



ALL OUR KIN INC.

A SAFE AND LOVING PLACE WHERE PARENTS AND CHILDREN CAN LEARN

March 6, 2007

Dear Senator Harris, Representative Villano, and Esteemed Members of the Human Services Committee:

We write to the committee in support of H.B. No. 7302, AN ACT CONCERNING RATES PAID TO PROVIDERS UNDER THE CHILD CARE SUBSIDY PROGRAM.

As Section 1. (a) of this act states, the purpose of Care4Kids, the state's child care subsidy, is to "increase the *availability, affordability and quality* of child care" for low-income families. Chronic under-funding of Care4Kids, however, has made these three objectives almost impossible to meet. Increasing the rate of reimbursement for Care4Kids is essential in achieving the state's goal to increase the quality and accessibility of the child care programs that care for our state's young children.

The issues of affordability, accessibility, and quality of care are all affected by the rate of reimbursement for Care4Kids. Working parents cannot afford quality child care unless subsidies cover an adequate portion of the expenses, and high-quality child care providers cannot afford to serve Care4Kids families unless subsidies are sufficiently high. Without adequate financial support, many parents lose the ability to choose licensed or accredited programs for their children. Consider that in 2000, when the state's Care4Kids reimbursement rates had not increased in almost a decade, 75% of Care4Kids families chose unlicensed care. In 2002, the state increased reimbursement rates to reflect the Market Rate Study of 2001, and the percentage of children in unlicensed care immediately dropped from 75% to 62%.<sup>1</sup>

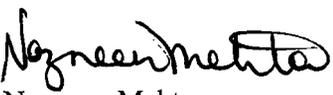
It is now 2007, and Care4Kids reimbursement rates are still based on the market rate study from 2001. The outdated rates of reimbursement for Care4Kids has meant that many low-income families are being priced out of quality child care, and the child care providers who do choose to open their doors to these families are sacrificing their financial stability to do so.

In order to provide low-income families with a child care subsidy that provides what the U.S. Department of Health and Human Services describes as "*sufficient access to child care*," the Department advises states to set the rate of reimbursement to child care providers at the 75<sup>th</sup> percentile of the federally mandated biennial market rate survey. We ask that the Committee accept the amendment to Section 17b-749 of the general statutes to reimburse child care providers with a Care4Kids subsidy that reflects the most current market rate study, and that the rate of reimbursement be set to the 75<sup>th</sup> percentile of the current market rate.

Care4Kids is far more than a workforce development program. By subsidizing slots for infants and toddlers, Care4Kids has the potential to ensure that parents have access to high-quality child care, enable providers to provide quality care and early education, and most importantly, help give our state's youngest and most vulnerable children the best start possible. We ask that you provide adequate funding for this important program.

Sincerely,

  
Jessica Sage  
Executive Director

  
Nazneen Mehta  
All Our Kin Fellow

<sup>1</sup>Oliveira, Peg. 2006. "Connecticut Lags Behind Most States in Support to Low Income Working Families through the Child Care Subsidy Program." <http://www.ctkidslink.org/publications/ece06childcaresubsidylags.pdf>