AN ACT CONCERNING EARLY CHILDHOOD CARE AND EDUCATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 10-511 of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) There is established the Early Childhood Care and Education Fund. Said fund may contain any moneys required or permitted by law to be deposited in the fund and any funds received from any public or private contributions, gifts, grants, donations, bequests or devises to the fund. shall receive and hold all payments and deposits for contributions intended for said fund, as well as gifts, bequests, endowments or federal, state or local grants and any other funds from any public or private source and all earnings until disbursed in accordance with the provisions of this section.

(b) The amounts on deposit in said fund shall not constitute property of the state and said fund shall not be construed to be a department,
institution or agency of the state. Amounts on deposit in said fund shall not be commingled with state funds and the state shall have no claim to or against, or any interest in, such deposits. Any contract entered into by or any obligation of said fund shall not constitute a debt or obligation of the state and the state shall have no obligation to any person on account of said fund and all amounts obligated to be paid from said fund shall be limited to amounts available for such obligation on deposit in said fund. Said fund shall continue in existence as long as it holds any deposits or has any obligations and until its existence is terminated by law.

(c) The Treasurer shall invest the amounts on deposit in said fund in a manner reasonable and appropriate to achieve the objectives of said fund, exercising the discretion and care of a prudent person in similar circumstances with similar objectives. The Treasurer shall give due consideration to rate of return, risk, term or maturity, diversification of the total portfolio within said fund, liquidity, the projected disbursements and expenditures and the expected payments, deposits, contributions and gifts to be received. The Treasurer shall not require said fund to invest directly in obligations of the state or any political subdivision of the state or in any investment or other fund administered by the Treasurer. The assets of said fund shall be continuously invested and reinvested in a manner consistent with the objectives of said fund until disbursed by the Comptroller in accordance with the provisions of this section.

(d) The Treasurer, on behalf of said fund and for purposes of said fund, may:

(1) Receive and invest moneys in said fund in any instruments, obligations, securities or property in accordance with this section;

(2) Enter into one or more contractual agreements, including contracts for legal, actuarial, accounting, custodial, advisory, management, administrative, advertising, marketing and consulting services for said fund and pay for such services from the assets of said
(3) Procure insurance in connection with said fund's property, assets, activities or deposits to said fund;

(4) Apply for and accept gifts, grants or donations from public or private sources to enable said fund to carry out its objectives;

(5) Adopt regulations in accordance with chapter 54 for purposes of this section;

(6) Sue and be sued;

(7) Establish one or more accounts within said fund; and

(8) Take any other action necessary to carry out the purposes of this section and incidental to the duties imposed on the Treasurer pursuant to this section.

(e) The amounts on deposit in said fund shall be used for the purposes of supporting early childhood education in, and child care needs of, the state and shall not be expended for any other purpose.

Sec. 2. (NEW) (Effective from passage) (a) (1) There is established the Early Childhood Care and Education Fund Advisory Commission, which shall be part of the Legislative Department. The commission shall review and report on the financial health and status of the Early Education Childhood Fund, submit and update a ten-year plan to the General Assembly on expenditures from said fund that would best support early childhood education in, and child care needs of, the state and make recommendations for legislative changes to further the purposes of said fund.

(2) The commission shall consist of the following members:

(A) Two appointed by the speaker of the House of Representatives, one of whom shall be a parent who is a member of the Early Childhood Cabinet established pursuant to section 10-16z of the general statutes;
(B) Two appointed by the president pro tempore of the Senate, one of whom shall be a representative of a corporation with a significant physical presence in the state and that employs individuals who may benefit from early childhood education and state child care initiatives;

(C) Two appointed by the majority leader of the House of Representatives, one of whom shall be a representative of a philanthropic organization engaged in early childhood education issues or child care issues in the state;

(D) Two appointed by the majority leader of the Senate, one of whom shall be a representative of an early childhood education program operator in the state;

(E) Two appointed by the minority leader of the House of Representatives, one of whom shall be a representative of a non-home-based child care services provider in the state;

(F) Two appointed by the minority leader of the Senate, one of whom shall be an operator or a representative of a home-based child care services provider in the state;

(G) The commissioners of Early Childhood and Education, or their designees;

(H) The Secretary of the Office of Policy and Management, or the secretary's designee;

(I) The Treasurer, or the Treasurer's designee; and

(J) The Comptroller, or the Comptroller's designee.

(3) Any member of the commission appointed under subparagraph (A), (B), (C), (D), (E) or (F) of subdivision (2) of this subsection may be a member of the General Assembly and each such appointed member shall serve in accordance with the provisions of section 4-1a of the general statutes.
(4) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding shall serve as administrative staff of the commission.

(5) The Comptroller and one member of the commission selected by the speaker of the House of Representatives and one member of the commission selected by the president pro tempore of the Senate shall serve as the chairpersons of the commission. Such chairpersons shall schedule the first meeting of the commission, which shall be held not later than ninety days after the effective date of this section. The commission shall meet as often as deemed necessary by the chairpersons or a majority of the commission. Any appointed member who fails to attend three consecutive meetings or who fails to attend fifty per cent of all meetings held during any calendar year shall be deemed to have resigned from the commission.

(6) Any vacancy shall be filled by the appointing authority. Any vacancy occurring other than by expiration of term shall be filled for the balance of the unexpired term.

(7) A majority of the commission shall constitute a quorum for the transaction of any business.

(8) (A) The members of the commission shall serve without compensation, but shall, within the limits of available funds, be reimbursed for travel expenses necessarily incurred in travelling to and from a commission meeting, except that the following members shall be eligible, within the limit of available funds, for a stipend of twenty-five dollars for each hour or portion thereof that such member attends a commission meeting:

(i) A parent member of the Early Childhood Cabinet;

(ii) A representative of an early childhood education program operator, provided such representative is an employee of such program operator and is compensated by such program operator on an hourly
basis;

(iii) A representative of a non-home-based child care services provider, provided such representative is an employee of such provider and is compensated by such provider on an hourly basis; and

(iv) An operator or a representative of a home-based child care services provider, provided such representative is an employee of such provider.

(B) The time spent by a member under subparagraph (A)(i) to (A)(iv), inclusive, of this subdivision to travel to and from such meeting shall not be counted for purposes of calculating the stipend under this subdivision.

(C) Each member seeking the travel expenses or stipend under this subdivision shall submit a request to the executive director of the Office of Legislative Management, in such form and manner as prescribed by said director, and shall provide any documentation required by said director to substantiate the requested amount.

(b) The commission shall have the following powers and duties:

(1) Review and monitor the Early Childhood Care and Education Fund to assess its financial sustainability;

(2) Obtain from any executive department, board, commission or other agency of the state such assistance and data as necessary and available to carry out the purposes of this section; and

(3) Perform such other acts as may be necessary and appropriate to carry out the duties described in this section.

(c) The commission shall:

(1) Not later than January 1, 2026, and annually thereafter, submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly
having cognizance of matters relating to appropriations and the budgets of state agencies, finance, revenue and bonding, education and children, on the financial health and status of the Early Childhood Care and Education Fund, including, but not limited to, (A) the amounts on deposit in said fund, (B) disbursements made or expected to be made from said fund for the applicable fiscal year, (C) the rates of return on investments made by the Treasurer pursuant to subsection (c) of this section, (D) a statement as to the sufficiency of the amounts on deposit in said fund to achieve the purposes of said fund, and (E) any recommendations for policy changes and amendments to the general statutes necessary to further the purposes of said fund;

(2) Not later than January 1, 2026, submit a ten-year plan, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, finance, revenue and bonding, education and children, of recommendations of expenditures from said fund that would best support early childhood education in, and child care needs of, the state. The commission shall, in developing such plan, consider reports on the state of early childhood education and child care in the state and best practices in other states. The commission shall update such plan at least annually and submit such updated plan annually to said committees; and

(3) Commencing with the fiscal year ending June 30, 2026, hold a public hearing annually on the state of the fund and of early childhood education and child care in the state.

Sec. 3. (NEW) (Effective July 1, 2024) (a) For the purposes described in section 10-511 of the general statutes, as amended by this act, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate fifty million dollars.

(b) The proceeds of the sale of such bonds, to the extent of the amount
stated in subsection (a) of this section, shall be used by the Office of Early Childhood for the purpose of implementing programs and initiatives enacted to support early childhood education in, and child care needs of, the state.

(c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with section 3-20 of the general statutes and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 4. (Effective July 1, 2024) Not later than June 30, 2025, fifty million dollars shall be transferred from the General Fund to the Early Childhood Care and Education Fund, established pursuant to section 10-511 of the general statutes, as amended by this act.

Sec. 5. (NEW) (Effective July 1, 2024) (a) The Office of Early Childhood shall, within available appropriations, establish a Tri-Share Child Care
Matching Program serving New London County. Under such program, costs for child care provided by duly licensed child care facilities in the state shall be shared equally among participating employers, employees and the state.

(b) (1) The program shall be established for a minimum of two years and the office shall select a regional or state-wide organization as the administrator of the program. Such administrator shall (A) determine employers' and employees' eligibility for participation in the program, (B) ensure that child care facilities to which payments will be made under the program are licensed by the state, (C) collect and ensure timely payment from participating employers, participating employees and the state, (D) disburse funds to the appropriate child care provider, (E) recruit employers to participate in the program, and (F) coordinate adequate communication between all parties.

(2) To be eligible to participate in the program:

(A) An employer shall have a physical facility located in New London County that is the principal workplace of its employees; and

(B) An employee shall (i) be employed by a participating employer, (ii) shall reside in the state, (iii) have as such employee's principal workplace a location in New London County, (iv) be part of the asset limited, income constrained, employed population that is below the ALICE threshold, as calculated in the most recent annual report by the United Way of Connecticut and provided to the administrator by the commissioner, and (v) not be receiving other public assistance for child care costs.

(c) The Commissioner of Early Childhood shall enter into an agreement with such administrator to perform the duties described under subdivision (1) of subsection (b) of this section. Such agreement shall include, but need not be limited to, (1) a provision that the administrator shall receive, for administrative costs of the program, up to ten per cent of the funds allocated by the state for the program, (2) a requirement that the administrator not commingle funds received for
purposes of the program, other than funds for administrative costs allowed pursuant to subdivision (1) of this subsection, with other funds held or controlled by the administrator, and (3) penalties for violation of a provision of the agreement or of this section.

(d) Commencing with the fiscal year immediately following the first year of the program and annually thereafter, the commissioner shall submit to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, finance, revenue and bonding, education and children, a report on the program. Such report shall include, but need not be limited to, (1) for the fiscal year immediately preceding, (A) the number of participating employers and participating employees, and (B) the amounts disbursed by the administrator for child care costs and the amounts retained by the administrator for administrative costs, and (2) any programmatic or legislative changes the commissioner recommends to improve the program or further its purposes.

Sec. 6. (Effective July 1, 2024) (a) As used in this section:

(1) "Early childhood education program operator" means a school readiness program, private preschool program or program pursuant to section 8-210 of the general statutes; and

(2) "Child care services provider" means a child care center, group child care home or family child care home, as those terms are described in section 19a-77 of the general statutes.

(b) For the fiscal year ending June 30, 2025, the Office of Early Childhood shall establish and administer a wage supplement and child care program enhancement grant program for early childhood education program operators and child care services providers. On and after August 1, 2024, the office shall provide grants to early childhood education program operators and child care services providers that meet the eligibility requirements developed by the office pursuant to subsection (d) of this section and submit an application for a grant, in such form and manner as prescribed by the office. A grant awarded
under this section may be used by such early childhood education
program operator or child care services provider to supplement the
annual salaries of the employees of such operator or provider or to
address any other programmatic or administrative needs, in accordance
with the guidelines developed by the office pursuant to subsection (d)
of this section.

(c) In determining whether to award a grant under this section, the
commissioner shall give priority to early childhood education program
operators and child care services providers that will use such grant
exclusively to supplement the annual salaries of the employees of such
operator or provider.

(d) The office shall develop (1) eligibility criteria for which early
childhood education program operators and child care services
providers are eligible to receive a grant under this section, and (2)
guidelines for the administration of the program and the expenditure of
a grant awarded under this section by a childhood education program
operator or child care services provider. Such eligibility criteria shall
limit grants to early childhood education program operators and child
care services providers serving high-need populations, as determined
by the commissioner, taking into account the findings and
recommendations in the 2023 report issued by the Blue-Ribbon Panel on
Child Care established by Executive Order Number 23-1 issued by
Governor Ned Lamont.

Sec. 7. Section 10-511a of the 2024 supplement to the general statutes
is repealed. (Effective from passage)

| This act shall take effect as follows and shall amend the following sections: |
|-----------------|-----------------|-----------------|
| Section 1       | from passage    | 10-511          |
| Sec. 2          | from passage    | New section     |
| Sec. 3          | July 1, 2024    | New section     |
| Sec. 4          | July 1, 2024    | New section     |
| Sec. 5          | July 1, 2024    | New section     |
| Sec. 6          | July 1, 2024    | New section     |
Statement of Purpose:
To establish (1) the Early Childhood Care and Education Fund and advisory commission and specify funding for said fund, (2) a Tri-Share Child Care Matching Program in New London County, and (3) for the fiscal year ending June 30, 2025, a wage supplement and child care program enhancement grant program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]