



STATE OF CONNECTICUT

OFFICE OF EARLY CHILDHOOD



Connecticut Office of
Early Childhood

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**Connecticut Office of Early Childhood Testimony
Before the Senate Health, Education, Labor and Pensions Committee
Commissioner Myra Jones-Taylor
Wednesday, June 15, 2016**

Good morning, Chairman Burr, Senator Mukulski, Connecticut's Senator Chris Murphy and distinguished members of the Senate Health, Education, Labor and Pensions Committee. I am Myra Jones-Taylor, Commissioner of the Connecticut Office of Early Childhood.

The Office of Early Childhood was created through Executive Order No. 35, effective June 24, 2013, and statutorily established in the 2014 legislative session, effective July 1, 2014. As a cabinet-level state agency reporting directly to Governor Dannel Malloy, the OEC is the lead agency for early care and education, workforce development, program quality and improvement, child care licensing, family support and early intervention. Our mission is to support all young children in their development by ensuring that early childhood policy, funding and services strengthen the critical role families, providers, educators and communities play in a child's life.

I am honored to be given the opportunity to testify before this committee concerning the federal re-authorization of the Child Care Development Block Grant Act (CCDBG) and its impact on Connecticut's child care subsidy program, known as Care4Kids.

I want to commend Congress for greatly improving the CCDBG program when it reauthorized the law in 2014. These changes bring new, and *much needed*, focus on quality and continuity of care for children enrolled in our Care4Kids program. Connecticut children receiving a child care subsidy will now receive higher quality and more stable care while ensuring a parent can maintain employment.

Prior to these sweeping policy changes, Connecticut's Care4Kids program had numerous reporting requirements that made it very difficult for parents to comply. As recent as this past year, there were many instances of a parent immediately losing the child care subsidy because of a change in their income or other relatively insignificant circumstances. For example, if a parent received a promotion at work and the parent's income increased to 51 percent of the State Median Income – just over the current eligibility threshold – the child care subsidy would be terminated immediately. There have been instances when a parent took maternity leave and

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reported this change one day late and immediately lost the child care subsidy for her preschool-aged child. As another example, if a parent's work hours shifted from first to third shift, the child care subsidy for day-time center-based care would be terminated immediately because the work hours did not match the hours for the child care subsidy. These abrupt benefit cliffs created a significant hardship for families struggling to pay their bills and put food on the table. They also fly in the face of all that we know about early childhood development.

Under the new federal CCDBG rules, these arbitrary reporting requirements will be significantly reduced. I would like to offer some very positive examples of how families are benefiting from the new policy changes that Connecticut has implemented under this federal reauthorization:

- One mother's work schedule changed. Under the new 12-month redetermination policy, the mother's work schedule does not need to match the hours of child care within the 12-month period. Therefore, the child can remain in the child care center and avoid losing the bond with the teacher and disrupting the child's routine, unaffected by the unpredictable work hours that dictate the lives of so many of our low-income working families.
- A single mother called in to report her last day of employment. We informed her that, now under the new law, her child care subsidy will continue for three months to provide her time to seek a new job. She said, "In the past, I was only given until the end of the following month to find a new job but with the 90-day job search, it gives me more time to try and get a job I actually want and not just take any job just to continue to be eligible."
- Under the new federal rules, the child care subsidy was reinstated for a single mother whose income increased and was modestly over the eligibility threshold. She stated that if the child care subsidy had not been reinstated, she would not have been able to go to work due to the high cost of child care. She said, "I am very appreciative of Care4Kids."

The sweeping policy shifts under CCDBG reauthorization are welcome changes. The focus on quality, continuity of care, and basic health and safety are long overdue. These policies are good for children, parents and providers; however, the challenge for Connecticut and many other states is that these changes significantly increase the annual cost of care per child. In Fiscal Year 2016, the annual cost of Connecticut's direct child care subsidy was \$113 million – approximately \$53 million in federal funds and \$60 million in state funds. The new CCDBG policy changes are projected to increase the cost of our Care4Kids program by approximately \$33 million in Fiscal Year 2017. Without sufficient additional federal funds to cover these costs, Connecticut has no choice but to serve fewer families.

To address this fiscal shortfall, Connecticut is taking painful steps to ensure that the number of children served is sustainable and families most in need receive the child care subsidy. Therefore, beginning July 1, 2016, eligibility for working parents applying for the program will change from 50 percent to 30 percent of the State Median Income. For a family of three, this means that eligibility will be reduced from an annual household income of \$44,601 to \$26,760.

Currently, there are 4,448 families enrolled with incomes between 31 percent and 49 percent of the State Median Income, which translates to 6,158 children ultimately denied access to the child care subsidy.

This income eligibility threshold change will allow the program to remain sustainable, while keeping the program open to new applicants year round. Nevertheless, the difficult choice we have necessarily had to make creates a tremendous hardship on our working families, many who will be at risk of losing their jobs.

I want to be clear that I am not here today to encourage Congress to scale back on these policy changes. We do not want to take a step backward toward the days when CCDBG policies created a disincentive to earn a higher wage, or when subtle changes in a parent's work schedule resulted in the loss of a subsidy and the end of a strong bond between a child and a caregiver. I sit before you today to urge Congress to allocate sufficient additional federal funding to states to implement these important policy changes and ensure that all eligible families benefit from the positive changes in the law.

I thank you for your time and attention to this critical policy. I am happy to answer any questions you may have of me.