

#### **Governor's Workforce Board Rhode Island** strategy • policy • funding • action

**Recommendations on Early Childhood Workforce Development** 

April 2023

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#### Background



The Governor's Workforce Board convened an **Early Childhood Workforce Advisory Committee** in October 2022 in response to the FY23 Budget–Article 10 (pg. 237):

- (b)(1) In furtherance of the goals set forth in this chapter, no later than January 1, 2023, the governor's workforce board shall convene a working group comprised of representatives from the department of elementary and secondary education, department of human services, office of the postsecondary commissioner, the RI early learning council, organized labor and early childhood education industry employers, whose purpose shall be to identify barriers to entry into the early childhood education workforce, and to design accessible and accelerated pathways into the workforce, including, but not limited to, registered apprenticeships and postsecondary credit for prior work experience.
- (2) No later than April 1, 2023, the working group shall provide the general assembly with recommendations for addressing the barriers to workforce entry and implementing the solutions identified by the working group; the recommendations shall outline any administrative and legislative action that would be required by participating agencies to implement the recommendations.

## **Committee Membership & Contact Information**



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### **Understanding the Problem**



- In Rhode Island, between 2016 and 2020....
  - 73% of children living in married-couple households had both parents in the labor force.
  - 88% of children living in single-father households had that parent in the labor force.
  - 79% of children living in single-mother households had that parent in the labor force.<sup>1</sup>
- In Rhode Island, there are 31,000 licensed childcare seats and in 2021 there were 53,550 children between the ages of 0 and 4.<sup>2</sup>
- 45% of families reported that finding or paying for childcare has at some point prevented adults from working or attending school.<sup>3</sup>
- 47% of Rhode Island residents live in a "childcare desert"<sup>4</sup>
- Rhode Island's Early Childhood Education Workforce Shortage has been described as a 'crisis' with significant impacts on the availability of childcare and early childhood education services for families<sup>5,6</sup>

<sup>1.</sup> Rhode Island KIDS COUNT Factbook, 2022

<sup>2.</sup> The Annie E. Casey Foundation Kids Count Data https://datacenter.kidscount.org/

<sup>3.</sup> RI EOHHS Family Survey on Childcare to be released in 2023

<sup>4.</sup> Center for American Progress, 2018 - CAP defines "child care desert" as any census tract with more than fifty children under age five that contains either no child care providers OR more than three times as many children as licensed child care slots

<sup>5.</sup> https://www.abc6.com/child-care-crisis-short-staff-causing-wait-lists-to-stretch-years-out-across-r-i/

<sup>6.</sup> https://www.wpri.com/target-12/ri-worker-shortage-a-full-blown-crisis-say-providers-of-social-services/

### **Summary of Related Efforts (Past and Current)**



There have been recent efforts to align, accelerate, and innovate pathways into the Early Childhood Workforce

Initiative Type	Summary of Recent Initiatives
Workforce Reports	<ul> <li><u>2014 ECCE Workforce Study (RIDE)</u></li> <li><u>2019 ECCE Workforce Study</u> (DHS)</li> <li><u>2018 Infant/Toddler Credentials Recommendations (Early Learning Council)</u></li> <li><u>2022 Higher Education Barriers &amp; Recommendations (Advocates)</u></li> <li>2022 Higher Education Pathways Systems Analysis (OPC)</li> </ul>
Non-IHE Career Pathways	<ul> <li>Infant/Toddler Registered Apprenticeship Program (DHS, RIAEYC, Building Futures)</li> <li>CTE Programs in High Schools (RIDE, RIAEYC, DHS)</li> <li>PDTA Hub Courses (DHS, RIDE, and CELP)</li> <li>SEIU Education &amp; Support Fund, DHS, SEIU 1199NE         <ul> <li>Registered Apprenticeship Program for Family Childcare (currently funded by Real Jobs RI)</li> <li>Pre-Apprenticeship Program for Family Childcare (currently funded by Real Jobs RI)</li> <li>Professional Development for Family Childcare</li> </ul> </li> </ul>
IHE Pathways	<ul> <li><u>TEACH Early Childhood Scholarship Program</u> – FY23 Budget included \$2M to expand the number of scholarships available (DHS &amp; RIAEYC)</li> <li><u>ECCE Pathways Initiative</u> to develop innovative and accelerated pathways at IHEs, with focus on credit for prior learning + foreign credentials, asynchronous coursework, and language access (OPC, in partnership with DHS and RIDE, + IHEs)</li> </ul>

# **Analysis of Local & Regional Data**

#### **Regional Comparison: Childcare Worker Wages**



Rhode Island wage rates for Childcare Workers are 2<sup>nd</sup> lowest in the New England region trailing ME, MA, VT & CT



#### **Regional Comparison: Childcare Worker Employment**



Average Annual Job Openings and Earnings for Childcare Workers; % of Openings due to Transfers

State	Childcare Workers per 1,000 Residents	Annual Job Openings	% due to Transfers to Other Occupations	<u>Average</u> Annual Childcare Worker Earnings (2021)	State Minimum Wage (2021)
Rhode Island	3.41	405	48%	Hourly Rate:         \$14.29           Annual Salary:         \$29,710	\$11.50
Massachusetts	3.55	2,700	48%	Hourly Rate:         \$16.79           Annual Salary:         \$34,920	\$13.50
Connecticut	3.36	1,840	47%	Hourly Rate:         \$14.76           Annual Salary:         \$30,710	\$12.00
New Hampshire	2.83	530	48%	Hourly Rate:         \$11.77           Annual Salary:         \$24,490	\$7.25
Maine	7.08	560	Data Unavailable	Hourly Rate:         \$14.90           Annual Salary:         \$31,000	\$12.15
Vermont	3.85	360	48%	Hourly Rate:         \$15.84           Annual Salary:         \$32,950	\$11.75

<u>Note</u>: All New England states are struggling with the retention of Childcare Workers. The number of Annual Job Openings due to existing workers transferring to other occupations is approximately 48% in Rhode Island, Massachusetts, Connecticut, New Hampshire, and Vermont (the rate is unknown for the State of Maine).

## **Competing for Workers in a Tight Labor Market**



Median Wage and Annual Openings in occupations with similar or lower educational requirements in Rhode Island

SOC	Occupation Title	Projected Annual Job Openings	<u>Median Wage</u> (2021)	Typical Education Required
43-9061	Office Clerks, General	1,107	\$21.04	High school diploma or equivalent
43-4051	Customer Service Representatives	1,107	\$18.21	High school diploma or equivalent
31-1131	Nursing Assistants	1,258	\$17.84	Postsecondary non-degree award
43-4171	Receptionists and Information Clerks	556	\$17.67	High school diploma or equivalent
37-2012	Maids and Housekeeping Cleaners	810	\$14.84	No formal educational credential
35-2021	Food Preparation Workers	610	\$14.77	No formal educational credential
31-1120	Home Health and Personal Care Aides	1,220	\$14.09	High school diploma or equivalent
41-2011	Cashiers	2,292	\$13.70	No formal educational credential
35-3023	Fast Food and Counter Workers	1,894	\$13.47	No formal educational credential
35-3011	Bartenders	685	\$13.41	No formal educational credential
39-9011	Childcare Workers	405	\$13.26	High school diploma or equivalent
35-3031	Waiters and Waitresses	1,766	\$12.56	No formal educational credential

#### Notes:

• 48% of Rhode Island's Childcare Worker Job Openings are due to workers transferring to other occupations.

• In Rhode Island there are currently 3 job postings for every one (1) person collecting unemployment.

Source: Rhode Island Department of Labor and Training https://dlt.ri.gov/labor-market-information/data-center/2030-industry-occupational-projections

#### **Rhode Island Childcare Reimbursement Rates**



Rhode Island's Childcare Assistance Program (CCAP) ties reimbursement rates to facilities' BrightStars rating. Facilities with a 1-star rating are paid the <u>base</u> rate.

Licensed Childcare Center
Weekly Reimbursement Rates

Time Authorized & Enrolled	Full Time						
Star Rating → Child's Age Category ↓	1	2	3	4	5		
Infant/Toddler	\$ 265.00	\$ 270.00	\$ 282.00	\$ 289.00	\$ 300.00		
Preschool	\$ 225.00	\$ 235.00	\$ 243.00	\$ 250.00	\$ 260.00		
School Age	\$ 200.00	\$ 205.00	\$ 220.00	\$ 238.00	\$ 250.00		

Licensed Home Childcare Weekly Reimbursement Rates

Time Authorized & Enrolled	Full Time						
Star Rating → Child's Age Category ↓	1	2	3	4	5		
Infant/Toddler	\$ 250.00	\$ 254.00	\$ 257.00	\$ 260.00	\$ 263.00		
Preschool	\$ 210.00	\$ 220.00	\$ 228.00	\$ 239.00	\$ 250.00		
School Age	\$ 185.00	\$ 190.00	\$ 205.00	\$ 225.00	\$ 235.00		

## **RI Childcare Facilities Offering Infant Care**



79% of childcare facilities that provide infant care and accept CCAP families have a BrightStars rating of 1 or 2 stars. For these facilities, the reimbursement rate for full-time infant care is \$250-\$270 per week.

		Facility BrightStars Rating											
Facility Type	Not I	Rated	18	Star	2 S	tars	3 S	tars	4 S	tars	5 S	tars	Total Facilities
	#	%	#	%	#	%	#	%	#	%	#	%	
Licensed Childcare Center Providers (Center Based)	31	13%*	55	23%	64	26%	30	12%	46	19%	17	7%	243
Licensed Family Childcare Providers (Home Based)	33	10%	185	55%	115	34%	2	1%	2	1%	1	0%	338
*percent indicates the portion of total providers in the category													
Total Facilities Accepting CCAP Reimbursements	10	16%*	220	92%	174	97%	32	100%	43	90%	17	94%	496

\*percent indicates portion of providers accepting CCAP with respective star rating

#### Notes:

- Current CCAP reimbursement rates are significantly below the actual cost of care, which has a negative impact on providers, their employees, and families both on and off CCAP.
  - Low CCAP reimbursement rates inhibit the ability of providers to increase employee wages and benefits, which negatively impacts recruitment and retention efforts, and negatively affects the quality and availability of care

### **Regional Comparison: Reimbursement Rates**



Full-Time Weekly State Childcare Reimbursement Rates for <u>Infant</u> Care

State	Licensed Childcare Centers	Licensed Home Childcare
Rhode Island	<b>\$265-\$300</b> (based on the BrightStars rating)	<b>\$250-\$263</b> (based on the BrightStars rating)
Massachusetts	\$334-\$508 (based on the region/county) *Plus a 3% to 8.5% "add on" rate for high quality programs	\$235-\$403 (based on the region/county) *Plus a 3% to 8.5% "add on" rate for high quality programs
Connecticut	<b>\$231-\$380</b> (based on the region/county)	<b>\$206-\$270</b> (based on the region/county)
New Hampshire	<b>\$275</b> (all regions/counties)	<b>\$194</b> (all regions/counties)
Maine	<b>\$185-\$303</b> (based on the region/county)	<b>\$150-\$225</b> (based on the region/county)
Vermont	<b>\$290-\$349</b> (based on the Stars rating)	<b>\$200-225</b> (based on the Stars rating)

#### Sources:

Rhode Island Department of Human Services <u>https://dhs.ri.gov/programs-and-services/child-care/child-care-providers/ccap-provider-rates-financial-information</u> Massachusetts Department of Early Education and Care <u>www.mass.gov/service-details/daily-reimbursement-rate-for-early-education-and-care-programs</u> Connecticut Office of Early Childhood <u>https://www.ctcare4kids.com/provider-information/payment-rates/</u> New Hampshire Department of Health and Human Services <u>https://www.dhhs.nh.gov/fam\_htm/html/937\_reimbursement\_rates\_fam.htm</u> Maine Department of Health and Human Services <u>https://www.maine.gov/dhhs/ocfs/support-for-families/child-care/paying-for-child-care</u> Vermont Department for Children and Families <u>https://dcf.vermont.gov/cdd/providers</u>

#### **Regional Compliance: ACF's Equal Access Standard**



Prior to 2023, all New England states except Maine were out of compliance with the Administration for Children and Families' Equal Access Standard which requires that states' base reimbursement rates meet <u>at least the 75<sup>th</sup> percentile</u> of local providers' average market rate. Even with 2023 rate increases, Rhode Island remains out of compliance.



#### Sources:

U.S. Department of Health and Human Services Office of Childcare, "Approved CCDF Plans (FY 2022-2024)," at: <u>https://www.acf.hhs.gov/occ/form/approved-ccdf-plans-fy-2022-2024</u> Chart: Center for American Progress <u>https://www.americanprogress.org/article/states-can-improve-child-care-assistance-programs-through-cost-modeling</u>

### **CTE Pipelines and Program Enrollment**



During the 2022-23 school year there were a total of 612 students enrolled in Education-related CTE programs

School	Transportation Region	Program	2022-23 Student Enrollment
Burrillville High School	1	Education Education (Education, Childcare, Teacher Assistant)	93
Woonsocket High School	1	Education Education (Education, Childcare, Teacher Assistant)	99
Coventry High School	2	Education – Education (Education, Childcare, Teacher Assistant)	63
Toll Gate High School	2	Education – Education (Education, Childcare, Teacher Assistant)	25
Cranston High School West	3	Education Education (Education, Childcare, Teacher Assistant)	102
Mount Pleasant High School	3	Education Education (Education, Childcare, Teacher Assistant)	10
Smithfield Senior High School	3	Education Education (Education, Childcare, Teacher Assistant)	96
Narragansett High School	4	Education Education (Education, Childcare, Teacher Assistant)	22
Chariho Regional High School	4	Education Education (Education, Childcare, Teacher Assistant)	47
Portsmouth High School	5	Education Education (Education, Childcare, Teacher Assistant)	55
		Total:	612

#### Notes:

• Numbers reflect all enrolled students in grades 9-12 (so annual output would be approximately 25% or 153 graduates).

• There are some additional programs with zero students currently enrolled due to lack of an instructor.

Source: Rhode Island Department of Education https://www.ride.ri.gov/StudentsFamilies/EducationPrograms/CareerTechnicalEducation.aspx#12212106-cte-accountability-data

# Recommendations

## Meeting the Demand for Childcare/ECE Workers



- Allocate funding to the design and implementation of new workforce training programs and career pathways for childcare workers.
  - Provide additional funding to the Department of Labor and Training's Real Jobs Rhode Island program to fund the training of new and diverse workers to meet the industry demand. Real Jobs participants are supported with wrap-around services administered through the RI Reconnect program at the Office of the Postsecondary Commissioner.
- Work with the Department of Education to prioritize the use of Perkins dollars to significantly expand Career and Technical Education programs for Childcare Workers and Early Childhood Education.
  - For additional information on current CTE pipelines see Slide 15.
  - Expand and encourage programs to offer Early Childhood Education as a career option.
     Most programs are currently geared toward teaching occupations in K-12 schools.

<u>Note</u>: Adopting recommendations related to **Increasing CCAP Reimbursement Rates** and **Childcare/ECE Worker Wages and Benefits** (see slides 19-20) are also <u>critical</u> to addressing the workforce recruitment and retention challenges in this industry.

#### Improving the Quality of Childcare/ECE Programs



- Support the efforts of the Department of Labor and Training, the Department of Human Services, RI Office of the Postsecondary Commissioner, and industry stakeholders to develop new certifications and pathways that <u>ensure worker competencies</u> and facilitate hiring and promotions.
- Support diversity and equity within the industry to better meet the needs of families.
  - As a first step, develop a report on the current demographics of the Early Childhood Education workforce including age, race, ethnicity, gender, and languages utilized to facilitate the identification of areas for improvement.
  - This could be done through surveys administered by the Department of Human Services in collaboration with SEIU 1199 to include family childcare providers.
  - Incorporate findings into recruitment efforts for new programs/pathways developed.
- Improve the availability and delivery of professional development/continuing education for workers to support retention and growth within the industry.
  - Allocate funding to the Department of Human Services and the Office of the Postsecondary Commissioner to work collaboratively on the continuity and expansion of T.E.A.C.H. programming; maximizing college credits for various types of learning, including training and work experience.

## **Increasing CCAP Reimbursement Rates**

- Increase all Childcare Assistance Program (CCAP) base rates with the goal of increasing worker wages, worker retention and overall program quality.
  - Join states/districts including the District of Columbia, New Mexico, and Virginia in transitioning to a Cost of Care Model (the national best practice).
  - As a first step, increase CCAP reimbursement base rates to meet and exceed the ACF's Equal Access Standard, which requires that state reimbursement rates meet <u>at least the 75th percentile</u> of providers' average market rates.
    - Provider Market Rate Surveys are conducted every three (3) years to determine local childcare providers' average market rate.
    - The last Market Rate Survey was conducted in 2021 and the next survey will be conducted in 2024.
    - Rhode Island's base reimbursement rate for full-time infant care in a licensed childcare center is currently at the 50<sup>th</sup> percentile.

\*Statutory rate increases would not impact Family Child Care (FCC), as FCC rates are negotiated by the CBA. At the time of re-negotiation, it would be strongly encouraged that the rates are in alignment.

- Evaluate the eligibility criteria for CCAP to increase the number of families eligible to help stabilize the childcare market and assist potential workers with childcare needs.
  - CCAP utilization has significantly decreased since the beginning of the pandemic (it is about 40% lower than it was pre-pandemic).



Sample Licensed Childcare Center Weekly Reimbursement Rate for Full-Time Infant Care (based on the 2021 Market Rate Survey)

100 <sup>th</sup> Percentile (Target Base/1-Star Rate)	\$391.92
95 <sup>th</sup> Percentile	\$367.00
90 <sup>th</sup> Percentile	\$352.50
85 <sup>th</sup> Percentile	\$310.75
80 <sup>th</sup> Percentile	\$300.00
75 <sup>th</sup> Percentile (Compliance Base/1-Star Rate)	\$289.00
70 <sup>th</sup> Percentile	\$281.50
65 <sup>th</sup> Percentile	\$275.00
60 <sup>th</sup> Percentile	\$270.00
55 <sup>th</sup> Percentile	\$267.75
50 <sup>th</sup> Percentile (Current Base/1-Star Rate)	\$265.00

Source: Coffey, Maureen. (2023, March 9) <u>States Can Improve Childcare Assistance Through Cost Modeling</u>. Center for American Progress Source: RI Childcare Market Rate Survey Report 2021 <u>https://dhs.ri.gov/programs-and-services/child-care/child-care-providers/market-rate-survey</u>

### **Childcare/ECE Worker Wages and Benefits**



- Help raise the wage rate for childcare workers to \$18.00 per hour by implementing the recommendations on the previous slide. This increase would:
  - Reduce Childcare Worker job openings due to transfers to other industry sectors; significantly
    improving the retention of workers within the occupation.
    - Currently, 48% of our annual childcare worker job openings are due to workers transferring to other occupational areas for higher wages and better benefits.
- Pursue additional benefit plans for childcare workers including healthcare and retirement plans. Additional benefits should include:
  - Automatic CCAP Eligibility for Workers in Licensed Childcare Programs (regardless of total household income)
    - This would be a major selling point for working in the industry and would alleviate the financial burdens on providers who are currently trying to offer discounted rates to attract workers at a significant financial loss.
    - The State of Kentucky recently adopted a similar practice.
  - Special auto loan and mortgage rates/programs
  - Access to free higher education
  - Scholarships or student loan deferment programs like Wavemaker

<u>Note</u>: New benefit programs should endeavor to support workers in both center-based and family-based provider environments.

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