

2019 Policy Priorities



As one of Connecticut’s leading anti-poverty organizations, and the state’s Annie E. Casey Foundation KIDS COUNT® grantee, CAHS recognizes that family economic security is at the core of children’s educational, health, and socio-emotional outcomes. In all of our work, CAHS recognizes that child outcomes exist in the context of family stability. We are committed to pushing for greater funding and attention to efficient, effective two-generational strategies. These approaches can enable families move out of poverty toward prosperity, and can help build a stronger, more robust Connecticut economy. CAHS is equally committed to advocating policies which provide for greater racial equity and access to opportunity, as we work toward a society where race and ethnicity are no longer drivers of child and family well-being.

Support the Economic Well-Being of Families

- ◆ Increase the State Earned Income Tax Credit from 23% to 30% of the Federal Credit
- ◆ Increase the Minimum Wage to \$15 per hour
- ◆ Institute Paid Family Medical Leave
- ◆ Implement Fair Scheduling for Non-Ratio-Based Industries

Education

Early Education

- ◆ Increase the Income Eligibility for Care4Kids from 50% to 75% of State Median Income
- ◆ Increase the Infant and Toddler Reimbursement Rates for the Care4Kids Child Care Subsidy Program

Continuing Education and Training

- ◆ Expand Affordable Access to the Care4Kids Child Care Subsidy Program to Parents in Educational Activities
- ◆ Ensure Funding Allocated for Adult Developmental Education Remains in Place
- ◆ Institute a Debt-Free College System

Health

- ◆ Increase Income Limits for Husky A to 201% of the Federal Poverty Level

Family & Community Well-Being

- ◆ Advocate for two generational solutions that enable greater family economic mobility, including through the integration of data and funding streams across state agencies, and support funding for innovative policy and programmatic approaches to generational family poverty.

State Budget and Revenue

- ◆ Fix the Volatility Cap and the Spending Cap
- ◆ Preserve Funding for Programs, Policies, and Innovations that Promote the Prosperity of Low-Income Families

Economic Well-Being

Increase the State Earned Income Tax Credit from 23% to 30% of the Federal Credit

Often cited as one of the most successful means-tested transfer programs in the nation, the Earned Income Tax Credit (EITC) is one of the most powerful tools for lifting families out of poverty. In addition to being an effective anti-poverty program, the EITC promotes local economic growth, as recipients tend to spend the money locally,^{i,ii} and recent research has demonstrated that increases in the generosity of state EITCs are linked with improvements in infant birth weight.ⁱⁱⁱ Experts also agree that increases in the state EITC pair well with increases in the minimum wage.^{iv} Raising the EITC to 30% of the federal credit, the level at which it was originally legislated in 2011, will put money directly into the pockets of low-income *working* families in Connecticut, who in turn will contribute to local economic growth and support the healthy development of the next generation of Connecticut residents.

Increase the Minimum Wage to \$15 per hour

Raising the minimum wage will bring low-wage workers closer to being able to afford Connecticut's high cost of living. According to the United Way's report on Asset Limited Income Constrained Employed (ALICE) families, to meet the minimum household survival budget for a family of four with two young children working 40 hours per week for 50 weeks per year, both parents need to earn \$19.46 per hour, or \$38.92 with one parent working.^v However, in Connecticut, the greatest post-recession job growth has been in lower-wage sectors, with occupations paying between \$10 and \$19 showing the greatest job gains.^{vi} Wages have not kept pace with the increase in the cost of living in Connecticut, making it difficult for low-wage workers to be able to afford basic necessities and support their families. With 22% of all workers employed in low-wage jobs, Connecticut must pass a \$15 per hour minimum wage to ensure that wages are family-supportive and just.

Mitigate the Effects of Benefit Cliffs on Low-Income Families

The benefit cliff effect punishes low-income working families by cutting off critical public benefits right when families are on the cusp of attaining greater economic security. The cliff effect reduces incentives to work, as even minor gains in income can impact the eligibility of a household for a given benefit, and in many instances, the marginal increase in earned income is not sufficient to offset the loss of a benefit, or the reduction of a package of benefits. Connecticut must explore ways to bridge the benefit cliff by providing financial incentives for increased or continued employment, raise the income eligibility or asset limits, and create a more gradual phase out for benefits to "smooth" the cliff effect.

Institute Paid Family Medical Leave

No one should be forced to choose between caring for a loved one and providing for their family financially. However, many workers are not covered by or eligible for Connecticut's Family and Medical Leave Act (FMLA), which offers 12-16 weeks of unpaid leave. A wealth of research shows that parents need time to bond and care for new babies in order to achieve optimal health and developmental outcomes.^{vii} Research also shows that paid leave policies actually save businesses money by reducing worker turnover.^{viii} With 77% of small CT business owners and 85% of CT voters supporting the creation of a Paid Family and Medical Leave system,^{ix,x} and the passage of similar laws in New York, Rhode Island, and Massachusetts, the time has never been better for our state to step up to ensure workers don't have to choose between caring for their families they love and the job they need.

Implement Fair Scheduling for Non-Ratio-Based Industries

Unpredictable scheduling makes it harder for the working-poor to get and stay ahead, trapping many Connecticut families in a cycle of multigenerational poverty. When work schedules change unexpectedly, working families may struggle to find reliable childcare, navigate transportation, pursue an education, or secure a second part-time job, which ultimately harms family stability and economic security. Research also shows that work-family conflict and work stress are worsened by irregular shift scheduling,^{xi} and that unpredictable scheduling practices disproportionately impact early-career hourly employees of color, as well as women.^{xiii} Several state and local governments have already implemented fair scheduling practices;^{xiii} it is time for Connecticut to step up to ensure that working parents can provide for their children financially while also meeting caregiving responsibilities.

Education

Early Childhood Education

Increase the Income Eligibility for Care4Kids from 50% to 75% of State Median Income

According to the United Way's report on Asset Limited Income Constrained Employed (ALICE) families, a family of four with two young children needs to earn \$78,984 annually just to barely meet a minimum survival budget.^{xiv} However, at 50% of SMI, the current Care4Kids income limit for a family of four is \$56,275, well below the income threshold of many ALICE families who still struggle to pay for care. Child care can easily represent the single largest expense for low-income working families; in 2016, the average annual cost of child care was \$19,521, or 28 percent of the median household income for a family of four in 2016.^{xv} Access to affordable, high-quality child care is a multi-generational economic driver for Connecticut. For parents to fully participate in the workforce, and for children to engage in the critical early learning experiences needed for healthy development, we must expand the income eligibility of Care4Kids to enable more low-income families to access Care4Kids.

Increase the Infant and Toddler Reimbursement Rates for the Care4Kids Program

Center-based child care providers have received one 3% raise since 2002, during which time the minimum wage increased by 50%. For infant/toddler care in the greater Hartford region, Care4Kids is currently reimbursing providers at just the 4th percentile of the market, equivalent to roughly \$130 per week less than the federally recommended 75th percentile of market rate. The low reimbursement rate acts as a disincentive to increase the supply of quality infant/toddler slots, which are a critical support for low-income working families and their children.

Establish Greater Early Educator Wage Parity

Regardless of setting, the compensation for lead teachers with bachelor's degrees should be at least parity with K-3 teachers in public schools. Hardworking, qualified early educators deserve wages that will meet a standard of living that is on par with Connecticut's high cost of living. In 2018, there were roughly 224,000 children ages 0-5, and 15,860 members of the early learning workforce.^{xvi} Early educators often have families of their own, but many, including those with Bachelor's degrees, struggle to meet basic needs with low wages. Early educators are some of the lowest paid workers in our state; in 2017, the median wage for child care workers was \$11.87, just slightly above the minimum wage of \$10.10 per hour.^{xvii} The median wage for a preschool teacher in 2017 was just \$16.58 per hour. The salary difference between preschool teachers doing essentially the same job as kindergarten teachers in public school is egregious, and will make it difficult to ever achieve the goal of having highly qualified teachers in the state subsidized early childhood programs that serve our most at risk children.

Continuing Education and Job Training

Expand Access to the Care4Kids Program to Parents in Educational Activities

In Connecticut, 8.5% of adults 18-64 do not have a high school degree/GED, and 26.3% have only a high school degree.^{xvii} Within the next 10 years, an estimated 70 percent of Connecticut jobs will require postsecondary education or specialized training,^{xix} signaling higher wages and an uptick in economic activity which cannot be manufactured through corporate and upper-bracket tax cuts. However, in order to reap those benefits and enable working families to get ahead, Connecticut must make it more feasible for parents to engage in educational activities while caring for children. Allowing parents to access the Care4Kids child cares subsidy while completing their education is a tangible step toward creating the educated workforce that employers need. When children can receive high-quality, consistent care, their parents can participate fully in the English Learning, GED completion, job training, or college courses needed to secure family sustaining wages and employment. As 28 states allow parents to receive child care assistance while earning up to a bachelor's degree, Connecticut must take steps to help non-TANF recipient parents who are working to complete a high school degree, GED, English learning, job training program or college to access Care4Kids.^{xx}

Ensure Funding Allocated for Adult Developmental Education Remains in Place

As proponents of policies that serve to lift low-income families, CAHS strongly advocates for the full funding of adult developmental education programs. This funding provides for a series of remedial opportunities for students who have a high school diploma or equivalency certificate, but may need additional supports to be successful in a college environment. These include three levels of developmental education offered within the community college system which are integral in providing students the ability to gain the skills they need in order to progress towards full-credit, college-level courses. It also helps students to avoid high levels of debt, as they enroll in college and are unable to gain the credits towards the degree they are paying tuition for. It is important that Connecticut continues to invest in these programs and collect data in order to determine if these programs are successful in providing the lowest-performing students with a pathway towards full-credit, college courses.

Institute a Debt-Free College System

Access to higher education opens the door to higher paying, more stable jobs. According to 2017 5-Year American Community Survey estimates of the median earnings for adults 25 years and older in Connecticut, individuals with a high school degree or equivalent earned a median wage of \$35,212 annually, compared to \$41,490 and \$61,933 annual for individuals with some college/Associate's degree and a Bachelor's degree, respectively. Despite the importance of cultivating and maintaining a well-educated workforce in Connecticut, for many of Connecticut's residents higher education is far beyond their financial reach or leaves them grappling with high amounts of debt. In 2017, 57% of graduates from Connecticut public 4-year institutions and private non-profit 4-year institutions.^{xxi} With an average debt-burden of \$38,510,^{xxii} it is clear that Connecticut must take courageous steps to ensure that students can access higher education without incurring crippling debt.

Health

Increase Income Limits for Husky A to 201% of the Federal Poverty Level

In 2016, an estimated 23,700 working poor adults lost Medicaid coverage through the HUSKY A program when income eligibility guidelines were reduced to 155% of the Federal Poverty Level. While a move to slash the eligibility level all the way down to 138% of FPL was fortunately reversed by the General Assembly in May 2018, many low-income adults still cannot afford to purchase coverage on the Connecticut health care exchange and are subsequently uninsured. For the health of our workforce and our families, it is critical that the budget include increased eligibility for parents and relative caregivers in HUSKY A, the state's Medicaid program.

Family & Community Well-Being

Two Generational Approaches to Family Poverty

Parents are crucial to their children's ability to move out of generational poverty, however, many lack the education or advanced training to secure stable employment and family-sustaining wages. Barriers to family economic security and generational opportunity are numerous and can include the lack of accessible childcare during long term training or education, which is often necessary to obtain family-supportive employment. Two generation strategies are designed to unify policies and resources around a family and are grounded in a family's unique context. By addressing the needs of both parents and children together, these approaches can give low-income families the opportunities and leverage they need to contribute to and share in the prosperity of our state. Two generational strategies also build on parents' educational and employment-related achievements to increase the likelihood that children can succeed in these areas as they develop. Because two generation strategies are more effective and efficient at reducing generational family poverty, these solutions will enable greater economic mobility for future residents, encourage economic growth, and ultimately build a stronger Connecticut economy.

State Budget and Revenue

Fix the Volatility Cap and Spending Cap

The Bond Lock and Spending Cap will force the legislature to address billions of dollars in increased costs in coming years, including billions of dollars in state employee and teacher pension obligations and other non-functional expenses, primarily with cuts. This will reduce the state's ability to meet residents' needs and spur economic development. Currently, the Volatility Cap will require deposits to the rainy day fund are required even if the state is running a deficit due to lower-than-expected tax revenues. This needs to be addressed. Additionally, the Spending Cap must be adjusted to provide for a longer look-back which will less drastically restrict state spending growth.

Preserve Funding for Programs, Policies, and Innovations that Promote the Prosperity of Low-Income Families

A growing body of research has suggested that targeted interventions in the critical window of early childhood have the greatest potential for increasing the future educational and workforce attainment of children, expanding employment opportunities for parents, reducing future social services spending, and increasing the likelihood that less advantaged children will end up in the middle class.^{xxiii} Among the crucial programs available to Connecticut children, the Birth to Three System, and other behavioral health supports are essential to providing low-income babies and children with a pathway to achievement. Similarly, multigenerational initiatives like the Nurturing Families Network Home Visiting Program, and Even Start holistically address the needs of children and families, ensuring that children arrive at our schools safe and ready to learn. CAHS urges the Legislature to prevent cuts to early childhood education services and programs which serve low-income families, which would constitute a blow to the future of our state.

References & Additional Information

For a full list of the articles and resources referenced in this policy agenda, please visit www.caHS.org/policy

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