



Testimony Re: S-2667 *Child Care Is Essential Act*
Senate Finance Committee
May 5, 2026
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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 help families with young children.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support Senator Vargas's *Child Care Is Essential Act, S-2667*, which would unify sections of state law related to the Child Care Assistance Program into a new statute for child care (separate from RI Works cash assistance), reform state law and rates to meet or exceed federal equal access standards for Rhode Island's Child Care Assistance Program, and allow more families to qualify for the Rhode Island Child Care Assistance Program by raising the family income limits.

Families across the state are struggling to find and pay for quality child care so they can work, and child care programs are struggling to offer competitive wages so they can find and keep skilled educators.

Income Eligibility

This bill would expand family eligibility for child care assistance to allow all working families with incomes at or below the federal benchmark of 85% of State Median Income to receive assistance paying for child care. At least 17 states in the country, including Arkansas, California, Connecticut, Kansas, Kentucky, Louisiana, Maine, New Hampshire, New Mexico, New York, Oklahoma, South Carolina, Texas, Utah, Vermont, Virginia, and West Virginia, already meet this standard.

Rhode Island made considerable progress in 2024 by expanding income eligibility for the Child Care Assistance Program to 261% of the Federal Poverty Level, but it still has one of the lowest family income limits in the northeast and does not meet or exceed this federal benchmark for child care eligibility. This bill would also adjust the "exit" limit up from 300% of poverty so that families can retain the subsidy up to 100% of the State Median Income.

Child Care Rates

In 2024, the General Assembly enacted a 5% rate increase for child care centers serving children in the Child Care Assistance Program to match rate

increases provided to family child care programs through collective bargaining. However, significant rate increases are still needed, particularly for infant and toddler care, to comply with the federal equal access benchmark, which was established to help ensure state rates would allow low-wage families child care subsidies to access 75% of the private market.

To help address the severe shortage of quality infant care, this bill asks the state to set an infant rate that is 30% higher than the toddler rate to help fund the increased staffing needed to meet the health and safety of babies as young as six weeks. Higher rates for infants are an effective strategy to help address the staffing crisis which keeps many classrooms closed. According to state licensing standards which meet national health and safety recommendations, one teacher can care for four infants under 18 months but can care for six toddlers 18 months up to age three.

Need to Invest in Child Care

Rhode Island has cut at least \$46 million in state general revenue from the Child Care Assistance Program since 2005 and serves less than half as many children as in 2003. The statewide labor shortage, particularly in female dominated fields, is related to the fact that many families cannot afford the cost of child care without a subsidy. Using the federal affordability standard, families need to earn at least \$241,000/year to pay the average cost of care for one infant enrolled in an average center that pays staff close to minimum wage. Rhode Island is one of only seven states in the U.S. that are investing only the bare minimum necessary to receive federal child care funding.

Thank you for this opportunity to provide testimony. The *Child Care is Essential Act* will help Rhode Island meet national standards and become a leader in meeting the needs of working families and their children.

Child Care is Essential 2026

[H-7393 \(Diaz\)](#) / [S-2667 \(Vargas\)](#)



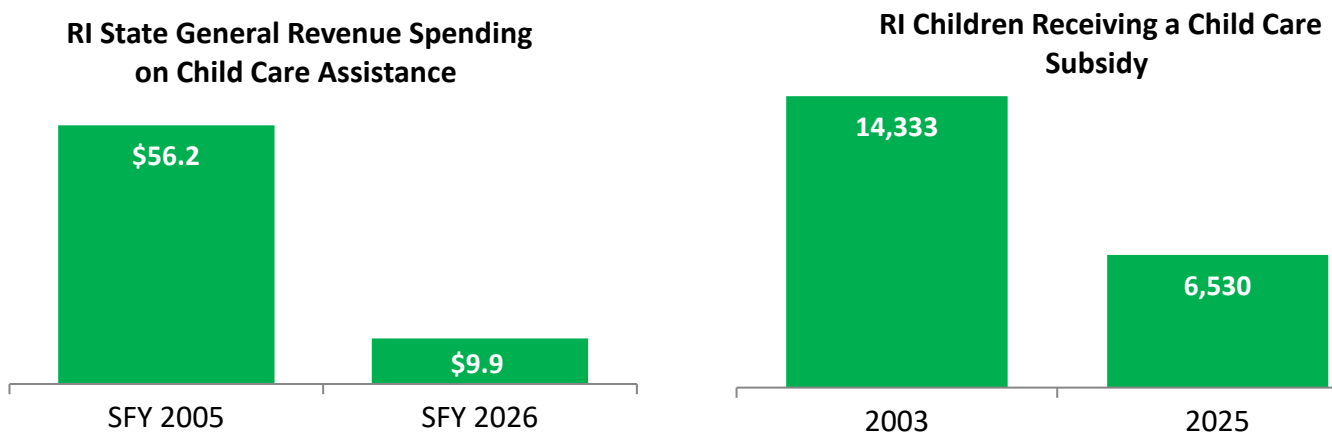
Right from the Start

Families need access to affordable, high-quality child care so parents can work, and children can learn and thrive. **Experts agree that 9 out of 10 families cannot afford child care.** The average cost of child care for an infant enrolled in a Rhode Island licensed child care center is \$16,899/year. Using the federal affordability guidelines, this makes infant care unaffordable for any Rhode Island family earning less than \$241,000/year.

The Rhode Island Child Care Assistance Program (CCAP) is managed by the Rhode Island Department of Human Services (DHS) and helps families pay for child care. Eligible low-income families are approved for a certificate they can use to enroll their children (birth – age 12) at a child care program that accepts the certificate. DHS pays child care programs based on rates that are set in statute. Some families are assessed a copayment that they pay directly to the child care program.

Rhode Island is one of only seven states in the U.S. (other states are: Arkansas, Idaho, Missouri, Nevada, West Virginia, and Wyoming) that are investing only the bare minimum needed to receive federal child care funding. **Rhode Island has cut \$46 million in state general revenue funding for child care assistance.**

Fewer Families Get Help Paying for Child Care Now Compared to 20+ Years Ago



The 2026 Rhode Island Child Care is Essential Act

- 1. Unifies sections of state law related to the Child Care Assistance Program** into a new statute named the Rhode Island Child Care is Essential Act.
- 2. Allows more families to qualify for the RI Child Care Assistance Program** by raising the family income limits to qualify for the Child Care Assistance Program to the federal Child Care and Development Block Grant benchmark, 85% of the state median family income and raises the “exit” income limit to 100% of the state median family income.
- 3. Adjusts rates for the RI Child Care Assistance Program to comply with the federal equal access standard** by meeting or exceeding the current federal equal access standard (75th percentile of the 2024 RI Child Care Market Rate Survey) for all ages and settings.

Helping More Families - Current and Proposed Family Income Eligibility Limits for Family of 3

	Current RI Law 2026	Child Care is Essential Goal
Entrance	\$71,305 ≤ 261% of the federal poverty level	\$96,692 ≤85% of State Median Family Income*
Exit	\$81,960 ≤ 300% of the federal poverty level	\$113,755 ≤100% of State Median Family Income

*Federal Eligibility Benchmark. States use the LIHEAP method to calculate.

Note: There are at least 17 states that meet or exceed the federal benchmark for child care eligibility (85% of State Median Income), including Arkansas, California, **Connecticut**, Kansas, Kentucky, Louisiana, **Maine**, **New Hampshire**, New Mexico, **New York**, Oklahoma, South Carolina, Texas, Utah, **Vermont**, Virginia, and West Virginia.

Rhode Island's Child Care Assistance Program Has Fallen Behind Our Neighboring States

Our family income limit to qualify for Child Care Assistance is one of the lowest in the northeast.

Vermont: \$157,090 (575% FPL)

Maine \$118,992 (125% SMI)

Connecticut \$109,306 (85% SMI)

New Hampshire \$104,660 (85% SMI)

New York: \$97,397 (85% SMI)

Rhode Island \$71,305 (261% FPL)

Massachusetts \$66,228/\$112,584 for child with a disability or child 's parent works as an early educator

Adjusting Child Care Assistance Program Rates to Meet Federal Equal Access Standards

	1 Star	2 Stars	3 Stars	4 Stars	5 Stars
Infant Current Rate	\$334	\$341	\$355	\$364	\$378
Infant Proposed Rate	\$463	\$472	\$482	\$491	\$501
Toddler Current Rate	\$278	\$284	\$296	\$303	\$315
Toddler Proposed Rate	\$356*	\$363	\$371	\$378	\$385
Preschool Current Rate	\$236	\$247	\$255	\$263	\$273
Preschool Proposed Rate	\$312*	\$320	\$329	\$337	\$345
School-Age Current Rate	\$210	\$215	\$231	\$250	\$263
School-Age Proposed Rate	\$280*	\$287	\$295	\$303	\$310

* Equal Access Benchmark (75th percentile of the 2024 RI Child Care Market Rate Survey)

Note: As of 2025, there were 20 states that met or exceeded the federal equal access standard for infant and toddler child care rates (75th percentile of the Market Rate Survey for the base 1 star rate), including Arkansas, Colorado, DC, Iowa, Louisiana, Maryland, **Massachusetts**, Minnesota, Mississippi, Missouri, Nebraska, **New Hampshire**, New Mexico, **New York**, North Dakota, Pennsylvania, South Carolina, Texas, **Vermont** and Virginia.

Addressing the Infant Care Shortage

The Child Care is Essential bill sets CCAP rates for infants 30% higher than toddler rates to cover part of the funding gap associated with the staffing requirements needed to keep infants healthy and safe (4 infants for 1 teacher) versus toddlers (6 toddlers for 1 teacher).