Testimony of Merrill Gay in support of Senate Bill 933
AN ACT EXPANDING ELIGIBILITY FOR CERTAIN FAMILIES IN THE CARE4KIDS PROGRAM

Senator McCrory, Representative Sanchez, members of the committee, thank you for the opportunity to testify in support of SB 933. My name is Merrill Gay and I am the Executive Director of the Connecticut Early Childhood Alliance, a statewide membership organization committed to ensuring that all children in Connecticut are healthy, safe and ready for lifelong success.

This bill would raise the initial eligibility limit to get onto the Care4Kids child care subsidy program from the current 50% of State Median Income (SMI) up to 75% of SMI. Let me explain why this is important and the right thing to do. Based on the United Way’s ALICE report, the survival budget for a family of four with two children under 5 in Connecticut is $77,832 of which the single largest portion, child care is $20,292. So that means that the survival budget for a family of four without childcare is $57,540. The current eligibility limit for a family of four to get onto the Care4kids program is $56,275. So in other words, just as you get to the point that you could almost afford your other expenses excluding child care we say you’re no longer able to get help with your remaining big expense child care.

The attached graph shows this as a monthly budget. As you can see starting at the bottom with housing and working your way up, you hit the current income threshold for Care4Kids just before you can afford all of your non child care costs. So how does this impact families and constrict the labor market? Let’s assume that dad is working a full time job at $18 per hour and mom is home with two little ones. He’s making about $35,100 a year and they are tight on money so they decide she should go back to work and the kids will go into child care. If she takes a full time job at $10.85 an hour they could get Care4Kids to help with child care, but if that job paid $10.90 per hour (5 cents more) combined they would earn $28.90 per hour or $56,355 a year just over the $56,250 income limit and not be eligible. The problem is that to actually afford childcare on their own she would need to earn $22 per hour. This is an $11.10 per hour benefit cliff that keeps families from earning their way into the middle class.

We urge you to pass this bill out of committee and to push hard to increase the appropriation for Care4Kids to serve the new families who would be eligible.
United Way ALICE Monthly Survival Budget

(family of 4 w/ two children under 5)

Care4Kids Income Limit

Child Care $1,691
Miscellaneous $590
Technology $75
Food $603
Transportation $613
Health Care $792
Taxes $891
Housing $1,231

Average Cost

$4,689.58