

# American Rescue Plan State Fiscal Recovery Fund Recommendation Cover Sheet

**Name of Lead Agency:** Right from the Start Campaign Steering Committee

**Additional agencies making recommendation (if applicable):** The Campaign Steering Committee includes Beautiful Beginnings, Economic Progress Institute, Latino Policy Institute, RI Association for the Education of Young Children, RI Head Start Association, RI Association for Infant Mental Health, and Rhode Island KIDS COUNT. The attached sign-on letter for Child Care includes *more than 50 organizations based in Rhode Island*.

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**Brief Project Description** (attachments should contain details)

**Total request: \$56.9 million in flexible state-managed ARPA funds to help improve access to affordable, reliable, quality child care during the pandemic starting January 1, 2022.** Currently, RI faces a major labor shortage statewide and inadequate access to affordable, quality child care is one of the key reasons parents are not able to accept and remain working in lower wage jobs in hospitality, health care, retail, human services and other fields. Families are not making enough money to pay for child care on their own and they make too much to qualify for the subsidy. At the same time, child care is often unreliable and waiting lists are long because programs do not have enough revenue to pay competitive wages to recruit and retain qualified and effective educators. Plus there is a scheduled rate changes for the Child Care Assistance Program, cutting the CCAP rates for about 1,000 infants and toddlers of low-wage working parents on New Year's Day 2022. Also on January 1, the state minimum wage will go up to \$12.25, increasing costs for child care programs across the state and causing further challenges to providing infant/toddler care, where per child costs are the highest but wages are the lowest.

**Child care funds needed ASAP: \$56.9 million in flexible ARPA funding (out of the \$1.1 billion in unallocated resources) starting January 1, 2021** = \$38.1 million for monthly \$500 retention bonuses to get child care educator compensation to about \$15/hour (we support the Governor's \$13 million proposal but do not believe it is enough for a workforce with a median wage of \$12.11) + a new \$5 million statewide wage supplement pilot to retain the most skilled child care educators known to improve child outcomes + \$11.8 million to cover subsidies for an additional 2,900 children by helping more lower wage families receive a CCAP subsidy so they can return to work and/or work more hours + \$2 million for an infant/toddler CCAP rate bonus to strengthen access to quality, reliable infant and toddler care statewide and prevent planned cuts.

**We also very much support the \$5.5 million the Governor has proposed in stabilization grants to the 9 Early Intervention programs to address the current severe staffing crisis which is preventing families who have infants and toddlers with developmental delays and disabilities from accessing public education services** required under the Individuals with Disabilities Education Act. Currently 5 out of the 9 Early Intervention programs in the state are not accepting referrals of eligible babies and toddlers or conducting eligibility evaluations. Every day this continues is a tragedy for children.

*Estimates are for 12 months of funding. Both the Child Care Assistance Program and Early Intervention also need significant resources in the FY23 state budget. These programs cannot wait beyond December 2021 without irreparable damage to children and families. This request aligns with federal requirements to use ARPA funds to respond to the public health emergency and its economic impacts and to provide premium pay to attract and retain essential frontline workers.*



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## CHILD CARE: THE BACKBONE OF A STRONG STATE ECONOMY

*Now is the time to use available federal funds to help families access affordable, quality child care and get parents back to work.*

### Child care is key to a robust economy.

Businesses lose money when they can't find staff and when their employees don't show up to work. Parents' inability to access and afford reliable, quality child care is contributing to the statewide labor shortage, high rates of employee absence, turnover, and reduction of working hours.

There is a severe lack of reliable, high-quality child care options, particularly for infants and toddlers.

Child care programs face huge challenges paying competitive wages and attracting and retaining staff due to lack of adequate funding from private-pay families and the government. The staffing crisis closes classrooms, reduces operating hours, and causes disruptions in care. A recent national study found that 4 in 5 child care centers in the U.S. are understaffed. Understaffing and turnover can lead to health and safety issues, unstable caregiving relationships, and increased separation anxiety for children. The median wage for a child care educator in Rhode Island is \$12.11 per hour and most child care programs do not offer health insurance.

### Families can't afford the child care they find.

Child care costs often exceed other essential costs of living, including rent and mortgage payments, putting many low- and middle-income families in the position of not being able to work because they can't afford care. Inadequate state and federal funding means that the number of Rhode Island families receiving a child care subsidy has dropped almost 66% since 2003.

### The Pandemic has only made the situation worse.

Parents have always struggled to find and pay for reliable, quality child care but it has gotten much worse during the pandemic as programs struggle with staffing and public health requirements. It will take significant, on-going investments for the child care sector to get back on its feet and provide reliable, ongoing child care options for working parents.

# RECOMMENDATIONS FOR RHODE ISLAND LEADERS

*Use federal American Rescue Plan Act to:*



## **Help more families pay for care by increasing the family income limit for a child care subsidy.**

Immediately restore family income eligibility for the Child Care Assistance Program to 225% FPL (\$49,410 for a family of 3) and enable those already in the program to remain eligible until family income reaches 300% FPL (\$65,880 for a family of 3).



## **Help child care programs compete for staff without increasing family fees.**

Provide funding to increase all child care educator wages to \$15/hour right now, meeting the new goal for minimum wages before mandatory increases go into effect and preventing programs from hiking tuition to cover minimum wage increases scheduled for 2022, 2023, and 2024.



## **Stop the brain drain of qualified child care educators.**

Allocate at least \$5 million to fund a statewide wage supplement to help child care programs retain qualified and effective educators with early childhood credentials and college degrees. At least 15 other states fund wage supplement programs to keep the most qualified and most effective educators working in the field.



## **Provide support to maintain and increase access to infant/toddler care for families with a subsidy.**

Beginning January 1, 2022, add a \$20/week infant/toddler bonus payment to all reimbursement rates for children under age 3 in the Child Care Assistance Program. Many child care programs that serve infants and toddlers are scheduled to get a CCAP rate cut in January 2022.



## **Pass the Early Educator Investment Act.**

Establish a statewide target wage scale for early educators and create goals and strategies to improve compensation across the entire sector.

## SUPPORTED BY

American Academy of Pediatrics, RI Chapter  
**Beautiful Beginnings Child Care Center**  
Center for Early Learning Professionals  
Center for Southeast Asians  
Child & Family  
Children's Friend  
Community Provider Network of Rhode Island  
Comprehensive Community Action Inc.  
Connecting for Children and Families  
Dr. Daycare/Kids Klub  
**Economic Progress Institute**  
Family Child Care Homes of RI  
Family Service of Rhode Island  
Federal Hill House  
Genesis Center  
Hamlet Learning Center  
House of Hope  
Housing Network of RI

**Latino Policy Institute**  
LISC Rhode Island  
Meeting Street  
Neighborworks Blackstone River Valley  
Newport County YMCA  
Ocean Community YMCA  
Over the Rainbow Learning Center  
Parents Leading for Educational Equity  
Parent Support Network of RI  
Peace of Mind Nannies  
Planned Parenthood of Southern New England  
Prevent Child Abuse RI  
Reach Out and Read Rhode Island  
**Rhode Island Association for Infant Mental Health**  
**Rhode Island Association for the Education of Young Children**  
Rhode Island Child Care Directors Assoc..

Rhode Island Coalition Against Domestic Violence  
**Rhode Island Head Start Association**  
**Rhode Island KIDS COUNT**  
Rhode Island NOW  
Rhode Island Parent Information Network  
Rhode Island Working Families Party  
SEIU 1199  
SEIU Education and Support Fund  
Seven Hills RI  
Smithfield YMCA  
Stop the Wait RI  
The Children's Workshop  
The Womxn Project  
United Way of Rhode Island  
Washington County Coalition for Children  
Women's Fund of Rhode Island  
YMCA of Pawtucket  
YMCA of Greater Providence  
YWCA Rhode Island

*\*Organizations bolded are leaders of the Right from the Start Campaign*



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### Cost Estimates for ARPA Child Care Request

GOAL	COST ESTIMATE & RECOMMENDATIONS
<p><b>Help child care programs compete for staff without increasing family fees!</b></p> <p><b>Provide funding to increase all child care educator wages to at least \$15/hour right now.</b> In May 2020, median wage for child care educators was \$12.11</p> <p><b>Stop the brain drain of qualified child care educators.</b></p>	<p><b>Wage supplements for child care educators in licensed centers and family child care homes.</b></p> <p>If \$12.7 million Governor proposal would provide a \$1/hour increase for full-time, year-round child care educators (\$2,000 bonus 2x per year direct to child care educators + \$500K cost to administer), <b>\$38.1 million</b> would be needed to provide a <b>\$3/hour increase (\$500 bonus 12x per year)</b> to child are educators including \$1.5 million for administration.</p> <p><b>\$5 million</b> to pilot the national <b>WAGES</b> model which are larger, targeted wage supplements to retain skilled and effective <b>child care educators</b> by closing the gaps with wages of comparable educators in public schools.</p> <p>Supplementing wages helps ALL families who use child care. A government-provided wage supplement for child care educators helps programs retain skilled staff so they do not have to raise tuition for private pay families to cover increased wages of child care educators.</p> <p>Key recommendations:</p> <ul style="list-style-type: none"> <li>Distribute bonuses and wage supplements directly to child care educators using a state child care educator registry to track impact of</li> </ul>

	<p>the wage supplement on number of employed child care educators, qualifications of educators, staff turnover, and changes in base wages. <a href="#">Most states in the U.S. have a child care educator registry.</a></p>
<p><b>Provide support to maintain and increase access to reliable, quality infant/toddler care.</b></p>	<p><b>Infant/Toddler CCAP Rate Bonus</b></p> <p>At the October 2021 Caseload Estimating Conference, there were 1,229 infants and toddlers reported as receiving a subsidy. <b>A \$20/week bonus would cost \$1.3 million/year</b> for children currently participating.</p> <p>If family eligibility is also expanded as we propose, we would estimate another 630 infants and toddlers would be served in the program (22% of estimated new subsidies). <b>These additional bonuses for new children would cost \$655K per year</b></p>
<p><b>Help more families pay for care by increasing the family income limit for a child care subsidy.</b></p>	<p><b>Expand Eligibility for Subsidy</b></p> <p>House Fiscal Note for 2021 Child Care is Essential Bill estimates the changes in eligibility would <b>enable 2,862 additional children to receive a subsidy at an annual cost of \$11.8 million</b></p>
<b>TOTAL</b>	<b>\$56.9 Million/YEAR</b>

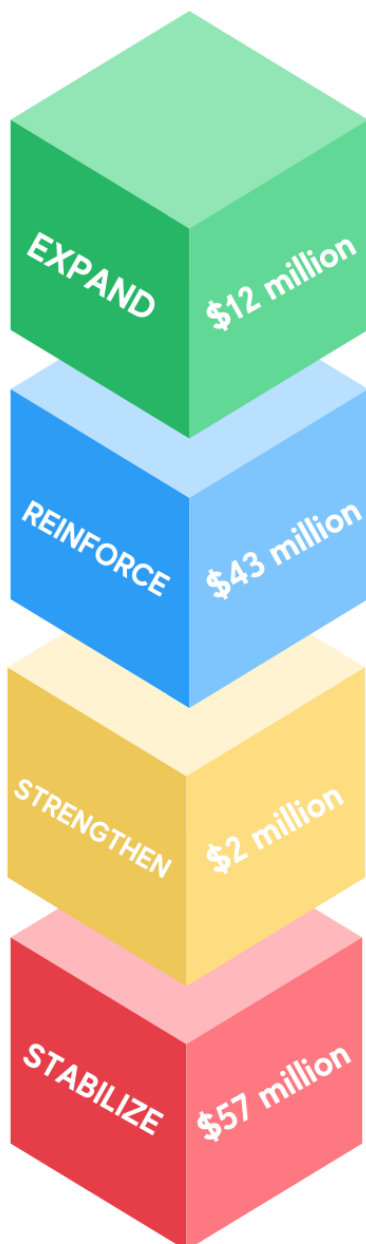
# The Building Blocks Needed to Address Rhode Island's Child Care Crisis & Ensure Affordable, Quality Child Care for Our Working Parents

Rhode Island's child care system is in crisis due to a combination of historic underfunding, the unprecedented impacts of the ongoing COVID-19 pandemic, and low pay for child care educators that has created a staffing emergency.

This crisis is forcing programs to reduce hours, close classrooms, and increase wait lists. This in turn is creating chaos for working parents who depend on reliable, affordable, quality child care so they can get to work.

Thousands of working parents in Rhode Island make too much money to qualify for a child care subsidy but not enough to pay for child care on their own. At a time of historic labor shortages statewide, particularly in female dominated fields of health care, human services, and hospitality – we need to expand eligibility for the state's Child Care Assistance Program so more families can get help paying for child care.

**Here are the building blocks needed to address this crisis by investing in affordable, quality child care in RI:**



## **EXPAND: Invest \$12 Million To Expand Access To More Rhode Island Working Parents**

Invest \$12 million in ARPA Flexible State funds to immediately restore family income eligibility for the Child Care Assistance Program to 225% FPL (\$49,410 for a family of 3) and enable those already in the program to remain eligible until family income reaches 300% FPL (\$65,880 for a family of 3). This would help at least 1,450 more lower income working families (2,900 children) pay for reliable, affordable, quality child care during the ongoing pandemic.

## **REINFORCE: Invest \$43 Million To Increase Compensation for Child Care Educators**

Invest \$38 million in ARPA Flexible State funds to increase compensation for 8,200 child care educators up to \$15 per hour and another \$5 million to pilot more substantial wage supplements for skilled and qualified child care educators. Child care educators with college degrees are leaving for better paying jobs in the public schools or leaving for higher paying retail and other jobs now offering wages of \$15 per hour or more, signing bonuses, and other incentives.

## **STRENGTHEN: Invest \$2 Million to Help Address the Infant/Toddler Care Crisis**

Invest \$2 million in ARPA Flexible State funds to provide a \$20/week bonus payment starting January 1, 2022 to all child care providers serving infants and toddlers in the Child Care Assistance Program. Without this investment, the new CCAP rates scheduled to start on January 1 will cut funding for over 1,000 babies and cause further challenges for families to find affordable, reliable, quality care.

## **STABILIZE**

The American Rescue Plan Act's Child Care Stabilization Fund mandated \$57 million in grant funding specifically for Rhode Island child care providers to help address operating deficits for child care programs to keep their doors open. These grants have been critical as programs have struggled with plummeting enrollments and increased health, safety, and cleaning costs.







**Rhode Island Child Care WAGE\$ Compensation Pilot Proposal**  
**Bright Start Wage Supplements to Retain Skilled Child Care Educators**  
**DRAFT Updated November 2021**

**Background:** In 2018-2019, a Rhode task force met to identify and recommend strategies that would improve retention of effective and qualified early educators by improving their compensation. The Task Force recommended that the state fund a pilot wage supplement program to help child care programs retain qualified and effective child care educators, including educators working in both child care centers and family child care programs. [This recommendation for a wage supplement pilot was endorsed by the Rhode Island Early Learning Council](#) in December 2019.

**For decades, low compensation, low education levels, and high staff turnover in child care have been recognized as major problems that limit access to nurturing and enriching child care options for families and children.** A [landmark national report by the National Academy of Sciences](#) found that educators and caregivers of children from infancy through age 8 need the same level of knowledge and expertise best represented by a bachelor's degree with specialized coursework in child development and early childhood education. A [national task force led by the National Association for the Education of Young Children's Power to The Profession initiative identified a three-level pathway](#) (CDA or other entry-level credential, Associate degree, Bachelor's/Master's degree) for the profession.

**Because government subsidies for child care are very limited and almost all child care programs depend on tuition from low-income and moderate-income families, child care programs do not have enough revenue to increase wages significantly on their own without significantly increasing costs for families.** Another [national landmark report by the National Academy of Science identified wage supplements](#) as a strategy to improve retention of qualified and effective child care educators. At least 15 states have implemented wage supplement programs, providing direct payments to educated and skilled child care educators so they continue in the field providing nurturing and enriching learning experiences to infants, toddlers and young children. The [Child Care WAGE\\$ project originated in North Carolina](#) in 1994 is the most well known child care educator wage supplement program and has been replicated in 5 additional states dramatically reducing turnover for qualified and effective child care educators, 99% of whom are women and 63% are people of color.

**Summary: A \$5 million pilot wage supplement for qualified and effective child care educators in Rhode Island who work with children under age 6 would benefit 240 child care educators and approximately 2,880 young children and families.** The "Bright Start" Awards program would supplement wages for child care professionals who have demonstrated a commitment to the field by achieving higher educational credentials and quality teaching practices. The awards would be given to child care educators working in CCAP/BrightStars programs. Every month, qualified educators will receive a graduated supplement tied to their education level and demonstrated effective teaching practices.

**To receive a Bright Start Teacher Wage Supplement the recipient must:**

- Work as a child care educator in a center or family child care setting, with priority for child care educators who work directly with infants and toddlers
- Work in a BrightStars-rated program that accepts children who have a Child Care Assistance Program (CCAP) certificate.
- Work a full-time schedule.
- Meet the educational requirements below
- Meet the ERS observation score requirements below, to be verified annually
- Be paid at or above the state minimum wage (\$12.25 as of January 1, 2022) or the median child care educator wage (\$12.11 as of May 2020)

**Administration & Evaluation:** The pilot would be administered by an intermediary that will develop and monitor contracts with all teachers. Employers will not be allowed to lower base wages and must provide the same base increases to participants as they give to others in the program. The intermediary will track the criteria below for each participant and issue awards every month based on the criteria.

An economist at Brown University plans to seek private foundation funding to conduct an independent evaluation of the effects of the wage supplements on retention of qualified and effective educators in child care programs and associated effects on programs, families, and children.

Bright Start Teacher Level	Education	Teaching Practices (Minimum Score on a relevant Environment Rating Scale*)	RI Median Wage For Child Care Educator	Target Hourly Wage	Target Annual Salary
1	CDA or 3 ECE credits	3.0	\$12	\$17/hr	\$35,360
2	12 ECE credits	3.0	\$12	\$18/hr	\$37,440
3	AA	4.0	\$12	\$20/hr	\$41,600
4	AA & 24 ECE credits	4.0	\$12	\$21/hr	\$43,680
5	BA	5.0	\$12	\$24/hr	\$49,920
6	BA & 24 ECE credits	5.0	\$12	\$26/hr	\$54,080

\* Environmental Rating Scales are valid and reliable observation tools used in most state Quality Rating and Improvement Systems (including BrightStars) and in the RI Pre-K program to support research-based program and teaching practices



**Resources:** Allocated funds will be used primarily to pay participant salary supplements. Some funds will be used for program administration including annual observation using an appropriate Environmental Rating Scale for each participant.

**An estimated 12-month pilot budget at \$5 Million/year:**

<b>Bright Start Teacher Level</b>	<b># of Participants</b>	<b>Amount</b>
1	40	\$416,000
2	40	\$499,200
3	40	\$665,600
4	40	\$748,800
5	40	\$998,400
6	40	\$1,164,800
<b>TOTAL SUPPLEMENTS</b>	<b>240</b>	<b>\$4,492,800</b>
ERS Observations	240 teachers * \$650	\$156,000
General Administration		\$250,000
<b>Total</b>		<b>\$4,898,800</b>