

## FY 26-27 EARLY CHILDHOOD BUDGET AND BOND BILL SUMMARY

### BUDGET BILL

**P.A. 25-168 (H.B. 7287) - An Act Concerning the State Budget for the Biennium Ending June 30, 2027, and Making Appropriations Therefor, and Provisions Related to Revenue and Other Items Implementing the State Budget** *(Signed by Governor)*

The House and Senate passed the FY26-27 budget bill, H.B. 7287. The House passed the budget bill Monday night, June 2, 99-49 with 3 absent. The Senate passed the budget bill Tuesday night, June 3, 25-11. Below is a summary of the OEC budget.

Biennial Budget 2026-2027

SID	SID Title	2025 Original Appropriation	2026 Appropriation	Difference from 2025 Original	2027 Appropriation	Difference from 2025 Original
	<b>Total:</b>	376,154,690	417,537,918	41,383,228	443,007,258	66,852,568
10010	Personal Services	10,147,924	9,926,912	(221,012)	9,926,912	(221,012)
10020	Other Expenses	1,319,731	1,694,731	375,000	8,294,731	6,975,000
12192	Birth to Three	32,452,407	33,293,626	841,219	36,093,626	3,641,219
12569	Evenstart	545,456	545,456	0	545,456	0
12584	2Gen - TANF	572,500	575,685	3,185	575,685	3,185
12603	Nurturing Families Network	12,139,479	12,669,995	530,516	14,469,995	2,330,516
12654	OEC Parent Cabinet	150,000	152,264	2,264	152,264	2,264
12T05	Capitol Child Development Center		263,000	263,000	263,000	263,000
16101	Head Start Services	5,083,238	5,833,238	750,000	5,833,238	750,000
16147	Care4Kids TANF/CCDF	112,827,096	147,957,756	35,130,660	151,227,096	38,400,000
16158	Child Care Quality Enhancements	5,954,530	5,954,530	0	5,954,530	0
16265	Early Head Start-Child Care Partnership	1,500,000	1,500,000	0	1,500,000	0
16274	Early Care and Education	190,137,329	193,845,725	3,708,396	201,845,725	11,708,396
16279	Smart Start	3,325,000	3,325,000	0	6,325,000	3,000,000

- The budget maintains funding for the following programs: Even Start, Child Care Quality Enhancements, and Early Head Start – Child Care Partnership.
- Personal Services is reduced by \$221,012; this is a combination of increasing by \$378,988 to annualize the cost of existing wage agreements and decreasing by \$600,000 to “reflect current staffing levels.”
- Other Expenses is increased by \$375,000 for the Waterford Upstart Program in FY26 and FY27, \$5 million for the final fifth year of the Start Early Program in FY27, and \$1.6 million for the Tri-Share Program in FY27.
- Birth to Three is increased by \$3.8 million in FY27 with a corresponding \$2.9 million increase in the Department of Social Services for a Medicaid rate increase. The \$3.8 million is less than the \$6 million proposed by the Governor.

- 2Gen-TANF is increased by \$3,185 in each fiscal year to annualize the cost of existing wage agreements.
- Nurturing Families Network, which is our home visiting program, is increased in FY27 by \$1.8 million to fund the universal nurse home visiting initiative, known as Family Bridge.
- OEC Parent Cabinet is increased by \$2,264 in each fiscal year to annualize the cost of existing wage agreements.
- Funding of \$263,000 is allocated for the Capitol Child Care Development Center.
- An additional \$750,000 is allocated to the Head Start Services line item for a total of \$5,833,238. The intent of these funds is to support the Head Start on Housing initiative.
- The Care 4 Kids line item is increased by \$35,130,660 in FY26 and \$38,400,000 in FY27 to pay for collectively bargained rate increases and to comply with Federal requirements.
- Early Care and Education line item is increased by \$4,458,396 in FY26 to annualize FY25 provider increases; however, there is also a reduction of \$750,000 due to a transfer to the Head Start Services line item. The Early Care and Education line item is increased for the same purpose by the same amount in FY27 (a net increase of \$3,708,396), and also increased by \$8 million for Early Start CT.
- The Smart Start line item is increased in FY27 only to maintain Smart Start for Recovery, which was created during COVID with ARPA funds for 16 classrooms and 240 spaces.

*(Effective July 1, 2025)*

In addition, the following is included in the budget bill.

**Sec. 22** – Transfers \$1 million of the federal funds received by the Department of Education, from Part B of the Individuals with Disabilities Education Act (IDEA), to the Office of Childhood in FY26 and FY27, for the Birth to Three program, to carry out Part B responsibilities consistent with the IDEA. *(Effective July 1, 2025)*

**Sec. 300** - Expands the Local Food for Schools Incentive Program (LFSIP) program to licensed child care centers, group child care homes, and family child care homes that have meal programs. Currently, only local or regional boards of education participating in the National School Lunch Program are eligible. The bill makes the State Department of Education (SDE), rather than the Department of Agriculture (DoAg), the lead agency responsible for administering the program, and DoAg, rather than SDE, the consulting agency. The program is currently implemented collaboratively between the two agencies, according to a memorandum of understanding outlining each agency's responsibilities. *(Effective July 1, 2025)*

**Sec. 310** - Removes a current provision requiring the OEC to pay Birth to Three early intervention providers a General Administrative Payment (GAP) equal to \$200 for each child (1) with an individualized family service plan (IFSP) on the first day of the billing month and (2)

whose plan accounts for less than nine service hours during the billing month, as long as the provider delivers at least one service. *(Effective July 1, 2026)*

**Sec. 311** – Removes the provision placing the OEC under SDE for administrative purposes only. *(Effective July 1, 2025)*

**Sec. 313** - Existing law authorized bonding for an OEC-administered grant program for facility improvements and minor capital repairs for state-funded early care and education programs. The bill adds Early Start CT, the new state-funded early care and education program that combines the School Readiness and Child Day Care programs. Reference to School Readiness and Child Day Care is removed. The bill also removes the Even Start program as it was not eligible for this grant program. In addition, the maximum grant amount is increased from \$75,000 to \$100,000 per classroom. *(Effective July 1, 2025)*

**Sec. 372** - Establishes a refundable income tax credit for taxpayers who own a state-licensed family child care home. The credit equals \$500 and applies against the personal income tax, but not the withholding tax. *(Effective July 1, 2026)*

## **BOND BILL**

**P.A. 25-174 (H.B. 7288) - An Act Authorizing and Adjusting Bonds of the State and Concerning Grant Programs, State Grant Commitments for School Building Projects, Revisions to the School Building Projects Statutes and Various Provisions Revising and Implementing the Budget for the Biennium Ending June 30, 2027** *(Signed by Governor)*

The House and Senate passed the Bond Bill, H.B. 7288. The House passed the bond bill Wednesday, June 4, 144-4 with 3 absent. The Senate passed the bond bill Wednesday, June 4, 35-1. Below is a summary of the bond bill sections impacting early childhood.

**Sec. 121** – This section establishes a competitive grant program to assist licensed child care programs under sections 19a-77 to 19a-87e, inclusive, of the general statutes, with the cost of planning and designing, constructing and renovating child care facilities. The OEC shall establish an application process and eligibility criteria for prioritizing grant applications and awarding grants that considers the scope of each design, construction or renovation project and the type of child care facility to be constructed or renovated. The OEC may (1) contract with a third party for the administration of the grant program and provision of technical assistance to grant applicants and recipients, and (2) expend funds from the Early Childhood Education Endowment to pay for the costs of providing technical assistance to grant applicants and recipients for child care facilities renovations and improvement. Grant recipients must repay grants if the premises cease child care operations within 10 years, decreasing by 10% annually.

The total amount of the bonding funding is \$80 million over a 7-year period: FY26-FY32 - \$11.5 million in each year in FY26-31 and \$11 million in FY32. *(Effective July 1, 2025)*

**Sec. 122** – For grant amounts under the bond program that do not exceed \$50,000, the OEC need not place a lien on the real property for which the grant is made. *(Effective July 1, 2025)*

**Sec. 134** - Not later than October 1, 2025, and quarterly thereafter, the chancellor of the Connecticut State Colleges and Universities, in consultation with the Commissioner of Early Childhood, shall submit a report to the Finance, Revenue and Bonding Committee, describing the coordination of efforts between the Connecticut State Colleges and Universities and the Office of Early Childhood to construct, improve, or equip child care centers on or near college and university campuses in the state. *(Effective July 1, 2025)*

**Sec. 142** – This allows a school to factor the entire cost of the school building project at 15 percent, not just the portion for the expansion of an existing building for spaces for an early childhood care and education program that provides services for children from birth to five years. *(Effective July 1, 2025)*