



# House of Representatives

General Assembly

**File No. 401**

February Session, 2008

Substitute House Bill No. 5708

*House of Representatives, April 3, 2008*

The Committee on Human Services reported through REP. VILLANO of the 91st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE EXPANSION OF THE CARE 4 KIDS PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-749 of the general statutes is repealed and the  
2 following is substitute in lieu thereof (*Effective July 1, 2008*):

3 (a) The Commissioner of Social Services shall establish and operate  
4 a child care subsidy program to increase the availability, affordability  
5 and quality of child care services for families with a parent or caretaker  
6 who is working, seeking employment, attending high school or an  
7 institution of higher education or who receives cash assistance under  
8 the temporary family assistance program from the Department of  
9 Social Services and is participating in an approved education, training,  
10 or other job preparation activity. Services available under the child  
11 care program shall include the provision of child care subsidies for  
12 children under the age of thirteen or children under the age of nineteen  
13 with special needs. The department shall open and maintain  
14 enrollment for the child care subsidy program and shall administer

15 such program within the existing budgetary resources available.

16 (b) The commissioner shall establish income standards for  
17 applicants and recipients at a level to include a family with gross  
18 income up to fifty per cent of the state-wide median income, except the  
19 commissioner (1) may increase the income level to up to seventy-five  
20 per cent of the state-wide median income, (2) upon the request of the  
21 Commissioner of Children and Families, may waive the income  
22 standards for adoptive families so that children adopted on or after  
23 October 1, 1999, from the Department of Children and Families are  
24 eligible for the child care subsidy program, and (3) on and after March  
25 1, 2003, shall reduce the income eligibility level to up to fifty-five per  
26 cent of the state-wide median income for applicants and recipients  
27 who qualify based on their loss of eligibility for temporary family  
28 assistance. The commissioner may adopt regulations in accordance  
29 with chapter 54 to establish income criteria and durational  
30 requirements for such waiver of income standards.

31 (c) The commissioner shall establish eligibility and program  
32 standards including, but not limited to: (1) A priority intake and  
33 eligibility system with preference given to serving recipients of  
34 temporary family assistance who are employed or engaged in  
35 employment activities under the department's "Jobs First" program,  
36 working families whose temporary family assistance was discontinued  
37 not more than five years prior to the date of application for the child  
38 care subsidy program, teen parents, low-income working families,  
39 adoptive families of children who were adopted from the Department  
40 of Children and Families and who are granted a waiver of income  
41 standards under subdivision (2) of subsection (b), and working  
42 families who are at risk of welfare dependency; (2) health and safety  
43 standards for child care providers not required to be licensed; (3) a  
44 reimbursement system for child care services which account for  
45 differences in the age of the child, number of children in the family, the  
46 geographic region and type of care provided by licensed and  
47 unlicensed caregivers, the cost and type of services provided by  
48 licensed and unlicensed caregivers, successful completion of fifteen

49 hours of annual in-service training or credentialing of child care  
50 directors and administrators, and program accreditation; (4)  
51 supplemental payment for special needs of the child and extended  
52 nontraditional hours; (5) an annual rate review process which assures  
53 that reimbursement rates are maintained at levels which permit equal  
54 access to a variety of child care settings; (6) a sliding reimbursement  
55 scale for participating families; (7) an administrative appeals process;  
56 (8) an administrative hearing process to adjudicate cases of alleged  
57 fraud and abuse and to impose sanctions and recover overpayments;  
58 [and] (9) temporary eligibility standards for unemployed parents who  
59 are seeking employment, provided such temporary eligibility shall not  
60 exceed four weeks in a one-year period and such unemployed parent  
61 shall provide evidence of good-faith efforts to seek and obtain suitable  
62 work during the temporary eligibility period; and (10) a waiting list for  
63 the child care subsidy program that reflects the priority and eligibility  
64 system set forth in subdivision (1) of this subsection, which is reviewed  
65 periodically, with the inclusion of this information in the annual report  
66 required to be issued annually by the Department of Social Services to  
67 the Governor and the General Assembly in accordance with  
68 subdivision (10) of section 17b-733 of the 2008 supplement to the  
69 general statutes. Such action will include, but not be limited to, family  
70 income, age of child, region of state and length of time on such waiting  
71 list.

72 (d) On or after January 1, 1998, a provider under the child care  
73 subsidy program that qualifies for eligibility and subsequently receives  
74 payment for child care services for recipients under this section shall  
75 be reimbursed for such services until informed by the Department of  
76 Social Services of the parent's ineligibility.

77 (e) All licensed child care providers and those providers exempt  
78 from licensing shall provide the Department of Social Services with the  
79 following information in order to maintain eligibility for  
80 reimbursement: (1) The name, address, appropriate identification,  
81 Social Security number and telephone number of the provider and all  
82 adults who work for or reside at the location where care is provided;



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

| Agency Affected               | Fund-Effect | FY 09 \$  | FY 10 \$  |
|-------------------------------|-------------|-----------|-----------|
| Department of Social Services | GF - Cost   | Potential | Potential |

**Municipal Impact:** None

**Explanation**

This bill expands eligibility for the child care subsidy program under the Department of Social Services (DSS) to include a parent who is seeking employment or who is attending an institute of higher education if they meet other program criteria. The bill also directs DSS to establish temporary eligibility standards of up to four weeks for unemployed parents who are seeking employment.

Although this program is statutorily to be operated within existing budgetary resources, DSS has in practice operated it as an entitlement in recent years. Should the department continue this practice; the eligibility expansion in this bill will lead to increased child care subsidy costs. It is not known how many additional parents would become eligible for benefits. Currently, the average annual cost of a child care subsidy is approximately \$7,500.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5708*****AN ACT CONCERNING THE EXPANSION OF THE CARE 4 KIDS PROGRAM.*****SUMMARY:**

This bill makes people who are looking for work or attending institutions of higher education eligible for child care subsidies under the Department of Social Services' (DSS) Care 4 Kids program if they meet other program criteria. Currently, the subsidy is available only to qualifying families with a parent or caretaker who is (1) working; (2) going to high school; or (3) receiving cash assistance under the state's Temporary Family Assistance (TFA) program and participating in an approved education, training, or other job preparation activity. Attending college is not currently an approved activity for TFA recipients.

The bill directs the DSS commissioner to establish temporary eligibility standards for unemployed parents looking for work. Job seekers must provide evidence of good-faith efforts to seek work during the temporary eligibility period, which cannot exceed four weeks in a one-year period.

EFFECTIVE DATE: July 1, 2008

**BACKGROUND*****Care 4 Kids Income Limits And Applicant Preferences***

Applicants for Care 4 Kids subsidies must have incomes below 50% of the state's median (\$38,726 for a three-person family in 2008). Once enrolled, families remain eligible until their incomes reach 75% of the state's median (\$58,089 for a three-person family in 2008). There is no waiting list currently, but by law, if one is established, preference goes

to applicants who are:

1. TFA recipients working or engaged in Jobs First employment activities,
2. former TFA recipients who are employed and received cash assistance within the past five years,
3. teen parents,
4. low-income workers,
5. adoptive parents of DCF foster children with a waiver of Care 4 Kids income standards, or
6. working but at risk of welfare dependency.

**COMMITTEE ACTION**

Select Committee on Children

Joint Favorable Substitute Change of Reference  
Yea 10 Nay 0 (03/06/2008)

Human Services Committee

Joint Favorable  
Yea 14 Nay 4 (03/18/2008)