



## FY2026 State Policy and Budget Priorities For State Agency Consideration

August 15, 2024

**Right from the Start** is a legislative and budget campaign led by eight organizations to advance state policies that help ensure all babies and young children get off to the right start in life, regardless of family income, race, ethnicity, immigration status, or zip code. Below we outline our FY26 state policy and budget priorities in the hope that you will consider these recommendations as you develop departmental budget proposals. We encourage you to submit bold proposals to the Governor to address the most persistent challenges families with babies and young children face.

### **Raise Revenue to Help Families Pay for Reliable, Quality Child Care** DOR and DHS

Nine out of 10 families in Rhode Island cannot afford quality child care. Rhode Island has cut \$46 million in state general revenue from child care since 2005 and is helping half the number of families we helped in 2003 pay for child care. [In 2023, the average price of child care for an infant in a licensed center in Rhode Island was \\$16,899/year.](#) Using the federal affordability guideline, a family would need to earn at least \$241,000/year and have only one child in care to have the cost be considered affordable. Federal child care funding has increased in recent years and has enabled the state to restore some of the cuts made during the Great Recession, but the state is not meeting key federal benchmarks for rates or family eligibility.

We urge the state to pursue any equitable strategies to raise more state general revenue to address the child care crisis families face including:

- Enact the [Revenue for Rhode Islanders](#) millionaire fair tax strategy which would increase the marginal tax on Rhode Islanders who earn \$1 million or more per year and would bring in at least \$50 million in new state revenue to invest in child care and early learning programs so we can help more families access quality care and early learning programs.
- Other equitable strategies should also be considered to [generate more revenue for child care](#), including potentially increasing property taxes on second homes and/or extremely high-value homes, a large percentage of which are owned by high income and high wealth individuals.



## **Sustain and Strengthen High-Quality Public Preschool Options while Responding to the Infant and Toddler Child Care Crisis**

### **RIDE and DHS**

As RI Pre-K has expanded, access to very high-quality Head Start and Early Head Start programs has declined. [Enrollment in Rhode Island Head Start programs has declined by almost 40% since 2014 despite large waiting lists of eligible children](#), largely because programs have faced significant challenges staffing classrooms due to non-competitive wages. High-quality infant and toddler child care has become increasingly difficult to find and is completely unaffordable for most families. State investments have not been adequate to offer competitive wages in most early learning programs statewide.

- **Increase the \$4.2 million state investment in the Head Start and Early Head Start model (\$3 million of which is actually federal TANF funding) as part of the state's plan to achieve universal access to preschool for all 3- and 4-year-olds and provide high-quality infant and toddler care. In June 2024, three long-standing Head Start centers closed their doors permanently (North Providence, West Warwick, and Charlestown) while other locations statewide have closed classrooms due to lack of resources to recruit and retain qualified teachers. Head Start teachers earn \$35,000 less than kindergarten teachers. More state investments should be made to help Head Start and Early Head Start programs pay competitive wages.**
- **Continue the \$29.9 million in state General Revenue investment in RI Pre-K. Invest in existing classrooms by closing the substantial (\$30,000+) wage gap for both RI Pre-K and Head Start teachers in community-based programs before expanding. [Rhode Island spends substantially less per child on RI Pre-K \(\\$9,500\) than the minimum amount national experts believe is needed to provide a quality pre-k program with fair wages \(\\$16,000\) and substantially less than on K-12 education \(\\$22,641\)](#). The only way we have been able to finance RI Pre-K expansion is by paying non-competitive wages to RI Pre-K teachers and administrators and blending funding with federal Head Start dollars (20% of all children enrolled in RI Pre-K are also enrolled in Head Start).**
- **Any new dollar in funding for RI Pre-K and Head Start (3- and 4-year-olds) should be matched with at least 30 cents in new funding to shore up child care and Early Head Start programs for infants and toddlers under age 3.**
- **Make a commitment in statute to strengthen and sustain both the RI Pre-K and Head Start models, close the wage gap for both RI Pre-K and Head Start teachers so they have compensation parity with similarly qualified kindergarten teachers, implement a 30% infant/toddler funding match, allow and support qualified family child care programs to participate in delivering RI Pre-K, and update lottery and enrollment policies to provide more family choice among community-based RI Pre-K programs, including enrollment outside of geographic residence.**



## Stabilize and Expand Access to Affordable, Quality Child Care

### DHS

Governor McKee wants to raise per-person income by \$20,000 by the end of the decade. Improving access to affordable, high-quality child care is an essential part of that goal so that parents can work, complete job training, earn credentials and degrees, and move up the wage ladder while children are in a safe, high-quality learning environment. Low family income limits for the Child Care Assistance Program means that families often need to keep their income low enough (by turning down promotions, refusing overtime, dropping a second job, etc.) to qualify for a child care subsidy so they can work. Other parents decide to leave the workforce entirely (forgoing larger amounts of income) because they do not qualify for any child care assistance, exacerbating staffing crisis particularly in female dominated fields (health care, education, human services, hospitality, etc.). Child care educators themselves are among the lowest paid workers in the state. Investing state resources to help recruit and retain qualified child care educators helps keep child care more affordable by reducing the size of child care tuition increases necessary for programs to recruit and retain staff.

### Expand and Strengthen the RI Child Care Assistance Program

- **Please, please remove the burdensome and unusual child support enforcement requirement** that was added in state statute in 2006 by Governor Carcieri. Trust moms to make their own decision about the value of pursuing child support rather than forcing women to establish paternity and attend court appointments to access a child care subsidy so they can work. Only nine states currently impose this requirement. No other early care and education program has this requirement in place.
- **Join Vermont, Maine, and 10 other states meeting or exceeding the federal standard for family income (85% of State Median Income) to help almost half of families in the state pay for child care.** Using the federal benchmark, a family of three with earnings up to \$89,482 should qualify for a child care subsidy. The gradual phase out should help families retain their subsidy up to \$105,273 (using the 2024 State Median Income benchmarks for Rhode Island). This would enable each parent in a two-parent working family with one child to earn up to \$21/hour and qualify for a subsidy and be able to retain the subsidy with wages up to \$25/hour.
- **Update and increase provider rates for all ages of children in the RI Child Care Assistance Program** to meet or exceed federal equal access standards using the new data from the 2024 Rhode Island Child Care Market Rate Survey (the first new data since 2021) and the cost of providing quality child care using the [federal Provider Cost of Quality Calculator](#). The [Governor's Workforce Board recommends increasing Child Care Assistance rates to at least the equal access standard to help raise all child care staff wages to at least \\$18/hour](#), the minimum needed to improve staff retention and program quality.
- **Provide a 50% rate increase for infants under 18 months** in the RI Child Care



Assistance Program so that revenue will match what is available to staff toddler programs to help re-open closed infant classrooms and support better wages for infant educators statewide.

### **Solve the Early Educator Staffing Crisis Statewide**

- **Make the [Child Care for Child Care Educators](#) program permanent and remove the household income limit** by providing categorical eligibility to the Child Care Assistance Program for child care educators regardless of family income and with no copayments, like Kentucky does. The Rhode Island program is working well and should be made permanent and expanded so that child care programs are not depending on keeping wages artificially low and/or recruiting only from the single mom pool of applicants to they can qualify for this subsidy.
- **Invest at least \$2 million to continue [the Child Care WAGES pilot program in Rhode Island](#) providing annual wage supplements to low-wage, skilled child care educators statewide, ranging from \$3,000/year to \$12,000/year based on qualifications.** At least 15 states provide wage supplements to child care educators to recognize, reward, and reduce turnover among the lowest paid but most skilled staff, including states that implement the [Child Care WAGES national model](#) and other locally designed efforts.

### **Ensure Young Children have Access to Pediatric Care**

#### **EOHHS**

Rhode Island families with babies and young children are experiencing great difficulty accessing pediatric primary health care. In addition to the post-pandemic Medicaid unwinding which has resulted in 11,649 Rhode Island children ages 0 to 17 losing access to Medicaid in 2024, [families across the state are reporting they cannot find a pediatric primary care provider](#). Babies and young children are heavy users of medical care to stay healthy and to manage illness as their immune systems develop. There are over 14 well-child preventive health care visits and 30 recommended vaccinations for children under age 6. Young children also experience six to nine acute, short-term illnesses per year requiring a pediatric care visit. In addition, some young children have chronic, long-term illnesses that require frequent health care visits for evaluations, diagnosis, treatment, and management. [Pediatricians earn less than specialists in almost every other medical field in the United States](#). A key reason is that so many children qualify for Medicaid which usually does not pay competitive rates. In Rhode Island, about 50% of babies and young children have Medicaid insurance.

- **Adopt continuous Medicaid coverage by starting with infants and toddlers under age 3.** At least 12 states have taken action to provide continuous coverage for babies and young children with Medicaid insurance, so they have consistent access to preventive, specialized, and emergency health care. Federal regulators have determined that waiver-authorized Continuous Medicaid Eligibility does not require an offset or savings. This is because the policy protects individuals who are already eligible from losing coverage and



thus does not expand eligibility. Instead, it ends the churn among eligible children, providing consistent access to care.

- **Address the Pediatric Primary Care Shortage** by providing an immediate Medicaid rate increase and by conducting a comprehensive Medicaid rate review. Expanding access to pediatric primary health care will reduce costs associated with use of hospital Emergency Rooms for routine medical care.

## **Fix Both Early Childhood Special Education Systems EOHHS and RIDE**

Since November 2021, Rhode Island has had a [waiting list for Early Intervention services for infants and toddlers with developmental delays and disabilities](#) required under Part C of the *Individuals with Disabilities Education Act (IDEA)*. As of July 2024, the number of infants and toddlers who had been waiting more than 45 days for Early Intervention services was 429, about 25% of the total enrolled on any given day. As of May 2024, there were 32 FTE staff vacancies in Early Intervention (17% of FTE positions). Since January, the number of vacant Service Coordinator positions had fallen from 19 to 10 (largely because the state removed the bachelor's degree requirement to qualify as a Service Coordinator II), but **the number of vacant licensed therapist positions increased from 17 to 22**. There were 6 vacant Occupational Therapist positions, 8 vacant Physical Therapist positions, and 8 vacant Speech Language Pathologist positions as of May 2024.

The preschool special education system managed by 35 school districts is struggling to complete timely developmental screenings (only 36% of children ages 3-5 received a timely screening). Children in the four core cities are less likely to be determined eligible for preschool special education and less likely to receive their IEP services in an inclusive general education setting. There is wide variability across the state with Providence at 38%, Woonsocket at 60% and East Greenwich at 95% of preschool children receiving services in an inclusive general education setting.

- **Implement new strategies to recruit and retain qualified Early Intervention staff by adding Early Intervention staff to the Child Care for Child Care Educators program and removing the family income limit (in collaboration with DHS).**
- **Continue to update the [Early Intervention data dashboard](#) with information about the waiting list and staff vacancies. Add information to the dashboard about the percentage of infants and toddlers receiving Early Intervention services remotely over video conference, by type of service and by agency.**
- **Create and fund a community-led task force to develop a comprehensive plan to ensure all children from birth to 5 receive high-quality Early Childhood *IDEA* services (across both Early Intervention and Preschool Special Education). The plan should include recommendations to improve financing and staffing and potential reform**



strategies such as moving the responsibility for developmental screening of children ages 3 to 5 to pediatric health care (where screenings for children under age 3 are already happening - reaching 73% of infants and toddlers), implementing [the federal Early Intervention Extension Option to cover birth through K entry](#), strongly incentivizing the expansion of the itinerant preschool special education model, and/or adopting a regional system to deliver preschool special education services in community-based settings so children can be served across district lines. The task force should also **investigate the prevalence and effectiveness of remote delivery of special education services through video conference and provide recommendations to increase the availability of in-person therapies** in both Early Intervention and Preschool Special Education.

## **Invest in Maternal, Infant, and Early Childhood Mental Health** EOHHS, DOH, DCYF

Many mothers and young children, with Medicaid and commercial insurance, experience significant mental health challenges that interfere with their relationships, well-being, and ability to function. In Rhode Island between 2018 and 2020, 29% of women with Medicaid and 18% of women with commercial insurance experienced depression symptoms during or after their most recent pregnancy. The MomsPRN program has been helping primary care providers meet the mental health needs of pregnant and postpartum women, including same-day specialized clinical consultation, but has been in danger of closing due to lack of funding. The number of young children in Rhode Island with Medicaid who have a Serious Emotional Disturbance grew from 12% in 2017 to 20% in 2022. [A national report tracks state policies that help young children access key infant and early childhood mental health \(IECMH\) services](#). Rhode Island's Medicaid and commercial insurance providers already pay for mental health services for young children, but Rhode Island does not have many of the recommended policies and systems that are needed to develop and support therapists to work with very young children and their families.

- **Enact a permanent funding mechanism for the MomsPRN and PediPRN programs so they do not expire at the end of FY2025.** Prenatal and postpartum mental health screening, evaluation, and treatment is extremely important to new parents as they navigate the responsibilities of being a new parent. Symptoms often interfere with a mother's ability to care for herself and/or her child and interfere with the development of healthy parent-child relationships that are essential for positive development.
- **Develop and fund a Rhode Island Infant and Early Childhood Mental Health Professional Hub** to train and support professionals to use appropriate and culturally-responsive tools and therapies to better screen, evaluate, and treat mental health challenges of children under age 6. The Hub could also help families connect with maternal, infant, and early childhood mental health resources statewide, including trauma-informed care.



## Fund Family Home Visiting DOH

Family Home Visiting programs improve outcomes for young children and offer a strong return on investment by promoting healthy child development and reducing the need for more costly interventions down the road. Across the country, high-quality home visiting programs offer vital support to parents as they deal with the challenges of raising babies and young children. Participation in these programs is voluntary and families may choose to opt out whenever they want. Almost all the funding for the Rhode Island family home visiting system comes from the federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program which now requires a state match phased in over five years. In 2024, the First Connections newborn home visiting program received its first permanent rate adjustment in 22+ years which has enabled continue operations. **Since 2021, due to financing and staffing issues, the number of Rhode Island families served by a comprehensive, evidence-based family home visiting program has dropped by 24%.**

- **Sustain and increase general revenue spending on evidence-based family home visiting** to meet or exceed the match requirement to maximize federal funding (\$242,000 in SFY 2025, \$356,000 in SFY2026, \$535,000 in SFY2027, and \$787,000 in SFY2028).
- **Develop funding, workforce development, and workforce compensation plans to sustain, adequately staff, and ultimately grow voluntary family home visiting services**, so that high-quality home visiting programs are offered to all families who would benefit.

## Improve Paid Family Leave DLT

Nurturing, consistent relationships with parents are critical to a baby's early development, shaping the architecture of the developing brain. Sufficient time at home with a new baby is essential to establish breastfeeding, develop healthy sleep routines, and promote strong attachment. Adequate leave time is also associated with a reduced risk of post-partum depression. Rhode Island was the third state in the nation to establish a paid family leave program, but since then we have fallen behind paid family leave programs offered by other states, including Connecticut and Massachusetts. Improvements could be funded by making the TDI/TCI payroll withholding less regressive to match the federal Social Security wage base.

- **Increase the wage replacement level** so all parents, and especially lower wage-earning parents, can have adequate income to stay home and care for newborns, adoptive, and foster children. At 60% of wages, Rhode Island has the lowest wage replacement rate in the U.S. Expenses increase significantly when a new baby or child joins a family. Families need their full paycheck to cover their regular living expenses and to meet the needs of a baby.



- **Increase the length of paid family leave to reach the 12 week minimum benchmark.** Longer leaves are associated with improved health and more consistent nurturing relationships for parents and for babies.

## **Improve the Economic Security of Families with Young Children** **DOR and DHS**

Governor McKee wants to raise per-person income by \$20,000 by the end of the decade. Ample research indicates that providing additional income to families with low resources yields significant, lasting benefits for young children's health, education, and future earnings. Rising costs for housing, child care, and food are making it difficult for many families to make ends meet, particularly those with young children,

- Increase Rhode Island's refundable **Earned Income Tax Credit (EITC)** for low and moderate wage working families from 15% to at least 30% of the federal credit. Both Massachusetts and Connecticut offer 40% of the federal credit. [Strong state EITC programs](#) are linked to healthier and more equitable birth outcomes, increased parents' workforce participation, and improved household economic security, with the greatest effects for single mothers and their children.
- Support efforts at the federal level to expand the **Child Tax Credit** and make it fully refundable. [The temporary improvements to the federal Child Tax Credit helped drive child poverty to a record low](#) and helped raise real income among households with at least one child 17 or younger. Rhode Island should [create a state Child Tax Credit like 15 other states have done](#). Cash payments for families with children reduce food insecurity, improve the health of both parents and children, reduce child abuse and neglect, and improve school performance.
- Improve the **RI Works cash assistance program**, [an essential safety-net for families with babies and young children](#), by establishing a statutory cost-of-living adjustment (COLA) to keep payments level with inflation as is done automatically for the federal Social Security program or link annual automatic adjustments to another index (like the federal poverty level). Both Maine and Ohio match the federal Social Security COLA for their cash assistance programs and several other states also make automatic annual adjustments linked to another index.

### **Right from the Start Steering Committee**

Beautiful Beginnings  
Economic Progress Institute  
Latino Policy Institute  
Parents Leading for Educational Equity  
Rhode Island Association for Infant Mental Health  
Rhode Island Association for the Education of Young Children  
Rhode Island Head Start Association  
Rhode Island KIDS COUNT