

Who'll watch the children?

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PROVIDENCE — Their dream is crumbling.

The Reyes family has been working hard to stay out of poverty.

Juan takes home \$250 a week from a local factory. His wife, Dismery, earns almost \$350 a week at a department store. Sometimes she volunteers for Sunday shifts and the overtime it brings to help pay the bills.

Last year, the Reyes family bought their first house — a cozy three-bedroom Cape in South Providence.

They thought they were doing well.

But an envelope bearing the state seal appeared in their mailbox Tuesday afternoon. The two-page letter from the Department of Human Resources informed them that their three children, 4, 7, and 11, would lose state-subsidized childcare in less than a month.

Dismery almost laughed at the thought that she and her husband earned too much to qualify. But then she began to worry.

They had been paying about \$400 a month for childcare copays. Without state assistance, their childcare costs would balloon to \$1,800. That's 75 percent of their monthly take-home pay.

The Reyes family is among 1,500 working Rhode Island families who earned so little last year that they qualified for subsidized childcare, but don't qualify this year. The rules have been changed by the General Assembly. And as a result, 1,900 Rhode Island children will lose childcare assistance as of Sept. 1.

The state sent letters to each of the affected families this week.

But the Reyes family didn't see this coming.

They weren't among the parents who testified against the proposed cuts at the State House this spring. They didn't read about the looming cuts in the

newspapers or see anything on the television. Juan heard talk of some childcare changes from his coworkers, but he didn't know if he'd be affected.

The family had received one letter from the Department of Human Services last month — as did all of the families on state childcare assistance — that outlined the new state guidelines and income limits.

“The parents are the least informed in this whole scenario,” said Kim Maine, who owns two childcare centers in North Kingstown and also heads the Rhode Island Childcare Directors' Association. “When people start talking about 180 percent of poverty — the parents don't know what that means.”

In an effort to close a budget deficit exceeding \$200 million, the General Assembly adopted a state budget in June that reduces childcare eligibility for families earning 225 percent of the federal poverty level to 180 percent.

For a family of five like the Reyeses, that's a change from \$54,293 to \$43,434.

The Reyes family makes \$44,701.56 this year, according to the formula used by the Department of Human Services incorporating the family's most recent pay stubs. They missed the cutoff by less than \$1,300.

If only she had worked a few less Sunday shifts, Dismery says.

State-subsidized childcare cost Rhode Island taxpayers \$38 million last year.

There are approximately 6,900 families being served, representing 11,000 children (before the cuts take effect), according to the Department of Human Services. Enrollments have declined steadily since reaching a high of 13,600 in 2004.

The budget passed in June eliminated approximately \$19.8 million in state money for childcare subsidies. And it could have been more. The legislature restored more than \$5 million in funding that Governor Carcieri had proposed cutting in his spending plan.

In what Democratic leaders said was one of the most difficult budget years in recent memory, they also level-funded local education, cut funding for former foster children, and passed a law that requires 17-year-olds to be tried as adults in criminal cases — a move they said would save money because housing inmates at the Adult Correctional Institutions is generally cheaper than the Training School. (Those savings have since been questioned as housing for teens sent to the ACI is actually more expensive than the Training School because they're held in protective custody.)

“We’ve got to fix this structural deficit. Doing that means you have to make difficult choices,” says Gary Alexander, director of the state DHS. “Any time a family is going through any pain it affects all of us, but we have a certain target we have to meet.”

Those who will lose childcare assistance Sept. 1 are working low-income families who are not poor by government standards. Social welfare advocates say these families need subsidized childcare to stay in the work force and improve their financial situation.

“Clearly this is going to have an enormous impact on those families,” says Kate Brewster, executive director of the Poverty Institute. “We suspect that many will have to place their children in unregulated care ... and they may forgo other basic needs.”

The Reyes family is faced with an “impossible decision,” Dismery says from her living room, where a large painting of Jesus hangs on the wall over the couch.

She can depend on her 11-year-old daughter to watch her younger siblings. Dismery can find a second job, forcing her to spend less time with their young children. Or she can quit her job to lower the family income and qualify for childcare, but risk not making enough to pay the mortgage.

They don’t like any of the options.

Many affected families plan to turn to friends and relatives to help, according to several providers. While the Reyeses have family in the area, they too work full-time jobs during the day, Juan says.

Dismery says she’s had a headache since receiving the letter on Tuesday. She has been desperately calling childcare providers trying to find reduced rates.

“I don’t know what I’m going to do,” she says.

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