

Office of Early Childhood

OEC64800

Permanent Full-Time Positions

Fund	Actual FY 15	Actual FY 16	Appropriation FY 17	Governor Recommended		Legislative	
				FY 18	FY 19	FY 18	FY 19
General Fund	109	116	116	114	114	118	118

Budget Summary

Account	Actual FY 15	Actual FY 16	Appropriation FY 17	Governor Recommended		Legislative	
				FY 18	FY 19	FY 18	FY 19
Personal Services	5,771,689	7,792,358	8,289,321	7,262,793	7,262,793	7,791,962	7,791,962
Other Expenses	8,819,274	970,423	321,367	411,727	411,727	411,727	411,727
Other Current Expenses							
Children's Trust Fund	11,302,845	11,092,651	11,320,721	-	-	-	-
Early Childhood Program	9,759,569	10,396,082	-	-	-	-	-
Birth to Three	-	30,930,270	24,686,804	-	-	21,446,804	21,446,804
Early Childhood Advisory Cabinet	76	-	-	-	-	-	-
Community Plans for Early Childhood	712,476	659,540	659,734	-	-	-	-
Improving Early Literacy	142,500	133,302	142,500	-	-	-	-
Child Care Services	17,304,300	16,999,688	-	-	-	-	-
Evenstart	451,250	438,938	451,250	-	-	437,713	437,713
2Gen - TANF	-	-	-	-	-	750,000	750,000
Nurturing Families Network	-	-	-	10,230,303	10,230,303	10,230,303	10,230,303
Other Than Payments to Local Governments							
Head Start Services	2,706,743	5,609,002	5,744,162	5,186,978	5,186,978	5,186,978	5,186,978
Head Start Enhancement	1,734,350	-	-	-	-	-	-
Care4Kids TANF/CCDF	104,776,111	123,830,082	122,130,084	114,730,084	109,530,084	124,981,059	130,032,034
Child Care Quality Enhancements	2,582,381	2,624,268	2,894,114	6,855,033	6,855,033	6,855,033	6,855,033
Head Start - Early Childhood Link	1,985,500	648,824	-	-	-	-	-
Early Head Start-Child Care Partnership	-	732,937	1,165,721	1,130,750	1,130,750	1,130,750	1,130,750
Early Care and Education	-	-	111,821,921	104,086,354	101,507,832	104,086,354	101,507,832
Smart Start	-	-	-	-	-	-	3,325,000
Grant Payments to Local Governments							
School Readiness Quality Enhancement	4,733,178	3,654,271	4,172,930	-	-	-	-
School Readiness	77,958,418	81,612,123	-	-	-	-	-
Nonfunctional - Change to Accruals	11,720,136	-	-	-	-	-	-
Agency Total - General Fund	262,460,796	298,124,759	293,800,629	249,894,022	242,115,500	283,308,683	289,106,136
Additional Funds Available							
Federal Funds	-	51,110,604	52,392,716	46,000,729	49,381,642	46,000,729	49,381,642
Private Contributions & Other Restricted	-	1,970,248	2,962,406	5,218,000	10,218,000	5,218,000	10,218,000
Private Contributions	-	8,665,849	7,402,327	127,000	-	127,000	-
Agency Grand Total	262,460,796	359,871,460	356,558,078	301,239,751	301,715,142	334,654,412	348,705,778

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

Policy Revisions

Provide Funding to Open Care4Kids to New Applicants

Care4Kids TANF/CCDF	-	-	10,250,975	20,501,950	10,250,975	20,501,950
Total - General Fund	-	-	10,250,975	20,501,950	10,250,975	20,501,950

Legislative

Provide funding of \$10,250,975 in FY 18 and \$20,501,950 in FY 19 to reflect phasing in the current wait list for all priority groups in the Care4Kids program. OEC must report to the Appropriations Committee regarding the status of enrollees and anticipated funding requirements for FY 19 by January 2018.

Appropriate Smart Start

Smart Start	-	-	-	3,325,000	-	3,325,000
Total - General Fund	-	-	-	3,325,000	-	3,325,000

Background

Established by PA 14-217, the Smart Start competitive grant program provides funding to local and regional boards of education to establish or expand public Pre-K. Tobacco Settlement Funds of \$5 million were transferred in FY 16 and FY 17 to support Smart Start grantees' operating costs. PA 17-2, JSS eliminates the transfer of Tobacco Settlement funding for this program.

Legislative

Provide funding of \$3,250,000 in FY 19 to reflect General Fund support for Smart Start. FY 18 funding is supported by the remaining balance of Tobacco Settlement funds available for the program.

Fund 2Gen in OEC

2Gen - TANF	-	-	750,000	750,000	750,000	750,000
Total - General Fund	-	-	750,000	750,000	750,000	750,000

Background

The 2Gen-TANF program utilizes a two-generational approach to social services that focuses on the family by, among other things, linking the employment-related services that adults need with the early-childhood assistance that their children need.

Legislative

Transfer funding of \$750,000 in both FY 18 and FY 19 from the Department of Labor (DOL) to reflect Office of Early Childhood (OEC) as the coordinating agency for the two-generational initiative. Section 141 of PA 17-2 JSS, the biennial budget act, is related to this change.

Annualize FY 17 Holdbacks

Personal Services	(497,359)	(497,359)	(497,359)	(497,359)	-	-
Other Expenses	(9,640)	(9,640)	(9,640)	(9,640)	-	-
Children's Trust Fund	(113,207)	(113,207)	(113,207)	(113,207)	-	-
Birth to Three	(740,604)	(740,604)	(740,604)	(740,604)	-	-
Community Plans for Early Childhood	(107,981)	(107,981)	(107,981)	(107,981)	-	-
Improving Early Literacy	(142,500)	(142,500)	(142,500)	(142,500)	-	-
Evenstart	(13,537)	(13,537)	(13,537)	(13,537)	-	-
Head Start Services	(172,324)	(172,324)	(172,324)	(172,324)	-	-
Child Care Quality Enhancements	(86,823)	(86,823)	(86,823)	(86,823)	-	-
Early Head Start-Child Care Partnership	(34,971)	(34,971)	(34,971)	(34,971)	-	-
School Readiness Quality Enhancement	(125,188)	(125,188)	(125,188)	(125,188)	-	-
Total - General Fund	(2,044,134)	(2,044,134)	(2,044,134)	(2,044,134)	-	-

Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

Governor

Reduce funding by \$2,044,134 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

Legislative

Same as Governor

Eliminate Funding for Various Programs

Children's Trust Fund	(977,211)	(977,211)	(977,211)	(977,211)	-	-
Community Plans for Early Childhood	(551,753)	(551,753)	(551,753)	(551,753)	-	-
Evenstart	(437,713)	(437,713)	-	-	437,713	437,713
Total - General Fund	(1,966,677)	(1,966,677)	(1,528,964)	(1,528,964)	437,713	437,713

Background

Evenstart is a state-funded, two-generational program, focusing on family literacy. Eligible families include a parent lacking a high school diploma and/or basic reading skills or needing English-as-a-second-language skills and have a child under the age of eight. Total funding of \$438,938 was distributed to Middletown, New London and Torrington (\$146,312 to each town) in FY 16.

Community Plans for Early Childhood provides matching funds to approximately 36 partnership grants for 40 Discovery communities to support their local early childhood councils or collaboratives. Funding of \$659,540 was distributed in FY 16 to 26 entities.

The Help Me Grow and Healthy Start programs are funded under the Children's Trust Fund.

- Help Me Grow is a prevention initiative that identifies and refers young children with behavioral health, development and psychosocial needs to community-based services. The program serves children who may not be eligible for the state's Birth to Three or Preschool Special Education programs, yet are still at risk for developmental issues.
- Healthy Start provides case management and assistance with obtaining Medicaid/HUSKY coverage for eligible pregnant women and their children who are under three years old and at or below 185% FPL. The program also assists undocumented pregnant immigrants, not eligible for HUSKY, to find resources in their communities to help cover the cost of prenatal care. The program is administered through five Office of Early Childhood contracts with community providers that in turn sub-contract with local providers for a total of 15 providers statewide.

Governor

Funding is reduced by \$1,966,677 in both FY 18 and FY 19 to reflect the elimination of Community Plans for Early Childhood, Evenstart and the Healthy Start and Help Me Grow programs under the Children's Trust Fund. Remaining funds in the Children's Trust Fund account will support Nurturing Families Network.

Legislative

Reduce funding by \$1,528,964 in both FY 18 and FY 19 to reflect the elimination of support for Community Plans for Early Childhood, Help Me Grown, and Healthy Start. Maintain funding for Evenstart.

Reduce Funding for Head Start Services

Head Start Services	(384,860)	(384,860)	(384,860)	(384,860)	-	-
Total - General Fund	(384,860)	(384,860)	(384,860)	(384,860)	-	-

Background

Head Start is a child development program that services children from birth to age five and their families. The purpose of the state program is to establish or expand extended-day, full-day, year-round Head Start program spaces; enhance program quality, and increase the number of children served. State Head Start funds can only be used to supplement and not to supplant, federal, state and/or local funds. All Head Start programs that receive State Head Start funding must be in compliance with Federal Head Start Performance Standards. Connecticut programs are administered by community action agencies, local education agencies and other nonprofit agencies.

Governor

Reduce funding by \$384,860 in both FY 18 and FY 19 for Head Start Services.

Legislative

Same as Governor

Realign TANF, SSBG and CCDF Funds to Streamline Programs

Early Care and Education	(7,735,567)	(10,314,089)	(7,735,567)	(10,314,089)	-	-
Total - General Fund	(7,735,567)	(10,314,089)	(7,735,567)	(10,314,089)	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

Background

Connecticut receives \$266.8 million per year under the Temporary Assistance for Needy Families (TANF) block grant and transfers 10% of this amount to the Social Services Block Grant (SSBG). Currently, TANF/SSBG funding is granted to Departments of Social Services (DSS), Housing (DOH), and Children and Families (DCF), as well as the Office of Early Childhood (OEC). The accounting period for the federal government begins on October 1 and ends on September 30.

Governor

Reduce funding by \$7,735,567 in FY 18 and \$10,314,089 in FY 19 to reflect the shifting of funds from the current TANF/SSBG recipient agencies (DSS, DOH and DCF) to the Child Care and Development Fund (CCDF) under OEC. This shift will have no net impact on revenue, or General Fund appropriations, and will not result in any reduction in services. This change provides General Fund support to former TANF/SSBG recipient agencies. (See the table below for further detail.) The purpose of this shift is to simplify administrative activities related to provision of block grant-funded services for all agencies involved.

General Fund Appropriations Related to TANF/SSBG Shift

Agency	FY 18	FY 19
Department of Housing	3,495,579	4,660,772
Department of Social Services	1,832,777	2,443,703
Department of Children and Families	2,407,211	3,209,614
Office of Early Childhood	(7,735,567)	(10,314,089)
TOTAL	-	-

Legislative

Same as Governor

Transfer Medicaid Birth to Three Funding to DSS

Personal Services	(529,169)	(529,169)	-	-	529,169	529,169
Birth to Three	(24,686,804)	(24,686,804)	(10,500,000)	(10,500,000)	14,186,804	14,186,804
Total - General Fund	(25,215,973)	(25,215,973)	(10,500,000)	(10,500,000)	14,715,973	14,715,973
Positions - General Fund	(5)	(5)	-	-	5	5

Governor

Transfer funding of \$19,965,973 in both FY 18 and FY 19 to reflect the transfer of the Birth to Three program from the Office of Early Childhood (OEC) to the Department of Social Services (DSS). Funding reflects program staff, provider contracts, as well as Medicaid-related service funding. Total funding of \$25,215,973 is transferred out of Birth to Three, while \$20 million is transferred into DSS due to the net appropriation of the Medicaid account (the transfer shows Medicaid funding of \$5.25 million transferred into the DSS General Fund account, while full Medicaid funding of \$10.5 million will be distributed to providers).

Legislative

Transfer funding of \$10.5 million in both FY 18 and FY 19 to the Department of Social Services (DSS) to reflect Medicaid related Birth to Three funding in the DSS Medicaid account. Due to net budgeting, the DSS budget reflects a transfer of \$5,250,000 in both years.

Reallocate CTF Funding to Nurturing Families Network

Children's Trust Fund	(10,230,303)	(10,230,303)	(10,230,303)	(10,230,303)	-	-
Nurturing Families Network	10,230,303	10,230,303	10,230,303	10,230,303	-	-
Total - General Fund	-	-	-	-	-	-

Governor

Reallocate funding of \$10,230,303 in both FY 18 and FY 19 from Children's Trust Fund to the new Nurturing Families Network (NFN) account. NFN is the only remaining program under the Children's Trust Fund as policy actions eliminate the other previously funded programs.

Legislative

Same as Governor

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

Reallocate School Readiness Quality Enhancement Funding

Child Care Quality Enhancements	4,047,742	4,047,742	4,047,742	4,047,742	-	-
School Readiness Quality Enhancement	(4,047,742)	(4,047,742)	(4,047,742)	(4,047,742)	-	-
Total - General Fund	-	-	-	-	-	-

Governor

Reallocate funding of \$4,047,742 in both FY 18 and FY 19 from School Readiness Quality Enhancement to Child Care Quality Enhancements to consolidate quality enhancement funding.

Legislative

Same as Governor

Reallocate Personal Services to Other Expenses

Personal Services	(100,000)	(100,000)	(100,000)	(100,000)	-	-
Other Expenses	100,000	100,000	100,000	100,000	-	-
Total - General Fund	-	-	-	-	-	-

Governor

Reallocate funding of \$100,000 in both FY 18 and FY 19 from Personal Services to Other Expenses for anticipated expenditure requirements.

Legislative

Same as Governor

Current Services

Update Current Services- Birth to Three

Birth to Three	740,604	740,604	8,000,604	8,000,604	7,260,000	7,260,000
Total - General Fund	740,604	740,604	8,000,604	8,000,604	7,260,000	7,260,000

Background

The Birth to Three account is projecting a shortfall of \$8.1 million in FY 17. This is primarily due to a continuation of the FY 16 deficiency (\$6.3 million) as well as an increase in enrollment and the number of children who require more intensive services (\$1.8 million).

Governor

Provide funding of \$740,604 in both FY 18 and FY 19 to reflect anticipated expenditure requirements under the Birth to Three program.

Legislative

Provide funding of \$8,000,604 in both FY 18 and FY 19 to reflect anticipated requirements under the Birth to Three program based on FY 17 expenditures.

Increase Staff for Federal Background Check Requirements

Personal Services	100,000	100,000	100,000	100,000	-	-
Total - General Fund	100,000	100,000	100,000	100,000	-	-
Positions - General Fund	3	3	2	2	(1)	(1)

Governor

Provide funding of \$100,000 and two positions in both FY 18 and FY 19 associated with child care provider background checks.

Legislative

Same as Governor

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

Maintain Closure of Care4Kids Priority Groups to new Apps

Care4Kids TANF/CCDF	(7,400,000)	(12,600,000)	(7,400,000)	(12,600,000)	-	-
Total - General Fund	(7,400,000)	(12,600,000)	(7,400,000)	(12,600,000)	-	-

Governor

Reduce funding by \$7.4 million in FY 18 and \$12.6 million in FY 19 to reflect annualizing savings associated with closing priority groups 2 and 4 of the Care4Kids program to new applicants. Priority group 4 (working families) closed to new applicants in August 2016. Priority Group 2 (former TANF recipients) closed to new applicants as of January 2017.

Legislative

Same as Governor. Funding is provided to re-open the program under a separate policy adjustment.

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
FY 17 Appropriation - GF	293,800,629	293,800,629	293,800,629	293,800,629	-	-
Policy Revisions	(37,347,211)	(39,925,733)	(11,192,550)	(195,097)	26,154,661	39,730,636
Current Services	(6,559,396)	(11,759,396)	700,604	(4,499,396)	7,260,000	7,260,000
Total Recommended - GF	249,894,022	242,115,500	283,308,683	289,106,136	33,414,661	46,990,636

Positions	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
FY 17 Appropriation - GF	116	116	116	116	-	-
Policy Revisions	(5)	(5)	-	-	5	5
Current Services	3	3	2	2	(1)	(1)
Total Recommended - GF	114	114	118	118	4	4

Other Significant Legislation

PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$17,151, a Labor Concessions Savings of \$288,888, a Targeted Savings of \$368,097, and a Delayed Start Savings of \$235,986. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	7,791,962	(306,039)	7,485,923	3.9%
Other Expenses	411,727	(20,586)	391,141	5.0%
Evenstart	437,713	(142,257)	295,456	32.5%
2Gen - TANF	750,000	(337,500)	412,500	45.0%
Head Start Services	5,186,978	(103,740)	5,083,238	2.0%