

P.A. 23-204 (H.B. 6941) - An Act Concerning the State Budget for the Biennium Ending June 30, 2025, And Making Appropriations Therefor, And Provisions Related to Revenue and Other Items Implementing the State Budget

<https://www.cga.ct.gov/2023/ACT/PA/PDF/2023PA-00204-R00HB-06941-PA.PDF>

Signed by the Governor June 12, 2023

Summary of Provisions Concerning Early Childhood

The following is a compilation of sections of the state budget bill concerning early childhood matters and/or impacting the Office of Early Childhood (OEC) operations. This is only a summary. These summaries are based on both the actual bill language and the bill analysis prepared by the General Assembly's Office of Legislative Research (OLR). The complete text of H.B. 6941 can be read by visiting the Connecticut General Assembly's web site at cga.ct.gov.

Sec. 1 – Office of Early Childhood Budget

Section 1. (Effective July 1, 2023) The following sums are appropriated from the GENERAL FUND for the annual periods indicated for the purposes described.

T443	Office of Early Childhood	FY24 \$	FY25 \$
T444	Personal Services	10,021,638	10,147,924
T445	Other Expenses	1,319,731	1,319,731
T446	Birth to Three	32,952,407	32,952,407
T447	Even Start	545,456	545,456
T448	2Gen-TANF	572,500	572,500
T449	Nurturing Families Network	12,139,479	12,139,479
T450	OEC Parent Cabinet	150,000	150,000
T451	Head Start Services	5,083,238	5,083,238
T452	Care4Kids – TANF/CCDF	73,727,096	112,827,096
T453	Child Care Quality Enhancements	5,954,530	5,954,530
T454	Early Head Start – Child Care Partnerships	1,500,000	1,500,000
T455	Early Care & Education	174,645,249	190,137,329
T456	Smart Start	3,325,000	3,325,000
T457	AGENCY TOTAL	321,936,324	376,154,690

Increases Other Expenses by \$1M – more details forthcoming.

Increases Birth to Three funding by \$8.5M to fund the following:

- \$5M to pay for \$200 General Administered Gap Payments (GAP) for children who receive less than 9 hours of services per month
- \$2M to pay for Spanish interpreters for meetings with families

- \$1.5M to annualize elimination of parent fees for Birth to Three services

Increases Even Start by \$250,000.

Increases 2Gen TANF by \$160,000.

Funds the OEC Parent Cabinet with \$150,000 for staffing and support costs.

Increases Care4Kids - TANF/CCDF by \$14.2M in FY24 and by \$53.3M in FY25, amounting to an 11 percent rate increase in each fiscal year.

For FY25, increases Early Care and Education by \$15,492,080 to raise the School Readiness and Child Day Care per child rate for full-day, full year preschool from \$8,924 to \$10,500.

Sec. 23 – \$1M transfer from Part B to Birth to Three System

Transfers \$1M in funding from Part B of the Individuals with Disabilities Act (IDEA) to the Birth to Three System to carry out Part B responsibilities. *(This transfer is made every fiscal year.)*

Sec. 23. (Effective July 1, 2023) During the fiscal years ending June 30, 2024, and June 30, 2025, \$1,000,000 of the federal funds received by the Department of Education, from Part B of the Individuals with Disabilities Education Act (IDEA), shall be transferred to the Office of Early Childhood in each such fiscal year, for the Birth-to-Three program, in order to carry out Part B responsibilities consistent with the IDEA.

Sec. 41 – Unexpended Funds for OEC Workforce Pipeline Pilot and Child Care Collaboratives

Supports the OEC Workforce Pipeline Pilot with \$2.5M in unexpended state funds in both FY24 and FY25 and provides new funding for Local Early Childhood Collaboratives with \$2M in unexpended state funds for FY24 only. Funds are allocated to the OEC line item Other Expenses.

Sec. 41. (Effective from passage) (a) The Secretary of the Office of Policy and Management shall identify unexpended funds totaling \$339,572,439 from the amounts appropriated in section 1 of special act 21-15, as amended by section 1 of public act 22-118, which shall not lapse on June 30, 2023, and such funds shall be transferred and made available as provided in subsection (b) of this section.

(15) The sum of \$2,500,000 to the Office of Early Childhood, for Other Expenses, for each of the fiscal years ending June 30, 2024, and June 30, 2025, for the workforce pipeline pilot program;

(60) The sum of \$2,000,000 to the Office of Early Childhood, for Other Expenses, for the fiscal year ending June 30, 2024, for Childhood Collaboratives.

Sec. 42 – \$7.8M in OEC Unexpended ECE Funds for Care 4 Kids

Transfers \$7.8M in OEC unexpended early care and education funds for Care 4 Kids to help meet the costs of the CSEA-SEIU child care collective bargaining agreement for FY24.

Sec. 42. (Effective from passage) Up to \$7,800,000 of the unexpended balance of funds appropriated to the Office of Early Childhood, for the Early Care and Education account, for the fiscal year ending June 30, 2023, shall not lapse on June 30, 2023, and shall be carried forward to the Care4Kids TANF/CCDF account and made available to meet the costs of the family child care provider agreement during the fiscal year ending June 30, 2024.

Sec. 48 - ARPA funds for Care 4 Kids, Cradle to Career, and Childhood Collaboratives

Use federal American Rescue Plan Act (ARPA) funds for the following:

- \$35M for Care 4 Kids for FY24
- \$150,000 for Cradle to Career for FY24
- \$2M for Early Childhood Collaboratives for FY25

Sec. 48. Section 41 of special act 21-15, as amended by section 306 of public act 21-2 of the June special session, section 3 of special act 22-2, section 10 of public act 22-118, section 1 of public act 22-146, section 2 of public act 22-1 of the November special session, and section 1 of public act 23-1, 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. (Funding allocations itemized in a budget table – see the three bullets above.)

Sec. 187 – Police Athletic League of Stamford License Exemption

Exempts the Police Athletic League of Stamford from OEC licensing requirements. Existing law exempts certain child care service providers from the Office of Early Childhood (OEC) licensure requirements, including public school systems, municipalities, and a number of organizations or arrangements specified in statute.

Sec. 187. Subsection (b) of section 19a-77 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage): (b) For licensing requirement purposes, child care services shall not include such services which are:

(14) Administered by Police Athletic League of Stamford, Inc., a Stamford-based nonprofit youth activities organization.

Sec. 193 – Two-Generational Advisory Board Strategic Planning

Requires the Commissioner on Women, Children, Seniors, Equity and Opportunity to review and make recommendations about membership of the Two-Generational Advisory Board and develop a strategic plan to support family-driven multigenerational success. *(OEC administers the 2Gen-TANF funding and program activities; Commission administers and staffs the Advisory Board.)*



Sec. 193. (Effective from passage) (a) The Commission on Women, Children, Seniors, Equity and Opportunity, in collaboration with the two-generational advisory board established pursuant to section 17b-112l of the general statutes, shall (1) not later than September 1, 2023, review and make recommendations regarding the participating and appointed membership of the two-generational initiative, including, but not limited to, specific recommendations regarding family engagement strategies and advisory board composition, and (2) develop a two generational advisory strategic plan that outlines the advisory board's role in identifying short, medium and long-term strategies to maximize state investments in family-driven multigenerational success.

(b) The strategic plan shall include, but need not be limited to, recommendations regarding: (1) Aligning the state two-generational initiative with regional and national initiatives related to two generational success utilizing collaboration with the private sector, national research and quantitative and qualitative data from other states; (2) a short, medium and long-term resourcing strategy that includes recommendations to leverage existing public, private and philanthropic resources from national state and local partners; (3) expanding the focus of the two-generational initiative to more robustly support family well-being, economic engagement and mobility through expanded public and private partnerships, targeted investment and leveraging of new and existing resources; (4) increasing the public's understanding of, and engagement with, the two-generational initiative; (5) tracking two-generational outcomes of families in the state, including parents involved in the two-generational initiative as members of the advisory board; and (6) developing a constituency for the two-generational initiative across all sectors, public and private, of the state.

(c) Subject to available appropriations, the commission shall develop a data-driven, two-generational policy and outcomes dashboard that tracks (1) the outcomes of families pursuant to subdivision (5) of subsection (b) of this section in accordance with the data-sharing protocol developed pursuant to section 17b-112l of the general statutes; and (2) other data related to the two-generational initiative.

(d) Not later than September 1, 2024, the executive director of the commission shall present the strategic plan to the advisory board and submit such plan, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, children, housing, human services and labor.

Sec. 261 – OPM Designated Lead Agency to Coordinate Autism Spectrum Disorder Services

Makes the Office of Policy & Management, rather than the Department of Social Services, the lead agency to coordinate Autism Spectrum Disorder (ASD) services and transfers many of DSS's ASD-related duties to OPM. Oversight includes autism-spectrum early intervention services for any child under age three diagnosed with ASD.

Sec. 261. (NEW) (Effective July 1, 2023) (a) The Office of Policy and Management shall serve as the lead agency to coordinate, where possible, with the state agencies that have responsibility for providing services to persons diagnosed with autism spectrum disorder.

(b) The Office of Policy and Management may examine and make recommendations regarding the delivery of appropriate and necessary services and programs for all residents of the state with autism spectrum disorder. Such services and programs may include, but need not be limited to: (1) Autism-specific early intervention services for any child under the age of three diagnosed with autism spectrum disorder; (2) education, recreation, habilitation, vocational and transition services for individuals age three to twenty-two, inclusive, diagnosed with autism spectrum disorder; (3) services for adults over the age of twenty-two diagnosed with autism spectrum disorder; (4) housing assistance for individuals diagnosed with autism spectrum disorder; (5) services that address the intersection of autism services and the criminal justice system; (6) coverage of autism services under commercial insurance and by other payors; (7) workforce training specific to autism spectrum disorder; and (8) related autism spectrum disorder services deemed necessary by the Secretary of the Office of Policy and Management.

(c) The Office of Policy and Management shall serve as the lead state agency for the purpose of the federal Combating Autism Act, P.L. 109-416, as amended from time to time, and for applying for and receiving funds and performing any related responsibilities concerning autism spectrum disorder that are authorized pursuant to any state or federal law.

(d) The Office of Policy and Management may make recommendations to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to human services, public health and appropriations and the budgets of state agencies concerning legislation and funding required to provide necessary services to persons diagnosed with autism spectrum disorder.

(e) The Office of Policy and Management shall research and locate possible funding streams for the continued development and implementation of services for persons diagnosed with autism spectrum disorder.

Sec. 262 – Autism Spectrum Disorder Advisory Council

Establishes the Autism Spectrum Disorder Advisory Council; the Commissioner of the Office of Early Childhood, or designee, is a member of the Council. The Council shall be within OPM for administrative purposes only. The council shall advise the Secretary of the Office of Policy and Management concerning policies and programs for persons with autism spectrum disorder and recommendations to improve coordination and address gaps in autism services.

Sec. 262. (NEW) (Effective July 1, 2023) (a) There shall be an Autism Spectrum Disorder Advisory Council which shall consist of the following members: (1) The Commissioner of Social Services, or the commissioner's designee; (2) the Commissioner of Children and Families, or the commissioner's designee; (3) the Commissioner of Education, or the commissioner's designee; (4) the Commissioner of Mental Health and Addiction Services, or the commissioner's designee; (5) the Commissioner of Public Health, or the commissioner's designee; (6) the Commissioner of Aging and Disability Services, or the commissioner's designee; (7) the Commissioner of Developmental Services, or the commissioner's designee; (8) the Commissioner of Early Childhood, or the commissioner's designee; (9) the Secretary of the Office of Policy and Management, or the secretary's designee; (10) two persons with autism spectrum disorder, one each appointed by the Governor and the speaker of the House of Representatives; (11) two persons who are

parents or guardians of a child with autism spectrum of disorder, one each appointed by the Governor and the minority leader of the Senate; (12) two persons who are parents or guardians of an adult with autism spectrum disorder, one each appointed by the president pro tempore of the Senate and the majority leader of the House of Representatives; (13) two persons who are advocates for persons with autism spectrum disorder, one each appointed by the Governor and the speaker of the House of Representatives; (14) two persons who are licensed professionals working in the field of autism spectrum disorder, one each appointed by the Governor and the majority leader of the Senate; (15) two persons who provide services for persons with autism spectrum disorder, one each appointed by the Governor and the minority leader of the House of Representatives; (16) two persons who shall be representatives of an institution of higher education in the state with experience in the field of autism spectrum disorder, one each appointed by the Governor and the president pro tempore of the Senate; (17) the executive director of the nonprofit entity designated by the Governor in accordance with section 46a-10b of the general statutes to serve as the Connecticut protection and advocacy system for persons with disabilities, or the executive director's designee; and (18) one person who is a physician who treats or diagnoses persons with autism spectrum disorder, appointed by the Governor.

(b) The council shall have three chairpersons who shall be elected by the members of the council, provided not less than two of the persons elected as chairpersons by the members of the council shall be: (1) A person with autism spectrum disorder appointed pursuant to subdivision (10) of subsection (a) of this section, (2) a parent or guardian of a child with autism spectrum disorder appointed pursuant to subdivision (11) of subsection (a) of this section, or (3) a parent or guardian of an adult with autism spectrum disorder appointed pursuant to subdivision (12) of subsection (a) of this section.

(c) The council shall be within the Office of Policy and Management for administrative purposes only.

(d) The council shall make rules for the conduct of its affairs. The council shall meet not less than four times per year and at such other times as requested by the chairpersons. Council members shall serve without compensation.

(e) The council shall advise the Secretary of the Office of Policy and Management concerning policies and programs for persons with autism spectrum disorder and recommendations to improve coordination and address gaps in autism services.

Sec. 310 – Private School Curriculum Accreditation

Narrows a requirement that the State Board of Education allow a private school's supervisory agent to accept accreditation from a specified accreditation agency by applying the requirement only to Waterbury rather than statewide; also requires the early childhood commissioner to recognize the agency for the same Waterbury school.

Sec. 310. Section 300 of public act 22-118 is repealed and the following is substituted in lieu thereof (Effective from passage): On and after July 1, 2023, the State Board of Education and the Commissioner of Early Childhood shall permit the supervisory agent of a nonpublic school in the [state] town of Waterbury to accept accreditation of its curriculum from Cognia.

Sec. 330 – School Readiness Per Child Rate Increase

For FY25, increase the School Readiness per child rate for full-day, full year preschool from \$8,924 to \$10,500. Statute requires that Child Day Care Rates cannot be less than School Readiness rates. Therefore, the increased per child rate applies to both state funded School Readiness and Child Day Care programs for full-day, full-year preschool slots.

Sec. 330. Subdivision (1) of subsection (b) of section 10-16q of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023): b (1) For the fiscal year ending June 30, 2020, the per child cost of the Office of Early Childhood school readiness program offered by a school readiness provider shall not exceed eight thousand nine hundred twenty-seven dollars. For the fiscal [year] years ending June 30, 2021, [and each fiscal year thereafter] to June 30, 2024, inclusive, the per child cost of the Office of Early Childhood school readiness program offered by a school readiness provider shall not exceed nine thousand twenty seven dollars. For the fiscal year ending June 30, 2025, the per child cost of the Office of Early Childhood full-time school readiness program offered by a school readiness provider shall not exceed ten thousand five hundred dollars.

Sec. 331 – Protective Services Category for Care 4 Kids for Identified Populations

Creates a Protective Services Category in the Care 4 Kids program for children who are in foster care, adopted children from one year of the date of adoption, and homeless children and youths. This expedites enrollment of these populations into child care, using a Care 4 Kids child care subsidy.

Sec. 331. Subsection (a) of section 17b-749 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):(a) The Commissioner of Early Childhood shall establish and operate a child care subsidy program to increase the availability, affordability and quality of child care services for families with a parent or caretaker who (1) is (A) working or attending high school, or (B) subject to the provisions of subsection (d) of this section, is enrolled or participating in (i) a public or independent institution of higher education, (ii) a private career school authorized pursuant to sections 10a-22a to 10a-22o, inclusive, (iii) a job training or employment program administered by a regional workforce development board, (iv) an apprenticeship program administered by the Labor Department's office of apprenticeship training, (v) an alternate route to certification program approved by the State Board of Education, (vi) an adult education program pursuant to section 10-69 or other high school equivalency program, or (vii) a local Even Start program or other adult education program approved by the Commissioner of Early Childhood; or (2) receives cash assistance under the temporary family assistance program from the Department of Social Services and is participating in an education, training or other job preparation activity approved pursuant to subsection (b) of section 17b 688i or subsection (b) of section 17b-689d. Services available under the child care subsidy program shall include the provision of child care subsidies for children under the age of thirteen or children under the age of nineteen with special needs. The Commissioner of Early Childhood may institute a protective service class in which the commissioner may waive eligibility requirements for at-risk populations that meet the guidelines prescribed by the commissioner, and subject to review by the Secretary of the Office of Policy and Management. Such at-risk populations are children placed in a foster home by the Department of Children and Families and for whom the parent or legal guardian receives foster care payments, adopted children for one year from the date

of adoption and homeless children and youths, as defined in 42 USC 11434a, as amended from time to time.

Sec. 332 – Smart Start Sunset Date Removal

Removes the sunset date of the Smart Start Program allowing the program and funding to continue serving children in public schools. Also removes reference to eligibility for free and reduced priced lunch in order to align enrollment policy across OEC state funded program based on income.

Sec. 332. Subsections (a) and (b) of section 10-506 of the general statutes are repealed and the following is substituted in lieu thereof (Effective July 1, 2023): (a) For the fiscal [years] year ending June 30, 2015, [to June 30, 2024, inclusive] and each fiscal year thereafter, the Office of Early Childhood, in consultation with the Department of Education, shall design and administer the Connecticut Smart Start competitive grant program...

The commissioner shall give priority to boards of education (A) that demonstrate the greatest need for the establishment or expansion of a preschool program, and (B) whose plan allocates at least sixty per cent of the spaces in such preschool program to children who are members of families [that] who are at or below seventy-five per cent of the state median income. [, or fifty per cent of the spaces in such preschool program to children who are eligible for free and reduced price lunches.]

Sec. 338 – Early Childhood Education Fund

Establishes an Early Childhood Education Fund, allowing funding to be deposited into the fund from any public or private sources.

Sec. 338. (NEW) (Effective from passage) The Comptroller shall establish the Early Childhood Education Fund. Said fund may contain any moneys required or permitted by law to be deposited in the fund and any funds received from any public or private contributions, gifts, grants, donations, bequests or devises to the fund.

Sec. 339 – OEC Reporting of Recommendations of Resources to the Early Childhood Education Fund

Requires the Office of Early Childhood to submit an annual report to the Appropriation and Education Committees with recommendations for the appropriation of resources of the Early Childhood Education Fund, and any recommendations of the Blue Ribbon Panel on Child Care.

Sec. 339. (NEW) (Effective July 1, 2023) Not later than February 1, 2024, and annually thereafter, the Commissioner of Early Childhood shall submit a report containing recommendations for the appropriation of resources of the Early Childhood Education Fund, established pursuant to section 354 of this act, and any recommendations of the Blue-Ribbon Panel on Child Care, established by Executive Order Number 23-1 of Governor Ned Lamont, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and education, in accordance with the provisions of section 11-4a of the general statutes.

Secs. 350 – 25% Human Capital Investment Tax Credit for Eligible Child Care-Related Expenditures

Increases the human capital investment tax credit to 25% for child care related expenditures, including investing in an on-site child care center or providing a child care subsidy to support a child's enrollment in a community-based child care setting.

Sec. 350. Section 12-217x of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2024):

(a) For purposes of this section, "human capital investment" means the amount paid or incurred by a corporation on: ...

(5) [planning] Planning, site preparation, construction, renovation or acquisition of facilities in this state for the purpose of establishing a child care center, as described in section 19a-77, in this state to be used primarily by the children of employees who are employed in this state; 18047

(6) [subsidies] Donations or capital contributions to an organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, for the planning, site preparation, construction, renovation or acquisition of facilities in this state for the purpose of establishing a child care center in this state to be used by children residing in the community, including the children of employees who are employed in this state;

(7) Subsidies to employees who are employed in this state for child care to be provided in this state; ...

and (4) for any income year commencing on or after January 1, 2024, (A) equal to ten per cent of the amount paid or incurred by the corporation during such income year for the purposes set forth in subdivisions (1) to (4), inclusive, and subdivision (8) of subsection (a) of this section, and (B) equal to twenty-five per cent of the amount paid or incurred by the corporation during such income year for the purposes set forth in subdivisions (5) to (7), inclusive, of subsection (a) of this section