CONNECTICUT VOICES FOR CHILDREN

# The Early Care and Education Budget in Context: An Analysis of the Governor's Proposed FY 07 Budget

**March 7, 2006 (revised)**

## Why Public Investment Is Important

High quality learning environments in the early years advance children's school readiness, while low quality settings set children back developmentally so that it is hard for them ever to catch up. Despite this knowledge and the demonstrated need of Connecticut families for child care, Connecticut's funding for early care and education remains insufficient, and has actually *declined* in recent years. New investment in early care and education for *some* children in *some* programs is undermined by the continued deterioration of the child care services that historically have been instrumental in providing early learning for at risk children and allowing low income families to work.

## Public Investment Over Time

**Funding for Early Care and Education (ECE)**

| | FY 02 ($M) | FY 02 budget in inflation adjusted 2005 $ ($M) | FY 06 ($M) | FY 07 (budgeted) ($M) | FY 07 (Gov's revised)* ($M) | Difference between Gov rev. 07 & 06: $M and %* | Difference between Gov rev. 07 and inflation adjusted FY 02: $M and %* |
|---|---|---|---|---|---|---|---|
| ECE Programs – CT Dept. of Social Services[a] | $133.7 | $145.7 | $83.6 | $84.5 | $84.735 | $1.143 (1%) | -$61 (-42%) |
| ECE Programs – State Dept. of Education[b] | $96 | $104.6 | $120.1 | $123.2 | $127.182 | $7.12 (5.9%) | $22.6 (21.6%) |
| Total ECE in DSS & SDE: | $229.6 | $250.3 | $203.7 | $207.7 | $211.9 | $8.2 (4%) | -$38.4 (-15.3%) |

* Governor's FY 07 revised budget, released February 8, 2006

[a] DSS programs include Care 4 Kids: Child Care Subsidy, State Funded Centers, Quality Enhancement for School Readiness, & School Age Child Care / Day Care Pilots

[b] SDE programs include Priority School Districts (including, but not exclusively, School Readiness), Head Start Services, Head Start Enhancement, Early Childhood Programs, Early Reading Success, Family Resource Centers, Early Childhood Advisory Cabinet

## Budget and Policy Trends

Over the last decade, gains (*ladders*) in early care and education funding, primarily in the SDE budget, have been offset by even deeper cuts (*chutes*), primarily in the DSS budget. Specifically, while FY 06 funding for early care initiatives in the SDE budget is $24.1 million more than actual spending in FY 02 ($16.5 million adjusted for inflation), the FY 06 DSS budget is $50.1 million *less* than in FY 02 ($62.1 million adjusted for inflation). Total funding for early care initiatives in FY 06 in DSS and SDE is therefore $25.9 million *less* than actual funding in FY 02 (or $46.6 million less if one adjusts for inflation). So what appears to be new investment in SDE is nothing more than a reallocation of some of the funds removed from DSS.

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## Governor's Proposed FY 07 Budget

While innovative strategies to address the state's early care and education needs are to be commended, new investment in early care and education for *some* children in *some* programs is undermined by the continued deterioration of the essential services that are currently instrumental in providing early learning to at risk children, allowing low income families to work, and serve as the backbone of child care providers' funding.

Ladders

- *Priority School Districts.* Priority School Districts receive $6.6 million more in FY 07, compared to FY 06.
    - Increase the annual per child School Readiness slot subsidy from $7,750 to $8,025
    - Add funding for five towns to add preschool programs.
    - Increase the number of preschool slots for the state's most needy children by 500 from 7,000 to 7,500.
- *Care 4 Kids, the Child Care Subsidy Program.* The proposed FY 07 budget for Care 4 Kids, the child care subsidy program, is $1.1 million more than FY 06 but $62.8 million less than FY 02 spending, adjusted for inflation.

Treading Water

- *State Funded Child Development Centers.* The proposed FY 07 budget for State Funded Centers is $67,000 less than FY 06, which is an inflation adjusted increase from FY 02 of $2.7 million.
- *Head Start.* State funding proposed for Head Start in FY 07 is the same as it was in FY 02. Adjusted for inflation, Head Start receives $760,000 less than in FY 02.
- *Family Resource Centers.* Funding proposed for Family Resource Centers in FY 07 is the same as it was in FY 02. Adjusted for inflation, these programs receive $325,000 less than in FY 02.
- *Early Childhood Cabinet.* Flat funded at $450,000.

Chutes

- *Readiness Assessment Tool.* The Governor's proposed FY 07 budget provides only $400,000, a cut of $50,000, to develop a statewide developmentally-appropriate assessment tool to measure a child's readiness for kindergarten. In addition, initially, the Governor had proposed $400,000 in FY 06 and $800,000 in FY 07, a total of $1.2 million over two years. The current proposal, therefore, is $800,000 less than initially determined necessary.
- *Quality Enhancement.* The proposed FY 07 budget for quality enhancement initiatives is $56,000 less than FY 06, which is an inflation adjusted decrease from FY 02 of $82,000.

## The Bottom Line

In a February 7, 2006 news release, Governor Rell emphasized her administration's commitment to the vision that "all Connecticut children should be able to come to kindergarten ready and eager to learn." Unfortunately, the administration's budget decisions could do much more to achieve this goal. While it is true that the Governor's proposed FY 07 early care and education budget, in DSS and SDE combined, is $8.2 million more than the FY 06 budget, it sadly does not quickly enough make up for losses to early care programs since FY 02 (about $38 million, or 15%, less in total when adjusting for inflation). Unfortunately, a young child's development cannot be put "on hold." Each year of delay means another group of children lose the chance to achieve their full potential.