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Testimony Re: H-7225, FY25 RIDE Budget, RI
Pre-K funding
House Finance Committee
March 27, 2024
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Rhode Island KIDS COUNT and the Right from the Start Campaign believe high-quality public preschool offered through a diverse delivery system including child care programs, Head Start, and public schools is an essential part of a healthy early care and education system. **However, we recommend waiting to expand the RI Pre-K program until we have stabilized our existing early care and education system.**

We are thrilled that Governor McKee is recommending \$7.1 million in new state general revenue for early care and education, but we would like to see this funding allocated to strengthen the existing early care and education system. Funding could be used to close the wage gap for RI Pre-K and Head Start teachers in existing classrooms, continue important initiatives that are addressing the child care staffing crisis (particularly for infant and toddler care), help more families access our Child Care Assistance Program, which serves half the number of families we helped 20 years ago, increase the infant CCAP rates so more classrooms can be fully staffed, and restore access to Early Head Start and Head Start.

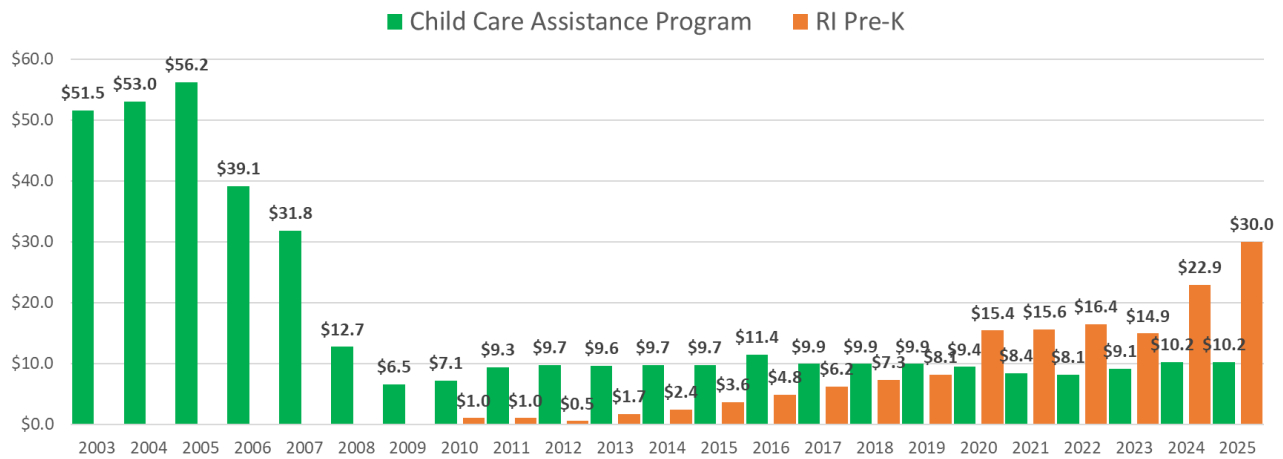
We appreciate the significant federal investments the General Assembly has made in the early care and education system in recent years including:

- \$3 million in federal TANF funding to help address the staffing crisis in Head Start and Early Head Start and reopen new classrooms. *This funding has been continued in the Governor's budget.*
- \$4 million in federal Child Care and Development Block Grant funds to implement a pilot program modeled after an initiative in Kentucky that provides free child care to child care educators as a staff recruitment and retention strategy. *This program helps staff in 50% of all licensed centers statewide and 5% of all family child care programs. This program was not included in the Governor's budget and will end in July if the General Assembly does not act.*
- \$37 million in federal ARPA State Fiscal Recovery Funding to provide \$750 quarterly retention bonuses to all staff of licensed early care and education programs for the last 2 ½ years. *This funding will end in July if the General Assembly does not act. We would like to see a phase out plan with continued support to the lowest wage early educators who have been consistently receiving these payments.*
- \$2.5 million in federal PDG Birth to 5 funds to launch the Child Care WAGE\$ program in Rhode Island, a national model wage supplement program that is proven to improve the retention of skilled early educators when their employers cannot afford to pay competitive wages. *This program will end in Summer 2024 if the General Assembly does not act.*

- \$57 million in mandatory ARPA Child Care Stabilization funds that were allocated directly to all licensed child care programs in the state. DHS expended this funding more than one year ago and child care programs are at the end of their reserves. Many states, including [Massachusetts' Commonwealth Care for Children Grants](#), have allocated state resources to continue initiatives to stabilize the child care system.

Over the last 20 years, Rhode Island has cut state general revenue funding for child care by \$46 million as RI Pre-K funding has been steadily increased. The Governor recommending state funding of \$30 million in his FY25 budget. Rhode Island currently helps only 6,400 children through child care subsidy when we used to help 14,300 children in 2003. The RI Pre-K program serves about 2,300 children currently.

Rhode Island State General Revenue Spending – Child Care Assistance and RI Pre-K



Sources: Child Care Assistance Data from Rhode Island House Fiscal Rhode Island Enacted Budgets. Note: FY 2002– 2022 are actual expenditures, F23 is final. FY24 is enacted, FY25 is Governor recommended budget. RI Pre-K data for FY2008-2022 are from the National Institute for Early Education Research. FY2023-2025 are from House Fiscal Reports. Prepared by Rhode Island KIDS COUNT, 2024

Rhode Island currently has the lowest family income cut off for child care assistance in the Northeast.

STATE	FAMILY INCOME ELIGIBILITY LIMIT
Vermont*	\$142,945
Maine*	\$103,860
New Hampshire	\$89,180
New York	\$69,090
Connecticut	\$67,124
Massachusetts	\$57,093
Rhode Island	\$49,720

As RI Pre-K has expanded, the number of children enrolled in Head Start has declined due to staffing challenges. General Assembly investments in Head Start and Early Head Start have helped reopen some classrooms this year, but about 15% to 20% of seats remain empty despite long waiting lists of eligible children because Head Start programs cannot find qualified staff willing to work for the wages offered.

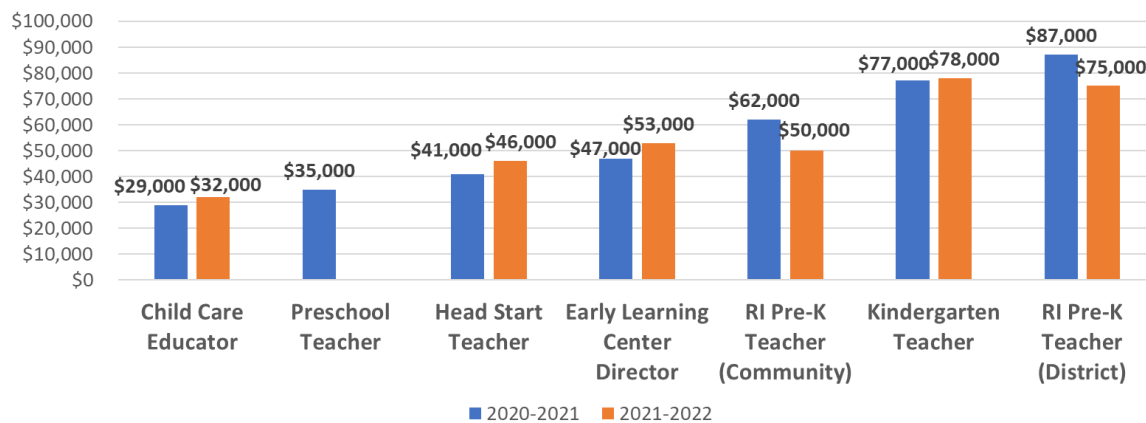
Head Start and RI Pre-K Enrollment, 2012-2022



Sources: Head Start program reports to Rhode Island KIDS COUNT, 2012-2022. RI Pre-K enrollment for 2012 to 2014 from National Institute for Early Education Research, *The State of Preschool 2013, 2014, 2015*. RI Pre-K enrollment for 2015 to 2022 from Rhode Island Department of Education. *Some children are dually enrolled in Head Start and RI Pre-K – 140 in 2019, 176 in 2020, 253 in 2021, and 294 in 2022.

National reports show that Rhode Island has one of the largest gaps in wages in the U.S. between state Pre-K teachers by setting and between state Pre-K teachers and public kindergarten teachers (@ \$25,000+).

Average Early Educator Wages in Rhode Island



Sources: Bureau of Labor Statistics, Occupational Employment and Wage Statistics for RI in May 2021 and 2022. Preschool teacher wage estimates not available for RI for 2022. Federal Office of Head Start, Program Information Reports 2020 and 2021 program years, National Institute for Early Education Research 2020-2021 and 2021-2022 school year.

Rhode Island needs to invest resources across the entire early childhood system. Otherwise, when we increase access and quality in one sector, we will end up decreasing quality and access in another related sector. Sustained, significant investments are needed in our early care and education system, including Child Care, RI Pre-K, Head Start, and Early Head Start. Thank you for this opportunity to provide testimony.