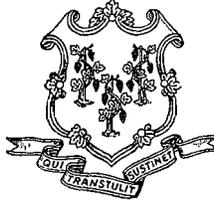


# State of Connecticut

GENERAL ASSEMBLY



## COMMISSION OFFICERS:

Jean L. Rexford  
Chairperson

Adrienne Farrar Houël  
Vice Chairperson

Carrie Gallagher  
Secretary

Sandra Hassan  
Treasurer

## EXECUTIVE DIRECTOR:

Teresa C. Younger

## COMMISSION MEMBERS:

Marcia A. Cavanaugh  
Barbara DeBaptiste  
Tanya Meck  
Cindy R. Slane  
Susan O. Storey  
Patricia E.M. Whitcombe

## LEGISLATIVE MEMBERS:

Senator Andrew J. McDonald  
Senator John A. Kissell  
Representative Michael P. Lawlor  
Representative Robert Farr

## HONORARY MEMBERS:

Connie Dice  
Patricia Russo

## PERMANENT COMMISSION ON THE STATUS OF WOMEN

18-20 TRINITY STREET  
HARTFORD, CT 06106-1628  
(860) 240-8300  
FAX: (860) 240-8314  
Email: [pcsw@cga.ct.gov](mailto:pcsw@cga.ct.gov)  
[www.cga.ct.gov/PCSW](http://www.cga.ct.gov/PCSW)

**Testimony of  
Teresa C. Younger  
Executive Director  
The Permanent Commission on the Status of Women  
Before the  
Human Services Committee  
Thursday, February 27, 2007**

In support of

**S.B. 146, AAC an Earned Income Tax Credit Against the Personal Income Tax and**

**H.B. 6649, AAC an Earned Income Tax Credit;**

**H.B. 5640, AAC Increased Access to the Medicaid Program for the Medically Needy;**

**H.B. 7127, AAC Transitory Rental Assistance; and**

**H.B. 7191, AAC Revisions to the State-wide Respite Care Program**

Good morning Senator Harris, Representative Villano and members of the committee. My name is Teresa C. Younger and I am the Executive Director of the Permanent Commission on the Status of Women (PCSW). Thank you for this opportunity to testify on several bills that would assist low-income families in obtaining economic security and health services.

The PCSW convenes the Connecticut Women's Health Campaign (CWHC), which is a broad coalition of groups who have been committed to and working for the health and well-being of Connecticut women and girls for over ten years. Today I will be testifying on behalf of the PCSW and CWHC.

Although Connecticut has the highest per capita income in the country, many women are struggling to make ends meet. 7.6% of Connecticut's citizens live in poverty with women representing 56% of those in poverty.<sup>1</sup> Although women are participating almost equally in the labor market – at 47.7%<sup>2</sup> - their earnings are not always sufficient to maintain the high costs of living. Therefore, the proposals that would assist working women to obtain tax credits and healthcare would help families to create self-sufficiency.

**S.B. 146, AAC an Earned Income Credit Against the Personal Income Tax and H.B. 6649, AAC an Earned Income Tax Credit.**

**The PCSW supports S.B. 146 and H.B. 6649 because a State Earned Income Tax Credit (EITC) would provide tax relief to hard-working low-income families, helping them to close the gap between what they earn and what they need to make ends meet. Women have a major stake in an equitable and fair tax burden, and thus the state EITC.** In 2004, 1.6 million personal income tax returns were filed in Connecticut. It is not known what proportion of that revenue comes from women. However, there are some things we do know about women and taxes.

- Women earn less than men. The earnings gap between women and men is still with us. In 2003, women working full time earned 76% of what men earned.<sup>3</sup> According to the Consumer Federation of America, women headed households have about one-half the income and less than one-third the wealth of other American households.
- Women are more impoverished than men. Women make up the majority of low-wage workers and minimum wage workers, and thus pay a disproportionate share of their earnings on sales, payroll, property and income taxes.
- Women also make up the majority of working single parents with children. According to the Center on Budget and Policy Priorities, the federal EITC provides work incentive for single parents with children.
- Women are less likely than men to have a financial cushion, due to inequities in pay, more frequently interrupted work patterns and longer life spans. More than

---

<sup>1</sup> U.S. Census Bureau, 2004 American Community Survey.

<sup>2</sup> CT Department of Labor accessed 1/06 at [www.bbls.gov/lau/table14full04.pdf](http://www.bbls.gov/lau/table14full04.pdf).

<sup>3</sup> National Council for Research on Women, "Who are Women Taxpayers?" January 2006.

half of young single women (ages 25 to 34) report living paycheck to paycheck and spending all their earnings every month.<sup>4</sup> While annual income decides a family's day to day economy, assets and investments are the foundation for long-term security.

Because of these disparities in income and assets, Connecticut women pay higher percentages of their income in state, local and sales taxes. The wealthiest Connecticut residents pay 4.4% of their income in state and local taxes, while lower income residents pay about 10% of their income to the same.<sup>5</sup> The state relies heavily on regressive sales, excise and property taxes. The residential portion of the property tax base has increased from 58% to 67%.<sup>6</sup>

Changes in the federal tax code in recent decades have resulted in many changes for middle class families and state and local economies. For example, reductions in the tax rates on dividends, capital gains, and estates have fundamentally altered our federal tax structure, and the relationship between Connecticut residents and their federal, state and local taxes. A state EITC would restore equity to some of these changes.

Twenty other states have state EITCs and the majority are refundable so that if a taxpayer's credit exceeds her liability, she receives a refund of the difference. For example, a family earning \$15,577 in Connecticut owed \$0 in state income taxes while the same family in Vermont received a \$1,327 refund.<sup>7</sup>

A state EITC returns millions of dollars to families who put the money back into the state economy. Working families use the EITC refund to pay off debt, finance transportation to work, invest in education, and to buy basic necessities. Working families can also take the opportunity to save the EITC refund as a first step to build assets and financial security. **We urge your support for these proposals.**

### **H.B. 5640, AAC Increased Access to the Medicaid Program for the Medically Needy.**

---

<sup>4</sup> Abramovitz, Mimi and Sandra Morgen. *Taxes are a Woman's Issue: Reframing the Debate*. New York: National Council for Research on Women, 2006

<sup>5</sup> Connecticut Voices for Children. *Where Does Connecticut Really Stand on State Spending and State Revenues?* March 2006.

<sup>6</sup> Connecticut Voices for Children. *Where Does Connecticut Really Stand on State Spending and State Revenues?* March 2006.

<sup>7</sup> Connecticut Voices for Children. *The Earned Income Tax Credits – What it Does for CT, and How it Could Do Much More*. January 2007.

**Both the CWHC and the PCSW support this bill which would make medically needy adults eligible for Medicaid at the same income levels as families in the HUSKY program – 185% of the federal poverty level.** Having consistent rules for different coverage groups would make the program easier to administer and understand. Simplification would result in higher enrollment among eligible uninsured residents. This would go a long way toward achieving the goal of universal access to health care in our state, and it would cover more uninsured young people, disabled and elderly adults, while maximizing federal revenue.

Connecticut should establish a separate income disregard which would effectively raise the medically needy income limit (MNIL) to the 185% of the federal poverty level. The change should be made through an amendment to the state's Medicaid State Plan.

In Connecticut, our medically needy program covers 19- and 20-year-olds who because of age, do not qualify for HUSKY (“Ribicoff children”); the aged, blind, and disabled; and certain pregnant women with income above the 185% income limit. Once income rises above the medically needy income limit (MNIL), applicants are placed in a “spend-down” – the black hole of Medicaid. If they spend their excess income on unpaid medical bills within a six month period, they become eligible for Medicaid. The income limit to which medically needy people must spend down varies with the number of people in the family and the region in which they live. *Connecticut's medically needy income limit has not changed since 1990.* **PCSW and CWHC urge your support for this bill which would go a long way toward modernizing and simplifying our health care system.**

#### **H.B. 7127, AAC Transitory Rental Assistance.**

The PCSW has focused its attention on the need for safe and affordable housing for women and their children because it is a problem that underlies many others. For example, without access to affordable housing, single mothers are unable to obtain economic self-sufficiency -- even when they are working -- and women who are victims of domestic violence are unable to leave their unsafe homes because there is no place to which they can go. When housing costs are disproportionately high, residents often have to sacrifice other needs to pay their rent.

In 2006, the PCSW commissioned a poll, conducted by the University of Connecticut's Center for Survey Research & Analysis, to find out the concerns of Connecticut residents. An overwhelming majority (9 in 10) Connecticut residents cite making ends

meet as one of the most important issues they face. Seventy-one percent worry about basic needs, such as energy costs (31%), housing (30%), and the cost of food (10%).

According to a report issued by the Office of Workforce Competitiveness in February 2006, *The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*, if Connecticut families were self-sufficient, meaning they make enough to maintain their households without government assistance, they would spend 17% to 27% of their income on housing. But we know that many families are not self-sufficient, so in fact, many are spending 30% of their household incomes on rent.<sup>8</sup>

Thirty-three percent of Connecticut's population rent rather than own, and in the cities the number drastically increases.<sup>9</sup> For example, 75% of Hartford residents, 70% of New Haven residents, 57% of New Britain and Bridgeport residents, and 52% of Waterbury resident are not homeowners.<sup>10</sup>

Those that can rent or buy property are the lucky ones. High rental costs and the inability to obtain home ownership are contributing factors to the increase of homelessness, which is fast becoming a women's issue as families – not just individual adults – are now seeking shelter. In FFY 2006, 1,293 families sought shelter.<sup>11</sup> Of those families, single females headed 82%, single males headed 8%, and 10% were two-parent families.<sup>12</sup> Additionally, 10,116 single adults sought shelter; of that population, 24.8% were women.<sup>13</sup>

The rental assistance program provides direct rental subsidies to families in an effort to fill the gap between what a renter can afford to pay and the fair market rent charged by the landlord. It assists families receiving benefits from the Temporary Family Assistance program, and low-income working families.

**We support H.B. 7127 and in light of our current housing situation, investments in programs such as the rental assistance program and other affordable housing proposals must remain a top priority.** Furthermore, allowing DSS the flexibility assist

---

<sup>8</sup> Partnership for Strong Families. In 2004, 45.9% of renting household paid over 30% of income on rent.

<sup>9</sup> Priscilla Canny, Ph.D. and Douglas Hall, Ph.D. *Housing: Home Ownership in Connecticut*, CT Voices for Children Census Connections, Vol. 1, Issue 2, September 2003.

<sup>10</sup> Ibid.

<sup>11</sup> Annual *Homeless Shelter Demographic Report for FFY 2006*. CT Department of Social Services via CT Coalition to End Homelessness accessed 2/07 at [www.cceh.org](http://www.cceh.org).

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

families in transition from Temporary Family Assistance (TFA) makes good sense, especially in light of the Legislative Program Review and Investigations Committee report on welfare reform, which illustrated that after leaving TFA, families still had very low or non-existent income.

### **H.B. 7191, AAC Revisions to the State-wide Respite Care Program**

**Expanding respite care to caregivers of those with Medicaid coverage would come at a critical time as our society ages. Both PCSW and the Connecticut Women's Health Campaign support the expansion of respite care services.**

Home health care, companion services and the rest of the spectrum of respite care services are critical to support families struggling with Alzheimer's disease and other chronic debilitating conditions. Respite care provides relief from the constant physical and emotional stress of caring for a person with Alzheimer's disease. Family caregivers often develop stress related medical conditions of their own.

Although there is no one profile of a caregiver, the "typical" caregiver is a 46 year old female who works and spends more than 20 hours per week providing care to an elderly female relative. More than two-thirds of caregivers are women. According to the Commonwealth Fund, caregivers also come disproportionately from low-income working households.

Caregivers with respite care may be less likely to miss work due to the burden of caregiving and work. The MetLife Caregiving Cost Study found that the average cost to businesses per employee with intense caregiving responsibilities is \$2,441. This does not include the cost to the employee in lost wages, supplies, transportation or other costs associated with caregiving.

The role of family caregivers is increasingly important as we age. They save the state millions of dollars in uncompensated care each year. **Expanding respite care to caregivers of those with Medicaid coverage would come at a critical time as our society ages. Both PCSW and the Connecticut Women's Health Campaign support the expansion of respite care services.**

Thank you for your leadership on these initiatives.