



Hartford Foundation for Public Giving Testimony in Support of

House Bill 7272, An Act Concerning the Indexing of Personal Income Tax Thresholds and Personal Exemption Amounts, The Establishment of a Child Tax Credit and the Deduction and Withholding of Personal income Tax from Certain Payments and Distributions

Finance, Revenue and Bonding Committee

April 14, 2025

Good afternoon Senator Fonfara, Representative Horn, Senator Fazio, Representative Polletta and distinguished members of the Finance, Revenue and Bonding Committee. The [Hartford Foundation for Public Giving](#) is grateful for this opportunity to submit written testimony in support of **House Bill 7272, An Act Concerning the Indexing of Personal Income Tax Thresholds and Personal Exemption Amounts, The Establishment of a Child Tax Credit and the Deduction and Withholding of Personal income Tax from Certain Payments and Distributions. We support providing families with children with direct financial assistance to meet basic needs, including the cost of quality childcare. The tax credit provided an essential lifeline to families with children during the pandemic. The need to support parents who need to work is as urgent now.**

Since 1925, the Hartford Foundation has proudly served as the community foundation for the 29-town Greater Hartford region. This year, the foundation celebrates 100 years of service and remains committed to building an even greater Hartford region. Over the past two years, we have distributed more than \$100 million in grants to promote equitable opportunity for all residents in our region. Made possible by the gifts of generous individuals, families and organizations, the foundation has awarded grants of more than \$1 billion since its founding.

As part of our strategic priorities to dismantle structural racism and advance equity in social and economic mobility in Greater Hartford's Black and Latine communities, the Hartford Foundation supports basic human needs in our region, applying an equity lens to the systems and programs that address access to food, stable housing, physical and mental health care, and the digital divide.

The Hartford Foundation and other philanthropic organizations have supported efforts to address residents' basic human needs for many years. **To advance efforts to ensure children and families throughout Connecticut have what they need to thrive, the state must lead efforts to address the interconnection across basic human needs programs and systems to increase access to healthy food, physical and mental health, and housing services and provide adequate support to the nonprofit organizations and state agencies delivering these services.**

Through our grantmaking and broader work with nonprofits, we have seen increased needs among families with children to access adequate food, health, and other basic services. High grocery prices and the rising number of families with limited income struggling to make ends meet require the state to provide a safety net that ensures that families have access to food. We want to share what we are



learning from the research supported by the foundation and work with nonprofit providers supporting the basic needs of the families they serve.

House Bill 7272 would provide critical support for working parents by establishing a child tax credit for eligible taxpayers with dependent children under 17 years old. The proposal provides an essential tax credit of \$150 per child, for up to three children that would phase out for higher-income taxpayers and is fully refundable if it exceeds the taxpayer's tax liability. The Hartford Foundation recognizes that establishing a child tax credit is a critical step in supporting the 550,000 children and 75 percent of families in Connecticut who would benefit from this lifeline. We encourage the legislature to consider increasing the credit as resources allow to support this financial assistance tool proven to help families in Connecticut meet food and other basic needs during the pandemic. Through the foundation's grantmaking and other investments, we have seen the value of providing financial assistance to residents first-hand.

As a member of the Connecticut Urban Opportunity Collaborative (CUOC), a partnership among the Hartford Foundation, The [Community Foundation for Greater New Haven](#), and [Fairfield County's Community Foundation](#), the foundation has invested in [UpTogether](#) to launch a multi-regional Direct Cash Pilot Program to promote social and economic mobility while studying the impact of direct cash assistance in Connecticut. The pilot program is designed to support 120 leaders from New Haven, Hartford, and Bridgeport who are facing economic hardship and collaborating to build community power and improve their lives and neighborhoods. Over three years, participant households will receive monthly payments totaling \$12,600 to help alleviate financial challenges and foster community improvements.

A growing body of evidence from hundreds of direct cash programs operating across the country demonstrates that direct cash can lead to increased food security, improved health, more stable employment and housing, and increased family incomes and savings. Recent studies have documented that funds help pay for basic needs, utilities, and rent, but can also be used for paying off debt or building emergency savings, investing in education or a business, and paying for school supplies. Recognizing and trusting in people's strengths, abilities, and self-determination also lightens the administrative burden of operating public support programs, making the use of taxpayer dollars more effective and efficient. This child tax credit represents a modest effort on the part of the state to provide households with flexible support to meet their families' needs.

As reported in [DataHaven's 2023 Greater Hartford Community Wellbeing Index](#), with rising inflation, many Connecticut families have struggled with food and housing insecurity. **In 2022, the food insecurity rate in Connecticut was 17 percent**, with Latino households experiencing the highest rates of food insecurity at 34 percent and Black households at 25 percent, compared to 11 percent of White households.

For many years, **the foundation has provided annual grants to address basic human needs (totaling approximately \$7 million each year) to support both regional and local nonprofit agencies across Greater Hartford in providing direct services and addressing systemic challenges.** Our grants tackle a range of related issues, including food security, housing security and other supports for wellness. This



past year, the foundation's investments included more than \$688,000 in **Emergency Assistance Grants** to 71 nonprofit organizations throughout the region. More than half of these grants were focused on addressing access to food or food assistance. These grants prioritized nonprofits that serve neighborhoods and towns in the region with a higher percentage of residents living in poverty and seek to reduce barriers to equitable access to basic needs. Our investments have helped to address a portion of the enormous need, but philanthropy cannot adequately address these challenges without state investment programs to support families.

For the past eleven years, the foundation has worked to support seven of Greater Hartford region's Alliance Districts (Bloomfield, East Hartford, Hartford, Manchester, Vernon, Windsor, and Windsor Locks). These districts have schools where the majority of its students—in many cases the entire student body—are eligible for free and reduced school lunches. **Many of the districts the foundation works with have asked us for assistance with supporting basic human needs for their students and their families, including access to food.**

Each year, the foundation awards approximately \$1 million to local nonprofit organizations that provide access to emergency shelter, warming centers, housing subsidies, case management, eviction prevention and other services to residents at risk of or experiencing homelessness. The foundation's investments also include smaller annual emergency assistance grants made to proximate organizations providing urgent food, clothing, financial assistance (i.e., rent and utility expenses).

As critical is our support of work to address systemic barriers to quality, stable, affordable housing, including the [Greater Hartford Coordinated Access Network](#) and the policy agenda of [CT CAN End Homelessness](#).

The foundation also invests in efforts designed to increase the stability, availability, and quality of affordable housing in the Greater Hartford region; align and leverage additional investment in Hartford neighborhoods; and increase the social strength and connectedness of Hartford neighborhoods. **This work includes supporting efforts to increase the number of Hartford residents living in higher opportunity neighborhoods by working with nonprofit, government, and other community partners.**

According to the 2023 [Hartford Foundation Equity Profile](#) produced by DataHaven, with increasing housing costs, **34 percent of Connecticut households (homeowners and renters) report being housing cost burdened or severely cost burdened. In Greater Hartford, Latino households experience the highest rate of housing cost burden at 48 percent and Black households at 46 percent, compared to 27 percent of White households.**

Connecticut households have also been experiencing significantly increased costs for utilities. The foundation is a long-time funder of [Operation Fuel](#) which partners with 58 agencies across Connecticut to provide emergency assistance for residents who fall through the gaps of government assistance programs and remains a primary source for low-to-moderate-income households that have exhausted all other options to keep their lights on, water running, and homes warm.

Connecticut's energy costs are among the highest in the nation. In May 2023, Operation Fuel published,



[Mapping Household Cost Burdens: A study of energy, transportation, water, and housing affordability in Connecticut](#), which was conducted by the Vermont Energy Investment Corporation. According to the study:

- Approximately 424,000 families struggle to afford their energy costs (that is one in four households in Connecticut).
- Statewide, average household spending on building energy (including electricity, natural gas, propane, and other fuels) is \$3,800 annually.
- Electricity and natural gas prices increased nine percent between 2016 and 2021 and an additional 12 percent in 2022.
- Fuel prices increased 14 percent between 2016 and 2021. Low-income families have a higher energy burden and pay more on their utility and oil bills than they can afford. Energy burden is the percentage of a household's income spent on energy costs.
 - Connecticut households earning less than 60 percent of statewide median income (SMI) have an energy burden of 13 percent.
 - The poorest households, those with incomes of less than 30 percent of SMI, have an energy burden of 19 percent (19 percent of their income goes toward energy costs).

Another part of the foundation's strategic work is to increase stable employment opportunities for Black and Latine adults and youth facing barriers to employment. In Greater Hartford, there are a number of good paying jobs available, but access to affordable, quality childcare remains a barrier for many working parents. The foundation's efforts focus on preparation, hiring and retention of residents with significant barriers to employment. This work includes 2Gen programs that take a family-centered approach and considers childcare and supports for parents, as well as young adults and children in their households, allowing parents to focus on their education and job training and working.

One of the foundation's initial workforce development initiatives, the Career Pathways Initiative (CPI), integrated education programs, support services, and career development to assist adult learners and expand their academic and job skill levels as a way of reaching self-sufficiency. CPI included an extensive evaluation of its various programs and outlined some of the challenges and successes of the initiative. **One of the key findings was that childcare was the most frequent and costliest barrier to address.** While several of the CPI programs included support for childcare, it ultimately remained a significant barrier to employment.

Ensuring that all children, especially those most vulnerable, have access to high quality early childhood experiences is a critical step to ensuring their safety and well-being, and removing this barrier to employment.

Since 1987, the foundation has invested more than \$40 million in early childhood development across the Greater Hartford area. The foundation has supported early childhood policy, funding, and program quality, recognizing their importance in ensuring optimal safety and learning outcomes for children and pathways to economic security for their families and caregivers. Part of our early work continues to include participating in the [Connecticut Early Childhood Funder Collaborative](#), funders supporting early childhood education.



The Hartford Foundation's early childhood development work included convening local childcare providers to support licensing and organizational development. As part of its COVID response efforts, the foundation awarded financial support to childcare providers, including assistance in applying for federal Paycheck Protection Program funds. With the possible exception of rent and mortgage payments, the cost of childcare is one of the largest expenses facing Connecticut working families.

We recognize that the cost of living in Connecticut is high, and our state is the only state with a personal income tax not adjusted for family size, which makes paying for basic needs for families with limited income challenging.

The child tax credit proposed in House Bill 7272 would provide households with flexible resources they can use to respond to their most pressing needs and has the potential of boosting local businesses and the state's economy. Refundable tax credits are particularly valuable to families who do not earn enough to pay state income taxes but still contribute a significant share of their limited income on sales tax.

The Hartford Foundation is ready to partner with legislators, the administration, advocates, philanthropy, and other stakeholders to ensure that all residents have the resources they need to thrive. We invite policymakers and other stakeholders to meet with us to explore public-private partnerships and ways philanthropic dollars could complement existing resources to help address funding gaps and foster equitable strategies to support Connecticut residents with significant unmet needs.

If you have any questions, please feel free to contact our staff at policy@hfpg.org or 860-548-1888.