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# STATE OF CONNECTICUT

## OFFICE OF EARLY CHILDHOOD



Beth Bye  
*Commissioner*

### Office of Early Childhood

### Questions for Appropriations Committee Work Session

March 4, 2:45-3:30 pm

**1) Can you provide information relevant to the discussion about Birth to Three providers in need?**

The Birth to Three Systems contracted providers are requesting the following fiscal needs be addressed:

**Short-Term Needs:**

- Temporarily increase the General Administrative Payment (GAP) from \$100 to \$200 per child who has an Individualized Family Service Plan (IFSP) on the first of the billing month with plans to receive fewer than 9 hours during the month and was provided at least one service during the month.
- Increase rates on an interim basis by 10% to reflect the lack of Cost-of-Living Adjustments (COLA) funds provided to the system.
- Provide a one-time payment to programs based on enrollment similar to Massachusetts Amendment No. 254 (11/21).

**Long-Term Needs:**

- Revise the regulations to provide predictable rate increases and revise the funding streams to support a long-term GAP payment increase.

*\*Pulled from the testimony of providers during public comment on House Bill 5037 AAC the State Budget for the Biennium Ending June 30, 2023, comment presented to the Office of Early Childhood on 2/14/22, and a Birth to Three fact sheet submitted during the FY22 legislative session.*

**How can OEC address these issues?**

**General Administrative Payments (GAP):**

The General Administrative Payment (GAP) is a payment per child with an IFSP on the first of the billing month that plans for less than nine hours of service per month if at least one service was provided during the billing month. The initiation of the GAP payment was a mechanism to keep programs fiscally viable during the shift from a bundled rate to a fee-for-service rate in 2017. The GAP payment has been provided to programs since 2017. Birth to Three providers are requesting this rate be doubled from \$100 to \$200.

**How much do those solutions cost?**

**General Administrative Payment (GAP):**

To address the request of a one-time GAP payment to programs based on enrollment that is similar to MA Amendment No. 254 (11/21), the cost would total \$629,200.

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To address the request of a temporary increase in GAP Payments to \$200, the projected cost would be an additional \$5,006,700 for a full fiscal year.

**Rates:**

To address the request of an Early Intervention (EI) rate increase, a rate study would cost between roughly \$175,000 and \$250,000. This request would require a baseline for the cost of providing Early Intervention in Connecticut, a time study for Early Interventionists in the field, and a comparison of discipline between the EI rate and other private practice rates. Once this is complete, the proposed rate should include both billable time and non-billable time. The OEC would have discussions with our state agency partner, the Department of Social Services.

**Could American Rescue Plan Act (ARPA) funds be used to support Birth to Three?**

The direct ARPA funds received by the Office of Early Childhood (OEC) were restricted for child care specifically. Connecticut's Early Intervention system also received \$1.5 million of ARPA funding from the Office of Special Education Programs (OSEP). These funds were specifically outlined to be utilized in systematic changes to the system, which would have long-term outcomes. OSEP has been clear that the use of ARPA funding for direct service is not a favorable or a sustainable option for the funds.

**2) Please identify how pandemic related federal funds have been spent and what is the remaining balance? Is there a plan for those unspent funds?**

A total of \$189.2 million in federal COVID relief funding allocated to the Office of Early Childhood has been expended. There is a total of \$207 million obligated and \$18 million unobligated. See PowerPoint slides #1-3 entitled: *"Child Care Recovery Programs – Federal Funding Approach and Continuous Improvement Strategy."*

**3) How many child care facilities have closed? Where are they located?**

Since March 1, 2020 to the present, 338 family child care homes, 6 group family child care homes, and 130 child care centers licenses have expired and not renewed. Since March 1, 2020 to the present, new licenses were issued to 295 family child care homes, 7 group family child care homes, and 97 child care centers.

PowerPoint slide #4, entitled *Program Closures SFY15-SFY21*, shows how many closed each year since 2015, to provide context.

A map shows the location of programs that closed since March 1, 2020 to the present – see PowerPoint slide #5 entitled: *Programs Closures CY2020-Present*.

**4) Is there a plan to meet the need for child care in areas where providers have already closed? Can we help those providers to reopen? What are we doing to support providers on the cusp of closing?**

To date, Connecticut has lost about 1% of its child care capacity since the start of COVID. And closures are not higher than prior years. However, we know many more providers are on the

culp of closing due to ongoing strains because of COVID, and in the challenging business model for child care even before COVID.

See PowerPoint slides #6-8 entitled: *Number of Licensed Programs over Time, Capacity of Licensed Child Care Programs Over Time, and Capacity of Family Child Care Homes Over Time.*

We have spent much effort getting funds and business supports out to providers throughout the past 24 months to prevent closures. Each licensed program that applied, received a stabilization grant between \$8,000 and \$500,000 per site, based primarily on licensed capacity, with some consideration for: Accreditation status, infant toddler capacity, and the community' Social Vulnerability Index (SVI).

([https://svi.cdc.gov/Documents/Publications/CDC\\_ATSDR\\_SVI\\_Materials/SVI\\_Poster\\_07032014\\_FINAL.pdf](https://svi.cdc.gov/Documents/Publications/CDC_ATSDR_SVI_Materials/SVI_Poster_07032014_FINAL.pdf)).

This was helpful during the crisis, but many challenges remain for programs. OEC is working to get remaining dollars out to programs over the next month, but those funds are about 16% more funds on top of the original COVID stabilization funds.

Having Care 4 Kids open helps providers as well, and the 20% bonus for Accredited care increases funds as well. Thousands more families have Care4Kids available to help them afford child care, and that provides some help to child care programs.

OEC has also stepped up its efforts to do outreach to support Family Child Care homes through Staffed Family Child Care Networks. This has also helped reduce program closures that have been on the rise for the past decade.

We have also contracted with the Women's Business Development Center (WBDC) to help these small, mostly women-owned businesses access business supports, access available funds like PPP, OEC emergency grants, and SBA supports.

OEC has also continued to fund state-funded child care programs, located in some of our communities with the most needs for child care – with additional funds to help make up for fiscal losses with reduced enrollments.

Finally, OEC had capacity by region analyzed with pro bono services from McKinsey consultants, who volunteered a team to the State of Connecticut for 10 weeks, to identify the areas in the state that have the biggest shortages of child care. OEC is working with McKinsey on their recommendations for addressing the shortages in these regions, using some funds from ARPA designated for increasing capacity/space where needed (\$10 million).

**5) How much funding do we need to address staffing issues? How many teachers are we short? (wage scale and full cost of care model)**

OEC has been working for the past 12 months on an early care and education workforce compensation schedule for the State of Connecticut. This schedule will soon be submitted to the Education Committee, as required in P.A. 19-61. We are happy to share with the Appropriations Committee, as well.

Additionally, OEC is set to release a full cost of care and full cost of quality care report that was designed to help Connecticut answer these questions and prepare for the federal Build Back Better legislation. The federal bill had requirements around wages and full cost of care, and federal funding to help states reach these levels.

It is important to remember that more than 75% of child care programs in Connecticut are privately held businesses that set their own salary and health benefits for staff. And state-funded programs are also nonprofits that receive funding for providing a service and also set their salary levels. The state has never set or mandated salary levels.

In terms of staffing shortages, we surveyed state-funded programs in November 2021 and received 180 survey responses for this state-funded classroom status survey. This represents less than 25% of all programs.

Overall, we had a total of 1,607 classrooms reported across the following categories: Infant, Toddler/Twos, Preschool, and School Age.

Out of the 1,607 classrooms, 98 classrooms were reported as closed also across the above categories (6.1% of classrooms). The reasons for closure were primarily around:

- Insufficient staff – 38 total (39% of closures)
- Insufficient enrollment – 24 total (25% of closures)
- COVID related (i.e., recent exposure, etc.) – 3 total (3% of closures)
- Storm or construction or access to buildings – 3 total (3% of closures)

*\*Note these closure reasons were not deduplicated.*

See PowerPoint slide #9 entitled: *State-funded Program Classroom Closure Survey.*

## **6) What is the plan to address the child care shortage in Eastern CT?**

OEC is funding Staffed Family Child Care Networks to support existing and help new family child care programs open. We plan to work with the legislature to allow FCC homes to accept more children without the burden of zoning that comes with converting to Group Homes.

In addition, McKinsey conducted a study of access to child care. We have funding set aside \$10M in ARPA to support some infrastructure in highest need areas of CT, and Norwich is a high need area. See highlights from their final report in PowerPoint slides #10-15 entitled: *McKinsey*

## **7) Please provide details about the Universal Home Visiting pilot. Please describe the difference between home visiting and Birth to Three.**

Connecticut is exploring the possibility of implementing Universal Home Visiting (UHV) throughout the state by collaborating with hospitals and community-based organizations. Currently, a UHV pilot is being implemented in the Bridgeport area with direct services starting in late 2022/early 2023.

UHV encourages health access and prevents child maltreatment, reduces the stigma associated with home visiting, and address health inequities from day one. The model that we are implementing is the Family Connects International (FCI) model out of Duke University in

Durham, NC. This model is a broadly implemented Universal Home Visiting Model that serves all families regardless of income or socio-economic status. Family Connects provides 1-3 postpartum visits from a registered nurse/health worker where they check the baby's weight, mom's health, screen for postpartum depression, provide education on feeding and safe sleep practices, and connects families with other services such as child care and employment.

The Office of Early Childhood is collaborating with Department of Children and Families, Department of Public Health, Office of Health Strategy, and Department of Social Services to incorporate Community Health Worker's (CHW) into the array of services provided to families. CHW's are uniquely qualified individuals, certified by the state, to work with vulnerable and high-risk populations. CHW's can supplement UHV programs by creating a continuum of care for families starting prenatally and helping individuals navigate the health service options available to them such as doulas. The CHW's can also provide health education, health service access, social support, patient advocacy, health screenings, and capacity building. By weaving together CHW's and UHV we can improve patient experience, care coordination, clinical outcomes which lead to lower inpatient and outpatient costs and reduce child maltreatment. This collaboration will be forged through the creation of a multi-agency advisory board to assist in the development of procurement options in the Bridgeport area.

**Please describe the difference between home visiting and Birth to Three:**

Home Visiting and Birth to Three both offer services in the home. The type of services vary, as described below. Both are voluntary services. Birth to Three is an entitlement service, which means all eligible children must be served whereas Home Visiting is generally funded up to the amount allocated with either or both federal and state funding.

Like Birth to Three, the Home Visiting program has eligibility criteria; however, it is different because it is not based upon developmental delays and disabilities but other criteria, for example, income, risk factors, age, and catchment areas. In the Birth to Three program the identified developmental needs drive the interventions that are put in place and executed as needed (weekly, bi-weekly, monthly etc.) whereas the Evidence Based Home Visiting models currently implemented within Connecticut typically meet every week for 60-90 minutes. During these visits, Birth to Three is more geared toward supporting their child's development and learning based on the identified need of the child, whereas Home Visiting looks at the family from a holistic approach and utilizes case management for social services. These social services include identifying resources for health care, housing, food insecurity, child development, and social interactions. Many Home Visiting models offer group times for child and parent interaction and socialization.

Staffing requirements also differ. Home visiting qualifications range from a high school diploma to a master's degree in education or a related field. Birth to Three has more specific personnel standards, including degrees in Physical Therapy, Occupational Therapy, Speech and Language Pathology.

The most distinguishing difference between the two systems is Birth to Three develops an Individualized Family Service Plan (IFSP), based on screening results and identified area(s) of delay, to determine the services needed to enhance a child's development while Home Visiting

provides general education to parent and child as well as a comprehensive array of social service supports.

**8) Please provide data about child care enrollment in state funded programs.**

See PowerPoint slides #16-17 entitled: *School Readiness Enrollment SFY22 To Date* and *Child Day Care Contracts Enrollment SFY22 To Date*.

**9) Are there federal funds available to provide summer child care programming?**

There are currently no federal funds allocated to OEC available for summer child care programming.

**Human Resources Questions:**

- **Number of positions that are open.**  
37 (29 federally funded positions and 8 state funded positions)  
There are no positions posted at this time.
- **Number of people able to retire by July 1.**  
In addition to the three retirements over the last several months, we estimate at least eight additional retirements by July 1.
- **How many applications for positions has the agency submitted to DAS (Human Resources)?**  
Since 2019, the agency has filled 32 recruitments. The agency has 22 positions that are in the recruitment pipeline with DAS. In addition, the agency has 17 positions that it has identified needing, however, we have not yet submitted to DAS due to the existing backlog of recruitments. DAS is in the process of reviewing this list and hiring managers will be entering the requested positions into the new UKG approval system in the coming weeks.
- **How many positions have been filled since DAS (Human Resources) began this responsibility?**  
OEC signed an MOU with the Department of Administrative Services SmART Unit on November 30, 2021. The SmART Unit took over OEC's human resources functions on February 1, 2022. Since that time, no positions have been filled.
- **How long does it take from start to finish on applications?**  
This depends on several factors, but the average type of position can take between three to 12 months to fill.