



Testimony Re: S-0971 – RI Prekindergarten Education Act, Pre-K Seat Finder

Senate Education Committee

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Rhode Island KIDS COUNT would like to voice our concerns related to S-0971, the Pre-K “Seat Finder” bill and urge you to hold this bill for further study.

Families across the state are struggling to find and pay for quality child care so they can work, and child care programs are struggling to offer competitive wages so they can find and keep skilled educators. Although we agree that families need more help to find affordable or free high-quality preschools and early learning programs, **we do not believe an unfunded mandate requiring the RI Department of Education to invest time or resources in purchasing, developing, or partnering with an existing tech product to provide information about “real time” openings in licensed child care and preschool programs will remove enough barriers or help very many children enroll in high-quality programs.** In fact, it could unintentionally divert much needed resources away from families and low-wage early childhood educators towards a high-net-worth tech company that would be paid to build this required system.

The biggest barrier families face when looking for preschool is finding a program that is high-quality and affordable (or free). The median cost for year-round child care for a preschool-age children in Rhode Island is \$14,500/year. A family would need to earn over \$200,000/year to have the amount be considered affordable. The only free, high-quality preschool programs are RI Pre-K and Head Start. RI Pre-K manages enrollment through a lottery system and programs maintain waiting lists of children who can enroll if an opening arises. Head Start prioritizes enrollment for children who are living in poverty, receiving SNAP, homeless, in foster care, have a developmental delay or disability, or have other significant challenges. Head Start also has a long waiting list. Both programs face significant staffing and financing challenges and are not able to serve all the families who are eligible. **A new “seat finder” system will not create a sufficient supply of high-quality, affordable preschool.**

Our concerns include:

- 1) **The bill specifies the RI Department of Education would establish this data system to provide real-time availability of seats in licensed early learning programs serving three (3) and**

four (4) year old children. This goes well beyond the RI Pre-K program which the RI Department of Education oversees. The bill uses “pre-k” as a generic term to apply to all programs that are licensed to serve preschool-age children. The RI Pre-K program, operated by RIDE, is a small piece of the overall early learning system that serves children ages 3 and 4 in the state. Rhode Island has 300+ licensed early learning centers with 13,000+ seats for children ages 3 and 4 and 400+ licensed family child care homes that could serve 2,700+ children ages 3 and 4. All Head Start programs and community-based RI Pre-K programs are licensed.

- 2) The RI Department of Human Services is responsible for licensing all community-based child care programs and preschools that serve children ages 3 and 4. **DHS already manages a resource and referral system including a basic [program search data system](#) that is required under federal law** and financed with federal Child Care and Development Block Grant funds. **DHS has been working for several years and has invested significant funds to develop [RISES \(Rhode Island Start Early System\), a new child care/early learning program licensing data system and family search tool.](#)** The new family search would include information on ages served, program quality ratings, hours, and information on RI Pre-K and Head Start program options.
- 3) **For at least 30 years, federal law has required that states provide individualized Resource and Referral services to families to help them find child care and early learning programs.** Currently, DHS contracts with the RI Association for the Education of Young Children (RIAEYC) to provide free, individualized Resource and Referral services to families statewide. RIAEYC helps families find and enroll in Head Start and RI Pre-K programs as well as any other program that is licensed to serve children from infancy through age 12.
- 4) While information about opportunities to enroll in affordable (or free) high-quality preschool and highly flexible, on-demand child care options are needed by many families, **we are concerned that this bill is written to enable a tech vendor to win a government contract and/or establish a business-government partnership that will ultimately extract profits from the child care/preschool system.**

We want to provide additional information about Wonderschool, a for-profit company that is the main champion for this bill. [Wonderschool is a](#)

[California-based tech company backed by almost \\$50 million in funding from Goldman Sachs and other venture capitalists.](#) Based on information shared by early childhood advocates across the nation, it is clear that Wonderschool is spending significant resources on a national lobbying campaign in every state to secure government support for their product. They have been marketing themselves as the “Airbnb of child care,” promising to unlock hidden capacity and maximize revenue for providers by helping entrepreneurial child care providers fill every seat, every hour, every day with a paying customer. [Some experts are concerned about the growing venture capital and private equity interest in the child care/preschool sector](#) and suggest this trend will only widen opportunity gaps for average or marginalized families and children.

Recently, a [Wonderschool lobbyist in Idaho supported legislation to eliminate all regulations related to staff: child ratios](#), an idea that would certainly increase revenue for child care providers, but also create significant health and safety hazards for children. The Wonderschool CEO then put out a statement [stating they would never advocate for the elimination of child: staff ratios](#), but the final bill [enacted substantially weakened child care staffing ratios and supervision requirements](#).

Advocates in Idaho and other states are concerned about this company’s nationwide strategy to extract profit from the child care system through maximizing enrollment and reducing staffing. Idaho’s Department of Health & Welfare director, Alex Adams, recently [announced his nomination](#) to lead HHS’s Administration of Children and Families.

[Wonderschool has already spent millions to develop an online platform that provides information on licensed child care and early learning programs in Rhode Island and other states, linking to publicly available information managed by state government.](#) We believe Wonderschool can move forward by marketing their platform to child care and preschools on their own. This bill would establish a new law requiring all licensed Pre-K providers (Pre-K here is used generically to mean all licensed early learning programs serving three- and four-year-old children), including state-funded, private, and nonprofit programs to participate in a new platform. All providers would be required to update information “at least weekly” to include any enrollment openings. The bill also requires the state to integrate this “seat finder” tech platform with the subsidy eligibility system (managed by DHS) for families using child care assistance or the Pre-K grants (managed by RIDE).

This bill before you looks like it is written to enable Wonderschool to win a Rhode Island government contract and/or establish a business-

government partnership that will extract profits from the child care/preschool system. Profit making in the early learning sector is extremely difficult. Most of our for-profit early learning programs pay low wages to staff and barely break even. The only way to make a profit in the child care/early learning system is to 1) Reduce staffing, 2) Lower staff pay/qualifications, 3) Increase revenue by filling every seat, every hour, every day with fee for service clients who can pay.

We strongly feel that a better use of Rhode Island government time and resources would be to support the existing RISES system operated by DHS, work to integrate and connect separate early childhood systems in Rhode Island overseen by four different agencies (RIDE, DHS, EOHHS, and DOH), and improve information available on the family portal at the www.kids.ri.gov website.

Thank you for your time and attention to the needs of Rhode Island's early childhood system. Thank you for the opportunity to provide testimony today.