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STATE OF CONNECTICUT

OFFICE OF EARLY CHILDHOOD



Beth Bye
Commissioner

**Testimony of Beth Bye, Commissioner
Office of Early Childhood
Before the Appropriations Committee**

**H.B. 5037 - An Act Adjusting the State Budget for the Biennium Ending June 30, 2023
Thursday, February 17, 2022**

Good morning, Senator Osten, Representative Walker, Senator Miner, Rep. France; subcommittee members, Senator McCrory, Rep. Felipe, Senator Somers, and Rep. Kathleen McCarty; and distinguished members of the Appropriations Committee. I am Beth Bye, Commissioner of the Office of Early Childhood.

The Governor's FY23 budget proposal continues Connecticut's investment in high-quality early childhood services administered by the Office of Early Childhood. OEC anticipates additional federal funds and guidance from the Administration for Children and Families this spring and will work with the legislature and the field to assure Connecticut addresses the incredible challenges facing the child care industry. We look forward to continuing our work with the Governor, our sister agencies, and all of you here in the Legislative Branch to support young children and their families.

The budget maintains funding for the agency's core services: School Readiness, Child Day Care, Care 4 Kids, State Head Start, Smart Start, Birth to Three, and Home Visiting. The budget also maintains services for our smaller funding streams: Early Head Start – Child Care Partnership, Even Start, and 2Gen.

The budget adds \$242,647 to bring on three fiscal staff to support increased agency requirements driven by enhanced federal funding. The reduction of \$828,528 to the Personal Services line item reflects the plan to transfer eight OEC staff to the Department of Administrative Services as part of a realignment of information technology functions and staffing under the Bureau of Information Technology Solutions (BITS). These eight IT staff will continue to provide support to our agency. The \$114,204 reduction to the Other Expenses line item reflects a plan to consolidate IT functions and expenses into BITS.

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Funds totaling \$1,000,000 is provided to support the second year of a contract for home visiting services in the New Haven region to ensure the level of service is maintained relative to pre-pandemic levels. The budget allocates \$1,000,000 in federal funds to plan and research the sustainability of the Universal Home Visiting Pilot, supported by ARPA funds.

In addition to the Governor's budget proposal, \$102 million in federal COVID relief funds are currently deployed to support additional Care 4 Kids subsidy payments. These funds 1) increased Care 4 Kids eligibility from 50% to 60% of the state median income (SMI), 2) opened eligibility to individuals enrolled in higher education, education and training, and adult education, and 3) provided a 20% increase for programs achieving accreditation. Currently, 28% more Connecticut families are eligible for child care assistance than were eligible in January of 2020.

The Governor's budget is put forth in anticipation of federal legislation passing later this spring that will bring significant funding for our child care system, and extend the subsidy supports like those currently funded by ARPA.

Build Back Better provided major funding and a framework to transform the child care industry across the nation. While Build Back Better did not pass, serious efforts are underway in Congress to put forth the child care component of that legislation to address the critical need to bolster child care and enable parents to remain working or re-enter the workforce as we emerge from COVID. The Governor's office and OEC are in close communication with our congressional delegation and national partners on this effort.

The COVID pandemic has had an acute impact on our daily lives. Family situations have been upended as they struggle with lost lives, unemployment, food, and housing insecurity, disrupted learning, and loss of child care. Child care programs are on the edge as they struggle with acute staffing shortages, lower enrollments, temporary classroom closures due to COVID cases, and maintaining health and safety protocols.

Over the past two years, the Governor and OEC have worked to support the child care field struggling under the weight of the public health pandemic. We recognize that child care centers, family child care homes, public and private preschools are critical infrastructure for developing eager learners and for our state's economy. The agency was one of the first states to deliver significant federal stabilization COVID funds to child care providers. While other states are still making plans today, Connecticut distributed the funds last summer. The \$108 million we provided to 1,350 family child care homes and 1,200 child care centers under our Child Care Grant Stabilization fund literally saved many child care providers who reported to us that they otherwise would have closed their doors due to the fiscal distress wrought by the pandemic.

The OEC used federal COVID relief funds to provide PPE supply subsidies for child care providers. We recently provided free masks and COVID home tests to child care, home visiting,

and Birth to Three providers. During the past two years, OEC has also been using federal funds to relieve expenses like fingerprinting and accreditation fees for all Connecticut public and private child care programs.

For our state-funded programs (School Readiness and Child Day Care), we leveraged unused state early care and education funds (ECE) to fully fund programs during the height of the pandemic so they could continue serving children and their parents. We continued to subsidize state-funded programs with a 25% operating supplement if their enrollments had not returned. In addition, we recently reinstated full funding for state-funded programs during this current fiscal quarter as Omicron is causing severe financial and workforce challenges to programs.

We know child care programs are still struggling with the economic impacts of COVID. We continue to seek ways to leverage state and federal dollars to help and will continue work with our federal congressional delegation to bring major child care legislation over the finish line.

In closing, I want to thank the Appropriations Committee for its long-standing investment in our youngest children and their families. Our agency is committed to work together to better serve young children and their families.

The Connecticut Office of Early Childhood advances a two-generation family-centered approach in our pursuit of optimal health, safety and learning outcomes for young children. Through our core programs, we support infant and toddler care, preschool, after-school care, child care and youth camp licensing, home visiting, and early intervention to address developmental delays. OEC is working toward better-coordinated, cost-effective services that support Connecticut's youngest children and families.