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STATE OF CONNECTICUT

OFFICE OF EARLY CHILDHOOD



Connecticut Office of
Early Childhood

Beth Bye
Commissioner

**Testimony of Beth Bye, Commissioner
Office of Early Childhood
Before the Finance, Revenue and Bonding Committee
H.B. 5002 – An Act Concerning Early Childhood Care and Education
S.B. 16 – An Act Concerning Revenue Items to Implement the Governor’s Budget
Thursday, March 28, 2024**

Good morning, Senator Fonfara, Representative Horn, Senator Martin, Representative Cheeseman, and distinguished members of the Finance, Revenue and Bonding Committee. I am Beth Bye, Commissioner of the Office of Early Childhood. I am submitting written testimony concerning two bills before this committee:

- **H.B. 5002 – An Act Concerning Early Childhood Care and Education**
- **S.B. 16 – An Act Concerning Revenue Items to Implement the Governor’s Budget**

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.

We appreciate the intent of Sections 1-3 of H.B. 5002, which adds more specific language to Section 10-511 that established an Early Childhood Education Fund, effective July 1, 2023. However, we support the administration’s vision that the Early Childhood Education Fund would be a repository for philanthropic donations in support of early care and education initiatives. Section 2 establishes the Early Childhood Care and Education Fund Advisory Commission, which, as proposed, would be part of the Legislative Department. The Commission would review and report on the financial health and status of the Fund, submit and update a 10-year plan to the General Assembly on expenditures from the Fund that would best support early childhood education and child care needs of the state, and make recommendations for legislative changes to further the purposes of the fund. We believe the agency overseeing early childhood needs a significant role in the planning and prioritization of early childhood funding, in alignment and coordination with the federal funding that comes to the agency, and local funding efforts for early childhood education. Additionally, we are concerned that as structured, this spending would be taken off budget, and not subjected to the scrutiny and review of the regular appropriations process, thereby circumventing the fiscal guardrails which were renewed by the legislature last year.

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We are concerned that the bill calls for a new 10-year plan separate from the five-year Blue Ribbon Panel on Child Care plan that was just released in January 2024. The Blue Ribbon 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. We believe the effort and time and energy that providers, parents, businesses, and others put into that effort were extremely valuable. A new planning process would simply be duplicative of this valuable work.

We urge the legislature to support the Blue Ribbon plan recommendations, as funded within the governor's budget, rather than layering on another plan. We are also deeply concerned that the language, as written, inappropriately places the locus of decision making with the legislative branch for a state agency that is located within the executive branch.

Section 3 would also authorize \$50 million of bond funds for the proposed Early Childhood Care and Education Fund for non-capital costs. Section 4 would transfer \$50 million from the General Fund to the Early Childhood Care and Education Fund no later than June 30, 2025. As both of these are not in the Governor's proposed budget, we cannot support this proposal.

The Governor's budget proposal for FY25 addresses the immediate need of the early care and education community and our families with young children. It calls for \$43.3 million in new investments to both stabilize the child care industry and put in place a single state-funded early care and education system with the establishment of Early Start CT. The Governor's budget invests \$18.8 million for child care provider stabilization grants and \$12.9 million to expand Care 4 Kids eligibility to 65% of the State Median Income. Creating a unified state-funded system and addressing the immediate need to stabilize child care providers are high priorities in the Blue Ribbon plan.

We are encouraged that Section 5 of this bill supports the concept proposed by the Governor to establish a Tri-Share Child Care Matching Program serving New London County. A Tri-Share model, which has been launched in Minneapolis, spreads the cost of child care among the employer, employee, and the state. This is an innovative shared cost model designed to help stabilize and build the child care industry and support parents with cost so they can remain in the workforce and contribute to the state's economy.

We have concerns that the bill restricts businesses eligible to participate to be the "principal" workplace of its employees. We recommend "principal" be removed from the language. A business may have multiple outlets in New London but if the principal office is not located in New London, the Tri-Share program would not be an option for that business.

We also disagree with limiting the Tri-Share program to only employees who fall under the ALICE threshold, as calculated in the latest annual report of the United Way of Connecticut. This will limit which employees would be eligible and by extension, then which type of employers would be able to offer this financial support to employees. A narrow eligibility window could make it difficult for employers to find and identify eligible employees. We also suggest that language be added to allow for some funds be available for the initial start-up of the program.

Finally, the bill requires the OEC to establish and administer a wage supplement and child care program enhancement grant program for early childhood program operators and child care service providers. The grant program would supplement the annual salaries of the employees of the program. The OEC administered such a grant program in Fiscal Year 2023 to help stabilize the child care industry struggling from the impact of the COVID-19 pandemic. As this funding is not included in the Governor's budget proposal, we cannot support this proposal. We would note that rate increases in the Care 4 Kids and state-funded child care programs, already scheduled and budgeted for FY 25, will have the effect of injecting more funds into the child care system thereby allowing providers to raise wages for staff.

In S.B. 16, Sections 6 and 7 would eliminate the application fee of \$15 for an assistant or substitute staff member employed by a licensed family child care home provider. The license is effective for two years, at which time it must be renewed. Section 7 would also eliminate the initial application fee of \$40 for a licensed family child care home provider. The license is effective for four years, at which time it must be renewed.

Removing these fee costs aligns with the Blue Ribbon Panel recommendations to reduce cost burden and administrative requirements for the child care field. Licensed family child care is a critical component of the child care industry and our state's economy. These providers provide the majority of care for infants and toddlers, allowing parents to stay in the workforce. The Governor's leadership in proposing to eliminate these fees takes the state one step forward in shoring up our child care system.

In closing, I want to thank the legislature 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.