



A Review of the Effects of Care 4 Kids Eligibility and Funding Changes in Hartford

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From 2002 to 2005, funding for Connecticut's Care 4 Kids program decreased by about \$53.5 million (or 44%). Adjusting for inflation, the reduction was nearly half of all funding -- \$61.5 million (or 47%). Statewide, enrollment in the program has been dramatically reduced. In 2004, 46% fewer children received the help of the child care subsidy than in 2002. This year, the deterioration continues. The FY06 Governor's and Appropriations budgets propose \$1 million less than what is predicted to be needed to maintain current services in 2006.

At the local level, the cost of these reductions is clear. Significantly fewer families are receiving assistance from Care 4 Kids. *In Hartford, the number of kids enrolled in the child care subsidy program dropped by nearly one half (4,374 to 2,422) from 2002 to 2004.*

Number of Children Receiving Care 4 Kids by Age in Hartford¹

	2002	2003	2004
Infants / Toddlers	1,160	639	647
Pre-School	1,283	737	720
School-Age	1,931	1,033	1,055
Total	4,374	2,409	2,422

Among the various types of child care settings, unlicensed providers and child care centers were the most affected. From 2002 to 2004, the number of children in unlicensed family and neighbor care receiving the subsidy dropped by nearly half (3,440 to 1,812), and the number in child care centers dropped by nearly one third (684 to 475).

Number of Children Receiving Care 4 Kids by Setting in Hartford²

	2002	2003	2004
Center	684	493	475
Group Home	9	5	3
Licensed Family Home	241	268	225
Unlicensed Kith & Kin	3,440	2,046	1,812

As the eligibility threshold was limited only to families receiving Temporary Family Assistance, and intake closed to many low-income applicants, a wait list was instituted for the first time. *From 2004 to 2005, 1,661 Hartford families were put on the wait list when applying for Care 4 Kids.*

Of the families in Hartford placed on the wait list, only 17% were enrolled. *Thus, 1,383 Hartford families demonstrated a need to help pay for child care that was never met.* Even of the families that were accepted, 40% have already lost eligibility. Families fail to be successfully enrolled due to incomplete applications, exceeding income guidelines, or are ineligible due to other regulatory constraints.

¹ Department of Social Services Child Care Team, 2005

² Department of Social Services Child Care Team, 2005

Problems with Care 4 Kids Reported by Hartford Child Care Centers

Hartford child care centers were asked for comments³ on problems they've experienced in accepting subsidy cases, problems they've found parents to have with the subsidy, and the effects of these problems on running quality child care centers. Some of the responses included:

Application Process Problems

- Navigating and understanding the application forms and process can be difficult.
- Obtaining pay stubs or the proper paperwork to prove parent's employment status is a roadblock.
- Turnover in Care 4 Kids caseworkers makes it difficult to maintain consistency in enrollment.
- Many parents are not willing to demand child support from a co-parent and as such are not eligible for the subsidy.

Payment Problems

- Changes in family eligibility from full-time to part-time, without prior notice, leaves the child care center with a bill for the difference in time the child was in care that DSS will not cover.
- The low amount of the subsidy does not allow parents to afford the price of care charged at the center.

Reported Effects

- The largest centers report losses of 40% to 60% in Care 4 Kids Revenues between 2002 and 2004.
- Centers are serving fewer children with the loss of Care 4 Kids recipients.
- Centers are resorting to accepting more affluent families who can afford to pay the full price of care.
- Centers are forced to lay off staff as a method of saving money.

³ Survey conducted by CT Voices for Children, April 2005.