



SB 273



Testimony before the Select Committee on Children

Roderick L. Bremby, Commissioner

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Good morning, Senator Gerratana, Representative Urban and distinguished members of the Select Committee on Children. My name is Roderick Bremby and I am Commissioner of the Department of Social Services (DSS). I am joined today by Claudette Beaulieu, Deputy Commissioner for Programs. We are here today to testify on SB 273, An Act Concerning the Care4Kids Program.

S.B. No. 273 (RAISED) AN ACT CONCERNING THE CARE4KIDS PROGRAM.

This bill proposes the following changes and expansions to the Care4Kids (C4K) program:

- Allows teen parents not receiving Temporary Family Assistance (TFA) who are enrolled in and regularly attend classes in high school to be eligible for C4K.
- Excludes the teen's parents' income when determining eligibility of the teen parent for C4K.
- Program beneficiaries who take unpaid maternity leave are granted program eligibility for up to twelve weeks.
- Program beneficiaries who become unemployed and are actively seeking employment shall continue to remain eligible for up to six months after losing their job.
- Requires that by 2022 payment rates to C4K providers be increased to the seventy-fifth percentile of current market rates and that any increase in the programs funding for SFY 2013 be used to increase rates.

At the outset, I want to be clear that the department is not philosophically opposed to most of these proposed changes. We believe they are well-intentioned and aimed at expanding C4K eligibility to those who are in need of child care but unable to access those services under current program rules. Our concern lies with the fact that the C4K program is not an entitlement program but, rather, has a capped state appropriation. There is not enough funding to cover the additional program costs that would result from the changes in this bill. As a result, the program would be forced to close intake or reduce benefits overall.

Currently, family circumstances determine the priority service category for each family enrolled in C4K. The categories are as follows:

Priority Group #1	Families on the state's temporary family cash assistance (TFA) program that are either working or participating in a mandatory Jobs First Employment Services activity.
Priority Group #2	Working families transitioning off TFA; i.e., families who had been active TFA recipients within the last five years.
Priority Group #3	Teen parents completing high school and not receiving TFA.
Priority Group #4	Non-TFA working families with annual income less than 50% of the state median income. Includes foster/relative care and pre-adoptive families, finalized adoptive families (until the first anniversary of the adoption) and subsidized guardianship families.
Priority Group #5	DCF adoptive families after the first anniversary of the adoption with annual income equal to or greater than 50 % and less than 75 % of the state median income.
Priority Group #6	All other working families with income equal to or greater than 50% and less than 75% of the state median income level.

Priority Groups 1-4 are currently open to new applicants. Priority Groups 5 and 6 are open to families from Priority Groups 1, 2, 3 and 4 who experience an increase in income. Given the estimated fiscal impact of the proposals in the bill, the department may be forced to close Priority Group 4 to new low-income working applicants and will reduce revenue to other programs that depend on C4K:

- School readiness programs funded by the state Department of Education that serve nearly 10,300 preschool children, and former DSS state-funded child care centers now funded by SDE that serve nearly 4,600 children ages 0-13
- DCF foster parents/foster children - C4K currently serves approximately 550 foster children

Furthermore, should Priority Group 4 close families that lose C4K eligibility, regardless of the reason, will not be eligible to re-apply.

1. Eligibility changes for teen parents

The bill opens up the C4K program to all teen parents attending high school regardless to the income of the family. Currently, if the teen is not the head-of-household -- in other words, if she is living with a parent or guardian -- we include the parent or guardian's income in the eligibility determination. Expanding eligibility in this manner would have the unintended effect of diverting scarce state resources away from low-income working households to teen parents in middle-income and

upper-income households. This would result in an estimated cost of \$3.5 million per year.

2. Eligibility changes for maternity leave

Currently, we suspend the C4K certificate and payment when a program beneficiary goes on unpaid maternity leave. We allow the mother to reclaim the C4K certificate and access to C4K payments when she returns to work within four months.

This proposal would require the department to continue C4K payments during unpaid maternity leave for up to 12 weeks provided that the:

- parent intends to return to work at the end of the maternity leave,
- the child(ren) continue to receive care in a licensed or school-based child care setting
- payment is needed to prevent the loss of a slot in a licensed or school-based child care setting.

We estimate a cost of approximately \$2.57 million per year for this provision.

We believe that the intention of the language is to continue payment to the provider during a beneficiary's maternity leave. However, the language as written only specifies "program eligibility" rather than eligibility for "payment." As stated above, current department policy allows the mother to reclaim her certificate at the end of her leave, but payment is not made to the child care provider during that time. Furthermore, we interpret the language as drafted to allow C4K payments to be made only to licensed and/or school based child care settings and not to unlicensed individuals. If this is true, then the new language establishes an inconsistent policy across all eligible child care settings.

3. Eligibility changes for unemployed

Under current program guidelines, program beneficiaries who become unemployed maintain their benefits for up to 60 days. This bill extends the current 60-day policy to six months, provided recipients are "actively seeking" employment. We are concerned that "actively seeking" employment is not defined. It would be extremely difficult to monitor and enforce this provision. We assume that what may be envisioned is some sort of involvement in Department of Labor job search activities.

The estimated cost of this expansion is \$14.2 million. As stated at the outset, an expansion of this magnitude would limit the benefits available to families who are working and in need of child care services.

4. Payment rate changes

This provision would require that C4K rates be set at the seventy-fifth percentile of current market rates by July 1, 2022. The language requires that any increase in the SFY 2013 budget be used proportionately increase provider rates. There is not enough funding to cover the additional program costs that would result from this change.

As previously stated, all of the above changes to the C4K program proposed in this bill, while well-intentioned, would have a significant fiscal impact on the program and very likely would ultimately result in fewer working families having access to the program.

I thank you for the opportunity to testify today and am happy to answer any questions you may have.