.3%		
12	375% - 400%	155	\$ 229.10	\$ 5,956.65	\$ 35,519	\$ 923,499	7.0%	1.3%		
Total		11,640				\$ 19,427,929				

Co-Pay Fiscal Impact	
2023/2024	\$ 12,411,695

Table 6.2

Current Data from DHS

FPL Copay Category	# Households	Breakout	Est. Distribution by Child (Current Pop)	To assume transitional distribution
0% to 100% FPL	2089	51%	4,340	
> 100 % FPL & <= 125% FPL	602	15%	1,251	New cases
> 125% FPL & <= 150% FPL	606	15%	1,259	1,215
> 150% FPL & <= 180% FPL	546	13%	1,134	
> 180% FPL & <= 200% FPL	134	3%	278	Carry forward cases
> 200% FPL & <= 225% FPL	114	3%	237	258
Grand Total	4091	100%	8500	21%

Est. FPL Copay Category	Est. Distribution
0% - 100%	4,340
100% - 125%	1,251
125% - 150%	1,259
150% - 180%	1,134
180% - 200%	720
200% - 225%	720
225% - 250%	720
250% - 275%	720
275% - 300%	155
300% - 325%	155
325% - 350%	155
350% - 375%	155
375% - 400%	155
Grand Total	11,640

To assume distribution

No Change

Change

New Cases

Carry forward

Assumptions

7,985 Cases under 180% of FPL would not change

3,655 Cases between 180-266% (300%) would be in

2,880 Expanded eligibily for new cases

775 Expanded eligibily for just carry forward case:

Estimated Subsidies	11,640
---------------------	--------

Est. FPL Copay Category	Avg. FPL Salary for 3 Person Household
0-100	\$ -
100-125	\$ 24,705
125-150	\$ 29,910
150-180	\$ 36,966
180-200	\$ 41,358
200-225	\$ 46,665
225-250	\$ 52,155
250-275	\$ 57,645
275-300	\$ 63,135
300-325	\$ 68,625
325-350	\$ 74,115
350-375	\$ 79,605
375-400	\$ 85,095

To Assume Avg salary ranges for Co-Pays:

Average Salary by percentage bracket - 3 Person Household

Calculated

100-125	125-150	150-180	180-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400
\$24,705	\$29,910	\$36,966	\$41,358	\$46,665	\$52,155	\$57,645	\$63,135	\$68,625	\$74,115	\$79,605	\$85,095

100-125	\$	24,705	*Referenced on Co-Pay Sheet
125-150	\$	29,910	
150-180	\$	36,966	
180-200	\$	41,358	
200-225	\$	46,665	
225-250	\$	52,155	
250-275	\$	57,645	
275-300	\$	63,135	
300-325	\$	68,625	
325-350	\$	74,115	
350-375	\$	79,605	
375-400	\$	85,095	

2021 Annual

Household/ Family Size	25%	50%	75%	100%	125%	133%	135%	138%	150%	175%	180%	185%	200%	225%	250%	266%	275%	300%	325%	350%	375%	400%
1	\$5,220	\$6,440	\$9,660	\$12,880	\$16,100	\$17,130	\$17,388	\$17,774	\$19,320	\$22,540	\$25,184	\$25,828	\$25,760	\$28,980	\$32,200	\$33,810	\$35,420	\$38,640	\$41,860	\$45,080	\$48,300	\$51,520
2	\$4,355	\$8,710	\$13,065	\$17,420	\$21,775	\$23,169	\$23,517	\$24,040	\$26,130	\$30,485	\$31,356	\$32,227	\$34,840	\$39,195	\$43,550	\$45,728	\$47,905	\$52,260	\$56,615	\$60,970	\$65,325	\$69,680
3	\$5,490	\$10,980	\$16,470	\$21,960	\$27,450	\$29,207	\$29,646	\$30,305	\$32,940	\$38,430	\$39,528	\$40,626	\$43,920	\$49,410	\$54,900	\$57,645	\$60,390	\$65,880	\$71,370	\$76,860	\$82,350	\$87,840
4	\$6,625	\$13,250	\$19,875	\$26,500	\$33,125	\$35,245	\$35,775	\$36,570	\$39,750	\$46,375	\$47,700	\$49,025	\$53,000	\$59,625	\$66,250	\$69,563	\$72,875	\$79,500	\$86,125	\$92,750	\$99,375	\$106,000
5	\$7,760	\$15,520	\$23,280	\$31,040	\$38,800	\$41,283	\$41,904	\$42,835	\$46,560	\$54,320	\$55,872	\$57,424	\$62,080	\$69,840	\$77,600	\$81,480	\$85,360	\$93,120	\$100,880	\$108,640	\$116,400	\$124,160
6	\$8,895	\$17,790	\$26,685	\$35,580	\$44,475	\$47,321	\$48,053	\$49,100	\$53,370	\$62,265	\$64,044	\$65,823	\$71,160	\$80,055	\$88,950	\$93,398	\$97,845	\$106,740	\$115,635	\$124,530	\$133,425	\$142,320
7	\$10,030	\$20,060	\$30,090	\$40,120	\$50,150	\$53,360	\$54,162	\$55,366	\$60,180	\$70,210	\$72,216	\$74,222	\$80,240	\$90,270	\$100,300	\$105,315	\$110,330	\$120,360	\$130,390	\$140,420	\$150,450	\$160,480
8	\$11,165	\$22,330	\$33,495	\$44,660	\$55,825	\$59,398	\$60,291	\$61,631	\$66,990	\$78,155	\$80,388	\$82,621	\$89,320	\$100,485	\$111,650	\$117,233	\$122,815	\$133,980	\$145,145	\$156,310	\$167,475	\$178,640
9	\$12,300	\$24,600	\$36,900	\$49,200	\$61,500	\$65,436	\$66,420	\$67,896	\$73,800	\$86,100	\$88,560	\$91,020	\$98,400	\$110,700	\$123,000	\$129,150	\$135,300	\$147,600	\$159,900	\$172,200	\$184,500	\$196,800
10	\$13,435	\$26,870	\$40,305	\$53,740	\$67,175	\$71,474	\$72,549	\$74,161	\$80,610	\$94,045	\$96,732	\$99,419	\$107,480	\$120,915	\$134,350	\$141,068	\$147,785	\$161,220	\$174,655	\$188,090	\$201,525	\$214,960
11	\$14,570	\$29,140	\$43,710	\$58,280	\$72,850	\$77,512	\$78,678	\$80,426	\$87,420	\$101,990	\$104,904	\$107,818	\$116,560	\$131,130	\$145,700	\$152,985	\$160,270	\$174,840	\$189,410	\$203,980	\$218,550	\$233,120
12	\$15,705	\$31,410	\$47,115	\$62,820	\$78,525	\$83,551	\$84,807	\$86,692	\$94,230	\$109,935	\$113,076	\$116,217	\$125,640	\$141,345	\$157,050	\$164,903	\$172,755	\$188,460	\$204,165	\$219,870	\$235,575	\$251,280
13	\$16,840	\$33,680	\$50,520	\$67,360	\$84,200	\$89,589	\$90,936	\$92,957	\$101,040	\$117,880	\$121,248	\$124,616	\$134,720	\$151,560	\$168,400	\$176,820	\$185,240	\$202,080	\$218,920	\$235,760	\$252,600	\$269,440
14	\$17,975	\$35,950	\$53,925	\$71,900	\$89,875	\$95,627	\$97,065	\$99,222	\$107,850	\$125,825	\$129,420	\$133,015	\$143,800	\$161,775	\$179,750	\$188,738	\$197,725	\$215,700	\$233,675	\$251,650	\$269,625	\$287,600

To Assume year over year growth:

Estimated CPI from Nov CEC	
FY 2021	2.3%
FY 2022	4.6%
FY 2023	2.0%
FY 2024	2.1%
FY 2025	2.2%
FY 2026	2.3%
FY 2027	2.3%

Assumed growth for FY 2024

Source: <https://omb.ri.gov/sites/g/files/xkgbur751/files/documents>

To assume costs for GR vs FF:

CEC Cash Assistance Array		Nov. 2021 CEC Adopted (FY23)
Child Care - General Revenue		
2395101	Child Care - Non M.O.E.	\$ 30,000
2395102	Child Care - M.O.E.	\$ 5,321,126
2395103	Child Care - Matching	\$ 3,447,457
	Total	\$ 8,798,583
		11%
Child Care - Federal Funds		
2400104	Child Care Services - Social Services Block Grant	\$ -
2400105	Child Care Mandatory	\$ 6,633,774
2400106	Child Care Matching	\$ 4,078,098
2400108	Child Care Development Block Grant - DISC	\$ 5,000,000
2400110	Child Care - Social Services Block Grant	\$ 7,560,000
2400111	Child Care - TANF Transfer	\$ -
2400112	Child Care - TANF Funds	\$ 33,385,507
2400115	Child Care Assistance Enhancement	\$ 936,544
2400116	Child Care - Governor's Workforce Training	\$ -
4669109	CARES Act: CCDBG (CCAP)	\$ -
4669611	CAA21: CCDBG (CCAP)	\$ -
4869513	ARPA CCDBG (CCAP)	\$ 14,357,494
	Total	\$ 71,951,417
		89%
Child Care - All Funds		\$ 80,750,000