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Testimony Re: H-7440 An Act Relating to Taxation
– Revenue for Rhode Island
House Finance Committee
May 17, 2022
Leanne Barrett, Senior Policy Analyst



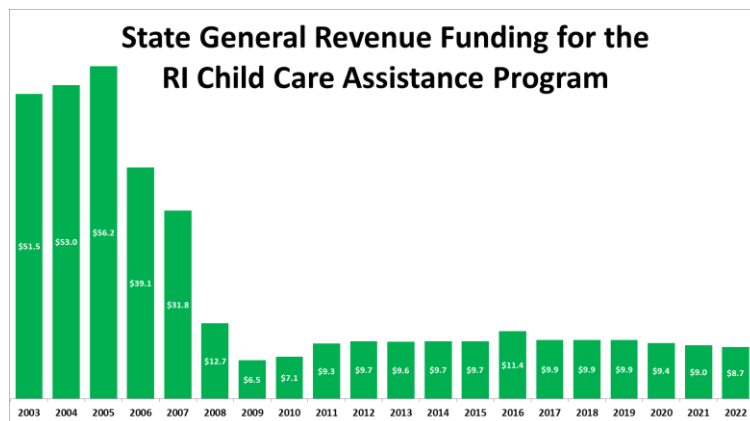
Rhode Island KIDS COUNT coordinates the Right from the Start Campaign, a state policy coalition led by eight organizations to advance state policies and budget priorities that will help families with young children.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support H-7440 which would raise the state income tax on the top 1% of earners in Rhode Island to 8.99%, affecting approximately 5,000 filers who earn more than \$500,000 per year. This legislation would make our tax system more equitable, by making sure our highest earners contribute at levels more comparable to lower income earners are paying their fair share.

This bill would raise \$144.5 million in new state revenue per year. Rhode Island desperately needs additional state revenue to pay for essential services for our youngest children and their families to:

- **Improve access to high-quality, affordable child care.** We currently allocate \$47.5 million LESS in state general revenue to child care in FY2022 than we did in 2005. If we had kept funding level, Rhode Island would have been able to use all the federal child care funding increases over the years to pay for the cost of delivering high-quality child care, substantially increase wages for early educators, and help more families pay for child care.

Due to state budget cuts, Rhode Island is only providing half of the 14,000 child care subsidies as we were in 2003, even though 9 out of 10 families in Rhode Island cannot afford the cost of high-quality child care. Rhode Island is also not in compliance with the federal equal access standard in the Child Care and Development Block Grant because the rates we pay providers who care for children of low-income.



- **Eliminate the waiting list for Early Intervention, a program for infants and toddlers with developmental delays and disabilities required under the Individuals with Disabilities Education Act,** by increasing Medicaid rates for the first time in 20 years. Rhode Island. Rhode Island currently allocates only \$4 million in state funds to Early Intervention through a Medicaid match, less than the \$4.4 million allocated in 1999. Currently there are about 600 infants and toddlers on the waiting list for Early Intervention.
- **Keep the First Connections program open providing essential services statewide to families with newborns and infants.** First Connections has not had a rate increase in 22 years and agencies lose money on every encounter with families. First Connections is the mandatory Child Find program for Rhode Island's Early Intervention program, finding infants and toddlers who may be entitled to services due to developmental challenges.

Thank you for this opportunity to testify. We urge passage of this important legislation so that the state can make permanent improvements in our services for children and families.