



RHODE ISLAND KIDS COUNT
ONE UNION STATION
PROVIDENCE, RHODE ISLAND 02903
401/351-9400 • 401/351-1758 (FAX)

Testimony Re: Article 15 relating to Child Care Licensing & Child Care Subsidy

House Finance Committee

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Leanne Barrett, Senior Policy Analyst

Rhode Island KIDS COUNT strongly supports the Article 15 sections that increase and establish tiered quality rates for infants and toddlers in the Child Care Assistance Program (CCAP) and establish intermediate sanctions to improve enforcement of child care licensing regulations.

Child care is an essential need for working families and it is the foundation of our early learning system. Approximately 72% of Rhode Island children age 5 and younger and 77% of school-age children have all parents in the workforce.

Child care helps to lift families out of poverty and work towards economic security by enabling parents to work. In Rhode Island, 25% of children under age 5 live in poverty and nearly half of young children live in families with incomes below 200% of poverty. Young children are 2 ½ times more likely to live in poverty than the elderly.

Child care needs to be high-quality to promote children's development and learning. Across the U.S. and in Rhode Island, child care varies markedly in quality, with some programs providing enriching learning experiences and other programs providing mediocre, custodial care. It is particularly difficult to find high-quality child care for infants and toddlers.

Rhode Island KIDS COUNT supports DCYF's proposal to establish intermediate sanctions to enforce critical health and safety regulations in child care licensing. Licensing provides the foundation of quality by focusing on critical health and safety practices. Rhode Island KIDS COUNT has been recommending the state adopt intermediate sanctions to improve child care licensing since 2008 when the National Association of Regulatory Administration (the national organization for state child care licensing administrators) reviewed our licensing practices and recommended the state use fines to improve licensing compliance. We also recommend the state move forward to post licensing inspection reports for child care programs on a website accessible to the public. This is now required under federal law and is a proven strategy to improve licensing compliance.

Rhode Island KIDS COUNT also strongly supports the Governor's proposal to increase and establish tiered quality rates for infants and toddlers in the Child Care Assistance Program. In fact, with a significant increase in federal funding for child care recently approved by Congress, we strongly recommend passage of Representative Diaz's bill H-7148 that would increase and establish tiered rates of reimbursement for all ages of children in CCAP. **There are 41 states and the District of Columbia that have tiered quality rates with enhanced rates for higher quality child care providers.** Rhode Island is the only state in New England without a tiered quality reimbursement rate system. Current rates are also very low,

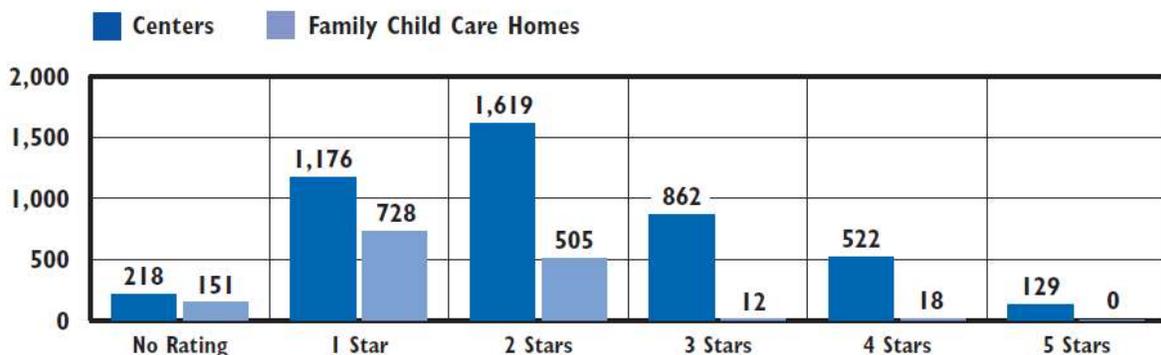
with infant rates equal to the 12th percentile, preschool rates at the 18th percentile, and school-age rates at the 19th percentile of the 2015 market rate survey – when federal guidance indicates states should pay at or above the 75th percentile of the market rate to enable families to access high-quality care.

When adopting tiered quality rates, we advise removing section (b) of the statute that requires child care providers to charge at or above the state rate in order to capture the full CCAP rate. Section (b) language was added into the statute as a cost saving strategy and is not required or advisable under the federal law. Removing this language would remove the incentive for providers to increase rates for private pay families to match or exceed the state rate. It would also reduce administrative paperwork for DHS.

Low CCAP rates limit families’ access to quality programs and limit the resources programs have to deliver high quality care. Rhode Island’s rates are so low that the U.S. Department of Health and Human Services expressed concern that our rates may not allow equal access in a June 2016 letter sent to the Rhode Island Department of Human Services. States are required to take the cost of quality into account when setting rates.

Rhode Island has an effective Quality Rating and Improvement System for child care and early learning programs – called BrightStars. BrightStars was launched in 2009 and all programs in the Child Care Assistance Program are required to participate. National experts have provided advice and consultation to ensure that quality ratings are fair, accurate, and reflect national best practices. A recent evaluation found that BrightStars effectively measures quality and that higher-quality ratings are linked to improved outcomes for children.

Child Care Assistance Program Enrollment for Children Ages Birth through 5 by BrightStars Program Rating, December 2017



Source: Rhode Island Department of Human Services, Children Enrolled in the Child Care Assistance Program and Rhode Island Association for the Education of Young Children, BrightStars Ratings, December 2017.

Key Facts:

- As of December 2017, only 8% of infants and toddlers, 13% of preschoolers, and 8% of school-age children in the Child Care Assistance Program were enrolled in a high-quality program with a rating of four or five stars.
- The state spends 18% less in combined federal and state funds on the Child Care Assistance Program than we did in 2005, and 82% less in state general revenue. A

significant increased investment is needed to increase the number of quality child care programs for children enrolled in CCAP.

- Low CCAP rates make it impossible for child care providers to attract and retain effective early childhood educators. Median hourly wages for teaching staff in Rhode Island child care programs range from \$9.50/hour for those with only a high school diploma to \$14.25/hour for those with a bachelor's degree.

Tiered quality rates will:

- Give low-income families more purchasing power for child care so they can access higher quality care.
- Provide an incentive for programs to achieve high-quality BrightStars ratings and resources to maintain high-quality ratings.
- Help providers increase wages so they can attract and retain more qualified and skilled early childhood educators.

Rhode Island KIDS COUNT strongly urges support for Budget Article 15 that provides \$1.5 million to establish tiered quality rates for CCAP programs serving infants and toddlers. With \$5.5 million in new federal funding coming to Rhode Island, we urge passage of legislation to establish tiered rates for all age groups of children and pay high-quality programs at or above the nationally recommended benchmark for rates (75th percentile). In order to meet the state's goal to double the number of third graders who can read proficiently by 2025, we need to start funding our child care system so programs can deliver high-quality learning experiences for children starting at birth.

Thank you for this opportunity to testify.