



Additional Testimony Re: H-5596 – Pre-K Seat Finder (Additional info on Wonderschool)

House Education Committee

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Rhode Island KIDS COUNT would like to provide additional information about the tech company, Wonderschool, that has developed and is working to pass H-5596, the Pre-K “Seat Finder” bill.

Unfortunately, I was not able to attend the hearing on March 25th, but I submitted testimony in opposition to the bill and watched the recording afterwards. It is now clear that the tech company that is pushing this bill is Wonderschool. We would like to share additional information.

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 ever 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. **From Idaho advocates:** “Adams (with our governor's blessing) used the childcare deregulation bill to grab headlines and show his commitment to DOGE and the Trump administration. And Wonderschool wasn't just bumping elbows in

Idaho to gain a small state contract; they were building a relationship with the soon-to-be-head of all federal childcare funding.”

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 should be left to try to 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 continue to be opposed to this bill and urge the General Assembly to focus efforts to support the DHS RISES (Rhode Island Start Early System) data system in development and upgrade the program search function available at www.kids.ri.gov to better help families find programs as well as investing in the Rhode Island Child Care Assistance Program. Head Start, and RI Pre-K systems to make high-quality care and learning opportunities available to more families.

Please let me know if you have any other questions.