



RHODE ISLAND KIDS COUNT

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**Testimony Re: S-232 An Act Relating to
Taxation – Revenue for Rhode Island
Senate Finance Committee
February 28, 2023
Leanne Barrett, Senior Policy Analyst**



Rhode Island KIDS COUNT, as a leader in the Right from the Start Campaign, strongly supports Senator Murray's Revenue for Rhode Island Bill, S-232. This bill would raise the state income tax on the very top earners in Rhode Island, those households with income at or above \$557,000. This legislation would make our tax system more equitable, by making sure our highest earners are paying their fair share.

This bill would raise new state revenue that is needed to adequately fund child care, education, and transportation services. **Rhode Island desperately needs additional state revenue to help families access reliable, affordable, and high-quality early care and education programs.**

- **Rhode Island spends \$48 million LESS in state general revenue on child care than in 2005 and we are currently serving less than half as many children as we did in 2003.** There is 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 create safety problems. Many child care programs cannot find qualified staff because they can only afford to pay wages that are a little bit above the minimum wage. If we had kept state general revenue funding level, Rhode Island would have been able to use all the federal child care funding increases over the years to maintain and expand access for families and children, raise wages for child care educators, keep our commitment to pay rates at or above the federal equal access standards.
- **We need to find about \$7 million in funding to prevent the closure of 800 RI Pre-K seats due to the expiration of a federal grant and we'll need additional state revenue to expand this high-quality program.** We also need to find funding to layer on top of federal funding so that agencies can offer competitive wages to attract and retain staff for Head Start and Early Head Start classrooms statewide. **Currently there are over 500 Head Start seats, and about 100 Early Head Start seats that are closed and could be permanently closed by the federal government if we can't solve this staffing problem by investing state funds to raise compensation levels to be competitive.** Massachusetts spends at least \$16 million in state funding per year to increase compensation of Head Start and Early Head Start educators.

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.