Investing in the Future: Financing Early Education & Care in Rhode Island

September 19, 2016
Special thanks to

Alliance for Early Success

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Early Learning Matters

- Disparities in learning begin to appear in the first years of life, and without intervention, widen over time.
- Access to high-quality early learning opportunities from birth through kindergarten entry, helps prepare children for success in school.
Economists Recognize the Value of Effective Early Learning Programs

Return on Investment by Age of Intervention

Access to High-Quality Early Learning Programs is Tied to Family Income

83% of four-year-olds in the U.S. who have families with incomes in the top quintile attend preschool.

Many Families Cannot Afford High-Quality Early Education & Care

<table>
<thead>
<tr>
<th>PROGRAM TYPE</th>
<th>COST PER CHILD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Center (infant care)</td>
<td>$12,091</td>
</tr>
<tr>
<td>Child Care Center (preschool care)</td>
<td>$10,172</td>
</tr>
<tr>
<td>Family Child Care Home (preschool care)</td>
<td>$8,655</td>
</tr>
</tbody>
</table>


- Federal affordability guideline for child care/early learning = 10% of family income
- A Rhode Island family would need to earn $101,000 annually to be able to afford the average cost for one four-year-old in year-round child care/preschool.
Public Funding Helps Children Enroll in High-Quality Early Learning Programs

<table>
<thead>
<tr>
<th>Funding Type</th>
<th>Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Assistance Program</td>
<td>RI Department of Human Services</td>
</tr>
<tr>
<td>Head Start &amp; Early Head Start</td>
<td>U.S. Department of Health &amp; Human Services</td>
</tr>
<tr>
<td>State Pre-K</td>
<td>RI Department of Education</td>
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<tr>
<td>Title I</td>
<td>RI Department of Education</td>
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<tr>
<td>Early Intervention</td>
<td>RI Executive Office of Health &amp; Human Services</td>
</tr>
<tr>
<td>Preschool Special Education</td>
<td>RI Department of Education</td>
</tr>
</tbody>
</table>
Public Funding is Limited in Early Years

* CCAP requires families with incomes between 100% and 225% FPL to make co-payments to the provider (up to 14% of family income) and deducts this amount from the amount the state pays to the program. CCAP also covers a much longer day.

- Public investments in early learning and development are much lower than investments for school-age children.
- Public funding for CCAP infant/toddler in family child care = $6,200/school-year in 2014-2015
Child Care Assistance Program

- CCAP provides a full or partial subsidy to help low-income, working parents pay for child care for children from birth through age 12.
- CCAP provides a foundation of access to early learning programs.
- 5,898 CCAP children under age six were enrolled in a licensed center or family child care home (78% in center and 21% in family child care) as of December 2015.

Child Care Assistance Program

Current CCAP budget reflects an $8.4 million increase for the Child Care Assistance Program, the largest increase in more than 10 years, but still below levels from 2003-2007.

Increase was needed to keep up with demand from eligible low-income, working families and new federal requirements designed to improve continuity.

Proportion paid by state general revenue vs. federal block grants has changed dramatically since early 2000s.
Quality of Early Learning Programs

Participants:
• 82% of licensed centers/preschools
• 87% of family child care homes
• 60% of public schools that enroll preschoolers

High-Quality Ratings:
• 17% of licensed centers/preschools
• 13% of public schools that enroll preschoolers
• 2% of family child care homes
Quality for Children in the Child Care Assistance Program

- Only 9% of infants and toddlers and 15% of preschoolers receiving CCAP are enrolled in high-quality early learning programs (4 or 5 stars)
- More than half of the centers with a high-quality rating receive Head Start funding, State Pre-K funding or both.

Source: Rhode Island Department of Human Services, InRhodes Database and Rhode Island Association for the Education of Young Children, BrightStars quality ratings, March 2016.
Public Preschool: Head Start and State Pre-K

- Head Start ($27.3 million federal and $800,000 state) provides high-quality preschool experiences to lowest income children ages three and four.
- Rhode Island State Pre-K ($5.8 million federal and $5.2 state) meets national quality benchmarks and is expanding (414 new seats this year).
- Nationally, Rhode Island is ranked low for access to State Pre-K, but high for quality of the program.
Early Childhood Special Education

Early Intervention
- Children birth through 3 who have a developmental delay, disability, or significant circumstances known to negatively impact development
- 2,195 infants and toddlers (6% of children in the state)
- $20.9 million, primarily Medicaid and private health insurance
- Delivered primarily through home visits

Preschool Special Education
- Children ages 3 to K entry who have a developmental delay or disability
- 2,927 children ages 3 to five (7% of children in the state)
- $15.4 million from state, local and federal sources, including Medicaid
- Delivered in preschool classrooms (public school, Head Start, child care, etc.) and through walk-in appointments
Institute of Medicine & National Research Council Recommendation

• All lead teachers in early care and education settings working with children from birth through age 8 should have a bachelor’s degree with specific coursework in child development and early childhood education.

• Requires substantial new investments and will likely take decades to achieve.
Inadequate Wages for Early Childhood Educators Affect Program Quality

**RI Average Annual Wages**
- Elementary School Teacher wage = $65,918
- Infant/Toddler Teacher with BA = $27,040 (52 weeks)
- Preschool Teacher with BA = $31,720 (52 weeks)
- Head Start teacher = $31,384
- State Pre-K teacher in community program = $43,458
- State Pre-K teacher in public school = $52,000

- 60% of family child care providers report making < $30,000/year
• National employer-sponsored workforce development model
• Scholarships and assistance with financial aid
• Financial support for release time, transportation, books
• Commitment to remain in program
• Wage increases/bonuses as coursework is completed
Early Learning Facilities

• Well-designed facilities are needed as preschool and child care expands

• Design requires knowledge and technical expertise:
  o Ground floor
  o Small groups of children
  o Adequate space for active learning
  o Accessible children’s bathrooms and changing areas
  o Adequate space for staff and family meetings
  o Safe indoor and outdoor areas for running, climbing, and jumping

• Public funding needed for grants, subsidized loans, and performance-based loan forgiveness programs.
Recommendations
**Recommendations**

- **Invest in the Early Years**
  - Expand access to diverse array of high-quality early learning programs, focusing first on getting more low-income children into high-quality programs.
  - Increase annual per child funding amount to narrow gap in resources for early learning compared with K-12.
  - Ensure young children in the child welfare system have access to high-quality early learning programs.

- **Strengthen the Child Care Assistance Program**
  - Adopt a tiered rates system (like most states have) with high-quality programs paid at or above the 75th percentile of the current market rate.
  - Provide support, resources and incentives to help program meet high-quality standards.
  - Make the “cliff effect” policy permanent so families do not lose access to child care subsidy when they receive small wage increases.
  - Restore eligibility to 225% FPL.
Recommendations

• **Expand Public Preschool Options for 3- and 4-year olds**
  - Expand Head Start.
  - Continue to expand State Pre-K.

• **Invest in Early Childhood Educators and Facilities**
  - Sustain the T.E.A.C.H. Early Childhood model in Rhode Island.
  - Implement targeted wage enhancement strategies to attract and retain more qualified and effective educators and caregivers.
  - Provide expertise and financial support through the RI Child Care and Early Learning Facilities Fund to construct, renovate and expand early learning facilities.
Invest in the Future

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