

Office of Early Childhood

OEC64800

Position Summary

Account	Actual FY 13	Governor Estimated FY 14	Original Appropriation FY 15	Governor Revised FY 15	Legislative FY 15	Difference Leg-Gov FY 15
Permanent Full-Time - GF	0	31	73	106	109	3

Budget Summary

Account	Actual FY 13	Governor Estimated FY 14	Original Appropriation FY 15	Governor Revised FY 15	Legislative FY 15	Difference Leg-Gov FY 15
Personal Services	0	2,539,359	4,985,737	6,935,031	6,648,427	(286,604)
Other Expenses	0	590,000	8,276,000	8,327,650	8,649,093	321,443
Equipment	0	1	1	1	1	0
Other Current Expenses						
Children's Trust Fund	0	11,671,218	11,671,218	11,671,218	11,671,218	0
Early Childhood Program	0	6,748,003	6,761,345	11,446,165	11,235,264	(210,901)
Early Childhood Advisory Cabinet	0	0	0	30,000	15,000	(15,000)
Community Plans for Early Childhood	0	600,000	750,000	750,000	750,000	0
Improving Early Literacy	0	150,000	150,000	150,000	150,000	0
Child Care Services	0	18,419,752	18,419,752	18,972,345	19,422,345	450,000
Evenstart	0	475,000	475,000	475,000	475,000	0
Other Than Payments to Local Governments						
Head Start Services	0	2,610,743	2,610,743	2,610,743	2,710,743	100,000
Head Start Enhancement	0	1,684,350	1,684,350	1,684,350	1,734,350	50,000
Child Care Services-TANF/CCDBG	0	0	101,489,658	116,717,658	116,717,658	0
Child Care Quality Enhancements	0	3,259,170	3,259,170	3,259,170	3,259,170	0
Head Start - Early Childhood Link	0	2,090,000	2,090,000	2,090,000	2,090,000	0
Other Than Payments to Local Governments						
School Readiness Quality Enhancement	0	3,895,645	3,895,645	6,895,645	5,195,645	(1,700,000)
School Readiness	0	74,767,825	74,299,075	80,573,566	78,203,282	(2,370,284)
Nonfunctional - Change to Accruals	0	82,891	484,648	1,972,425	1,959,671	(12,754)
Agency Total - General Fund	0	129,583,957	241,302,342	274,560,967	270,886,867	(3,674,100)
Additional Funds Available						
Carry Forward Funding	0	0	0	2,325,000	4,175,000	1,850,000
Agency Grand Total	0	129,583,957	241,302,342	276,885,967	275,061,867	(1,824,100)

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Current Services**Provide Funding to Reflect Caseload Projections**

Child Care Services-TANF/CCDBG	0	3,039,400	0	3,039,400	0	0
Total - General Fund	0	3,039,400	0	3,039,400	0	0

Background

Care 4 Kids helps low to moderate income families in Connecticut pay for child care costs.

Governor

Provide funding of \$3,039,400 to reflect revised caseload projections. Funding supports a monthly average caseload of 14,735 (increased from FY 15 original estimates of 14,143), at an estimated cost per case of \$591.

Legislative

Same as Governor

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Adjust Funding for Revised Estimated GAAP Requirements

Nonfunctional - Change to Accruals	0	1,487,777	0	1,487,777	0	0
Total - General Fund	0	1,487,777	0	1,487,777	0	0

Background

Each agency's budget includes a line item account called "Nonfunctional - Change to Accruals." This line item represents the estimate of the difference between an agency's cash-basis budget amount and the accrual-basis amounts that will be reflected under Generally Accepted Accounting Principles (GAAP). These funds will not be available for spending; in the aggregate they will prevent the state's GAAP deficit from growing.

Governor

Provide funding of \$1,487,777 to reflect updated estimates of accruals to comply with GAAP. Across all appropriated funds, there is a net GAAP reduction of \$33.8 million.

Legislative

Same as Governor

Policy Revisions

Provide Funding for Child Care Union Contract Costs

Child Care Services-TANF/CCDBG	0	11,306,600	0	8,494,625	0	(2,811,975)
Total - General Fund	0	11,306,600	0	8,494,625	0	(2,811,975)

Background

PA 12-33 enabled family child care providers and Personal Care Attendants (PCAs) working in state-funded programs to collectively bargain.

Governor

Provide funding of \$11,306,600 to reflect child care union contract costs provided through the Care 4 Kids program.

Legislative

Provide funding of \$8,494,625 to reflect contract costs for family child care providers funded through the Care 4 Kids program. Cost components include: 3% wage increase (\$871,332), increases for infant/toddler parity (\$1,214,486), wage increase for unlicensed providers (\$5,631,307), and various professional development incentives (\$777,500). Section 159 of PA 14-217, the budget implementer, approves the provisions of the collective bargaining agreement between OEC and the Connecticut State Employees Association (CSEA-SEIU Local 2001).

Provide Increase for Child Care Centers under Care4Kids

Child Care Services-TANF/CCDBG	0	0	0	2,811,975	0	2,811,975
Total - General Fund	0	0	0	2,811,975	0	2,811,975

Legislative

Provide funding of \$2,811,975 associated with a 3% increase for child day care centers. This increase is not included under the provisions of the collective bargaining agreement, which applies to family child care providers (home-based) only. The total costs associated with these increases and the collective bargaining agreement under the Care4Kids program is \$11,306,600.

Provide Funding to Increase Pre-K Slots and Subsidies

Early Childhood Program	0	4,684,820	0	4,473,919	0	(210,901)
Child Care Services	0	552,593	0	1,002,593	0	450,000
School Readiness	0	6,274,491	0	3,904,207	0	(2,370,284)
Total - General Fund	0	11,511,904	0	9,380,719	0	(2,131,185)

Governor

Provide funding of \$11,511,904 to support 1,020 additional Pre-Kindergarten slots and a 3 percent increase in subsidies (bringing the full-day, full-year rate from \$8,346 to \$8,596 per slot). The cost associated with the new FY 15 slots is \$8,767,920. Additional slots are anticipated over the next several years leading to universal Pre-K in 2019. Access will be phased-in, giving priority to lower-income three and four year-old children first. In addition, \$2.3 million in FY 14 carry forward funding will support start-up costs of \$22,500 for each classroom and \$1.1 million will fund planning grants.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Legislative

Provide funding of \$9,380,719 to support 1,020 additional Pre-Kindergarten slots and a 3.9 percent increase in the full-day, full-year rate (bringing the rate from \$8,346 to \$8,670 per slot). The cost associated with the new FY 15 slots is \$6,688,362 (assumes 70% of new slots will have placements as of July 1, 2014 and the remaining 30% of slots are filled as of October 2014). Additional slots are anticipated over the next several years leading to universal Pre-K in 2019. Access will be phased-in, giving priority to lower-income three and four year-old children first. In addition, \$2.3 million in FY 14 carry forward funding will support start-up costs of \$22,500 for each classroom and \$1.1 million will fund planning grants. Sections 14, 84 and 85 of PA 14-39, An Act Establishing the Office of Early Childhood, Expanding Opportunities for Early Childhood Education and Concerning Dyslexia and Special Education, are related to this change.

Provide Funding for Smart Start Grant Program

Personal Services	0	0	3	198,932	3	198,932
Other Expenses	0	0	0	328,750	0	328,750
Total - General Fund	0	0	3	527,682	3	527,682

Legislative

Provide funding of \$527,682 to implement the Connecticut Smart Start competitive grant program to establish or expand public Pre-K. This includes funding for three staff totaling \$198,932 as well as \$328,750 to support Other Expenses including survey design and administration, staff equipment and start-up costs, and office space. PA 14-41, An Act Establishing the Office of Early Childhood, requires OEC to design and administer the Connecticut Smart Start competitive grant program for local and regional boards of education. Section 138 of PA 14-217, the budget implementer, transfers \$10 million annually from FY 16 - FY 25, from the Tobacco Settlement Fund to the Smart Start competitive grant account. Section 24 of PA 14-98, the bond bill, establishes the smart start competitive grant account, while section 25 authorizes the issuance of bonds for the grant program (\$15 million in FY 15 and \$10 million annually thereafter through FY 24).

Establish QRIS and Increase Licensure Inspections

Personal Services	34	1,869,409	34	1,402,057	0	(467,352)
Other Expenses	0	36,000	0	36,000	0	0
Early Childhood Advisory Cabinet	0	30,000	0	15,000	0	(15,000)
Child Care Services-TANF/CCDBG	0	882,000	0	882,000	0	0
School Readiness Quality Enhancement	0	3,000,000	0	1,000,000	0	(2,000,000)
Total - General Fund	34	5,817,409	34	3,335,057	0	(2,482,352)

Governor

Provide funding of \$5,817,409 to establish a Quality Rating & Improvement System (QRIS) and increase the frequency of licensing inspections. Funding supports 34 new positions (\$1,869,409), including an OEC IT analyst and staff attorney, four QRIS staff, 19 licensing inspections staff, and nine new staff to support background checks. Funding will also support six car leases (\$36,000) and grants and contracts (\$3.9 million).

Legislative

Provide funding of \$3,350,057 to establish a Quality Rating & Improvement System (QRIS) and increase the frequency of licensing inspections. Funding supports 34 new positions, totaling \$1,402,057 (assumes positions are filled by October 1, 2014), including an OEC IT analyst and staff attorney, four QRIS staff, 19 licensing inspections staff, and nine new staff to support background checks. Funding will also support six car leases (\$36,000) and grants and contracts (\$1.9 million). Sections 547 and 553 of PA 14-39, An Act Establishing the Office of Early Childhood, Expanding Opportunities for Early Childhood Education and Concerning Dyslexia and Special Education, are related to this change.

Provide Funding for Public Schools Accreditation Support

School Readiness Quality Enhancement	0	0	0	300,000	0	300,000
Total - General Fund	0	0	0	300,000	0	300,000

Legislative

Provide funding of \$300,000 to School Readiness Quality Enhancement to support public schools through the accreditation process.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Provide Funding to Offset FY 13 Rescissions

Head Start Services	0	0	0	100,000	0	100,000
Head Start Enhancement	0	0	0	50,000	0	50,000
Total - General Fund	0	0	0	150,000	0	150,000

Legislative

Provide total funding of \$150,000 to Head Start Services (\$100,000) and Head Start Enhancement (\$50,000) to off-set FY 13 rescissions.

Transfer Youth Camp Licensing Function from DPH

Personal Services	3	357,546	3	357,546	0	0
Other Expenses	0	15,650	0	15,650	0	0
Total - General Fund	3	373,196	3	373,196	0	0

Governor

Transfer funding of \$373,196 and three staff from the Department of Public Health (DPH) to support the licensing of youth camps. The three full-time staff includes a Supervising Nurse Consultant, a Health Program Associate, and a licensing and applications analyst.

Legislative

Transfer funding of \$373,196 and three staff from the Department of Public Health (DPH) to support the licensing of youth camps. The three full-time staff includes a Supervising Nurse Consultant, a Health Program Associate, and a licensing and applications analyst. Sections 572-580 of PA 14-39, An Act Establishing the Office of Early Childhood, Expanding Opportunities for Early Childhood Education and Concerning Dyslexia and Special Education, are related to this change.

Transfer Certain Positions and Funding Back to DPH

Personal Services	(4)	(277,661)	(4)	(277,661)	0	0
Total - General Fund	(4)	(277,661)	(4)	(277,661)	0	0

Governor

Transfer funding of \$277,661 and four positions back to the Department of Public Health (DPH) to better reflect appropriate functions. These positions are located in DPH's Office of Licensure Regulation and Compliance (OLRC) and spend only a portion of their time on daycare regulation. These four staff will continue to provide such support to OEC via a memorandum of understanding (MOU).

Legislative

Same as Governor

Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	0	0	(12,754)	0	(12,754)
Total - General Fund	0	0	0	(12,754)	0	(12,754)

Legislative

Adjust funding by \$21,607 in FY 15 to reflect changes to GAAP accruals as a result of policy changes.

Distribute Lapses

Personal Services	0	0	0	(18,184)	0	(18,184)
Other Expenses	0	0	0	(7,307)	0	(7,307)
Total - General Fund	0	0	0	(25,491)	0	(25,491)

Background

The Governor's Revised FY 15 budget included a bottom line General Lapse of \$14,243,700, a General Other Expenses Lapse of \$4,000,000, and a Statewide Hiring Reduction Lapse of \$6,796,754. These lapse amounts would have been determined and distributed to agencies by OPM at the beginning of FY 15.

Legislative

Reduce funding by \$13,177 to reflect distribution of the General Lapse, \$4,833 for the General Other Expense Lapse, and \$7,480 for the Statewide Hiring Reduction Lapse.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Carry Forward

Carry Forward for OE

Other Expenses	0	0	0	150,000	0	150,000
Total - Carry Forward Funding	0	0	0	150,000	0	150,000

Legislative

Pursuant to CGS 4-89(c) funding of \$150,000 is carried forward from FY 14 into FY 15 for Other Expenses to support contract payments that were delayed beyond the end of the FY 14 fiscal year.

Carry Forward Funding for Universal Pre-K

Other Expenses	0	450,000	0	450,000	0	0
School Readiness Quality Enhancement	0	600,000	0	1,800,000	0	1,200,000
School Readiness	0	1,275,000	0	1,775,000	0	500,000
Total - Carry Forward Funding	0	2,325,000	0	4,025,000	0	1,700,000

Governor

Section 20 of HB 5030, the Governor's FY 15 Revised Budget, carries forward \$2,325,000 to support the universal Pre-K initiative. Funding of \$450,000 is available from School Readiness for Other Expenses for a statewide plan, \$600,000 is available from the Department of Housing (DOH) Tax Relief for Elderly Renters for School Readiness Quality Enhancement, \$1 million is available from Child Care Services to School Readiness for start-up costs, and \$275,000 is available from DOH Tax Relief for Elderly for School Readiness start-up costs.

Legislative

Section 17 of PA 14-47, the FY 15 Revised Budget, carries forward \$2,325,000 to support the universal Pre-K initiative. Funding of \$450,000 is available from School Readiness for Other Expenses for a statewide plan, \$600,000 is available from the Department of Housing (DOH) Tax Relief for Elderly Renters for School Readiness Quality Enhancement, \$1 million is available from Child Care Services to School Readiness for start-up costs, and \$275,000 is available from DOH Tax Relief for Elderly for School Readiness start-up costs. Pursuant to CGS 4-89(c) funding of \$1.2 million is carried forward for School Readiness Quality Enhancement to upgrade the HP Saber system for union dues and increased rates (\$472,000) as well as \$728,000 for continued QRIS work. In addition, up to \$500,000 is carried forward for School Readiness pursuant to CGS 10-16p(e)(2)(B).

Totals

Budget Components	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$
Original Appropriation - GF	73	241,302,342	73	241,302,342	0	0
Current Services	0	4,527,177	0	4,527,177	0	0
Policy Revisions	33	28,731,448	36	25,057,348	3	(3,674,100)
Total Recommended - GF	106	274,560,967	109	270,886,867	3	(3,674,100)

Other Significant Legislation

PA 14-39, An Act Establishing the Office of Early Childhood, Expanding Opportunities for Early Childhood Education and Concerning Dyslexia and Special Education

The act establishes the Office of Early Childhood (OEC) as supported by the FY 14- FY 15 Biennial Budget. Section 14 increases the cost per school readiness seat from a maximum of \$8,346 to \$8,670, while Section 50 increases the frequency of child day care licensing inspections. The act also reassigns various funds, grants, and loans to OEC oversight, and makes other conforming changes.

PA 14-41, An Act Establishing the Connecticut Smart Start Program

The act establishes the new Connecticut Smart Start competitive grant program to reimburse towns for costs related to preschool expansion, through June 30, 2024. The Office of Early Childhood (OEC), in consultation with the State Department of Education, is required to design and administer the program. Section 138 of PA 14-217, the budget implementer, transfers \$10 million annually from FY 16- FY 25, from the Tobacco Settlement Fund to the Smart Start competitive grant account. Section 24 for PA 14-98, the bond bill, establishes the smart start competitive grant account, while Section 25 authorizes the issuance of bonds for the grant program (\$15 million in FY 15 and \$10 million annually thereafter through FY 24).

PA 14-47, An Act Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2015

Sections 30 and 31 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 15 appropriation levels will be reduced by the amounts shown in the table to achieve the lapses included in PA 14-47. This includes a General Lapse of \$55,029 and a Statewide Hiring Reduction Lapse of \$32,373. See the FY 15 Holdbacks schedule in Section VI of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	6,648,427	(56,223)	6,592,204	0.85%
Other Expenses	8,649,093	(31,179)	8,617,914	0.36%