

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



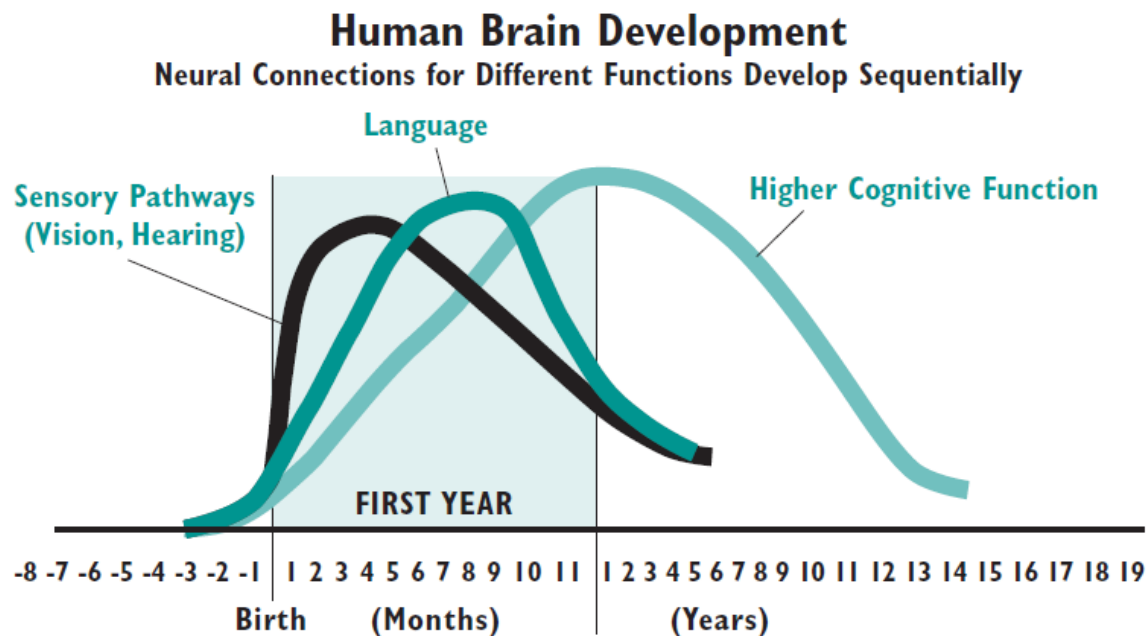
September 19, 2016

# Special thanks to



for its support of this *Issue Brief*

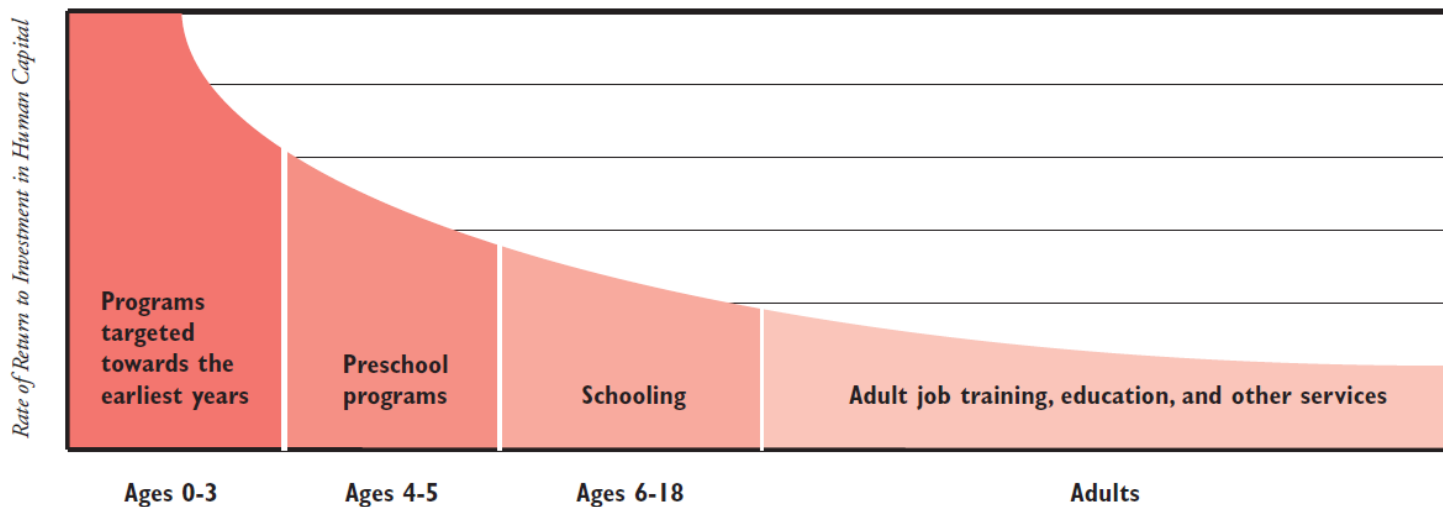
# Early Learning Matters



- 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

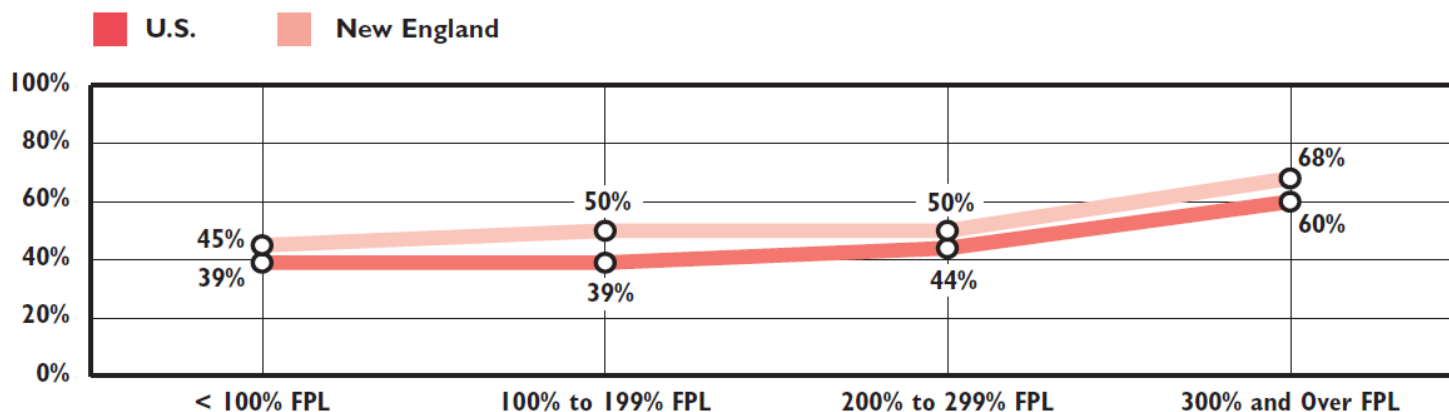
Return on Investment by Age of Intervention



Source: Heckman, J. J. (2008). Schools, skills, and synapses. *Economic Inquiry*, 46(3), 289-324.

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

Preschool Attendance by Federal Poverty Level (FPL),  
United States and New England, 2011-2013



Source: U.S. Census Bureau. Population Reference Bureau's analysis of American Community Survey data, 2011-2013.

Note: Data for Rhode Island alone is not available, due to small numbers creating unreliable estimates.

- 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

## Average Annual Cost for Full-Time Child Care, Rhode Island, 2015

PROGRAM TYPE	COST PER CHILD
Child Care Center (infant care)	\$12,091
Child Care Center (preschool care)	\$10,172
Family Child Care Home (preschool care)	\$8,655

Source: Rhode Island KIDS COUNT analysis of average weekly rates from Bodah, M. M. (2015). *Statewide survey of childcare rates in Rhode Island*. Kingston, RI: University of Rhode Island.

- 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.

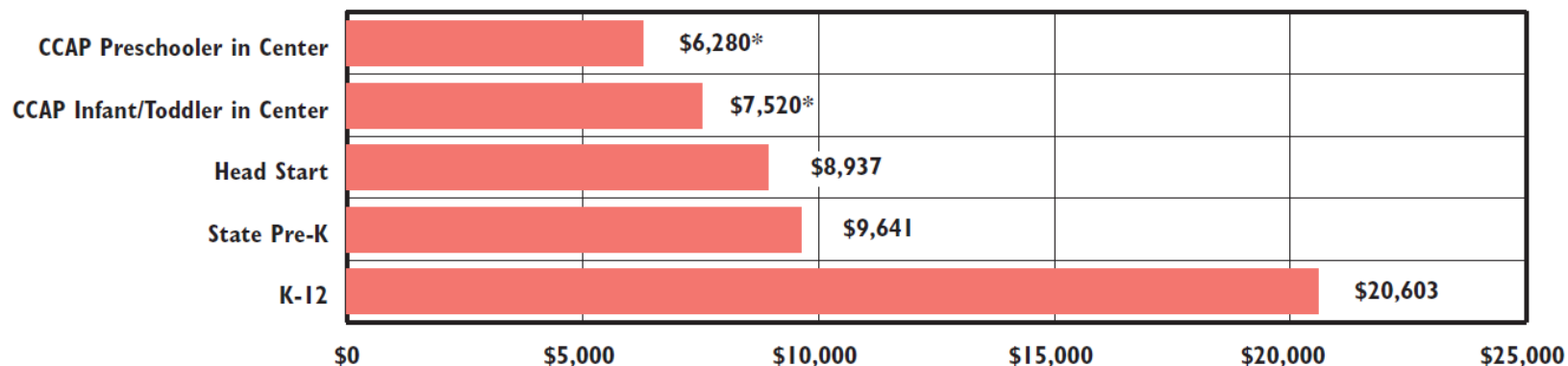


# Public Funding Helps Children Enroll in High-Quality Early Learning Programs

Funding Type	Administrator
Child Care Assistance Program	RI Department of Human Services
Head Start & Early Head Start	U.S. Department of Health & Human Services
State Pre-K	RI Department of Education
Title I	RI Department of Education
Early Intervention	RI Executive Office of Health & Human Services
Preschool Special Education	RI Department of Education

# Public Funding is Limited in Early Years

Annual Public Funding Per Child Enrolled, Rhode Island, 2014-2015



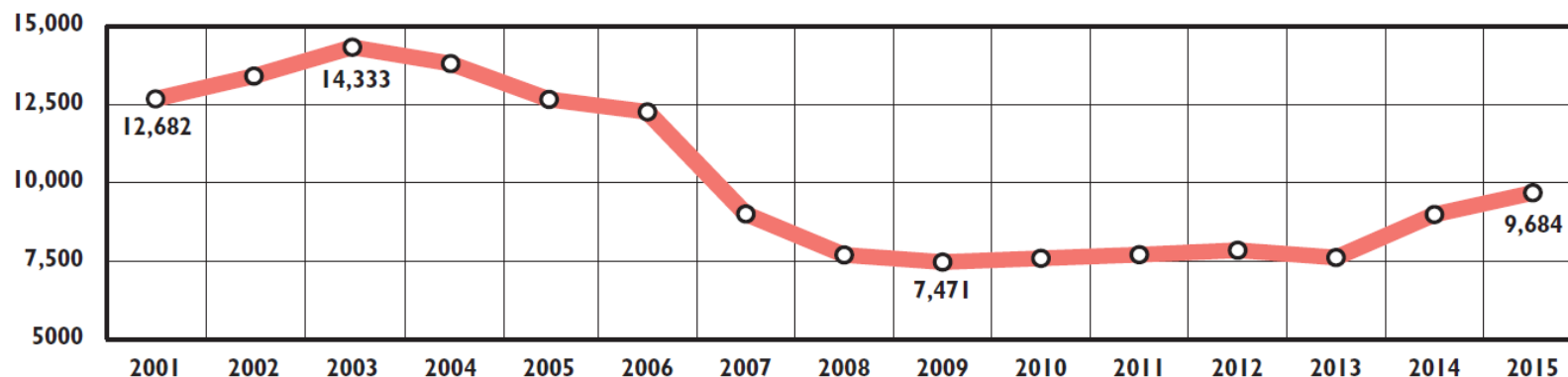
\* CCAP requires families with incomes between 100% and 225% FPL to make co-payments to the provider (up to 14% of family income) and deducts this amount from the amount the state pays to the program. CCAP also covers a much longer day.

- 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

Number of Children with Child Care Subsidies, Rhode Island, 2001-2015

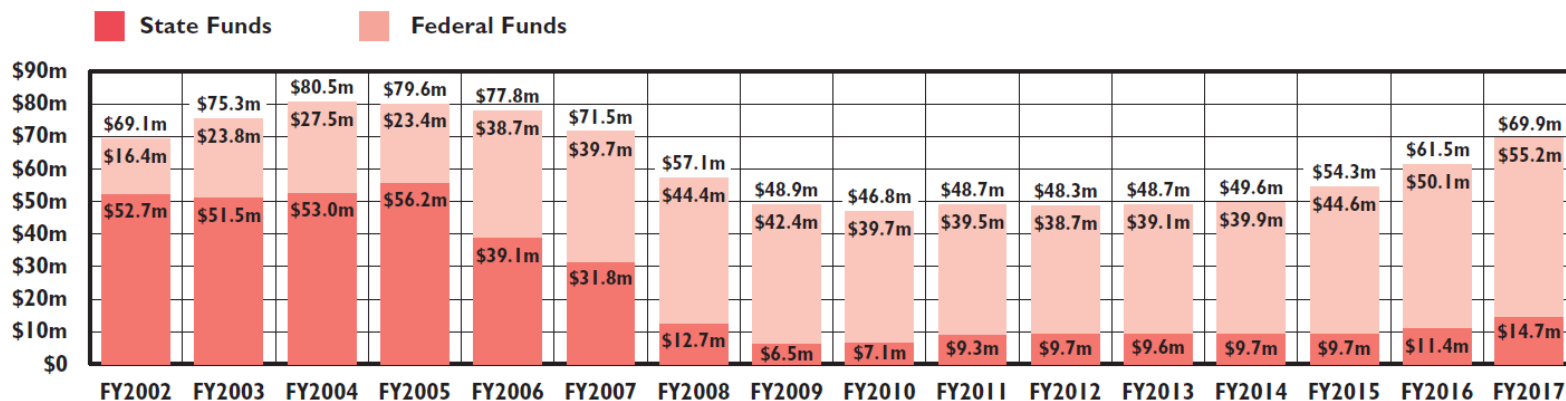


Source: Rhode Island Department of Human Services, December 2001–December 2015.

- 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

Child Care Assistance Program Expenditures in Millions of Dollars, SFYs 2002-2017



Source: Rhode Island House Fiscal Office. SFY2002-2016 are final expenditures. SFY17 is budget as enacted.

- 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:

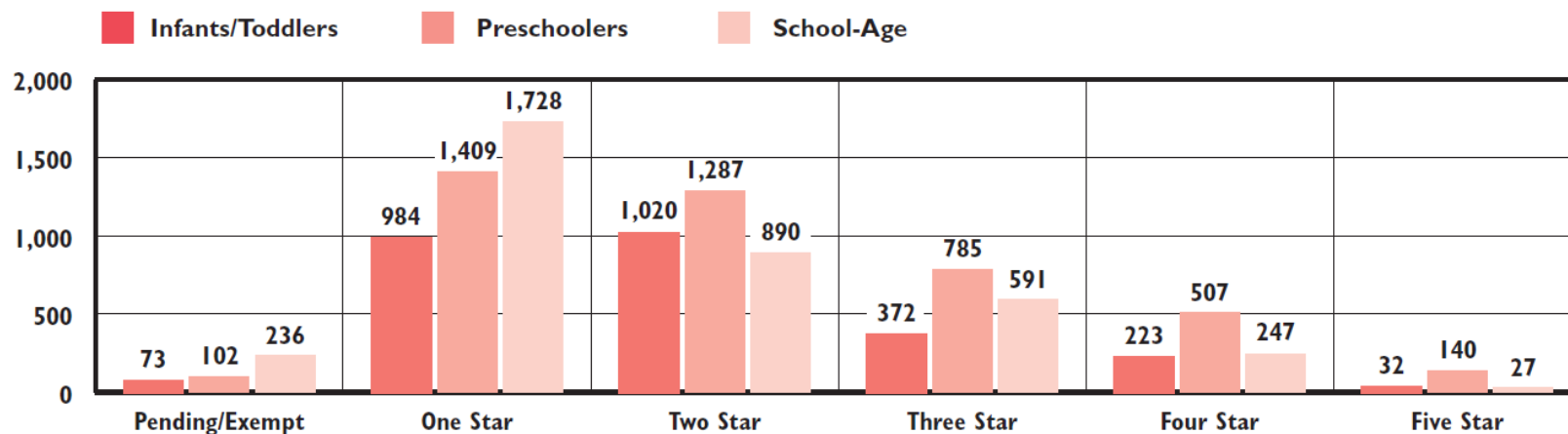
- 82% of licensed centers/preschools
- 87% of family child care homes
- 60% of public schools that enroll preschoolers

## 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

Children Receiving CCAP by BrightStar Quality Rating of Program, March 2016

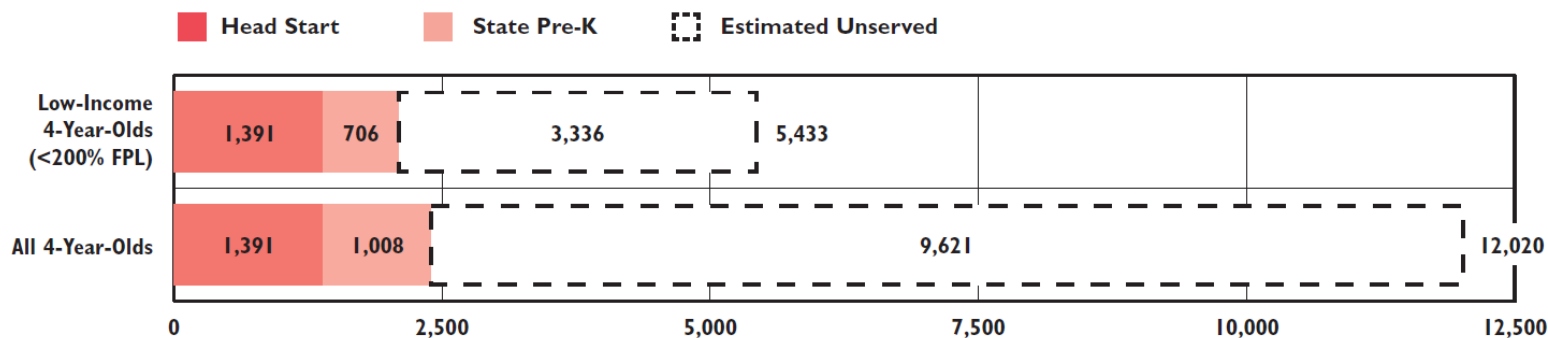


Source: Rhode Island Department of Human Services, InRhodes Database and Rhode Island Association for the Education of Young Children, BrightStars quality ratings, March 2016.

- 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.

# Public Preschool: Head Start and State Pre-K

Four-Year-Olds, Access to Head Start and State Pre-K, Rhode Island, Projected for 2016-2017



- 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

## Education and Average Hourly Wages for Early Learning Teaching Staff Working in Licensed Centers and Preschools, Rhode Island, 2013

	HIGH SCHOOL OR LESS	SOME COLLEGE	ASSOCIATE'S DEGREE	BACHELOR'S DEGREE OR HIGHER
Infant/Toddler Classroom	\$9.70	\$10.25	\$10.52	\$13.00
Preschool Classroom	\$9.00	\$10.25	\$12.99	\$15.25

### 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

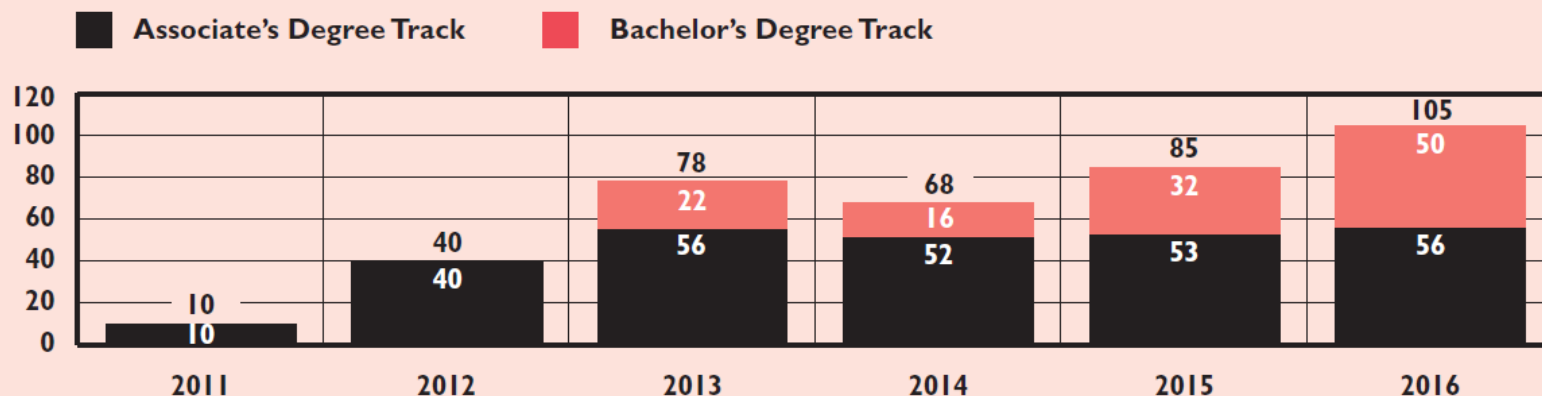
- 60% of family child care providers report making < \$30,000/year



# T.E.A.C.H. Early Childhood

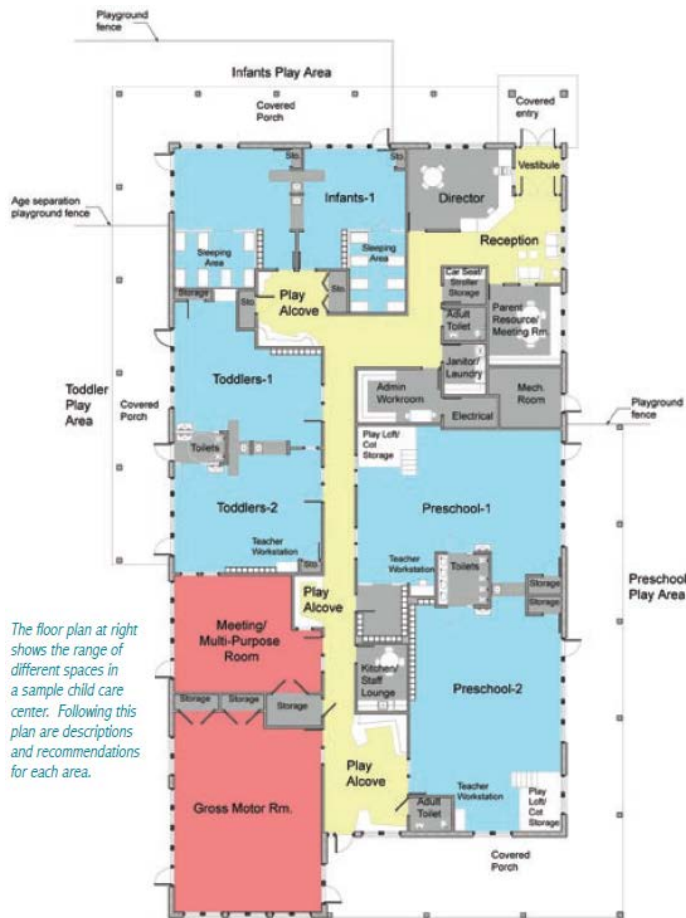
## Links Education & Compensation

**Active T.E.A.C.H. Early Childhood Scholars, Rhode Island, 2011-2016**



- 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:
  - Ground floor
  - Small groups of children
  - Adequate space for active learning
  - Accessible children's bathrooms and changing areas
  - Adequate space for staff and family meetings
  - 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 75<sup>th</sup> 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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