



33 Whitney Avenue
New Haven, CT 06510
Voice: 203-498-4240
Fax: 203-498-4242
www.ctkidslink.org

**Testimony Regarding Various Proposals Concerning
FY2010-2011 Governor's Midterm Budget Adjustments:
Opposing the Proposed Reduction to the Department of Social Services' Care4Kids Budget
Supporting Funding to Provide for Implementation of Raise the Age
Supporting a Balanced Approach to Narrowing the Budget Deficit**

Annemarie Hillman
Jamey Bell, J.D.
Appropriations Committee
February 11, 2010

Senator Harp, Representative Geragosian, and distinguished Members of the Appropriations Committee:

We testify on behalf of Connecticut Voices for Children, a statewide, independent, citizen-based organization dedicated to speaking up for children and youth in the policymaking process that has such a great impact on their lives.

I. Connecticut Voices for Children strongly opposes the \$11.5 million reduction in funds for Care4Kids (TANF-CCDBG) proposed in the FY2010-2011 Governor's Midterm Budget Adjustments.

Care4Kids is an essential support for working families, helping to subsidize child care costs for low- to moderate- income families, many of whom would be unable to obtain safe and affordable child care for their children without assistance. Child care in Connecticut costs, on average, about \$10,925/year for infant care, \$9,545/year for preschooler care, and \$3,284/year for a school-age child.¹ These costs have the potential to comprise a large percentage of a family's income. Without any subsidy, a single mother earning the minimum wage and paying the average rate for infant care for her child would spend almost 64% of her pre-tax income on child care costs.² If this same woman had a second, preschool-aged child, her expenses for child care would exceed her yearly salary.³ (Notably, national experts recommend that child care costs should absorb no more

¹ These numbers are based on the most recent fee analysis of child care centers conducted by 211 Child Care, dated January 5, 2010, available at <http://211childcare.org/professionals/FeeCT.asp>, and represent an average over regions and types of care. The cost for a school-aged child is based on the assumption that the school year is 36 weeks and that child care is needed for the remaining 16 weeks of the year. It does not take into account the cost of child care that might be needed before or after school hours on a regular school day.

² This calculation assumes that the mother would be earning Connecticut's minimum wage (\$8.25) while working 40 hours a week for 52 weeks during the year; it also assumes that she would require child care for only one infant child.

³ This calculation assumes that child care for both children would equal the average cost of care for each child's age.

than 10% of family earnings.⁴) The Care 4 Kids subsidy helps make child care in Connecticut more affordable for the everyday workers who keep our economy moving.

Care4Kids is also a vital support for Connecticut's youngest and poorest residents. Children whose caregivers have lower income, less education, and higher levels of stress in their lives begin to score lower on standardized tests as early as 18 months, and this "achievement gap" not only persists but typically expands as the children age.⁵ However, access to language-rich, nurturing, and responsive caregiving has been proven to improve outcomes for vulnerable children.⁶ Thus, Care4Kids not only supports our economy in the present, helping parents go to work, but also supports our economy in the future, preparing the next generation for success in school and beyond.

If Care4Kids funding is reduced, many of the working families who benefit from its subsidies will be unable to find affordable child care slots for their children. The proposed reduction in funding would allow Care4Kids to serve only about 17,550 children, compared to the 22,175 children served in May 2009.⁷ Previous attempts at decreasing funding for Care4Kids have had devastating consequences. In May 2009, eligibility restrictions were placed on the Care4Kids program⁸ with the apparent intention of creating savings of approximately \$9 million and lowering total Care4Kids expenditures to \$95 million.⁹ Over the six months following the implementation of these restrictions, total enrollment in Care4Kids decreased by more than 6,000 children.¹⁰ This tremendous drop in enrollment due to the state's quest for reduced expenditures not only prevented children from receiving care vital for appropriate social and cognitive development, but also kept working parents from being able to maintain their jobs and earn incomes for their families. Notably, when eligibility restrictions were lifted in November,¹¹ enrollment that month leapt by 641 children,

⁴ Connecticut Alliance for Basic Human Needs, *Mapping Change* (December 2002): 78.

⁵ Center on the Developing Child at Harvard University, "A Science-Based Framework for Early Childhood Policy: Using Evidence to Improve Outcomes in Learning, Behavior, and Health for Vulnerable Children" (August 2007) at 7, 9.

⁶ *Id.* at 7.

⁷ To determine the number of slots available next year, first the average cost per child per year from 2002 through 2008 was found by dividing the total amount spent for each year by the total number of children served in that year. Then, the resulting yearly averages were themselves averaged to determine an average cost per child over the past seven years. Lastly, the proposed \$84.4 million expenditure was divided by this per child cost to get total number of kids likely to be served in 2011. To view these numbers, see: Cyd Oppenheimer, "Connecticut Early Care and Education Progress Report, 2009," *Connecticut Voices for Children* (May 2009). Available at: <http://ctkidslink.org/publications/ece09progress.pdf>. Note Appendix A, Table 1 (page 29) and Appendix A, Tables 5, 6, and 7 (page 30). For the number of children served in May 2009, see: "Number of Children Paid by Age Category and Service Setting: May 2009," *4 Kids*. Available at: http://www.ctcare4kids.com/pdf/May_2009_Report.pdf. For the total number of children served in 2008, see Care 4 Kids, "Monthly Expenditures Report for the Fiscal Year 2008," *Connecticut Department of Social Services* (May 31, 2008).

⁸ Department of Social Services, "Information Brief: Care 4 Kids Program" (May 13, 2009).

⁹ Initial appropriation for SFY 09 was \$104 million; however, only \$95 million in expenditures were needed to meet ARRA requirements.

¹⁰ "Reports: Number of Children Paid by Age Category and Service Setting," *Care 4 Kids*. Available at: http://www.ctcare4kids.com/ct_reports.html. To determine changes in enrollment due to eligibility restrictions, view the Care 4 Kids report for each month from May 2009, when eligibility restrictions were implemented, to November 2009, when eligibility restrictions were removed. Each report lists the total number of children served by Care 4 Kids.

¹¹ Department of Social Services, "Information Brief: Care 4 Kids Program" (November 5, 2009).

suggesting that the demand for the subsidy remains strong, and that the drop in numbers was due only to the eligibility restrictions, and not a lack of need.¹²

School Readiness would also be hurt by a reduction in funding for Care4Kids. In the Governor's budget address, she promised to maintain all slots for Connecticut's heralded School Readiness program.¹³ But cutting Care4Kids by \$11.5 million means this promise will be impossible to keep. Care4Kids is a major funding source for School Readiness programs. In State Fiscal Year 2008, School Readiness programs in Priority School Districts received 12.7% of their total funding from Care4Kids.¹⁴ State-funded child care centers, accredited institutions which serve infants and toddlers as well as preschoolers and school-age children, also rely heavily on Care4Kids, and a significant reduction in this funding stream means that these centers, too, already struggling, will have to downsize or close their doors.

Finally, the proposed reduction in Care4Kids will hurt the child care industry, a major source of jobs in Connecticut's economy. In a study published in 2004, it was noted that Connecticut's early care and education industry "is a significant driver of the state's economy," providing more employment than Connecticut's pharmaceutical industry.¹⁵ The study further estimated that the "total employment impact" of Connecticut's child care industry is more than 29,000 jobs.¹⁶ If funding is lost, programs will have to lay off workers or close or both. This will not only hurt the child care workers, it will hurt working parents not receiving Care4Kids who now have no place to send their children for care.

Accordingly, we strongly oppose the proposed \$11.5 million reduction in funding for Care 4 Kids, due to the negative impact of this reduction on Connecticut's working families, child care providers, and children.

II. Connecticut Voices for Children strongly supports the proposed funding for expansion of services to meet the needs of youth brought into the juvenile justice system under Raise the Age legislation.

On January 1, 2010, Connecticut's juvenile justice system underwent important reform when Raise the Age legislation was implemented for 16-year-olds, bringing these children under the jurisdiction of the juvenile justice system. Prior to this reform, Connecticut had remained one of only three states that automatically treated sixteen- and seventeen-year old children accused of crimes as adults

¹² To see change in enrollment numbers between October 2009 and November 2009, view the reports dated with the corresponding months at "Reports: Number of Children Paid by Age Category and Service Setting," *Care 4 Kids*. Available at: http://www.ctcare4kids.com/ct_reports.html.

¹³ This contradicts information presented by Robert Genuario, Office of Policy Management Secretary, who claimed that School Readiness slots would be maintained at the February 3, 2010 budget briefing. See "FY2010-2011 Governor's Midterm Budget Adjustments" (February 3, 2010), slides 35 and 37. Available at: http://www.ct.gov/governorrell/lib/governorrell/2010midtermadjusts_weds_final_to_post_to_web.ppt.

¹⁴ Information provided by Peter Palermino, Program Manager at the Department of Social Services, via email on May 30, 2009. Further information provided by the Connecticut Bureau of Grants Management and the Connecticut State Department of Education.

¹⁵ Stan McMillen and Kathryn Parr, "The Economic Impact and Profile of Connecticut's ECE Industry," *CCEA University of Connecticut* (September 2004), ii. Available at: <http://ctkidslink.org/publications/ece04econimpactfull10.pdf>.

¹⁶ Id. at ii.

in criminal court, rather than as juvenile delinquents.¹⁷ Despite this recent modification to the justice system, there is still more to be done to improve Connecticut's judicial process for children. Legislators have already agreed that 17-year-olds, too, should be treated as juveniles, and these children will enter the juvenile justice system in 2012.¹⁸ In order to appropriately serve those 16-year-olds who have already entered the juvenile justice system, and prepare for the upcoming influx of 17-year-olds into the juvenile justice system, additional funding should be provided for relevant programs along the continuum of care in the Department of Children and Families.

Before the Raise the Age legislation, some areas of Connecticut law already recognized that 16- and 17-year-olds do not possess the same decision-making faculties as adults. A 16- or 17-year-old Connecticut youth cannot vote, serve on a jury, get a marriage license on his or her own, or enter a casino. Raise the Age legislation was intended to remedy the logical inconsistency between these laws and the treatment of 16- and 17-year-olds in the judicial system. Connecticut legislators should now allow these children to benefit from the recent reforms by ensuring that appropriate services are available to the 16-year-olds currently entering the system, as well as the 17-year-olds who will be entering the system in 2012.

In the past, youth treated in the juvenile justice system have been provided with more and better mental health and counseling services than those in the criminal justice system,¹⁹ have been offered more varied diversion and re-habilitation alternatives, and as a result, have been more likely to be rehabilitated and less likely to engage in further criminal activity.²⁰ The funding proposed in the Governor's midterm budget seeks to expand these available comprehensive rehabilitative services available so that the children entering the juvenile justice system under Raise the Age legislation may experience the same benefits as those children in the juvenile justice system before them. As agreed upon by legislators in 2007, Connecticut's 16- and 17-year-olds should have the same access to the services as juvenile offenders who are under 16 years of age. These children cannot afford to wait; their lives are being impacted now.

Accordingly, we strongly support the proposed funding for expansion of services to meet the needs of youth brought into the juvenile justice system under Raise the Age legislation.

¹⁷ Campaign for Youth Justice, *The Consequences Aren't Minor: The Impact of Trying Youth as Adults and Strategies for Reform, Executive Summary*, March 2007, p. 2.

¹⁸ Connecticut General Statutes Section 46b-120. Available at: <http://cga.ct.gov/2009/pub/chap815t.htm#Sec46b-120.htm>. For information regarding implementation of the law, see "An Act Implementing the Provisions of the Budget Concerning General Government and Making Changes to Various Programs," Public Act 09-7, *Connecticut Legislature*. Signed in Original by Governor Jodi Rell on October 5, 2009. Available at: <http://cga.ct.gov/2009/ACT/PA/2009PA-00007-R00HB-07007SS3-PA.htm>.

¹⁹ "Mental Health Treatment for youth in the Juvenile Justice System," *National Mental Health Association* (2004).

²⁰ Most studies comparing the adult and juvenile justice systems have corroborated this claim. See J.A. Fagan, "The comparative advantage of juvenile versus criminal court sanctions on recidivism among adolescent felony offenders," *Law and Policy* 18 (1 and 2): 77-113 (1996); D.M. Bishop, C.E. Frazier, L. Lanza-Kaduce, and L. Winner, "The transfer of juveniles to criminal court: Does it make a difference?" *Crime and Delinquency*, 42: 171-191 (1996); L. Winner, L. Lanza-Kaduce, D.M. Bishop, and C.E. Frazier, "The transfer of juveniles to criminal court: Reexamining recidivism over the long term," *Crime and Delinquency* 43(4): 548-563 (1997). Very little data exists on recidivism rates in CT. One study has estimated adult recidivism at 70% within three years, http://www.cga.ct.gov/2002/pridata/RptsAnnual/2002_Annual_Recidivism_Compliance.htm, whereas recidivism from the juvenile system has been calculated at 47% within 18 months. "State of Connecticut Juvenile Justice Programs: Recidivism Outcome Evaluation," *Connecticut Policy and Economic Council*, July 2002.

III. Connecticut Voices for Children supports using a balanced approach, including increased revenues, to decrease Connecticut's budget deficit.

Rather than relying on spending cuts that damage the state's economy and hurt our ability to invest in the future, we need a more balanced approach that includes revenues. As in other states, this crushing national recession is causing big problems for families. Just as people's needs are rising dramatically, the revenues the state has to meet those needs are falling. More than ever today, people need access to quality health care, child care, jobs, and education. So we have to fill that gap between people's growing needs and what it takes to meet them.

Connecticut Voices for Children urges you to support revenue options to help resolve this problem, including closing corporate tax loopholes through combined reporting, evaluating the hundreds of millions of dollars in corporate tax breaks to see whether CT is getting an economic return on its investment, delaying reductions in the estate tax, and increasing income taxes on households that are most able to pay.

Thank you very much for the opportunity to testify today.