

Analysis of Finance Advisory Committee Meeting Items

September 6, 2018 Agenda



OFFICE OF FISCAL ANALYSIS

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Office of Early Childhood - Fee Approval

Per CGS, Section 4-60u, FAC approval is required in order for the Office of Early Childhood (OEC) to implement a 3% service fee related to an electronic payment portal for fingerprint-based criminal history record checks. The total cost for criminal history records checks for child care centers is \$85.75 (due to the Commissioner of Emergency Services and Public Protection, DESPP who conducts such checks). The 3% fee will be applied to each background check paid for electronically through the system (the transaction fee will not apply to those who submit a paper check or money order). After receiving the 3% fee, the payment processing vendor will transfer the balance of funds to the appropriate OEC accounts, and OEC will then transfer funds to the DESPP.

FAC 2019-01 Office of Early Childhood

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Care4Kids TANF/CCDF	130,032,034	-	(26,678,810)	-	103,353,224
Personal Services	7,574,843	-	-	666,791	8,241,634
Early Care and Education	101,507,832	-	-	26,012,019	127,519,851
TOTAL - General Fund			(26,678,810)	26,678,810	

Funding is available for transfer from this account due to the following:

- Care4Kids TANF/CCDF - PA 17-2 JSS, the biennial budget act, realigned General Fund and federal block grant resources across several agencies to simplify administrative activities related to the provision of block grant funded services. This included transferring a portion (10%) of the Temporary Assistance to Needy Families (TANF) block grant to the federal Child Care Development Fund (CCDF). In OEC, the General Fund appropriation for the Early Care and Education line item was reduced while CCDF support for the program was increased. This transfer, like the one approved in March 2018, allows Child Care Development Funds (CCDF) to support the Care4Kids program, which already follows CCDF rules, in lieu of Early Care and Education (child care centers) and licensing staff which do not follow CCDF guidelines and would require extensive changes for compliance purposes. Total CCDF support for child day care centers and licensure was budgeted at \$26,678,810 in FY 19.

Funding is needed for transfer to these accounts due to the following:

- Personal Services - Licensing staff previously supported by federal Child Care Development Funds (CCDF) will now be supported with General Fund dollars (\$666,791).
- Early Care and Education - Child day care centers previously supported by Child Care Development Funds (CCDF) will now be supported with General Fund dollars (\$26,012,019).

Holdbacks and lapses:

There are no holdbacks associated with these accounts.

¹ Prior policy actions may include holdbacks (forced lapses), rescissions, and transfers.

FAC 2019-02 Office of Early Childhood

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Care4Kids TANF/CCDF	130,032,034	-	(299,273)	-	129,732,761
2Gen - TANF	412,500	(200,000)	-	299,273	511,773
TOTAL - General Fund			(299,273)	299,273	

Funding is available for transfer from this account due to the following:

- Care4Kids TANF/CCDF - It is anticipated that funding will be made available by OEC through the management of Care4Kids caseload levels and a waiting list.

Funding is needed for transfer to this account due to the following:

- 2Gen - TANF - Two-generational programs supported by this funding include (1) monitoring the impact of home visiting Rate Cards on 2GEN outcomes, (2) homelessness diversion performance contracts with providers focused on keeping families out of homeless shelters, and (3) child care support for adult education programs as well as potential support for employer-driven employment and training programs.

Holdbacks and lapses:

It is anticipated that the transfer to 2GEN will support the agency's ability to meet the \$200,000 holdback in this account.

Appendix A: Projected Account Balances for Agencies on this Agenda (After Proposed FAC Transfer(s))

Office of Early Childhood				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	7,574,843	7,574,843	7,574,843	-
Other Expenses	391,141	391,141	391,141	-
Birth to Three	21,446,804	21,446,804	21,446,804	-
Evenstart	295,456	295,456	295,456	-
2Gen - TANF	412,500	212,500	212,500	-
Nurturing Families Network	10,230,303	10,278,822	10,278,822	-
Head Start Services	5,083,238	5,083,238	5,083,238	-
Care4Kids TANF/CCDF	130,032,034	130,032,034	130,032,034	-
Child Care Quality Enhancements	6,855,033	6,855,033	6,855,033	-
Early Head Start-Child Care Partnership	1,130,750	1,130,750	1,130,750	-
Early Care and Education	101,507,832	101,786,380	101,786,380	-
Smart Start	3,325,000	3,325,000	3,325,000	-
Total - General Fund	288,284,934	288,412,001	288,412,001	-

² Includes appropriated accounts from all appropriated funds.

³ Includes all anticipated and enacted holdbacks (forced lapses), rescissions, and transfers.