

**HB 5506 – An Act Adjusting the State Budget for the Biennium Ending June 30, 2023,
Concerning Provisions Related to Revenue, School Construction and Other Items to
Implement the State Budget and Authorizing and Adjusting Bonds of the State**

Signed by Governor Lamont May 7, 2022

Summary of Provisions Concerning Early Childhood

Infant and Toddler Funding to Increase Rates and Create 1,300 New Slots - \$25M

Allocates \$25 million in General Funding in the OEC Early Care and Education line item to increase infant and toddler per child rates to \$13,500 within the Child Day Care (CDC) program. This is a significant per child increase from the current average CDC infant toddler rate of \$8,500. This funding will create 1,300 new infant and toddler spaces.

The 13,500 per child rate will apply to existing CDC providers that provide infant and toddler care. Existing CDC-funded providers and new providers will be eligible to receive funding for these new spaces. Eligible providers include child care centers, group child care homes, and family child care homes. The legislative language that increases the rates is found in S.B. 1, Sec. 2. (Line T451 – OEC budget in H.B. 5506) (Effective July 2, 2022)

Early Child Care Provider Stabilization Payments - \$70M

Allocates \$50 million in General Funding as a OEC line item entitled “Early Child Care Provider Stabilization Payments.” (Line T446 – OEC budget in H.B. 5506)

Allocates \$20 million in state carryforward funding entitled “Early Childhood Care Stabilization Payments.” (Sec. 12, item 89 in H.B. 5506)

A total of \$70 million in state funds will be distributed to all types of child care providers: state-funded and private pay center-based providers, and family child care providers. These funds may be used to supplement wages for each employed child care staff. OEC will develop guidelines and the application process to make grants on or after August 1, 2022. (Effective July 2, 2022)

Emergency Stabilization Grant Program for School Readiness and Child Day Care - \$30M

Allocates \$30 million in ARPA funding for an emergency stabilization grant program for School Readiness and Child Day Care. These are our two major state-funded child care programs. The OEC will develop (1) eligibility criteria for school readiness programs and child care centers to be eligible to receive a grant, and (2) guidelines for the expenditure of funds. (Line T1206 and Sec. 261 in H.B. 5506) (Effective July 1, 2022)

Establish and Administer the Start Early - Early Childhood Development Initiative - \$20M

Establishes the Start Early - Early Childhood Development Initiative. The OEC will develop funding priorities to support the growth and enhancement of a system of high-quality early childhood care and education and support services. The office may test more than one type of intervention or type of program for young children and families and will track the differences in children's progress by program type. Funding may include targeted formula grants to providers in high-need areas throughout the state to serve a cohort of children from infancy through kindergarten entrance and may include existing providers serving a cohort of children in the target community who agree to implement research-based professional development or curricular interventions that begin in the infant and toddler years.

The bill requires OEC to develop an annual report regarding the initiative's data and outcome measures. The report must include achievement on the elements in the Connecticut Early Learning and Development Standards as reported in the accompanying assessment tool. OEC may also develop recommendations for modifications to the early education system based on an evaluation of the initiative's data and outcome. Starting by January 1, 2023, OEC must annually submit the report and any recommendations to the Education Committee. (Line T255 and Sec. 463 in H.B. 5506) (Effective July 1, 2022).

(S.B. 9 – An Act Implement the Governor's Budget Recommendations for General Government amended the budget language by renaming the \$20 million budget item "Learn to Grow" to the title, "Start Early – Early Childhood Development Initiative." By matching the title in Sec. 463 in HB 5506, \$20M can statutorily be expended for this purpose.)

(LCO 6345 amended Sec. 463 in H.B. 5506. It removed specific funding levels in total and by year; original language included \$20 million that would be distributed over four years. Instead, the language states that the OEC may use a portion of ARPA funds, as amended from time to time, for administrative expenses related to the initiative:

"(f) The office may use a portion of the funds allocated pursuant to the provisions of Section 602 of Subtitle M of Title IX of the American 281 Rescue Plan Act of 2021, P.L. 117-2, as amended from time to time, for administrative expenses related to the initiative, including, but not limited to, entering into an agreement with a third party to manage the program; the design, collection and analysis of required data on outcome measures as prescribed by the office; and the development of data collection and evaluation tools for continuous program evaluation.")

Federal ARPA Funding Directed to OEC - \$33,875,000

Allocates federal ARPA funds to the OEC for a variety of services, listed below (Sec. 10 of H.B. 5506).

Sec. 10. Section 41 of special act 21-15, as amended by section 306 of public act 21-2 of the June special session and section 3 of special act 22-2, is amended to read as follows (Effective from passage): The following sums are allocated, in accordance with the provisions of special act 21-1, from the federal funds designated for the state pursuant to the provisions of section 602 of Subtitle M of Title IX of the American Rescue Plan Act of 2021, P.L. 117-2, as amended from time to time, for the annual periods indicated for the purposes described.

- Universal Home Visiting - \$1.3 million for Community Health Workers and \$1 million for universal home visiting sustainability evaluation and pilots in Hartford and Norwich.
- Expand Access to Apprenticeship - \$5 million
- Child Care Apprenticeship Program - \$1.5 million
- Care 4 Kids - \$10 million
- Early Childhood – Facility Renovation and Construction - \$15 million
- Home Visiting program in New Haven - \$1 million
- Capitol Child Day Care Center - \$75,000

Birth to Three General Administered Payments - \$5M

Allocates \$5 million to increase the Birth to Three General Administered Payments from \$100 to \$200 per child, per month for those children receiving less than 9 hours of service per month. Language is found in S.B. 2, Sec. 12. (Line T442 - OEC budget in H.B. 5506) (Effective July 1, 2022)

OEC Staff Positions

Adds 7 staff positions to the OEC. Also transfers Information Technology staff position to the BITS unit at the Department of Administrative Services. (Line T440 - OEC budget in H.B. 5506)

State Bonding - \$5M

Sec. 318 (g) - For the Office of Early Childhood: Grants-in-aid for constructing, improving, or equipping child care centers, including, but not limited to, payment of associated costs for architectural, engineering or demolition services related to infant and toddler pilot program, not exceeding \$5,000,000.

Other HB 5506 sections of interest outside of the OEC:

Sec. 331 – Delays eligibility for the **Baby Bond program** from July 1, 2021, to July 1, 2023.

Sec. 413 – Increases the **Earned Income Tax Credit** to 40.5%. Line T1369 shows a cost of \$42,250,000 for FY23.

Sec. 415 – Creates a first-ever temporary **CT Child Tax Credit**.

Sec. 362. (Effective July 1, 2022) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate ten million dollars.

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, **shall be used by the Connecticut State Colleges and Universities** for the purpose of constructing, improving, or equipping child care centers on or near college and university campuses, including, but not limited to, payment of associated costs for architectural, engineering or demolition services.