

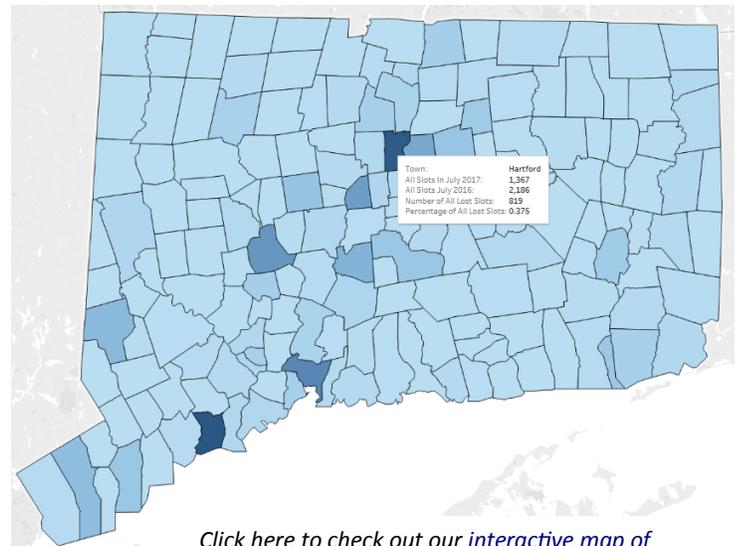
Survey Reveals Impact of Care4Kids Closure on Providers, Families

In order to understand how the August 2016 changes to the Care4Kids program have affected child care providers, the Connecticut Early Childhood Alliance and CAHS recently disseminated an online survey to providers around the state. With a sample size of 191 respondents, our survey offers a snapshot of the experiences of child care providers. The following brief details how child care providers and the families they serve are coping with the substantial cuts to Care4Kids, and how they will fare if funding is not restored to this vital program.

How do cuts to Care4Kids Affect Providers?

The Care4Kids program helps low-income families pay for high quality early childhood care that may otherwise be unaffordable. The state-run program, which allows parents to choose a licensed child care provider for their children under the age of 13, uses federal and state dollars to help eligible families pay for child care. However, in August 2016 the program closed to all new enrollees, with the exception of those receiving TANF funding. For further information on why these changes were made and how the Care4Kids crisis has progressed, check out our [prior coverage](#).

With no new enrollees entering the Care4Kids program, and with older children aging out of the program, the number of children on Care4Kids has dwindled. **From July 2016 to July 2017, Connecticut continued to lose child care for low-income families and children, 7,484 out of 22,847 Care4Kids enrollees lost to cut backs in just one year.** That means child care providers are losing spaces in classrooms that had been filled by Care4Kids children, with lost revenue tied to growing vacancies. Meanwhile, as providers struggle to fill spots prior held by Care4Kids children, families that rely on Care4Kids subsidies are losing access to high-quality, stable child care. These losses are only the beginning. Each year, we see a drop in Care4Kids children at child care centers in September when older preschoolers who were on Care4Kids enter kindergarten. For this reason, we expect to see an increased drop in the number of preschoolers on Care4Kids in September. We will update our coverage as the numbers on September Care4Kids enrollment become available, and will continue to monitor the more than 5,000 children currently on the waitlist for Care4Kids.



[Click here to check out our interactive map of Care4Kids losses from July 2016 to July 2017](#)

How has the number of Care4Kids children changed?

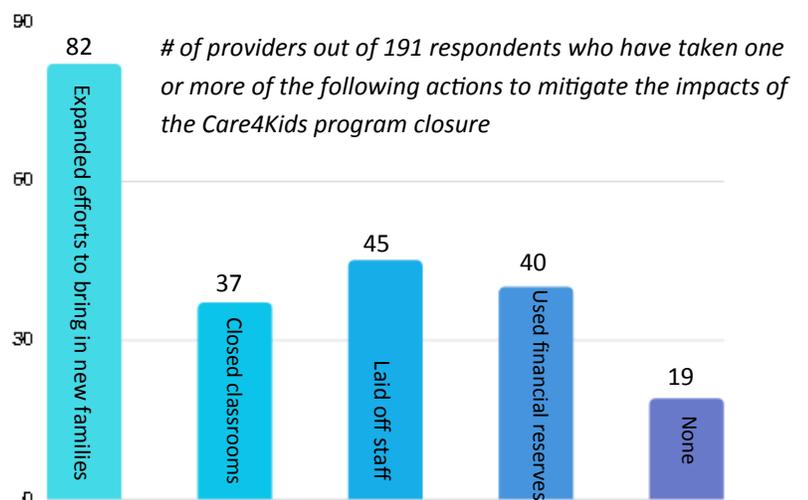
The average licensed capacity within the provider survey sample is approximately 112 children, including infants and toddlers, preschoolers, and school-age children. Approximately 74% of the 191 respondents reported a net decrease in Care4Kids children served since the August 2016 closure of the program. Among the 142 providers that experienced losses, there was an average decrease of approximately 13 Care4Kids children enrolled at each child care center. However, while an overwhelming majority of providers across the state have seen the number of children on Care4Kids at their centers decrease, the impacts of the Care4Kids cuts have been felt somewhat differently by providers of varying sizes.

Among the 51 larger providers who reported a licensed capacity of more than 112 children, there was an average decrease of about 16 Care4Kids children since August 2016. Because these providers serve a larger number of children, they lost a smaller proportion of Care4Kids enrollees relative to their centers' total capacity. The impact was slightly more sizable among the 48 mid-sized providers who reported a total licensed capacity between 66 and 112 children. This group, which represents about 25% of respondents, lost an average of 10 Care4Kids children since August 2016. On average, the total number of Care4Kids children lost represented about 10% of their total licensed capacity. Correspondingly, the impact of the loss of Care4Kids children was felt most by the smallest providers, which served a larger number of these children relative to their total licensed capacity prior to the August 2016 changes to the program. Out of our 191 survey respondents, 48% or 92 providers reported a licensed capacity of 65 or fewer children. Among these smaller providers, the average number of Care4Kids children lost since the August 2016 closure was 5, which represents a substantial relative to the total capacity of many of these centers.

Most notably, 168 or 88% of our respondents reported experiencing increased problems with filling vacancies since the August 2016 changes to Care4Kids.

How are providers dealing with the loss of Care4Kids children?

When asked how they have fared financially since the cuts to the Care4Kids program, 104 or 54% of respondents shared that they were less financially healthy now than they were before the Care4Kids freeze. To try to reduce vacancies stemming from cuts to the Care4Kids program, 43% of respondents said that their centers had expanded efforts to bring in new families. To offset the financial impacts of the cuts, 19% of respondents have closed classrooms, and approximately 24%



have laid off staff. Respondents additionally shared that they had cut back on medical insurance and other benefits for their employees, cut staff hours, and frozen wages of their staff. Only 16% of respondents indicated that continued closures of the Care4Kids program would have no impact on their center, with 45% and 33% of respondents estimating that they would have to lay off additional staff and close classrooms, respectively.

What are providers saying?

◆ **On the importance of providing affordable, reliable childcare care to Connecticut's working families:**

"We had to turn away many clients that were in need of care but unable to afford the cost without the supplemental payment for care."

"Parents of infants and toddlers are particularly struggling with the closure of Care4Kids due to the already higher cost of care for children under 3. Several have responded that it would be better for them to stay home and not work rather than try to pay almost \$300 per child for care [...] I have to wonder how much money in our state budget is actually being saved when more assistance will be required for non-working families."

"We have lost several families that were going to start who could no longer afford without being able to obtain Care4Kids for financial assistance. Therefore, **the parents can not afford to work and must stay home with their children.** In which case, they end up receiving other benefits such as food stamps in order to survive rather than being able to earn an income."

"It's sad not to be able to see families enroll their children who desperately need the Care4Kids financial help. Many leave with tears; it's heartbreaking."

◆ **On how they and the families they serve will fare if the freeze on Care4Kids funding continues over the next 18 months, as many fear it will:**

"We will not be able to buy certain supplies and equipment needed in the classrooms. **The quality of care will decline.**"

"Care4Kids is vital for our center to be able to serve families. We expect over \$100,000 loss this year from Care4Kids cuts, which will result in cutting many of our essentials to run a quality program. Children deserve more, not less."

"We already went from 8 employees to 4 and still have to cut hours."

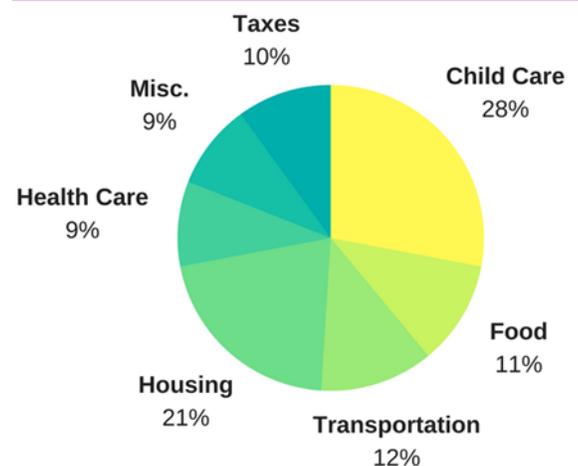
"Early childhood is such an essential period in a child's development. **It is a wasted opportunity and potentially more costly in the near and long-term to shortchange children by creating obstacles to accessing quality care.** It is short sighted to reduce the resources available to working families."

How have families been impacted?

Access to high-quality, reliable childcare is essential to the success of working families. As noted by many of the providers in our survey, many working families find that without the Care4Kids subsidy they cannot afford the high-quality, reliable childcare that they need to stay in the workforce. [According to Connecticut United Ways](#), 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. [At an average annual cost of \\$19,521, child care costs make up 28% of the household survival budget for a family of four in the state.](#) 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.

While until recently the Office of Early Childhood not been able to disaggregate data on Care4Kids children served by race and ethnicity, there is a very strong correlation between race and poverty in Connecticut. 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. 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. **A forthcoming addendum to this brief will utilize racially and ethnically disaggregated Care4Kids data to examine how the program's closure has impacted children of color in Connecticut.**

Household survival budget for a family of four in the Connecticut



The Budget Breakdown of ALICE Households, from the [CT United Ways ALICE Update](#)

What can you do today?

As the state continues in the second month without a budget, it remains vitally important that your legislators hear from you on why fully funding Care4Kids is essentially to keep Connecticut's working families working, and Connecticut's children in safe, high-quality early childhood environments. Contact your elected officials and Senate and House leadership today to tell them why cuts to the Care4Kids program are not an acceptable way to balance the budget.

- ◆ Senate President Martin M. Looney, 800-842-1420, [Link to email](#)
- ◆ Senate Republican Leader Len Fasano, 800-842-1421, [Link to email](#)
- ◆ Senate Majority Leader Bob Duff, 203-840-1333, Bob.Duff@cga.ct.gov
- ◆ House Speaker Joe Aresimowicz, 800-842-8267, Joe.Aresimowicz@cga.ct.gov
- ◆ House Majority Leader Matthew Ritter, 800-842-8267, Matthew.Ritter@cga.ct.gov
- ◆ House Minority Leader Themis Klarides, 800-842-1423, [Link to email](#)