



CAFCA

Connecticut Association
for Community Action

February 13, 2020 Public Hearing Testimony before the Connecticut General Assembly Appropriations Committee

Governor's Proposed Midterm Budget Adjustments Office of Early Childhood

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Distinguished Chairpersons, Vice-Chairpersons, Ranking Members, and Members, my name is Deb Polun and I am the new Executive Director of the Connecticut Association for Community Action (CAFCA), the state association that works with Connecticut's nine Community Action Agencies (CAAs), the state and federal designated antipoverty agencies.

I am here to express our concern with the Governor's proposal to delay the rate increase for full-day school readiness and child care providers to FY 2022.

Connecticut's network of Community Action Agencies connect neighbors in need with resources that stabilize and improve lives and communities. These services and resources include, but are not limited to:

- Nutrition (through SNAP outreach, Meals on Wheels, and Senior Cafes);
- Housing and shelter;
- Asset development and financial literacy;
- Energy and heating assistance; and,
- Early childhood care and education.

Through a comprehensive, customer-focused service delivery system approach called the Human Services Infrastructure (HSI), any person that comes to a Community Action Agency gets connected to the tools, resources, programs, and services s/he needs to achieve and maintain short- and long-term economic independence. Last year, we helped 259,512 of your constituents – children, families, single parents, and older adults – solve problems, avoid crises, and save money.

Community Action Agencies provide high-quality early childhood education in sites across the state, for infants through age five. Last year, CAAs enrolled 5,629 children in early childhood programs and services (up from 5,092 in 2018). These early childhood programs are not only beneficial for the children enrolled, but they also allow their parents and guardians to go to work, with the comfort that their children will be well cared for.

By investing in a multigenerational approach to early care and learning, Community Action Agencies prepare children for future success, while helping to ensure positive and improved social, emotional, educational, and developmental outcomes, as well as reducing the achievement gap. And, access to high-quality, early childhood care and education programs is essential in helping to break the cycle of poverty.

One of the barriers to full employment for low-income parents is the cost of child care. According to the Economic Policy Institute, the average cost of child care in Connecticut is \$15,501 for an infant and \$12,731 for a 4-year-old.¹ Even with Connecticut's minimum wage increase, a person working 40 hours/week at minimum wage will earn only about \$22,000 a year before taxes – making it virtually impossible to cover the cost of child care. That's where child care subsidies come in.

CAFCA appreciates the good work of the Office of Early Childhood (OEC) and the state's commitment to assisting parents in affording high quality child care. However, the reimbursement rate to providers is inadequate in covering the costs of providing care. The current reimbursement rate, set by statute, is \$8,927/child per year.

Last year, Governor Lamont and the Legislature wisely chose to include a rate increase for child care providers, slated for FY 2021. This increase by \$100/child, to \$9,027/child, is a small step forward towards helping child care providers, including CAAs, continue to deliver high-quality care.

The Governor's proposal to delay the rate increase for full-day school readiness and child care providers until FY 2022 goes back on the commitment made last year. As the cost of providing services continues to increase, and CAAs look to retain talented, experienced staff, stagnant funding causes challenges for Community Action Agencies and other nonprofits across the state to continue to offer the breadth and depth of services to the maximum number of people in need.

Thank you for your time and consideration, and for understanding how critical it is that Connecticut not delay this vital rate increase. We look forward to working with you to continue serving Connecticut's children and families.

¹ Larson, Shannon, "Report: Childcare costs in Connecticut," *Hartford Courant*, July 31, 2019, <https://www.courant.com/news/connecticut/hc-news-connecticut-child-care-most-expensive-20190731-ua4b7oxwsfaxplnyfy7dp526i-story.html>