Connecticut Office of Early Childhood

2023

Blue Ribbon Panel on Child Care Report

Blue Ribbon Panel on Child Care

Members

The Blue Ribbon Panel on Child Care for the State of Connecticut

Senator Eric Berthel - Senate Ranking Member, Education Committee

Audette Bisaillon - Director, ROSSCO After School Program

Emily Byrne - Executive Director, Connecticut Voices for Children

Shawn Coyne - Vice President of Human Resources, Electric Boat

Representative Jeffrey Currey - State Representative, House Chair, Education Committee

Chris DiPentima - President & CEO, Connecticut Business and Industry Association (CBIA)

Jamie Eden - Senior Vice President, Human Resources and Communications, Boehringer-Ingelheim

Dr. Monette Ferguson - Executive Director, Alliance for Community Empowerment

Diana Jepsen - Community Member

Dr. William Johnson - Co-Chair, Early Childhood Funder Collaborative, Director of Educational Strategy, William Caspar Graustein Memorial Fund

Katherine Lantigua - Owner, K Colorful Daycare

Courtney Larkin - Vice President, Travelers

Karen Lott - Executive Director, Women's League Inc. Child Development Center

Althea Marshall-Brooks - Executive Director, Waterbury Bridge to Success

Representative Kathleen McCarty - State Representative, House Ranking Member, Education Committee

Senator Douglas McCrory - State Senator, Senate Chair, Education Committee

Garrett Moran - Former Chair of Governor's Workforce Council

Kailyn Nadeau - Co-Director, Owner of Norfolk Early Learning Center

Fran Rabinowitz - Executive Director, Connecticut Association of Public School Superintendents

Jessica Sager - Chief Executive Officer, All Our Kin

Melissa Turner - Chief Human Resource Officer, Yale New Haven Health

Carmelita Valencia-Daye - Professor, Connecticut State Community College: Gateway

Maria Del Pilar Vargas - Member, OEC Parent Cabinet

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Dear Blue Ribbon Panel on Child Care Members,

Your work on the Panel has helped us develop a roadmap to success for Connecticut's children, families, businesses, and economy.

Connecticut is the kind of place where people want to work — because it's the kind of place they love to live. Connecticut's quality of life consistently ranks among the top in the country, thanks to our highly ranked schools, our low crime rates, our healthy population, and so much more. We are one of the most family friendly states with great schools and health care access, strong child care and early childhood education, and fully implemented paid family leave and Baby Bonds.

Panel members answered the call to help plan for Connecticut's youngest children and their families – while respectfully listening to those most impacted by the child care system. You have given of your time and talent. This child care plan to improve outcomes for Connecticut's families, children, and our economy is received with gratitude.

I saw first-hand how vital child care was for our nurses, doctors, and first responders to get to work and help our state through a public health emergency. We knew our economic recovery from COVID would depend on accessible child care for families and their children.

Connecticut leveraged $300 million in federal relief funding to keep child care programs open. While states lost an average 9 percent of child care capacity, Connecticut lost 1 percent. Despite these successes, challenges remain. Working with the legislature, my administration made critical investments in child care to help stabilize a fragile industry. These investments represent the biggest increase in funding for child care in Connecticut since the 1960s' War on Poverty. In the last three years, Connecticut has:

- **Increased access to affordable child care for 6,500 more families.**
- **Added higher education and workforce development to populations eligible for a child care subsidy through Care 4 Kids.**

- Negotiated a 3-year contract with family child care providers to **raise Care 4 Kids rates 11 percent per year across the child care system.**
- Provided $70 million in 2022-2023 for **wage supplements** for child care staff.
- Created a **Workforce Pipeline** effort to address workforce shortages.
- Established CT's first **Registered Apprenticeship** program for child care with CSEA-SEIU.
- **Doubled infant/toddler state-funded slots,** prioritizing child care deserts.
- **Launched ELEVATE,** Connecticut's Early Childhood Quality Improvement System.
- **Initiated a Parent Cabinet** to ensure family needs are considered in system building.
- **Initiated Head Start on Housing,** 100 families with children under 6 now have stable housing.
- **Approved $15 million in facility funding** to expand child care supply and stability.

While we are proud of our nation-leading efforts in Connecticut, there is more to do.

I appreciate your efforts to address the critical workforce needs in early childhood education, while expanding access and affordability for our families. I believe that we can strengthen our core data and administrative systems; and streamline regulations to ease burdens on providers, improve systems' efficiency, and expand our outreach to families and providers about existing resources. I also believe in partnerships and encourage proposed collaborations with towns, businesses, and other state agencies.

Child care access is an investment with payoffs that reverberate. It is workforce infrastructure for businesses. Our business community cites a lack of affordable child care as a major factor in worker recruitment, retention, and productivity. Child care shortages also contribute to Connecticut's 27 percent gender gap in employment for parents with young children. Investing in child care could help us reduce our 90,000-person worker shortage, and increase families' economic standing and mobility, resulting in significant savings in government social service programs. Finally, investment in child care also provides resources to optimize children's brain development and long-term emotional health, and help children in their future educational achievements.

I receive this plan with gratitude, and I am hopeful that our federal and local partners will continue to prioritize early childhood education, and that the business and philanthropic communities will also partner to help bring this plan to fruition. I will be sharing this report with our federal delegation to stress the need for federal resources.

Panel members, thank you for your service!

Ned Lamont, Governor of Connecticut

Ned Lamont
Governor
Susan Bysiewicz
Lt. Governor

STATE OF CONNECTICUT
OFFICE OF EARLY CHILDHOOD

Connecticut Office of Early Childhood
Beth Bye
Commissioner

Dear Blue Ribbon Panel on Child Care Members,

As Commissioner of OEC, I want to express my gratitude for your service on this Panel. I informed you back in April it would be an intense, pressure-filled process and that we had a once-in-a-generation chance to improve Connecticut's child care system. I warned that there would be homework and listening and problem-solving and difficult decisions. And you answered the call to serve and dig in to help create a roadmap for Connecticut's child care future.

As a longtime early childhood educator, I know that the process is as important as the product. This process was interactive, community-informed, and transparent. We counted nearly 3,000 engagements with residents and held more than 30 public meetings. 890 parents weighed in along with 1,650 community members – many of whom were early childhood professionals. We met with business leaders representing more than 50,000 employees. Panel members engaged with these outreach efforts, from helping to set up meetings, to participating, to reviewing notes.

This process led to many changes in the final product – the Blue Ribbon Panel on Child Care Plan. In response to expressed family, program, and community needs, the Plan has been improved and strengthened. A state agency and a Panel have information and perspective to share – but the actual parents, providers, businesses, and community members know the struggles, successes, and shortcomings of the current early childhood system in Connecticut. I am grateful to all residents who took time on evenings, weekends, and busy workdays to prioritize giving feedback during this process.

Panel members urged us to do additional community-level parent outreach. You asked for more local data and examples from other states. You had areas of concern, and we brought in state and national experts to help build understanding – and we adapted the Plan with your guidance.

The Plan is a roadmap. It is not perfect, and it does not represent what the actual map will look like in five years. It has many miles to go and will continue to evolve. It will take efforts from the Governor, state agencies, the legislature, cities and towns, businesses, the federal government, providers, and families to reach the goal of a high-quality, responsive, and sustainable early childhood system for all in Connecticut.

I believe every baby born in Connecticut and every young child who moves here with their families deserves a high-quality early childhood education. This work we have done together is social justice work. The inequities for child care educators and for parents are grounded in gender and racial inequities. When we improve the early childhood system, we help to address these inequities. We improve children's health, education, and long-term success; we make progress for women in the workforce and for their families' economic security; and we make Connecticut an even better place to live and work.

With gratitude,

Beth Bye, Commissioner

1.

EXECUTIVE SUMMARY

The Blue Ribbon Panel on Child Care's Five Year Plan provides a vision for Connecticut's child care infrastructure that will improve access to high-quality care for tens of thousands of families through efforts aimed at affordability, stabilizing and expanding child care businesses, and improving the quality of programs that support family needs and optimal child development in the early years.

Access to care has never been more important to parents, given changing family work patterns. Parents today increasingly work non-traditional hours, needing care to accommodate evening, weekend, part-time, and flexible schedules. For the most part, families of childbearing age also now rely on all adults in a household working, with the rate of women in the workforce nearly doubling since 1950. Increasingly, there are more single parent households with young children as well. These single-parent households represent nearly **one in four households** statewide; **58 percent of Black mothers**, 48 percent of Latina mothers, and 17 percent of white mothers with young children are single parents. [i]

This means that most young children in Connecticut are being cared for outside of the home while parents work, and their healthy development is a shared responsibility between families and early childhood professionals.

The earliest years of a child's life are the single most critical window for optimizing human development. The fundamental architecture of the brain is being "wired" during this time in ways that will serve to either support – or hinder – children's long-term success in school and life. This means the quality of care our young children receive really matters.

Early investments for Connecticut's youngest residents bring a **7-13** percent return on that investment. [iii] This matters to taxpayers who underwrite additional educational, social services, and health costs – all costs which have been proven to decrease with proactive early investments in children. This is also a significant productivity and workforce issue for businesses, in part reflecting the gender gap in workforce participation for parents of young children. It is estimated that Connecticut loses **$1.5 billion** per year due to the lack of infant and toddler care alone. [iv]

THE FACT IS THAT THE GREAT MAJORITY OF PARENTS HAVE TO WORK. YET WE HAVE A FRAGMENTED AND OVERWHELMINGLY LOW-QUALITY CHILD CARE SYSTEM; APPROXIMATELY HALF OF AMERICANS LIVE IN SO-CALLED CHILD CARE DESERTS, AND FEWER THAN 10 PERCENT OF PROGRAMS WERE JUDGED HIGH QUALITY IN A NATIONAL INSTITUTE OF CHILD HEALTH AND DEVELOPMENT STUDY.

- DR. DANA SUSKIND, PARENT NATION [II]

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.

- A LARGE TECHNOLOGY CONNECTICUT EMPLOYER

If Connecticut was a country, it would be the

6th most productive workforce

in the world.

Connecticut's workforce is among the nation's most highly productive. If Connecticut was a country, it would be the **6th most productive workforce in the world.**[v] This competitive advantage depends on working parents and our next generation workforce.

How might the state best cultivate the human capital on which its long-term prosperity depends? Stable and attentive relationships with nurturing caregivers - both in and out of the home – enabled by a high-functioning early childhood system are key to children's brain development and parental workforce participation.

Connecticut 's early childhood system is in need of repair, and the repair is urgent and extensive, given decades of neglect. The current system is insufficiently funded and is currently subsidized by its low-income workforce, almost all of whom are female and a majority of whom are women of color. The state system is rigid and inflexible, based on an antiquated model of family needs and federal funding rules grounded in the 1960s and 1980s. Families struggle to access and afford child care with disproportionate impact on under-resourced families; providers scrape by on the narrowest of margins.

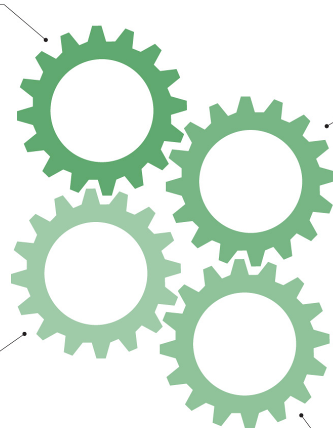
Connecticut's child care system fared comparatively well during COVID, due to the tenacity of its providers and strategic investments by the Lamont administration. COVID relief funds and critical new state investments provided foundational support and stabilization across our early childhood system. However, COVID relief funds have expired, and Connecticut's early childhood education system is in acute need of further support. Additional state, federal, local, and other investments will be necessary to address inequities and ensure the state's competitiveness in the region.

Recognizing an improved child care system as a statewide imperative, Connecticut Governor Ned Lamont issued Executive Order 23-1 in March of 2023 to create a Blue Ribbon Panel on Child Care to better understand the state's needs and propose solutions in a five-year strategic plan.[vi]

The Blue Ribbon Panel has traveled the state, collaborating with key stakeholders to create a plan focused on four interconnected goals:

GOAL 1
Workforce and Quality:
Invest in and support the retention and recruitment of a professional, high-quality ECE workforce, and program supports and standards that increase the number of high quality settings.

GOAL 2
Equitable and Affordable Access:
Increase equitable and affordable access to high-quality programs that meet a range of family needs.



GOAL 3
Systems:
Develop an agile, flexible, and responsive high-quality ECE system that maximizes current resources and supports economically viable programs.

GOAL 4
Funding:
Build a well-funded, sustainable ECE funding system that is poised to efficiently leverage future investment.

The plan is not designed as a menu of options, but as a cohesive approach that, enacted in its entirety, will improve the lives of children and families, stabilize Connecticut's child care industry, and accelerate the state's prosperity and competitiveness.

The Blue Ribbon Plan is distinctive in that it:

- **Emphasizes the immediate need for stabilization and system building in preparation for an expanded, improved, and sustainable system.**
- **Prioritizes equity. Some Connecticut families struggle more than others. The plan focuses on families in under-resourced communities and groups.**
- **Places the state's early childhood workforce front and center. Without well supported and professionally compensated teachers, there can be no increase in access for families to high-quality early education.**

- **Prioritizes birth to three year olds. Other states have pushed aggressively toward universal prekindergarten for four year olds. The Blue Ribbon Plan recognizes that these earliest years are not only critical to brain development, but also the costliest period to access and provide care – placing significant strain on the economic well-being of families and programs. In Connecticut, like many states, this is a bigger shortage area for child care access.**
- **Includes low-to-no cost, high-impact initiatives, including regulatory and administrative reforms.**

The Panel recognizes that new and diversified funding from state, federal, local, business, philanthropic sources, and a healthy dose of public-private collaboration will be needed to make its recommendations a reality.

Just as Connecticut understands the return on investment yielded by transportation and other infrastructure investments, investments in child care infrastructure will deliver dividends for the state's families, economy, and taxpayers.

The time has come to address the state's child care needs for its children and families, its ECE providers, and its taxpayers. The plan is a proactive approach to reduce long-term social costs for taxpayers at the local and state level, and increase the state's prosperity.

THE MOST CRUCIAL CARE ABOUT CHILDREN IS ENSURING THEIR SAFETY. IT'S VERY ESSENTIAL TO PROVIDE A POSITIVE AND NURTURING ENVIRONMENT THAT PROMOTES THEIR WELL-BEING AND HELPS THEM GROW INTO HEALTHY AND HAPPY INDIVIDUALS.

- CONNECTICUT PARENT

2.

BACKGROUND

HIGH-QUALITY CHILD CARE AND EARLY EDUCATION OPPORTUNITIES ARE INCREASINGLY ESSENTIAL TO ATTRACTING AND RETAINING FAMILIES IN OUR STATE, INCREASING WORKFORCE PARTICIPATION OF WOMEN AND FAMILIES, ENHANCING EDUCATIONAL OUTCOMES FOR CHILDREN, AND ENHANCING THE SHORT- AND LONG-TERM HEALTH AND WELLNESS OF CHILDREN AND FAMILIES.

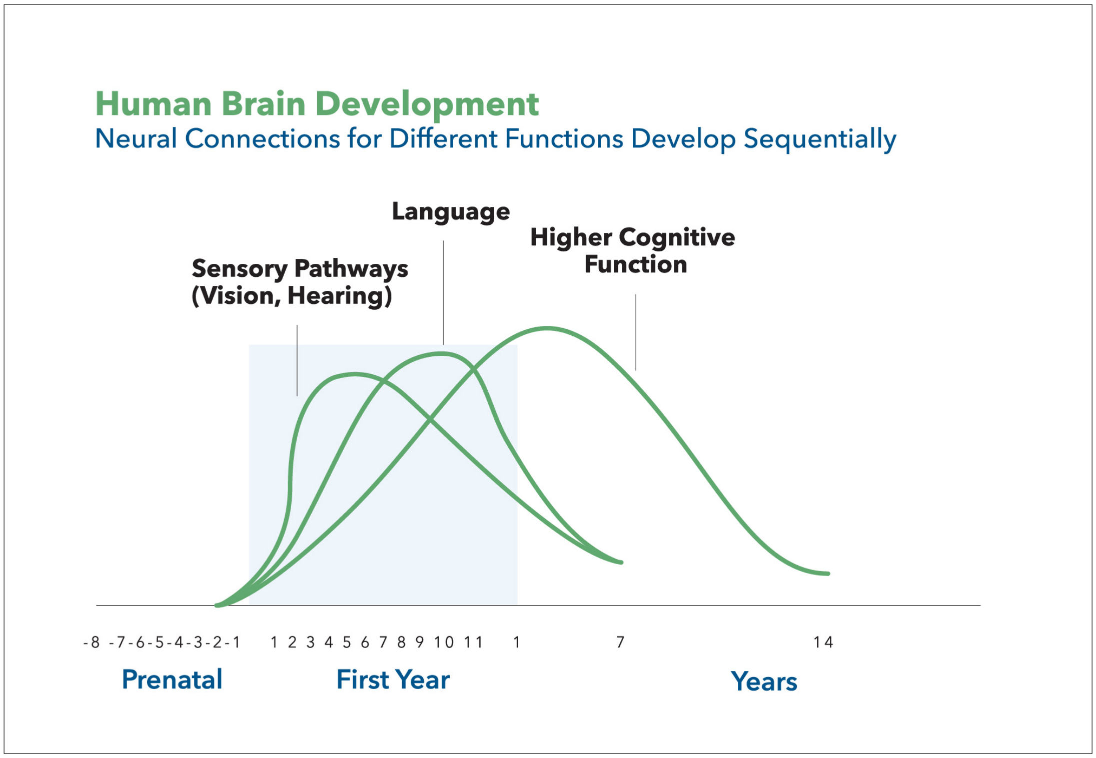
\- GOVERNOR NED LAMONT, EO 23-1

Governor Ned Lamont issued **Executive Order 23-1** on March 17, 2023 appointing a diverse Blue Ribbon Panel on Child Care and charging it with the development of "a five-year strategic plan for Connecticut that supports [family, business and early childhood provider] needs and prioritizes equitable access to early care and education."[vii]

The Blue Ribbon Panel worked with diverse stakeholders across the duration of 2023 and will further develop the recommendations contained in this plan, which focuses on improving the quality of care for children ages 0 to 5, and will further develop Connecticut's economic power, its family-friendly status, and a high-quality early childhood system. The state is home to **181,607 children** under the age of five.[viii] Approximately 73 percent of these children (132,573) have all available parents participating in the workforce, making the accessibility of high-quality, affordable child care a matter of importance for all. This report will share the national context for the Panel's work and how these challenges translate to a need for action here in Connecticut.

THE CONTEXT: Why the Early Years Matter

The Science of Early Learning - Implications for Child Care: Harvard Center on the Developing Child



Source: Harvard Center on the Developing Child

For decades, America's child care policy has been premised on a misguided belief that child care and education are somehow separate. Child care has been viewed as largely custodial, while education has been considered the domain of the public schools, beginning at kindergarten entry.

Research on the developing brain contradicts this notion. We now understand that the period from prenatal to age five is a uniquely consequential window of learning and human development during which the architecture of the brain is "wired" in ways that will serve to either promote – or hinder – children's long-term success in school and life.[ix]

The oft-stated goal that children “come to kindergarten ready to learn” overlooks the fact that children begin learning in utero, with babies able to distinguish the native language of their mothers only hours after birth.[x]

Children are born learning – with the optimal development of the brain’s neural circuitry highly dependent on their interactions with adult caretakers (inside and outside of the home) during the earliest months and years of life.

These scientific understandings require that we rethink our conceptions of child care, acknowledging these early childhood classrooms among humankind’s most important learning environments – and the quality of early caregiver interactions and early childhood teacher skills have lasting consequences for children in both school and life. When enrolling in child care, parents enter into partnerships with professionals who will co-construct their children’s brains.

PROVIDERS WHO RELY ON CHILD CARE SUBSIDY REVENUE, OR WHO SERVE A COMMUNITY THAT CANNOT AFFORD HIGH TUITION FEES, STRUGGLE TO PAY COMPETITIVE WAGES AND HAVE NO RESERVES TO INVEST IN IMPROVING THEIR PROGRAM’S QUALITY RATING—SOMETHING THAT WOULD ALLOW THEM TO UNLOCK ADDITIONAL QUALITY-RELATED REVENUE.

- CENTER FOR AMERICAN PROGRESS, 2021[XIV]

Child Care as an Insufficient and Broken Market Model

At precisely the time young children most require stable, responsive relationships with early childhood educators, America's child care system provides just the opposite: a revolving door of staff so poorly compensated that as many as [40 percent] leave the field each year.[xi]

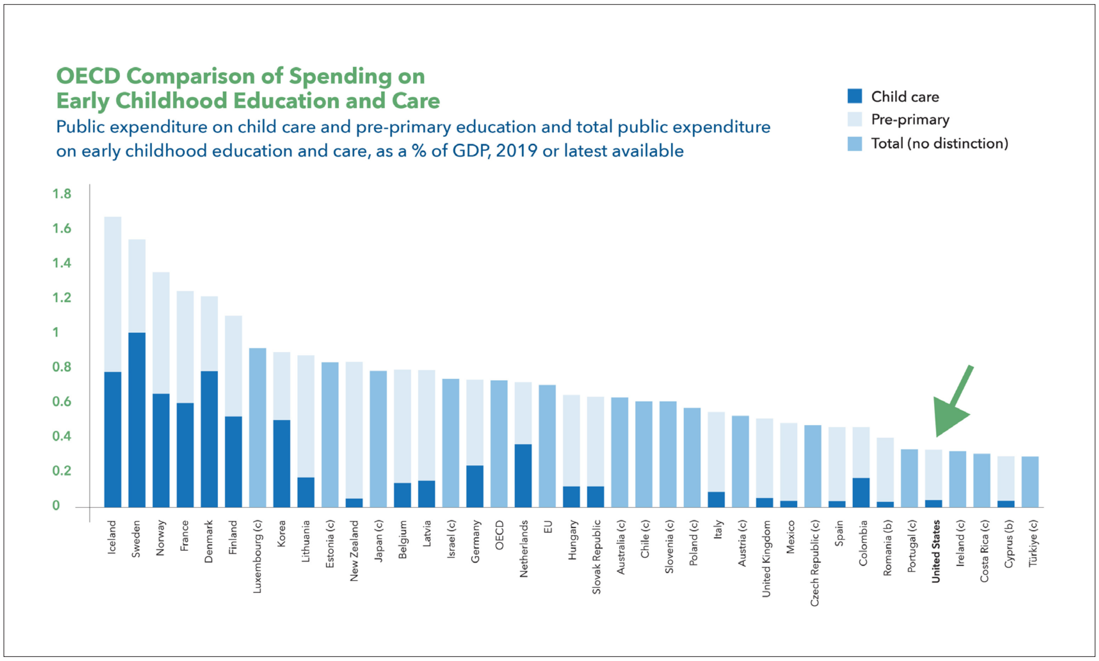
The industry's shortcomings are the result of a broken economic model. **The cost of high-quality early care and education is higher than the majority of American families can afford to pay. Costs routinely outpace even the high cost of housing in Connecticut, especially for lower- to middle-income working families.**

The lack of affordable access to high-quality care disproportionately impacts under-resourced groups and communities, exacerbating well-documented inequities. And the lack of affordable child care impacts virtually all families with young children in Connecticut.

Child care programs scrape by on narrow profit margins. Economists at the Minneapolis Federal Reserve estimate most child care businesses operate at a less than one percent profit margin.[xii] Child care's precarious economic model is ultimately subsidized by its low-income workforce, almost all of whom are women (95 percent) and a majority of whom are women of color.[xiii]

These employees subsist on a median national salary of $13.22 an hour, according to national data from the Bureau of Labor Statistics (some 59 cents/hr less than dog walkers).[xv] In Connecticut, the median wage for child care workers is slightly higher, but still just over minimum wage at $15.34 per hour.[xvi]

Source: https://www1.ctdol.state.ct.us/lmi/wages/20231/0901000009/39-9011.htm; based on 1st quarter 2023.



Source: https://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf

Pay remains low because parents are the primary payers in the system and cannot afford more, so programs cannot charge more to increase the pay of their educators. This leads to chronic underfunding and staff turnover when children's optimal brain development requires consistency for secure attachments. These attachments set the stage for future healthy emotional development. This underfunding of child care in the United States is in sharp contrast to the K-12 system and to the investments most Organization for Economic Cooperation and Development (OECD) countries make in these early years. [xvii]

This broken economic model was exacerbated by COVID-19 and inflation. In an increasingly tight labor market, employers employing low-income workers, including **[fast food restaurants]()** and big box stores, elevated worker pay, creating more competition for employees.[xviii] While Connecticut's overall employment level exceeds pre-pandemic levels, the child care industry is lagging due to the low pay. Connecticut lost only about one percent of its capacity due to one-time federal COVID relief dollars and state funds. But capacity is different than enrollment and hundreds of classrooms across the state cannot open or add enrollment due to chronic workforce shortages.

Many of America's child care programs could only keep their doors open because of one-time COVID relief dollars, distributed to stabilize the industry. Connecticut fared well in this respect, efficiently and strategically dispersing these funds. But these federal dollars have now expired. Like virtually all other states, Connecticut finds itself in the urgent position of needing to safeguard the industry's stability to support the workforce participation of millions of American parents, particularly mothers.

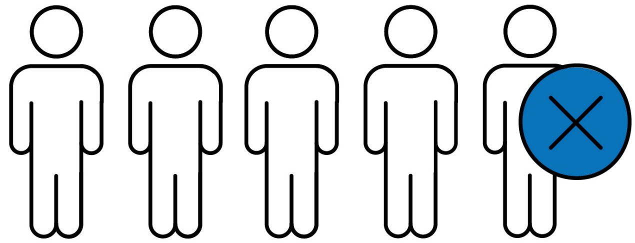
Case in point: Connecticut currently has a large gender gap between the employment rate of mothers with young children (74%) and the employment rate of men, ages 25-54 (89%).[xix] This is driven, in part, by the lack of accessible, affordable child care. Substantially reducing or closing this gap would yield an additional 11,000-20,000 more women in the workforce.

The Economic Case for Early Investment

According to a [2023 analysis by Ready Nation](), insufficient infant/toddler care has a $122 billion annual impact on the American economy – with a $1.5 billion annual drain on Connecticut alone. Employers and taxpayers share an annual burden of $1,640 and $1,470 per working parent respectively, in the form of lost productivity, profitability, and unrealized tax revenue. The bulk of this national impact is shouldered by parents in the form of lost or foregone wages resulting from lack of child care at an average of $5,520 for each working parent.

These losses only pertain to working parents; the economic toll of non-working parents who may have opted out of the workforce due to inadequate care is not included. The analysis shows that 44 percent of American parents have reduced their regular work hours because of child care-related challenges and 41 percent lost out on professional advancement/promotions. One in five parents has quit a job or been

1 in 5 parents has quit a job or been fired due to child care problems.

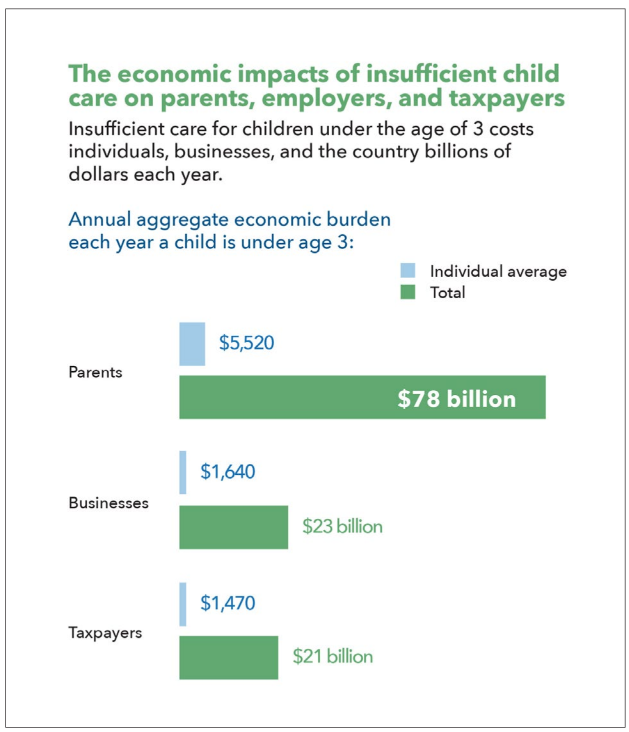


fired due to child care problems. Parents are moving closer to relatives to get help caring for their young children; grandparents are moving closer to their grandchildren and even quitting their own jobs to help with child care.[xx]

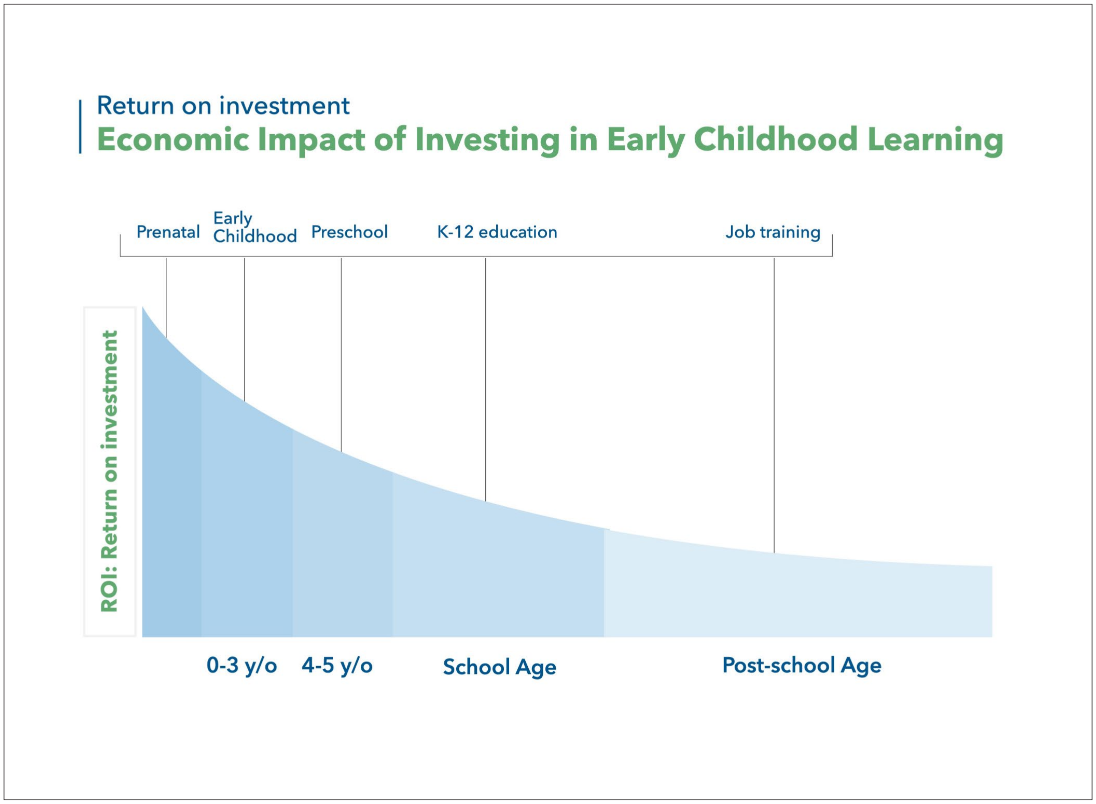
The long-term case for early investment is compelling. Nobel Prize winning economist James Heckman finds that [taxpayers can expect a return on investment of 7-13 percent annually]() as a result of public investment in high-quality early childhood programming – with the greatest returns realized by the earliest investments, which is where the Panel has chosen to prioritize through a focus on infant-toddler care.[xxi]

Longitudinal studies suggest that investments in high-quality early childhood education programs reduce the long-term need for everything from special education and grade level retention to reliance on social services, and even interactions with the criminal justice system.

And right now, the average quality of child care in the United States is not high quality. The most comprehensive and most recent national study on child



Source: *Ready Nation: The Growing Annual Cost of the Infant-Toddler Crisis*



Source: *Heckman Equation*

care and child development rated the quality of fewer than 10 percent of child care arrangements in the U.S. as "very high."[xxii] The vast majority of child care was rated as only "fair." Although Connecticut has the largest number of NAEYC accredited center-based programs in the country and longstanding support in place for this system, as well as emerging support for family child care homes to achieve NAFCC accreditation, only about 38% of centers and 3% of family child care homes are accredited. Still more is needed to support universal high-quality child care for all families with young children.

That 15-year-long study by the National Institutes of Health looked at a wide range of quality measures, from basic safety, to daily activities and interactions with providers and other children. This is indicative of decades of underinvestment in child care in the US as shown above in the OECD chart. Yet the Heckman curve demonstrates that investments in quality pay off in the long run.

As if relying on a payday loan, states that underinvest in early childhood education end up meeting their financial obligations at a substantially higher long-term cost to children and taxpayers. Connecticut is already paying much more in long-term social costs through its underinvestment than the cost of the investments recommended by the Panel. This underinvestment in child care also impacts families' quality of life day-to-day with added stressors. The families most impacted are families who have the least resources.

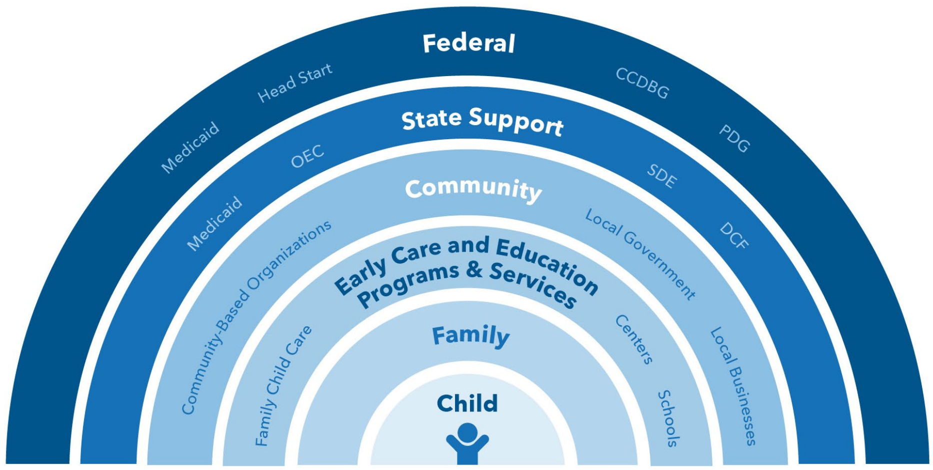
Against this backdrop, the Panel has undertaken a deep analysis of the state's child care investments and systems to design a five-year child care plan where Connecticut can become a national leader in early childhood education and the most family-friendly state.

The Connecticut Blue Ribbon Panel on Child Care has met in person and virtually across 2023 – gathering feedback from a wide variety of stakeholders, hearing from leading experts in the field, and being supported by four working groups *(Equity and Access, Workforce and Quality, Systems, and Funding and Costs)* whose detailed recommendations inform the framework outlined in this report. For more detail on the stakeholder engagement process, please see Appendix A.

The Panel's work has been guided by its overarching vision that:

- **All families will have access to an equitable, high-quality, and affordable early childhood education (ECE) system.**
- **This system will center on the needs of children and families, enabling children to learn and thrive, and families to work.**
- **A strong early childhood workforce and robust public/private, mixed delivery system will benefit our communities and economy by investing in the healthy development of our youngest children; helping to attract and retain young families; and increasing workforce participation – especially among women.**

The Plan appropriately centers on the child, recognizing the roles of those most proximate to the child (one's immediate family, neighborhood, school, etc.) and extending outward, reflecting the influence of broader structures and contexts, including government policies.[xxiii]



Source: Adapted from Urie Bronfenbrenner's ecological systems theory

The Panel acknowledges that the optimal development and long-term success of Connecticut's children is influenced by a wide array of factors/systems and will require a carefully coordinated effort to:

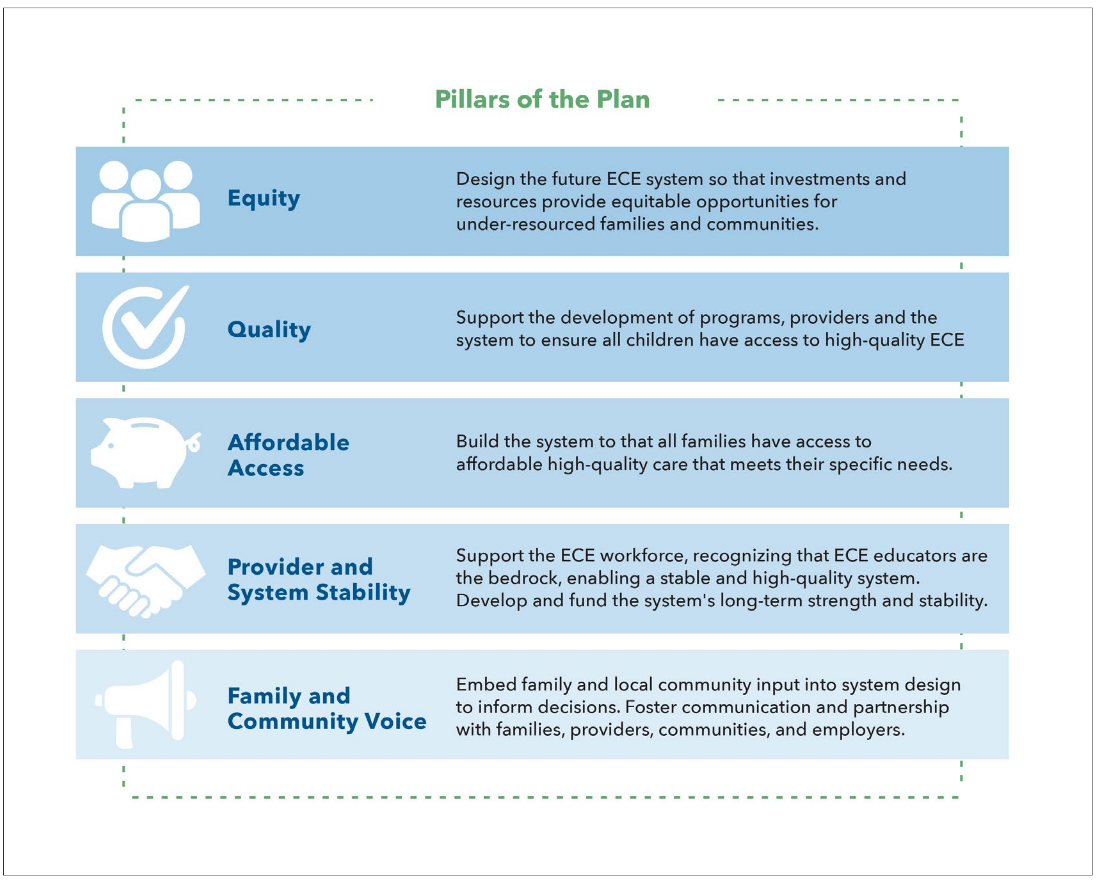
- **Invest in and support a high-quality, appropriately compensated professional workforce.**
- **Expand access to affordable child care for families.**
- **Increase the supply of high-quality care that meets the needs of all families and children, including cultural preferences and work schedules.**
- **Elevate family and community voice in system design and implementation.**
- **Enhance early childhood systems and funding to build on recent investments, maximize use of the current system, and build a high-quality, sustainable ECE system.**

This will require collaboration at the federal, state, and local level; partnerships with the K-12 and higher education systems; and public-private partnerships with community-based organizations, businesses, and philanthropy.

Under Governor Lamont's leadership, Connecticut has significantly increased its investments in early care and education. Building on this momentum and aligning with his efforts, the Panel's five-year plan specifies goals, objectives, and action steps for the next five years – recognizing that implementation will still require more investment and infrastructure support.

The Office of Early Childhood (OEC) will lead action on the Blue Ribbon Plan in collaboration with partner agencies, and the **Early Childhood Cabinet** will serve as the ongoing advisory body.[xxiv]

In preparing its five-year plan, the Panel sought to adhere to a set of guiding pillars:



This report will describe the plan's four main goals, providing additional context alongside requisite action steps.

3.

GOALS

Connecticut's Blue Ribbon Plan, developed over nine months of intensive collaboration, revolves around four major goals, 16 measurable objectives, and associated action steps and proposed measures of progress. For detail on related measurable objectives, please see Appendix D.

GOAL 1 Workforce & Quality

Invest in and support the retention and recruitment of a professional, high-quality ECE workforce and program supports and standards that increase the number of high-quality settings.

Objective 1A: Support professional compensation for a strong and stable ECE workforce in all ECE programs.

Objective 1B: Pursue strategies that support ECE workforce recruitment and retention.

Objective 1C: Expand strategies to support improved quality of early childhood programs.

Objective 1D: Simplify credentialing process. Adopt a three-step career ladder through a collaborative process that aligns compensation and credentials with the Unifying Framework (UF).

Objective 1E: Help ECE programs maximize their fiscal health to support stability, quality, and increased workforce compensation.

GOAL 2 Equitable & Affordable Access

Increase equitable and affordable access to high- quality programs that meet the range of family needs.

Objective 2A: Expand affordability for low- and middle-income families.

Objective 2B: Increase the supply of affordable infant and toddler care for families.

Objective 2C: Improve access to programs and services to meet the needs of children with special needs and their families.

Objective 2D: Increase equitable access to high-quality care, especially for under-resourced families and communities.

GOAL 3 Systems

Develop an agile, flexible, and responsive high-quality ECE system that maximizes current resources and supports economically viable programs.

Objective 3A: Simplify the state-funded system to better align with federal systems, reduce complexity, and increase utility.

Objective 3B: Maximize existing resources by strengthening partnerships to identify opportunities for alignment and innovation, and reduce administrative burdens and barriers to accessing state systems.

Objective 3C: Ensure family and representative community voices are central in the ECE system.

Objective 3D: Develop data and information systems to track and improve systems and outcomes, in coordination with other statewide efforts.

GOAL 4 Funding

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

Objective 4A: Develop a plan to transition to funding based on the cost of care starting with infant and toddler care, and high-need communities.

Objective 4B: Develop a flexible fiscal model to support implementation, and prioritize and stage investments in alignment with system reforms.

Objective 4C: Identify new dedicated funding streams to support sustained public and private incremental investment in ECE.

Implementing these recommendations will benefit our children, families, and state. Here are some highlights:

Examples of Blue Ribbon Panel Plan Benefits:

Families	**28,000 additional affordable child care spaces** **160 percent growth in affordable infant and toddler spaces** Significant income growth for families that reenter the workforce or advance to higher quality jobs combined with lower child care costs More high quality settings available for parents to choose from with easier navigation More accessible care in child care deserts More flexible options for child care, including part week, 2nd shifts More supports and accessible child care programs for children with special needs
Programs/ Providers	**Increasing rates for 55,000 Care 4 Kids certificates and state-funded classrooms to support fiscal stability and improved wages** **Stabilization grants serving high need populations reaching approximately 55,000 slots and 2,100 programs in year one** Navigation to available health care and retirement benefits options Reduced administrative burdens, proactive payment strategies, and increased supports for business operations resulting in greater fiscal stability More flexible enrollment options for families and programs Coaching, professional development, and higher education supports and related stipends Facility funding for expansion and stability
Children	Improved stability and skills of teachers and caregivers to support child development **More children able to access high-quality preschool based on 10,000 new affordable preschool slots, which in turn leads to decreases in the number of children who enter kindergarten without preschool experience, resulting in reduced special education needs and higher levels of student achievement** Educational and wellness trajectory improved, with lifelong benefits Improved health to reduce early life stress that contributes to developmental delays and poor health outcomes in the future
Communities/ Businesses	**As many as 20,000 more women with children less than 6 years old to enter the workforce** Child care expansion targeted in deserts to support expressed needs in those regions Better business productivity due to child care services decreasing employee absences by 20-30 percent, reducing turnover by 37-60 percent, and enabling employees to return to the office Reduced societal costs – less remediation and reduction in long-term costs related to incarceration due to the availability of high-quality care Higher tax income due to increased family income and business productivity Future workforce with improved skills and health

GOAL 1 WORKFORCE AND QUALITY: INVEST IN AND SUPPORT THE RETENTION AND RECRUITMENT OF A PROFESSIONAL, HIGH-QUALITY ECE WORKFORCE.

Improving support for Connecticut's early childhood workforce is the system's most pressing need. A highly qualified workforce is a critical driver of high-quality ECE. The optimal development of Connecticut's children and the workforce participation of their parents hinges on the availability of highly qualified and adequately compensated early education professionals.

Connecticut's early education workforce has neither sufficient access to training and professional development, nor the compensation levels necessary to support a highly qualified workforce. This results in high turnover and a growing lack of available prepared adults to fill these important roles. Child care wages are 23 percent lower than workers in competing fields, and their jobs often lack benefits.

Therefore, this plan builds on the OEC proposed compensation schedule (PA 19-61) and the Unifying Framework to move towards compensation for qualified early childhood teachers that is at parity with public school teacher compensation levels.

Other states are infusing additional funding aimed at increasing compensation and benefits. The District of Columbia has recently

Child care wages are **23% lower**

than workers in competing fields

funded supplemental pay of up to $14,000/year for lead teachers. New Mexico and Vermont have both taken action to increase wages for child care teachers.[xxv] Massachusetts, New York, and New Jersey have added grant funds to support higher workforce compensation. Minnesota and North Dakota increased the child care subsidy rates to programs expecting that additional operating dollars will translate to higher wages for staff.[xxvi]

Efforts to address low compensation in the field must recognize that most child care programs are private businesses. Therefore, **the mechanism by which the Panel recommends making progress on compensation is by increasing the funding to the system, largely through operational grants and rate increases.**

Providing more funding to support increased wages can have a dramatic and rapid impact on the ECE workforce. In Washington DC, which implemented wage supplements for its workforce, a Mathematica study found that only two quarters after the launch of the Pay Equity Fund, the ECE workforce grew by 3%.[xxvii]

The state can also support programs by alleviating regulatory and administrative burdens that siphon time and resources they can dedicate to children. Some changes will increase access, too. Critical to helping programs thrive is empowering them with the tools to run as effective businesses. In that vein, the state can give programs resources, such as business coaching and shared services, to help them operate

HOW DO WE SUPPORT CHILD CARE PROVIDERS THAT WANT TO STAY IN THIS FIELD BUT DON'T HAVE THE SALARIES THAT THEY NEED TO STAY?

– CONNECTICUT CHILD CARE PROVIDER

WE WANT TO INCENTIVIZE TEACHERS TO WANT TO GROW AND DEVELOP, AND WE WANT THEM TO BE PROUD AND BE ABLE TO MAKE A LIVABLE WAGE. RIGHT NOW, THIS IS NOT HAPPENING.

- CONNECTICUT CHILD CARE DIRECTOR

more efficiently, while also helping them access free and subsidized state and federal benefits, and reduce their ongoing facility costs. In addition to expanding funding available for facilities, the state can provide dedicated facilities navigation support to help all types of providers access different facility funding sources (e.g., Community Investment Fund and Head Start grants, CDFIs, etc.). Together, these initiatives can help stabilize programs' finances.

One additional challenge that limits wages in the sector is the lack of a common credentialing structure and career ladder. States often create their own systems, but rarely provide for reciprocity across state lines. In addition, there is potential inefficiency in each state developing its own systems. Progress may be on the horizon.

Beginning in January 2017, leaders from 15 national organizations representing members of the early childhood education field began establishing the Unifying Framework for the Early Education Childhood Profession.[xxviii] Now ready for state-level implementation, the Blue Ribbon Panel recommends that Connecticut become among the first states to enact the Unifying Framework, simplifying the state's 15-step career ladder into a three-level system. The Unifying Framework sets a pathway for professionalizing early childhood educators' credentials and their compensation. It includes provisions to support and retain the current workforce, while transitioning to full implementation. Importantly, the state and ECE providers must adapt the framework in a way that supports Connecticut's early childhood education goals and considers how the current ECE system will transition to align with the Unifying Framework. Particular attention must be dedicated to how alignment with the Unifying Framework will affect family child care providers.

Connecticut's early childhood workforce is the first and most urgent priority. Before adding subsidized slots, it is essential to ensure there is a workforce available to staff them. Connecticut must take care to ensure that the current workforce is supported while implementing the action steps detailed in this plan. States that increased availability without ensuring they had the staff to support new slots learned that expanding their workforce needed to come first.

Without a skilled and stable workforce, there can be no high-quality ECE – and access will be limited.

Next we outline five workforce objectives, each with discrete action steps.

CHILDREN ARE LINED UP AND READY TO JOIN CLASSROOMS, BUT [WE] CANNOT FIND STAFF TO TEACH.

– CONNECTICUT CHILD CARE PROVIDER

SIMPLIFY THE CAREER LADDER SO THAT IT IS EASY FOR PEOPLE TO HAVE MOBILITY WITHIN THEIR CAREERS. THE UNIFYING FRAMEWORK OF THREE LEVELS WOULD BE HELPFUL IF IT ALIGNS WITH COMPENSATION.

- CONNECTICUT CHILD CARE PROGRAM DIRECTOR

WORKFORCE OBJECTIVES AND ACTION STEPS

Objectives	Key Action Steps
1A Support professional compensation for a strong and stable ECE workforce in all ECE programs.	Provide funding to help programs increase workforce compensation across provider types through a new round of stabilization grants for the approximately 70 percent of programs serving high-need populations starting in SFY2025 and continuing through SFY2029. Increase rates building on planned (SFY2024-25) increases in Care 4 Kids and state-funded program rates. Advance strategies to expand access to key benefits and avoid benefits cliffs, starting with investments to help early childhood educators navigate and secure healthcare and other work-related benefits in SFY2025. Align compensation increases with the roll out of the educator levels in the Unifying Framework (UF).
1B Pursue strategies that support ECE workforce recruitment and retention.	Support career mobility through education/training pathways like apprenticeships and other resources for "upskilling" through new investments starting in SFY2025, and set out strategies for paying student teachers. Work with higher education institutions to strengthen higher education ECE programs and to bolster recruitment to the profession through new investments starting in SFY2025. Make new scholarships and educational opportunities accessible to field entrants through new investments starting in SFY2025, while also connecting students with currently available no- or low-cost education and training options. Ensure ECE coursework is both accompanied by supports that empower students to finish their course of study (e.g., child careand transportation subsidies to attend in-person classes, funding for substitute teachers to fill in for center and FCC providers enrolled in qualifying training/education programs), and in languages, settings, and schedules that give early childhood educators the ability to work and study. Explore granting presumptive eligibility for Care 4 Kids early childhood educators working in family child care homes and centers. Develop a campaign about the rewards of a career in ECE, with a planned launch in 2025.

1C

Expand strategies to support improved quality of early childhood programs.

Provide grants to programs to support peer mentors/coaches in both child care centers and family child care homes, starting in SFY2025.

Ensure that substitutes, stipends for transportation, and child care are available when needed to support educator professional development and parent engagement.

Offer stipends for individuals participating in higher education ECE training.

Collect comprehensive information on the workforce, including data on credentials for educators to inform the development of system supports for program-based quality improvement.

Continue to promote and enhance Elevate, Connecticut's Quality Improvement system launched in 2022.

1D

Simplify credentialing process. Adopt a three-step career ladder through a collaborative process that aligns compensation and credentials with the Unifying Framework (UF).

Develop a roadmap with interim steps for UF implementation by early 2025, in partnership with all types of programs.

Work with higher education to assure the educator levels outlined in the UF are achievable through accessible state higher education programs.

Align child care licensure requirements to the UF and offer easily accessible professional development resources to support the transition.

1E

Help ECE programs maximize their fiscal health to support stability, quality, and increased workforce compensation.

Develop programs, policies, and incentives to improve provider operations and maximize enrollment (e.g., shared services, business coaching, improved data systems), supported by investments starting in SFY2025.

Simplify OEC program administration requirements and adapt the state's payment process to support fiscal stability, including potentially paying on a classroom basis.

Grow facility funding and secure bond funding and dedicated facility navigation support for child care program expansion and renovation to address unmet need, starting in SFY2025.

GOAL 2 EQUITABLE AND AFFORDABLE ACCESS: INCREASE EQUITABLE AND AFFORDABLE ACCESS TO HIGH-QUALITY PROGRAMS THAT MEET A RANGE OF FAMILY NEEDS.

Child care is more expensive to provide than most families can afford. The cost of ECE in Connecticut for families is among the highest in the country, well above the recommended seven percent of family income. The 2023 **United Way report** on ALICE (Asset Limited, Income Constrained Employed) households, which represent 39 percent of Connecticut's residents, estimates that the survival budget for a family of four would necessitate paying about one quarter of their monthly income on child care, nearly two times as much as their housing costs.[xxix]

As a labor-intensive business, families routinely pay a quarter or more of their annual income for the provision of care. Yet even at rates that seem astronomical to families, programs struggle to break even. **Put simply, parents can't pay more, teachers can't earn less, and programs are lucky to keep their doors open.** It is what United States Treasury Secretary Janet Yellen calls a "textbook example of a broken market."[xxx]

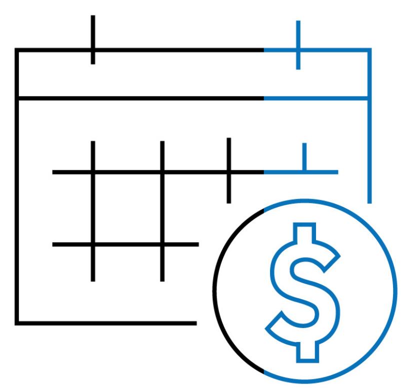
To make matters worse, the parents of young children are far from the peak of their adult earning potential, requiring them to support this

The survival budget for a family of four necessitates paying about

1/4 of their monthly income

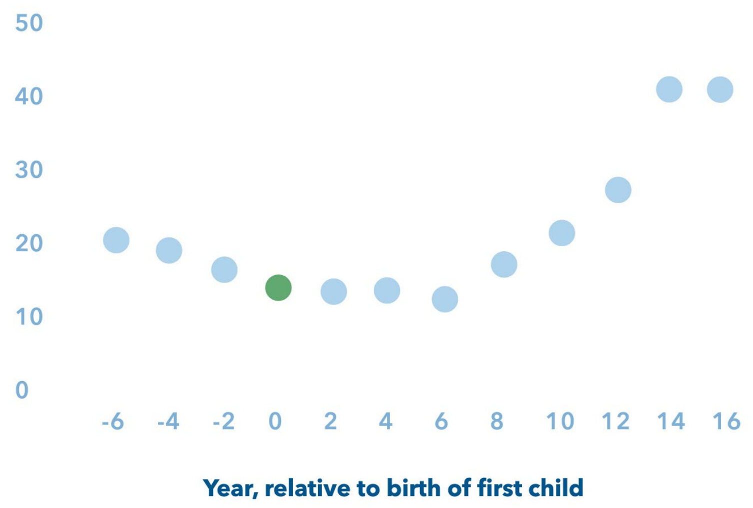
on child care nearly 2x

as much as their housing costs



Median Family Net Wealth
Relative to Birth of First Child

For births from 2001-2018, in constant 2019 dollars (thousands)



Source: PSID and authors' calculations

AS A NEW PARENT WITH AN INFANT, TO CALL DAYCARES THAT ARE LOCAL AND CONVENIENT FOR US AND BE TOLD THAT THERE IS A TWO YEAR WAITLIST FOR THE INFANT ROOM IS DISHEARTENING. HOW ARE PARENTS TO KNOW THAT WE NEEDED TO GET ON THE WAITLIST BEFORE WE EVEN THOUGHT ABOUT HAVING A CHILD? WE ARE IN SOUTHEAST CONNECTICUT AND LACK OF HIGH-QUALITY OPTIONS FOR US IS UNFORTUNATE.

- PARENT IN SOUTHEASTERN CONNECTICUT

high cost from salaries substantially lower than they will receive later in their career.[xxxi] This cost of care impacts families' decisions as to whether to live in Connecticut and participate in its workforce.

The need for infant and toddler care is particularly acute in Connecticut. Assuming about half of parents want formal care for their infants and toddlers, and those parents already have access to Connecticut's paid family leave, Connecticut needs approximately 17,000 more slots. Low-income families are particularly impacted by this supply shortage as relatively few infant and toddler slots are subsidized. The number of **children with special needs** has also increased, and the availability of supports and the programs that serve them have simply not kept pace.[xxxii] Thousands of parents of young children with special needs cannot work due to a lack of services that match their child care needs.

Transportation to child care is another significant barrier to access, particularly in rural communities and where public transportation options are limited.

It's important to note that these struggles disproportionately impact the Connecticut families and communities with the fewest resources – leaving many low-income families to patch together care, and their children without a consistent caregiver or setting.

This patchwork approach, experienced during children's most critical window of brain development, impacts children's healthy development and future success – and creates untold chronic stress for Connecticut parents – impacting their health – economic and physical.

Another stressor is that families who receive child care subsidies lose that support when they have increased household income. **The Blue Ribbon Panel recognizes a pressing need to expand affordable offerings for Connecticut families, with special priority designated for low-income families, the families of children with special needs, and the families of infants and toddlers – for whom affordable care is in the least supply.**

I STRUGGLED FOR FOUR YEARS. I TRIED APPLYING FOR AFFORDABLE CHILD DAY CARES (HEAD START, CARE 4 KIDS) BUT WAS NOT INCOME ELIGIBLE. I CHANGED MY WORK SCHEDULE FOR NIGHTTIME SHIFTS, AND MY HUSBAND AND SISTER HELPED, BUT I WAS MISERABLE AND FELT TIRED. I FOUND A LADY THAT WATCHES KIDS AT HOME, BUT I ONLY USED HER FOR EMERGENCIES, OR A FEW HOURS AT THE MOST. I WAS ALWAYS CONCERNED WITH THE AGE GAP OF OTHER KIDS THAT SHE TAKES CARE OF. I PAID FOR A FEW MONTHS OF PRIVATE CHILD DAY CARE KNOWING THAT MY DREAM OF BUILDING A HOUSE HAD TO BE PUT ASIDE TO AFFORD PAYING FOR MY CHILD'S EDUCATION.

- CONNECTICUT PARENT

Expanding affordability from 60% to 100% of State Median Income (SMI) with a parent co-pay of 7% of household income would have a material impact on available income for newly eligible families:

Estimated Annual Impact on Family Income Due to Increased Affordable Care Proposed in Blue Ribbon Plan

	State Median Income Percentile:	75%	85%	100%
3 Person Household	State Median income	$80,288	$90,993	$107,052
	Recommended 7% of Income	$5,620	$6,370	$7,494
	Child Care Costs for One Infant and Preschooler	$31,035	$31,035	$31,035
	Estimated Household Savings	$25,414	$24,665	$23,541
	Estimated Savings as a % of Household Income	37.1%	27.1%	22.0%
4 Person Household	State Median income	$95,582	$108,326	$127,443
	Recommended 7% of Income	$6,691	$7,583	$8,921
	Child Care Costs for One Infant and Preschooler	$31,035	$31,035	$31,035
	Estimated Household Savings	$24,344	$23,452	$22,114
	Estimated Savings as a % of Household Income	25.5%	21.6%	17.4%

Source: *OEC SMI HH income tables for 2022: 2023 United Way ALICE report*

This expansion would enable an additional 24,000 affordable slots.

Across state agencies, there are many programs in place to support children and families so to ensure that both generations, parents and their children, have access to the services they need requires deepening state partnerships, right-sizing, and improving the coordination of existing services.

The equitable and affordable access objectives and action steps on the following page are recommended by the Panel.

EQUITABLE AND AFFORDABLE ACCESS OBJECTIVES AND ACTION STEPS

Objectives	Key Action Steps
2A Expand affordability for low- and middle income families.	Expand Care 4 Kids, Connecticut's state subsidy program, by increasing eligibility for households earning up to 100 percent of State Median Income (SMI) with a parent co-pay maximum of 7 percent of income, phased in over 5 years starting in SFY2025. Develop strategies to minimize the use of enrollment management systems (i.e., Care 4 Kids waitlist). Implement a Tri-Share public-private cost share model in Eastern Connecticut in SFY2026. Transition OEC subsidy regulations to align with federal guidelines to allow for a more responsive system. Develop strategies to mitigate the impacts of benefits cliffs.
2B Increase the supply of affordable infant and toddler care for families.	Increase access to infant/toddler care by expanding contracted slots by 2,600 over 5 years starting in SFY2025. Develop policies and incentives to expand infant and toddler care in family child care homes and center-based settings, focusing first on aligning group home regulations with family child care regulations. Change ratios for 2-year-old toddlers for center-based care from 1:4 to 1:5.
2C Improve access to programs and services to meet the needs of children with special needs and their families.	Increase access to inclusive school-day classrooms by expanding school-day, school-year Smart Start by 900 slots starting in SFY2025. Seek partnerships with other state agencies and community organizations to be more aligned and intentional in serving children with special needs and their families. Deepen work with public school districts to develop strategies to remove barriers to receiving services and bring special education services to children in community-based settings. Continue to evaluate the advantages of a potential Birth to Five system in Connecticut (i.e., extending Birth to Three to five years).
2D Increase equitable access to high-quality care, especially for under-resourced families and communities.	Prioritize under-resourced communities in the application process for new spaces. Develop partnerships between community-based organizations and schools to serve unmet needs in local communities. Consider opportunities to help undocumented families navigate options for child care. Increase the supply of family child care and group homes equipped to serve families needing care in non-traditional hours, multilingual care, and care for children who live in child care deserts. Develop a plan for presumptive eligibility to grant families provisional coverage while their Care 4 Kids applications are being processed. Design a competitive grant program to address transportation challenges in high need communities.

GOAL 3 SYSTEMS: DEVELOP AN AGILE, FLEXIBLE, AND RESPONSIVE HIGH-QUALITY ECE SYSTEM THAT MAXIMIZES CURRENT RESOURCES AND SUPPORTS ECONOMICALLY VIABLE PROGRAMS.

The current ECE system is a patchwork developed over decades of federal and state policy changes. The state early childhood system has never been significantly reformed or sufficiently funded. Yet, it is the essential foundation for the development of efficient, effective, high-quality, equitable, and sustainable early childhood services. The success of the Blue Ribbon Panel Plan will depend on ongoing efforts to appropriately plan and support improved state systems (e.g., data, quality, fiscal, higher education, governance).[xxxiv] Please see Appendix E for detail on Kagan's theory of change related to ECE systems.

Unnecessary complexity is a barrier to program stability and access. With an array of state and federal funding streams and related requirements, state early childhood systems are not responsive to demographic and community changes. Requirements have grown too complex and are inflexible. These challenges are often experienced most acutely by ECE service programs and families. Early childhood service programs are often without sufficient resources to navigate

WE MUST OPEN THE DOOR TO NEW THINKING THAT FOCUSES NOT ONLY ON THE SUPPLY OF PROGRAMS, BUT ALSO ON THEIR EFFECTIVENESS AND COORDINATION. TO BE EFFECTIVE, FUNDED PROGRAMS MUST BE BUTTRESSED BY AN INFRASTRUCTURE THAT SUPPORTS A WELL-TRAINED WORKFORCE. THIS INFRASTRUCTURE MUST ALSO INCLUDE GOVERNANCE ENTITIES THAT FOSTER EFFICIENCY, FUNCTIONAL DATA SYSTEMS THAT PROVIDE TIMELY INFORMATION TO IMPROVE SERVICES, ROBUST REGULATORY APPROACHES THAT ADVANCE QUALITY, AND ACCOUNTABILITY SYSTEMS THAT PROMOTE EQUITY.

– SHARON LYNN KAGAN AND CAITLIN DERMDY[XXXIII]

multiple revenue streams and the reporting, regulatory, and other demands of complex state bureaucracies. Similarly, families have trouble navigating and accessing services.

The Panel's plan recommends **simplifying, better coordinating, and maximizing resources available to Connecticut's ECE system.** This includes simplifying the state-funded system as well as improving the use of data and a continued commitment to making feedback a central driver of the OEC's planning and ongoing operation. For example, hundreds of funded early childhood spaces go unused each year because of the system's inflexibility to reassign spaces to communities and families who need child care. In addition, the absence of outcomes data limits the ability to direct resources where they can be most effective. To that end, the OEC will have unique identifiers in place to be able to track children's progress from early childhood through 12th grade by next year. The OEC is also currently conducting two randomized control trials to demonstrate how teacher/child interactions lead to positive child outcomes and promote school readiness and success.

By eliminating silos, modernizing state systems, and being responsive to stakeholders across the system, the Panel believes Connecticut can improve its service to children, families, and providers.

Next are objectives and action steps.

SYSTEMS OBJECTIVES AND ACTION STEPS

Objectives	Key Action Steps
3A Simplify the state-funded system to better align with federal systems, reduce complexity, and increase utility.	Consolidate the state-funded system into one or two funding streams to minimize administrative burdens on programs and simplify parent navigation by SFY2025. Determine statutory and regulatory changes to support a unified state funding system for the 2024 session. Significantly reduce the number of state general policy requirements. This may require statutory changes.
3B Maximize existing resources by strengthening partnerships to identify opportunities for potential alignment and innovation, and reduce administrative burdens and barriers to accessing state systems.	Leverage the Early Childhood Cabinet to capitalize on opportunities that would benefit multiple state systems (e.g., Family First, Temporary Assistance for Needy Families, etc.). Explore opportunities to enhance partnerships with state agencies, State Department of Education (SDE), Department of Children and Families (DCF), and Department of Social Services (DSS), among others. Expand Head Start on Housing model with Connecticut Department of Housing to include families experiencing homelessness enrolled in ECE programs. Explore partnering with local municipalities to secure low-cost or subsidized housing for ECE educators.
3C Ensure family and representative community voices are central in the ECE system.	Recognize, empower, and embed families as central and valued decision-makers in the development of an equitable ECE system. Partner with parents as advisors to develop and implement policies at the program, state, and local level to elevate families' diverse perspectives. Expand local organizational supports and implement a common needs assessment to ensure an equitable and responsive ECE system by SFY2026.
3D Develop data and information systems to track and improve systems and outcomes, in coordination with other statewide efforts.	Develop an approach to track systems, child, and family outcomes to support accountability and progress by SFY2025. Design and develop an easy-to-use, accessible parent portal that would be a "single point of entry" for the ECE system. Enhance the Provider 360 portal for all Connecticut ECE programs, leveraging incentives, strategic communications, and broad access points such as licensing to encourage uptake and use.

GOAL 4 FUNDING: BUILD A WELL-FUNDED, SUSTAINABLE ECE FUNDING SYSTEM THAT IS POISED TO EFFICIENTLY LEVERAGE FUTURE INVESTMENT.

America's early childhood systems are severely underfunded. In order for its citizens and businesses to thrive over the coming decades, Connecticut requires a more sustainable and adequately funded early childhood system.

Some of the challenges faced by America's child care programs result from both this scarcity, and state and federal policies. The best example of this is the federal government's support of market-rate surveys as a means to set state child care subsidy rates.

It is important to understand that the *full market rate* paid by parents is: 1) both a better reflection on their ability to pay than a reflection on the cost of care; and 2) premised on a fiscal model that leaves programs challenged to remain solvent and compensate teachers. **Encouraging states to set reimbursements at three-quarters of an inadequate rate disadvantages programs and families alike.**

For years, Connecticut has reimbursed at 30-60 percent of the market rate. With new investments during the Lamont administration, the state will surpass 75 percent of the market rate by 2025. This is a big

improvement, but still below cost. Funding from Congress has failed to materialize over recent years, so states are increasingly taking matters into their own hands, identifying dedicated revenue streams to better support children, families, and providers.

In November of 2022, New Mexico voters passed a constitutional amendment enshrining $150 million in annual funding (drawn from the state's Land Grant Permanent Fund) for the state's early childhood systems.[xxxiv] The state is poised to address child care wages and sustain almost universal access to subsidized child care. In 2023, Vermont followed suit with support from some large businesses, enacting a small payroll tax estimated to generate upward of $120 million a year to expand subsidized care to families making up to 575 percent of the federal poverty definition.[xxxv]

Other states and localities have used a variety of revenue generation mechanisms to support their early childhood systems, including everything from taxes on recreational marijuana (VA) and tobacco/vaping products (CO), to revenues from sports betting (LA), marginal tax increases on high income earners (Washington DC and Multnomah County, OR), to levies on sugary beverages (Philadelphia). [xxxvi]

Next are objectives and action steps related to funding.

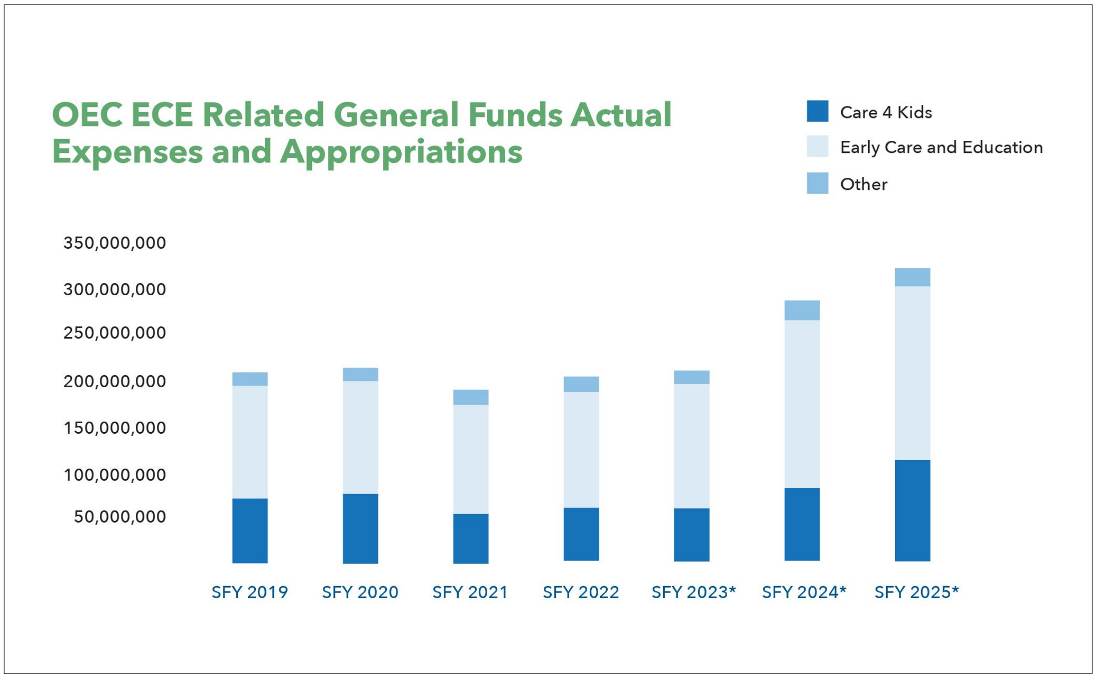
FUNDING OBJECTIVES AND ACTION STEPS

Objectives	Key Action Steps
4A Develop a plan to transition to funding based on the cost of care starting with infant and toddler care, and high-need communities.	Develop estimates of the cost of a system of high-quality care, building off the existing state cost model, by analyzing approaches from comparable states and aligning with the quality standards of Elevate, OEC's quality improvement system, by SFY2026. Review federal guidelines to inform potential implementation plans.
4B Develop a flexible fiscal model to support implementation, and help to prioritize and stage investments in alignment with system reforms.	Build a robust revenue, cost, and investment model that reflects the interrelationships of decisions and investments to inform key policies and plans by the end of 2024. Identify resource gaps and significant hurdles and risks in various implementation alternatives. Prioritize the design of this model as an integral, initial implementation step to be able to be poised to stage investments. Model phases to reflect first both foundational investments and high-impact investments with low effort.
4C Identify new dedicated funding streams to support sustained and significant public and private incremental investment in ECE.	Secure significant new dedicated public and private funding, looking to other states and municipalities for funding models that have worked. Identify opportunities enabled by any new sources of revenues to leverage the newly formed, non-lapsing Early Childhood Fund, defining its purpose, structure, and governance as applicable. Cultivate philanthropic investment in ECE, especially for one-time catalytic investments in systems and facilities. Consider incremental strategies to generate business engagement.

4.

FINANCIAL PLAN

Under the leadership of Governor Lamont, the state has increased investments in ECE over the past five years.



Note: Years 2019-2022 are actual expenditures and 2023-2025 are appropriated.
Source: OEC

For more detail on this budget, please see Appendix F. Excluding COVID relief dollars, federal funds also grew by 70 percent during this same time period.

Moreover, the administration has committed to investing in many of the priorities enumerated in this plan:

Priority Recommendation	Amount in SFY 2025
State-funded School Readiness and Child Day Care Rate Increase	$5,795,684
Care 4 Kids Rate Increase	$39,900,000
Parent Navigation	$2,000,000
TOTAL	**$47,695,684**

Source: OEC

These commitments have helped to launch Connecticut's efforts, but since they are appropriated in the budget, they do not show up in estimates of proposed incremental increased investments detailed on page 57 of this report.

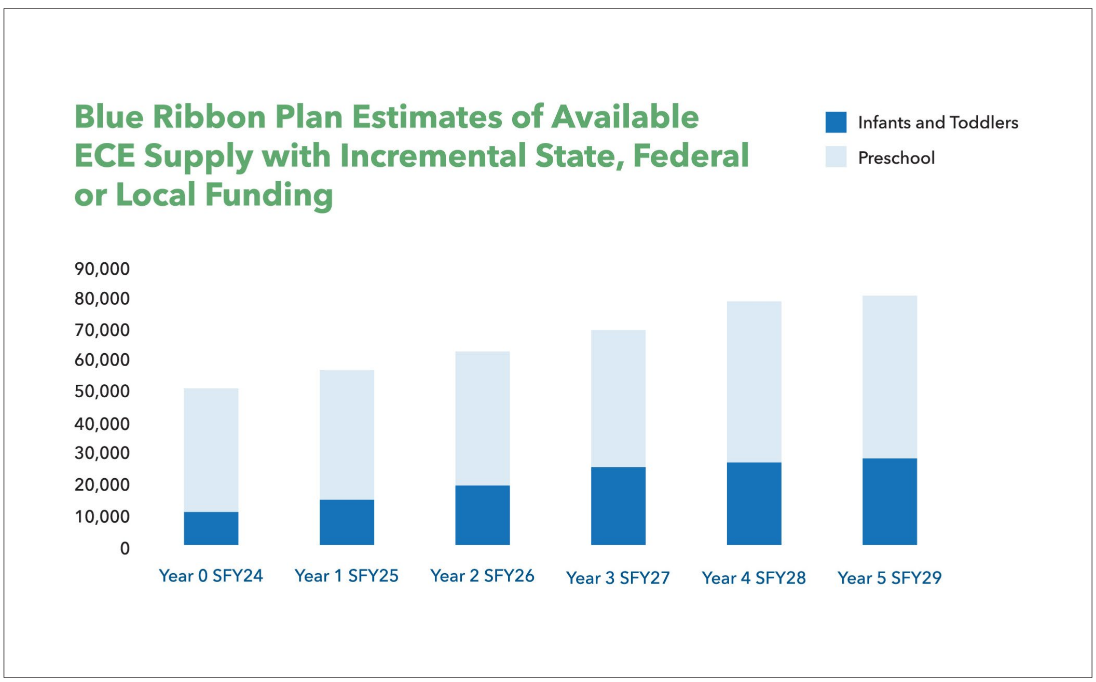
Building on this, significant new funding will still be necessary to continue to develop the envisioned system over the next five years. Therefore, identifying new and sustainable federal, state, local, private, and philanthropic funding streams will be essential, and any funding plan must consider the state's fiscal guardrails. In addition, these funds will take time to build up. As such, this plan proposes investing funds in two overlapping efforts to address immediate challenges for stabilization and system building, as well as the longer term needs for expansion in rates and access and sustainability.

Stabilization and System Building Effort - Focus Years 1 to 3

Stabilization and system building are the particular areas of focus in years one to three because workforce challenges are acute, threatening the supply of ECE for families and the quality of care for children. The current workforce needs to be stabilized and the pipeline for future ECE professionals needs to be developed before the system can be significantly expanded. At the same time, the infrastructure of the system must be enhanced to be poised to leverage funds efficiently. Data, information, and management systems need to be strengthened. OEC resources need to be expanded to be able to plan and execute implementation. Funding to expand and build facilities must be disbursed. New funding sources must be identified to support expansion.

Expansion and Sustainability Effort - Focus Years 2 to 5

Expansion of access and rates are the focus of years two through five because high-quality child care is neither accessible, nor affordable, for Connecticut's families. This hurts children's development, family security, and their workforce participation and productivity, especially for women. This negatively impacts our communities, businesses,

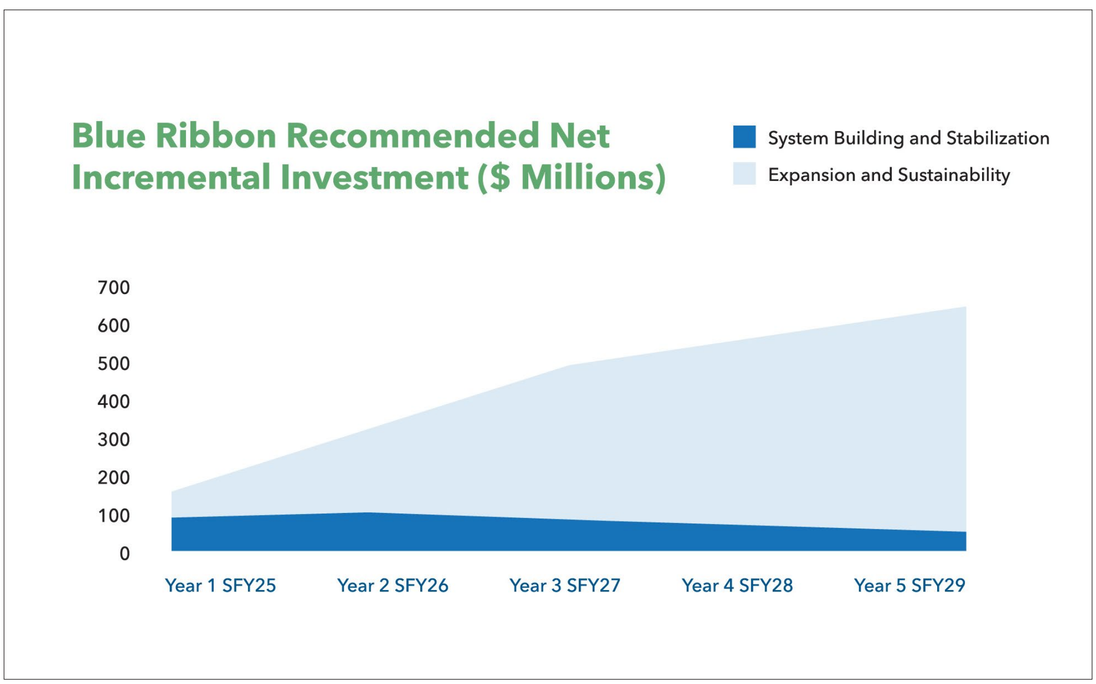


**Note: this analysis is not mutually exclusive; i.e., some slots may be funded by more than one funding source*
Source: OEC

and the state economy. High-quality care is not possible without a stable, professionally compensated workforce. Sustained funding and supports are critical to increase the compensation of the workforce, undergird a stable, high-quality system of care and education, and provide greater access to equitable and affordable high-quality care. The impact of the expansion would lead to a 60 percent increase in the supply of ECE that is supported by federal, state, and local funding.

The following chart and table describe the proposed incremental investment recommendations required to implement the Blue Ribbon Plan.

These investments are considered as part of an integrated plan and are expected to work in concert with one another, reflecting the reality that the parts of the system must work together. For example, supply cannot be expanded without facilities funding or without a workforce pipeline. These analyses focus on investments needed to support ages 0-5 exclusively with benefits and some potential incremental costs expected to accrue related to school-age children as well. For more detail on the descriptions and derivation of these estimates, please see Appendix G.



Source: OEC

Estimated Impact and Incremental Annual Investment (in $ Millions)

Stabilization and System Building, Focus Years 1 and 2	Impact/Reach	Year 1 SFY25	Year 2 SFY26	Year 3 SFY27	Year 4 SFY28	Year 5 SFY29
Operational grants to support stability and workforce comp	~70% of system	$55	$46	$47	$24	$13
Systems investments (e.g., data and outcomes, parent portal and navigation, management and governance)	System-wide	$7	$10	$11	$12	$12
Workforce pipeline development (e.g., apprenticeships, additional scholarships, and related stipends)	Open to all providers	$2	$3	$10	$11	$11
Program technical assistance, health and other benefits navigation, quality grants, and facilities funding	Open to all providers	$24	$33	$10	$13	$13
	TOTAL	$87	$93	$79	$60	$49

Expansion and Sustainability, Focus Years 2-5	Impact/Reach	Year 1 SFY25	Year 2 SFY26	Year 3 SFY27	Year 4 SFY28	Year 5 SFY29
Expansion of affordability and related Care 4 Kids rates	~24,000 affordable slots	$47	$128	$226	$261	$292
Rate and budget increases to support increased workforce comp (e.g., licensed state-funded and Care 4 Kids base)	~30K or 35% of licensed slots	$0	$45	$105	$148	$197
Expanded contracted infant and toddler slots	~2,600 new slots	$12	$23	$37	$54	$54
Expanded joint funded programs (e.g., Smart Start)	~1,300 new slots ~250 children with special needs	$1	$5	$7	$7	$7
Public-private partnership for families out of reach of subsidies	~640 slots	$0	$1	$1	$2	$2
Transportation grant program	TBD	$0	$0	$1	$1	$1
Increased operational state support needed to serve expanded system	System-wide	$1	$2	$2	$2	$2
	TOTAL	$61	$204	$378	$474	$555
TOTAL INCREMENTAL INVESTMENT RECOMMENDATION		$148	$297	$458	$535	$603

Both efforts also include low-to-no-cost initiatives that are expected to have high impact as well:

Examples of Stabilization and System Building Low-to-No Cost High-Impact Initiatives:

- **Pay programs upfront** on a quarterly basis instead of in arrears to support program stability.
- Change **group home regulations** to align with family child care homes to expand supply.
- Change toddler ratios and school age **ratios**.
- Deepen **state partnerships** across agencies and with different funders of the system to identify opportunities for innovation and alignment.
- Launch a **new one-stop parent portal** and leverage parent navigators to build usage and better information about family needs.

Examples of Expansion and Sustainability Low-to-No Cost High-Impact Initiatives:

- Implement strategies to seek **low-to-no cost facilities** solutions.
- **Simplify state funding system**; reduce administrative burdens.
- Implement **new recruiting, training, and advancement strategy** in concert with programs and education institutions.
- **Support the expansion of group** family child care homes.

Finally, with respect to investment, it is also important to note that the ultimate funding plan needs to reflect that there are multiple potential payors in the ECE system, including federal, state, and municipal government; as well as families and private support from businesses and philanthropies. Together, the state and advocates will also need to impress upon the federal delegation that it is a national imperative to invest in early care and education for the sake of our children, families, state, and national economy.

5.

CONCLUSION

This Blue Ribbon Plan outlines the development of Connecticut's child care infrastructure to invest in the ECE workforce, improve workforce productivity for parents, and provide access to high-quality care for tens of thousands of families.

The Governor's Blue Ribbon Panel on Child Care recognizes that its comprehensive recommendations will require both improved structures and significant new investments, including the identification of new and dedicated funding.

It is time for a paradigm shift in the way Connecticut looks after its taxpayers. Investing in early childhood proactively decreases the need for long-term investments in remediation, social services, and the criminal justice system.

This plan saves Connecticut money by getting things right from the start. We believe it will be a model for the nation.

It is an investment in the state's competitiveness in the region and across the nation.

It is a strategic investment in Connecticut's workforce, both current and future.

It is an investment in families and the success of the state's children. This plan will improve the quality of life, day-to-day, for children and their families.

ACKNOWLEDGEMENTS

This plan would not have been possible without the dedication of the OEC team, and the partnership and voices of parents and providers and input of countless organizations, advisors, and concerned residents, proving that only together will we make Connecticut's ECE system stronger. We want to thank everyone who participated!

In gratitude, we have listed some of our working partners and advisors here:

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Linda Smith-BPC, Policy Advisor

Simon Workman, Fiscal Advisor

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GLOSSARY OF TERMS

Access Health CT: This is Connecticut's official health insurance marketplace. It is also the only place where you can qualify for financial assistance to lower your costs, and if eligible, enroll in no- or low-cost coverage through HUSKY Health Programs (Medicaid and the Children's Health Insurance Program (CHIP)) or the Covered Connecticut Program.

Apprenticeships: Apprenticeships are work-based learning models that combine paid on-the-job training with classroom instruction to prepare workers for highly-skilled careers. Apprenticeships can be used as a way to build out the talent pipeline for Early Childhood Educators in the State.

American Rescue Plan Act (ARPA): ARPA was passed in 2021 during the COVID-19 pandemic, unlocking $1.9 trillion to stimulate the US economy. Connecticut received an estimated $2.6 billion to tackle COVID-19, support economic growth in the state, and create a more affordable state, specifically addressing early childhood needs that resulted from the pandemic.

Benefits cliff: The benefits cliff refers to the sudden decrease in public benefits that can occur when an individual's increased earnings results in them losing access to benefits they previously qualified for, with the end result of an individual and their family being financially worse off than before the increase in earnings.

- For child care, an increase in earnings may mean a family can no longer receive a child care subsidy.
- Many Early Childhood Educators receive benefits and wage increases may mean they no longer qualify for some benefits.

Benefits navigation: Resources to help ECE educators and staff access available health insurance and retirement benefits.

Birth to Five: This is conceptualized as an expanded B-3 system.

Child Development Associate (CDA): Child Development Associate credential is a targeted credential for Early Childhood Educators and can be obtained as early as high school.

Child Day Care (CDC): A state-funded program that provides funding to licensed, high-quality care programs to serve families who meet income eligibility requirements. At least 60% of children enrolled in the child care program must be from families at or below 75% of the state median income.

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. 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[1], and provide resources to families.

Early Childhood Cabinet: Connecticut's Early Childhood Cabinet plays a key role in advancing the integration of services to young children and families. The cabinet brings together leaders and advocates across the state. It includes members from state government, higher education, child care, nonprofit and community organizations, and Connecticut families.

Early Childhood Care and Education (ECE): Care and education for children ages 6 weeks through 8 years.

Early childhood educator: Someone who provides direct service to young children and is responsible for meeting the guidelines of the early childhood education profession. The Unifying Framework includes proposed definitions of and standards for ECE educators.

Early Childhood Education Fund: Established as part of CT Bill No. 6941, the Early Childhood Education Fund serves as a state-established fund to support early childhood education in the state. The fund may contain any funds received open from any "public or private contributions, gifts, grants, donations, bequests or devises to the fund."

Early Childhood Professional Registry: The registry is the application portal for OEC scholarship, Head Teacher licensing, Early Childhood Teacher Credential (ECTC), Qualified Workforce Incentives (QWI), and technical assistance. It also provides access to free unlimited online training.

Elevate: Elevate is the OEC's quality improvement system for licensed and license-exempt child care programs in family, group, and center-based settings. The system includes Service Navigation, accreditation supports, Staffed Family Child Care Networks, and OEC-supported professional development.

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.

Facility Navigators: Dedicated resources to help all types of providers to become aware of, apply for, and access different facility fundings sources (e.g., state funds, Community Investment Fund and Head Start grants, CDFIs).

Family Child Care Homes (FCC): Family child care homes are one of the three types of licensed child care providers in Connecticut. FCCs are private homes that meet the following criteria:

- Provide care for up to six children, including the provider's children, who are not in school full-time
- During the school year, providers may take up to three additional children who are in school full-time
- If the provider has more than three children in school full-time, all of them are permitted

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.

Group Child Care Homes: Group homes are one of the three types of licensed child care providers in Connecticut. Group homes currently fall under one of the following definitions:

- Provides regular care for not less than seven or more than twelve related or unrelated children, OR
- Meets the definition of a family child care home but operates in a facility other than a private home.

High-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 support 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.

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.

Local Early Childhood Councils: Local early childhood councils, in the form of School Readiness Councils (SRCs) and Local Early Childhood Collaboratives (LECCs) are Connecticut's local governance structure in the early childhood space. SRCs and LECCs perform many of the same functions, but differ in that LECCs are focused on a wider range of work. The two councils are neither mutually exclusive in a town, nor cover the entire state.

Market rate: The official estimation of the price of child care based on an examination of fees that child care providers typically charge and the price parents typically pay per unit of care (for example, per week or per hour), known as a "market rate survey." This is different than cost of care, also listed in the glossary.

Outcomes rate card: An outcomes rate card is a procurement tool which contains a set of metrics for which service providers can earn a payment for the achievement of each metric. A government agency uses a rate card to predefine operational and performance priorities, paired with a monetary incentive to influence service provider performance.

Parent navigation: Technological as well as on-the-ground local trusted resources to help families access the care that they need and prefer for their families.

Parent portal for ECE: This online portal will provide a 'one-stop' easy-to-use site to help families access information about ECE programs and services as well as other CT resources that can support the healthy development of children.

Provider 360 Portal: The OEC is building a portal for providers that creates a one-stop shop for provider operations and leverages the current systems in place (ECE Reporter, CORE/EGMS Payment Systems, Elevate, Registry, etc.).

Smart Start: Smart Start is a grant program that provides funding to establish or expand preschool programs in public schools. The funds are used to increase the number of preschool spots available in public schools and support the operational cost of preschool classrooms. Smart Start funds particularly benefit children with special needs and their families because public schools have a number of resources, like occupational therapists, that are often difficult to provide in other child care settings.

Special education: Defined by the federal Individuals with Disabilities Education Act (IDEA), IDEA provides special education and related services for 3-, 4- and 5-year-old children with disabilities.

Subsidies: CT's Office of Early Childhood (OEC) subsidizes ECE providers with federal and state funds through a number of programs, including:

- State-Funded:
    - School Readiness
    - Child Day Care
    - Smart Start
    - State Head Start
    - Even Start
    - Public Preschool (includes federal IDEA Part B funds)
- State and Federally Funded:
    - Care 4 Kids
    - Birth to Three
    - Home Visiting
- Federally funded:
    - Head Start

Unifying Framework (UF): The Unifying Framework, created by the National Association for the Education of Young Children (NAEYC), is a consensus framework that articulates a standardized structure for career pathways, competencies, qualifications, standards, and compensation for ECEs. See Appendix C for more details.

Connecticut Office
of Early Childhood

Blue Ribbon Panel
on Child Care