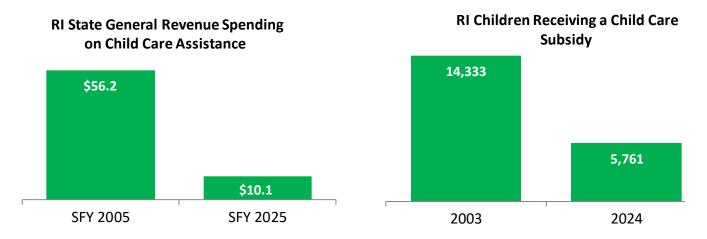
Child Care is Essential 2025 <u>H-5281</u> (Diaz)/ <u>S-0240</u> (Vargas)

Families need access to affordable, high-quality child care so parents can work, and children can learn and thrive. **Experts agree that 9 out of 10 families cannot afford child care**. The average cost of child care for an infant enrolled in a Rhode Island licensed child care Right from the Start

center is \$16,899/year. Using the federal affordability guidelines, this makes infant care unaffordable for any Rhode Island family earning less than \$241,000/year.

Fewer Families Helped Now Compared to 20+ Years Ago



The 2025 Rhode Island Child Care is Essential Act

1. Allows more families to qualify for the RI Child Care Assistance Program by raising the family income limits to qualify for the Child Care Assistance Program to the federal Child Care and Development Block Grant benchmark, 85% of the state median family income and raises the "exit" income limit to 100% of the state median family income.

2. Eliminates child support enforcement as an eligibility requirement. Rhode Island would join 41 other states by keeping child care eligibility aligned with all other early learning programs that do not require families to establish paternity/parentage or seek child support to participate.

3. Creates a separate rate for infants under the age of 18 months that is 50% higher than the toddler rate to provide revenue parity with toddler classrooms so that the wages of infant teachers can be increased, closed infant classrooms can reopen, and waiting lists can be shortened.

4. Adjusts rates for the RI Child Care Assistance Program to comply with the federal equal access standard by meeting or exceeding the current federal equal access standard (75th percentile of the 2024 RI Child Care Market Rate Survey) for all ages and settings.

5. Adopts payment practices in alignment with the 2024 federal rules for the Child Care Development Fund to mirror payment practices in the private child care market.

The Rhode Island Child Care Assistance Program (CCAP) is managed by the Rhode Island Department of Human Services (DHS) and helps families pay for child care. Eligible low-income families are approved for a certificate they can use to enroll their children (birth – age 12) at a child care program that accepts the certificate. DHS pays child care programs based on rates that are set in statute. Some families are assessed a copayment that they pay directly to the child care program.

Helping More Families - Current and Proposed Family Income Eligibility Limits for Family of 3

	Current RI Law 2025	Child Care is Essential Goal
Entrance	\$69,557	\$89,484
	$\leq 261\%$ of the federal poverty level	≤85% of State Median Family Income*
Exit	\$79,950	\$105,276
	$\leq 300\%$ of the federal poverty level	≤100% of State Median Family Income*

*Federal Eligibility Benchmark. States use the LIHEAP method to calculate.

Note: There are at least 18 states that meet or exceed the federal benchmark for child care eligibility (85% of State Median Income), including **Connecticut, Maine, Massachusetts, New Hampshire, New York, and Vermont.**

Addressing the Infant Care Shortage

The Child Care is Essential bill provides a 50% CCAP rate increase for infants under age 18 months to account for the increased staffing requirements for infants (4 infants for 1 teacher) versus toddlers (6 toddlers for 1 teacher).

Adjusting Child Care Assistance Program Rates to Meet Federal Equal Access Standards

	1 Star	2 Stars	3 Stars	4 Stars	5 Stars
Infant/Toddler Current Rate	\$278	\$284	\$296	\$303	\$315
Infant/Toddler Proposed Rate	\$356*	\$363	\$371	\$378	\$385
Preschool Current Rate	\$236	\$247	\$255	\$263	\$273
Preschool Proposed Rate	\$312*	\$320	\$329	\$337	\$345
School-Age Current Rate	\$210	\$215	\$231	\$250	\$263
School-Age Proposed Rate	\$280*	\$287	\$295	\$303	\$310

* Equal Access Benchmark (75th percentile of the 2024 RI Child Care Market Rate Survey)

Note: There are 17 states that meet or exceed the federal equal access standard for rates (75th percentile of the Market Rate Survey), including **New York and Vermont.**

Adopting Payment Practices Consistent with Federal Rules

- Adopts a **prospective payment methodology**, paying for child care at the beginning of the service period rather than after it is over, to comply with federal rules.
- Establishes a definition for full-time care (30-45 hours per week), create a new definition for children who need more than 45 hours of care per week "super full-time care" (45 60 hours per week), and establish a rule that no child will be enrolled in the Child Care Assistance Program for more than 60 hours per week.
- Requires the Department of Human Services to pay an **annual registration fee for each child enrolled in a child care center** through the Child Care Assistance Program equivalent to the amount paid to family child care providers.