

State of Connecticut

Blue Ribbon Panel Workgroup



September 20, 2023

Agenda

1. Welcoming Remarks
2. National Perspective on ECE Challenge
3. Potential ECE Investment Priorities
4. BRP Outline and Stakeholder Input
5. Next Steps

BRP Outreach Statistics

 **Total Engagement** **2,179**

 **Total Meetings** **282**

Parents

890

With Support
from CT Funder
Collaborative &
11 Community
Agencies

Community Stakeholders

1,274

Parents
Advocates
ECE Providers
ECE Educators
Government
Systems Specialists
Researchers
Higher Education
Philanthropy

Connecticut Businesses

15

Representing
over 50,000
employees

Geographies

71

Representing All
8 Connecticut
Counties &
63 Towns and
Cities



National Perspectives on the Early Childhood Challenge



#ECLS23

THE HUNT INSTITUTE'S
**EARLY CHILDHOOD
LEADERSHIP SUMMIT**

September 6-8, 2023 // Nashville, TN

*Exploring current challenges and
opportunities in the field of Early
Childhood Education*



Recent Progress in Other States

- Passage of 0.44% payroll tax (0.33 paid by employers, 0.11 by employees)
- Taken in combination with general funds will generate an estimated \$125 million annually for child care
- Will expand child care subsidies to families earning up to 575 percent of the federal poverty level (or \$172,000 for a family of four)
- Will eliminate co-payments for families earning up to 175 percent of poverty (or \$52,000 for a family of four).
- Immediate 35% increase to provider reimbursement rates
- Tasks lawmakers with studying how to operationalize an affordable, universal full-day pre-K system.



Vermont

Recent Progress in Other States

- Early Childhood Education Pay Equity Fund (2022)
- Intended to close compensation and benefits gaps between child care and public school teachers
- Enabled by tax increase on individuals making more than \$250K annually
- Bonuses of \$10,000 annually for classroom assistants
- Bonuses of \$14,000 annually for lead teachers
- Couples with health care benefit (free silver-level health plan via DC Health Benefits Exchange Authority)
- Universal 3K/4K
- Bachelor's degrees for directors, 2-year degrees for lead teachers, CDA for assistants



Washington, DC

Recent Progress in Other States

- Consolidation of EC Services into new cabinet agency: New Mexico Early Childhood Education and Care Department
- Creation of an Early Childhood Trust Fund, fueled by excess oil and gas revenues (Seeded with \$300 million, 5% of revenue each year)
- Constitutional Amendment in 2022 enshrined dedicated funding from the state's Land Grant Permanent Fund (estimated \$150 million annually, passed with 70% of vote)
- Used cost modeling to increase provider rates to cost of quality
- Child care salaries to \$15 an hour, goal of \$20 for lead teachers
- Free child care to most of state (initially using ARPA)
- 40% increase in access to Pre-K



New Mexico

Recent Progress in Other States

- Minnesota's most recent legislative session resulted in approximately \$750 million (biennium) in expanded investment in child care and early learning programs. This figure includes:
 - An additional \$252 million for early learning scholarships.
 - \$5 million for Grow Your Own early childhood educator programs that recruit and prepare community members to enter the teaching profession.
 - Raising the reimbursement rate for providers to the 75th percentile of the most recent market rate survey. (Prior rates were set at 40% of the 2021 market rate survey).
- The state also passed passage of a child tax credit worth up to \$1,750 per child for low-income families, expected to cut child poverty in the state by one-third.



Minnesota



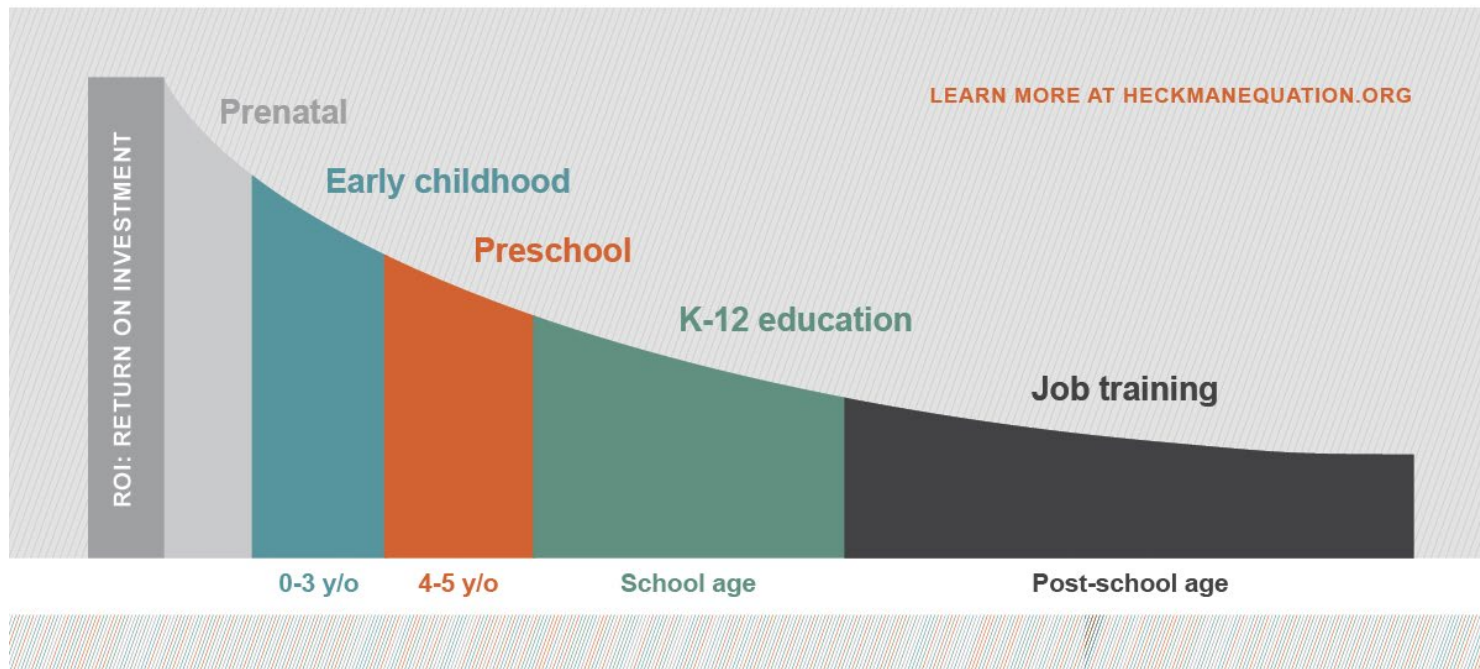
The Cost of Not Investing

The Heckman Curve



Return on Investment

Economic impact of investing in early childhood learning.



The Heckman Curve

High quality early childhood
programs yield an annual

13% Return on Investment

Ready Nation - 2023



REPORT

\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis

Impact on families, businesses, and taxpayers has more than doubled since 2018

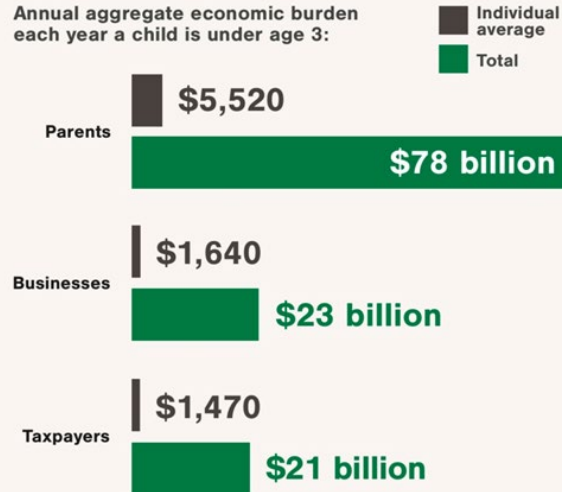


Ready Nation - 2023

The economic impacts of insufficient child care on parents, employers, and taxpayers

Insufficient care for children under the age of 3 costs individuals, businesses, and the country billions of dollars each year.

Annual aggregate economic burden each year a child is under age 3:



How child care problems hurt the economy

Individual Parents	Businesses	Taxpayers
Lost earnings now from lower productivity, quitting/firing, and less time in the workforce	Lost revenues now from lower output	Lost revenue now from lower incomes
Extra costs of job search to match work with child care	Extra costs due to absenteeism, disruptions, rehiring	Smaller federal, state and local tax base and revenue
Lost earnings in the future from less work experience and fewer skills	Lost revenue in the future due to lower workforce capital	Lost revenue in the future due to weaker economic growth

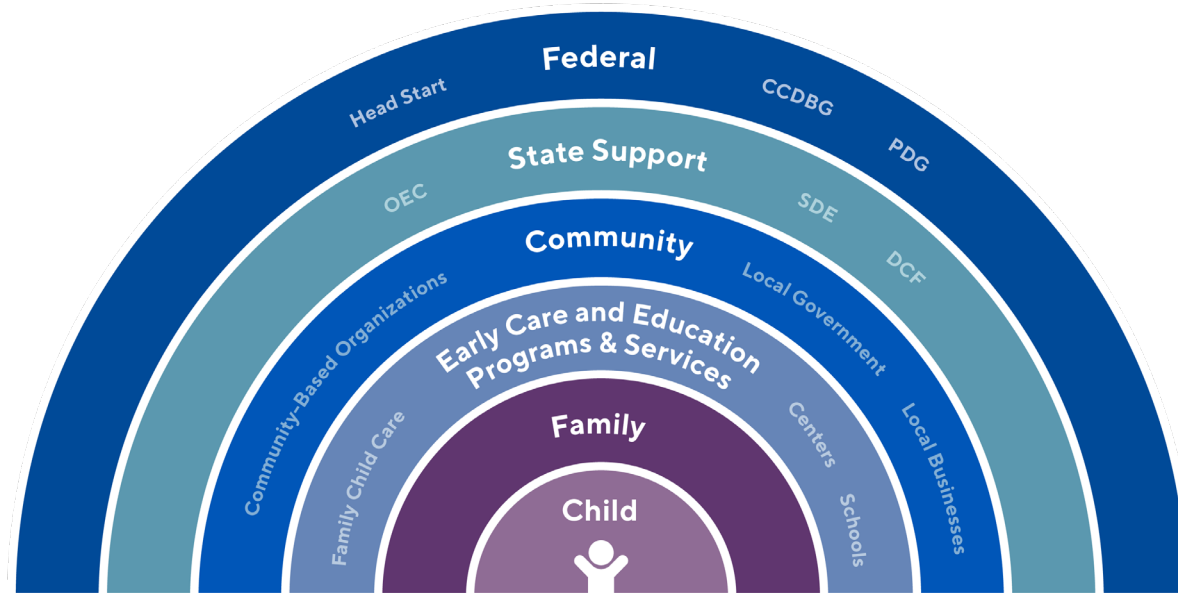
Ready Nation - 2023

Annual Cost to Connecticut:

\$1.5 BILLION

Potential ECE Investment Priorities

The Blue Ribbon Plan is expected to center on the child and consider all stakeholders in the system



Source: Adapted from Urie Bronfenbrenner's ecological systems theory

The plan will also reflect a commitment to five pillars



EQUITY

Design the future ECE system so that investments and resources provide equitable opportunities for under-resourced families and communities



QUALITY

Support the development of both programs and providers to ensure all children have access to high-quality ECE



AFFORDABLE ACCESS

Build the system so that all families have access to affordable high-quality care that meets their specific needs



PROVIDER AND SYSTEM STABILITY

Support the ECE workforce - the bedrock of a stable and high-quality ECE system. Develop and fund the system for long term strength and stability



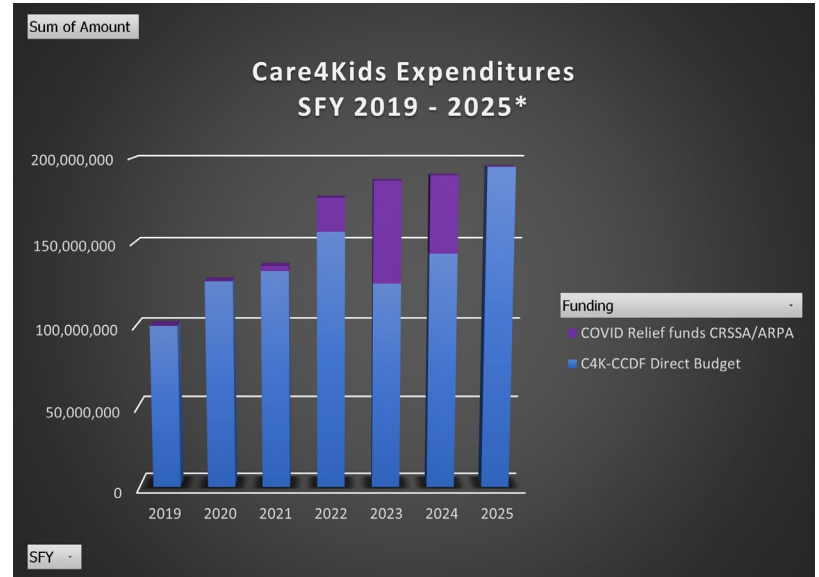
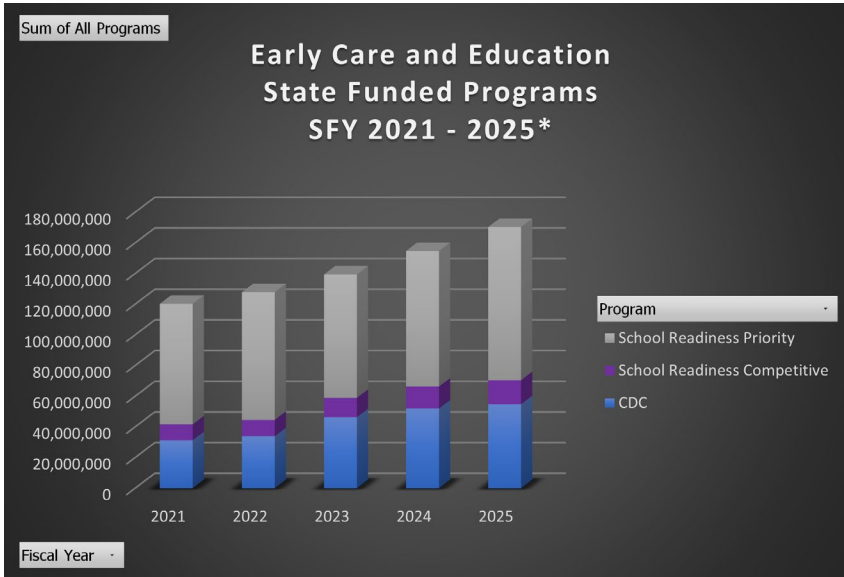
FAMILY AND COMMUNITY VOICE

Embed family and local community input into system design to inform decisions. Foster communication and partnership with families, providers, communities, and businesses

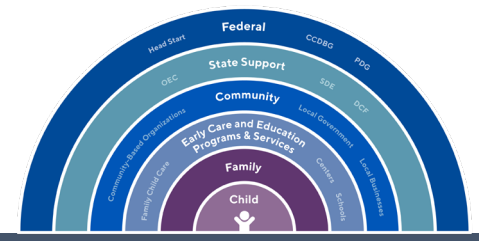
Our starting point: Connecticut has made significant recent foundational investments in ECE

1) Strong Covid stabilization response, allowing CT to retain most of the system supply	7) Significant dedicated state funds for preschool and child care (<i>see next slide</i>)
2) Last budget approved an additional \$70 million in approved increases through 2025	8) Staffed Family Child Care Support Networks, a Connecticut innovation
3) Paid Family Medical Leave	9) ELEVATE - National Model Quality Improvement System
4) Most NAEYC accredited ECE programs in USA	10) OEC Parent Cabinet
5) Dedicated Office of Early Childhood	11) ~1,300 New highly-demanded contracted infant and toddler slots
6) Strong ECE health and safety regulations	12) New Provider 360 portal just launched in beta

Progress To-Date: State Funding / C4K Funding

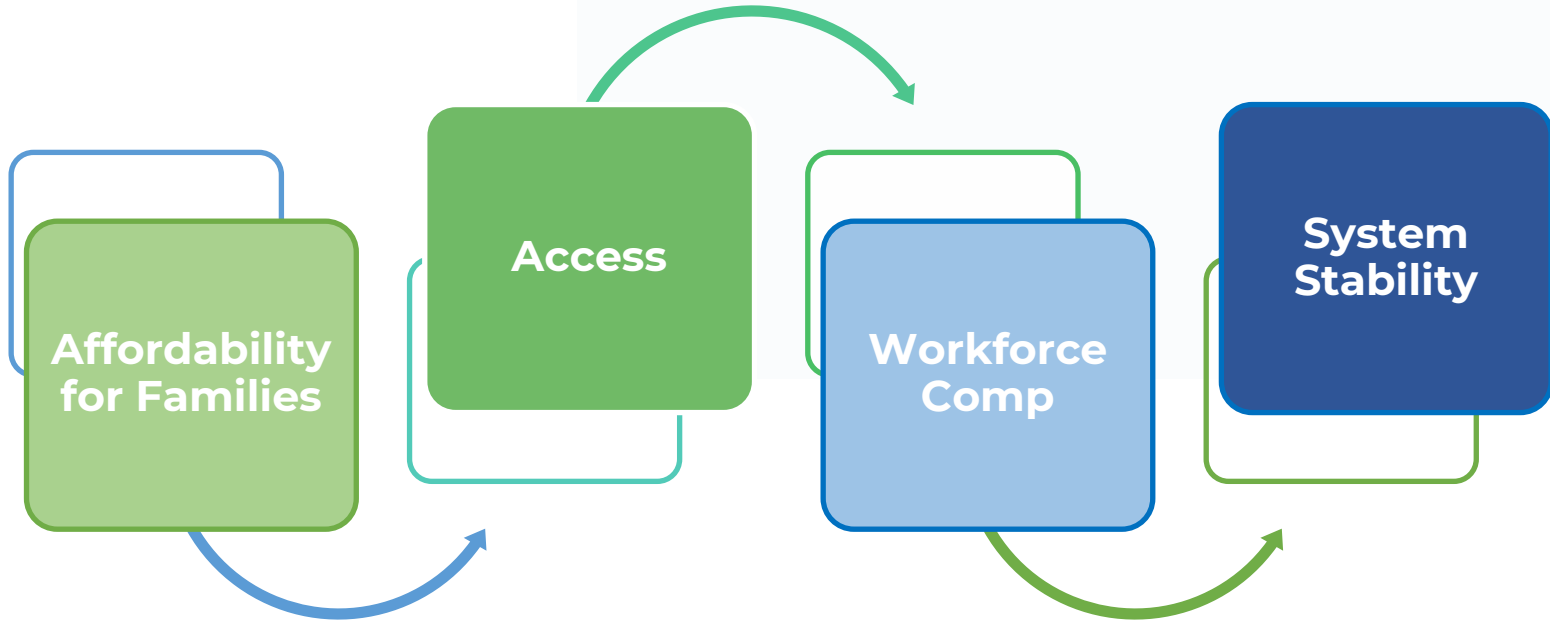


However, challenges remain for all stakeholders



Families	<ul style="list-style-type: none"> • “I quit my job because if I paid for child care, there would be no money left.”
Providers/ Programs	<ul style="list-style-type: none"> • “Children are lined up and ready to join classrooms, but [we] cannot find staff to teach.” • “Once I get someone through the door, they leave for more money. We pay to train them and as soon as they are offered more money, they leave.”
Communities	<ul style="list-style-type: none"> • “Equitable access is a major problem from community to community.” • “[We] need more communication to communities/families from the decision makers, to make sure communities are being listened to.”

Connecticut faces four core inter-related ECE challenges



The Blue Ribbon Plan recommendations contemplate several low- to no-cost high impact recommendations

Proposed Recommendations

Affordability for Families

Transitioning OEC subsidy regulations to align with federal guidelines

Access

Aligning group home regulations with family child care rather than centers

Shortening Care4Kids application time

Deepening state partnerships

Targeted change to ratio for 2 year olds and for school-aged children

Workforce Comp

Seeking low- to no-cost facility solutions

Providing health insurance navigation support; leveraging federal ACA funding

System Stability

Paying programs upfront and quarterly on a classroom basis

Simplified funding streams

Developing flexible fiscal model to support implementation and prioritize and stage investments

Supporting enrollment management

There are a range of public and private payors that fund the current system and can support future investments as well

Government

- State
- Federal
- Local—municipalities, schools

Families

- ECE tuition
- Employee Paid Leave Tax

Businesses

- Small number of companies

Philanthropy

- History of investing in ECE system improvements and community collaboratives

There are a range of investment options for the Blue Ribbon Panel to consider to address these challenges (1/2)

Potential investment	Approx. max annual investment (excl. start up costs)	Example of Approximate Impact	Equity	Quality	Affordable Access	Provider and System Stability	Family and Community Voice
Workforce compensation for centers and FCC-based state-funded programs	~\$94.5 M	Reaching ~15% of the system	X	X	X	X	
Health insurance navigator	~\$338 K	Reaching up to ~100% of the system	X	X		X	
Health insurance premium subsidies for all programs	~\$30M	Reaching up to 100% of the system	X	X		X	
Quality	~\$10 M	Reaching ~80% of the system		X		X	X
Expanding Care 4 Kids (C4K) to 100% SMI with max co-pay of 7%	~\$357 M	~30K new C4K slots	X		X	X	
Tri-Share model	~\$5 M (5-year total)	~640 employer subsidized slots	X		X	X	
Infant and toddler slots	~\$69 M	~3600 infant and toddler slots	X		X	X	

There are a range of investment options for the Blue Ribbon Panel to consider to address these challenges (2/2)

Potential Investment	Approx. max annual investment (excl. start up costs)	Example of Approximate Impact	Equity	Quality	Affordable Access	Provider and System Stability	Family and Community Voice
Smart Start	~\$5.7 M	~900 Smart Start slots, 250 children with special needs	X		X	X	
Stabilization program	~\$50M	Reaching ~65% of the system	X	X	X	X	
Facilities funding	>\$50M	TBD		X	X	X	
Technology systems and related marketing and outreach	~\$3 M	Reaching ~100% of the system		X		X	
Parent navigators	~\$2 M	TBD	X		X		X
Program enrollment and operations (e.g., business supports)	~\$2 M	Reaching up to ~100% of the system		X		X	
Operational supports for local governance and administration of needs assessment	~\$12.3M	Reaching ~100% of the system	X		X	X	X
Project management and implementation	~\$2.5M	Reaching ~100% of the system	X	X	X	X	X

Taken together, these investments can help to address several of the core ECE system challenges

Proposed Recommendations

Affordability for Families

- Expanding Care 4 Kids to 100% SMI max co-pay of 7%
- Tri-Share

Access

- Infants and Toddlers
- Smart Start
- Tri-Share
- Expanding Care 4 Kids

Workforce Comp

- Workforce compensation for center and FCC-based state-funded programs
- Health insurance navigator
- Health insurance subsidies for all programs
- Quality
- Stabilization program
- Program enrollment and operations

System Stability

- Stabilization program
- Facilities funding
- Technology systems and related marketing materials
- Parent Navigators
- Program enrollment and operations
- Operational supports for local governance and administration of Community Needs Assessment
- Project management and implementation

Activity – Investment Prioritization

Materials:

- Each panel member has an **envelope containing 15 strips of paper, 1 per investment option**
- There is a **1-pager** in your envelope with more **details about each investment option**, for your reference and you have the outline as well.

Instructions:

- You will **work with a fellow panel member or two** to **sort and prioritize the investment options** in your envelope
- There are **no restrictions** on how to **structure your priorities** (e.g., groups for high, medium, low; rank order list)

Time:

- You have **15 minutes to work** in your small group
- We will **come back together to debrief** as a full group
- After we debrief, please use the paperclips in the envelope to **preserve your prioritizations**

BREAK

DRAFT

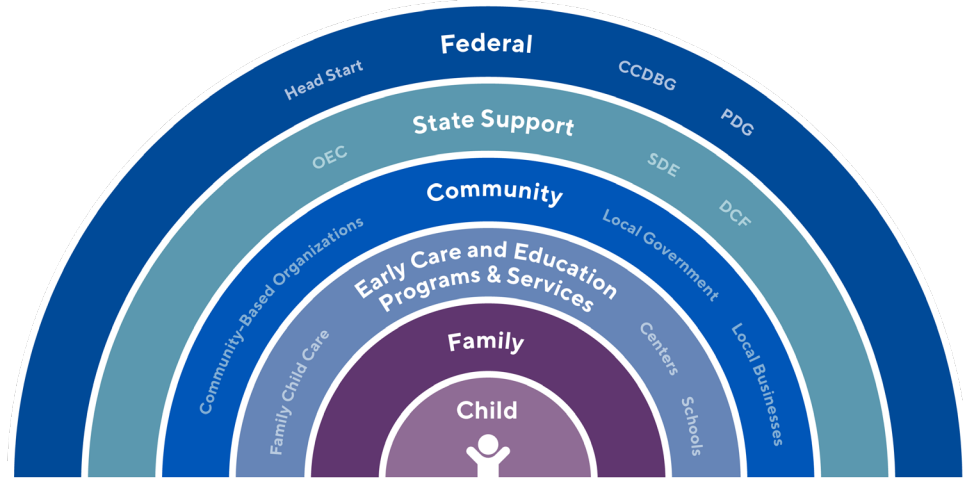
Blue Ribbon Panel Outline and Stakeholder Input

Overarching Vision for the 5-Year Plan

WHAT: All families will have access to an **equitable, high-quality, and affordable** early childhood education (ECE) system. Building on investments the State has made, this plan will **center on the needs of children and families**, enabling children to learn and thrive, and families to work.

HOW: Implemented over 5 years, the plan will **prioritize historically under-resourced groups and communities** and will take care to **honor the existing workforce**.

WHY: A strong ECE system will benefit our **communities and economy** by helping to attract and retain young families, increase workforce participation – especially among women, and grow the State's economy.



Blue Ribbon Panel Plan Goals

Goal 1

Workforce and Quality: Invest in and support the retention and recruitment of a professional, high-quality ECE workforce

Goal 2

Affordability: Increase affordability for low- and middle-income families

Goal 3

Equitable Access: Increase access to high-quality programs that meets the range of family needs, especially for infant and toddler care and children with special needs and prioritizes under-resourced groups and communities

Goal 4

Systems: Develop an agile, flexible, and collaborative ECE system that maximizes current resources and supports economically viable programs

Goal 5

Funding: Build a well-funded, sustainable funding system that is poised to efficiently leverage future investment

Workforce and Quality Objectives

1

Goal 1: Invest in and support the retention and recruitment of a professional, high-quality ECE workforce

Workforce and Quality Objectives

Objective 1A: Support the professional compensation of current and future early childhood educators in centers, group and family child care homes, and schools

Objective 1B: Pursue strategies that support ECE workforce recruitment and retention, and build education and training programs for skilled, diverse ECE educators and staff (e.g., Registered Apprentice Program, high school CDA, retraining from other fields)

Objective 1C: Adopt a three-step career ladder that aligns with the Unifying Framework and links career advancement with compensation, following an implementation timeline and stakeholder input process that ensures any new system supports all providers

Objective 1D: Create and expand successful strategies to support educators in increasing the quality of early childhood programs

Integrated Feedback

- Important to provide pathway for early childhood educators to convert years of experience to credits
- Be aware of, and attempt to mitigate the impact of “benefits cliff” for early childhood educators
- Make education and training more accessible for current educators
- Ensure pathways for family child care providers are clear during UF rollout

Affordability Objectives

2

Goal 2: Increase affordability for low- and middle-income families

Affordability Objectives

Objective 2A: Expand affordability for low- and middle-income families, committing to funding and expanding Care 4 Kids eligibility to households earning up to 100% of State Median Income (SMI) using a parent co-pay schedule with a maximum of 7% of family income and phasing in over 5 years

Objective 2B: Design and implement cost-sharing public private model with businesses to reach families just out of reach of publicly funded subsidies

Objective 2C: Develop strategies to expand affordability and mitigate the impacts of benefits cliffs

Integrated Feedback

- Be careful about impacts on equity in expanding eligibility
- Beware of benefits cliffs
- Need to develop a plan that makes care more affordable for families just out of the reach of public support
- Enrollment management can be a real pain-point

Equitable Access Objectives

3

Goal 3: Increase access to high-quality programs that meets the range of family needs, especially for infant and toddler care and children with special needs and priorities under-resourced groups and communities

Equitable Access Objectives

Objective 3A: Recognize, empower, and embed families as central and valued decision-makers in the development of an equitable ECE system

Objective 3B: Increase the supply of infant and toddler care

Objective 3C: Improve access to programs and services to meet the needs of children with special needs and their families

Objective 3D: Increase equitable access to high-quality care, especially for under-resourced families and communities

Integrated Feedback

- Vital to include more diverse family voices when developing and implementing policies
- Need to bring services to Children with Special Needs rather than transporting them
- A presumptive eligibility model that grants provisional care while applications are being processed could be highly impactful for families looking to get to work, but not clear how it works with waitlist

Discussion Break

Question 1	What feedback do you have on the goals and objectives?
Question 2	Are there any recommendations that you feel need more consideration or clarification?
Question 3	How does this make you reflect on the investment priorities? Does it change your thinking?

Systems Objectives

4

Goal 4: Develop an agile, flexible, and collaborative ECE system that maximizes current resources and supports economically viable programs

Systems Objectives

Objective 4A: Simplify state-funded systems and better align with federal systems to reduce complexity and increase utility especially for providers, but also for families, and the State

Objective 4B: Maximize existing resources by strengthening programs and partnerships to improve enrollment, reduce administrative burdens and redundant costs

Objective 4C: Implement a common needs assessment and expand organizational supports to ensure an equitable and responsive ECE system that covers all geographies in the state

Objective 4D: Develop data and information systems, including a provider and parent portal and navigation system, to track and improve systems and outcomes

Integrated Feedback

- Switching to up-front payments and funding on a classroom-based system would give providers financial stability, flexibility and support
- Helping reduce program operating costs (e.g., administration, facilities costs, healthcare) generates ongoing savings
- Local governance needs strengthening for equitable representation before considering a regional model

Funding Objectives

- 5 Goal 5:** Build a well-funded, sustainable ECE funding system that is poised to efficiently leverage future investment

Funding Objectives

Objective 5A: Implement a stabilization program for centers, group homes and family child care homes that is based on a sliding scale program grant that offers significantly enhanced funding for programs that serve high-needs communities and under-resourced families and that incentivizes high quality

Objective 5B: Develop a plan to transition to funding based on true cost of care starting with infant and toddler care and high-need communities

Objective 5C: Develop a flexible fiscal model to support implementation and help to prioritize and stage investments

Objective 5D: Identify new funding streams that will support sustained and significant public and private incremental investment in ECE

Integrated Feedback

- Stabilization programs worked for programs and ECE providers need more stabilization funds with COVID-era funding expiring
- Administrative burdens on programs need to be minimized
- Use the information available to more efficiently develop estimates for the true cost of care

Discussion Break

Question 1	What feedback do you have on the goals and objectives?
Question 2	Are there any recommendations that you feel need more consideration or clarification?
Question 3	How does this make you reflect on the investment priorities? Does it change your thinking?

Next Steps

Looking Ahead

Next steps for reviewing and finalizing plan recommendations:

- Will take feedback from today and incorporate it in the plan
- **Sept 30th:** Deadline for public comment on the outline
- **October 2nd – 6th :** Office hours for individual meetings with Panel members

We will be taking the revised outline and drafting a narrative report and preparing a five-year plan showing investment needs which we will share with you on November 1.



Thank you for your participation today!

Appendix

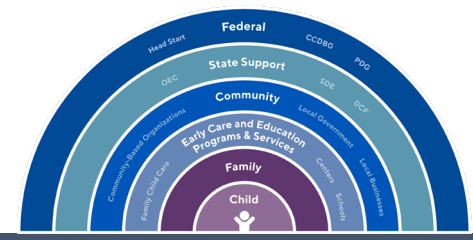
Blue Ribbon Panel Timeline



The recommendations presented today are considered **preliminary**; they will be discussed and updated by the Blue Ribbon Panel and then **further socialized with the field** before they are considered "final"

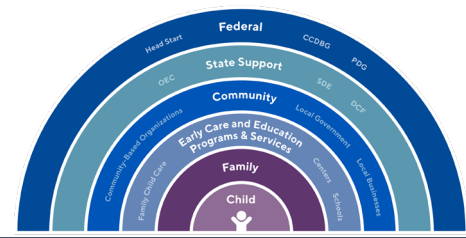
▲ Indicates Public Listening Sessions For Collecting Feedback from the Field

However, challenges remain for all stakeholders - the ECE system is in crisis



Families	<ul style="list-style-type: none"> • Lack of affordable care • Concerns about safety and trust and program quality • Difficulty finding care that meets family needs and preferences, especially for children with special needs, infants and toddlers, and part-time and off-hours care • Absence of parent voice and representation at all levels of governance
Providers/ Programs	<ul style="list-style-type: none"> • Low wages and lack of benefits resulting in high staff turnover and a limited new teacher pipeline • Revenues (parent fees and government funding) do not cover the full cost of care, threatening program quality • Insufficient support for operations, enrollment and business coaching • Limited funding for ongoing facility expenses • Impending funding cliff with lapse of Covid relief
Communities	<ul style="list-style-type: none"> • Some communities are disproportionately impacted by lack of access to affordable care • Businesses need high functioning child care, but there is a lack of business voice and engagement • Local needs vary and there is an absence of governance representation for about half of Connecticut's towns
State	<ul style="list-style-type: none"> • Lack of access to affordable high-quality care hurts the state's workforce and economic growth • Lack of resources and funding • Complex and cumbersome funding and administrative system • Weak data and outcomes systems which impede efficiency and impact

The envisioned system aims to benefit families, providers, and communities



Families	<ul style="list-style-type: none"> • More accessible and affordable high-quality child care that meets all families' needs • Access to information and resources to help families find the care they need • Greater opportunities to lead and advocate at all levels of the system
Providers	<ul style="list-style-type: none"> • More funding and resources to compensate and support the professional growth of educators • Access to more affordable health insurance options • Simplified systems to reduce administrative burdens on programs • Greater enrollment and program operations support to enable efficiencies and stability • Facilities funding and incentives for addressing unmet needs, accessible by all types of programs
Communities	<ul style="list-style-type: none"> • Representation of all local stakeholders to ensure that families, providers, local municipalities, schools, businesses and community leaders have a voice • State-wide local governance structures to efficiently and equitably allocate resources based on the specific needs of a community • Access to accurate and timely local information to make informed decisions that help communities thrive