

Finance, Revenue, and Bonding Committee

Public Hearing: February 26, 2025

In Support of **S.B. 740**: An Act Establishing a Refundable Child Tax Credit and **H.B. 5986**: An Act Establishing a Refundable Child Tax Credit Against the Personal Income Tax

Dear Co-Chair Senator Fonfara, Co-Chair Representative Horn, Ranking Member Senator Fazio, Ranking Member Representative Polletta, Vice Chair Senator Cabrera, Vice Chair Senator Miller, Vice Chair Representative Constantine, Vice Chair Representative Rader and members of the Finance, Revenue, and Bonding Committee:

I am testifying in support of S.B. 740 and H.B. 5986 on behalf of The Connecticut Women's Consortium and our mission to provide trauma-informed, gender-responsive education and advocate for the systems serving women to be accessible, effective, and inclusive.

We primarily serve Connecticut-based behavioral health professionals, many of whom are parents. Despite the importance of their work, behavioral health clinicians are often paid less than other healthcare providers. Along with lower salaries, they face significant financial challenges, including student loan debt, licensure fees, continuing education costs, insurance reimbursement rates, and administrative expenses. Connecticut is the only state that taxes personal income without adjusting for family size¹, further straining household budgets for clinicians with families in an already high-cost state. A fully refundable Child Tax Credit would help alleviate these burdens, allowing these invaluable professionals to focus on their vital work without additional financial stress.

Among adults, financial stress can increase the risk of mental health issues and illness: In 2022, a systematic review conducted by the Public Library of Science found a positive link between depression and financial stress, particularly among low socioeconomic status.² This financial strain doesn't just affect adults; it often extends to their children. Childhood poverty is recognized as an adverse childhood experience (ACE), a traumatic event that can have long-lasting impacts on both mental and physical health. By alleviating the financial burdens faced by parents, a fully refundable Child Tax Credit could not only reduce stress for adults but also mitigate one of the major ACEs that affects their children.

Supporting S.B. 740 and H.B. 5986 means investing in a future where children are not exposed to the trauma of financial hardship, and parents and caregivers can meet their families' needs with stability. By easing the financial burdens on behavioral health professionals, we ensure

they are better equipped to support the mental health and well-being of our residents without facing additional stressors themselves.

Thank you,

Alana Valdez

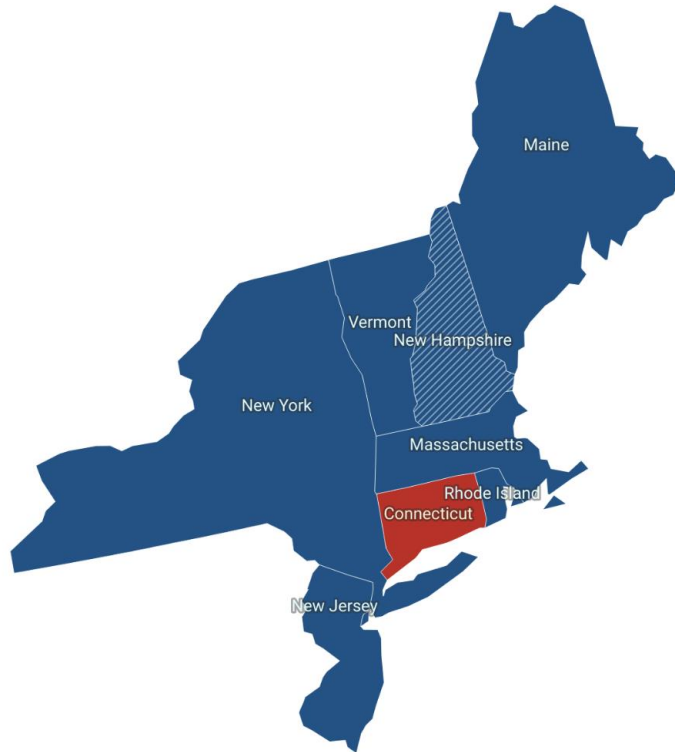
Project Coordinator

The Connecticut Women's Consortium

avaldez@womensconsortium.org

1. Connecticut is the only state in the country that doesn't adjust its income tax policies for family size

■ No ■ Yes ▨ No state-level income tax



Explore an interactive version of this map at bit.ly/ctcmap2025

2. Guan N, Guariglia A, Moore P, Xu F, Al-Janabi H. Financial stress and depression in adults: A systematic review. PLoS One. 2022 Feb 22;17(2):e0264041. doi: 10.1371/journal.pone.0264041. PMID: 35192652; PMCID: PMC8863240. <https://pmc.ncbi.nlm.nih.gov/articles/PMC8863240/>