



Testimony in Support of H7148
House Finance Committee
May 16, 2018

The Economic Progress Institute strongly supports Representative Diaz's bill to create a tiered reimbursement rate structure based on quality.

Science shows us that a child's brain development starts at birth and begins to plateau by age 4. Since 70% of kids under age six have all of the parents in their home working, we must ensure that the time the child spends in child care is quality time. School age children also need a safe place to be after the school day is over and when schools are closed.

A recent report by the US Chamber of Commerce, "Workforce of Today: Workforce of Tomorrow: The Business Case for High Quality Child Care"¹ highlights why quality child care is so important. As Katharine Stevens explains, child care is the root of the achievement gap we see later in life. "...many children enter school unprepared to succeed, and schooling largely cannot close initial gaps," Steven argues. This missing link is quality child care.

"In fact," Stevens continues, "if done right, it (child care) can serve two crucial purposes simultaneously: ensuring the healthy development of young children while enabling their parents to contribute as productive members of the workforce. By laying the crucial groundwork for tomorrow's workforce and supporting a strong workforce today, high-quality childcare builds our nation's human capital two generations at a time."

Rhode Island's child care assistance program (CCAP) which provides assistance for families earning less than \$36,000 a year (family of 3) can help provide that quality care. But currently the program does not provide adequate payment to providers to allow them to provide quality care.

The rates were supposed to be adjusted every two years to reflect changes in the market rate, but Rhode Island has only provided one small increase over the last 11 years (since 2006).

Failure to have rates keep pace with costs have led to some providers closing and others struggling. More and more providers are refusing to accept children's who use the CCAP subsidy.

It is time for the state reinvest in the CCAP program before we are left with a gentrified child care system where only higher income families can access quality child care.

¹https://www.uschamberfoundation.org/sites/default/files/Workforce%20of%20Today%2CWorkforce%20of%20Tomorrow%20Report_0.pdf