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Testimony Regarding the Department of Human Services FY2017 Budget

Senate Finance Committee

April 26, 2016

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Rhode Island KIDS COUNT strongly supports the Governor's FY17 proposed budget for the Child Care Assistance Program which includes a \$7.9 million increase in state dollars and a \$3.5 million increase in federal dollars.

Rhode Island's Child Care Assistance Program (CCAP) is a critical support for low-wage working families and an important component of our state's early learning system.

The increased funding is needed:

- To support the **rising caseload** of low-income children receiving a child care subsidy. The rising caseload is a good sign that the economy is improving and more people are working. Low wage workers cannot afford to cover the cost of child care without a subsidy.
- To continue supporting program quality improvement through **BrightStars**, the state's Quality Rating and Improvement System (QRIS). BrightStars was launched in 2009 in Rhode Island and we are now one of 39 states that have implemented a research-based QRIS. All child care providers who serve children in the CCAP program are required to have a BrightStars rating. BrightStars is operated by the RI Association for the Education of Young Children.
- To continue supporting high-quality professional development and individualized quality improvement coaching for child care programs and professionals through the **Center for Early Learning Professionals** which is operated through a partnership between the Education Development Center and Ready to Learn Providence.
- To fund the continued operation of the **T.E.A.C.H. Early Childhood workforce development model** in Rhode Island. T.E.A.C.H. provides access to higher education for low-wage child care professionals. A pathway to complete an Associate's Degree is critically important to ensure both family child care providers and centers can continue to make progress in moving up the BrightStars Quality Rating and

- Improvement System. The T.E.A.C.H. model is an employer-linked workforce development model implemented by 24 states and the District of Columbia. T.E.A.C.H. provides financial aid for tuition and works with employers to ensure child care professionals receive increased compensation as progress is made toward degree attainment. They also work with employers and the higher education system as a third party intermediary to address system challenges encountered by students who are pursuing a degree while working full time, such as class scheduling needs and articulation of credits between colleges. The Rhode Island T.E.A.C.H. Early Childhood program is operated by Ready to Learn Providence.
- To continue support for the **Child Care and Early Learning Facilities Fund** that is operated by LISC which helps child care and early learning programs develop safe, high quality learning environments – indoors and outdoors. As more children participate in child care and early learning programs, there is increased need for improving and expanding facilities to meet the needs of young children.

While this budget increase is very important, it is still not enough to meet the needs of low-wage workers with young children and the programs that work to provide a high-quality learning environment for our state's youngest residents. Rhode Island KIDS COUNT also strongly recommends you consider passage of **S-2574 (sponsored by Senator Crowley) which would establish a modern tiered reimbursement rate system for the Child Care Assistance Program** with increased rates for programs that achieve higher quality BrightStars ratings. The rationale for tiered rates of reimbursement is that providing higher quality care costs more than providing lower quality care. As of 2015, 38 states and the District of Columbia have established a tiered rates system for child care with enhanced rates for higher-quality child care providers.

In particular, rates for child care centers are well below the average cost of care and well below the level needed so that child care programs can pay wages that will attract and retain effective early childhood educators. We recommend strong consideration for an additional increase of \$2 million for enhanced rates for high-quality child care in FY17 by passing S-2574 so DHS can begin phasing in a tiered payment system to incentivize and support access to high-quality child care. In her February 2 cover memo to the FY17 budget, Governor Raimondo recommended consideration for establishing tiered reimbursement rates for CCAP to incentivize and support quality improvement if revenues continue to come in higher than anticipated.

Thank you for your leadership on behalf of children and families and for this opportunity to testify.