REP. WALKER (93RD): Good morning. Good morning, everybody. Good morning. I'd like to call -- call us into order for the Elementary and Secondary Education Public Hearing in Appropriations with the agencies. So I will give you what's on tap for the day. For the day from 10:00 to 10:30, we will have Teachers' Retirement Board. From 10:30 to 11:00, we will have State Library. From 11:00 to 12:00, we'll have Office of Early Childhood. Then, we get a break. We get up to stretch and everything for an hour. We come back at 1:00. At 1:00 to 2:30 or 3:00, we have the State Department of Ed. Reason why we say or 3:00, we have that flexibility because then we start the public hearing at 4:00.

I can guarantee you if you are here to listen or participate in the public hearing, there will be two rooms in the public hearing, I guarantee you, because I just know education is a very, very hot issue for us. So it's gonna be a long day. Make sure you get yourself hydrated and everything else. [laughter] So, with that, I'll call the Teachers' Retirement Board in and ask you please make sure that you press the button in front so that your microphone is illuminated like that. And, if you
speak into the mic, please before you give us anything, please give us your name, please, so that -- in full, so that we can put it on record. Thank you. So go right ahead.

HELEN SULLIVAN: Oh, thank you. Good morning, Chairperson Osten and Chairperson Walker. I am Helen Sullivan. I'm the new administrator for the Teachers' Retirement Board. I started the position in June of 2018, taking the place of my predecessor, Darlene Perez, who had been with the organization for about 40 years, so I do have some big shoes to fill, so bear with me on that.

I wanted to begin by thanking the Governor and OPM for proposing a budget that will full fund the pension and health benefits for the teachers for the State of Connecticut for the upcoming fiscal year. As you know, the Teacher Assist Retirement System was established in 1917. Today, participation is mandatory for public school teachers employed in the public schools of Connecticut, teaching at least halftime or greater. The staff of 22 supports a system of over 100,000 teachers, spouses, and beneficiaries with account maintenance and benefits as provided by the statutes governing this system. Total expenditures for the Teachers' Retirement Board in 2018 were nearly $2 billion in pension benefits and an excess of $147 million for the health plan.

The Teachers' Retirement Board is a governmental plan with approximately 53,000 active members, 12,000 inactive members, 37,000 retired members and beneficiaries, and 500 persons who receive monthly survivor benefits. The pension plan assets are approximately $17 billion dollars, all of those which are invested by the Treasurer of the State of Connecticut. The retirement plan is a defined
benefit plan funded by mandatory teacher contribution, investment earnings, and annual appropriations by the State of Connecticut.

The teachers in the State of Connecticut who are members of this pension system do not contribute into Social Security, the old age benefit, so the benefits administered by this system are in lieu of Social Security. I just wanted to point that out because we've received several inquiries regarding that topic.

The active members of the system contribute 7 percent of their annual reportable salary into the pension fund and an additional 1.25 into the Teachers' Health Fund. That is used to offset health insurance for eligible retired members and dependents.

The TRB sponsors a health insurance program for retirees, spouses, surviving benefits, or disabled dependents if there is no spouse who is participating in Medicare Part A and/or B. The TRB is required to offer a base plan. The base plan is a Medicare Advantage PPO Plan through Anthem Blue Cross and Blue Shield of Connecticut. The cost share equivalent is shared in three ways. One-third of the health plan is paid by the member, one-third is paid by the State of Connecticut Appropriations, and one-third is paid for by the active teachers with their contributions into the health plan.

The base plan, itself, is used to determine cost shares split for members who select the buy up plan. The added cost of the buy up plan is paid for by members who choose to have the Medicare Supplement plan, which is sponsored by Stirling Benefits.

That had been traditionally the plan for the past 25 years for the teachers. It was in July of 2018
where we implemented the Medicare Advantage plan, which is now the base plan. The previous base plan, as I said, was the Medicare Supplement plan that is now considered the buy up plan.

The TRB base plan, which is the Anthem plan, has approximately 23,000 participants and the buy up plan has approximately 6800. About 26 of those members have dental or have dental, vision, and hearing package at their own expense without any cost sharing involved. Those ancillary benefits are not funded by the state, just the medical and prescription drug are.

The Teachers' Retirement Board has been approved for 27 positions, and we currently maintain a staffing level of 22. There are four unfunded vacancy positions and one funded vacancy we are in the process of currently filling.

The TRB is currently maintaining a software system that was purchased in 1999 to administer benefits for its 100,000 members. We have recently begun discussions regarding a system upgrade with our existing software vendor and the OPM Capital IT investment unit. I think we're really due for an upgrade with a system that's been around since 1999.

It is my hope that the administration will provide the necessary staff and technology for the Teachers’ Retirement Board to provide timely, accurate, and an exceptional level of customer service to all of our stakeholders.

It is a privilege to serve the teachers of Connecticut, and I want to thank you very much for your time and consideration. And I'm sure you have some questions for us.
REP. WALKER (93RD): [laughter] You're right. Thank you. Thank you for your -- for your testimony. I'm gonna ask really quickly. I've heard many people asking why don't we have Social Security payments? Why do the teachers opt? Do you have any idea why they opted out of that?

HELEN SULLIVAN: We were never opted into that based on my history of understanding that. The teachers -- the State of Connecticut was one of 15 states that does not have their teachers pay into Social Security. I know this topic has come up several times, especially in the past year or two, when it came to pensions and sort of different contribution benefit programs, but it is my understanding, based on information from our actuary and some of the other -- pension academy that we've had, is that it would probably cost more to have our teachers move into a Social Security benefit program than they're currently getting with the benefit program they have. I can provide some more detail from our actuary in the Subcommittee.

REP. WALKER (93RD): Would you -- would you submit that 'cause I've gotten a lot of emails from people out there saying, why don't they? And I don't understand why.

HELEN SULLIVAN: Absolutely.

REP. WALKER (93RD): So it would help us to understand that.

HELEN SULLIVAN: Absolutely.

REP. WALKER (93RD): So I'm going to start with Senator Abrams.

SENATOR ABRAMS (13TH): Good morning. I'm over here.
HELEN SULLIVAN: Oh, hi. [laughter]

SENATOR ABRAMS (13TH): And welcome to your new position.

HELEN SULLIVAN: Oh, thank you.

SENATOR ABRAMS (13TH): My question is based on the fact that in the 2017 bipartisan budget agreement, members' contributions, the teachers' contributions were increased from 6 percent to 7 percent. And it was my understanding that the additional 1 percent from the active members would be used to increase the solvency of the fund rather than supplant any kind of state funding. So I'm wondering why this is changed in the new budget and you're moving into using a -- the whole -- the entire 7 percent.

HELEN SULLIVAN: I -- I'll have to get back to you on that one with the -- with the Subcommittee.

SENATOR ABRAMS (13TH): Thank you. Appreciate that information.

HELEN SULLIVAN: Yep.

REP. WALKER (93RD): Representative Lavielle.

REP. LAVIELLE (143RD): Thank you very much, Madam Chair. Good morning.

HELEN SULLIVAN: Thank you.

REP. LAVIELLE (143RD): Thank you for being with us. Good to see you and thank you for your testimony. I have two specific questions. One, is -- with the proposal by the Governor to stretch out the -- the -- the payments on the unfunded liability to 30 years, okay? I had asked earlier, I think in the OPM presentation, about what the added cost of doing that given the time value of money would be. And the answer was, if you just looked at it in straight
dollars over time without just counting it back, you'd be at about $17 billion dollars of additional cost. If you did just count it back to get the net present value of that money, you'd be at about $10 billion dollars. I was -- I wanted to ask you, what -- at what rate they were discounting back to get that net present value?

HELEN SULLIVAN: I would have to default that to our actuary, and we'll have to do that in the Subcommittee session.

REP. LAVIELLE (143RD): Okay. If you -- if you would, that would be fine. Anything you can't answer today, you know, is fine.

HELEN SULLIVAN: Sure, yeah.

REP. LAVIELLE (143RD): [Crosstalk].

HELEN SULLIVAN: Most of -- we'd have to go back to the actuary who -- who provided all that information.

REP. LAVIELLE (143RD): Okay. I think that'd be very important to know. My second question regards what the state will be making in terms of the contribution to the -- the current, you know, what we call a normal cost. And over -- I -- I see here that the -- the phase-in for any of this is revenue, but the phase in at what the towns are supposed to contribute is over three years. I'd like to know if the state is reducing its contribution every year given the new influx from the towns.

HELEN SULLIVAN: I -- I would have to default to OPM and get back to you on that question.

REP. LAVIELLE (143RD): Okay. Well, that would -- that's -- that's a big one and -- because it -- it involves how much the state is actually spending.
And, so, if you could bring us the -- what the state will be spending over the next years of that phase-in each time because, I guess, it'll -- it'll -- maybe it would decrease. I don't know but is -- were that phase-in affect the states spend? Would it be supplanting it? Okay?

HELEN SULLIVAN: Great.

REP. LAVIELLE (143RD): If you get us those details, I'd be very grateful.

HELEN SULLIVAN: Thanks.

REP. LAVIELLE (143RD): Thank you.

HELEN SULLIVAN: You bet.

REP. WALKER (93RD): Should we ask OPM to join you? Would that be helpful?

HELEN SULLIVAN: Sure.

REP. WALKER (93RD): Who is here from OPM? Is anybody here from OPM with you? No.

UNKNOWN: Well, there’s me.

REP. WALKER (93RD): Oh okay. I was just -- I'm just wondering since we're not able -- you're not able to answer any of the questions. I guess the exercise -- we could continue, but it would be good if we got some answers from some of the questions or got some indications, something to that effect.

HELEN SULLIVAN: Okay, okay.

REP. WALKER (93RD): Okay?

HELEN SULLIVAN: Again, we -- we are in the implementing phases of the pass through as far as the towns go. We were just told that it was gonna pass through.
REP. WALKER (93RD): Okay.

HELEN SULLIVAN: TRB into the general fund.

REP. WALKER (93RD): Okay.

HELEN SULLIVAN: I don't think anything's really been established.

REP. WALKER (93RD): Okay, okay. All right. I just want to make sure that -- that the members -- and, if the -- is there -- I mean, any of the questions that Representative Lavielle asked, are either one capable of answering -- not capable -- able to answer or should we wait to -- to -- to the?

HELEN SULLIVAN: Yeah, I think we can answer [inaudible 00:18:26]

REP. WALKER (93RD): Thank you. Good morning.

MIKE GAZOTTI: Hi. Good morning. Mike Gazotti, OPM. So there's no changes on the state contributions to teachers' retirement because of the town shift. It would just be revenue coming back in from the towns, so we would be paying the full amount and then the towns would be reimbursing.

REP. WALKER (93RD): Okay.

UNKNOWN: [inaudible 00:19:00]

REP. WALKER (93RD): Sure.

REP. LAVIELLE (143RD): Thank you. Thank you very much. So, in other words, this -- okay -- the -- you would be getting money from the state -- from the towns. And, then, you would -- only after getting that money from the town -- oh, whatever. It would -- who -- who cares about the order -- you would still be making the same contribution. You wouldn't be paying higher contribution.
MIKE GAZOTTI: The -- the state would be making the contribution on behalf of the towns, and then the towns would be asked to reimburse the state for that amount that is prescribed in the Governor's budget.

REP. LAVIELLE (143RD): So would the amount that you're paying on behalf of the towns be recorded as part of the state budget, or would that be somehow - - would that be recorded somewhere else? But the part of the total spend of the general fund?

MIKE GAZOTTI: It's my understanding that, separate from the town contributions to teachers' retirement, there would be no changes to the state's funding. The -- the state would first make the payment for teachers' retirement, and then towns would make their contribution back to the state to be reimbursed.

REP. LAVIELLE (143RD): Okay, so it -- it affects the state budget as a net but not as part of total spent?

MIKE GAZOTTI: That' correct.

REP. LAVIELLE (143RD): Okay. Thank you.

MIKE GAZOTTI: Thanks.

REP. LAVIELLE (143RD): And the discount rate for the NTV?

MIKE GAZOTTI: That I'd have to defer to the actuary.

REP. LAVIELLE (143RD): Okay.

MIKE GAZOTTI: I don't have the answer to that, so.

REP. LAVIELLE (143RD): They -- they did give the figure the other day, and I think it was either Secretary McCarr [phonetic] I think it was in the
Education Committee. We did that and -- but it came from her.

MIKE GAZOTTI: Okay.

REP. LAVIELLE (143RD): And, so, I think you will have it somewhere.

MIKE GAZOTTI: Yeah, I -- I'm work --

REP. LAVIELLE (143RD): It's my fault. I didn't -- I didn't.

MIKE GAZOTTI: No, it's okay. I'm -- I'm more concerned with the town contributions than the --

REP. LAVIELLE (143RD): -- Yeah.

MIKE GAZOTTI: -- than the actuarial stuff --

REP. LAVIELLE (143RD): -- Okay.

MIKE GAZOTTI: -- on that side but.

REP. LAVIELLE (143RD): Thank you. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. And before I go onto the next person, I'm gonna let Senator Abrams readdress her question.

SENATOR ABRAMS (13TH): I just -- before. [Crosstalk]

REP. WALKER (93RD): Could you -- could you come back, sir?

HELEN SULLIVAN: [Crosstalk]

REP. WALKER (93RD): We -- we want you to stay.

HELEN SULLIVAN: [Crosstalk]

REP. WALKER (93RD): Yeah. [laughter] We can get another.
SENATOR ABRAMS (13TH): I'm sorry.

MIKE GAZOTTI: Hello.

SENATOR ABRAMS (13TH): I just had a.

REP. WALKER (93RD): Turn -- turn the button on. Thank you.

SENATOR ABRAMS (13TH): Hi. I'm up here. I just had a follow-up question along that line. So the -- the towns will be reimbursing the general fund, the state's general fund, when they pay those contributions?

MIKE GAZOTTI: That's correct, yeah, and it's reflecting -- [Crosstalk]

SENATOR ABRAMS (13TH): And how often would -- and would they pay them annually, and what -- would they be paying them annually?

MIKE GAZOTTI: I -- yeah, I'd have to -- I'd have to see how it's -- it's written in the Education Implementer, but I believe it's an annual deadline by the 31st, December 31st of each year.

SENATOR ABRAMS (13TH): Okay, and would a town's inability to pay have any -- have any impact on teachers' retirement?

MIKE GAZOTTI: I believe since the state would be making their full contribution and then the town would just be reimbursing the state, then that matter would not impact, you know, the town's liability for teachers' retirement.

SENATOR ABRAMS (13TH): Thank you.

REP. PORTER (94TH): Thank you, Madam Chair, and thank you for your presentation. Quick question on the benefit design. Does that credit the interest percentage on member contributions to 4 percent from the investment rate of return? Just curious as to how you arrived at that.

HELEN SULLIVAN: [inaudible 00:22:11]

REP. PORTER (94TH): What -- what was the purpose in going from the 4 --

HELEN SULLIVAN: -- What was the [Crosstalk]

REP. PORTER (94TH): -- 2 to 4 percent from an investment on a rate of return?

REP. WALKER (93RD): We need you to come back.

UNKNOWN: Yeah.

REP. WALKER (93RD): Sorry. Thank you. And who are you, young lady?

HELEN SULLIVAN: [laughter]

KAREN NOLAN: Hi. I'm Karen Nolan from the Office of Policy and Management. And I'm sorry but could you repeat your question 'cause I missed the first part.

REP. PORTER (94TH): Yes, of course. I'm looking under Benefit Design, where it says you set the credited interest percentage on member contributions to 4 percent from the investment rate of return.

KAREN NOLAN: Yes.

REP. PORTER (94TH): And I just wanted to you know how did you arrive at that? What was the purpose of doing that? How is that impacting the budget?
KAREN NOLAN: During the discussions that we had with the pension actuary, we're comparing teachers' retirement plan -- retirement system to other large-state teacher plans. And when the actuary -- the way that it is now, the credited interest -- at -- the assumptions that they use in evaluation is based on the investment return at 8 percent. And, so, that's awfully high, and we don't hit that investment return a lot. So they looked at and, I believe, they said that the national average was around 3.6 percent, so we went with the 4 percent.

REP. PORTER (94TH): Okay, so it was based on the national average?

KAREN NOLAN: Yes.

REP. PORTER (94TH): All right. Thank you and thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Senator Kushner.

SENATOR KUSHNER (24TH): Thank you. Thank you. I'm sorry I wasn't here for your whole presentation, but I -- I did want to follow up on a question that Senator Abrams asked about the change in, you know, why you're proposing to go back to the 7 percent member contribution for the valuation. So will this change the actuarial valuation? Wasn't the last evaluation based on this extra 1 percent going into the teachers' retirement fund system?

HELEN SULLIVAN: Again, I think it's an OPM question.

SENATOR KUSHNER (24TH): Okay, and I have another question after that.

REP. WALKER (93RD): So just stay there.
KAREN NOLAN: Karen Nolan again, OPM. Yes, the 7 percent of the --

REP. WALKER (93RD): -- Push the microphone closer to you, please. [Crosstalk]

KAREN NOLAN: The evaluation was currently based on -- because of -- let me back up a little bit. Yes, the teachers do pay 7 percent into the fund. And, as part of the -- I believe it was Public Act 17-2, the June Special Session, it required that only 6 percent be used in doing the valuation. So one of the proposals that is in the Governor's budget is to go back to use the actual rate that teachers do contribute, which is 7 percent in the valuation.

SENATOR KUSHNER (24TH): So that will change the valuation then?

KAREN NOLAN: Yes.

SENATOR KUSHNER (24TH): And another question on the actuarial services. There's, in fiscal year '21, an increase of $100,000 for actuarial services. Is it the new contract for actuarial services? If not, when is the contract ending?

HELEN SULLIVAN: No, there's a experienced study that's done every five years.

SENATOR KUSHNER (24TH): So that --

HELEN SULLIVAN: -- So that's where that's built in. It's -- it's -- it's in 2020, so it'll be budgeted for 2021, so it's a five-year experienced study that we have.

SENATOR KUSHNER (24TH): Okay. Thank you very much. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Are there any other questions? Yes.
REP. MCCARTY (38TH): Thank you, Madam Chair, and welcome this morning. If I may just ask your opinion and question, so the 7 percent now is the contribution of the teachers. Were there any thoughts about how this would impact with the -- with the towns now contributing more toward the pension into their fund? Is there any -- was there any discussion in how that would impact multi-towns that are contributing? Just trying to understand how that would work and if there were any other considerations other than placing some more of the teacher retirement fund onto the towns, if you had given any other kind of options before you went that direction.

KAREN NOLAN: Yeah, I'm not sure. I know that the teachers have been paying the 7 percent for over a year.

MIKE GAZOTTI: Hi, Mike Gazotti, OPM again. I'm sorry. Could you repeat your question?

REP. MCCARTY (38TH): Just wondered how the pension works when you have multi-districts in -- within, you know, working to contribute --

MIKE GAZOTTI: -- You mean in the case --

REP. MCCARTY (38TH): -- toward the pension?

MIKE GAZOTTI: -- of regional school districts?

REP. MCCARTY (38TH): And others, yes. Sometimes they had some shared services between the town, so I just wondered if it impacted, in any way, the contribution that the state -- the town is now going to be asked to contribute, looking primarily at that, you know, additional 10 percent that's gonna be asked by towns to contribute into the plan and
how that works with multi-districts. And, then, perhaps I didn't ask this originally, but what is the average teacher salary in this state?

MIKE GAZOTTI: So each municipality -- the -- just the list from 1 to 169, the number for that town's liability has been calculated to incorporate their share of any presence within a regional school district. And that's based on, you know, student enrollment. So, if a given town has 50 percent of the enrolled students in an RSD, a regional school district, then that town would pay 50 percent of that regional district's liability, calculated the same way as the rest of the towns. The average pensionable salary was calculated by --

HELEN SULLIVAN: Seventy?

MIKE GAZOTTI: Sorry?

HELEN SULLIVAN: Seventy.

MIKE GAZOTTI: Yeah, it's about 78,000, 78,000.6, and that's just a function of the full-time equivalent employment in the town and the total pensionable salary.

REP. MCCARTY (38TH): And just a follow-up comment. So there's nothing I know that you can do about it, but it seems like shifting some of the pension liability onto these towns are also those same towns that are losing additional funding with the ECS, a lot of those towns, so just wanted to point that out.

REP. WALKER (93RD): Okay. Thank you. Representative Case. Just want to remind you that it's two questions and -- per -- that's okay -- two questions, and we do have another agency waiting in the wings, I hope. Thank you.
REP. CASE (63RD): Thank you, Madam Chair, and good morning. Good morning.

HELEN SULLIAN: Good morning.

REP. CASE (63RD): Something we can bring back to the working group. I know there were a lot of questions yesterday in regards to the percentage of benefits received from a passing -- from a teacher who passed on to their beneficiary from the 25 to the 50 percent. If we can bring back that calculation in a little bit better explanation, it's just a one line in here. And I know that took up a lot of time yesterday within our -- our presentation to try to understand how that's gonna impact what a beneficiary would get or what's gonna be able to stay into the fund.

HELEN SULLIVAN: Okay, sure.

REP. CASE (63RD): And my other question is, so when a -- when a town pays in, I'm curious how their calculation is done. Is it done on what the teachers now are paying into the system? I'm just curious because we have three school districts now that have the semiquasi private schools. Those don't pay into the teachers' pension fund. Is that correct?

MIKE GAZOTTI: Correct. So all of these calculations were using exclusively the data from members of the teachers retirement system.

REP. CASE (63RD): Okay, so it is exclusively from the teachers from the -- that -- that's --

MIKE GAZOTTI: -- Correct.

REP. CASE (63RD): -- the way you're gathering information?
MIKE GAZOTTI: Yeah, it's kept, you know, isolated within the system. There's no data, and there was -- there's about -- I'm not sure -- but I think about 5 percent of the liabilities within TRS that is not allocable to the -- to anybody but the state, so that was not brought into the calculations of what towns are expected to pay.

REP. CASE (63RD): Okay. Thank you. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Dathan.

REP. DATHAN (142ND): Thank you, Madam Chair, but Representative Case asked my question on the members reduction, so if we can bring that to the working group, that would be great. Thank you very much. Thanks, Madam Chair.

REP. WALKER (93RD): Thank you. Are there any other questions? I just have one quick one. On the -- I had heard that there's a change in the beneficiary payout plan, a proposed change in the beneficiary payout plan. Can you explain that to us briefly?

HELEN SULLIVAN: Well, that was going to move from that 25 percent to the 50 percent, so instead of the recipient receiving that 25, there -- it'll be cut down to 50.

REP. WALKER (93RD): Okay, so could you explain that, please, 'cause I -- I'm -- I'm going from 25 to 50 doesn't seem a cutdown. I'm -- I'm -- I got a question for you. Sit. Who are you, young man?

LOC PHO: My name's Loc Pho. Thank you for having us. So the death benefit payout is currently 25 -- as a percent -- I'm sorry. As a person gets death benefit payouts through their retiree career, their account drawdown is currently 25 percent whereas in
other pension system, it's a strict -- a straight 1 for 1. At the CT retirement system, it's -- it gets drawn down by 25 percent. What the proposal is to draw it down by 50 percent of that payment so, therefore, the wear away would go down faster. And, therefore, upon death and a benefit needing to be paid out, the actual benefit is cut in half in comparison.

REP. WALKER (93RD): Okay. I'm -- I'm sorry. I don't understand it, so I'm gonna try it again.

LOC PHO: Okay.

REP. WALKER (93RD): So, basically, what -- if I have a $200,000 plan -- pension and I go through $100,000 of it and I have $100,000 left, currently what happens -- pay -- gets paid to my beneficiary versus what is proposed?

LOC PHO: So currently in your example, if you are about -- your account balance was $200,000 and over the duration of your retiree period, you made $100,000 in payouts, only $25,000 of that $100,000 payout would be decreased from your account balance, therefore, leaving you 175 to be paid out upon a death benefit. The new proposal would decrease -- I'm sorry -- would decrease your -- your account balance twice as fast from 25 percent to 50 percent. So in your example, 50,000 would be taken away from your account and, therefore, 150 would now be the death benefit payout, netting the state 25,000.

REP. WALKER (93RD): So the -- the state actually gets a finders fee basically out of this. Okay. That's good. Thank you. Thank you. Are there any other questions? No? Oh, for the second time, Representative Case.
REP. CASE (63RD): Thank you, and we can bring it back to the working group, but if we can look into the -- we've switched over to the Medicare Advantage plan from the Stirling plan, correct?

HELEN SULLIVAN: Yes.

REP. CASE (63RD): And how -- do we expect any major changes, and how long, because of the change, do we expect that plan or that account to be solvent? You don't have to answer now unless you have the answer, but if you want to bring it back to the working group.

HELEN SULLIVAN: Well, we -- we are fully funded for the next three years with -- with the health plan. The Medicare Advantage plan is a little bit different. It kinda stabilizes that fund because it's a fully insured product. And we can see our trends, and we have about 75 percent of our members in the Medicare Advantage plan. I don't foresee any major changes regarding the Medicare Advantage plan, but there may be more of an influx of folks going in and out of the plan.

REP. CASE (63RD): But you see it being insolvent for up to three years?

HELEN SULLIVAN: Absolutely.

REP. CASE (63RD): Okay. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Any other questions? No? Yes? No. Okay. Thank you, and thank you for your testimony. And we look forward to working with you in the -- in the Subcommittee. Thank you. Have a good day.

HELEN SULLIVAN: Thank you. Thank you for having us.
REP. WALKER (93RD): Next, we have the State Library.

KENDALL WIGGIN: Good morning, Representative Walker, Representative Lavielle, and distinguished members of the Appropriations Committee. My name is Kendall Wiggin, and I am the State Librarian.

Governor Lamont's budget proposal for FY 2020–2021 Biennium funds the State Library programs at the current year levels. This is an increase -- there is an increase in Personal Services and in the Interlibrary Loan Service line item that annualizes funding for state employee wage adjustments. There is also a small increase to cover additional costs we are incurring for building security on Saturdays. That increase is currently reflected in the Personal Services but should be included in Other Expenses.

The proposed budget meets our federal Maintenance of Effort -- effort -- requirements but just barely, and any further reductions would result in a proportional loss of our federal funds.

To provide the new Committee members some perspective, the proposed budget is 34 percent lower than it was ten years ago. I don't think you'll find too many agencies operating at a third of what they had ten years ago. During that time, programs such as state aid to public libraries have been eliminated and other statewide programs substantially scaled back. The State Library has struggled to maintain its statutory status as the state's principal law library and to carry out its legal responsibilities for public records, state archives, the Library for the Blind and Physically Handicapped, and the Museum of Connecticut History.

Our budget supports statewide resource sharing; reduces local costs; fosters cooperation; and
produces a substantial return on your investment. For every tax dollar invested in research which used to be iCONN, libraries saved $30. And, last year, that amounted to a $36 million dollar savings for our schools, public libraries, and academic libraries. Last year, the Connecticut Library Consortium saved libraries over $7.4 million, and borrowIT saved our citizens $58 million dollars.

After years of budget reductions, I'm respectfully -- respectfully asking that you consider a modest increase in the state's investment in libraries by restoring some funding for four important programs to maintain a level of statewide service that helps our local libraries and the citizens they serve. These are the same requests that I had made during the initial budget process but did not make it into the Governor's budget.

And in no priority order, they are to restore state support for our Statewide Digital Library program; to restore state support for the Connecticut Library Consortium by $208,100, which brings us to about 30 percent of its budget; restore state support for borrowIT by 30 -- $300,000 which is a very small percentage of its overall value to the program; and restore a quarter of a million dollars to the Legislative Library Materials line to secure up-to-date online legal resources as well as to purchase new titles for the State Library.

In your packet, I have provided you with much more detail on these funding requests, background on the State Library, a budget comparison document, and some general statistics on how well our public libraries are doing.

I thank you for the opportunity to speak about the State Library's budget. My staff and I welcome the
opportunity to address your questions both today and when we meet with the Education Subcommittee. Thank you.

REP. WALKER (93RD): Thank you, and thank you for your testimony. Representative Rosario.

REP. ROSARIO (128TH): Thank you, Madam Chair. Good morning.

KENDALL WIGGIN: Good morning.

REP. ROSARIO (128TH): I have a question. It -- it may be for the -- for the work group as far as IT is concerned. The 2020 Census is around the corner, and it is my understanding that if the Census were held tomorrow, many of our libraries are equipped to handle the -- the online software to -- to fill out the Census. Is that something that is on your radar?

KENDALL WIGGIN: It is, Representative Rosario, and I know there may be a bill being introduced to try to support the Census work. The Secretary of State has included libraries in her efforts to get out there, and I know there have been several press ops lately taking place at libraries around our state.

Our libraries could use some assistance both in having adequate temporary staff to help with our citizens' need to -- to access the Census online, and some of our libraries could probably use some updated IT equipment. I will say most of our libraries have fiberoptic connections today thanks to funding that this legislature has provided over the number of years, and we utilize the Connecticut Education Network in most all of our libraries, but there's still a need to really help a lot of folks who do not know how to access the internet or to access the Census forms and in helping them fill
them out. So your point is well taken. I can try to bring some information to this -- to the work group.

REP. ROSARIO (128TH): Thank you. I look forward to seeing and hearing from it. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Candelaria.

REP. CANDELARIA (95TH): Thank you, Madam Chair. Just a quick question. I see that -- the increased funding for security costs. How much is it going to -- towards security right now? How much are we paying on the PS line item?

KENDALL WIGGIN: It actually comes out of OE.


KENDALL WIGGIN: And I'll bring that number exactly to you. What happened is, we are -- the State Library -- the main library is at 231 Capitol Avenue, which is now a judicial building and run by the Judicial Branch. They have been providing security to us on -- because we open on Saturdays, and they're not open on Saturdays, they've always charged us for the security cost. That had been fairly stable, but then there was a change in how they managed security at the Supreme Court building now, and they are using judicial marshals. There is an additional cost for the marshals, and then they have determined that they want an additional marshal on Saturday as well, so that's increased my cost by the number in the budget.

REP. CANDELARIA (95TH): So because you're in the judicial building, you cannot just contract any security company. You have to go with a judicial marshal?
KENDALL WIGGIN: That is correct.

REP. CANDELARIA (95TH): So I would like to know when you can provide those numbers, what is the cost associated with that?

KENDALL WIGGIN: We'll bring those to you.

REP. CANDELARIA (95TH): Thank you so much. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Are there any other questions from anybody? That was easy.

KENDALL WIGGIN: Gee.

REP. WALKER (93RD): I have other --

KENDALL WIGGIN: After 20 years of doing this, [inaudible 00:41:56]

REP. WALKER (93RD): Yeah, I know. Well, we -- we -- we've kind of stabilized Connecticard and the digital -- I know you want more money, but before, they were totally wiped out, so the main thing is that they -- they're still in the budget. We just have to work on -- on the amounts.

KENDALL WIGGIN: And I think you'll see from the chart I've given you, you often have been generous in giving us a budget that, at the end of the year, gets cut. So, I mean, what I see from the Committee and then what I end up with and you'll see in my chart year after year after year.

So our base budget has just dropped dramatically, and these are mostly all dollars that go to your local towns. I mean, borrowIT is -- is still an extremely -- you know, we talk a lot about regionalization in this legislature and -- and other places, but we've been doing it for 40 years. And I think quite effectively what we've shown is it takes
a little incentive money, and most of the libraries I talk to say, you know, we're not gonna -- if you -- if this gets cut further, we're just not gonna participate. And I don't think -- you know, just the cost to them and to provide these services, we -- I think we owe them a little bit more so if we could increase that a little bit more.

None of these dollars I'm asking for take us anywhere near where we used to have, but I think they represent what our true costs are doing. I've -- I've been squeezing vendors for six years, and we have some contracts coming due in July that I don't think are gonna come back at the rates I've been able to hold them at. So I'm just concerned about cost.

REP. WALKER (93RD): So you should bring -- you should bring -- are -- are those the ones that you listed in -- in your testimony? Or are they -- are they -- [Crosstalk]

KENDALL WIGGIN: -- for the statewide digital library, that's a major contract that is coming due -- I mean, we're out for bid right now on that so -- and we have some additional costs that we've absorbed other ways, but we need to account for, so I'll bring all of that to the work session, how I got to my numbers.

REP. WALKER (93RD): Thank you, and -- and I think it's very sad that -- that the libraries in Connecticut are -- are struggling so badly. We -- we -- we seem to be making a choice about reading, and that's the -- you know, everything doesn't have to be online. I like having a book in my hand, and, so I think it's important for us to understand -- [Crosstalk]
KENDALL WIGGIN: And I think you'll see from the statistics I showed you, the citizens of Connecticut make great use of their libraries.

REP. WALKER (93RD): Yes, they do.

KENDALL WIGGIN: I had the pleasure of being at one of your branch libraries last night for Mardi Gras, and it was exciting to see so many people supporting that library.

REP. WALKER (93RD): Yeah, well, the library really is a cornerstone in our communities.

KENDALL WIGGIN: It is.

REP. WALKER (93RD): And it's important that we maintain it, especially for families, so I thank you very much for your testimony. Oh, I got one. Oh, yeah. Representative Dathan.

REP. DATHAN (142ND): Thank you very much, Madam Chair, and thank you for your testimony today. One thing you said in your oral testimony was that your budget meets our federal maintenance of effort requirements but just barely. I'm just wondering how much did we receive from fed -- the federal government for our library? I couldn't find it in the budget book, so I'm probably looking in the wrong -- [Crosstalk]

KENDALL WIGGIN: And I'll bring you the exact number. We just got a new allocate. We receive about $2.1 million dollars out of the Library Services and Construction Act, which is administered by the Institute of Museum and Library Service. And I apologize for new members. We -- we've gone through MOE for so many years. I'll be glad to explain that, but we have a -- both a matching requirement, which we've been able to make pretty easily. But, then, we have a maintenance of effort,
and that is based on a three-year rolling average of how much is actually expended on these various accounts that support libraries. And it's a formula we work out -- plan we work out with the federal government. We have a five-year plan. What happens is, if you fall short of your maintenance of effort, then you're required to take -- you get less funding proportionally. We've been very, very fortunate to just not have that happen yet, but we came very close two years ago.

REP. DATHAN (142ND): Got it. The other question is probably just classification; researchIT, which line item in the budget is that?

KENDALL WIGGIN: That comes under the digital library.

REP. DATHAN (142ND): Okay.

KENDALL WIGGIN: Line item.

REP. DATHAN (142ND): Great. Thank you very much for your testimony. Thank you, Madam Chair.

KENDALL WIGGIN: You're welcome. Thank you.

REP. WALKER (93RD): Thank you. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much, and I just had a couple questions. One of my questions has to do with the Census. I missed Representative Rosario's question on the Census, but in the last Census, they did not really go door to door in small communities. They just did an assessment of what those small communities might have in their -- did not go door to door. And, as a result, for any grant application that -- that some of these smaller communities had, they had to go out and actually do an assessment and a Census of their particular blocks that they were looking on to get those grants
for. And I was wondering have you heard how they're gonna do the Census in the smaller, rural communities?

KENDALL WIGGIN: So, to your point, Senator Osten, of course Secretary Merrill is taking the lead in our state in making sure everybody gets counted, but our libraries are very important. I have attended two programs conducted by the Census folks to explain how they're gonna be doing some of this. They're gonna be relying initially heavily on an online form, which -- which is where I think libraries play a particular role in making sure that people have access to fill out those forms online. My understanding is after they -- a period of time, they're gonna see who -- how -- you know, where they didn't get a lot of response. And, then, they are actually gonna do some door-to-door work. I don't know how they're gonna conduct that.

Rhode Island is the only state, I believe, they've actually tested all of this in, but we may want to -- I -- I would think through Secretary Merrill you may wanna ask that question more specifically.

SENATOR OSTEN (19TH): All right, and, then, secondly to the point that Representative Walker had on the importance of libraries. For the last three years, the town of Sprague has not had a library in their school, and we could not afford it, so each year we've been trying to figure it out.

We actually have less programs today than we did three years ago even though three years ago we didn't even have a library. And, so, we are now connecting the school library with the town library, which has the same budget it had ten years ago. So I took $6000 out of the First Selectman's pay -- I could do that because I'm First Selectman -- and put
it to hire another person to connect the two libraries, but virtually this is an unsustainable area in small towns that are not having -- that are -- are losing more and more services to children in our socioeconomics.

And some of the Eastern Connecticut small rural towns are very low, and I think these kids need to have access to computers. Some of them don't have computers in their home. They don't have books, and, so I just want to point out that there needs to be some consideration on the small, rural towns that are just not having the ability to sustain both their local library and -- and the school library. And, last year, my Board of Finance was looking at cutting the local library, so that would put us without a library in the school and no library in the town so just want you to know.

KENDALL WIGGIN: Senator Osten, your -- your point is very well taken, and I know you're a great library supporter. The State Library has never had responsibility for school libraries, but I think it's time that we have a conversation between the Department of Education and us and you all to figure out how we address school libraries. They are on the decline, particularly in elementary schools. The number of professional school librarians has been declining, although our Southern Connecticut State University has a fine program. We're just not seeing the numbers.

The State Library has, through our digital library budget, provided all the schools in our state with online resources at no cost to them, so we've at least been able to have people there who understand how to use that and relate that. As a teacher, it is certainly a concern, but I think it's something that needs to be addressed. We've been supporting
some of our very small rural libraries through our collections at our service center, but we don't have the money to buy the collections we used to buy either, but that's the only place in statute where we really are asked to help support schools. And we've been doing some consulting. There hasn't been a school library consultant at the Department of Ed for probably 15 years. It just doesn't seem to be a priority at the Department, and I think that's something we should look at addressing.

SENATOR OSTEN (19TH): I'd be happy to work with you on that --

KENDALL WIGGIN: -- Thank you.

SENATOR OSTEN (19TH): -- because I do think it's important when -- when we don't have children that have the ability to read books and I -- I agree with Representative Walker. Sometimes you need that hard book in your hands, and they -- and even if they didn't have the hard book, they don't have computers in their homes. So no computers, no books does not lead to someone having that mystery of figuring out what -- you know, and the magic of a book. And I -- I -- you know, I don't use those terms lightly.

I think that that's sort of what gets people to dream about the next thing, and I'm just extremely worried. That's why I was willing to take that out of my salary, but I just set -- you know, I can't -- as much as I love the town, I still have to pay some bills at my house, so occasionally I'd like to have heat. You know, it's cold out, but I just really think that it's unnecessary for us to not have this regional aspect of how we're gonna do books, school libraries, and municipal libraries and figure out a way to fix the problem that we have.
KENDALL WIGGIN: I -- I just totally agree with you, and I -- I think it's sad that in this age of, you know, everything being digital and that's a wonderful resource, reading is still fundamental. And children who experience story hours at our libraries, who are, you know, brought to appreciate libraries, become lifelong learners, and they become very good readers.

You can be functionally literate but not be able to deal with a lot of the world, and I think that we underestimate the value of our libraries. Our libraries represent approximately a penny on the tax dollar into every town in this state, some a little bit more, some a little bit less, but think about a penny on the tax dollar to support literacy, digital literacy, health literacy, financial literacy, all the things our libraries are trying to do with very, very little support. So I'm sorry to get on my soapbox but.

SENATOR OSTEN (19TH): You can get on your soapbox all day long because I think it's important, so thank you.

KENDALL WIGGIN: Thank you.

SENATOR OSTEN (19TH): Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. We're -- we're starting to act out Fahrenheit 451. Representative McCarty.

REP. MCCARTY (38TH): Thank you, Madam Chair. And just very quickly, thank you for all of your work and for your testimony today, but if you could bring to the working group just a little more information on how that capital investment fund is being tapped into, what that was intended for originally with reference to accessing legal resources and what --
what you’ve had to do in tapping into that fund. I would appreciate that.

KENDALL WIGGIN: We're, basically, using bond funds to pay for long-term books in the library collection, which is not a really good use of those funds.

REP. MCCARTY (38TH): Right.

KENDALL WIGGIN: Thank -- but I will bring detail to you.

REP. MCCARTY (38TH): Okay. Thank you very much.

REP. WALKER (93RD): Thank you. Are there any other questions? Thank you, sir.

KENDALL WIGGIN: Thank you all very much and those of you that'll be at the work session, I --

REP. WALKER (93RD): -- We look forward --

KENDALL WIGGIN: -- will see you then.

REP. WALKER (93RD): -- to seeing you. Thank you.

KENDALL WIGGIN: Thank you.

REP. WALKER (93RD): Have a good evening, I mean, afternoon, er, morning. [laughter] Haven't gotten very far yet.

SENATOR OSTEN (19TH): Whatever it is.

REP. WALKER (93RD): Yeah, whatever it is, have a good one. We're a little early, but I do see the Commissioner from OEC here, so I figure we can just rock and roll. As we get your testimony -- go ahead. Thank you. As we get your testimony, I just want to say -- I just want to say, welcome. I mean, I know it's gotta be strange to be on that side. Just remember how kind we were before. [laughter]
Okay, that’s gone now. No. Thank you. It's great to see you, Commissioner.

BETH BYE: Thank you.

REP. WALKER (93RD): Great to see you and -- and welcome back. Welcome back. It's good to see.

BETH BYE: I'm -- I'm glad to be here in this role and -- and grateful to Governor Lamont for the appointment, but Senator Osten and Senator -- Representative Walker, I know the incredible task you have before --

REP. WALKER (93RD): -- Yeah.

BETH BYE: -- you and I'm here to answer as many questions as I can today and bring whatever else you need at the work groups, so I'll run through this quickly as I know I liked it done.

Good afternoon, Senator Osten, Representative Walker, Senator Formica, Representative Lavielle, and distinguished members of the Appropriations Committee. My name is Beth Bye, and I'm Commissioner of the Office of Early Childhood. I'm here to testify and answer questions about our budget.

Our office advances a family-centered approach to support young children and their families. And we work toward a coordinated system that's cost effective to support Connecticut's youngest children and family -- families.

Governor Lamont's budget proposes a solid investment in high-quality early childhood services administered by our office. It maintains funding for core services: Our Early Care and Education, Smart Start, Nurturing Families Network, Head Start, and Child Care Quality Enhancements.
The Governor proposes a Care 4 Kids funding expansion for rate increases and about $14 million dollars in new federal funding through the Child Care Development Fund. The budget allocates an increase to Birth to Three program for caseload growth. A COLA for Nurturing Families Network and Child Day Care programs is annualized.

The Care 4 Kids line item, I think, is this thing, for those of you who have been on the Committee awhile, that looks the most different. Only the state general funds are allocated to the program in this budget. The federal funding is allocated to a separate agency account. This change doesn't reduce the Care 4 Kids funding. The reallocation of this funding streamlines and enhances federal reporting. It will provide more accountability and transparency by really accurately portraying the actual state funding requirements rather than gross appropriating. And I have a fact sheet attached to my testimony with more details on that, and I'm happy to answer your -- your questions.

In this budget proposal, Care 4 Kids funding is also increased by $4.9 million in fiscal year '20, and $9.8 million is planned for child care provider rate increases. You will also see, in section 26 of the bill, we allocate $4.9 million in current unexpended funding for child care rate increases in fiscal year '20.

Child care subsidy rate increases are one of the many requirements under the Child Care Development Fund rules. These increases are long overdue for providers and are a step to help pay child care workers a more for -- fair wage for that critical work.
In closing, I want to thank you for your investment in early education over the years, and I'm happy to answer questions. Thank you.

REP. WALKER (93RD): Thank you, and thank you for -- thank you for your testimony and being here. I just realized that we've got two legislators in this Committee -- on this agency. I just -- I just saw Representative [inaudible 00:58:18] too, but I know you guys are newer so I'll stop. So going -- going into my first concern, and you know what my concern is. Why are we hiding the federal dollars?

BETH BYE: Well, I -- I would not say we're hiding the federal dollars. I -- I, having sat in your seat, Representative Walker, was always suspicious of this, and I remember when we went through this with Medicaid. What happens now is sort of a pragmatic thing. The funds get put in the general fund, and then the dollars are pulled out as we pay child care certificates. This makes it really hard for us to know what's going where to meet our federal reporting requirements, and -- and, most important, their required state matches and maintenance of effort, when it all gets blended, I can tell you it gets confusing.

And, this year, we've had a really good example of that with getting late in the game an additional $14.9 million dollars in federal funds that got put in the fund. And, now, we're trying to back up and figure out, how do we make sure we're not supplanting? How do we make sure we meet maintenance of efforts? And all being in one account with two different fiscal years is making that really complicated and -- and I understand Care 4 Kids pretty well. And my fiscal office has spent more than three hours with me over the past three weeks trying to make sure we're meeting those
federal rules. And OPM has been at the table trying to make sure, but it's -- it's actually really hard. So I think this is an important step for us to make sure we're meeting all the federal requirements and -- and also meeting the state match.

REP. WALKER (93RD):  And -- and I -- I agree with you 'cause I remember our conversation --

BETH BYE:  -- Are you trying to figure out the 4.9 too?

REP. WALKER (93RD):  I agree -- I -- I -- I remember our conversations we've had in the last few weeks about some of the dilemmas, and I'll ask you, but the concern that I have is, how do we know when there is a reduction in federal dollars if it's not being reflected in -- in your budget? And that's critical because when -- when we did the block grants this past fall, we -- you know, it was 23 percent reduction and, I mean, -- so we're scrambling now to make some -- some accommodations. And -- and for us -- I mean, like, your agency is critical for the state to -- to actually thrive.

If we can't get this right for our family so they can work and feel secure about their children, then we're failing. And, so, I -- I -- I -- you know it's important for us to be able to -- when you have those dilemmas, we know exactly how much we have in our purse as opposed to saying, well, we have on paper. In our wallet, we have this, but then at the bottom of the pocketbook, we have that. So it -- it -- it makes it a little bit more complex for us when we're trying to figure those things, so I will say that I'm not a fan of -- of not putting federal dollars out there so that we know exactly what's going on.
Then, my next question and then I'll go -- I'm doing two. My next question is, how is the transition that you were going through this fall with your billing and your -- your system with -- was it DSS? How is that going? Where are we with that?

BETH BYE: Yes, if I can just finish the first question.

REP. WALKER (93RD): Sure.

BETH BYE: And I'll switch right to that. And I think our office is really willing to work with the legislature and the Office of Fiscal Analysis and come up with any sort of reporting requirement, and it dovetails with my next -- with the next question because with the new -- the new system -- the new Impact system that's now fully online, we have significantly better reporting on how the process is going and how the funds are being expended. And it -- it should help us with some of this reporting, so we'd be happy to, you know, fix the program to give OFA complete access to the federal funds --

REP. WALKER (93RD): -- Will that?

BETH BYE: -- what's there and what's not.

REP. WALKER (93RD): That -- that would be -- that would be helpful but So -- I mean, so the -- the $14 million that came in, I’m assuming, is the same amount we’re gonna have going forward this year. At least, who knows what comes out of Washington --

BETH BYE: -- Yes.

REP. WALKER (93RD): -- but, right now, that’s --

BETH BYE: -- Yeah.

REP. WALKER (93RD): -- what our expectation is.
BETH BYE: That’s the expectation.

REP. WALKER (93RD): So what we needed to know was that we have a problem -- is with any of the four levels 'cause all four levels need to be fully funded. And, if we knew about this 14 million issue, well, the times up now. I hear you. Thank you.

BETH BYE: Okay. Thank you. And you want me to address the Care 4 Kids backlog.

REP. WALKER (93RD): Yes. Yes.

BETH BYE: This has been a terrible problem. It’s still a big challenge for us. Providers are not being paid in a timely way, and they -- I’ve been -- I probably talked to 12 this week. The -- the problem persists because -- for those of you that follow Care 4 Kids, we did a great improvement, which was the legislature and the Feds move to require a redetermination only every 12 months. Well, during a fiscal challenge, the state closed Care 4 Kids for six or seven months, and then it reopened right around November of a year ago. And, so, all of a sudden over the next three months because of how long it takes to process new applications, we have a host of certificates coming up for redetermination. In May, it will reduce by 50 percent, but from November through April, we have 50 percent more redeterminations coming in than average.

So United Way -- DSS has, you know, worked with the software, and it’s working well now. It actually requires a little more information, so it’s actually a little slower but more -- has better data. But, if we go back to January, we had 2426 applications new and redeterminations that were not even in process, just sitting in a pile. That number is now
down to 640 because United Way has added staff, and we’ve had other capacity help on weekends and overtime. And, so, it’s -- it’s been a -- it’s been improved. The issue is, we still -- it’s, like, we’re bailing, and the boat keeps getting more water, so we had to come up with another solution.

And, so, over the past three weeks, we’ve worked with Deloitte to come up with a system that will automatically approve redeterminations back through -- it’s gonna be through at least January and give those families and centers just a four-month extension to push them passed the date when we have this big backlog. It -- it’s complicated and -- but the first 140 certificates were issued this weekend. The providers now have their invoices, and on March 11th, we’ll issue an additional 400 automatic redeterminations to push that further out. So, today, it's slightly better. It -- it’s much better than it was in January.

UNKNOWN: The Transportation Committee Public Hearing begins shortly. Overflow rooms are Hearing Room 1B and Hearing Room 1C.

BETH BYE: But it’s totally unacceptable, but there are still providers out there who provided care in November who have not been paid yet. And, so, this -- getting rid of all the oldest with a four-month just agree that we’re gonna just take your information from a year ago and agree to keep paying you and the provider for four months.

UNKNOWN: The Transportation Committee Public Hearing will begin shortly. Overflow rooms are Hearing Room 1B and 1C.

BETH BYE: We think that was the only fair way to proceed -- is just assume things are the same and pay the providers.
REP. WALKER (93RD): Thank you. I’m glad you did that because, I mean, at a certain point, we have to -- we have to err on the side of the providers because they are the delivery system. And, you know, we can always come back and -- and address any issues that need to be corrected, but the delivery system cannot be weakened. And, in fact, it should be strengthened, and I hope that’s what’s gonna happen. So I can't ask another one ‘cause I did two, but I will be back if I don’t get all of them. Senator Kushner.

SENATOR KUSHNER (24TH): Hello, Commissioner.

BETH BYE: Hello, Senator.

SENATOR KUSHNER (24TH): Very nice to see you.

BETH BYE: Nice to see you.

SENATOR KUSHNER (24TH): I just wanted to ask about the Smart Start program and to find out how many of our cities and towns are participating and how many students are enrolled.

BETH BYE: I can tell you how many students are enrolled for sure. These tend to be districts. The districts that participate tend to be districts that don’t qualify for school readiness or other programs but have a population of low-income students. There are some towns that have school readiness, so currently there are 665 children being served by Smart Start. I can look behind me and see if we know how many towns.

UNKNOWN: Twenty-four districts.

BETH BYE: Twenty-four districts are participating in Smart Start.

REP. DATHAN (142ND): Thank you, Madam Chair, and welcome --

BETH BYE: -- Thank you.

REP. DATHAN (142ND): -- Commissioner Bye. It’s really nice to see you at the helm here. So I’d like to have as much data I can get on programs and things that were -- how we’re affecting -- my colleague, the -- the senator, just asked about Smart Start, but I was wondering do you have any sort of like a -- kind of a sheet where you might analyze each of your core services by the number of children it serves, how many --

BETH BYE: -- Absolutely.

REP. DATHAN (142ND): -- communities, and how many providers are in those communities. And if you could also provide that same sort of information on Care 4 Kids because one of my concerns is, if we do lose those federal dollars, how many kids potentially be affected by that loss in federal dollars that we might have to pick up for in the state in 2021, is it? Is that right? That we have guaranteed funding of the 14.3 million fiscal year ’18 and ’19. We’ve assumed it’ll carry on in fiscal year ’20 but still not to be confirmed?

BETH BYE: Thank you for that question. I think that’s really important. What we can provide to the Committee is our overview of early childhood services in Connecticut. We have this document at a glance that tells you how many children in each program. It doesn’t do it by -- by town, so -- but we could easily -- we have a chart that has a map of the state, and it has different colors for where has
school readiness, where has Smart Start. And, so, would that be helpful to Committee if we sent that to --

REP. DATHAN (142ND): -- Yeah, that --

BETH BYE: -- everyone?

REP. DATHAN (142ND): -- that’s great. It doesn’t have to be that granular that it’s all of this data town by town but more of how many towns.

BETH BYE: Sure.

REP. DATHAN (142ND): And, if we have something geographically where it’s headed, that would be fantastic.

BETH BYE: Yes, and your question about the additional federal funds, those are not guaranteed passed 2020. Having just been in Washington, the proposal, right now, is for an additional $5 billion dollars in child care development fund funding, and there seems to be bipartisan support. The only challenge will be the continuing resolution to spend, which -- which is the big concern, so it's -- it's not wrong to be concerned, but we are finding that, nationally, child care and I find it in Connecticut too -- child care is a bipartisan issue that Democrats and Republicans see the value of helping parents get to work. And the Care 4 Kids program, especially with the escalating quality requirements, is a nice, flexible tool given some of the work schedule challenges that families face.

So, I know I'm meeting with Representative DeLauro next week to talk about the proposal, and all indications are there's bipartisan support. It's just if Congress goes into lockdown over the spending resolution, so I'm feeling confident that, if they get passed that, the dollars will continue.
REP. DATHAN (142ND): Great. Thank you very much.

BETH BYE: Thank you.

REP. DATHAN (142ND): Thank you, Madam Chair.

REP. WALKER (93RD): Have I got a bridge for you? [laughter] Representative Bolinsky.

BETH BYE: I already got the bridge comment. [laughter]

REP. BOLINSKY (106TH): Thank you, Madam Chair. And, Commissioner, it is so nice to see you.

BETH BYE: Nice to see you, Representative.

REP. BOLINSKY (106TH): I -- I've just a -- a quick question about Care 4 Kids, and it's a -- an important program that we always struggled to, you know, fund thoroughly. But the Governor proposes in his budget to, you know -- to net appropriate funding, and my question is, where's the money coming from? And, you know, is this -- is this something that could impact the constitutional spending cap when we take it out of the general fund?

BETH BYE: Well, the -- the Governor is suggesting to keep the federal funds with its own federal ID and not mix it in with the state funding ID. It would have an impact for one year on the spending cap as I understand it, but then the spending cap gets -- there's a word for it -- what's the word -- readjusted. You know, it would get rebased. Thank you. I heard it. The OFA -- course -- it gets rebased after that, so it would have a very short-term impact, but it's not something that brings the budget under the spending cap. It -- it -- it's just a -- an attempt to try to be able to account for the dollars to the feds more accurately.
REP. BOLINSKY (106TH): So -- so our short-term impact is limited to 2020, and then 2021, we go to a new basis or -- I forgot the word you used.

BETH BYE: Rebased.

REP. BOLINSKY (106TH): Rebased -- [Crosstalk]

BETH BYE: Well, I would look to OFA 'cause I don't -- I don't like to assert perfect knowledge of how the rebasing happens, so I -- am I allowed to look to them now for answers? Or was that only in my previous role? [laughter]

REP. WALKER (93RD): I'm sorry. I didn't hear the question.

BETH BYE: Well, Representative Bolinsky is asking when it would be rebased, and I believe it's after a year, but I -- I don't want to speak for OFA.

REP. WALKER (93RD): Does anybody from OFA want to sit in the big chair? [laughter]

ROB WYSOCK: Not really but -- Rob Wysock from OFA. It's our understanding that when OPM developed a budget and, in particular, with this proposal, they are rebasing so that this will not have, you know, an impact on the cap because what they're basically doing is saying, hey, '19, it was gross appropriated, but we're changing methodologies to net appropriating. So we don't want to create, if you want to call it, some distortion under the cap, so we're going to treat both years the same. So they will, essentially, adjust the base in '19 to accommodate for that so that it has -- you're essentially comparing or calculating on an apples-to-apples basis.

REP. WALKER (93RD): Thank you.
REP. BOLINSKY (106TH): That answers my question. Thank you very much, Commissioner. Thank you, Madam Chair.

REP. WALKER (93RD): Okay. Representative Candelaria.

REP. CANDELARIA (95TH): Thank you, Madam Chair. Nice to see you there, Commissioner.

BETH BYE: Nice to see you, Representative.

REP. CANDELARIA (95TH): I just have a -- just a quick question and some concerns. I do share the same concerns that Representative Walker Chair not seeing the federal dollars. It's like we have -- we're receiving the money, and at the end of the day, you know, we have to take that into consideration, right? Because that -- that is -- the whole purpose of it is, it allocates lots for children. And not knowing what we're getting from the federal government, it makes our -- our job a lot difficult, and I know you understand this. You've been in this role before, so I think that, at the end of the day, I'm not sure if that can be shown in a separate line item and accomplish what you want to do, right? Just separate them. I don't know if that's -- there's a possibility for that to happen so -- but that, at the end of the day, we're viewing exactly what we're getting from the federal government.

Now, there is a -- a -- an increase for -- there's rate increases -- Care 4 Kids for 4.9 and 9.8. How is that going to be rolled out?

BETH BYE: I appreciate that question because it's not as simple as it looks there. What -- what we are hoping to roll out -- you know, we have a plan before OPM right now to increase center rates for
infant/toddler care and preschool care to reach 25 percent of the market rate across the state.

Currently, if you have an infant and toddler and you have a certificate, you can access 4 percent of the infant/toddler spaces in the state -- are -- the rates are very low. And the CCDF grant now requires that we get to 25 percent. And, so, what that -- what -- what we are choosing to do -- our plan to OPM has a more significant increase for infants and toddlers because, overall, that is the most underfunded reimbursement rate in our system and then also an increase in the preschool rates. That's before OPM -- as part of our CCDF plan for them to approve, but it would be about a 50 percent increase in infant/toddler center care rates and 25 percent increase in preschool center-based rates. So it -- it comes up to much more than the $4.9 million. All together, I believe it's about $12 million, but some of those dollars are covered by the federal grant that all fits within our appropriation. We had to come up with a plan that fit within our appropriation and also met the federal rules.

But our big concern at the Office of Early Childhood is the safety of infants and toddlers. With the lack of supply, we are short -- the estimate is we're short 50,000 infant/toddler spaces in Connecticut for parents who need to work. And, so, we feel that by putting the focus on infant/toddler care that we can save capacity 'cause centers are closed -- closing infant/toddler rooms 'cause they can't afford it.

And the increase will hopefully expand capacity 'cause what we're finding is there are a lot of programs that have space because preschool is spread out now across more systems. And they could turn
some of those preschool classes into infant/toddler rooms. And, additionally, the Governor in his budget proposal on the other side is freeing up some early childhood facility funds dollars to be used to help with classroom renovations, up to $75,000, to help expand the access to infant/toddler care as well. So it's a significant increase in rates and then also giving some support to programs that want to add infant/toddler care. 'Cause we hear when we're out there, I have more space, but the infant/toddler rates, I can't possibly open an infant/toddler classroom. So we're hoping those two things will help increase the supply. I mean, I think we estimated it -- we're hoping to create about 3000 more infant/toddler spaces within the plan.

REP. CANDELARIA (95TH): Thank you for that answer, and, so, none of these [inaudible 01:18:40] will be for home providers.

BETH BYE: The home --

REP. CANDELARIA (95TH): -- to look -- look at their rates and increase those rates.

BETH BYE: Yeah.

REP. CANDELARIA (95TH): Because the other -- the other day is we're focusing on center by creating more space for infant/toddler and centers, but I think there is also an opportunity. And we're limiting the home providers to only two children, right, two toddlers under 2 years old. Has -- has the office looked at that and consider probably signing to one more slot within that area?

BETH BYE: I -- I'm -- I'm so glad you asked that question, Representative Candle -- Candelaria, because it allows me to sort of talk a little bit
about this complicated problem we have. I happen to believe that family childcare is a critical answer to our infant/toddler shortage. It's not part of the rate plan that I'm discussing 'cause I'm talking the center base rate plan.

The family childcare providers, because of the -- the union organizing and the 3 percent of your increase, they have reached the federal minimum of 25 percent, so those -- it's not enough. So I'm not -- I'm not suggesting it's enough, but the work done by those family childcare providers organizing, they've been able to get the rates up. And they are in contract negotiations now as well, so that's separate from this, but the infant/toddler system, I think, has to be built, in part, with using family childcare.

And I think programs like All Our Kin in New Haven and other staffed family childcare networks are providing really important care for parents and really great improved quality. And, so, we want to focus on making sure the reimbursement rates are different if you're licensed and if you are accredited, you know, to try to boost the quality.

And I know All Our Kin, for example, has a program working on accrediting family childcare homes, but they said, we need a real difference in the rates. So I -- I hope that answers your question, but I -- but I expect the family childcare rates, they have gone up over the past several years, not over the past year but the three years before that. And we are in negotiations for their rate. It follows a different process because of the union.

REP. CANDELARIA (95TH): Understood. Thank you, Madam Chair. Thank you, Commissioner.
REP. WALKER (93RD): Thank you. Representative -- oh no. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much and -- and it's a pleasure to see you as commissioner.

BETH BYE: Thank you.

SENATOR OSTEN (19TH): I -- I know this has always been a passion of yours -- is early childhood care, and I have a question. In talking with some of the larger employers in my area, the one thing that they're having a hard time with is childcare. And I was wondering if that's something that -- have you met with some of the larger employers? For example, good news, Electric Boat said they had 298 babies born in the last year to their workforce. I think that's great. That means that our workforce is younger and moving along. What they're finding is there's not enough spots or slots for children for -- in the area, and, so, they're asking us to help them and work collaboratively on a solution for child care. And I'm wondering if that would fit into your office's work, is talking with these employers to keep people at work and to figure out a way or methodology for fixing this problem.

BETH BYE: Senator Osten, I, so, appreciate that question. I think you've made what is the critical connection. We have a workforce issue in Connecticut, and child care is part of the workforce issue. Twenty-five percent of people not working say it's transportation or child care that's getting in the way. Our office will be thrilled to meet with employers to meet with regional school readiness counsels in a region because people really commute from 45 minutes, but we're so lucky in Connecticut the way the school readiness was built that we have these local counsels. And they really
do respond to demand, and, so, I'd be happy to, like, bring the regional school readiness school counsel chairs or -- or coordinators and -- and our office to meet with employers and talk about child care.

We would be happy to help expedite a licensing -- any licensing needs they have, provide technical assistance. We -- we've had tragedies in Connecticut over the past 18 months because parents have relied on unlicensed, unregulated child care 'cause they had no choice. They're choosing between child care and putting food on the table, and -- and when it's completely unregulated and parents don't have good choices, bad things happen. And, so, I see our office's job as supporting the workforce in Connecticut, supporting young parents who need or want to go back to work, and helping to increase the supply. So, in terms of funding, you know, the Care 4 Kids program works for families who are at 50 percent of state median income and below, but I'll tell you child care is a huge challenge for parents living in the sort of Alice world of, how am I gonna afford that?

And one part of our proposal that will help with that problem of the CCDF proposal, that's with OPM, is we're requesting that families can make up to 65 percent of SMI and not be bumped off. Right now, a parent can get a $2000 raise and lose $10,000 in childcare support. It makes no sense the way it's structured right now, so that's also part of our plan to OPM, but I'm happy to meet with employers personally, members of my staff, of our licensing team. We have a big problem with the supply of child care in Connecticut, and -- and I think we're ready to help.
SENATOR OSTEN (19TH): All right, so I'll set up one of those meetings.

BETH BYE: Sure.

SENATOR OSTEN (19Th): With -- down in Eastern Connecticut around Electric Boat and the subcontractors that are there associated with Electric Boat whose workers are at the very beginning of the wage of Electric Boat. So it's, in particular, those young families that need some assistance to have something there, and Electric Boat is very interested in making sure that their workers have decent child care, so thank you.

BETH BYE: Happy to come.

REP. WALKER (93RD): Representative Abercombie.

REP. ABERCROMBIE (83RD): Thank you, Madam Chair.

Good morning.

BETH BYE: Good morning, Representative.

REP. ABERCROMBIE (83RD): It is so nice to see you here today. I have a couple of comments and then a -- a couple of questions. So, one, I just want to thank all of the providers that are here today. We had a press conference earlier, and that's why we're wearing our yellow flowers today for early education, so thank you, guys, for being here today.

Couple of areas. I'm really glad that you talked about the school readiness and the counsels. I think that we -- we could do better when it comes to meeting with them and helping. You know, we had a huge issue in Meriden where we had a -- a program that had been in existence for a long time that ended up closing. And they didn't need the support from the school readiness counsel that they should've, and it should never have gotten to that
point, so I think that we could do that better, so I'm glad that you talked about that.

I think that we also have to look at child care in the home and that we're not regulating it because it's a needed field, but the reality is we had five deaths last year that were in unlicensed home care providers. And they were deaths that shouldn't have happened.

BETH BYE: Absolutely.

REP. ABERCROMBIE (83RD): A child should not die because they have an asthma attack, and it was because they weren't trained. So I know there's a need for it, but there's a huge safety issue in this state, and I think that we've come such a long way in what we do with early education and childcare that we -- that we can do better.

BETH BYE: Yes.

REP. ABERCROMBIE (83RD): So I'm glad that you're -- you're aware of that and that you're thinking, what does the future look like, so thank you for that. My question is, on page 13 -- and I'm looking at the OFA Write-Up. Under the Eliminate the State Match For Expiring Federal Early Head Start Childcare Partnership Grants, how many programs would that -- how many early Head Starts do we have in the state? Do you know?

BETH BYE: I don't know the exact answer to that, but I have met with providers in Hamden, in New Haven, and the person from Waterbury was not able to make it, so I think the majority of this funding goes to the early Head Start providers in those three -- really two regions that offer very large Head Start programs.
REP. ABERCROMBIE (83RD): So is there any thought --
because a million dollars, you know, that's --
that's a huge amount of money for these programs.
And I think you stated yourself that we really can
do more and can do it better with the early Head
Start. Is there any thought about perhaps taking
some of the CCDF? Can any of that money be used? I
know there are different programs. I know there are
different federals, but is there any way that some
of that money can shift, especially if the $14
million from the write-up continues into the year --
into the '20 session.

BETH BYE: I am happy to look at that. CCDF is a --
is a somewhat flexible tool. Because of that, a lot
of items end up saying, oh, CCDF, couldn't that
cover that? So I would need to look at that in
detail. I think it's a good suggestion for our
office to consider that. These are real dollars.
One program said they'd -- in Hamden said they'd
lose half of their spaces, early Head Start spaces.
And, when you talk about, you know -- I think
Connecticut has some work to do around the quality
system and improving our quality, but when you look
at what Head Start has done, they are a national
model for how you can move a system towards quality,
how you can put families at the center. They offer
professional development, not just for early Head
Start but for the whole region around them.

So, you know, teachers -- early childhood teachers
from East Haven are getting trained in New Haven
because early Head Start has a charge to open it up
to the whole community. I -- when I began and --
and started researching this, the -- the grant --
the five-year grant opportunity does end, but the
programs expect to be refunded. And this -- these
dollars were put there by Commissioner Jones-Taylor, understanding that families needed a wraparound.

Early Head Start only covers six hours a day, but families needed more hours. And, so, these dollars were actually taken from the Care 4 Kids and segregated to be used to provide wraparound care for well over 1500 kids. I mean, it went a long way, so at the time that this budget was put together, the thinking was that program was gonna end. But having met with the program, those programs are gonna plan to continue another five years, so I think we need to look for strategies like the ones you suggest and others. The -- it's sort of interesting. The thing about -- you know, they had their own line item that protected it for just that purpose versus having it in a line item that can be used for many other different activities, if that makes sense.

REP. ABERCROMBIE (83RD): Yes, it does, so thank you for that. I think the other piece of that that we always have to be aware of and remember is the parent component of Head Start, right? We talk about parent engagement. There isn't any way to get a parent engaged than the requirements that are under Head Start, and it's the way that you get parents to understand their role in education 'cause they do it in the Head Start. And, then, they go into the school system, and they carry that with them. So I think it's really important that we keep that going. And, so, at this point, I just wanna say thank you so much for being here, and, you know, we have been friends for a long --

BETH BYE: -- Yeah.

REP. ABERCROMBIE (83RD): -- time. And I know this has been your passion. I was here when you developed OEC, so I think it's a proud moment for
some of us that have been here so long to see you in that role, so thank you, and I look forward to working with you in the future.

BETH BYE: Thank you, Representative.

REP. WALKER (93RD): Thank you. I have a couple more --

BETH BYE: -- Sure.

REP. WALKER (93RD): -- questions. The wait list -- do we have a wait list?

BETH BYE: We do -- we do not have a wait list, Representative Walker. We have people waiting because of -- new determinations are behind because of the whole problem, so it -- it can take three or four months from the time of application to get in. Again, we hope that by pushing, you know, a thousand redeterminations out that that will give us more time to focus. We have about 14,200 children in the program right now, and the budget can accommodate up to 18,000, so there's space in the program right now, and we want to get it out there.

We want -- we want it in families' pockets, and -- and I think that -- I would say, from my perspective, being new is keeping our -- and -- and I have a -- a chief operating officer Liddy [phonetic] keeping our sort of focus on month-by-month budget and adapting Care 4 Kids to the month to give out the maximum amount of dollars is one of our biggest priorities because it doesn't do anyone any good to lapse those dollars. And -- and, you know, there's a risk. We -- we don't want to be too risky, but we -- we've gotta get these dollars out the doors, and I think we've gotta get the rate increases out the doors as quickly --

REP. WALKER (93RD): -- Absolutely.
BETH BYE: -- as possible to the providers. I mean, this system has been built on the back of low-wage women workers for 25 years, and I think that -- we're hoping that with that rate increase, it's not everything we need, but it will help.

REP. WALKER (93RD): It should be elevated because they -- they are helping to establish our children just like teachers.

BETH BYE: [inaudible 01:32:44]

REP. WALKER (93RD): How long does it take for process -- to process an application now?

BETH BYE: A new application?

REP. WALKER (93RD): Mm-hmm, mm-hmm.

BETH BYE: My sum -- the challenge is, some are missing pieces, and it takes a long time, but it's taking up to three months right now. There might be one or two applications that's four months because of missing pieces, but that's what we're attacking once we push, you know, 800 forward.

REP. WALKER (93RD): So, if I'm taking a new job, say, I start April 1st, can I start processing my application now on the expectation of me having that job position in a -- in a -- you know, in four weeks?

BETH BYE: You could -- you could apply and get in the cue. The challenge is -- and, once approved, it could go back to when you started working. The challenge is, you know, providers don't want to take that risk.

REP. WALKER (93RD): Okay.

BETH BYE: Because with redeterminations, providers take the risk, but with new applicants, you know,
you apply, but you might not qualify. And, now, the providers provided three months' worth of care without reimbursement, so, you know, this problem is stressing the system across the system. And, so, you know, I'm -- I'm hoping to give you a -- an update in a month that it is significantly better. I -- I strongly believe it will be --

REP. WALKER (93RD): -- I -- I --

BETH BYE: -- but it's -- it's a huge problem.

REP. WALKER (93RD): I know, and -- and I -- I -- I -- I feel you, but I just want us to put our place -- ourselves in the place of the --

BETH BYE: -- Absolutely.

REP. WALKER (93RD): -- mother who is trying to get a job, and that's why they end up going to unlicensed daycares because of the fact that it takes so long for us to process. So anything that we can do to reduce that -- that wait time is critical, and I was glad to -- when you said 14,000, I was, like, Uhhhh because I knew we had 18,000 [inaudible 01:34:42] -- then you said, but we're going there, so that -- that's also good. And -- and I also want to say that family care -- I am such a huge supporter of family care, especially in -- in my -- my town because the -- socializing infants is huge because it does make a good transition into -- into regular school. And, so, whatever we can do to help support things, and, yes, Jessica has created a fabulous program down there.

Just very quickly, my -- my grandson was in a program for two-and-a-half years that was bilingual. When you walked into the house of the family care unit, she had flashcards, both English and Spanish, for door, for color, for everything. And, to me, I
mean, I just got thrilled coming in there and seeing that -- that amount of detail. And that's done with most of the family care centers that we have in New Haven, so I -- I think that's huge, so I just wanted to say that. Senator?

SENATOR KUSHNER (24TH): Just one more question. I wonder if you could mention the quality improvement rating system and if you're planning to allocate more funds to that.

BETH BYE: Thank you. I'm glad you asked about that, Senator Kushner, 'cause when I -- I had grave concerns about that as a legislator with the way it was being conceptualized. I -- I -- having been out on licensing visits to random programs in Connecticut, I can tell you I believe more firmly than ever that we need ways that parents know how to pick quality, that they have some information. I think we have to be really careful about how we brand it and how we work with providers to move toward quality without stigmatizing them. And I'd say we have a very strong base and that we have some of the strongest licensing requirements in the country. And some of you may have noted if you have your children in child care now we have a trust licensed care campaign. Licensed programs have an emblem when you walk in, but I hope to work with some national leaders to develop a quality improvement system that builds on our strengths and give parents critical information about quality.

And one of the big challenges with the way I think it was being rolled out is it was creating a totally separate system. Connecticut has the third most in AOAC accredited programs in the country. Our Head Start programs meet the national performance standards. I think we need to accept those as highest levels of quality and build a step in
between licensing in that, but we don't have to build a terribly complicated system.

We also are in a really good position in that we are able to visit every single licensed family child care and childcare center once a year unannounced. And after that visit have another unannounced visit to assure that they are following up. I -- I don't know that there's another state with that strength. And, so, I think whatever system we build, we build on the strength of an existing system versus build a whole new system and then figure out how in a supportive way, also on a regional level 'cause different regions are different from each other in the state. So have a regional approach to helping centers in a region reach accreditation or reach Head Start performance standards, so it's gonna be core of our work, but I think we're gonna do it in collaboration with the counsels.

SENATOR KUSHNER (24TH): I'm -- I'm glad to hear that, and I'm glad to hear your interest in helping parents figure that out because it's been a long time since my baby was little. She's 26 now, but I know when I moved into my neighborhood, there was a neighborhood provider who I didn't know how to evaluate, and I ended up not putting her there. And it turned out that was probably the best place she could have been, and I missed that whole opportunity 'cause I didn't really have a good sense of how to evaluate --

BETH BYE: -- Right.

SENATOR KUSHNER (24TH): -- the place, so thank you so much.

BETH BYE: Yeah. You're welcome.

SENATOR KUSHNER (24TH): Thank you, Madam Chair.
REP. WALKER (93RD): Representative McCarty.

REP. MCCARTY (38TH): Thank you, Madam Chair, and welcome, Commissioner.

BETH BYE: Thank you.

REP. MCCARTY (38TH): So good to see you and so happy that you said in your opening remarks that this is a bipartisan effort that we all care about, early childhood quality care.

So my comment is really looking at the Birth to Three program again. I'm concerned about perhaps the gap between children that receive the early intervention and the services in the Birth to Three and then what happens to that cohort as they move on, so we're looking and I thought perhaps your -- your administer -- you could look at what is happening to those -- that group. How many are involved in there, and how would that impact going forward into the early grades with how many children perhaps would need lesser services if there's not that -- if we can close that gap between the 3-year-olds and going into kindergarten? So it's something I'm working on, and I just wanted to bring that to your attention because I think we could really help improve some of the quality and then the long-term outcome.

BETH BYE: Yes.

REP. MCCARTY (38TH): So just wanted to bring that to your attention. Also to mention you're here at a really good day because it's really, like, early childhood day here today in education. We'll be listening to many of the issues we've talked about here this morning, and, so, I really appreciate your leadership in a lot of these areas. And I look forward to working with you.
One area -- as you move out of the early childhood care, we have a lot of different funding streams in the elementary and secondary ed. And as I'm trying to learn and keep up with all of this with the early childhood, would it be possible for you -- I know some of the question earlier was directed at something I was gonna ask, but if we could just kind of get a sketch of where all the funding is coming into the different programs so we can see. Because as we talk about increasing pay for the providers, I'm still worried that there's still some inequity in -- in the distribution of the funding. For instance, the school readiness programs the unit rate might be different than in some of the other providers, so --

BETH BYE: -- Yes.

REP. MCCARTY (38TH): -- I'm interested in trying to find equity there.

BETH BYE: Representative McCarty, I would be thrilled to work with you on the funding stream and equity issue. I think the goal of our office is to create a more coordinated, systemic program, and what you're talking about is a sign that we haven't gotten there yet. So I think we need to be very focused on that. On -- on your question about Birth to Three, I'm also willing to work with you on any particular issues you have, but we know that enrollment in Birth to Three does save dollars later on down the road and -- and I -- I, myself, was a Birth to Three parent. And I know that having those family-based, home-based supports for a parent that has a young child with disabilities, that is so critical for the family to know how to advocate for the child that goes with them into elementary school but also the intervention save later interventions.
I think where we could do better is on the transition from Birth to Three to the schools. It can be such a shock going from this home based to school based, and one thing we're gonna be talking to Department of Ed about even is, how we could help districts over the summer months. Because if you have a child that turns 3 in May, June, or July, they go from this, you know, encompassing family-based care to a special summer program because it's required by law and then into the elementary school special ed preschool. So we're looking for ways to make that transition smoother, and there may be ways that our office with a -- a small outlay of funds -- you know, a couple hundred thousand dollars could save every district a special summer preschool program and save parents who have children with disabilities, who are anxious about that transition already, another difficult transition in the middle of the time that's already stressful.

REP. MCCARTY (38TH): Thank you.

BETH BYE: So those are the things we're thinking about.

REP. MCCARTY (38TH): Thank you very much for those comments. Very much appreciated and good luck to you.

BETH BYE: Thank you.

REP. MCCARTY (38TH): Thank you.

REP. WALKER (93RD): Thank you. See the problem is you've stayed around and you've answered a lot of questions that have gotten a lot of other legislators, so they're coming back a second and third time, but that's okay. We're here.

BETH BYE: It's -- it's not night yet.
REP. WALKER (93RD): [laughter] Representative Dathan.

REP. DATHAN (142ND): Thank you, Madam Chair. One other question I had. You -- you addressed licensing and accreditation. Where are the expenses for each program? Are they included in the line item or are they -- how -- how do we account for the expenses for accreditation and licensing.

[Crosstalk]

BETH BYE: Well, childcare licensing is -- is in our -- in our budget. I'm looking for the exact line. I believe it's Personal Services because we have a lot of staff --

REP. DATHAN (142ND): -- It would be included in there. Okay.

BETH BYE: -- and, then, we also have some positions funded federally through CCDF because of the quality component.

REP. DATHAN (142ND): Got it. I just wanted to make sure --

BETH BYE: -- [Crosstalk].

REP. DATHAN (142ND): -- not included in the program line item so that it might distort what's actually going to the program. Okay, great. Thank you very much. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Abercrombie.

REP. ABERCROMBIE (83RD): Thank you, Madam Chair. Just a couple of quick questions. Under the Birth to Three, so we get two sources of reimbursement. We can do insurance, and then we also get Medicaid reimbursement, especially because they use the ABA a
lot for the Birth to Three 'cause a lot of those kids are on the spectrum, right? So can we get a breakdown? Do you know financially what we're getting reimbursed for for those services under Birth to Three?

BETH BYE: I can get that. I know --I think they met with --

REP. ABERCROMBIE (83RD): -- I think that.

BETH BYE: -- with our director. I know she has that, like, down to the detail and -- and --

REP. ABERCROMBIE (83RD): -- Yeah, I think that would be important --

BETH BYE: -- yeah.

REP. ABERCROMBIE (83RD): -- for -- for our group, you know, the Subcommittee to see the money that's coming in through private insurance and through the Medicaid. And, then, the other comment that you made about transitioning from Birth to Three to the public schools. You are absolutely right. These poor kids get stuck at home 'cause these school districts need to re-evaluate them, and then they decide, oh, you don't need these services. And we're still talking about babies, so you're absolutely right. We could do much better bridging that. All the work and the --

BETH BYE: -- Oh yeah.

REP. ABERCROMBIE (83RD): -- investment we make in the Birth to Three and then we turn them over to the school districts and say, yep, I'm not doing that. So you're absolutely right. The positive part is the new Director of Special Ed for SDE has been involved with a lot of the kids on the spectrum, and we were all at a forum at Southern because, you
know, Southern does all this work around autism. And he's looking at, how do we bridge that? So I think your office having a conversation --

BETH BYE: -- Yeah.

REP. ABERCROMBIE (83RD): -- with Education, the time is now --

BETH BYE: -- Yeah.

REP. ABERCROMBIE (83RD): -- for that and I agree with you. I think it's sinful -- sinful what we do to these families 'cause then they call us, and we call the districts. And they're like, yep, we're working on it. And then six months goes by and all that hard work that's gone on at that Birth to Three, school districts have to do it all over again. Why? For a small investment.

BETH BYE: I know.

REP. ABERCROMBIE (83RD): So you're right.

BETH BYE: Some -- some states actually have a Birth to Five program so that the kids are in Birth to Three through kindergarten.

REP. ABERCROMBIE (83RD): Oh. Are you thinking down that line? [laughter]

BETH BYE: Well, I'm -- I'm learning a lot as I'm -- as I'm here, but the --

REP. ABERCROMBIE (83RD): -- But you're right.

BETH BYE: -- people in New York --

REP. ABERCROMBIE (83RD): -- Yeah.

BETH BYE: -- and it relies on the community-based providers and some of the public -- some public schools are preschools--
REP. ABERCROMBIE (83RD): And that's -- you know, that's looking outside the box, right? So it's limited, right, resources. Maybe the time has come because it all goes down to what you pay up on this end. You save in the back end with special ed, right?

BETH BYE: Yeah, and with --

REP. ABERCROMBIE (83RD): -- So.

BETH BYE: -- if you have the Medicaid and -- and insurance reimbursement --


BETH BYE: -- as well as the school -- as the records do not have.

REP. ABERCROMBIE (83RD): Well, they do.

BETH BYE: Oh, they do have?

REP. ABERCROMBIE (83RD): So we passed a bill two years ago that school districts under special ed have to submit for Medicaid reimbursement.

BETH BYE: Okay.

REP. ABERCROMBIE (83RD): And we also made sure that SBE told them that ABI -- ABA services, which are the behavioral analyst services, are now covered.

BETH BYE: Okay.

REP. ABERCROMBIE (83RD): So, yeah, they're supposed to be doing that.

BETH BYE: Okay.

REP. ABERCROMBIE (83RD): So, hopefully, they are. Thank you, Madam Chair.
REP. WALKER (93RD): Thank you. I'm cutting everybody off now 'cause, you know -- but Representative Abercrombie reminded me, please, everybody, use the full title. No alphabet so that people out there can understand what we're talking about 'cause you just went through about three in one sentence, and I know I'm gonna get an email about that so thank you. Thank you for your testimony.

BETH BYE: Thank you.

REP. WALKER (93RD): We look forward to working with ya.

BETH BYE: Yep, and just let us know what you need for [inaudible 01:48:00].

REP. WALKER (93RD): Okay. Thank you. Okay, so we are going to recess until 1:00, and we will have State Department of Education at 1:00. Thank you.