



May 6, 2026

Subject: SEIU 1199NE Testimony in Support of H-7313 – Revenue to Strengthen Healthcare and Essential Services

Dear Chairman Abney and Honorable Members of the House Finance Committee:

On behalf of SEIU 1199NE, which represents approximately 7,500 healthcare, home care, and child care workers across Rhode Island, I am writing in strong support of H-7313, which would raise revenue by asking the wealthiest 1% of Rhode Islanders to contribute more.

Rhode Island has been chronically underfunding healthcare for well over 15 years. This includes hospitals, nursing homes, federally qualified health centers, and home care. The result is a system that is stretched thin, struggling to meet the needs of patients while also struggling to recruit and retain workers.

When you add up years of underfunding across these sectors, the total shortfall amounts to hundreds of millions of dollars.

Just in the past few years alone, nursing homes have been underfunded by approximately \$32 million. Under Rhode Island law, 80% of Medicaid rate increases are directed to worker wages and benefits, meaning this underfunding directly suppresses wages for caregivers and contributes to workforce shortages.

Much of this funding is also eligible for federal matching dollars. By failing to fully fund Medicaid rates, Rhode Island is not only underinvesting in its healthcare system — it is also leaving millions of federal dollars on the table that could otherwise be supporting care, jobs, and the broader economy.

This same pattern of underinvestment extends beyond healthcare and into child care.

Fifteen years ago, Rhode Island had over 1,000 family child care providers. Today, there are around 400 left. That decline reflects years of inadequate reimbursement rates and a system that has made it increasingly difficult for providers to stay in business.

These are small, home-based providers who care for children in their communities and allow parents — including healthcare workers — to go to work. When these providers disappear, it creates ripple effects across the workforce and the broader economy.

The impact of this underinvestment is also showing up directly in the workforce.

SEIU 1199NE has been negotiating contracts for our lowest-paid members — over 2,000 home care workers and family child care providers — for nearly a year. We are consistently told that there is “no money” available to improve wages or provide basic benefits.

Approximately 20% of home care caregivers are making minimum wage with no benefits at all. These are workers providing essential care to seniors and people with disabilities with little to no financial stability.

These caregivers are saving the state hundreds of millions of dollars by keeping people out of hospitals, emergency rooms, and nursing homes. Yet the system continues to underinvest in them.

Family child care providers face similar challenges. They operate small businesses out of their homes, often working long hours with little support, while reimbursement rates fail to keep pace with costs. Many are leaving the field entirely, further shrinking access to care for Rhode Island families.

At the same time, Rhode Island has continued to provide tax breaks to higher-income residents and is currently considering additional tax reductions that would primarily benefit wealthier retirees.

We cannot continue to underfund healthcare and child care systems that are essential to our economy while also reducing the revenue needed to sustain them.

We are already seeing the consequences. Emergency rooms across Rhode Island are under severe strain, with long wait times and capacity challenges. Thousands of Rhode Islanders have lost Medicaid coverage following the expiration of pandemic-era protections. These individuals have not disappeared — many are delaying care until conditions worsen, often ending up in already overcrowded emergency departments.

Without additional investment, these pressures will only intensify.

We are told there is no money for care, but there is always money for tax breaks.

There is also a broader narrative that Rhode Island does not have a revenue problem, but a spending problem. That argument does not reflect what we are seeing on the ground.

The reality is that the recent growth in the state budget is not the result of overspending — it is the result of years of underfunding catching up all at once across healthcare, child care, education, and other essential services.

At the same time, Rhode Island has repeatedly reduced revenue through tax cuts, particularly for higher-income households, limiting the state's ability to make sustained investments.

Business groups often point to rising costs, while opposing measures that would raise wages to reflect the cost of living. That dynamic contributes to workforce shortages and continued economic instability for working families.

Looking ahead, costs are likely to continue rising due to federal policy changes, including H.R. 1. If Rhode Island continues to reduce revenue through additional tax breaks for higher-income households, as proposed in the Governor's budget, the gap between need and investment will only grow wider.

There has also been some suggestion that taxing the top 1% in Rhode Island — rather than setting a flat “millionaires tax” threshold — would make Rhode Island an outlier. That framing misses an important point.

Rhode Island simply does not have the same concentration of millionaires and billionaires as neighboring states like Massachusetts or Connecticut. As a result, targeting the top 1% is a more accurate and proportional way to ensure that those with the greatest ability to pay are contributing fairly.

In fact, many individuals in Rhode Island earning between roughly \$640,000 and \$999,999 in taxable income would likely be earning over \$1 million if they were working in Massachusetts, given differences in industry mix and wage scales. A strict million-dollar threshold would miss a significant portion of high earners in Rhode Island.

H-7313 reflects Rhode Island's actual economic reality and ensures that tax policy is aligned with the state's income distribution. It is a necessary step toward correcting years of underinvestment by strengthening the state's revenue base and asking those with the greatest ability to contribute to play a larger role in sustaining critical public systems.

Our members see the impact of these policy choices every day — in short staffing, delayed care, lack of access to child care, and patients who cannot access services when they need them.

Rhode Island has a choice: continue down a path of underfunding essential services, or take meaningful steps to invest in the systems that residents rely on.

SEIU 1199NE urges the Committee to support H-7313.

Thank you for your time and consideration.

Respectfully,

A handwritten signature in black ink that reads "Alex Moore". The signature is written in a cursive style with a large, sweeping initial "A" and a long, horizontal flourish at the end.

Alex Moore

Political Director

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