



To: Governor Dan McKee

Courtney Hawkins, Director, RI Department of Human Services
Caitlin Molina, Deputy Director and CCDBG Administrator, RI Department of Human Services
Kim Ahern, Governor's Policy Director and Senior Counsel
Christine Lopes Metcalfe, Governor's Senior Advisor on Education
Kayla Rosen, Governor's Early Childhood Policy Director

RI House of Representatives Speaker Joseph Shekarchi

House Finance Committee Chair Marvin Abney
Representative Grace Diaz, Lead sponsor of RI Child Care is Essential Act
Sharon Reynolds Ferland, House Fiscal Office

RI Senate President, Dominick Ruggerio

Senate Finance Committee Chair Ryan Pearson
Senator Sandra Cano, Lead sponsor of RI Child Care is Essential Act
Steve Whitney, Senate Fiscal Office

From: Right from the Start Steering Committee

Leanne Barrett, Rhode Island KIDS COUNT
Marcela Betancur, Latino Policy Institute
Susan Dickstein, RI Association for Infant Mental Health
Rachel Flum, Economic Progress Institute
Lisa Hildebrand, RI Association for the Education of Young Children
Khadija Lewis Khan, Beautiful Beginnings
Mary Varr, Rhode Island Head Start Association

Date: April 21, 2021

Re: Recommendations for Rhode Island's plan to use recent federal funding to build child care back better and bolder

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) passed and included \$10 billion in funding for child care. Then in March 2021, the American Rescue Plan passed and included \$39 billion in funding for child care, a portion of which is a permanent increase. Congressional and administration leaders are actively working to secure additional permanent increases in child care funding in upcoming budget reconciliation packages.

Rhode Island will receive \$24 million from CRRSA and another \$93 million from the American Rescue plan to invest in child care over the next two years. We urge state leaders to take bold action to make **permanent improvements to the Child Care Assistance Program**, by implementing key components in the RI Child Care is Essential Act (H-5672/S-378):

- Maintain COVID-19 rates and **increase rates paid to child care programs** serving low-income families to meet the federal equal access standard (75th percentile of most recent market rate survey) for all programs and to promote access to high-quality care by offering higher rates for higher quality programs.
- **Help child care providers who care for babies** by providing a \$20/week bonus on top of the Child Care Assistance Program rate for all children under 18 months of age.
- **Cap family copayments** at the federal affordability standard of 7% of family income.
- **Restore eligibility for families** with income at or below 225% of the federal poverty level while extending subsidy to families through 300% of the federal poverty level.

Families and child care programs need permanent improvements so they can count on the financial support needed to return to work, rebuild our economy, and provide consistent, high-quality learning opportunities for children.

In addition, we urge the state to invest **\$2 million (\$1 million/year for two years) to launch a statewide wage supplement for child care educators with education credentials or degrees.** We recommend working to adapt and implement the WAGE\$ initiative used by 6 states. This investment is essential to **maintain the availability of high-quality child care by helping child care programs retain qualified and effective early educators.**

There are at least 15 states that have wage supplement programs. A statewide wage supplement for child care educators would benefit children, families, and child care programs across the state and would also be very interesting to local and national researchers. A short-term project like this should have a robust evaluation of the impact of wage supplements on staff retention and program quality to inform state leaders and advocates regarding the sustainability of the program beyond the initial investment. We have discussed the project with researchers who believe they could secure foundation funding to conduct research on this topic as an important contribution to the state and the nation.

Improving compensation levels of child care educators is permitted and encouraged by the federal government under CCDBG and the COVID relief funds.

Finally, we support using \$200,000 of these federal funds to pay for a pilot that would allow parents to be eligible for the Child Care Assistance Program while they are participating in higher education, as outlined in Governor McKee's FY2022 budget proposal (Article 13, Section 5). We are one of only a few states that currently do not support parents in this way and a pilot is a good first step to determine the need.

Thank you for considering these proposals and please do not hesitate to reach out to us with any questions.