



**Testimony Re: S-775 relating to Human Services, Child Care State Subsidies
Senate Finance Committee
May 18, 2017
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Rhode Island KIDS COUNT strongly supports S-775 which would establish a modern child care tiered reimbursement rate system that links rates to the quality of care delivered in order to promote access to high-quality child care for low-income families. Senator Crowley's bill would provide a rate increase to all providers serving children in the Child Care Assistance Program and would provide larger increases to higher-quality providers. It would pay providers at the higher quality levels at the recommended national benchmark (the 75th percentile of a recent market rate survey).

Child care is an essential need for working families and it is the foundation of our early learning system. Approximately 73% of Rhode Island children age 5 and younger and 77% of school-age children have all parents in the workforce. High-quality child care helps children develop essential social-emotional, language, early literacy and early math skills that set them on track to succeed in school. High-quality child care after school and during the summer can also benefit children by promoting academic and social skills and providing enrichment opportunities that address summer learning loss. Many children spend long periods of time in child care; an 8 to 10 hour day is not uncommon so quality is essential.

Low CCAP rates limit families' access to quality programs and limit the resources programs have to deliver higher quality care. In particular, low CCAP rates mean child care providers do not have enough resources to attract and retain qualified early childhood educators.

Rhode Island's rates are so low that the U.S. Department of Health and Human Services included the following statement in a June 2016 letter sent to the Rhode Island Department of Human Services:

*"As you are aware, the CCDBG Act of 2014 requires states and territories to take the cost of quality into account when setting rates, and to set rates based on the results of the most recent market rate survey or alternative methodology. **We continue to be concerned that your rates may not allow for equal access.** OCC plans to make review of payment rates a priority for our upcoming implementation monitoring visits."*

There are 38 states and the District of Columbia that have implemented tiered quality reimbursement 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.

Recognizing the value of quality child care and the lessons learned by other states, the Rhode Island General Assembly passed legislation in 2007 that established the state's Quality Rating and Improvement System for child care and early learning programs. BrightStars was developed with the support of a Steering Committee led by the RI Department of Human Services, United Way of Rhode Island, and Rhode Island KIDS COUNT. 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.

Key Facts:

- Current rates for infants in child care centers are at the 12th percentile of the 2015 Market Rate Survey, when the national benchmark for access to quality child care is the 75th percentile.
- Only 9% of infants and toddlers, 15% of preschoolers, and 7% of school-age children are enrolled in a high-quality program with a rating of four or five stars.
- The state spends 18% less on the Child Care Assistance Program than we did in 2005, and 82% less in state general revenue. A significant increased investment is needed.
- 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 ranges 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 standards and resources to maintain high-quality standards.
- 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 this legislation. We recognize that financial resources are scarce, but believe this is an important investment to support educational outcomes for children. If we are going 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.