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Testimony Re: H-7251, Rhode Island Early Educator Compensation Stabilization Act

House Finance Committee

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Rhode Island KIDS COUNT coordinates the Right from the Start Campaign, a state policy coalition led by eight organizations to advance state policies and budget priorities that help babies and young children get off to the right start.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support passage of Representative Donovan’s Early Educator Compensation Stabilization Act, H-7251, which will continue two critical financial supports to keep frontline early educators working in jobs they love.

High-quality early childhood programs have consistent, effective educators to adequately staff program and to support early child development and learning.

We appreciate the significant federal investments the General Assembly and the federal government have made in the early care and education system in recent years, but **we are worried about the devastating impact on the early care and education system if all funding ends abruptly.**

- \$57 million in mandatory ARPA Child Care Stabilization funds were allocated directly to all licensed child care programs in the state and have been used by most programs to enhance staff wages without raising parent tuition. **DHS expended this funding more than one year ago and child care programs are at the end of their reserves.** Many states are prioritizing funding to continue stabilization initiatives, including [Massachusetts’ Commonwealth Cares for Children Grants](#) which invests \$475 million of state funding to provide monthly stabilization payments for licensed child care providers.
- \$37 million in federal ARPA State Fiscal Recovery Funding has enabled Rhode Island to provide **\$750 quarterly retention bonuses to all staff of licensed early care and education programs for the last 2 ½ years.** These stipends have been provided to everyone working in a licensed program, not just frontline educators and they have not had a wage limit. *This funding will end in July if the General Assembly does not act.* **The Early Educator Compensation Stabilization Act would implement a**

phase out plan with continued support only for early educators who earn less than \$23/hour, work directly with children, and who have been consistently receiving these payments. We estimate the cost would be \$5 million in FY25, but DHS could provide a more specific estimate.

- \$2.5 million in federal PDG Birth to 5 funds were approved for Rhode Island 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. The Child Care WAGE\$ program provides substantial wage supplements to qualified early educators who earn less than \$23/hour that range from \$3,000/year for an individual with an entry level CDA national credential to \$12,000/year for an individual with a bachelor's degree. These wage supplements help to ensure qualified and skilled early educators can remain working in the programs that helped them earn their credentials and gain valuable skills promoting the learning and development of infants, toddlers, and young children. ***This program will end in Summer 2024 if the General Assembly does not act. The Early Educator Compensation Stabilization Act would provide \$2.5 million in funding to continue this program.***
- At the end of the 2023 session, the General Assembly allocated \$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 and has helped to reopen some of the closed Early Head Start and Head Start classrooms in the state.*
- Also, at the end of the 2023 session, the General Assembly allocated \$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.*

Currently, and for many years, early childhood programs face a staffing crisis and have a "hole in the bucket" spending very limited resources recruiting and training new staff who often leave for higher paying jobs. **Some child care programs report that 60% to 80% of their teachers leave each year.**

Many early educators, **almost all of whom are women, and many are women of color**, struggle to afford the cost of housing and food and have few supports and incentives to improve their education or skills or stay with their employer.

A **January 2024 national survey** of 10,000 early care and education programs titled *"We Are NOT OK": Early Childhood Educators and Families Face Rising Challenges as Relief Funds Expire* found that even with the existing early educator workforce recruitment and retention initiatives in place:

- **51% of RI respondents (53% national) indicate they are experiencing a staffing shortage.**
- **59% of RI respondents (56% national) indicate that are not able to serve as many children as they used to because of staffing shortages.**
- **37% of RI respondents (48% national) had raised family tuition and fees to help increase staff wages and attract/retain staff.**
- **51% of RI respondents (51% national) had raised wages in order to attract/retain staff (many with temporary ARPA child care stabilization funds that are ending).**

Families ultimately pay the cost of this workforce crisis when programs are not fully staffed and have to close classrooms or raise tuition to unaffordable levels. Children pay the cost because the improved outcomes associated with participating in high-quality early childhood programs depend on stable and strong relationships between children, and skilled early educators.

Thank you for this opportunity to testify.

Solve the Early Educator Staffing Crisis 2024

[H-7251](#) (Donovan) & [S-2038](#) (Cano)

[H-7123](#) (Diaz) & [S-2344](#) (DiMario)



Right from the
Start

High-quality early childhood programs have effective educators who work with children and families to support young children's rapid brain development. Rhode Island is experiencing a significant staffing crisis as effective professionals are leaving for better paying jobs. The workforce that supports young children's early learning and development is made up almost exclusively of women (and disproportionately women of color).

Evidence of the Early Educator Staffing Crisis in Rhode Island

- Child care educators make among the lowest wages in the state @ \$13.79 per hour in 2022 -- in the same range or lower than fast food workers and retail sales workers.
- Even with extensive waiting lists, many child care, Early Head Start, and Head Start classrooms remain closed because the low wages offered are not sufficient to attract and retain qualified staff.
- In November 2023, there were 716 infants and toddlers with developmental challenges who had been waiting more than 45 days for Early Intervention services.
- High staff turnover disrupts relationships that are essential to promote healthy child development and learning and to address developmental delays and improve outcomes.

Critical Early Educator Investments that Must Continue

Rhode Island has three critical initiatives in place to address the staffing crises in early childhood programs. All three of these programs will end in Summer 2024 unless the General Assembly acts. Failure to continue these programs will result in more closed classrooms, increased child care tuition for private-paying families, and longer waiting lists.

- 1) The Rhode Island **Child Care WAGE\$ program** is providing significant wage supplements (ranging from \$3,000/year for a CDA credential to \$12,000/year for a bachelor's degree in early childhood education) to 273 credentialed early educators who earn less than \$23/hour and work on the frontlines in early learning programs. Child Care WAGE\$ has been shown to dramatically improve retention of credentialed early educators and improve the quality of care available to children. The model has been in place in other states for 10-20 years. **H-7251/Donovan and S-2038/Cano would continue this \$2.5 million/year investment to recognize and retain our most highly skilled educators**
- 2) Since December 2021, Rhode Island has provided a **Pandemic Retention Bonus** to over 5,000 staff of licensed child care centers and family child care homes regardless of staff qualifications or base pay. As of September 2023, there were 2,137 individuals who had consistently received a retention bonus every period. These payments are scheduled to end in July 2024. **Estimated at \$5 million/year, H-7251/Donovan and S-2038/Cano would continue these \$750/quarterly payments only for individuals who work on the frontlines directly with children, earn less than \$23/hour, and have been consistently receiving a payment.**
- 3) In August 2023, the state launched a \$4 million **Child Care for Child Care Educators** pilot program modeled on a program in Kentucky to attract and retain child care educators by covering the cost of child care for frontline educators. The program was funded with existing federal child care funds through a budget amendment by Speaker Shekarchi. As of January 2024, 50% of child care centers and 5% of family child care homes in the state have at least one staff member participating. **H-7123/Diaz and S-2344/DiMario would make this program permanent, remove the cap on family income (to match the Kentucky model), and make Early Intervention staff eligible too.**