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**Testimony before the Appropriations Committee**
***Response to the Governor's Budget Recommendations***
***The Department of Social Services – Care 4 Kids***
**Submitted by Sherry Linton-Massiah**
**Connecticut Association for Human Services**
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The Connecticut Association for Human Services (CAHS) would like to thank Senator Harp, Representative Walker and members of the Appropriations Committee for the opportunity to offer public comment on the Governor's Budget for the Department of Social Services.

CAHS is concerned that the Governor's budget recommends a reduction in the Care 4 Kids program for FY12. The Legislature previously approved an increase in the child care funding from $95M to $103.4M for FY11, with the realization that the additional funding allowed for increased access to child care assistance and in turn increased probability of employment for Connecticut families. As we know, parents are unable to maintain consistent employment without reliable child care, and some families pay between 30-42% of their income for child care. As a result, they are not able to obtain gainful employment without the child care subsidy. While DSS indicates that the anticipated expenditure for the program will be approximately $94M, this is due to the agency's decision to limit eligibility in order to limit spending. This pull back of funding the child care subsidy program decreases the ability to keep Connecticut's low-wage working parents employed.

Especially now when families are experiencing heightened unemployment, CAHS recommends extending eligibility for child care assistance to families experiencing interruption in employment. Currently, eligibility for assistance with child care subsidy can be as short-lived as four weeks after one loses employment. With an unemployment rate that is just hovering below 10% in our state, steps must be taken to allow individuals the opportunity to obtain, maintain, and regain employment, without the insecurity of immediately losing child care. This expansion can take place without limiting the number of families served if the Legislature remains committed to having the Care 4 Kids program funded at the FY11-approved funding of $103.4M. Extending eligibility during employment interruption, from the current eligibility of

one month after the month of interruption, should be determined based on the available the appropriated funding of $103.4 M, and during times of heightened unemployment.

As strategies are being considered to address the needs of children and families in our state during this unusual period of crisis, we must also look to the needs of those providing care to children. Often, child care providers accept children into their program in good faith that Care 4 Kids reimbursements will follow. Too often, those payments do not arrive and when they do, they arrive well outside the 30 days of originally expected processing of the parent's application. Providers would benefit from the implementation of some level of presumptive eligibility, especially in cases where the application processing time has gone beyond the 30 days outlined in the child care assistance regulations. Providers have bared the brunt of the losses as it relates to cost of care, with reimbursement rates that have not increased since 2001. Consideration should be given for some off-setting of cost, via reimbursement for services once the application process exceeds the required 30 days for completion. This policy change would share the risk between the provider and the state; it would create a more equal situation. This option should also be considered within the availability of appropriated funding no less that of the $103.4M originally approved for FY11.

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