

2/20/2018 Testimony before the Black and Puerto Rican Caucus

Elizabeth Fraser, Policy Manager, Connecticut Association for Human Services, February 20th, 2018.

Good afternoon Chairman Rep. Rosario and Members of the Black and Puerto Rican Caucus, my name is Elizabeth Fraser, and I am the Policy Manager for the Connecticut Association for Human Services (CAHS). A statewide nonprofit that works to poverty and engage, equip, and empower all families in Connecticut to build a secure future, CAHS promotes economic success for children and families through both policy and program work. We appreciate the opportunity to present our 2018 legislative agenda and offer input on our policy priorities as they relate to Connecticut's Black and Latino communities.

We realize that this will be a very difficult budget year and that legislators will be making decisions impacting all Connecticut residents. Amidst potential continued billion-dollar budget deficits, CAHS is chiefly concerned with:

- **Fully funding and reopening the waitlists for Care4Kids, the state's primary child care subsidy.**
- **Ensuring low-income working families have access to fair, Predictable Scheduling that supports their ability to reliable childcare, navigate transportation, or secure a second part-time job if they so choose.**
- **Securing the ability of all working families to take Paid Family Leave from work so they can fulfil their medical, parental, and caregiving responsibilities without falling behind on the bills.**
- **Defending against cuts to the Earned Income Tax Credit, which represents one of the most effective tools for lifting low-income working families out of poverty.**
- **Reducing inefficiencies and improving outcomes for parents and children through integrated service delivery, shared data systems, and two generation systems change so that Connecticut can help more families move toward opportunity.**

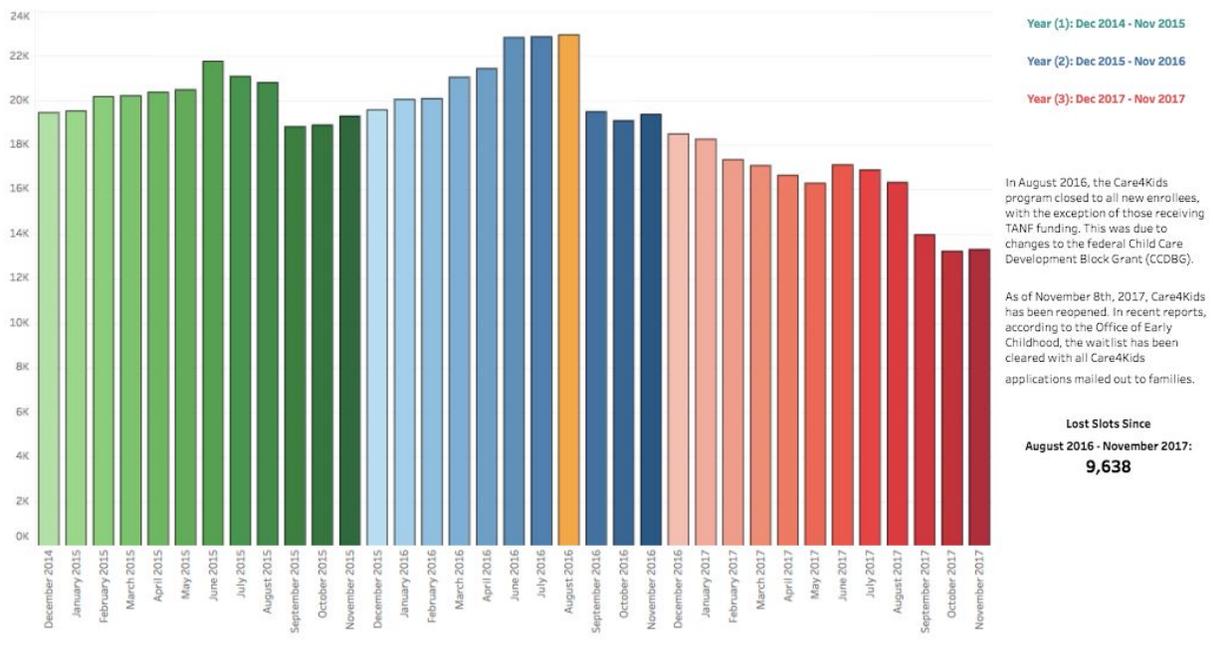
Care4Kids

The Care4Kids program helps low-income families pay for high quality early childhood care that may otherwise be unaffordable. In August 2016, due to earlier changes to the federal Child Care Development Block Grant which created a \$33 million funding deficit, the program closed to all new enrollees, with the exception of those receiving TANF funding. While the Office of Early Childhood (OEC) announced in November of 2017 that the program would reopen to families on

the waitlist, Care4Kids enrollment nevertheless declined significantly in the more than one year of the program’s temporary closure.

Between August and November of 2016, Care4Kids enrollment dropped by 3,576 slots, or 16 percent.¹ One year later, in November of 2017, Care4Kids enrollment had decreased by 9,638 slots, representing a 42 percent decrease in just over one year.² In December of 2017, one month after the program reopened to families in priority groups 1-4 and the OEC began accepting new applications, Care4Kids enrollment was still down by more than 39 percent from its pre-closure numbers, with only 13,871 enrollees.³

Care4Kids Enrollment 3-Year Comparison



¹ Connecticut Office of Early Childhood. (2016). Number of Children Paid by Age Category and Service Setting, August, 2016. [Data file]. Retrieved from: <http://www.ctcare4kids.com/files/2016/07/August-2016.pdf>

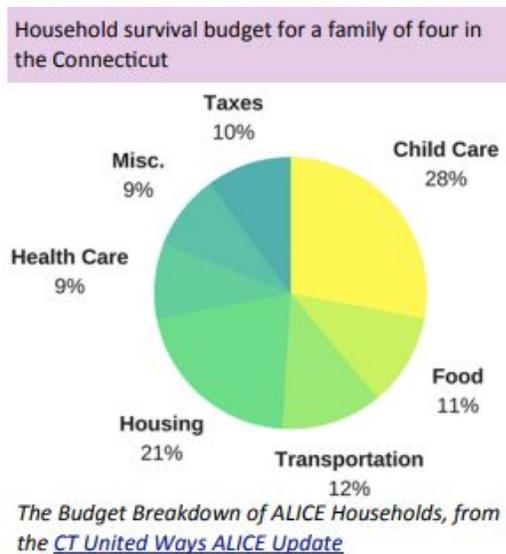
Connecticut Office of Early Childhood. (2016). Number of Children Paid by Age Category and Service Setting, November, 2016. [Data file]. Retrieved from: <http://www.ctcare4kids.com/files/2017/01/November-2016.pdf>

² Connecticut Office of Early Childhood. (2016). Number of Children Paid by Age Category and Service Setting, November, 2016. [Data file]. Retrieved from: <http://www.ctcare4kids.com/wp-content/uploads/2018/01/Nov-2017.pdf>

³ Connecticut Office of Early Childhood. (2016). Number of Children Paid by Age Category and Service Setting, November, 2016. [Data file]. Retrieved from: <http://www.ctcare4kids.com/wp-content/uploads/2018/02/Dec-2017.pdf>

These figures are significant, as they represent decreases in the number of working families who were able to access the high-quality, reliable child care they need to stay in the workforce. Child care is often the single-largest expense for families with young children, making it far out of the financial reach for many of Connecticut's working families without the Care4Kids subsidy.⁴ In 2016, the average cost of childcare in Connecticut was \$19,521, or 28 percent of the median household income for a family of four.⁵ Not only does that mean that the average cost of child care is higher than in-state tuition in Connecticut, but that the cost of securing safe, consistent childcare is out of reach for many poor and low-income working families without the Care4Kids subsidy.⁶ In particular, the high burden of child care costs are particularly problematic for families living below 100% of the Federal Poverty line, and for Asset Limited, Income Constrained, Employed (ALICE) families, whose earnings are above the FPL yet still fall short of a basic cost of living threshold.⁷

Cost of Child Care as a Percent of Family Budget in CT



The more than year-long closure of the Care4Kids program also had a disproportionate impact upon families of color. Half of all children subsidized under Care4Kids are located in just eight cities, and two-thirds of the Care4Kids caseload live in just 16 of Connecticut's 169 towns.⁸ Of the 16 communities that account for two-thirds of the Care4Kids caseload, 15 of them are among the 18 communities in the state with the highest concentrations of children of color. The five cities that saw the greatest drop in Care4Kids enrollment since August 2016 (Bridgeport, Hartford, Waterbury, New Haven, and New Britain) are comprised primarily of people of color.

⁴ <http://alice.ctunitedway.org/childcare/>

⁵ Schulte, Brigid, and Alieza Durana. The New America Care Report. New America, Washington D.C., 2016, The New America Care Report, na-production.s3.amazonaws.com/documents/FINAL_Care_Report.pdf. Accessed 19 Feb. 2018.

⁶ Schulte, Brigid, and Alieza Durana. The New America Care Report. New America, Washington D.C., 2016, The New America Care Report, na-production.s3.amazonaws.com/documents/FINAL_Care_Report.pdf. Accessed 19 Feb. 2018.

⁷ <http://alice.ctunitedway.org/childcare/>

⁸ Connecticut Office of Early Childhood. (2016). Number of Children Paid by Age Category and Service Setting, November, 2016. [Data file]. Retrieved from: <http://www.ctcare4kids.com/files/2016/07/November-2016.pdf>

The temporary closure of the Care4Kids program also had severe impacts on child care providers around the state. In a survey conducted by CAHS and the Connecticut Early Childhood Alliance in August of 2017 of 191 child care providers, 54% of respondents shared that they were less financially healthy now than they were before the Care4Kids freeze. To offset the financial impacts of the cuts, 19% of respondents had closed classrooms, and approximately 24% had laid off staff.⁹ Anecdotally, respondents to the survey shared that they had lost families who would no longer afford work without assistance from the Care4Kids program.

In just over one year, the temporary closure of the Care4Kids program had marked impacts on Connecticut working families, children, and child care providers around the state. While an extra \$18 million in appropriations has been authorized for Connecticut, this funding is intended to bring the state up to pre-closure Care4Kids services levels, and should not supplant existing funding. Fully funding the state's primary child care subsidy is crucial to prevent further closures and to allow low-income families to participate fully in the workforce knowing their children are safe in high-quality, reliable child care.

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) represents one of the most effective tools for lifting low-income working families out of poverty. As the 2016, the American Community Survey indicates that the number of families living below 100% of the Federal Poverty Level—in both Connecticut and nationally—has begun to fall, and EITC is likely part of the reason. In 2016 alone, the EITC helped raise 10 million people, 5 million of them children, out of poverty.¹⁰

Continued investment in our working families and their children will be necessary to fully mitigate the social and economic disparities that affect so many families in our communities, and a strengthened EITC is an important part of this investment.

The EITC enjoys bipartisan support because it reduces poverty, especially for children, while rewarding work. It has been credited with improving children's educational attainment, and

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¹⁰ *Policy Basics: The Earned Income Tax Credit*. Center on Budget and Policy Priorities. October 21, 2016.

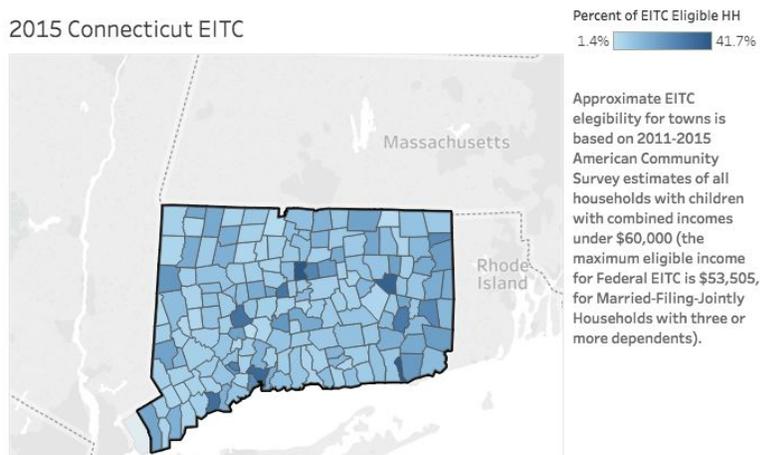
measurably increasing parents' workforce participation. Expanding state-level EITCs and increasing the minimum wage has the potential to reduce recidivism rates among formerly incarcerated Americans,¹¹ and state EITCs have been further linked to improved maternal health behaviors and infant health outcomes.¹²

The credit also positively impacts local economies by stimulating recipients' spending on basic necessities as well as "asset-building" activities including paying off debt and accumulating savings. Because credits are ultimately spent in the local economy, communities benefit alongside working families. EITC filers live in every community in Connecticut, and represent the working families most in need of additional support to achieve financial stability. For Married-Filing-Jointly Households with three dependents or more, the maximum income for Federal EITC eligibility—upon which State EITC eligibility is based—is \$53,505. The EITC has implications on racial equity across our state. In 8 of Connecticut's 169 cities and towns, over 30 percent of all households are eligible for the EITC. Among these communities, Bridgeport, Hartford, Waterbury, New Haven, and New Britain are comprised primarily of families of color.

The reduction of the state EITC from 27.5% of a filer's federal EITC Credit to 23% in the last budget agreement amounts to a tax increase on Connecticut's low-to-middle-income working families. To continue to reduce poverty statewide and in our communities, it is vitally important to defend against further cuts to the EITC.

EITC Eligibility by Town in 2015

2015 Connecticut EITC



¹¹ Agan, A., & Makowsky, M. (2018). The Minimum Wage, EITC, and Criminal Recidivism. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3097203

¹² Markowitz, S., Komro, K. A., Livingston, M. D., Lenhart, O., & Wagenaar, A. C. (2017). Effects of state-level Earned Income Tax Credit laws in the US on maternal health behaviors and infant health outcomes. *Social Science & Medicine*, 194, 67-75.

Fair Scheduling

When work schedules change unexpectedly, working families may struggle to find reliable childcare, navigate transportation, or secure a second part-time job. Unpredictable work scheduling is particularly harmful to the children and families of low-wage workers who are already under pressure to find enough hours to bring home a reliable paycheck.

Unpredictable and unstable work may take the form of “just-in-time scheduling,” in which hourly workers are called in based on fluctuations in consumer demand, highly variable “on-call” scheduling, unpredictable month-to-month changes in hours, and involuntary part-time work.¹³ These scheduling issues are most prevalent for workers low-wage jobs,¹⁴ and are particularly problematic for early-career hourly employees of color, who report having less control over scheduling than their white coworkers.¹⁵

In Connecticut, 22 percent of workers over the age of 18 are in low-wage jobs, and statewide, 58 percent of all jobs are in hourly occupations that pay less than 200% of the federal poverty level¹⁶ According to estimates from the Center for Popular Democracy, in 2015, 256,000 of Connecticut’s hourly workers were parents of children below the age of 18, and 30 percent of them were single parents.¹⁷ Black and Latino workers are most likely to be paid hourly; of the Black and Latino workforce in Connecticut, 77 percent and 76 percent, respectively, are paid hourly in contrast to 52 percent of the White workforce.¹⁸

Unpredictable and unstable work schedules have significant impacts on family income, stress, ability to secure childcare and transportation, as well as the amount of quality time that parents are able to spend with their children. Nearly half of the hourly workers included in a national survey reported nearly half of the retail workers surveyed reported that their household incomes

¹³ *The Schedules That Work Act: Giving Workers the Tools They Need to Succeed* (Issue brief). (2017). Washington D.C.: National Women's Law Center.

¹⁴ National Women’s Law Center, *Collateral Damage: Scheduling Challenges for Workers in Low-Wage Jobs and their Consequences* (Updated Apr. 2017), available at <https://nwlc.org/wp-content/uploads/2017/04/Collateral-Damage.pdf>;

¹⁵ Lambert, S. J., Fugiel, P. J., & Henly, J. R. (2014). Schedule Unpredictability among Early Career Workers in the US Labor Market: A National Snapshot. *University of Chicago: Employment Instability, Family Well-being, and Social Policy Network*, retrieved from < http://ssascholars.uchicago.edu/einet/files/lambert_fugiel_henly_executive_summary_b.pdf>(accessed August 8, 2014).

¹⁶ Working Poor Families Project 2017 50 State Data Chapter 3_4-28-2017

¹⁷ *Hourly Work and Workers in Connecticut* (Issue brief). (2017). Washington D.C.: Center for Popular Democracy. Retrieved from

<https://populardemocracy.org/sites/default/files/Hourly%20Work%20and%20Workers%20in%20CT.pdf>

¹⁸ *Hourly Work and Workers in Connecticut* (Issue brief). (2017). Washington D.C.: Center for Popular Democracy. Retrieved from

<https://populardemocracy.org/sites/default/files/Hourly%20Work%20and%20Workers%20in%20CT.pdf>

vary from week to week, and one-third reported that it is hard for them to pay their bills in a typical month.¹⁹ Income and scheduling volatility make it harder for parents to access and afford high-quality child care, to pursue education or training, or secure a second job needed to make ends meet.

Creating policies that give all employees the right to make scheduling requests without employer retaliation and giving employees a say in their work schedules is an essential step to ensuring that working families can get ahead and stay ahead. Right to request provisions have been enacted in New Hampshire, Vermont, Seattle, WA, and San Francisco and Emeryville, CA.²⁰ Connecticut should join other leaders nationwide in pushing for measures that ensure that hourly workers are granted the stability they need to achieve financial success.

Paid Family Leave

No parent should be forced to choose between caring for the family they love and keeping the job they need. Affordable, accessible, publicly administered paid family leave will ensure that hardworking Connecticut residents can take the time needed to fulfil their medical, parental, and caregiving responsibilities without falling behind on the bills.

Two Generation Systems Change

Family-facing state agencies and systems are presently structured as distinct entities, with idiosyncratic processes, procedures and funding streams. By reducing inefficiencies through integrated service delivery, creating data sharing systems, and strengthening outcomes across multiple generations, Connecticut can help more families move toward opportunity.

¹⁹ Henly, J. R., & Lambert, S. J. (2014). Unpredictable work timing in retail jobs: Implications for employee work–life conflict. *ILR Review*, 67(3), 986-1016.

²⁰ *The Schedules That Work Act: Giving Workers the Tools They Need to Succeed* (Issue brief). (2017). Washington D.C.: National Women's Law Center.