



**RHODE ISLAND KIDS COUNT**  
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**Testimony Re: H-5473 An Act Relating to Taxation – Revenue for Rhode Island**  
**House Finance Committee**  
**May 6, 2025**  
**Leanne Barrett, Director of Early Childhood Policy & Strategy**



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 will help families with young children.

**Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support Representative Karen Alzate’s Revenue for Rhode Islanders Bill, H-5473.** This bill would raise the state income tax on the top 1% of earners in Rhode Island, those households with income at or above \$625,000/year. This legislation would make our tax system more equitable, by making sure our highest earners are paying their fair share and would raise \$190 million in new state general revenue.

**Rhode Island desperately needs additional state revenue to help families access reliable, affordable, and high-quality early care and education programs.**

- Rhode Island currently spends \$46 million less in state general revenue on child care than in 2005 and we are currently serving less than half as many children than we did in 2003.
- Even after the increase to 261% of the federal poverty level in January 2025, **Rhode Island has the second lowest family income cut off in the Northeast for Child Care Assistance.**

STATE	2025 FAMILY INCOME ELIGIBILITY LIMIT (Family of 3)
Vermont*	\$153,240
Maine*	\$118,922
New Hampshire*	\$95,283
New York*	\$91,251
Connecticut	\$73,509
Rhode Island	\$67,390
Massachusetts	\$66,228 (or \$112,584 if child has a disability or parent works in a child care program)

\*New Hampshire, New York, Maine, Vermont and 12 other states set family income eligibility limits at or above the federal benchmark (85% of State Median Family Income – State Median Income). Connecticut allows families

to retain a subsidy up to 85% SMI and MA allows families to qualify at 85% SMI if a parent works in child care or if a child has a disability.

- **We know that 9 out of 10 families cannot afford the cost of child care.** Using the federal affordability standard, families need to earn at least \$240,000/year to pay the average cost of care for one infant enrolled in an average center that pays staff close to minimum wage.
- **There continues to be a statewide staffing crisis with many child care classrooms closed due to lack of staff** and other child care programs scrambling to meet staffing requirements which can create safety problems. In February, one of the state's largest child care organizations reported that 20% of their classrooms were closed due to staffing problems.

Thank you for this opportunity to testify. We urge passage of this important legislation so that the state can help more families access child care and early learning programs.