



Thousands of Children to Lose Child Care Subsidies Beginning on July 1

Thousands of Connecticut families are receiving a letter in the mail, telling them they no longer qualify for the state's Care4Kids child care subsidy. The reason is an approximate \$35 million shortfall in funding, following the federal re-authorization of the Child Care Development Block Grant (CCDBG), which helps fund the state's Care4Kids program. There were many positive changes made in that law, but Congress failed to fully fund the cost, resulting in the shortfall Connecticut now faces. The loss will spell devastation for not only working-poor families, but a domino effect will cause child care centers to make tough decisions regarding their futures.

For a family with two small children, child care can easily be the largest household expense, exceeding even the mortgage or rent. Income eligibility for new families seeking Care4Kids will change from less than 50% to a maximum of 30% of the State Median Income (SMI). Based on the current SMI for a family of three, annual household income eligibility would be reduced from \$44,601 to \$26,760. The change is effective July 1, 2016, as parents reach the anniversary of their original Care4Kids certificate and go through the redetermination process. If they're over income, they will lose their subsidy after a three-month phase out.

"Sixty-percent of our parents rely on Care4Kids," said Georgia Goldburn, Director of Hope Child Development Center in New Haven. "Almost all of them would be over income. That would result in us losing most, if not all, of those families. Five are also our teachers, who we may lose if they have to stay home with their children or if their childcare became unstable."

"This means a lot of families who are barely making ends meet now are put in an awful situation," said CT Early Childhood Alliance Executive Director Merrill Gay. "They have to choose to pay more than they can afford for quality child care, turn to lower-quality, less-reliable child care; or quit their jobs to stay home with their children. This could cost the state more in the long-run, as families will apply for SNAP, Section 8 housing, energy assistance, and Temporary Assistance for Needy Families (TANF)."

"It will affect my family," said Jessica, a parent from West Haven, who has three children – ages, 4, 3 and 1 – at Hope Child Development Center in New Haven. Jessica works as a parent educator at a Family Resource Center and is pursuing a nursing degree. "With Care4Kids, I currently pay \$2,000 a month, which is a total of \$24,000 a year. With the Care4Kids cut, I would pay close to \$40,000 [a year], and that, to me, is not realistic." Given the costs of other household expenses, including mortgage, food, diapers, car payments and insurance, Jessica says she would have to quit her job and seek state assistance.

"We are looking to move families out of poverty, not into poverty, and we need our CT leaders to say NO to Care4Kids changes. We need to find funding to keep our families stable," said Marilyn Calderón, Executive Director of CT Parent Power.

“We also try to maintain a 55-45 balance of Care4Kids vs. full pay to reduce economic and racial isolation of urban children,” Goldburn added. “This is a BIG problem in many childcare centers in our view. This would undercut our goal.”

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More information: This is the announcement from the CT Office of Early Childhood regarding the changes. <http://www.ct.gov/oec/cwp/view.asp?Q=581054&A=4545>

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