



Testimony
Finance Committee
SB 483, An Act Concerning Revenue Items to Implement the
Governor's Budget
Monday, March 4, 2013

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The Bridgeport Child Advocacy Coalition (BCAC) supports the addition of revenues to the State budget rather than depending upon spending cuts to balance the budget. The Governor's budget has neglected a number of potential sources of revenue that would prevent the need to rely on spending cuts to balance the budget. BCAC is particularly concerned that many of the cuts fall on the shoulders of the lowest income families in the state. In particular, we would like to see revenue-raising alternatives so that the proposed cuts in the State Earned-Income Tax Credit (EITC), HUSKY, and the After School programs can be restored.

Maintain State Earned-Income Tax Credit at 30%

EITC helps low-income families reach self-sufficiency. The proposed state budget temporarily reduces the state earned-income tax credit from 30% to 25% until 2015. An estimated 180,000 families will lose approximately \$100 each year if this change is approved.

According to an analysis by Connecticut Voices and the Connecticut Association for Human Services, the state earned-income tax credit (EITC) has been a huge success. In Bridgeport, alone, over 15,700 households, with an average yearly income of \$18,000, claimed the state EITC for the 2011 tax year. These families received an average of \$689.

The EITC is the most effective policy to lift low-income working families out of poverty and help them reach self-sufficiency. The EITC has proven to both encourage people to work and at the same time stimulate the economy. EITC returns are used to pay off bills, purchase basic needs, cover transportation costs to get to work, or take a college class. In 2012, \$109.2 million was claimed statewide.

This is money that will be put back into the state's economy, with the greatest impact in low-income neighborhoods that really need the economic boost. Cutting the EITC credit from 30% to 25% will effectively raise taxes on the lowest-income working families in our state. Although it is temporary, the cut will be devastating to those who can least afford it.

Maintain Current HUSKY Benefits for Parents on HUSKY

The proposed budget eliminates HUSKY coverage for parents earning 133-185% of federal poverty (\$25,399 - \$35,317 for a family of three) as of January 1, 2014. These parents are expected to get coverage through the new health insurance exchange that is expected to be functioning by January 2014.

Health insurance premiums and co-pays, even with subsidies, are estimated to be over \$6,000 a year. The cost of insurance will be out of reach for many of these parents.

There are potentially 20,000-30,000 working parents that fall into this income category across the state. It is likely that a large number will forgo health insurance for themselves because of that cost. Lacking health coverage, many will delay needed medical care until there is a crisis. The cost to the state could be much higher when these individuals end up in the emergency room.

Expand HUSKY for Single Adults

In 2010, Connecticut became one of the first states in the country to take advantage of the federal Affordable Care Act by expanding Medicaid to individuals with incomes under 56% of the federal poverty level. The Governor is now proposing to extend Medicaid coverage to 133% of federal poverty. We strongly support this recommendation.

Many of the individuals in this income bracket currently lack health coverage. Under the Affordable Care Act, the federal government will reimburse the state 100% of the costs of expanding Medicaid to low-income adults beginning January 2014. As a result of federal reimbursement, it is estimated that the state will save hundreds of millions of dollars by expanding Medicaid coverage.

During these very difficult times, it makes sense in terms of economics and the health and well-being of our residents for the state to take full advantage of this opportunity. We urge your support of expanding Medicaid to individuals earning up to 133% of federal poverty.

Oppose Cuts to After-School Programs

According to the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention (OJJDP), Statistical Briefing Book, "Violent crimes by juveniles occur most frequently in the hours immediately following the close of school on school days." The report goes on to say, "Most (63%) violent crimes committed by juveniles occur on school days."*

After-school programs keep children safe and supervised during the hours immediately after school. Children who participate in after-school programs are not only engaged in healthy activities, they also do better in school.

Connecticut's children have experienced far too much violence in their short lives. Our cities feel like they are under siege. Our suburbs, as we know too well, are not immune. This state can be proud of how communities are coming together to address gun violence. But gun control legislation is not the only solution. We must look more broadly at how we can ensure the overall safety of our children.

After-school programs are critical. In Bridgeport, 2,750 students attend the city's after-school Lighthouse Program at 26 sites. As many as four sites could close if the state cuts after-school funding. If anything, after-school programs should be expanded to ensure that all children have access to affordable, quality programs.

The Governor has made a commitment to keep our children safe. Now is not the time for cutting funds to programs that fulfill our Governor's commitment.

The Finance Committee has a difficult job ahead. We know that crafting a balanced budget will require difficult decisions. However, we urge you not to make cuts that will compromise the health and well-being of our children and their families.

* U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention (OJJDP), Statistical Briefing Book, December 21, 2010, <http://ojjdp.gov/ojstatbb/offenders/qa03301.asp>