



Do No Harm: Under-Funding Child Care Hurts Kids

*All children in Connecticut
deserve affordable, accessible,
safe, quality early care and
education.*

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January 2006

Connecticut Families Needing Child Care Are In Crisis

THE CRISIS

No matter how you measure it – access, quality or affordability – the early care and education system is failing working parents and their children. And it is failing even as families in every income bracket are becoming more reliant on it.

Connecticut has a vision that all children receive the nurturing support that will contribute to their health, safety, and optimal learning. And as the wealthiest state in the nation, there is no excuse for failure. A key component in achieving this goal is for all families seeking child care to have access to affordable, high quality early care and education programs. A working family's need for child care and a young child's development cannot be put "on hold." Each year of delay means another group of children are vulnerable to being put at risk of harm, and lose the chance to achieve their full potential.

Connecticut *must* do a better job *now* to help low-income families access the child care that is necessary for them to work and for their children to arrive at kindergarten fully ready to learn. We can't afford not to.



“After receiving a third bounced fee check from the parent of two children in the center, totaling a debt of over \$1,000, we had two options: continue to supply free child care to this family, at the expense of the other paying families and underpaid staff, or report

the problem and allow the parent to face the consequences. Upon reporting the parent to police, we learned that this same parent owed similar debts to a number of other child care facilities. Unable to pay, the parent has moved the children from center to center, running from debt. Now, the parent faces the choice of paying off the debts (which she cannot) or serving prison time, thereby leaving the children in foster care. Or, the more likely alternative, she will take the children and run.”

Child Care Center Director

Fast Fact

As of December 25, 2005, there were 6,265 abused and neglected children in state custody in Connecticut. It costs Connecticut between \$751 and \$1,376 per month for each child, plus the cost of DCF staff time.

“Last month a single mother was arrested and her two children placed in foster care after she left them alone in her car for about five hours while she worked a weekend shift at a supermarket. The children, ages 10 months and 8 years, were not harmed, although the temperature outside was around freezing throughout the day. A passerby, who says that the woman had begun work at 11:48 a.m., notified police and officers found the children in the car at 4:45 p.m. The mother has pleaded not guilty to two counts each of risk of injury to a minor and leaving a child unattended, as well as various motor-vehicle infractions. She told police that she had tried in vain to make other arrangements for the children. The incident occurred on a Saturday, and usually child care is not open on Saturday.”

Journal Inquirer, December 2005



Good child care promotes children's well-being and later success in school.

ISSUE IN BRIEF

All children deserve the nurturing and support needed to develop to their full potential and uniqueness. A child's first five years, well before they reach kindergarten, are critical to their development, and cannot be repeated. Yet, the high cost of early care and education makes it difficult for most low income working families to afford the child care necessary for them to go to work assured that their children are safe and well cared for. In Connecticut, child care fees for one child can consume 25% to more than 40% of a family's annual gross income. To help pay for the high cost of child care, low-income Connecticut families can receive government support from a variety of sources.

To the families served by these programs, it does not matter what the program is called, who runs it, or how it is funded. What matters is that the parents can afford the program, that their children will be safe and well cared for, and that children will be learning at the same time that their parents are working. High quality learning environments in the early years advance children's school readiness, while low quality settings set children back developmentally so that it is hard for them ever to catch up. Despite this knowledge and the demonstrated need of Connecticut families, Connecticut's funding for early care and education remains insufficient, and has actually *declined* in recent years.

Fast Fact

With the annual cost of infant and toddler care ranging from \$7,000 to \$15,000 in Connecticut and the annual cost of care for three- and four-year olds ranging from \$6,500 to \$10,000, many families struggle constantly with issues of affordability¹. Average family income for the poorest 20% of families was just \$21,000 in 2001-2003; for the next poorest 20%, just \$41,000².



“One important part of child care in our family is cost and safety. To find a place to put your child where you know he is going to be safe and happy is a problem. The cost for a good child care provider will be almost the amount I earn a week. Then you're referred to 211 for information on child care that is somewhat affordable (if you bend the truth slightly) to us but the quality of care becomes a question... and are not to my standards at all!!! So I wake every morning wondering what'll I do with my baby that day. I need to work, but I don't want to sacrifice the safety of my child for anything...Our society makes it impossible to be able to stay home and raise our children ourselves without sacrificing financial stability.”
Working Mother

¹ Child Care InfoLine. Average Costs – Statewide: August 2005. www.childcareinfo.org

² D. Hall, & S. Geballe. *Pulling Apart in Connecticut: Trends in Family Income, 1981-2002*. (CT Voices for Children, 2006). Available at: www.ctkidslink.org/pub_detail_270.html

Families confront many challenges when seeking to enroll their children in child care.

ISSUE IN BRIEF

Care 4 Kids, the Connecticut child care subsidy program administered by the Department of Social Services (DSS) is a voucher program established to provide monetary support for moderate- and low-income families who need care for their infants, toddlers, preschoolers and school-age children while they are at work or in school or training.



Reduced funding, strict eligibility requirements and administrative burdens are all undermining the program. Between FY 02 and FY 06, Care 4 Kids funding was cut by \$53 million (or 44%). In 2004, 52% fewer children received the help of the child care subsidy than in 2000³.

Parents and providers report difficulties in accessing the subsidy. Every hurdle cleared is often followed by another. Between November 2005 and January 2006, 52% of processed applications for a child care subsidy were denied. That means 2,923 children were turned away. Only 12% of those denied were rejected because their income was above the eligibility threshold. Another 88% were denied for other administrative reasons. Therefore, approximately 3,575 children in poor, income-eligible families that came forward asking for help from Care 4 Kids and pay for child care, never received it.

“We currently have 4 families waiting to get on Care 4 kids. Two have been waiting for 3 months to get help. When I call they [DSS] say they have all the information they need and just need to put it in the computer. Then two weeks later I get a letter saying they need more information. I have had parents give the same information two and three times with no result. I want to give them quality care, but I can't do it for free. Parents need to go to work but can't afford child care. They can't work without it. It is the same old circle.”

Child Care Center Director

Fast Fact

Today, three-quarters of Connecticut women with children under the age of six are in the workforce.

“We have many difficulties with parents and the requests that Care4Kids makes. It seems that Care4Kids makes it so difficult for families that they shy away from completing the application process. We seem to have problems with requests for pay stubs. Parents will bring in what is requested, only to be told they need a letter from their employer or another form of proof of income after they have already supplied the requested pay stubs. It's difficult for the parents to keep up with the request that Care4Kids makes.”

Child Care Center Director

“We had a family of two children recently lose Care4Kids for refusal to seek child support because the father was abusive and the mother did not want to initiate contact with him. DSS gave her 6 months to prove she was seeking child support before she lost her funding. She lost the subsidy, and as a result we couldn't keep the girls at the center because she couldn't afford tuition without the funding from Care 4 Kids.”

Child Care Center Director



“What is to be done during the four to six weeks it takes for a Care4Kids application to be processed? Providers can be reimbursed for part of these weeks if the parent or guardian is found to be eligible, but few providers are willing to wait for this length of time for payment or take the risk that they may never be paid.”

Working Mother

³ P. Oliveira, *The Erosion of Child Care Funding for Working Families In Connecticut* (CT Voices for Children, 2005). Available at: www.ctkidslink.org/pub_detail_265.html

Child care teachers are now making less money in inflation-adjusted dollars than they were over three decades ago.

ISSUE IN BRIEF



Labor costs between 70% and 90% of the budget, parent fees that are lower than the cost of providing care, unpredictable funding streams, and high staff and child turnover are all defining characteristics of a child care center business. Taken together, this should predict disaster. And in fact, many centers are reporting deficits that may force them out of business.

In fact, of the 44 child care centers that closed from July 1, 2004 to June 30, 2005, 75% identified “business not profitable” as their reason for closing. And yet, wages remain stagnant, and many child care providers go without the essentials of benefits and job security. The median salary of the highest paid child care providers in 1970 was about \$5,000 annually. This is equivalent to about \$25,170 today. In 2005, however, the median hourly wage for a child care teacher in a center was \$24,000, suggesting that many child care providers are now making less in inflation adjusted dollars than they were over three decades ago. A quick look at centers’ budgets reveals that the central problem is that centers cannot collect the full cost of providing quality child care, because many parents cannot afford it, and the government is unwilling to fully subsidize the difference.

“It’s hard to manage money that you don’t have.”
CT State Funded Child Development Center Director



Fast Fact

In 2005, the annual full-time wage for a child care teacher in a center was \$24,000⁴ – a salary amounting to less than half the salary that is required to support a family of four in Connecticut at a most basic level. This salary is less than the annual salaries of Pest Control workers (\$30,000), Crossing Guards (\$24,800) and Cafeteria Cooks (\$28,000) in 2005.

“Due to flat funding and the loss of Care 4 Kids monies from almost \$9,000 a month down to \$2,400 a month, we have been operating at a deficit and this deficit has been steadily growing... I have been the primary source of extra funding, with a substantial amount owed to me ...”

CT State Funded Child Development Center Director

“We have had to make program cuts... not replacing staff, reducing staff hours and benefits, and reducing staff educational reimbursements. Most other lines have already been cut to the bone. Obviously none of the reductions are good for the program. Funding deficits should not be placed on the shoulders of staff that are already underpaid and overstressed!”

Child Care Center Director

⁴ *Shaping Young Lives: A Profile of Connecticut’s Early Care and Education Workforce.* (Child Health and Development Institute of Connecticut, Inc, 2005).

The decisions made now by Connecticut's policymakers will affect the future of Connecticut for years to come.

ISSUE IN BRIEF

Providing additional supports for kids and working families through early care and education is an investment in Connecticut's future. Though the \$7.8 million increase in the FY 06 budget is a strong start toward recovering previously cut funds, total funding approved for early care initiatives in FY 06 in DSS and SDE is still \$25.75 million (or 11%) *less* than the \$229.7 million spent for early care in FY 02 (and \$28 million less if adjusted for inflation). The consequence of these cuts is a deterioration of the State's capacity to meet the needs of all children who require early care and education services. The number of licensed child care providers dropped by 22% from 1999 (6,167) to 2004 (4,810). The number of licensed child care spaces dropped by 11% from 1999 (124,506) to 2004 (110,623)⁵. Recent increases in funding for early care and education to *some* programs for *some* children are being more than offset by decreases in the programs that serve as the backbone for early care and education funding for moderate and low-income working families in Connecticut.



"Sometimes social workers find that an older sibling or a boyfriend is taking care of the kid... and then the baby winds up dead. Not all cases are going to be tragedies, but there will be really poor care as a result."

CT Child Care Provider

"For families who have been referred to DCF and are working with a social worker, the agency can use flexible funds in its own budget to help a parent obtain day care. But, unfortunately, the parent must come to the attention of DCF because of child abuse or neglect, first, before DCF can help."

CT State Employee

"Location is a key factor in many families' abilities to address the pivotal concern of transportation to work and child care. Individual families have described daily routines where getting to and from day care and work can become a process that involves several bus trips and even several hours that deprives guardians and children alike of time and sleep."

Child Care Center Director

"Additional problems arise for families who are not eligible for the Child Care Subsidy. One group of parents or guardians who would be found ineligible, are those in the midst of a job search. They would officially be considered unemployed, but many hesitate to make a commitment to an employer without having secured any kind of child care arrangements. Another ineligible group would be families in which the parents or guardians are involved in some type of continuing education apart from high school or Department of Labor job training enrollment. Even the least costly programs could still amount to a couple hundred weekly for a family of two children and sliding scale programs are more likely than not to be filled to capacity."

Child Care Center Director



⁵ P. Oliveira, *The Erosion of Child Care Funding for Working Families In Connecticut* (CT Voices for Children, 2005). Available at: www.ctkidslink.org/pub_detail_265.html