

CARE 4 KIDS CHILD CARE SUBSIDY PROGRAM

What does this indicator measure?

The *Care 4 Kids Child Care Subsidy Program* indicator reports the number of children enrolled in the program by town for two years, 2000 and 2003. Only raw participation numbers are reported without a rate calculated, because a formula for determining the total universe of children who are eligible to receive the subsidy has yet to be developed.¹

Why is this indicator important?

Research shows that providing child care subsidies to both single and married mothers increases their probability of employment and the length of time recipient mothers remain in the labor force, compared to mothers who do not receive child care assistance.² In addition, receipt of the child care subsidy may allow parents to purchase high-quality care, which, in turn, improves the educational and long-term success of children enrolled.³

Over the past two years, funding and policy decisions made by the Connecticut General Assembly have resulted in the elimination of new working families who do not receive Temporary Family Assistance (TFA) from the Care 4 Kids program. Since July 2002, non-TFA families who receive the subsidy have remained eligible, but a waiting list now contains the names of working non-TFA families who have applied since that time. By March 2004, the Care 4 Kids waiting list had topped 10,000 families with 17,000 children. There are more children on the wait list now than there are children who receive the subsidy.

Care 4 Kids and Family Economic Security

Child care, in most instances, is the third most expensive bill a parent has to pay, after housing and the family's health insurance premium. The drain of costly child care expenses typically occurs at a low point in parents' earning potential. In early 2004, the average cost to parents for a four-year old enrolled in a Connecticut child care center was \$8,240; undergraduate instate tuition and fees at the University of Connecticut were \$6,806.⁴

How are Connecticut children faring?

According to figures from the Department of Social Services (DSS), between September 2002 and September 2003, the decline in Care 4 Kids spending was felt most prominently by non-TFA parents earning less than 50% of the State Median Income (SMI). The dollars spent for this group of parents dropped from \$5 million in September 2002 to \$1.8 million in September 2003.⁵

Between October 2002 and October 2003, participation by non-TFA households fell by over 50%.⁶ When we look at the variation in program participation by the setting of care, slightly more than 2,000 children who were enrolled in child care centers or group child care settings left the program between October 2002 and October 2003.⁷



What can be done: Support for Care 4 Kids

The Connecticut General Assembly can take the following actions to improve the economic security of low-income families:

- ▶ At a minimum, restore Care 4 Kids funding to \$90 million in the SFY 04-05 budget and to \$121.5 million in the SFY 05-06 budget;
- ▶ Require the Department of Social Services to spend all appropriated Care 4 Kids funds rather than returning unspent dollars to the General

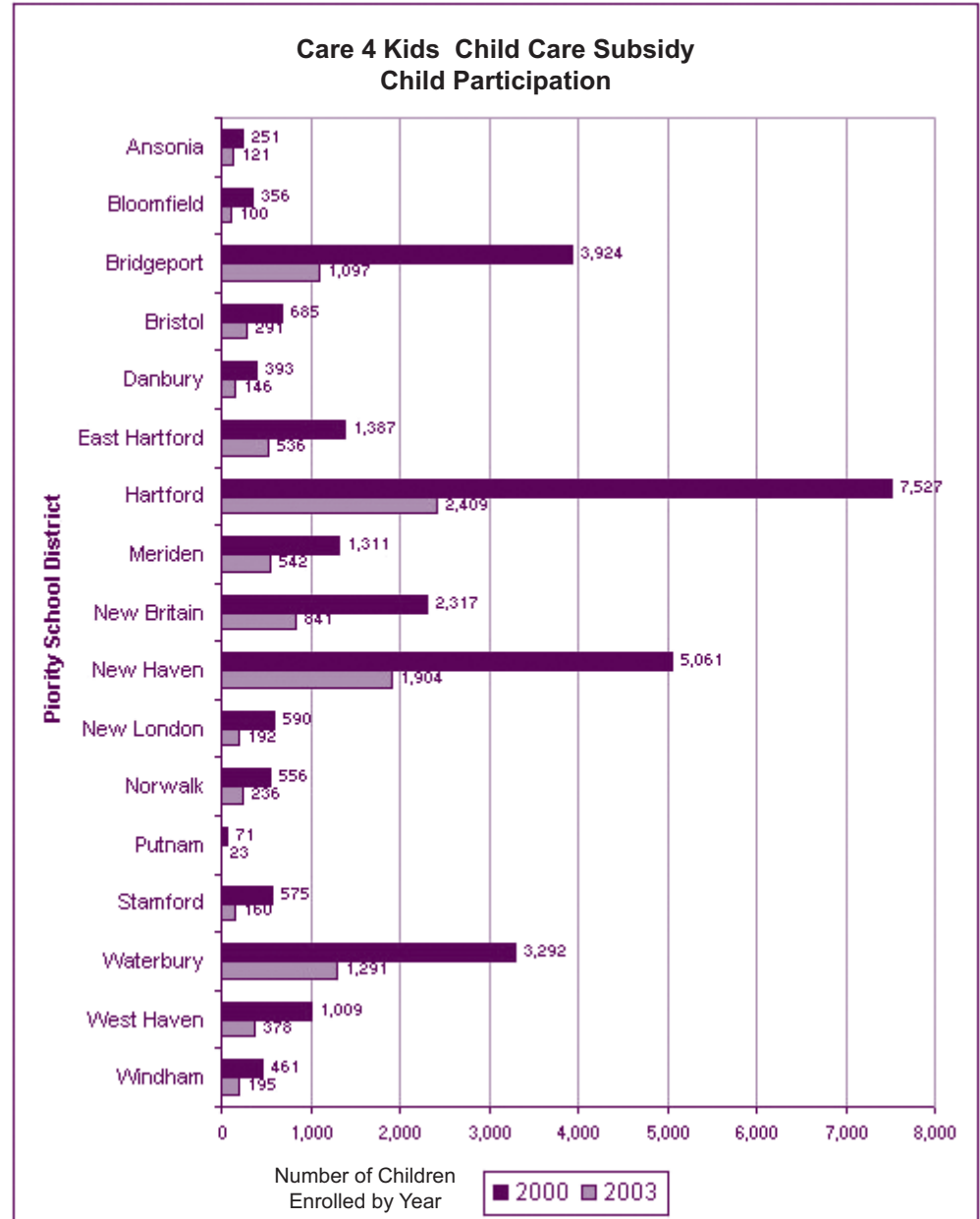
Fund, as DSS did with \$28 million of the \$90 million appropriated in SFY 03-04;

- ▶ Support the Governor’s proposal to expand the eligibility time limit for Care 4 Kids from six months to five years for former TFA families;
- ▶ Set aside a portion of the Care 4 Kids funding for non-TFA families; and
- ▶ Require the Department of Social Services to stipulate conditions under which the program will be administered by the for-profit recipient of the Care 4 Kids contract. This would help to avoid families dropping out of the program and programs from dropping out of the system due to problems associated with the administration of the subsidy program.

Where can I get more information?

More information can be found using the following sources:

- ▶ Carroll, J. (2003). Care 4 Kids: A Critical Support for Working and Learning. *ChildWise: Focus on Family Economics Policy Brief Series*. Hartford: Connecticut Association for Human Services, www.caahs.org
- ▶ Child Care Subsidy Dynamics Study Team. (2002). *The Dynamics of Child Care Subsidy Use: A Collaborative Study of Five States*, <http://www.nccp.org/media/dcc02-text.pdf>
- ▶ Hostetler, J.M. (n.d.) *Child Care Subsidy Contracts*. The Finance Project. Issue Note #1, http://www.financeprojectinfo.org/publications/issue_note_1.htm



County numbers are not included in this figure because they are greater than its scale.

Endnotes

¹ While it is true that all children within certain income ranges are eligible for the subsidy, not all children are enrolled in child care, and not all parents want to receive financial assistance from the state in the form of a child care subsidy.

² Henry, C., Werschkul, M., & Rao, M. C. (2003). *Child Care Subsidies Promote Mothers' Employment and Children's Development*. Institute for Women's Policy Research Briefing Paper. IWPR Publication #G714. October 2003.

³ Blau, D. (2000). *The Economics of Means-Tested Child Care Subsidies*. Paper prepared and presented by author for the National Bureau of Education Research Conference on Means-Tested Transfers. April 2000.

⁴ Child care costs obtained from 211 INFOLINE. Retrieved on March 5, 2004, from <http://www.childcareinfo.org/Professionals/FeeCT.asp>; UConn college tuition obtained from Student Financial Aid Services. Retrieved on March 5, 2004, from <http://vm.uconn.edu/~wwwfaid/>

⁵ Connecticut Department of Social Services. Care 4 Kids Report ID: CT005RP. *Expenditure by Priority Group, Setting, and Age for the Service Months of September 2002 and September 2003*. Hartford, CT.

⁶ Connecticut Department of Social Services. Care 4 Kids Report ID: CT013ARP. *Income Profile by Region for the Service Months of October 2002 and October 2003*. Hartford, CT.

⁷ Connecticut Department of Social Services. Care 4 Kids Report ID: CT013BRP. *Child Utilization Report by Regional Office for the Service Months of October 2002 and October 2003*. Hartford, CT.

Care 4 Kids Program**Source:**

Connecticut Department of Social Services. (2000 and 2003). Unpublished data.

Methodology:

Number of children enrolled by town of residence.

Care 4 Kids - 2000 and 2003

Location	Total Child Enrollment		Location	Total Child Enrollment	
	2000	2003		2000	2003
Fairfield County	6,202	1,883			
Bethel	39	19	Norwalk	556	236
Bridgeport	3,924	1,097	Redding	5	1
Brookfield	33	5	Ridgefield	6	3
Danbury	393	146	Shelton	91	25
Darien	2	2	Sherman	0	0
Easton	0	0	Stamford	575	160
Fairfield	39	19	Stratford	368	116
Greenwich	66	23	Trumbull	30	7
Monroe	16	4	Weston	2	1
New Canaan	3	0	Westport	17	4
New Fairfield	10	5	Wilton	2	4
Newtown	25	6			
Hartford County	15,045	5,549			
Avon	16	5	Manchester	855	437
Berlin	34	10	Marlborough	9	2
Bloomfield	356	100	New Britain	2,317	841
Bristol	685	291	Newington	103	42
Burlington	6	2	Plainville	110	35
Canton	15	5	Rocky Hill	38	11
East Granby	12	2	Simsbury	26	15
East Hartford	1,387	536	Southington	190	95
East Windsor	52	48	South Windsor	63	22
Enfield	291	215	Suffield	25	17
Farmington	53	34	West Hartford	259	101
Glastonbury	74	37	Wethersfield	114	52
Granby	20	1	Windsor	332	146
Hartford	7,527	2,409	Windsor Locks	74	38
Hartland	2	0			
Litchfield County	647	372			
Barkhamsted	6	2	Norfolk	10	0
Bethlehem	6	0	North Canaan	0	4
Bridgewater	0	0	Plymouth	54	26
Canaan	14	7	Roxbury	0	0
Colebrook	0	1	Salisbury	7	6
Cornwall	0	0	Sharon	4	1
Goshen	1	0	Thomaston	24	17
Harwinton	4	3	Torrington	249	159
Kent	2	0	Warren	0	0
Litchfield	4	3	Washington	3	2
Morris	11	1	Watertown	60	34
New Hartford	15	5	Winchester	55	48
New Milford	110	51	Woodbury	8	2
Middlesex Co.	991	424			
Chester	3	9	East Hampton	21	13
Clinton	35	17	Essex	2	1
Cromwell	55	16	Haddam	6	1
Deep River	35	2	Killingworth	13	9
Durham	10	1	Middlefield	11	2
East Haddam	19	2	Middletown	657	304

Care 4 Kids - 2000 and 2003					
Location	Total Child Enrollment		Location	Total Child Enrollment	
	2000	2003		2000	2003
Middlesex Co. contd.					
Old Saybrook	31	18	Westbrook	29	18
Portland	64	11			
New Haven Co.					
	13,042	5,142			
Ansonia	251	121	New Haven	5,061	1,904
Beacon Falls	7	6	North Branford	18	12
Bethany	5	1	North Haven	58	19
Branford	130	55	Orange	14	1
Cheshire	21	8	Oxford	11	2
Derby	120	61	Prospect	23	5
East Haven	333	111	Seymour	77	26
Guilford	45	21	Southbury	14	2
Hamden	557	215	Wallingford	177	115
Madison	12	3	Waterbury	3,292	1,291
Meriden	1,311	542	West Haven	1,009	378
Middlebury	6	4	Wolcott	37	12
Milford	192	80	Woodbridge	0	1
Naugatuck	261	146			
New London Co.					
	2,026	753			
Bozrah	16	2	New London	590	192
Colchester	76	31	North Stonington	14	5
East Lyme	51	35	Norwich	599	221
Franklin	11	1	Old Lyme	0	2
Griswold	63	24	Preston	9	4
Groton	288	129	Salem	3	2
Lebanon	21	9	Sprague	22	7
Ledyard	24	15	Stonington	80	19
Lisbon	0	3	Voluntown	17	0
Lyme	8	1	Waterford	51	20
Montville	83	31			
Tolland County					
	604	258			
Andover	1	1	Somers	32	13
Bolton	12	2	Stafford	6	32
Columbia	3	4	Tolland	13	9
Coventry	22	19	Union	81	0
Ellington	32	7	Vernon	325	153
Hebron	6	5	Willington	10	8
Mansfield	61	5			
Windham County					
	1,002	398			
Ashford	16	15	Pomfret	12	7
Brooklyn	17	6	Putnam	71	23
Canterbury	18	9	Scotland	2	0
Chaplin	2	2	Sterling	11	3
Eastford	2	0	Thompson	48	10
Hampton	7	2	Windham	461	195
Killingly	177	80	Woodstock	1	3
Plainfield	157	43			
CONNECTICUT					
	39,559	14,779			

What we need to know

- A formula for determining the number of children who are eligible to receive the child care subsidy and whose parents choose to purchase child care services
- The number of families who are estimated to want financial assistance from the state for their child care costs
- The effect of child care subsidies on the quality of care purchased
- Average duration of children in program by income group
- Average length of time between application and enrollment
- Reasons for leaving program
- Correlations between child care subsidy use and availability of regulated care by town