



Impact on Early Care and Education of the Final Budget for FY13 Sarah Esty and Cyd Oppenheimer, J.D.

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The final FY 13 budget adjustments, as passed, contain many important increases in funding for quality and access in early care and education programs that incorporate the major elements of proposals from the Governor and Appropriations Committee.

The budget increases access to early education through new funding for School Readiness slots and Care4Kids. It increases funding for School Readiness by \$6.78 million - \$5.78 million in Priority School Districts and \$1 million in Competitive School Districts.¹ Though the budget does not specify how many slots this will fund, the Governor's office and the legislature have announced that the increase will allow for the creation of 1,000 new slots, phased in over the course of the 2012-2013 school year.² (Note that S.B. 458, *A Bill Concerning Education Reform*, calls for 1,000 new School Readiness slots for the 2012-2013 school year, with 500 in Connecticut's 10 lowest-performing districts, 250 in the remaining Priority School Districts, and 250 in Competitive Districts.)³ The budget also calls for a 7% (\$6.8 million) increase for Care4Kids from the FY 12 appropriation (a slight adjustment - \$136,000 - over the originally appropriated FY 13 amounts).⁴

The budget makes significant new investments in quality. In particular, the budget includes \$3 million for professional development for the early childhood workforce.⁵ The bond package (SB 25 for FY 13) provides up to \$10 million to finance facility improvements and minor capital repairs to licensed School Readiness programs and state-funded day care centers.⁶ It also provides \$6.0 million for the development of a tiered quality rating and improvement system (TQRIS).⁷

The budget expands funding for wraparound services for children and families. It allocates \$1.94 million of new funding for Family Resource Centers (FRCs) and \$1.10 million for School Based Health Clinics (SBHCs),⁸ which the education bill clarifies will go to establishing or expanding at least 10 new FRCs and 20 SBHCs in Connecticut's 30 lowest-performing school districts.⁹ It also includes \$450,000 for wraparound services provided through the State Department of Education and \$250,000 for parent universities, which will provide workshops to parents with children prenatal through high school.¹⁰

It funds new programming to promote early literacy. It specifically provides \$2.7 million for a K-3 reading assessment pilot, including reading interventionists and literacy coaches in five schools and an expanded statewide assessment and professional development framework for early literacy.¹¹

The budget also retains funding for a number of programs, reversing some cuts in the Governor's proposed budget. As in the Governor's budget, the final budget maintains originally budgeted funding for

state-funded child care centers, State Head Start Programs, the Parent Trust Fund, and Even Start. The final budget also maintains funding for the Family Empowerment, Family School Connection, the Children's Law Center, and Kinship Fund programs within the Children's Trust Fund, which had been eliminated in the Governor's proposed budget.

The final budget also rejected the Governor's proposed move of several programs, including Connecticut Charts-a-Course, from the Department of Social Services (DSS) to the State Department of Education (SDE).¹²

¹ The budget allocates \$75.59 million to School Readiness slots in Priority School Districts for FY13 (an increase of \$5.78 million over the original FY 13 allocation) and \$6.02 million to School Readiness slots in Competitive School Districts for FY13 (an increase of \$1 million). See “HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>.

² The budget does not specify how many slots the \$6.8 million increase would fund, but previous budgets allocated \$8,000 per slot (see, for example, Connecticut State Legislature, Appropriations Committee, “Appropriations Committee Budget FY 2013 Midterm Adjustments,” (March 29, 2012), available at: http://www.cga.ct.gov/ofa/Documents/year/APPJF/2012APPJF-20120329_Appropriations%20Committee%20Recommended%20Budget%20FY%2013%20Midterm%20Adjustments.pdf, 240-241, which allocated \$8 million in funding for 1000 new slots). At this rate, \$6.78 million would translate to 847.5 new slots, with 722.5 in Priority School Districts and 125 in Competitive Districts. However, per conversation with Liz Donohue, *Office of the Governor*, (May 9, 2012) the slots will be phased in over the course of FY13, with some running the full school year and others only a partial school year. In this case, \$6.8 million could fund 1,000 new slots created by the end of the fiscal year.

³ See, “SB 458: An Act Concerning Educational Reform,” *Connecticut General Assembly* (May 7, 2012), available at: <http://www.cga.ct.gov/2012/TOB/S/2012SB-00458-R00-SB.htm>, Section 1.

⁴ HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>. Care4Kids is listed as Child Care Services- TANF/CCDBG.

⁵ These increases appear in the School Readiness Quality Enhancement line item, see, HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>.

⁶ See, “SB 25: An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation, and Other Purposes,” *Connecticut General Assembly* (2012), as amended by Senate Amendment Schedule A, at Sec. 9(e)(4), available at: <http://cga.ct.gov/2012/amd/S/2012SB-00025-R00SA-AMD.htm>.

⁷ The bond package includes \$50 million for the Office of Policy and Management to implement an “information technology capital investment program,” which, it is our understanding, includes the TQRIS bond funding (See, “SB 25: An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation, and Other Purposes,” *Connecticut General Assembly* (2012), as amended by Senate Amendment Schedule A, at Sec. 2(a), available at: <http://cga.ct.gov/2012/amd/S/2012SB-00025-R00SA-AMD.htm>). While there is no itemization of the OPM technology capital improvements line item, the Office of Fiscal Analysis summary of the education bill (SB 458) states that the revised bond package includes \$6 million for the TQRIS, of which there is “\$3.0 million for a vendor to design and rollout a federated data system, \$2.0 million to redesign the data currently collected by various state agencies, and \$1.0 million for implementation, including training for parents.” (See, “OFA Fiscal Note for SB 458: An Act Concerning Educational Reform,” *Office of Fiscal Analysis* (May 7, 2012), available at: <http://cga.ct.gov/2012/FN/2012SB-00458-R00-FN.htm>, Explanation, Section 3).

⁸ See line items T411, School Based Health Clinics, and T625, Family Resource Center, in HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>.

⁹ See, “SB 458: An Act Concerning Educational Reform,” *Connecticut General Assembly* (May 7, 2012), available at: <http://www.cga.ct.gov/2012/TOB/S/2012SB-00458-R00-SB.htm>, Sections 8 and 34.

¹⁰ See line items T610, Wrap Around Services, and T613, Parent Universities, in HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>.

¹¹ For the appropriation, see line item T 619, K-3 Reading Assessment Pilot, in “HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>. For details of how the money will be spent, see “SB 458: An Act Concerning Educational Reform,” *Connecticut General Assembly* (May 7, 2012), available at: <http://www.cga.ct.gov/2012/TOB/S/2012SB-00458-R00-SB.htm>, Sections 4-7, 89, 91-95.

¹² Final budget reversed the Governor’s proposed move of Connecticut Charts-a-Course, afterschool programs for adolescents, and before and after school programs for school aged children from the Department of Social Services to the Department of Education through a reduction in the DSS Child Care Quality Enhancements line item and an increase in the School Readiness Quality Enhancements line item in SDE. See T512, Child care Quality Enhancements and T650, School Readiness Quality Enhancements in HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>.

¹³ Unless otherwise indicated, these FY 10 expenditure amounts were taken from Dannel Malloy, “Connecticut FY 2012-FY 2013 Biennium Governor’s Budget Recommendations” (February 16, 2011) available at <http://www.ct.gov/opm/cwp/view.asp?a=2958&q=473934>.

¹⁴ See “Senate Bill 494: Session Year 2010: An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2011,” *Connecticut General Assembly* (May 7, 2010) available at <http://www.cga.ct.gov/2010/ACT/PA/2010PA-00179-R00SB-00494-PA.htm>.

¹⁵ Unless otherwise noted, numbers represent the final expenditure amount, which is available in Dannel Malloy, “FY 2013 Governor’s Midterm Budget Adjustments, Section B: Budget Summary” (February 8, 2012), available at: http://www.ct.gov/opm/lib/opm/budget/2012_midterm_budget/pdfs/fy2013_sectionb.pdf

¹⁶ See “Public Act 11-6: An Act Concerning the Budget for the Biennium Ending June 20,2013, and Other Provisions Relating to Revenue” *Connecticut General Assembly* (May 4, 2011), available at <http://cga.ct.gov/2011/ACT/PA/2011PA-00006-R00SB-01239-PA.htm>.

¹⁷ See Benjamin Barnes, “January 23, 2012 Rescissions” *Office of Policy and Management* (January 23, 2012), available at: <http://library.constantcontact.com/download/get/file/1103664399225-48/1-24-12+Rescissions.PDF>.

¹⁸ See “Public Act 11-6: An Act Concerning the Budget for the Biennium Ending June 20,2013, and Other Provisions Relating to Revenue” *Connecticut General Assembly* (May 4, 2011), available at <http://cga.ct.gov/2011/ACT/PA/2011PA-00006-R00SB-01239-PA.htm>.

¹⁹ See Dannel Malloy, “FY 2013 Governor’s Midterm Budget Adjustments, Section B: Budget Summary” (February 8, 2012), available at: http://www.ct.gov/opm/lib/opm/budget/2012_midterm_budget/pdfs/fy2013_sectionb.pdf.

²⁰ See Connecticut State Legislature, Appropriations Committee, “Appropriations Committee Budget FY 2013 Midterm Adjustments,” (March 29, 2012), available at: http://www.cga.ct.gov/ofa/Documents/year/APPIF/2012APPIF-20120329_Appropriations%20Committee%20Recommended%20Budget%20FY%2013%20Midterm%20Adjustments.pdf

²¹ See “HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>

²² The amounts listed for this line item do not include funding from the federal social services block grant (SSBG), but rather reflect *only* state funds. Note that this funding is contained in the SDE agency budget in the line item “Child Care Services.”

²³ The actual expenditure for FY 10 for School Readiness Priority School Districts was not available in the Governor’s budget book, so this number was obtained from the SDE Bureau of Grants Management web site (<http://www.sde.ct.gov/sde/cwp/view.asp?a=2680&Q=320640>).

²⁴ This funding stream appears under the line item “Early Childhood Program” within SDE.

²⁵ Note that the funding within this line item was *not* cut under the Governor’s proposed budget, but rather transferred from DSS to SDE. Specifically, the \$2.59 million in funding for Charts-a-Course originally contained within this line item was moved to the line item “School Readiness Quality Enhancement” in the SDE agency budget and the \$350,000 in funding for after school programs funding originally contained within this line item was moved to the “After School Programs” line item in the SDE agency budget for a total reduction of \$2.94 million in this line item (see Dannel Malloy, “FY 2013 Governor’s Midterm Budget Adjustments, Section B: Budget Summary” at B-100 and B-103) (February 8, 2012), available at:

http://www.ct.gov/opm/lib/opm/budget/2012_midterm_budget/pdfs/fy2013_sectionb.pdf). The Appropriations Committee and final budget as passed did not include this fund transfer in their budget (accounting for \$2.94 million of the difference from the Governor’s budget) and also appropriated a small increase in the line item, which accounts for the remainder of the difference with the Governor’s budget (see “Appropriations Committee Budget FY 2013 Midterm Adjustments,” 208). Note also that “Child Care Quality Enhancements” was a new line item created in 2011 within the DSS that replaced the line item “School Readiness” within DSS, with the following changes: (1) funding for quality enhancement grants in Priority School Districts was removed from this line item and transferred to the line item “School Readiness Quality Enhancement” within SDE; and (2) funding for DSS’s contract with 211 Child Care for resource and referral services was moved into this line item. Connecticut Charts-A-Course was included in this line item (as it previously was included in the “School Readiness” line item within DSS). For purposes of rough comparison we list the expenditure for “DSS School Readiness,” less what was transferred to SDE for the quality enhancement grants, for years FY 09, FY 10, and FY 11.

²⁶ The increase in this line item in the Governor’s revised budget for FY13 results from the movement of \$2.59 million for Connecticut Charts-a-Course from the “Child Care Quality Enhancement” line item in DSS and an infusion of \$3 million of new money for professional development. See email from Liz Donohue, Office of Policy and Management, (February 16, 2012)). See also email from Lynn Nauss, State Department of Education, (February 16, 2012) confirming the \$3 million allocation to professional development within the new funding in the School Readiness Quality Enhancement line item. The Appropriations Committee and final budget as passed maintained this \$3 million professional development funding increase but kept Charts-a-Course funding in DSS, resulting in the lower budgeted amount for this SDE line item (See, “Appropriations Committee Budget FY 2013 Midterm

Adjustments,” 208). Note that funding for quality enhancement grants to Priority School Districts was previously one component of the line item “School Readiness” within the DSS budget. In the final FY 12/FY 13 budget it became its own line item (“School Readiness Quality Enhancement”) within the SDE budget. Figures for FY 09, FY 10, and FY 11 expenditures obtained via the SDE Bureau of Grants Management web site (<http://www.sde.ct.gov/sde/cwp/view.asp?a=2680&Q=320640>).

²⁷ A portion of this appropriation (\$1.27 million in recent years) is earmarked for ABCD’s Total Learning Initiative, a Bridgeport-based program that seeks to provide comprehensive services to those children in grades K-3 who have previously received some form of state-subsidized early care and education. The remainder (recently \$.82 million) goes to varying Head Start program enhancements. *See* SDE Bureau of Grants Management reports, as well as e-mail from Grace-Ann Whitney, Director, Connecticut Head Start Collaboration Office, (October 4, 2008).

²⁸ This \$2.34 million reduction in funding the Children’s Trust Fund would completely eliminate funding for the following programs: Family Empowerment, Family School Connection, the Children’s Law Center and General Fund support for the Kinship Fund (though it would continue to receive \$1 million in probate court funding). Funding for the Nurturing Families Network and the Help Me Grow program would be maintained at originally budgeted levels. *See* Dannel Malloy, “FY 2013 Governor’s Midterm Budget Adjustments,” (February 8, 2012) at B-92 and B-95, available at http://www.ct.gov/opm/lib/opm/budget/2012_midterm_budget/pdfs/fy2013midtermbudget_forweb.pdf.

²⁹ Historically, funding for the Parent Trust Fund had been a component of the Children’s Trust Fund, which has been a line item in DSS and continues to be so for FY 12/FY 13. However, in the final FY 12/FY 13 budget, the Parent Trust Fund was pulled out of the Children’s Trust Fund line item and reconstituted as an independent line item in SDE. *See* “Public Act 11-6: An Act Concerning the Budget for the Biennium Ending June 20, 2013, and Other Provisions Relating to Revenue” *Connecticut General Assembly* (May 4, 2011) at p.56 (available at <http://cga.ct.gov/2011/ACT/PA/2011PA-00006-R00SB-01239-PA.htm>).

³⁰ Prior to 2011, Even Start was funded entirely with federal money. After the discontinuance of federal funding for FY12, Connecticut replaced the lost money with state dollars and now funds the program solely through state funding. *See* email from Judy Carson, SDE, (February 2, 2012).

³¹ Though it appears as a single line item in the budget (*see*, line item T 619, K-3 Reading Assessment Pilot, in “HB 5557, An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2013.” *Connecticut General Assembly* (May 7, 2012) available at: <http://cga.ct.gov/2012/TOB/h/pdf/2012HB-05557-R00-HB.pdf>), the K-3 Reading Assessment Pilot includes funding for several different programs. The fiscal note for SB 458 details the appropriation breakdown: \$440,000 to continue the existing reading pilot program; \$1.77 million to fund twenty-five new positions in the five selected schools (20 reading interventionists and 5 literacy coaches) and the cost of the new reading assessments for the students in the five selected schools; and \$500,000 for SDE to provide support for the expanded K-3 framework (*see*, Fiscal Note for “SB 458: An Act Concerning Educational Reform,” *Office of Fiscal Analysis, Connecticut General Assembly* (May 7, 2012), available at: http://cga.ct.gov/2012/FN/2012SB-00458-R00-FN.htm#P82_1868, see notes on Sections 4-7, 88-97).