

**Testimony of Beth Bye, Commissioner
Office of Early Childhood
Before the Appropriations Committee
H.B. 5048 - An Act Adjusting the State Budget for the Biennium Ending June 30, 2025
Thursday, February 15, 2024**

Good morning, Senator Osten, Representative Walker, Senator Berthel, Representative Nuccio; subcommittee members Senator McCrory, Representative Felipe, Representative McCarty; and distinguished members of the Appropriations Committee. I am Beth Bye, Commissioner of the Office of Early Childhood (OEC).

The earliest years of a child's life shape who that child will grow up to be, affecting their future health, education, and success. The Office of Early Childhood focuses on children from birth to age 5. Helping young children learn, develop, and overcome barriers will have benefits that last a lifetime. A key part of our work is supporting the providers, teachers, and other professionals who have dedicated their careers to caring for and educating children.

Governor Lamont established the Blue Ribbon Panel on Child Care 11 months ago and charged panel members with crafting a five-plan to build an equitable, high-quality, and sustainable system that ensures that every child has a sound educational foundation that will prepare them to grow, learn, and succeed. The five-year plan provides a vision for Connecticut's child care infrastructure that will improve access to quality care for thousands of families through efforts aimed at affordability, stabilizing and expanding child care businesses, and improving the quality of programs. The plan was informed by thousands of providers, parents, businesses, and interested residents and evolved significantly.

The Governor's FY25 budget proposal, informed by that Blue Ribbon plan, continues investments in early childhood services administered by the Office of Early Childhood. The Governor's budget invests an additional \$43.3 million with General Fund and ARPA resources for early childhood services. This investment builds upon the \$68.8 million increase passed in the biennial budget last June that included an 11% Care 4 Kids provider rate increase, and increased school readiness and child day care contract rates. From FY 2019 to proposed FY25, state funding for early childhood will have increased from \$214.1 million to \$404.5 million, or 88.9%.

First and foremost, the budget provides \$18.8 million in ARPA funds for stabilization grants to child care programs across the state, with emphasis of those in high-need areas for both state funded and private pay providers. We expect these will reach 70 percent of providers with an emphasis on equity as required by ARPA – focused on communities hardest hit by COVID. This support is critical to support the fragile child care industry as it grapples with workforce challenges and a failed market model where parents cannot afford to pay for the full cost of care and programs are challenged to keep their business financially viable.

The Governor's budget proposal expands Care 4 Kids with \$12.9 million in state funds by increasing eligibility from 50% to 65% of the state median income and allow families to remain on Care 4 Kids up to 75% of SMI, expanding access to child care and mitigating the benefit cliff. This is a major step forward moving Connecticut's child care subsidy program to be in alignment with federal CCDF requirements. OEC will also apply \$12 million in additional federal CCDF funds to expand planned enrollment to 20,150 children up from the adopted budgeted enrollment of 18,500, and cap parent fees at 7% of their household income.

This budget proposal includes state funds to support combining three existing early childhood programs – School Readiness, Child Day Care, and State Head Start - into a single program, Early Start CT. A single state-funded early care and education program will streamline the system, create efficiencies, and reduce the administrative burden on child care providers. It will also build in flexibility for programs to allow parents to enroll part week, if preferred. The \$3.5 million in funds will bolster capacity at the local level to conduct community needs assessments for child care, for community and parent outreach, and to support Early Start CT programs with program stability and quality. These funds will also allow those communities without an early childhood council to either establish one in their community or choose to join another nearby council. The budget adds \$279,000 to support three OEC positions to move School Readiness programs from a grant to contracts, in alignment with existing Child Day Care programs.

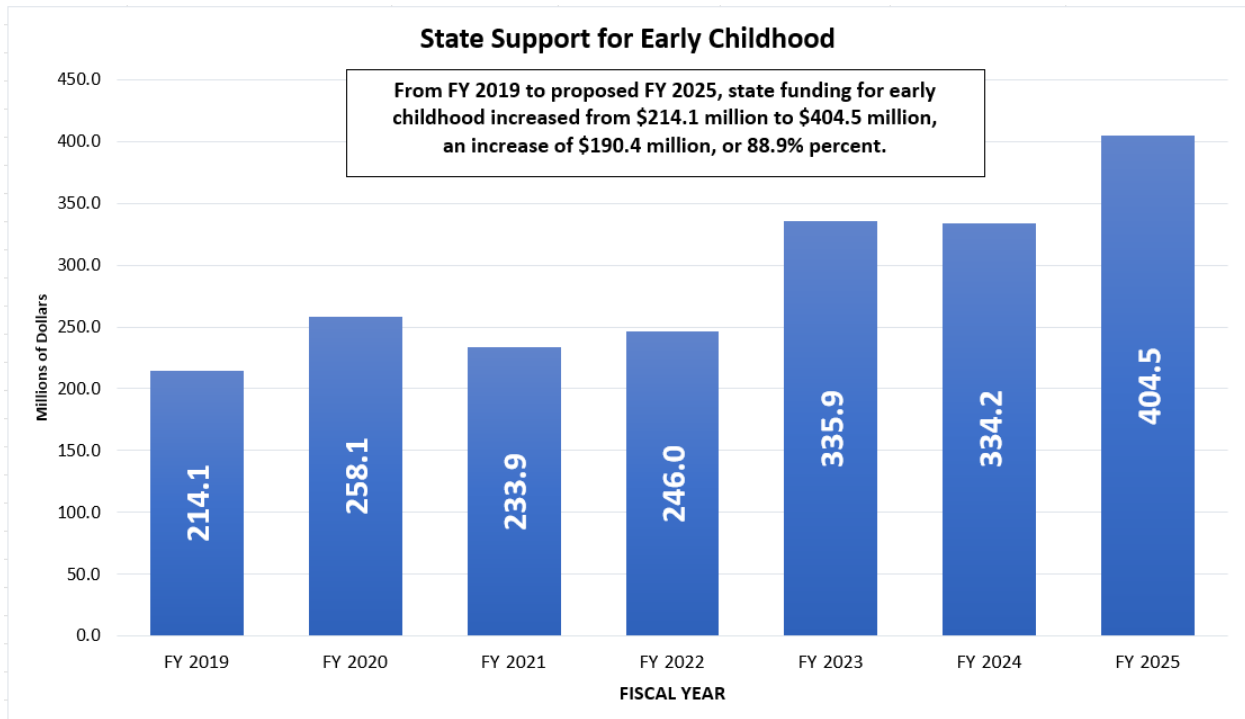
Additionally, the Governor's proposed budget invests in the following areas:

- Maintains \$1.2 million in funding for 16 preschool Smart Start for Recovery classrooms in public schools, serving 240 children, currently funded with expiring federal COVID relief funds.
- Supports three contracted navigators to assist child care workers in seeking health insurance coverage and other state benefits at a cost of \$360,000. Child care providers often lack health care insurance and helping them navigate and secure health care coverage through Cover CT, the Exchange, or other options that will help with recruitment and retention.
- Invests \$1.8 million with state funds for Sparkler, a mobile developmental screening tool, that has significantly grown in use by parents and providers across the state in a very short period of time. This tool is critical to identify developmental delays in young children and ensure they receive the Birth to Three and public school preschool special education services that they need.
- Establishes the Tri-Share Child Care Matching Program, a pilot program where child care costs are shared equally between the parent, their employer, and the state. Using \$1.8 million in ARPA funds, this initiative will be piloted in Eastern Connecticut, which is home to some major industries, such as Electric Boat and home to a significant child care desert. This proposal would support approximately 250 children in a child care program.

- Establishes technical assistance and business supports and a coaching model support child care programs and the early childhood workforce with an investment of \$2.6 million in ARPA funds.
- Makes available \$45 million in existing bond authorizations for child care facility improvements, building upon the \$15 million facility funds passed in the last budget. There were 719 applications totaling \$73.8 million for facilities improvements, renovations, and new construction projects. The response to the program demonstrates the acute need for facility and infrastructure investment.

In closing, I want to thank the Appropriations Committee for its long-standing investment in our youngest children and their families. Our agency is committed to working together to better serve young children and their families.

The Connecticut Office of Early Childhood advances a two-generation family-centered approach in our pursuit of optimal health, safety, and learning outcomes for young children. Through our core programs, we support infant and toddler care, preschool, after-school care, child care and youth camp licensing, home visiting, and early intervention to address developmental delays. OEC is working toward better-coordinated, cost-effective services that support Connecticut's youngest children and families.



C4K Avg Paid Caseload	# of Paid Children	# of Paid Families	Total Expenditures	Average Cost per Child / Month	Average Cost per Family / Month
SFY 2019 Average	15,575.00	10,608.00	\$ 100,080.19	\$ 533.48	\$ 782.14
SFY 2020 Average	15,861	11,041	\$ 127,160,878	\$ 653.34	\$ 938.51
SFY 2021 Average	15,715	10,719	\$ 136,184,316	\$ 690.69	\$ 1,012.93
SFY 2022 Average	18,465	13,077	\$ 177,024,902	\$ 740.31	\$ 1,046.17
SFY 2023 Average	19,881	14,309	\$ 187,018,122	\$ 781.47	\$ 1,085.48
SFY 2024 Average	19,882	14,106	\$ 125,231,158	\$ 862.16	\$ 1,214.60