

## FUNDING AND COSTS ISSUE BRIEF - APPENDIX

Working Draft Materials Prepared by Funding and Costs Workgroup for Members of the Blue Ribbon Panel on Child Care

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## Appendix A: Summary Notes from CBIA Business Forums

## Overall Summary of CBIA Business Forums for Addendum to Blue Ribbon Planning Report

Affordability

*"The time we really need employees on-site is in the first 3 years. These jobs pay between \$45-\$60K, so not low enough to be eligible for subsidies, but not enough to pay for childcare."*

- This is the biggest pain point that employers believe their employees are experiencing.
- Low-wage employees are pinched by high-cost of living, in combination with child care challenging both corporate and Connecticut state retention by companies
- If employees are not on company insurance, they cannot take advantage of the FSA.
- If employees move from a lower wage to a higher one, they lose government benefits, but do not yet make enough to afford employee benefits or child care

Access/Availability

*"If you don't have family in the area, you are out of luck"*

*"Locating care is very cumbersome. 211 is not current with their openings. We need a CareerConnect for childcare."*

- Public pre-K and 3K hours are too limited to be of help to full-time working parents
- Subsidies or vouchers for employees aren't helpful when employees and/or the employer are not near any childcare centers or are using informal caregivers who are not eligible for subsidies.
- Employees who are grandparents take early retirement to support their own children's children. Employers are seeing experienced employees leave because of this.
- On the flip side, employees who do not have family or other strong support systems in the area have significant challenges covering all of their needs.
- Emergency back up care can be an important way to fill the gaps in support and regular care.
- Bright Horizons is a back up option, but does not provide needed summer hours. There is a similar issue with pre-K and 3K.
- There is a need for support in matching parents with care options.
- There is a lack of available care for non-traditional hours.

Flexibility

*"We need employees on-site a couple of days a week, but the days are not consistent. We want to hire women, but it is easier to hire male visa holders who have any flexibility."*

- Employees working non-traditional hours work separate shifts from a partner in order to trade off childcare responsibilities. This "solves" the childcare problem, but is not good for families.
- Could multiple companies with varying schedules guarantee sufficient volume to a center to make it work to offer flexible hours?

Business incentives

*"Younger employees are asking whether they can even afford to have children. We are seeing them leave the workforce or the state entirely. The biggest ROI for us would be the stickiness - employees sticking with us and Connecticut - wanting to grow here rather than elsewhere."*

- There was strong agreement about the need for childcare. "It's been 20 years since I personally struggled with finding childcare. I can't believe we are still here."
- Larger companies were open to a cost sharing idea such as Tri-Share
- The idea of a \$150K tax credit did not seem significant enough to be meaningful to larger companies.
- There is a lack of awareness about the economics of childcare. Employers raised questions about how fees for parents could be so high, but salaries for teachers so low.
- Larger companies who had invested in on-site childcare have closed these based on the cost of operating them. Additionally, given the varied locations that employees live, it is not necessarily convenient for them.

Appendix B: Working Draft of ECE Funding Sources

Source: Secondary internet research

State Funding Sources		Examples	Scale of Funding	Stability	Implementation
General Budget Appropriation		Maryland	\$111m in 2021	low	Legislature over gubernatorial veto
		Hawaii	in 2022, \$200 million for the School Facilities Authority to add or expand access to pre-K	low	Legislature
		California	<b>2022 increase means \$2.7b for transitional pre-K; \$2.7b increase in child care subsidies; \$1.5 for 120k new spaces; and \$490m for school district infrastructure work; some subsidies to come from federal funds and Proposition 98 (\$67m)</b>	??	Legislature
		California	large, started in 1997	moderate	Legislature
		New York	\$375m increase in pre-K funding in 2015-16; Gov/leg proposed Apr. 2022: \$7b over four years, which would double state ECE spending.	moderate	Legislature
		New York City	Huge appropriation from state general funds and city DOE, as well as Head Start and CCDF	moderate	Legislature
	Court-Ordered Appropriations		New Jersey	The program provides universal pre-K to approximately 32,000 preschoolers in 31 high-poverty districts.	high
Budget Surplus		Minnesota	The budget passed in late May 2023 includes increases of over \$300m for early education (over four years), taken from the budget surplus.	moderate	Governor
State Sin Tax/Revenues	lottery	Mississippi	doubled state pre-K support from a low level in 2021	probably high	Legislature
		Georgia	small % of revenues for ECE from the Georgia Lottery for Education has generated \$5b over more than 20 years.	probably high	?
		Massachusetts	Budget passed by state House in May 2023 authorizes online lottery sales and diverts revenues from the games to state grants for early education providers.	moderate	House only, so far
		Maryland	% of video lottery revenues goes directly to ECE	moderate	
	tobacco settlement	Connecticut	Uses a small amount of tobacco settlement funds to improve access to pre-K as part of Smart Start program	moderate	
	tobacco/vape tax	California	State First Five program derives nearly all its funds—more than \$3 billion so far—from a tax on cigarettes earmarked specifically for public ECE and child health programs. Additional tax on vaping products will partially go to ECE.	low	1998 citizen initiative plus 2022 legislation
		Colorado	Increase in tobacco tax and tax on vaping for first time. \$165m increase the first year, and more expected thereafter	more than tobacco alone	Nov. 2020 citizen initiative
	casinos	Maryland		high	
	sports betting	Louisiana	Passed in June 2021	moderate	Legislature
		Tennessee		moderate	Not yet passed
cannabis	California	\$80m new in 2020	moderate	prob. leg	
	Louisiana	3% tax on hemp-derived CBD products	moderate	legislature	

	liquor	Arkansas	The Legislature, in 2002, passed a 3-year surtax on beer to enhance funding for ECE. Renewed once, it was then removed, although the program continues. While the tax was in effect, it generated \$40 million.	low	Legislature
	nonalcoholic beverages	Philadelphia	portion used to pay for pre-K spaces	moderate	city council
<b>State Oil/Gas Revenue Trust</b>					
	portion of Land Grant Permanent Fund	New Mexico	Est. >\$150m a year starting in 2023	high	2022 ballot measure creating const. amendment giving right to ECE
<b>State tax</b>	property tax	Portland, OR	n.a.	high	n.a.
		10 FL counties	n.a.	???	state leg. allows formation of Children's Services Councils
		Seattle	In 2011 and again in 2018, voters approved a property tax levy for a period of 7 years to support educational achievement.	moderate	citizen initiative
		New Orleans	Current referendum proposal for a 5 mill increase devoted to ECE = about \$21m a year	high	Citizen initiative proposal
	conveyance tax	Washington state	in 2021, the legislature passed a 7% tax on gains from the sale or exchange of stocks, bonds, and other capital assets in excess of \$250,000 for individuals and married couples to fund K-12 and ECE. CT raised \$200m in FY 2019 from its conveyance tax.		
	income tax surcharge	Multnomah Cty, OR	Enough for university preschool plus	moderate	citizen initiative
		D.C.	For increase in provider pay: \$10k per worker each year. \$53m in first year (2022)	moderate	council
	business/payroll tax	Oregon	\$170m per year estimated; 20% to ECE	high	legislature?
		Vermont	Expansion of the state's ECE system will be funded by a payroll tax, with business to provide 75%.	high	Legislature, overriding Governor's veto
		NY state	Proposed (in 2022) tax increase on top 5% of biggest businesses. Also, an employer payroll tax for funding infant and toddler care was introduced in the state senate in 2022.		
	sales tax	Denver	2006 dedicated .12 (then .15) increase in sales tax for pre-K: expect \$18-20m a year going forward.	moderate	citizen initiative
		Arkansas	Preschool program is part of an education reform package supported by an Education Trust Fund, which is funded by a dedicated sales tax	moderate	state legislature
		San Antonio	In 2012, the mayor convinced voters to approve a one-eighth cent sales tax increase to fund several ECE programs .		citizen initiative
<b>Combined Streams</b>		San Francisco			
<b>Social impact bond/Pay for Success</b>					
		Utah	Initial funding of \$7m to the Utah High Quality Preschool Programs). United Way committed \$1m for the first payments to investors, because the state wasn't ready, and Salt Lake County put in \$350k. Investors receive a payment for every year that special education is avoided.		Legislature, but last partner to commit.

		Chicago	Starting in 2014, 2,600 at-risk children, over four years, funded to get a particular high-quality ECE program, with parental involvement. The cost was \$17m, which includes building and converting classrooms.		
<b>State Bonds</b>		Connecticut	principal amounts up to \$63.5m, with \$10m per fiscal year July 2019-2023..	only 5 years	legislature
		Massachusetts	\$45m for 5 years in 2018. Grants up to \$1m.	?	legislature
<b>ECE CDFIs</b>		Massachusetts	n.a.	?	?
		Rhode Island	n.a.	?	?
	Reinvestment Fund	Based in Philadelphia	n.a.	high	
<b>Community Dev. Lenders</b>		Local Initiatives Support Corporation (LISC)			
<b>Public-private partnerships</b>		Virginia	regional, amount n.a.	???	n.a.
		Washington	n.a.	?	
		Nebraska	Sixpence Early Learning Fund was founded in 2006. The State Legislature has twice approved additional investments of public funds.		
		North Carolina	A statewide public-private partnership, Smart Start, to manage early care and education funds and improve coordination.		
		Boston	Boston's Thrive in Five program began with initial funding from local foundations, local health care organizations, the city, and United Way to pay for planning and infrastructure.		
		Tulsa	George Kaiser Family Foundation gave much money to expand access to high-quality ECE.		
<b>State Tax Deductions</b>		Louisiana	n.a.	high	legislature
<b>State Tax Credits</b>		28 states	An employer tax credit, which typically allows an employer to claim a corporate tax credit for a percentage of the cost of an employee child care benefit. A business may deduct expenditures for child care programs from its corporate income as reasonable and necessary business expenses before taxes are calculated		
		26 states & D.C.	State dependent-care tax credit. For example, New York State and New York City have a refundable dependent-care tax credit for eligible families. Families will get extra cash back from the state if their New York State and New York City Child and Dependent Care Credits are worth more than the state and city taxes they owe		

		Oregon	A child care investment tax credit designed as an investment strategy that uses tax credits to generate private sector contributions to child care. Like federal low-income housing tax credits, the Oregon credits are marketed and sold to an investor. Invested funds are then drawn into a single pool that is used to help fund the child care industry. Unlike housing tax credits, which are sold at a price negotiated by an intermediary, taxpayers who purchase Oregon child care credits receive a credit of up to \$1 for every \$1 contributed.[]		
		Louisiana	School Readiness Tax Credits (SRTC) program. This collection of five tax credits gave tax breaks to families, child care providers, child care directors and staff, and businesses that supported child care centers rated at two stars or above.		
<b>Other possible forms of funding</b>					
License Plate Revenues		Louisiana	50% of license plate revenue from New Orleans Pelicans specialty plates to the Early Childhood Education Fund		
School finance formula funds	In 2018, 9 states were funding ECE through these funds	Missouri	\$24.5m increase in 2020	high	Legislature
		Kansas	\$4.3m increase in 2020	high	
		Maine	Maine established its Two-Year Kindergarten initiative in 1983 by allocating resources to local districts through the school funding formula.		
Local Fees		California	In San Mateo County, over \$2m from these fees were recently offered, as forgivable loans, to create new child care spaces.	moderate	
Local Matching Funds		Michigan	\$2.5m in 2019		
Juvenile Justice Funds		Louisiana	2022 bill allows certain parishes to invest in early care and education as a juvenile justice prevention effort		
Public Credit Enhancement		Arkansas	The Division of Child Care and Early Childhood Education created a Child Care Facilities Guaranteed Loan Program that includes a guarantee to reimburse up to 80 percent of the principal of the loan amount up to a \$25,000 maximum.		

## Appendix C: Examples of Innovative Funding Models

### Vermont Payroll Tax

In June 2023, the Vermont legislature overrode the Governor's veto of a bill that expands the state's ECE system with the proceeds of a payroll tax increase, with business providing 75% and employees 25%. The bill also earmarks large sums from the state's General Fund. Once the bill has been enacted in stages, public funds for ECE will roughly double.

### Minnesota Budget Surplus

In May 2023, the Governor's budget, as passed by the legislature, included increases of over \$300m for early education (over four years), taken from the budget surplus.

### Massachusetts and Rhode Island ECE CDFIs

These two neighboring states (MA in 1995, RI in 2001) have established dedicated ECE facility funds that allow the state government as well as businesses, developers, and foundations and other philanthropists to work together to enable the building and expansion of ECE facilities. CDFI stands for Community Development Financial Institutions.

### Nebraska Sixpence Early Learning Fund

This public-private partnership was founded in 2006, when private philanthropy created an endowment, with a double match in public funds (the state continues to add more funds). A governor-appointed Board of Trustees awards the endowment's investment earnings to community-based zero-to-three early learning partnerships in a grant process managed by Nebraska Children and Families Foundation, which also provides T.A. Grantees are required to match their awards through locally sourced funds or other resources.

### Louisiana and Its Early Childhood Education Fund

Louisiana has been filling its ECE Fund with new revenue streams, including 25% of sports betting revenues, a 3% tax on hemp-derived CBD products, and license plate revenues. The state also allows a full deduction for the cost of qualified high-quality ECE, as well as a collection of five tax credits for families, providers, and businesses that support high-quality child care centers. In 2022, the state established a task force to recommend strategies for alternative state and local funding.

### New Mexico Early Childhood Education and Care Fund

The Fund was established in 2020 with \$300 million from the Land Grant Permanent Fund, which consists of oil and gas revenues. In FY22, the ECEC Fund was to distribute \$20 million to the state's ECE Department. Thereafter, the Fund will distribute the greater of \$30 million or 5 percent of the three-year average of the Fund to the ECE Department, which will administer the Fund, subject to legislative appropriation, for ECE purposes. In addition, a 2022 ballot measure added an amendment to the state constitution that provides a right to ECE.

## Appendix D: Examples of ECE Philanthropy

### Philanthropic Funding Vignettes: Examples of Foundations and Collective's Investment in ECE

*Source: Secondary internet research*

#### **Chan Zuckerberg Initiative - The Primary School**

Opened in 2016, this transformative school is in Menlo Park, California area. Now there are two locations. 340 students in birth to 3 program – bridge to preschool.

The school uses the Whole Child Approach – community, relationships, environment. This comprehensive model brings together all of the adults in a child's life, including parents, educators, and medical and mental health providers, starting from a very early age. This multidisciplinary approach helps close the achievement gap, ensuring that children and families living in underserved communities receive the support they need to be well, learn, and thrive.

Key component is partnering with parents to support communication and language, social emotional development and school readiness.

They work with national and regional partners to test components of their model and reach children and families beyond their direct program sites. These partnerships are an essential piece of their learning and growth strategy.

#### **The Bezos Foundation – Bezos Day 1 Academic Fund – Bezos Academy**

The Day 1 Academies Fund is a non-profit organization launching and operating a network of tuition-free, Montessori-inspired preschools in underserved communities. Directly operating the preschools creates an opportunity to learn, invent, and improve. Commitment of \$2B in funding.

Bezos Academy preschools are free for children ages 3 through 5 and open to families who make less than 400 percent of the federal poverty line. That's a bit more than \$92,000 annually for a family of three, according to Bezos Academy eligibility guidelines for this school year. They are open year-round and typically from 8:30 a.m. to 5 p.m. They provide children with three meals per day, plus snacks.

The preschools are situated within other institutions, like elementary schools and community colleges, which provide space to the academies for free. The partnership can benefit host organizations by creating affordable child care options for the people that they serve.

The preschools offer competitive compensation packages. For an assistant Bezos Academy teacher in Washington state, for example, the bottom of the salary range is about \$50,000, with 10 days of paid time off and seven days paid sick time, as well as medical insurance.



Their goal is to enable every child to become a creative leader, original thinker, and lifelong learner. Bezos Academy preschools offer year-round programming, five days a week, for children 3-5 years old. Admissions prioritizes low income families.

There are currently 28 schools around the country in Washington, Texas and Florida.

### **HomeGrown Childcare– National philanthropic collective**

This organization is focused on improving quality and access to home-based childcare (informal childcare). Home-based childcare has the opportunity to be an equalizer for children with fewer opportunities during a critical time in their cognitive, language, social-emotional, and physical development.

Homegrown focuses on four pillars: 1) Policy to support, scale and foster the enabling environment for quality, accessible, sustainable and equitable home-base care 2) Movement Building to shift public perception to ensure that policy makers, advocates and the public recognize the home-based care value to children, families and the community. 3) Infrastructure and Financing to ensure providers and families are supported by durable infrastructure, including networks and sustainable financing that promotes economic stability. 4) Quality to through core practices, innovation and measurement.

They employ a comprehensive network approach. These networks are the connective tissue that joins individual home-based providers to each other and to system infrastructure, including funding and policy.

Provides caregivers with stipends, training, resources, technical assistance etc...

Major funders include: Buffet Early Childhood Fund, WK Kellogg Foundation, David and Lucile Packard Foundation, The Heinz Endowments, Pritzker Children's initiative...

One of the Provider Advisors is Yasmine Avila, Little Scholars Daycare, East Haven, CT

### **MacKenzie Scott – Yield Giving**

MacKenzie Scott is committed to donating \$billions. She is part of the Giving Pledge with a commitment to give away a majority of her wealth during her lifetime.

To date she has donated \$14B to 1600+ non-profit organizations. She has many causes including early childhood. All of her grants are unconditional. Her focus is on reshaping entire sectors including early childhood education and care.

Yield Giving donates to organizations across the country as well as those with national reach. Many recipients are schools but she also donates to support innovation. For example, in May 2023 she gave \$8M to Erickson Institute in Chicago to advance equity in early childhood by growing the EC workforce and through innovative academic programs centered on equity and justice.

In 2020, Yield Giving gave a grant of \$3M to All our Kin in CT and NY.

According to the Yield Giving site, over \$1.6B has been given to early childhood in 2020-2022 (low estimate based on some amounts not being recorded).

### **Pritzker Family Foundation - Pritzker Children's Initiative**

The Pritzker Children's Initiative (PCI) is a program of the JB and MK Pritzker Family Foundation which envisions a country where every child arrives at kindergarten ready to learn.

PCI promotes and assists in scaling Pre-natal to 3 programs and models proven or promising on school readiness and those poised to reduce inequities in outcomes based on race/ethnicity, economic status and other factors.

There are three focus areas: 1) Healthy Beginnings to provide support during pregnancy 2) Supported Families helping parents get what they need for their child's healthy birth and development and 3) High quality care so families have access to affordable, high quality childcare options.

PCI supports states and communities to build their pre-natal to 3 movements with equity and family leadership at the center of their systems. They provide state grants and community grants. They help their grantees leading coalitions in states across the country to connect families living in communities that experienced historic underinvestment with the resources to help their young children thrive. PCI also supports partners who offer these coalitions capacity-building support, communications assistance, and peer learning opportunities.

Pritzker gave to New Mexico OLE (Organizers in Land of Enchantment – advocacy group for increasing spend in ECE)

### **Alliance for Early Success**

The Alliance for Early Success is a national nonprofit that works with early childhood policy advocates at the state level to ensure that every child, birth through eight, has an equal opportunity to learn, grow, and succeed.

The Alliance for Early Success makes two types of grants: funding for state organizations working to scale early childhood impacts and outcomes, and funding for leading national organizations that support that state-level advocacy.

The Alliance's grants are provided on a highly flexible basis. They are state-led, which means we let states tell us where the opportunities are. Our state advocacy grants are also core operating grants, which means grantees can use them in any way they need in order to support their birth-through-eight policy advocacy. In addition to receiving strategic capacity-building investments from the Alliance, States also become part of a powerful national network that gives them access to technical assistance, rapid response emergency support, resources, events, year-long consulting from our policy team and—often most effective of all—connections to peers in other states tackling similar challenges.

In CT, CAHS and Connecticut Early Childhood Alliance are part of the Alliance for Early Success.

The philanthropic collective investor base includes The Ballmer Group, Bill and Melinda Gates Foundation, Buffett Early Childhood Fund and WK Kellogg Foundation.

Appendix E: Comparison of Financial Model and Narrow Cost Assumptions

Source: 2022 UConn Narrow Cost Analysis for [Centers](#) and [Family Child Care](#) programs

Category	Narrow Cost Assumptions	Financial Model Assumptions
<b>Total Capacity</b>	Capacity is determined using desired enrollment based on reported enrollment plus openings of child care providers.	OEC reported Licensed Capacity, Edsight, and Omnibus data; 100% of all Under-3 seats, 100% of FCC Pre-K seats, 54% of CCC 3-12 seats excluding Nursery Schools, and 100% of Nursery School seats. School capacity was cross-checked with EdSight Data. OEC provided state-funded program capacity
<b>Capacity Utilization</b>	Uses the inverse of the vacancy rate. The vacancy rate is the difference between desired enrollment and actual enrollment	Based on data from other geographies and state-funded programs, assumes 85% of the licensed capacity is utilized
<b>Expense Assumptions</b>	Derived from Narrow Cost Analysis/PCQC OEC. Recommended cost for each line item.	No change except as noted below
<b>Revenue Assumptions</b>	OEC 2022 Early Care in Education Market Rate Survey (50th percentile)	No change
<b>Personnel Expenses: Salaries</b>	<u>Baseline:</u> workforce Registry salaries of state-funded programs + payroll taxes <u>Future state:</u> mid-career proposed compensation levels assuming average six years of experience + payroll taxes based on the <a href="#">2022 Proposed Early Childhood Educator Compensation Schedule</a>	No change
<b>Personal Expense: Discretionary Benefits</b>	Discretionary benefits of \$7,500/FTE	<u>Baseline:</u> Used UConn Analysis of program 990s that showed discretionary loads of 0%, 8.5%, 14.5%, and 0% for Small, Medium, Large CCCs, & FCCs, respectively. <u>Future state:</u> Discretionary includes health, vision, and dental insurance, at an average per employee of \$9,085, plus paid leave, retirement, life insurance, and supplemental pay equal to 12% of salaries are added to this. These estimates of discretionary benefits are based on data from recent <a href="#">BLS</a> reports for education businesses under 100 employees as well as the <a href="#">Connecticut Partnership Plan</a> for health insurance. The insurance estimate represents a weighted average of single and single plus one employees and assumes approximately one-third of employees will elect not to participate.
<b>Personnel Ratio</b>		Added 0.2 floating assistant teacher FTE's per instructional FTE
<b>Staff Expenses</b>	These costs focus on quality aspects of staff performance like training, consultants, and assessment costs.	Also, added 0.2 floating assistant teacher FTE's per instructional FTE

<b>Per Child Expenses</b>	These are items that children need, like classroom materials, education supplies and food. As the number of children increases these costs will go up.	No changes
<b>Square Foot Expenses</b>	These items include occupancy costs that increase as the size of the physical increases. These costs include rent/lease, utilities, maintenance, and building insurance.	No changes
<b>Site Expenses</b>	These items include services that generally do not vary significantly with size of the program such as internet, audit/legal fees, and professional fees/permits.	No changes

## Appendix F: Glossary of Terms

### Blue Ribbon Panel Glossary

#### Glossary of Terms\*

- **Access:** Access to early care and education means that parents, with reasonable effort and affordability, can enroll their child in an arrangement that supports the child’s development and meets the parents’ needs, including time, location, and culture.
- **Cost of care:** Costs incurred by child care providers to operate and provide early care and education services for infants, toddlers, and preschoolers, meet all applicable Connecticut standards and requirements, and provide resources to families. Examples include adequate teacher compensation (i.e., Level 1 schedule), training, materials, health screenings, administrative functions, support services, and occupancy costs. The UConn Narrow Cost Analysis work is capitalized, “Cost of Care.”
- **Cost of quality care:** Additional costs incurred by child care providers to provide high quality early care and education services for infants, toddlers, and preschoolers, achieve and maintain NAEYC and NAFCC accreditation<sup>1</sup>, and provide resources to families. Examples include costs of highly qualified and fair/equitable teacher compensation (i.e., mid-career schedule), intentional built-in planning time for the development of teaching plans, nutrition support, health and behavioral screening, family support, and an environment that is well maintained. This will be measured by the Quality Improvement System that is currently being built out.
- **Early Childhood Care and Education (ECE):** Care and education for children ages 6 weeks through 5 years.
- **The Early Education Workforce:** This refers to any scheduled staff member who provides a direct service to children in either a licensed home-based or center-based setting. This includes teaching staff, cleaning and cooking staff, and admin/receptionists on the program payroll, including supervisors and substitute teachers.
- **Early Childhood Educator:** Someone who provides direct service to young children and is responsible for meeting the guidelines of the early childhood education profession.
- **Early Childhood Educator I (ECE I):** In birth through Grade 3 settings, an ECE I can help develop and sustain high-quality child development and learning environments and can serve as an effective member of early childhood education teaching teams. An ECE I will complete a professional preparation program that meets a minimum of 120 clock hours.
- **Early Childhood Educator II (ECE II):** In birth through age 5 settings, an ECE II can be responsible for developing and sustaining high-quality development and learning environments with staffing and support models that provide frequent access to ECE IIIs for guidance. For example, ECE IIs working in larger community-based settings might have on-site supervisors, or those working in family child care homes or small centers might be a part of networks or have regular on-site technical assistance. However, in state-

and district-funded preschool programs, provided in mixed-delivery settings and explicitly aligned with the K–12 public school system, ECE IIs can serve only in the support educator role; ECE IIIs must serve in the lead educator role, as in K–Grade 3 settings, where an ECE II can help develop and sustain high-quality development and learning environments, can serve as an effective member of ECE teaching teams, and can guide the practice of ECE Is. An ECE II must have completed an early childhood education associate degree program.

- **Early Childhood Educator III (ECE III):** In birth through Grade 3 settings, an ECE III can be responsible for independently developing and sustaining high-quality development and learning environments, can serve as an effective member of ECE teaching teams, and can guide the practice of ECE Is and IIs. An ECE III must have completed an early childhood education bachelor’s degree program or an early childhood education master’s degree program for initial preparation.
- **Equity:** The state that would be achieved if individuals fared the same way in society regardless of race, gender, class, language, disability, or any other social or cultural characteristic (NAEYC). In practice, equity means all children and families receive necessary supports in a timely fashion so they can develop their full intellectual, social, and physical potential. This is reflected in the OEC commitment to “assertively remove barriers and build upon the strengths of historically disenfranchised people and communities to ensure fair access to OEC resources... [and to] intentionally work to dismantle any systemic racism that may be embedded within policies and practices affecting all aspects of early childhood.”
- **Fiscal Guardrails:** A series of related constraints on CT government spending and bonding, which include operating budget guardrails (spending cap, revenue cap, volatility cap, budget reserve fund), capital budget guardrails (debt limit and bond allocation, allotment, and issuance caps), and a bond lock (which limits how the other guardrails can be waived). Some go back to 1957, and others were enhanced in 2023.
- **Infant:** A child aged 0 to 17 months
- **Licensed capacity:** The maximum number of child care slots available per OEC regulations. As this is largely based on square footage, it is assumed providers cannot reach 100% of licensed capacity.
- **Market rate:** The official estimation of the price of child care based on an examination of fees that child care providers typically charge and parents typically pay per unit of care (for example, per week or per hour), known as a “market rate survey.”
- **Outcomes:** Desired positive outcomes include access, affordability, equity, quality of care, provider stability, and workforce participation, as specified in the draft ECE vision.
- **Outcomes rate card:** This card is an innovative procurement tool through which a governmental body defines a menu of outcomes it wishes to “purchase”—and the amount it is willing to pay each time a given outcome is achieved.
- **Preschooler:** A child aged 2 years and 9 months to 5 years that is not yet in kindergarten.
- **Quality:** High-quality programs are healthy and safe; support children’s early learning; help prepare children for their next educational step; partner with families to supports and monitor children’s learning and development; and advocate for providers, children, and families as indicated by NAEYC Accreditation for Early Learning Programs, NAFCC Accreditation, and/or Head Start approval.
- **Special education:** defined by the federal law (Individuals with Disabilities Education Act – “IDEA”), special education and related services for 3-, 4- and 5-year-old children with disabilities.
- **State Subsidies:** CT’s Office of Early Childhood (OEC) subsidizes ECE providers with federal and state funds through a number of programs, including Care 4 Kids (the largest program), School Readiness (high-need communities), Birth to Three (developmental delays), Smart Start, Even Start, Child Day Care Contracts, State Head Start Supplement, and five Home Visiting programs.
- **Toddler:** A child aged 18 to 35 months.