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Testimony before the Appropriations Committee
Governor's Budget Proposal – DSS: Care 4 Kids Program
Submitted by Sherry Linton, Early Care and Education Policy Analyst
Connecticut Association for Human Services
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Good evening, Senator Harp, Representative Geragosian, and members of the Appropriations Committee. I am Sherry Linton of the Connecticut Association for Human Services (CAHS). CAHS is a 100-year-old statewide nonprofit organization that works to end poverty and to engage, equip, and empower all families in Connecticut to build a secure future. Thank you for the opportunity to testify in response to the Governor's budget recommendations, which aims at closing the budget deficit by cutting programs and services that are vital to children and families.

First and foremost, we urge you to take a closer look at the Governor's recommendation to significantly cut the child care assistance program, Care 4 Kids, from the \$95 million budgeted by the Legislature for FY11 to \$84 million. In his testimony before you, the Secretary of the Office of Policy and Management rationalized this cut as a result of unemployment trends and the decrease in demand for assistance. While in fact unemployment may be on the increase, there is no indication that the demand for child care assistance is decreasing. On the contrary, the agency administering the Care 4 Kids program reports having a backlog of applications. The decrease in Care 4 Kids spending in 2009 was due to the abrupt closing of the program earlier that year, combined with bumping off existing parents when they experienced an increase in income. These actions resulted in a forced lapse in spending, which are now being correlated to a lack of demand. That conclusion is presumptuous, especially when low-income families are still forced to spend upwards of 30 percent of their income on child care, sometimes equivalent to or exceeding their cost of housing. Furthermore, as middle-income parents lose their jobs and manage to find lower-paying jobs, they find themselves eligible for Care 4 Kids.

We urge you to stand on the original assessments that determined the Legislature's budget recommendation of \$104 million for FY10 and at least \$95 million for FY11. Families need affordable and dependable child care to work. Without child care, they cannot afford to remain employed. Providers depend on reliable payments of child care subsidies in their attempt to meet their costs for delivering care. Overall, it is imperative that the Legislature keeps in mind that funding the Care 4 Kids program impacts the overall industry of child care and the economy. Cutting funding to this program will result in the unintended domino effect of parents not being able to maintain gainful employment and child care providers being forced to lay off staff, and possibly close their doors. In addition, the long-term impact of reducing funding to child care services would potentially be unrecoverable, or at the least an uphill battle to regain. We impress upon you the urgency in maintaining the Legislature's budget recommendations for at least the \$95M to child care services in FY11.

Finally, we urge you to consider revenue options as you craft a budget solution, keeping in mind the need to avoid hurting the state's most vulnerable people and the state's economy through unwise spending cuts.