

**Testimony in Support of H.B. 5360:  
An Act Concerning Children in the Recession**

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*Select Committee on Children*

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Good afternoon, members of the Select Committee on Children. I am testifying on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

CT Voices for Children was honored to be a member of House Speaker Christopher Donovan's Task Force on Children in the Recession, co-chaired by the Honorable Representatives Karen Jarmoc and Diana Urban. We wholeheartedly support the goals and recommendations of the Task Force as laid out in the 1<sup>st</sup> Quarterly Report, and as reflected in H.B. 5360. It is axiomatic that children are the future, and we must invest in them now if they are to become successful and contributing citizens, parents, workers and leaders. The specific challenges to children's development imposed by the current economic recession-- in the areas of hunger and nutrition, shelter, unemployment and underemployment, safe and appropriate educational opportunities from early childhood on, health care, and safety and freedom from violence-- are comprehensively documented by the Report. The Task Force concluded, based upon the evidence presented, that during this economic recession, ***children will be harmed and will not fully recover*** without concerted and sustained action by adults within the state of Connecticut to prevent this harm.

CT Voices particularly applauds the bill's requirement that the state maximize federal fund opportunities under the TANF Emergency fund and any other federal emergency, matching or temporary assistance programs. We also fully support the requirements of streamlining, coordinating and putting time limits on the public benefits applications processes, including for nutrition and prenatal care, and the recommendations of continuing TFA cash assistance, rental assistance and student loan assistance. Through these measures the bill recognizes and addresses the reality that during an economic recession, individuals-- and especially children who rely upon adults for their survival-- need MORE support in order to sustain progress rather than less.

Connecticut's recovery from this unprecedented economic recession, and its prosperous future, depend on a solid infrastructure which supports our businesses, families and communities—an infrastructure which depends on a healthy and educated workforce, good schools, effective transportation, and engaged communities with a high quality of life. But this necessary infrastructure in turn depends on sustained public investment in these public infrastructures. Allowing any children to fall into poverty during this recession undermines this infrastructure, and threatens Connecticut's economic recovery. Therefore CT Voices supports a balanced and equitable revenue system that reflects the priorities and values of the state's residents, and meets its overall economic needs.

During this recession, the needs of Connecticut residents have grown, but the revenues necessary to meet those needs have declined. More than ever, families need quality health care, education, child care, training, and jobs. Connecticut needs revenue solutions to address the gap between growing needs and reduced resources.

**Therefore**, because we believe that the laudable goals and recommendations of the Task Force on Children in the Recession are not likely to be successful with some of the restrictions contained in the implementing legislation, we urge that the following modifications be adopted:

- 1) Remove the modifying language “within available appropriations” from the implementing legislation. During a period of dramatic economic recession, such qualifying language *undermines the very purpose* of focusing on mitigating the effects of the recession on children. While adults can withstand a period of hardship and exceptional challenges, children cannot, and the adults and systems responsible for children’s well-being must be fully supported in their efforts to sustain children until recovery occurs.
- 2) Empower the “Children in the Recession Leadership Team”, or some other entity, to explore and recommend revenue solutions necessary to sustain support to prevent children from falling into poverty during this fiscal year and beyond.

CT Voices for Children has proposed a revenue package that balances the Fiscal Year 2011 budget, preserves vital state services, and establishes an adequate revenue base that will prepare us for the significant deficits that are projected for Fiscal Year 2012 and beyond.

To achieve this, we propose the following revenue increases:

- Increase income taxes for those who can best afford it – the state’s wealthiest residents;
- Delay reductions in the gift and estate tax;
- Increase the sales tax and adopt an Earned Income Tax Credit;
- Raise taxes on unhealthy products, including soda; and
- Restore the scheduled Petroleum Gross Earnings Tax rate increase.

In addition, in order to comprehensively plan for an economic system that supports all of its children, and especially those in danger of falling into poverty during difficult economic periods, CT Voices recommends a series of measures to promote transparency, accountability and fairness in the budget process:

- Evaluate and reduce unproductive tax breaks (exemptions, deductions, and credits);
- Close corporate income tax loopholes by adopting mandatory combined reporting;
- Review and restructure business taxes; and
- Position the state to tax Internet sales.

Thank you for the opportunity to testify today.