

CAHS

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Testimony before the Labor Committee

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SB239: AN ACT CONCERNING THE CONTINUATION OF DAY CARE SUBSIDIES TO UNEMPLOYED WORKERS

The Connecticut Association for Human Services (CAHS) would like to thank you, Senator Prague, Representative Ryan, and members of the Labor Committee for the opportunity to testify in support of SB239, an act that would align the duration of eligibility for child care assistance with that of unemployment compensation for individuals who have had an interruption in employment. During this recession when unemployment has reached a high of 8.9% in Connecticut, bold steps need to be taken to seize all opportunities to get and keep our citizens working.

The child care assistance program, Care4Kids, was established as a work support program, and should therefore be utilized as such to ensure that head of households are kept working. Currently, the regulations for this program allow for a maximum of two months eligibility for child care assistance when one experiences an interruption of employment. This time-limited eligibility serves as a constraint to job search, particularly for single parent low-wage earners who have had an interruption in employment and do not have access to reliable child care beyond the current time frame allotted by the program.

The continuation of day care subsidies, in alignment with the basic unemployment insurance eligibility of 26 weeks, should be an option when the unemployment rate exceeds 8% and the budgeted funds for the child care subsidy program makes this feasible. The legislature budgeted \$103.87M for this program in FY10, and is mandated to expend at least \$93M for the maintenance of effort necessary to retain \$13M in federal stimulus Child Care and Development Block (CCDBG) funds. As of January, the Department of Social Services has only expended approximately \$49.3M and will soon have to determine what steps will be taken to ensure that our state commits to at least the required maintenance of effort for the child care assistance program. The continuation of child care subsidy to unemployed workers would reflect our state's commitment to doing what is necessary to reduce unemployment, while adhering to the intent of the American Recovery and Reinvestment Act guidelines of maintaining a reasonable baseline of spending in programs like the child care subsidy that keeps families working. It is imperative that instead of allowing funds to be cut from the program as recommended in the most recent Governor's budget proposal, or making haphazard decisions on how to reach the required maintenance of effort spending, Connecticut must be strategic and invest the full amount of \$103.87M originally budgeted by the legislature to child care services by allowing the continuation of day care subsidies to unemployed workers.

As we are all aware, heads of households are unable to work without reliable child care. Currently, center-based child care in Connecticut costs more than 30% of a family's income, hence the need for subsidies to low income families. With unemployment at an all time high in our state, we need to take the necessary steps to increase the chances of residents finding and keeping employment by extending the eligibility for child care assistance.

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