Good morning, everybody. Good morning. I would like to call the Appropriations Committee to order. Today we have a public hearing and then a committee meeting following.

I am looking for -- hi. I am looking for OFA but I guess is Fae here? Okay. So you are going to testify in -- okay. All right. Thank you.

So I want to say good morning to everybody. I was holding off because I was looking for her. If I had known that I would have probably started earlier. So I’m good. I want to thank everybody for being here and ask my rankings do they have any comments or?

REP. WALKER (93RD): Good morning, that’s good. Okay. And with that I will ask for OPM to please
com forward. Please make sure that you state your name and who you are representing. Thank you.

MR. GHERELICH: Good morning. My name is Adam Gherelich [phonetic]. I’m with the Office of Labor Relations.

REP. WALKER (93RD): Go right ahead and give us your testimony.

MR. GHERELICH: Thank you. This is in regards to S.R. 34 and H.R. 34.

REP. WALKER (93RD): Correct. This is S.R. 34 and H.R. 34? That is odd. I didn’t even notice that. Just go right ahead, sir.

MR. GHERELICH: The proposed resolutions represent the conclusion of negotiations for a successor contract for the bargaining unit comprised of childcare providers.

Childcare providers were recognized through statute in 2014 to collectively bargain though they are not state employees. They do not receive health insurance or pension benefits from the state.

The bargaining unit is comprised of home based licensed and unlicensed providers who provide childcare for low to moderate income families in Connecticut. The number of providers in the bargaining unit fluctuates.

In April 2019, they were a total of 3,185 providers who provided care to children. Unlicensed providers who represent the majority of the bargaining unit can care for up to three family members. Licensed providers can care for more than three children and are not restricted to caring for relatives.
In 2018, the average annual pay for licensed providers was $24,000 and the average annual pay for unlicensed providers was just over $6,000. The agreement represents a significant departure from the rate pattern of the previous contract which included annual rate increases of three percent for each of the four contract years as well as parity increases of as much as 10 percent.

The agreement before you today provides a blended rate increase of only 1.88 percent across the bargaining unit.

As displayed in the charts in my testimony, the agreement provides for no rate increases in Fiscal Year 2018 and Fiscal Year 2022. The first and last years of the contract. In Fiscal Year 2019, Fiscal Year 2020 and Fiscal Year 2021, the agreement provides for annual rate increase of 2.5 percent for licensed providers and 1.25 percent for unlicensed providers.

The Fiscal Year 2019 rate increase is effective October 1, 2018 and therefore is payable for only part of the fiscal year. In Fiscal Year 2022, there is one time average payment of $900 to providers who have provided care in each month of the three years proceeding July 1, 2021.

Finally, consistent with practice in the initial contract, the rate per unlicensed providers is set at one third of the state's minimum wage and will be increased upon any increase in the states minimum wage.

It should be noted that while state contracts often provide for both general wage increases and incremental movement, the agreement before you provides only for rate increases.
Significantly this agreement introduces a tiered rate structure that incentivizes quality of care by providing greater rate increases to licensed providers than unlicensed providers. The agreement further encourages quality of care by increasing rates for the few providers who hold an associate’s degree in early childhood by three percent and by increasing rates for those with a national accreditation by two percent.

We believe this agreement provides for a fair settlement of the issues between the parties. It departs from the rate pattern and parity differentials of the initial contract while advancing the Office of Early Childhood’s mission of encouraging quality of care for Connecticut’s children.

Thank you for your time. I am available to respond to your questions.

REP. WALKER (93RD): Thank you, sir, and thank you for your testimony and coming before us today. I want to restate something because I wasn’t sure, I was writing and doing some -- so in 2018 the average pay for a licensed provider and when you say licensed provider, this is a provider in a daycare, is that correct?

MR. GHERELICH: It’s in the bargaining unit in a home based daycare.

REP. WALKER (93RD): In a home based daycare, okay.

MR. GHERELICH: Right.

REP. WALKER (93RD): So a licensed provider in a home based daycare would make approximately $24,000.
MR. GHERELICH: That’s correct. We have, we received the, a spreadsheet with the salaries or the annual pay for all unlicensed and licensed individuals and that was the number that we reached and that excluded individuals who made less than $1,000 because we thought that that would affect the amounts.

REP. WALKER (93RD): Okay. Then the -- and then for an unlicensed provider, they’re making $6,000.

MR. GHERELICH: That’s correct.

REP. WALKER (93RD): $6,000.

MR. GHERELICH: Correct. Per year.

REP. WALKER (93RD): Per year.

MR. GHERELICH: Yes.

REP. WALKER (93RD): Is that below minimum -- is that below federal poverty levels?

MR. GHERELICH: Yes, it would be.

REP. WALKER (93RD): Oh, okay, just wanted to make sure that it was hearing that right. And the number of licensed providers was approximately -- was how much?

MR. GHERELICH: Those who provided care in April of 2019 were approximately 3100.

REP. WALKER (93RD): Okay. And those unlicensed?

MR. GHERELICH: Those are all licensed and unlicensed.

REP. WALKER (93RD): And unlicensed. So was it, it was a combination, okay.

MR. GHERELICH: Correct.
REP. WALKER (93RD): So we have -- we are about the same amount because our OFA fiscal report had 2100 unlicensed and 722 licensed okay. All right. Thank you. And the only other question I had, this contract is the second contract that we have done.

MR. GHERELICH: That’s correct.

REP. WALKER (93RD): And when I say second contract, the second contract was 2014 to 2017. Correct?

MR. GHERELICH: The initial contract was 2013 to 2017.


MR. GHERELICH: Yes.

REP. WALKER (93RD): Okay.

MR. GHERELICH: And this contract would be July 1, 2017 to June 30, 2022.

REP. WALKER (93RD): And so the -- I’m just going to -- so the rate of 24 and 6 was a step up?

MR. GHERELICH: The --

REP. WALKER (93RD): When we did these, those rates in 2013 to 2017?

MR. GHERELICH: Correct. So those annual pay rates would reflect the increases that were in the initial contact.

REP. WALKER (93RD): Because we raise them.

MR. GHERELICH: Correct.

REP. WALKER (93RD): okay.

MR. GHERELICH: You did raise them.
REP. WALKER (93RD): Raised them above 24,000 and raised them above 6,000.

MR. GHERELICH: That was most recently. That was, those annual rates were most recently.

REP. WALKER (93RD): I -- okay. I guess what I’m saying is when we did the first contract, they were making much less than that and we raised them to that level.

MR. GHERELICH: That’s correct.

REP. WALKER (93RD): Correct?

MR. GHERELICH: Yes.

REP. WALKER (93RD): Okay, I just -- and we raise them still below federal poverty level for the unlicensed and I still just trying to make a couple of points in there.

MR. GHERELICH: Sure.

REP. WALKER (93RD): These statements. Okay, thank you. Thank you very much. Questions? Yes, Representative Lavielle.

REP. LAVIELLE (143RD): Thank you, Madame Chair, good morning.

MR. GHERELICH: Good morning.

REP. LAVIELLE (143RD): Thank you for being here. Were we not to or let's say currently without this contract being signed, are we at the federal minimum rate of 25 percent of market?

MR. GHERELICH: The federal minimum rate?

REP. LAVIELLE (143RD): Yeah, there is a -- well, OFA was telling us this morning that one of the requirements we have to meet is that our rates and
I’m not clear whether its licensed and unlicensed but one of the requirements we have to meet is that the -- our rates must be at at least 25 percent of whatever is determined to be regional market rates. So are we there now?

MR. GHERELICH: Yes, I believe we are.

REP. LAVIELLE (143RD): Okay. Are we barely there do you know or are we --

MR. GHERELICH: No, I think --

REP. LAVIELLE (143RD): -- definitely there.

MR. GHERELICH: I think we are there. So in terms of the market rate, we are there. Yes.

REP. LAVIELLE (143RD): So in other words, the -- it is not the goal of this contract to put us over that 25 percent, we are already there. The goal of the contract is other things?

MR. GHERELICH: Sure. I, the goal of the contract is I think what the previous goals of the contract had been which is to just ensure quality of care, the best care that we can for the children.

REP. LAVIELLE (143RD): Okay. Another thing that I heard this morning but I am not quite sure whether I got the -- whether I internalized the right answer. In when if this goes into effect, everyone who is not would be put at the newly legislated minimum wage and then the percentage rate as would be calculated on top of that, it's not the other way around, right?

MR. GHERELICH: Correct.

REP. LAVIELLE (143RD): Okay. And finally, when increases are granted, in most of the contracts that
we have looked at for actual state employees, I’m sorry about my -- pardon me. In most of those contracts, there is a performance measure that the employees have to meet. They have to attain a satisfactory rating in their annual review or what have you.

Is there something similar here or is it simply that inspections have been passed or whatever. Is there any other sort of performance measure?

MR. GHERELICH: So they don’t have service ratings in the way that a permanent state employee would have. But, you know, for example with the licensed providers, they would have certain requirements to maintain in order to obtain the license and retain it. So they're certainly are metrics that the bargaining unit has to comply with.

REP. LAVIELLE (143RD): And then unlicensed providers?

MR. GHERELICH: Unlicensed, I would refer to OEC on that in terms of their, the exact requirements but certainly, and there are also in the substantial amount of professional development that is encouraged for all in the bargaining unit.

REP. LAVIELLE (143RD): Okay. Thank you. That’s all I have for the moment Madame Chair. Thank you.

REP. WALKER (93RD): Thank you. Representative Case.

REP. CASE (63RD): Thank you, Madame Chair. Going to page three of the contract, the following new language shall be added to the agreement.

Just questioning on who qualifies for this and in the last line it’s the parties who incorporate and
seek appropriate funding sources. Is this a federal funding source or is this going to be a state funding source and is this for the people taking care of their children at home that we are going to be doing repairs to their homes through you?

MR. GHERELICH: Right. So that’s all funding and the program includes federal funding so we would be looking at sources of federal funding that would include federal funding, yes.

REP. CASE (63RD): So through you, Madame Chair, it’s just federal funding, it’s not any state federal funding and do we know any of the ins and outs of how they’ll be chosen through you, Madame Chair?

MR. GHERELICH: So we don’t have that, that is something that at this point in the contract we would agree to sit down and explore possibilities but that would certainly be our preferred route is to find federal funding for that.

REP. CASE (63RD): And through you, Madame Chair, so is this -- so I get the -- because this is a new article added in to the agreement. This is for families who take care of their children at home, the unlicensed. Would this be better to work with Department of Housing on or is this really a Care for Kids early childhood?

MR. GHERELICH: We think that it's appropriate for this contract and I would also say that on a provision like that, we would look to tie it to licensure requirements so what if someone, if an individual is being withheld from obtaining license because of a deficiency, that we would look to tie it to that.
REP. CASE (63RD): So when we look at the dollar amount that certain agencies are paid, you mentioned or it was mentioned earlier about the $6,000. Is that the only fund stream that goes and is that for the unlicensed secured people at home? Or is that for the centers?

MR. GHERELICH: That’s for the home based providers.

REP. CASE (63RD): So that’s for the home based providers to take care of their kids within their own home, the $6,000 payment.

MR. GHERELICH: Right. And it’s not just their kids, it’s their kids but it’s more often a grandparent watching after a child. It’s -- in many situations it allows a parent to go out and work and earn a living so that’s really the, where the payment is coming from.

REP. CASE (63RD): Okay. So, I mean, I just wanted to make sure we understand this correctly. It’s not the payment to the child care facility. It’s a payment almost in lieu of quote what I have to do is daycare. I have to pay daycare for my child so I can come to work.

MR. GHERELICH: Correct. And I should just mention the centers are not part of the bargaining unit. So the bargaining unit consists of home based provider, licensed and unlicensed.

REP. CASE (63RD): Correct. And I'll end with this. So that payment is for the unlicensed, for the payment of people at home. It has nothing to do with the centers through you.

MR. GHERELICH: That’s correct.
REP. CASE (63RD): Thank you. Thank you, Madame Chair.

REP. WALKER (93RD): Thank you. Representative Dathan.

REP. DATHAN (142ND): Thank you very much, Madame Chair. This may be more of an OFA question rather than for you but I was looking at the lump sum for the three years of consecutive care and I noticed if there are total of 2,914 members, 722 are licensed that are expecting a lump sum of $1200 whilst there are 2,192 unlicensed that get $600. If you do the math on all of that, you get about 2.2 million. Not 1.059. Do you know why?

MR. GHERELICH: I'll certainly let OFA answer.

REP. DATHAN (142ND): Okay.

MR. GHERELICH: But just quickly, that may be based on the projection of the number we will actually provide care for 36 consecutive months.

REP. DATHAN (142ND): So then that’s actually a bigger question of half of our caregivers aren’t going to be around for three years. Why is that? Is that -- are we doing anything to help because my feeling with, you know, with my kids is I have always wanted them to have, you know, continuous care by the same provider that knows them, that nurtures them. What are we doing to ensure that our caregivers are in for the long haul for our kids?

MR. GHERELICH: So that’s one thing that this contact seeks to accomplish is to provide a rate that can provide a living for people so that there is not such a fluctuation from one month to the next in providers.
REP. DATHAN (142ND): Okay. So maybe OFA can answer the math question for me.

MS. SHEPARD: Hi.

REP. DATHAN (142ND): Hi.

MS. SHEPARD: Emily Shephard (phonetic), OFA. So we got some information from the agency that showed us how many licensed and unlicensed providers were providing consecutive care. So which percentage? So this assumes that there will be about 563 licensed providers receiving the $1200 and about 640 receiving the $600, the unlicensed providers.

REP. DATHAN (142ND): So attrition has been that high.

MS. SHEPARD: I think there were what I had looked at is for March data there were about 700 that were at 57 percent of them had been providing care for 33 months and so we assumed that there would be an increase but yeah.

REP. DATHAN (142ND): Okay. Thanks for your help. I would love to figure out how we can get that attrition number lowered because I think that’s -- benefits kids to have consecutive care from the same individuals. Thank you very much for your testimony.

REP. WALKER (93RD): Thank you. And I think the commissioner of OEC has got that same focus. She has been looking at how to -- yeah, to -- she has been doing this for a while though and I think she has been focused on how to retain the staffing with training and also with incentives for salaries that are sustainable because $6,000 a year is not sustainable for anybody. Yes.
Representative Kokoruda. I thought you had your hand up too. Okay. Representative Mastrofrancesco.

REP. MASTROFRANCESCO (80TH): Mastrofrancesco, thank you, Madame Chair. Thank you for coming today. I have a few questions. Can you tell me I think someone had mentioned that there were 2100 licensed child care providers and 700 unlicensed? Si that number correct?

MR. GHERELICH: That’s correct. Well, that’s the number who provided care at a certain point and the number that I had is a 3,185 total.

REP. WALKER (93RD): Now, excuse me, I just want to jump in. I think the 2,192 according to OFA are the unlicensed and the 722 are the licensed.

MR. GHERELICH: Correct.

REP. MASTROFRANCESCO (80TH): Okay. So that’s opposite. And are licensed and unlicensed care providers part of the collective bargaining?

MR. GHERELICH: I’m sorry, did you say licensed and unlicensed?

REP. MASTROFRANCESCO (80TH): Yes.

MR. GHERELICH: They're both part of the bargaining unit.

REP. MASTROFRANCESCO (80TH): They are both part of. When you talk about family members, I guess unlicensed providers can care up to three family members in licensed can care for more than three. So in home care could these care providers work for a company that just goes out they, you know, they work for somebody and they go to somebody's home to care for a child? Is that an accurate assumption or
no. Or are they self-employed people that do take care?

MR. GHERELICH: It’s going to be in their own home that the unlicensed providers, that the providers are providing care.

REP. MASTROFRANCESCO (80TH): Okay so it's in their home. So and they're self-employed, is that right?

MR. GHERELICH: Well --

REP. MASTROFRANCESCO (80TH): They don’t work for an agency where an agency says we'll pay you your salary but you’ll have to take care of the children in your own home.

MR. GHERELICH: Correct. It’s dependent on the number of children they care for and the total, the hours that they care for them. And their age partly but that’s correct. They’re not paid a salary by a company.

REP. MASTROFRANCESCO (80TH): By a company, okay. And the salary is paid by the state of Connecticut?

MR. GHERELICH: The rates are paid by the state of Connecticut through the Care for Kids program.

REP. MASTROFRANCESCO (80TH): Okay. So if I have for example just so I'm understanding it, if I had a baby and I wanted to go to work and I could say have my sister take care of my children. I -- my sister would be able to go to Care for Kids program, apply for the funding to take care of my children as a family member. Is that how that works?

MR. GHERELICH: So it would actually be you as the family -- the program is for low and moderate income families. They would go essentially get a voucher and they can then provide that care to -- that money
would then go to a care for kid provider who takes care of the children.

REP. MASTROFRANCESCO (80TH): And now that money is paid directly to me and then I pay the provider, is that correct?

MR. GHERELICH: The money goes to the provider.

REP. MASTROFRANCESCO (80TH): Oh, it doesn’t go to me directly.

MR. GHERELICH: No.

REP. MASTROFRANCESCO (80TH): But I apply for it.

MR. GHERELICH: Correct.

REP. MASTROFRANCESCO (80TH): And they pay them directly. And then there’s a section in here I see that there’s an annual pay for unlicensed providers who is just over $6,000. Where did that figure come from and how did they come about to that figure? What is the data they used to come up with that?

MR. GHERELICH: So we received an Excel spreadsheet that had all the providers' annual pay for 2018 and to try to -- there were some providers who provided only a few hours of care. We subtracted that from the calculation. So anybody who earned less than $1,000 in the program was subtracted.

And then we separated them by licensed and unlicensed and we took the average and the median and the average for the unlicensed was $6,000 for the year.

REP. MASTROFRANCESCO (80TH): And, excuse me. That’s not necessary to assume that that’s their full time job. They could just be doing in home
care providing part time, work another job as well? And that is why the amount is $6,000?

MR. GHERELICH: That’s possible but the time that is expected to care for a child especially a young child, in the home it might be a full time job and if you’re only caring for one child, you would get approximately $140 a week.

So it’s not so much that these individual have time to go and get another job but they're expected to be rendering care for whatever the child needs.

REP. MASTROFRANCESCO (80TH): So they -- so I’m understanding, so they would get $140 per week to care for a child eight hours a day?

MR. GHERELICH: That's approximate. So there are different rates for different geographic areas in state but if you worked full time you would still be, you know, 40 hours a week with three children, you would still be substantially -- it would not be that much more than that.

REP. MASTROFRANCESCO (80TH): And I’m just curious, I mean, its $6,000 for somebody to live off of is obviously is pretty low. But I’m just trying to figure out is this -- I do have data showing that there are care givers out there that are only getting paid $3.50 an hour for childcare. That and that’s the average. I’m assuming that’s an average.

MR. GHERELICH: Well, that’s --

REP. MASTROFRANCESCO (80TH): That they’re working 40 hours a week and getting $140 a week.

MR. GHERELICH: That’s correct.

REP. MASTROFRANCESCO (80TH): Eight hours a day.
MR. GHERELICH: That’s correct.

REP. MASTROFRANCESCO (80TH): Per child, correct.

MR. GHERELICH: Per child.

REP. MASTROFRANCESCO (80TH): So if there were -- if they were to care for three children, they would get three, four --

MR. GHERELICH: So I can share that with you. So if you had an unlicensed relative who is providing care and had three children, at maximum capacity and full time they would earn $1,741.50 a month. That's $20,898 per year.

One thing I would just say about that is it's very difficult to have, to be operating at maximum capacity. As an unlicensed provider, you can only care for family. And that also assumes that you have three children that you have to care for and you are caring for them every hour, 40 hours a week. So that’s not really the way that the program operates.

REP. MASTROFRANCESCO (80TH): Yeah. So when you say that you can only care for family, so that means it has to be a blood relative to care for your child? It can't be a friend or a neighbor?

MR. GHERELICH: Yeah, that’s correct. It wouldn’t be a friend or a neighbor and that’s for unlicensed care.

REP. MASTROFRANCESCO (80TH): And so it would be $6,000 per child so if they had three children that they were caring for? Can you repeat that again? I was--

MR. GHERELICH: Yeah. So the average in 2018, the average annual pay for an unlicensed provider was
$6,000. Now that includes individuals who may have been watching three kids, they have been watching one kid. They may have been watching three kids full time, maybe one kid for just a few hours a week. So there’s a whole range of possibilities but that’s the average pay for the unlicensed providers.

REP. MASTROFRANCESCO (80TH): And for the licensed providers what is that average per day per child?

MR. GHERELICH: The -- well yeah, it really its difficult to give an average but so if you are at minimum capacity, let’s say one child and you’re a licensed provider, you would learn $907 a month and that would be $10,887 a year.

REP. MASTROFRANCESCO (80TH): Per child.

MR. GHERELICH: yes. Yes. So it depends partly on the age of the children but if you had one child for the whole year at 40 hours a week that would be the annual rate of pay.

REP. MASTROFRANCESCO (80TH): And if you had three or more? Say you had four?

MR. GHERELICH: So if you were operating at maximum capacity that’s two infant toddlers and four older children, you would earn $4,296 per month or $51,500 per year. That again is the program doesn't really operate at maximum capacity often so it's very difficult to have children all through the year 40 hours a week especially having six children, two infant toddlers and four older children.

REP. MASTROFRANCESCO (80TH): Are there any regulations or restrictions on the family members whether they're any sort of disability or anything like that, whether they can care for a child? Is there any oversight on that?
MR. GHERELICH: Well, there are restrictions on who can care, in other words it can be a grandparent or who, you know, the identity of the individual. I don’t, I’m not aware of restrictions. There’s nothing within the contract in terms of a disability restriction of that sort.

REP. MASTROFRANCESCO (80TH): Okay. And then the, just a couple more quick questions. The person taking care of the child or the family member, they can also hold another job along with that, is that right?

MR. GHERELICH: There is no restriction on holding another job. I think given the time that it would take, you know, if you're trying to find children to take care and vouchers its, you sort of have to be there to take care of whenever the child needs care as opposed to scheduling your schedule around, you know, and telling other folks that when you are available. But there is no restriction ON that.

REP. MASTROFRANCESCO (80TH): Right. No, and I get that because you know, as a mom, you know, we take care of our children all day long and then maybe we go to work at night. Right. And because caring for a child is really 24/7 or we work all day long and then we come home and take care of our children all night. So I can see it’s possible that people can do two, both, because we do it all the time so that’s why I was just curious if they worked another job. Thank you very much, appreciate you answering my questions.

MR. GHERELICH: Thank you.

REP. WALKER (93RD): Thank you. I just, I want to kind of, there was a long stream of testimony there
that was kind of hard to understand. I, no offense, but is it possible that I could call the Commissioner up to testify with you please?

MR. GHERELICH: Absolutely.

REP. WALKER (93RD): Thank you. Good morning, Commissioner. Thank you for indulging me this opportunity.

COMMISSIONER BYE: Good morning. Beth Bye Commissioner of the Office of Early Childhood.

REP. WALKER (93RD): I promise just basic questions. So we were, as we were talking, we were talking about the fact that is it possible that -- let me just start with the last one. Is it possible to have a job while you are running a family care unit?

COMMISSIONER BYE: Thank you for that question. I think as the representative said, it is possible in fact in early childhood, most early childhood providers work two jobs because they don’t make a living wage so it's possible.

But I think Adam did a good job explaining how with family child care, it's actually really nice for families that have challenges with transportation and are working off schedules, family child care providers are often the ones providing that off the second shift care, the care where parents have to be to work super early, and so they're sort of arranging their lives around the people that they're, whose children they're caring for so they can get to work and so it's unusual not another job during the day. Could they work at night and on weekends. It’s possible.

REP. WALKER (93RD): But you do inspect the facilities to make sure that there is care and
activities going on and if they are not in there expected locations, then they would lose their license, is that correct?

COMMISSIONER BYE: Yes. For the licensed providers, they need to be there for the hours that they tell us that they're operating.

Now the other thing that’s hard about patching it all together with full time is that care for kids both looks at the hours the parents are working and the hours a childcare center is open. So it’s not like the parents if they're working six hours a day they get paid childcare for those hours a day.

So it’s because it’s an entitlement -- a program for people living below 50 percent of the state median income, it's an entitlement.

There are all these sort of watches on how the dollars are distributed so it’s complicated but they do tend to need to be available all the time.

The unregulated are not inspected. The licensed are inspected once a year, unannounced, and then if there are any issues, licensing goes back.

This legislature has done a really good job over the past five years of making sure our licensing department is staffed in a way that we can get to every single site in the state once a year in an unannounced fashion.

That’s why we are really grateful that the union was willing to negotiate this in a way that would encourage more licensed care. Because unregulated care is not as safe, it doesn’t have those regular inspections but there are requirements.
Everyone in the home needs to be fingerprinted and go through the background checks. I’m sure you’ve been hearing about that. Care for Kids and fingerprints, two of my favorite topics. (Laughter) And they need to --

REP. WALKER (93RD): Which we are taking care of so don’t everybody panic. Okay.

COMMISSIONER BYE: They have to have CPR and first aid and not just they need to be fingerprinted, everyone who resides in the home needs to be fingerprinted.

REP. WALKER (93RD): Okay, thank you. And I think the, that it’s important that people understand the perspective and just from my perspective, I know a lot of people in family care units and so some of the family care units are regulated like in New haven there’s All our Kin they are regulated. Even though they're family care units, they are regulated and they are, they have curriculum and everything that is developed for the family care units and everything.

So it, they add to that development that is necessary for the kids as their parents go through two and three jobs to work so I just thank you for that testimony. Are there any other questions for -- Senator Formica?

SENATOR FORMICA (20TH): Thank you, Madame Chair, good morning.

REP. WALKER (93RD): Good morning.

SENATOR FORMICA (20TH): Good morning, Commissioner, good morning, sir. How are you this morning?

MR. GHERELICH: Well, thank you.
SENATOR FORMICA (20TH): Thank you for answering our questions. I like the good representative am having trouble understanding this program to this detail. But it seems to me -- well, let me -- a few questions to try to get to where I think I can understand.

You have licensed providers and unlicensed providers. These are family members. The unlicensed ones are family members that either live in the home or live outside the home and come to the home to help these couples, young couples presumably in the most part get to be able to go to work and earn a living, right?

And these unlicensed family members would be caring only for their family members, grandchildren or foster kids or whatever that they could go for. They can't operate a neighborhood daycare out of this. All right. And so for the record, the Commissioner said no.

COMMISSIONER BYE: Correct.

SENATOR FORMICA (20TH): Shaking her head and I’m sorry about the nature of my questioning without asking directly.

So then these unlicensed providers now have the opportunity to join a union as a grandparent of their children or sister of a sibling or something of and what is the age of these unlicensed providers?

Is there a minimum age? So if I have a 16 year old daughter and a three year old son, the 16 year old daughter could be an unlicensed union member taking care of the three year old?
COMMISSIONER BYE: Thank you. I just wanted to verify. They have to be 18 years of age or older.

SENATOR FORMICA (20TH): Thank you very much for that answer. And these, this average, I know you were trying to follow along with the representatives questions about the time but if the $24,000 number, if I figured that at a 40 hour workweek, 52 hours a week, that equals $461.53 a week or $11.54 an hour which is over the minimum wage now.

I don’t quite, I didn’t quite follow you on the $6,000 figure but my assumption is you are saying some people could have worked four hours a week, other people could have worked 40 and the average of those would be around $6,000. Would that be a reasonable assumption?

MR. GHERELICH: Yeah. There is a range of possibilities in terms of the number of children you might have and the number of hours that you might be providing care.

SENATOR FORMICA (20TH): Thank you very much. So the rate then is not paid on a per hour basis alone, it’s based on a per hour basis times the number of children that you have to care for?

MR. GHERELICH: Age is also a factor but the -- there is a range of time that is sort of a, that would be considered and it, again for the unlicensed its -- since you can't care for children outside of the family, you’re restricted in terms of if your family happens to have two children who are eligible for the program, you're limited to those two. If you have one, you’re limited to one. So it depends on the nature of the family.
SENATOR FORMICA (20TH): Okay. Thank you very much. And again through you, Madame Chair, the rate that’s paid is would then in your example be times two because it factors in per child up to a maximum of six. Is that correct?

MR. GHERELICH: Correct. Well, that’s for the licensed and then for the unlicensed it would be up to three children.

SENATOR FORMICA (20TH): Three, okay. So on the one third of the state’s minimum wage provision, would you explain to me how that works and how -- well, explain to me what -- how that works please. Thank you.

MR. GHERELICH: Sure. So the unit rate of care is, has been and even since before there was a bargaining unit representing these providers, has been a third of the minimum wage. So that goes back at least to 2002. But, you know, if you have -- if you’re an unlicensed provider and you have let’s say three children that you're caring for, you're then, your unit rate of care is three times that one third the minimum wage.

So you would be brought back up towards closer to minimum wage and this changes slightly with the geographic distinctions. There’s five geographic regions in the state for purposes of care but that’s really, the one third of minimum age is the unit rate of care for unlicensed providers.

SENATOR FORMICA (20TH): All right. Thank you very much. So that’s basically a formula that you use to try to get to where you’re going and that, I imagine we had the conversation last week about minimum wage so that will be subject to any minimum wage increase
and that’s alluded to here in this contract I’m sure.

MR. GHERELICH: Correct.

COMMISSIONER BYE: Correct.

SENATOR FORMICA (20TH): All right. And are we the only state that does this or is this, this program a national program and happens in every state or is this kind of a unique program to Connecticut?

COMMISSIONER BYE: I know that there is at least one other state and perhaps two. I’ll look to Adam but it’s, we are one of the first states to pass this, to form this union with family childcare providers but I know that Washington State I believe has it and is there another, Adam?

MR. GHERELICH: I believe there is another and we can provide that.

REP. WALKER (93RD): I just want to jump in real quick. When you say program like this, the fact that its unionized but there are other states that have child care programs, correct?

COMMISSIONER BYE: Correct. And I think that I know that Lester Gherelich (phonetic) did some comparisons with other states even with these in Connecticut has traditionally had very low reimbursement rates for family childcare for Care for Kids particularly with family childcare.

So over the years the union has brought us back in line with where the rest of the country is. Our center rates are still low compared to other states so this is a national program as Representative Lavielle outed out.
This, the feds are requiring that every state get to at least 25 percent of the market rate. This will bring the family childcare providers up over 75 percent of the market rate which is where the feds want everyone to be within the next three to four years.

So as there has been more federal money for Care for Kids, the feds have been focused on how do we use this to improve quality and get more of the dollars to the providers who are doing the work?

This legislature and other legislature have this constant sort of tension going on. Do we serve more families or do we focus on quality? And I think my opinion is that Connecticut has gone as far as it can increasing access without risking the system falling apart that we need for people to go to work.

And so working with the unions, we came to a contract that we think incentivizes quality and brings the rates up but also keeps the system whole.

Every state in the country is facing declining family childcare providers. There are fewer and fewer and we want to turn that curve working with all our kin and staff family childcare networks because the people in Connecticut that need to get working often are missing transportation and childcare.

We -- I believe we can use this program as an economic development tool to provide childcare in peoples communities who don’t have transportation so they can get to work. So we are in keeping with the federal guidelines but we are by no means far ahead of other states in our reimbursement rates.
SENATOR FORMICA (20TH): Thank you to the answer to both of our questions on that one. I just have two more I think questions. With the associates degree increase for three percent and the national accreditation by two percent would be the same person could get if they were unlicensed, one and a quarter plus three plus two and if they were licensed they would get two and a half plus three plus two?

MR. GHERELICH: That’s correct. So it would be on top of the rates in the contract.

SENATOR FORMICA (20TH): And you may have said this earlier and I apologize if I didn’t hear. Is there a percentage of the number of people that we expect that qualify for both or one of those additional?

MR. GHERELICH: It’s a very low percentage. I think it was on the order of maybe one percent that would qualify for --

SENATOR FORMICA (20TH): Okay.

MR. GHERELICH: -- for one of those.

SENATOR FORMICA (20TH): Thank you, sir.

MR. GHERELICH: Yes.

SENATOR FORMICA (20TH): I’m sure you would have mentioned it. I just --

MR. GHERELICH: It’s a very small amount.

SENATOR FORMICA (20TH): -- I just missed it.

COMMISSIONER BYE: Senator, I can give you the numbers that we have now. We have at this point we have 20 family childcare centers that are accredited and we have in our registry 45 licensed childcare
centers where the owner operator has an associate’s degree.

So they're very small numbers but again, we want to encourage this and say if you go to these lengths, you will be reimbursed for the quality.

SENATOR FORMICA (20TH): And the -- so all of this has to do with the fiscal note which is why we are here. And the fiscal note is 7.1 million, am I reading that correctly through you, Madame Chair?

MR. GHERELICH: Yes, that’s the OFA's analysis, yes.

SENATOR FORMICA (20TH): Thank you, Madame Chair. And you would concur?

MR. GHERELICH: I would let OFA speak for that. I would like to --

SENATOR FORMICA (20TH): Okay. Well, thank you very much for answering my questions and the good work. Thank you Commissioner. It seems -- and I’m just trying to wrap my head around this whole process.

It seems we are unionizing family members, we are unionizing grandparents, we are unionizing siblings, would that be an incorrect assumption or would that be partially if not fully correct?

MR. GHERELICH: I don’t think that that’s accurate. I think, you know, they have the freedom of choice whether to join the union. It’s an opportunity if they want to take it. But really it’s about the voucher that’s going from the family that needs care to the provider.

SENATOR FORMICA (20TH): So in order to be part of the Care for Kids program you need to be a union member?
MR. GHERELICH: No, and actually that’s one of the changes that are included in the memorandum of agreement and that’s not the requirement.

SENATOR FORMICA (20TH): Okay. Thank you very much, I appreciate your time.

MR. GHERELICH: Thank you.

SENATOR FORMICA (20TH): -- today. Thank you, Madame Chair.

REP. WALKER (93RD): Thank you and I just want to go back when you were asking the OFA numbers, the 7.1 was the annualized but the total you have FY '19, 638, 22.6, '21, 55 million and '22, 8 million. So the annualized was the 7 million. I just wanted to clarify.

SENATOR FORMICA (20TH): Yes, thank you. I saw that, Madame Chair, if I may, just responded. The 638, is that, that’s in this budget that expires in 35 days or so, is that correct?

MR. GHERELICH: That's correct.

SENATOR FORMICA (20TH): And that would be funded through the budget of early childhood or Care for Kids or?

MR. GHERELICH: I would --

SENATOR FORMICA (20TH): Reserved for salaries?

MR. GHERELICH: I would defer to the budget on that or to the commissioner.

COMMISSIONER BYE: Thank you for that question. Yes, that will be funded within the OEC's current appropriations for Care for Kids.
We had set aside money in our CCDF funding plan knowing that these negotiations were going on. That in the -- we didn’t fully expend knowing this could be coming. So we will cover this within available appropriations.

SENATOR FORMICA (20TH): Thank you, Madame Chair. And just to follow that line of questioning, thank you, Commissioner. The 2.6 million for next year and the 5 point plus million for the following year that’s anticipated in the budget that you’ve put forward through the, that I guess we are hearing sometime soon.

COMMISSIONER BYE: Thank you for that, thank you for that question. Yes. We submit childcare development fund plan to OPM and we work closely with them and we go out through 2022.

And Secretary McCall (phonetic) and our office have been through it many times. Once this is settled then the rest of it is likely to be approved. We are also waiting center based increases that are also worked into our five year budget plan to try to make sure that we have childcare for the families that need to go to work.

SENATOR FORMICA (20TH): Perfect. Thank you very much. I appreciate all of your answers and your time and thank you, Madame Chair, for the flexibility to continue my line of questioning.

REP. WALKER (93RD): Thank you. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much and to the fiscal note, only, the dollars are not all state dollars is my understanding so if you could just explain that please?
COMMISSIONER BYE: Yes, thank you for that question. Yes. It is a combination of state and federal dollars and as you know, we got an additional 14 million in federal funds over these two years and so it’s a mix. There is some state funds in Care for Kids which is a required match and then some federal funds.

SENATOR Osten (19TH): It’s essentially about a 50/50 split?

COMMISSIONER BYE: Very close to that, yes.

SENATOR Osten (19TH): Thank you very much. Thank you, Madame Chair.

REP. WALKER (93RD): Thank you. And I just want to follow up that I believe what we were told was about 53 million was federal dollars, is that correct?

COMMISSIONER BYE: I will turn to assure that with my chair of the CCDF budget. That is correct.

REP. WALKER (93RD): Thank you. All right. Let’s see. Representative Case for the second time and Representative Lavielle for the second time.

REP. CASE (63RD): Okay. Madame Chair, is that for the second time or the first time because we haven’t had the Commissioner before us before?

REP. WALKER (93RD): This is for the second time. This is the second time you --

REP. CASE (63RD): So if I wait till the Commissioner does her presentation and then I’ll ask her questions.

REP. WALKER (93RD): She doesn’t do it. No, if you listened to the questioning, she was not coming up to answer. I asked her to come up just to clarify
some of the statements that we were asking about. That was all.

REP. CASE (63RD): Okay. So usually the commissioner won’t come up and do a presentation?

REP. WALKER (93RD): No.

REP. CASE (63RD): Okay. So for the second time so on page -- well, there’s no page number on this contract. But in section -- it’s now three so it was five. What is the amount that is paid out in the dues to the union through the fiscal note through you.

MR. GHERELICH: I’m sorry, what are you referring to? What page are you referring to?

REP. CASE (63RD): Existing Article 8 of the contract. Section 3 which used to be Section 5.

REP. WALKER (93RD): I’m sorry, are you asking about the dues, sir?

REP. CASE (63RD): Yes.

REP. WALKER (93RD): Okay.

MR. GHERELICH: I don’t have the dollar figure. We --

REP. WALKER (93RD): The dues are not in the contract if I’m -- could you --

MR. GHERELICH: Correct.

REP. WALKER (93RD): Okay.

MR. GHERELICH: They’re paid by the providers. That’s not something that the state pays at all.

REP. CASE (63RD): No it’s not paid for by the state, it's paid for by the individual. I’m just
saying it's within the contract and there are some changes made within this contract that do affect the fiscal note.

I can move on from there. So when we talk about it and I think Senator Formica did touch on it, so when we talk about the $6,000, it’s actually if you do the calculations, that is one third of the minimum wage. So that is correct in $6,000.

So with that $6,000 that’s being paid to these unlicensed or family members, can that and then there is a 15 percent which I’m happy to see in here that’s also paid to for people of special needs.

So can that person of special needs also be receiving other services from DDS and DSS on top of the monies that they get to get paid through Care for Kids through you?

MR. GHERELICH: So there is no restriction on that in the contract. I’ll let the Commissioner speak to that if she would like.

COMMISSIONER BYE: Thank you. Through you, Madame Chair, hello representative.

REP. CASE (63RD): Hello Senator Nye.

COMMISSIONER BYE: It’s quite common for birth to three to come in to family child care settings and support a child. The funds would not be coming to the care provider however. We would pay for the childcare but birth to three for example would come in and provide services.

So in that case you may be speaking of a different case, but that’s how it would work generally with birth to three in childcare.
REP. CASE (63RD): So in, within this contract there are different money flows that can come in for certain children other than the Care for Kids care or the care that we are giving in the 6,000 payment. We are just using that number because that’s the number that has been tossed around.

That child can be receiving other dollars for other programs from the state of Connecticut, is that correct? Through you, Madame Chair?

MR. GHERELICH: That’s correct.

REP. CASE (63RD): Thank you and so if we go -- if this contract goes forward, the one third it’s going to go from a $3 an hour to $5 an hour if you figured on a 52 hour week. Is that correct, through you?

MR. GHERELICH: Well, it’s going to be over time. I think the current one third would be about $3.38. But it, so it was not quite as drastic but over the contract term, whatever the minimum wage would be at the -- on June 30, 2022 would be the final rate.

REP. CASE (63RD): Correct. And to end with a comment and if you want to answer to it. So basically the dollars that are going to care for this, care for the child or the children, is just a little boost to the family members to help with the food, the care, it’s not to be a living wage. It's to be something to help out.

Just like I in the next few years will have to be paying for childcare so that will be a different scenario but this is something to help the families, they're not to live on it.

It’s to make them a, the ability to take care of their children and stay within their family members because I believe if I’m not mistaken when we did
this bill long ago, maybe three or four years ago, it's the mother and father cannot collect on this. It has to be outside family members from the immediate family, correct?

MR. GHERELICH: Right. So I don’t want to characterize it as a little boost. I think they're and the union I know will speak to this in terms of how much its members depend upon providing this care on a daily, monthly and annual basis. So I’ll let them, you know, speak to what it means for their members.

REP. CASE (63RD): But, I mean, so if it was meant to be a living wage, why is the one third provision in there? Is that a federal provision?

MR. GHERELICH: So it takes account of the fact that providers can have more than one child so that’s why assuming for an unlicensed provider who’s operating at maximum capacity that would be three children. You would come out at minimum wage if you provided care at the maximum capacity of time. That rarely happens.

REP. CASE (63RD): So it's a fair statement to say that this contract calls for the $3.33 that’s paid now and when it comes to $15 an hour, the $5 an hour for a 40 hour week, it's not the legislature that’s stopping it, it’s the one third payment within this contract. Is that correct?

MR. GHERELICH: I’m sorry. When you say stopping it?

REP. CASE (63RD): No, I’m saying so they would move to the $15 an hour for 40 hour week, this contract specifically states may be required and it's
interesting, it says may be required one third of the minimum wage provision.

MR. GHERELICH: So I believe that the $15 and please correct me if I’m wrong, but I think that takes effect after June 30, 2022. So that’s not a guarantee. This contract only covers the period to June 30, 2022. So it wouldn’t necessarily get to $15 because that would be under negotiations for a successive contract.

REP. CASE (63RD): Correct. So if we look at the 10.10 an hour right now, I mean, we are at the $3.33, that’s per contract, correct?

MR. GHERELICH: Yes. It’s a term negotiated for the duration of the contract.

REP. CASE (63RD): Thank you. Thank you, Madame Chair.

REP. WALKER (93RD): Thank you. Representative Dathan.

REP. DATHAN (142ND): Thank you, Madame Chair, through you. You’ve said that the daycare providers don’t have to participate in the union. That’s correct, correct?

MR. GHERELICH: That’s correct.

REP. DATHAN (142ND): So if they don’t participate in the union, do they still -- are they still required to pay union dues if they accept the voucher program?

MR. GHERELICH: No, they’re not required to.

REP. DATHAN (142ND): Okay. Thank you.

REP. WALKER (93RD): Representative Lavielle.
REP. LAVIELLE (143RD): Thank you, Madame Chair for the second time. Good morning, Commissioner. Just a few kind of background questions.

So since this is paid hourly, is there any -- how do we check how many hours each of these people are working and that there’s no abuse of that particular aspect of the program?

COMMISSIONER BYE: Thank you for that question, Representative Lavielle. We have extensive steps in place to make sure that families and providers are meeting the hours and the income that they provide. You might know we have been having some challenges with Care for Kids.

A lot of the slowdowns are because of all the checks in place. So they need to -- parents need to provide paystubs, they need to provide work hours that are signed by their employer.

Childcare providers need to provide proof that about the hours that they cared for the child. There’s sign in and sign out as well. So this is checked regularly.

One change over the past couple of years is that we have gone to annual redeterminations versus every six months or every eight months. And so it’s checked annually. And for example with the licensed providers, they go in and check the list and the attendance list as well against who is listed as coming.

So there are extensive checks to make sure that the children are coming and also about the parent's income and the parents work hours and they are required to advise us as part of their agreement when there are changes.
REP. LAVIELLE (143RD): Thank you. Is there a minimum number of hours that each provider has to care for a child or can they do an hour a day?

COMMISSIONER BYE: Well, when you say hourly, this is -- Senator Formica I think characterized it well. This is a confusing program. It’s really complicated, right.

REP. LAVIELLE (143RD): I have always found it so.

COMMISSIONER BYE: Me too. So basically you have quarter time, half time, full time and full time plus. And so as we are figuring out these hourly rates, we then went to what are the average number of hours for quarter time, half time, full time, full time plus and then divided that by the number of hours. So that, that’s how we calculate the hours.

So we are not counting like oh this week they were there four hours. We say no, they've purchased quarter time care and then it's for the provider and the parents to figure out what are the hours that they need for a quarter. So a quarter I think begins at its like 2 to 12 hours so it can be a very small amount of time.

REP. LAVIELLE (143RD): Okay thank you. If the provision that concerns a supplement or a differential for special needs children, that is not new, right. We already have that?

MR. GHERELICH: Yes, that’s correct.

REP. LAVIELLE (143RD): Okay.

MR. GHERELICH: Yes.

REP. LAVIELLE (143RD): And also just wanted to confirm the differences. There is some pretty
substantial differences between the fiscal note from OFA and the OPM attachment to the contract and its, am I correct that that’s due to OPM not having considered the minimum wage raise when they prepared the numbers? I made you to ask OPM.

MR. GHERELICH: I believe that’s based on the timing, I certainly if the budget can speak to that if you like.

REP. LAVIELLE (143RD): I just wanted to confirm why we had a, such a large differential.

REP. WALKER (93RD): Someone from OPM.

REP. MASTROFRANCESCO (80TH): Hi, Greg Massner from OPM. That -- you’re correct. The -- when OPM submitted its package, the minimum wage hadn’t happened yet. The change hadn’t happened yet.

REP. LAVIELLE (143RD): Okay, thank you. And finally, returning to the provisions for home repairs, what I’m curious about is what’s the -- it says that the parties agree to explore this. And then that they will -- they agree to explore it and then it says they will cooperate to seek appropriate funding. They will do that.

What is actually the legal obligation here? Is it just to look into it? Does it go farther? Where does that leave us? What is the possible extent of the actions to which the parties can be held?

MR. GHERELICH: So we would agree to sit down and to as it says explore and see if it’s something that we can achieve through appropriation -- through the monies that are available. It’s not, you know, there are obviously thing that might happen during the duration of the contract that might affect the parties ability to do so, you know, in terms of
financially but it’s a good faith commitment to recognize that many of the providers maybe prevented from obtaining credentials that would help them and the children they care for and it’s an effort to try to remedy that deficiency.

REP. LAVIELLE (143RD): Well and understood. I just wanted to make sure I understood correctly what the real obligation there is. This -- I guess and I’m not an attorney so with a contract very often you agree to actually do something, take an action and this is kind of a statement of good faith that both parties think it's interesting but are, they are not obligated to do anything about it once they’ve discussed it, is that correct?

MR. GHERELICH: I think that’s a fair characterization although we would, you know, certainly agree to -- we agree to negotiate to sit down and discuss this and try to find ways to come up with a solution to the problem. So in terms of what our legal obligation is, it’s to sit down and to speak with the union and try to come up with a repair program.

REP. LAVIELLE (143RD): So does that allow for during the term of this particular contract which ends in 2022, does the contract leave room for maneuver for actually doing something or would anything that had to be done have to happen after this contract?

MR. GHERELICH: So there’s no appropriations that are required by this provision. If there is something that we might be able to achieve something through other funding, federal funding. We might be able to achieve something through existing funding and if there was a requirement to come back for more
money, we would obviously do so. But that’s not -- that’s certainly not something that’s guaranteed at this point by this provision.

REP. LAVIELLE (143RD): And would that be possible were there no language in the contract?

MR. GHERELICH: Would it be possible to --

REP. LAVIELLE (143RD): If this provision weren't here, granted there is no statement of good faith. But if this provision weren't here, could the two parties still do that?

MR. GHERELICH: We could but it's something that the union felt very strongly about and to the extent that it can resolve issues that the providers are facing, we thought it was a good faith to put it in the contract.

REP. LAVIELLE (143RD): I just, the reason I’m stretching on this is I’m just trying to discern whether there are any implications created by having this in the contract that maybe we have to kind of read between the lines?

MR. GHERELICH: No. There is no additional financial requirements and I would just say there were a substantial number of other proposals that the union had made that they were willing to no longer proceed with and this was part of what was provided in exchange in the negotiations.

REP. LAVIELLE (143RD): Okay. Well, I appreciate that. Thank you both very much. Thank you, Madame Chair.

REP. WALKER (93RD): Thank you. Are there any other questions? Yes. Go ahead, Representative.
REP. MASTROFRANCESCO (80TH): Thank you, Madame Chair, for the second time. I apologize but as this conversation continues, I’m thinking of more questions so I appreciate it.

Just in follow up on Representative Lavielle's question on the home repair program, is this -- can you elaborate on it? Like exactly what is the goal for the home repair program

MR. GHERELICH: I'll allow the Commissioner to speak if you don’t mind.

REP. MASTROFRANCESCO (80TH): Thank you.

COMMISSIONER BYE: I really appreciate the question because in Connecticut, we have some real model cracks around family child care going on with All our Kin and with some of our agencies, staffed family child care networks. And what those programs have been able to do is take an unregulated, unlicensed family childcare provider and provide classes in financial literacy, provide professional development, help them get enrolled at community college in classes. And the return on investment is up over 15 percent.

The way that I envision a fund like this and in our conversations with the unions, is to try to support programs that are trying to become licensed. And very often, when it comes to licensing or accreditations, there is a very minor thing that needs to be improved.

For example, you might need a gate on your backyard to make sure the kids, you know, licensing may require certain kind of fencing whereas unrelated wouldn't need the fencing.
The way we envision this is that it would be a capped amount. So just for example, say a $700 cap but that they would need to go through the process to show that by this improvement, this childcare home can move into licensed to become a licensed childcare home.

Some of you might remember that Connecticut has been -- the Office of the Child Advocate released a report that nine babies died over an 18 month period in Connecticut. Six of those babies died in unregulated childcare.

And so in our office, we are trying to do everything we can to support family child care homes becoming licensed. Thus you see the tiers on this contract to encourage it that way. Significant percentage increases for licensing and accreditation and if there was a fund like this, which could be federal funds or state funds, it would be to try to bring a family child care providers into the licensed system which really does help people start small businesses in their home in a way that’s much more sustainable and one that even more importantly improves the quality of care for those young brains that are in the care of those providers.

So we don’t have plans right now for this but another example of a program like this is where our office worked with public schools who wanted to turn elementary classrooms into preschool classrooms with the fund to try to help them make those changes. But it could only be used for that specific purpose.

So this would specifically be to move family childcare providers into the licensed setting or into an accredited have to be tied to achieving a credential. Thank you.
REP. WALKER (93RD): Thank you.

REP. MASTROFRANCESCO (80TH): Thank you for the answer. Yeah, I’m just confused because it says home repair program. So I’m trying to determine home repair could be anything. I mean, they could have a problem with their heat, the hearing unit needs to be replaced.

COMMISSIONER BYE: Right.

REP. MASTROFRANCESCO (80TH): It could cost thousands of dollars. A gate like you said it could be. Maybe they need a new swing set. So I’m just trying -- home repair is very broad and could amount to thousands and thousands of dollars.

COMMISSIONER BYE: Well --

REP. MASTROFRANCESCO (80TH): So I was just trying to narrow down what that means.

COMMISSIONER BYE: Yeah, there would be a cap and it would very, be very specific. If we were overseeing it which is we would oversee it, it would be a very specific program to bring childcare homes into the licensed or accredited system.

REP. MASTROFRANCESCO (80TH): Thank you. And speaking of licensed and unlicensed, I -- and correct me if I’m wrong, there’s a different pay scale of a rate? What is the purpose of that for linens and unlicensed?

COMMISSIONER BYE: Again because to provide licensed care there are many more requirements. And you can take, you know, there are different -- you can take -- for example in relative or family childcare that is unregulated, they can take up to three children. Most do not take three children, but they can take
up to three whereas a family childcare home and take six with two under one and then three after school.

So there are very different rules around it. And if someone was caring for three children who were not family members on a daily basis that would be an illegal operation. So it's just for family members.

REP. MASTROFRANCESCO (80TH): Is the maximum amount of children you can care for based on licensed and unlicensed? Is that the main reason for being licensed because you, because you’ll be able to care for more? Does it matter?

COMMISSIONER BYE: Well --

REP. MASTROFRANCESCO (80TH): I mean, is that the main criteria?

COMMISSIONER BYE: I think it matters -- the main criteria is family. You can only care for family members if you're unregulated. Some states don’t use any of their Care for Kids dollars for unregulated care.

In Connecticut we have done that but with specific rules about it can only be a family member and rest assured our agency every few weeks is involved in an investigation with an unregulated, unlicensed home where people are providing care that is not legal in Connecticut. So it's, family is really the biggest differentiator.

REP. MASTROFRANCESCO (80TH): Right. Do you find through you, Madame Chair, the difference of quality of care for somebody that is licensed and unlicensed?

COMMISSIONER BYE: Well, we have a whole campaign around this Called Trust Licensed Care. There are
differences in quality. There are requirements around training, professional development for the provider when it’s licensed, also around the health and safety where our inspectors are in once a year to make sure that the environment is safe.

If you’re a parent, you should really be looking to choose licensed care when you can because of all those protections of and the requirements around health and safety and even professional development for those providers.

REP. MASTROFRANCESCO (80TH): Thank you. I guess, you know, as a parent you may have a family member and you work full time and you don’t qualify for the program. And maybe you have an aunt or your mother or a sister or relative caring for your child while you go to work and they're not licensed. Clearly they're qualified.

And I didn’t know if the assumption was they’re not qualified because they don’t have a license. That’s what I’m trying to determine why, you know --

COMMISSIONER BYE: Yeah.

REP. MASTROFRANCESCO (80TH): -- what I mean, why the license?

COMMISSIONER BYE: Well, I appreciate the chance to follow up. Absolutely. I know my own sister provided family child care for me. I didn’t Care for Kids but that was my choice. There was not an inspector and I know my mother cared for my daughter as well when she was a baby and that’s absolutely fine.

But what we are finding in Connecticut is there are a lot of unlicensed, un -- there’s a lot of unlicensed, unregulated care and so we are really
going out of our way to encourage parents to pick licensed care.

Frankly there is such a shortage. You can't find a lot of people to work for $6,000 a year or $12,000 a year or $24,000 a year to have full time, you’re always available so that’s why we have all the turnover.

But we are short 50,000 infant toddler spaces in Connecticut so we want to ramp up and get more licensed family child care providers so that people can go to work and you all have seen the strain on our Care for Kids program. More and more families need childcare. More and more families are living at 50 percent of the state median income and below and need to get to work and need support for childcare for that.

Sometimes family members just step up and provide that care but in this case it’s a very low wage. Still with this contract is still a very low wage profession and there is still a lot of turnover.

REP. MASTROFRANCESCO (80TH): Thank you. I’m just trying to figure out the difference between licensed and unlicensed. Like you say your family member, my family members clearly don’t have a license. They can clearly take care of my children. I didn’t know what the differences for somebody is their income different? Is that why they're -- the care is different? I don’t know.

REP. WALKER (93RD): Excuse me. I’m going to jump right in here real quick.

REP. MASTROFRANCESCO (80TH): I don’t quite understand.
REP. WALKER (93RD): Maybe it’s because your family members didn’t get state subsidies in helping you provide the childcare. That’s part of the reason why. It’s not saying that it’s unlicensed, it’s unregulated. It’s just that you were paying for your own, your childcare in your home.

REP. MASTROFRANCESCO (80TH): Okay. And I’ll move on from that question. Just -- to qualify for the Care for Kids program, is it based on adjusted gross income or how is the?

COMMISSIONER BYE: It’s a family that is earning below 50 percent of the state median income. So like for a family of four it would be if you made less than $43,000, in that range.

REP. MASTROFRANCESCO (80TH): Adjusted gross, I mean, after deductions and so forth?

COMMISSIONER BYE: State median income.

REP. MASTROFRANCESCO (80TH): Is it --

COMMISSIONER BYE: I think it's gross. I believe it gross.

REP. MASTROFRANCESCO (80TH): Is it gross?

COMMISSIONER BYE: It’s gross, yes.

REP. WALKER (93RD): I don’t know, I can ask OFA if we really want to know.

COMMISSIONER BYE: It’s gross.

REP. WALKER (93RD): It’s gross.

REP. MASTROFRANCESCO (80TH): It’s gross, okay. Thank you. And one more quick question. You said that they do not pay you. They do pay a union dues, you just weren’t sure on the amount. Is the amount
of union dues based on a flat fee or is it a percentage of what’s reimbursed or a stipend for?

REP. WALKER (93RD): That would be a question for the union.

REP. MASTROFRANCESCO (80TH): Okay, because it's in the contract. So --

REP. WALKER (93RD): Right. And they, they're going to be up here to talk in a minute.


REP. WALKER (93RD): Thank you.

REP. MASTROFRANCESCO (80TH): Thank you so much for answering my questions. Thank you.

REP. WALKER (93RD): Thank you. Representative Abercrombie.

REP. ABERCROMBIE (83RD): Thank you, Madame Chair, and maybe just if I could add to this conversation that might be helpful for some of my colleagues that are not really familiar with this program.

First of all let me just thank both of you for being here and especially to the Commissioner who has been versed on this program for well over 10, 20 years now.

So when we talk about the family homecare providers, what we are talking about, folks, are the lowest of the low wage income people in this state. We are talking about young moms who might be going to school and trying to work a part time job.

So when you look at that population that’s what we are talking about. I will say personally that I have struggled with the unlicensed for the last few
years because of the amount of children that have died. And it's needless deaths.

A child last year died from an asthma attack. No child today should die because of an asthma attack. But at the same time, I understand that there aren’t enough facilities to take these families in and these young moms want to go to work. They want to go back to school. And that's where the family providers help them.

We always say in the Medicaid program it’s not a hand out, it’s a hand up. And that’s what Care for Kids is. It’s a federal program that helps working families. Let’s just be clear about this. Nobody is sitting home eating bonbons. You have to go to work to be eligible for this program.

And I get frustrated because some of the questions here today don’t make sense to me. I think that people need to educate themselves on programs and understand the population that we are working with.

We are working with young moms that are probably working at Dunkin Donuts, that are not guaranteed a lot of time, right. They could be working 12 hours a week. They're trying to help with their families.

So I’m in full support of this contract. I’m in full support of this Commissioner who is looking at the unlicensed and trying to figure out how do we help them and at the same time help our young mothers who want to work, who want to go back to school, who want to better themselves. And that’s what this program does. So thank you both for being here today.

REP. WALKER (93RD): Thank you. Are there any other questions? If not, thank you very much for your
testimony. Thank you very much. Thank you. Next we have Dan Livingston. Dan. Oh, okay.

MR. LIVINGSTON: If it's okay, we will all come up together?

REP. WALKER (93RD): Oh, the two of you?

MR. LIVINGSTON: Do you have one of the (inaudible - 01:18:55 off mic)

REP. WALKER (93RD): Okay. Good morning still. Good morning, sir. Good morning. Please whenever, if you ever speak, just make sure that you give your name for the mic clearly but only when you speak. You don’t have to do anything right now. Mr. -- okay.

MS. ZIMMERMAN: Good morning. Ava Bermuda Zimmerman (phonetic), CSCA childcare director, SCIU. I have been childcare director. I have been part of the childcare program here and in the state of Massachusetts now for --

REP. WALKER (93RD): State of Connecticut --

MS. ZIMMERMAN: State of no. State of Massachusetts for a year and then --

REP. WALKER (93RD): Okay.

MS. ZIMMERMAN: -- Connecticut. I just want to clarify for the questions, people had curiosities about other states. So in my capacity as child care director, I not only served in Connecticut, I also served as child care director for a year in the state of Massachusetts.

So for the state of Connecticut, in my capacity as child care organizer, I have been here for six years
so if you have questions about other states I do have information about other states. So.

REP. WALKER (93RD): Thank you.

MS. ZIMMERMAN: (Crosstalk).

REP. WALKER (93RD): Thank you. In my capacity as an organizer and childcare director, I have interacted with over thousands of providers who do this on a daily basis. These providers are mostly low income. These providers are working very, very hard not only just for the family that they care for but in order to make sure that they have enough to survive for their own families.

I have noticed that the majority of the providers who become licensed, they become licensed because they had a career in early education in centers or in schools and then decided to create a center or in home daycare, licensed daycare in their own home to make a little bit more flexible for their families.

And I have also met a lot of licensed providers who became licensed because they had young infants themselves and had difficulty finding childcare so they decided to get the proper credentials, get licensed and then become educators themselves. So it is a mixed bag.

Those who are unlicensed providers are providing a service for family members. If those family members don’t have care from that family member, then they wouldn’t be able to work or have a livelihood. So we have different stories here.

If you have questions in regards to what brings a provider up to now becoming a union member, I can clarify that but I do have a lot of clarifications in the questions that were asked.
REP. WALKER (93RD): Thank you.

MS. ZIMMERMAN: Thank you.

REP. WALKER (93RD): thank you.

MR. LAZANO: My name is Rafael Lazano (phonetic). I own Daddy Daycare on Waterbury, Connecticut and I am here representing today. Feel free to ask me any questions that you may have at this time.

REP. WALKER (93RD): I am really glad to see a daddy doing this. This is good. This is very good. Mr. Livingston.

MR. LIVINGSTON: Thank you for the opportunity to speak. I just want to say a couple things to get stated and maybe clarify a couple things that were in the questions.

First to get started, this contract represents the parties finding of mutual interest in building up this industry if I can call it that word, the building up the capacity of the licensed home daycare folks to actually care for the kids in this state.

A recognition that it is an essential program that we are way underserved in terms of the number of providers and that one of the reasons that we are way underserved is that we have not managed to provide a way for providers to make a decent living. They don’t have pensions. They often don’t have healthcare. They have no job security. They don’t have substitutes often to take care. They often have to work very hard to find a way if they're sick to make sure that their kids are cared for.

It’s a really tough way to make a living and it is so essential that these young children get the same
opportunities that other kids have. And that’s only going to happen if we build this industry up.

So we joined the office in focusing on encouraging people to become licensed, to make a career out of it. There was a time when school teachers barely made minimum wage and the state of Connecticut figured out that that’s not a good way to take care of the kids in this state.

But now we still have a similar situation unfortunately with the people take care of the youngest kids who are the most vulnerable and most affected by whether or not they get good care. So that’s what this contract represents.

We would have like to go much further, not just us I don't think but the state and it's always a balance, right. Its tough times and so we are not doing enough. And we are going to have to keep making progress to really achieve the goals of the union and the members and the state of Connecticut.

I do want to correct one thing I think about the way to look at this fiscal note. The provision that says one third of minimum wage for unlicensed providers is in the current contract.

We do not usually in our fiscal notes count against a new contract, a provision that’s already in the current contract. I will tell you that if we were still bargaining this two, three, four years from now, we would certainly be asserting that the increases due to the minimum wage are automatic under the language of the current contract, not something new we got.

So I think actually the OPM fiscal note is a more accurate way of reflecting the effect of the
bargaining. I don’t disagree what OFA's math. It's fine.

But like I said we don’t typically cost against a contract a provision that is already in the existing agreement. So with that said, we can answer any questions the committee might have.

REP. WALKER (93RD): Thank you and thank you for that. Are there any questions?

SENATOR FORMICA (20TH): I have a question.

REP. WALKER (93RD): Yes, Senator Formica.

SENATOR FORMICA (20TH): Thank you very much, Madame Chair. Good morning. Thank you for coming and thank for your clarification on some of the questions that we have. Are these providers both registered and non-registered? Do they pay union dues?

MR. LIVINGSTON: So it is a voluntary choice whether or not to join the union. The benefits of the contract are available whether one is a union member or not. Those who join, choose to join the union do pay a union dues, yes.

SENATOR FORMICA (20TH): And may I ask what that, what those dues are?

MR. LIVINGSTON: They're one a half percent of your earnings from the program with a cap of $35 per month.

SENATOR FORMICA (20TH): Per month?

MR. LIVINGSTON: Per month. That’s a cap. It's never more than one and a half percent of your earnings from the program.
SENATOR FORMICA (20TH): Right. And is that, so that would reflect how many children you are taking care of because it’s based on total earnings per month?

MR. LIVINGSTON: Correct.

SENATOR FORMICA (20TH): Thank you.

REP. WALKER (93RD): Any other questions? I guess that answered everything. I just want to ask the father who is the daycare work -- daycare leader.

Daycare --

COMMISSIONER BYE: Provider leader.

REP. WALKER (93RD): Provider. Okay. How long have you been doing daycare?

MR. LAZANO: I made a decision to open my center last year.

REP. WALKER (93RD): And how many kids do you have right now?

MR. LAZANO: Currently three.

REP. WALKER (93RD): Three. And in doing this and I’m sure you get it’s because you’re a male that people immediately sort of look back and say you're doing this but this was a choice and I think that it's important that you explain just why. Why did you want to be a coordinator?

MR. LAZANO: It’s a good question. To give you a little bit of my background, we have a school overseas in the Dominican Republic where we teach kids English, prepare them to come to the United States so they don’t have the language barrier and they can better words I guess blend in a little bit more, blend in a little easier.
I became a single father so my son lives with me. Working the regular job and caring for a two year old was very difficult. A lot of the programs weren’t designed for a man and I just said well, you know, you have this experience in education and people asked me why don’t you just do something in Waterbury?

So I explored my opinions and one day I just started signing documents and figured I would take that avenue.

REP. WALKER (93RD): So are you doing, are you going for associates? Are you going to go for any other training in this area?

MR. LAZANO: Correct. I’m currently enrolled in Albertus Magnus.

REP. WALKER (93RD): Excellent. Glad to hear that. Thank you. Thank you for your testimonies, thank for you presentation here, thank you. Yes, Representative.

REP. MASTROFRANCESCO (80TH): Thank you, Madame Chair. I’ll be brief. Just a quick follow up question on the union dues. Can you repeat that again? Did you say it was one and a half percent of their earnings?

MR. LIVINGSTON: One and a half percent of their earnings from the program with a maximum of $35 per month.

REP. MASTROFRANCESCO (80TH): Max.

REP. WALKER (93RD): Thank you.

REP. MASTROFRANCESCO (80TH): Okay. Thank you. Thank you, Madame Chair. And then just one quick
question for the -- what was the name of your
daycare again?  Is it Daddy Daycare?

MR. LAZANO:  Daddy Daycare.

REP. MASTROFRANCESCO (80TH):  I love that.  Do you
-- is there all fathers that are there?  Is it a
facility that you own?

MR. LAZANO:  Currently its myself.  Since we just
started last year we only have three children at
this time including my son.  So he counts as one.
As we grow, I’m not going to limit it just to men.
You know, we will hire anybody we need to hire at
that point in time as we grow.

REP. MASTROFRANCESCO (80TH):  And you take care of
them in your home?

MR. LAZANO:  That is correct.

REP. MASTROFRANCESCO (80TH):  And are you part of
the program?  Do you get the Care for Kids program?
Do they offer it to the kids that are three?

MR. LAZANO:  I have one child who has it and we are
registered with them and we are just in the final
process of everything.

REP. MASTROFRANCESCO (80TH):  Perfect.  Well, thanks
to the dads for taking care of their children.  I
know it's a tough task.

MR. LAZANO:  Thank you.

REP. MASTROFRANCESCO (80TH):  Thank you.  Thank you,
Madame Chair.

REP. WALKER (93RD):  Thank you.  Thank you for your
testimony.  Have a good day, thanks.

MR. LIVINGSTON:  Thank you all.
REP. WALKER (93RD): Are there nay -- is there anybody else who would like to testify? Is there anybody else? I then call this public hearing to a close.

At this time we will take a three minute? At this time we will have a recess in room and the Republicans will recess -- will caucus in what room? Yes.

SPEAKER: We will go to 2B and storm it. If we need to take over to them we will.

REP. WALKER (93RD): Okay.

SPEAKER: If not we will --

REP. WALKER (93RD): We appreciate that.

Speaker: -- we will find another spot to go.

REP. WALKER (93RD): Thank you. And okay. 2B. I guess we will have to find out. And we will find out and I will at this time conclude the public hearing. I will start the committee meeting and we will now recess for a caucus.