

RI CAMPAIGN FOR QUALITY CHILD CARE

Tiered Reimbursement Rates for Quality Child Care

H-6048 (Diaz) and S-775 (Crowley) would establish a **tiered child care reimbursement rate system with increased rates for all child care providers serving low-income families and larger increases for higher quality programs.** Tiered quality rates will promote access to high-quality care and will help programs attract and retain more qualified and effective educators.

Proposed Tiered Quality Rates: Licensed Centers

CHILD AGE	CURRENT FT RATE	1 STAR	2 STAR	3 STAR	4 STAR	5 STAR
Infant/Toddler	\$193.64	\$203.32	\$213.00	\$232.37	\$251.73	\$271.10
Preschool	\$161.71	\$169.80	\$177.88	\$194.05	\$210.22	\$226.39
School-Age	\$146.26	\$153.57	\$160.89	\$175.51	\$190.14	\$204.76

Proposed Tiered Quality Rates: Licensed Family Child Care Homes

CHILD AGE	CURRENT FT RATE	1 STAR	2 STAR	3 STAR	4 STAR	5 STAR
Infant/Toddler	\$169.95	\$178.45	\$186.95	\$203.94	\$220.94	\$237.93
Preschool	\$154.50	\$162.23	\$169.95	\$185.40	\$200.85	\$216.30
School-Age	\$146.26	\$153.57	\$160.89	\$175.51	\$190.14	\$204.76

Current Rates are Too Low to Support Quality Care: Current Child Care Assistance (CCAP) reimbursement rates are the lowest in New England and well below recommended levels to ensure equal access to high-quality child care. Current CCAP rates for centers are meeting the 12th percentile for infant care, 18th percentile for preschool care, and 19th percentile for school-age care of the 2015 Market Rate Survey. Federal guidance and national experts recommend paying rates *at or above* the 75th percentile of the current market rate so that families can access high-quality care.

Most States Have Established Tiered Quality Reimbursement Rates: 38 states and the District of Columbia have tiered quality reimbursement rates with higher rates paid to higher quality programs. Rhode Island is the only state in New England without tiered rates for child care, paying a flat rate regardless of quality level. The U.S. Department of Health and Human Services (HHS) encourages states to provide tiered payments with a sufficient rate difference between tiers to support higher quality.

High-Quality Child Care Costs More than Low-Quality Child Care: A study of child care costs in Rhode Island found that programs with higher-quality BrightStars ratings had higher staffing costs. Higher quality programs pay higher wages to attract and retain more qualified and effective educators. Also, higher quality programs have more staff available to cover teacher planning time, professional development time, and parent-teacher meetings.

High-Quality Child Care Promotes Children’s Learning and Development: Achieving the state’s education goals, including 3rd grade reading proficiency, requires improved access to high-quality programs, including high-quality infant/toddler child care, high-quality preschool, and high-quality after school and summer learning.

Rhode Island Spends Less on Child Care than a Decade Ago: Rhode Island spends 18% less overall and 83% less on child care in general revenue in 2017 than in 2005. Investments in CCAP help low-wage working parents pay for quality child care.

Rhode Island Child Care Assistance Program Financing by State Fiscal Year (in millions)



Source: Rhode Island House Fiscal Rhode Island Enacted Budgets. Note: FY 2002– 2016 are final expenditures, FY17 is from November 2016 Caseload Estimating Conference. Prepared by Rhode Island KIDS COUNT, 2017.

Low Rates Limit Access: A growing number of high-quality child care providers in Rhode Island are opting out of the CCAP program, or significantly limiting the number of CCAP children they serve because the state rates do not enable programs to deliver quality care. In 2016, HHS informed Rhode Island that CCAP rates appeared to be too low to ensure equal access to quality child care, as required under federal law. The federal Child Care Development Block Grant Act of 2014 requires states to take the cost of quality into account when setting rates.

Low Rates Make it Difficult to Attract & Retain Qualified Teachers: High-quality child care programs have teaching staff with college coursework and degrees. National experts recommend that states strive to increase the number of early childhood teachers with bachelor’s degrees in programs serving children birth through age five. In 2014 in Rhode Island, the median wage for full-time teaching staff in licensed child care programs was \$11.92 (ranging from \$9.50/hour for a teacher with only a high school diploma to \$14.25/hour for a teacher with a bachelor’s degree).

BrightStars Works: BrightStars is Rhode Island’s Quality Rating and Improvement System for child care and early learning programs. A recent evaluation of BrightStars conducted by Child Trends indicates that BrightStars’ levels effectively measure quality and higher-quality ratings are linked to improved outcomes for children. Also, 70% of program directors had a positive or extremely positive experience with BrightStars.



Rhode Island Association for the Education of Young Children