Testimony of Deborah Monahan, Executive Director,
Thames Valley Council for Community Action
in regards to
H.B. No. 6439 (COMM) AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2023, AND MAKING APPROPRIATIONS THEREFOR.
Office of Early Childhood Budget Re: Childcare Rates
March 9, 2021 – Appropriations Elementary and Secondary Education Subcommittee

Senator Osten, Representative Walker, and distinguished members of the Appropriations Elementary and Secondary Education Subcommittee, my name is Deborah Monahan and I am the CEO of the Thames Valley Council for Community Action. **I am here today to express the need for additional funds for childcare providers across the state.**

For over 55 years, TVCCA has been operating high quality programs that serve the low income throughout Southeastern Connecticut, promoting self-sufficiency and enabling employment. These programs include housing, energy assistance, employment and training, early childhood development and education, WIC, senior nutrition and overall case management with a financial literacy component, including VITA assistance.

High quality early childhood programs prepare the future workforce of this state, ensuring young children are safe while their parents are at work. The new minimum wage increases coupled with the impact of the pandemic have created a challenging environment for all early childhood providers. With minimum wages set to go up again this fall, our staff costs are increasing at a fast pace and frankly our staff deserve these increases! But that requires the support of the legislature and prioritizing early childhood care.

Unlike other businesses, child care centers cannot cut staff as mandated staff ratios must be followed to ensure children are safe. The parent sliding fee schedule is set by the Office of Early Childhood, so we cannot increase fees to generate monies. Rising insurance costs, food costs as well as expenses associated with the new CDC guidelines for safety are squeezing providers to the breaking point.

With this in mind, we would ask that you consider the following:

- **Increase the unit rate to providers- $9,000 per child per year is not adequate. Putting the burden to make up the difference in cost ($3-4,000) on providers is not working.** Parent fees and Care4Kids just don't make up the difference. This is resulting

in programs facing deficits and forcing some programs to close. We are National Association for the Education of Young Children (NAEYC) accredited and provide a very high quality of care and education that should be adequately funded.
At a minimum State funded programs should continue to be reimbursed at the same rate as School Readiness programs, currently under Executive Order.

- **Infant/Toddler unit rate must be consistent across the state! There is currently an $1,100. Difference between Title I towns ($9,946/year) and non-Title I towns ($8,837/year). This inequity must be rectified.**

- **Let OEC funded programs enroll families above the 75% of state median income (for a family of 3 that is $76,013.)**. We are asking that up to 40% of the slots in our centers (8 slots out of 20 slots/classroom) be allowed to do that. This would open up affordable early childhood programs to the young professionals that are working in our communities, starting families and are debt-burdened; yet have good jobs at Electric Boat, in the school systems or elsewhere.

Opening up childcare slots to more families will not require any new funds and will align our two funding streams. Currently, School Readiness funds through the Department of Education are allowed to serve families above the 75% of state median income. However, funds for childcare centers through the Office of Early childhood do not. This disparity should be eliminated.

In sum, we would advocate for an increase in childcare rates and consistency of eligibility and payment between the SDE and OEC childcare funds. We appreciate your consideration and are available to discuss these issues further.

Thank you.

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