

Tiered Reimbursement Rates for Quality Child Care

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Recommendation: Establish a **tiered child care reimbursement rate system** by increasing rates for child care providers and connecting to ratings in the state’s research-based BrightStars Quality Rating and Improvement System, with higher quality programs receiving higher rates of reimbursement.

Tiered Reimbursement Rates Matter:

- The Rhode Island Child Care Assistance Program (“CCAP”) helps low-income working families pay for child care. The current CCAP reimbursement rates are set well below recommended levels to ensure equal access to high-quality child care.
- Federal guidance and national experts recommend paying providers at least at the 75th percentile of the current market rate in order to enable access to high-quality care. Current CCAP rates for centers are meeting the 12th percentile for infant care, 21st percentile for toddler care, 18th percentile for preschool care, and 19th percentile for school-age care
- 38 states and the District of Columbia have tiered quality reimbursement rates with higher rates paid to higher quality child care providers. Rhode Island is the only state in New England without tiered rates for child care and currently pays a flat rate regardless of quality level.
- A growing number of child care providers in Rhode Island are opting out of the CCAP program or significantly limiting the number of CCAP children they serve because the state rates do not enable them to provide quality care. Some child care programs are eliminating infant and toddler classrooms, limiting options for working families.
- Rhode Island child care providers have made progress in achieving higher levels of quality. Tiered CCAP rates are needed to sustain the quality improvement gains since high-quality care is more expensive to deliver than lower quality care.
- High-quality child care promotes children’s learning and development. Achieving the state’s education goals, including 3rd grade reading proficiency, requires improved access to high-quality early learning programs, beginning with infant/toddler child care.
- A recent evaluation of BrightStars conducted by Child Trends indicates that BrightStars star levels effectively differentiate quality and higher-quality ratings are linked to improved outcomes for children.

Recommended Rates: Adopt rates proposed in H-6048 (Diaz) and S-775 (Crowley). Increase rates for all providers with larger increases for programs at higher star levels. Ensure higher quality programs are paid rates at or above the nationally recommended standard for equal access to quality child care (75th percentile of the 2015 Market Rate Survey). Provide equivalent percentage increases for centers and family child care providers.

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