Good Afternoon Representative Sanchez, Senator McCrory, and Members of the Education Committee,

My name is Elizabeth Fraser and I am the Policy Director for the Connecticut Association for Human Services. (CAHS) is a statewide nonprofit CAHS is a nonprofit agency that works to reduce poverty and promote equity and economic success for children and families through both policy and program initiatives.

Thank you for the opportunity to testify in support of SB 933: An Act Expanding Eligibility For Certain Families in the Care4Kids Program. This bill would expand the eligibility of the Care4Kids program to include families with a gross income of up to seventy-five percent of the statewide median income and require advance notice of expanded program eligibility. As a policy agency that promotes two generation solutions to family economic opportunity, this bill has our full support.

Quality early care and education is critical for the healthy development of young children and the gives parents the ability to participate fully in the labor force. Childcare is increasingly expensive and can easily represent the single largest expense for working families. In 2016, the average annual cost of child care was $20,292, or 28 percent of the median household income for a family of four in 2016. It is often a household’s greatest expense. The Care4Kids subsidy is designed to moderate this expense for income eligible families, allowing parents to work, and provide for their families, while knowing their children are in safe and appropriate early care environments.

Before 2002, Connecticut did allow families up to 75% of SMI to be eligible for the subsidy, but since 2002, families earning more than 50% of SMI are not eligible to receive the subsidy. Yet, the expenses attributed to running a household are rising. According to the United Way’s report on Asset Limited Income Constrained Employed (ALICE) families, a family of four, with two young children, now needs to earn $78,984 annually, just to barely meet a minimum survival budget. (To be clear, a survival budget is not a secure budget, it barely allows a family to get by with no extras or even the ability to save for an emergency.) Yet at this time Care4Kids eligibility is 50% of SMI. or $56,275. for a family of four. This is well below the income threshold of many ALICE families, who still struggle to pay for care and make ends meet.

CAHS estimates that 124,563 households fall within the 50th to the 75th percentile of the median income. They work, but struggle and are often unable to still makes ends meet. Sometimes the cost of childcare is so high, parents make the decision to forgo work and the needed wages, because the cost...
benefit just does not provide enough incentive. Yet we know we need workers available to fill jobs. It is time to raise the eligibility back to 75% of SMI giving additional opportunity for these parents to work, actually be able to make ends meet, and provide a financially stable home environment for their children. As 75% of SMI is still considered a tight budgets, any additional childcare savings is sure to go right back into the local economy. This is good policy for working parents, for their children and for the economic growth in our state.

The Connecticut Association for Human Services urges the Education Committee to support Raised Bill No. 933 to ensure that more families have access to this important child care program, ensuring more families have the ability to work and prosper.

Thank you for your time and the opportunity to submit testimony.