

Testimony in Support of HB-7393
Rhode Island Childcare Is Essential Act
House Committee on Finance
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Divya Nair, Senior Policy Analyst, Economic Progress Institute

The Economic Progress Institute supports Representative Diaz's HB-7393, which would expand the income eligibility for the Childcare Assistance Program (CCAP), increase the tiered reimbursement rates for providers to meet federal equal access standards, and establish an increased rate for infant care, adopting payment practices consistent with federal rules.

All working families, regardless of socioeconomic status, deserve to have high-quality childcare for their children. Rhode Island families need affordable and accessible childcare to fully participate in the workforce, pursue career opportunities, and contribute to the economy.

CCAP is a critical program that supports low- and moderate-income families in returning to work, attending vocational training or college degree programs, and promotes healthy development in children. The Rhode Island Child Care Survey found that almost half of families who struggled to find accessible quality childcare reported a corollary negative impact on their ability to work or attend school.¹ The current family income eligibility limit for a family of three is \$71,305; Rhode Island has the lowest family income cut off for childcare assistance in the Northeast. EPI's 2024 Rhode Island Standard of Need report found that 78% of single-parent households with two children were struggling to meet their basic needs.² Rhode Island has a workforce crisis in early care and education, making it more difficult for working families to find affordable and accessible childcare. Increasing the CCAP income eligibility to 85% of the state median family income (\$96,692 for a family of three) will **ensure that more struggling parents are able to benefit from the program and reduce their child care expenses**, allowing families to better meet their basic needs.

Senator Vargas' SB-2667 would also increase reimbursement rates for child care providers to meet the current federal equal access standard and establish a 30% higher rate for infants under the age of 18 months. The current reimbursement rate for infants in CCAP is not even sufficient to cover the minimum wage salaries for the number of childcare providers required by the state staffing ratios (one adult per four infants) to provide safe care. Accordingly, child care providers who accept infants with CCAP are forced to operate at a financial loss; this resulted in

¹ [Rhode Island Family Survey on Child Care Experiences, 2022](#)

² [2024 Rhode Island Standard of Need, Economic Progress Institute](#)

fewer infant care options for all Rhode Islanders. Increased reimbursement rates for providers would raise wages for early educators, a workforce disproportionately comprised of women of color and immigrants, who earn less on average than their white counterparts. Additionally, increased reimbursement rates would reopen closed infant classrooms and shorten waiting lists for childcare. The increased reimbursement rates will ensure that almost 6,000 children who currently utilize CCAP will have increased access to high quality programs, and it will also allow for these programs to invest in quality improvements.³

A thriving economy needs reliable workers, and working parents need childcare. CCAP allows working parents to have accessible, quality childcare and peace of mind. The Childcare is Essential Act is an investment in Rhode Island families and children, our economy, and the critical care infrastructure. We strongly urge passage.

³ [DHS Caseload Estimating Conference, May 2026](#)