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for Community Action

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Public Hearing Testimony before the
Connecticut General Assembly's Appropriations Committee

Deb Polun, Executive Director
Connecticut Association for Community Action, Inc. (CAFCA)

Regarding
**House Bill 6659: An Act Concerning the State Budget for the
Biennium Ending June 30, 2025 and Making Appropriations Therefor
(General Government Agencies)**

February 16, 2023

Distinguished members of the Appropriations Committee:

Thank you for holding this public hearing today. The Connecticut Association for Community Action (CAFCA) is the state association that works with Connecticut's nine Community Action Agencies (CAAs), the state and federally designated anti-poverty agencies providing a wide variety of services to nearly 200,000 low- and moderate-income people in all 169 cities and towns across the state. I have included more information about Community Action Agencies at the end of this testimony.

**House Bill 6659 – General Government Agencies: Office of the State
Treasurer**

Connecticut made national headlines two years ago when it was the first state to pass Baby Bonds legislation, making a commitment to invest in children born into poverty. Since then, unfortunately, the program has not received the needed support from all parties in order to launch.

Baby Bonds are a recognition that most wealth is generational in nature. Simply stated, people who come from middle-upper class backgrounds are more likely to remain in that category. They often have better educational opportunities, safer neighborhoods, better access to health care, and other social supports that assist them in their career and financial endeavors. Connecticut continues to make efforts to improve equity in these areas, but gaps persist.

Moreover, once a child becomes an adult, those children who come from families of means have access to credit. For example, parents who are homeowners can access home equity loans to provide their children funds so that they can move forward in their lives. It is precisely these lump sum investments that too often are not available to children born into poverty.

This is where Baby Bonds comes in. With Connecticut investing a few thousand dollars into an account for a child at birth, that child can access approximately \$11,000 at adulthood, to pay for education, the purchase of a home in Connecticut, or to start a business here. Importantly, these dollars are invested in Connecticut's kids – who can access them only when they are Connecticut-based adults.

CAFCA asks that policymakers redouble their commitment to this innovative program. Respectfully, we also offer the following suggestions:

- ☞ The program should refer all new enrollees/their families to Community Action Agencies to ensure that the families are enrolled in other helpful programs, such as SNAP, WIC, energy assistance, and more.
- ☞ The program should collaborate with schools and local nonprofits to provide financial education to the children/their families – over the course of their childhood, not just when the child is age-ready to use the funds.
- ☞ The program should provide periodic statements to children/their families, so that they are aware that the funds are in their names. A website for families to check on the status of the investment would also provide ongoing engagement and excitement about the future.
- ☞ Thinking ahead, nonprofit organizations should be trained in advising enrollees on how to access and utilize the Baby Bonds.

Thank you all for your consideration of this important proposal to improve equity in our next generation – and as always, for your service to our state. Please feel free to get in touch with any questions: deb@cafca.org or 860-832-9438.

More about Community Action Agencies

As the largest statewide safety net service provider, Connecticut's network of Community Action Agencies connects neighbors in need with resources that stabilize and improve lives and communities. These services and resources include, but are not limited to:

- Nutrition (inc. SNAP outreach, Meals on Wheels, and Congregate meals)
- Housing and shelter
- Asset development and financial literacy
- Energy and heating assistance
- Job training
- Early childhood care and education

Through a holistic, comprehensive, multigenerational approach, CAAs work with those in need to plan, achieve, and maintain a realistic path to short and long-term economic self-sufficiency and success.

