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See the data appendix for this report at www.ctvoices.org/changing-state-early-childhood.
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Executive Summary

The first years of life set the stage for a lifetime of growing, learning, and engaging with one’s community. Access to high-quality early care and education can help reduce disparities in early childhood development, support family economic security, and enable more children to enter school ready to learn. Over the long term, a quality early care and education system can serve as an economic driver, as improved educational outcomes fuel a more prepared workforce, attract new business and make the state more competitive.

Sakinat Yusif, mother of Arielle

“As a parent, even though she’s very limited in terms of her speech, when she comes in and I see the sparkle in her eyes and she’s laughing, that tells me that she’s happy here [in her child care program]. It might not necessarily be in words, but you can tell by her actions that she’s happy and she’s happy with her teachers. That gives me the peace of mind that I need to be able to go to work and know my child is in good hands.”

For more than a decade, Connecticut has made expanding early care and education programs and wrap-around supports a priority. The state has increased funding for early childhood programs for low-income families and communities, making a real, sustained effort to build a strong infrastructure to support the early childhood system. Increased spending has increased both the availability and the quality of care.

Connecticut’s efforts in early care and education programs have begun to pay off in terms of both access and quality of care. Primary evidence of progress towards universal early childhood opportunity include:

- **Almost four in every five four-year-olds enroll in preschool.** As of 2016, nearly 80% of four-year-olds were enrolled in preschool, an increase of six percentage points since 2005.

- **Disparities in preschool access have narrowed.** The gap in preschool experience rates between the large urban districts and the wealthiest suburban districts has narrowed from 40 percent in 2003 to just 26 percent in 2016.

- **State programs are serving more infants and toddlers.** Head Start and Child Day Care Centers have shifted to address more of the state’s need for infant and toddler care. Combined, they serve almost 80% more infants and toddlers in 2016 than in 2005.
Despite this progress, significant barriers persist.

- As of 2016, center-based infant/toddler care is affordable to only 25 percent of Connecticut families with a young child. **Child care for two young children is affordable to only seven percent of such families.**

- The need for infant/toddler care continues to vastly outstrip statewide capacity.

- **Community wealth continues to predict both preschool access and later test scores:** in 2016, fourth graders from the large urban districts – which have historically had the lowest preschool experience rates – earned lower test scores than students from any other district group.

Moreover, Connecticut’s early care and education system now faces strong headwinds. In 2016, Care 4 Kids, the child care subsidy for low-income working families, closed to new applicants. Since then, lack of funding has triggered a wave of closures among community-based providers. While the new FY 18 and 19 budget partially reopens Care 4 Kids, it introduces new cuts to wrap-around supports, including Family Resource Centers, Help Me Grow, and Healthy Start, with further holdbacks and cuts anticipated in 2018. Combined, **these cuts threaten the foundations of Connecticut’s early childhood system, putting at risk much of the progress the state has made.**

Investments in early childhood for the public good should be part of a new “opportunity agenda” for Connecticut: an agenda that looks to the future we want for our state and calls for investments today to make that future a reality. **Researchers and advocates must work with policymakers to develop a new path forward to expand access and opportunity as the right of every child and the precondition for long-term prosperity across our state.**
In Connecticut Voices for Children’s first Early Childhood Report Card, published in 2009, we asked two central questions:

What has Connecticut done thus far to address the need for quality early care and education; and

Are Connecticut's efforts improving children's readiness for school?

Each year since the publication of our initial report, we have updated our Early Childhood Report Card to assess the state’s progress toward a quality early care and education system and universal school readiness. In general, our reporting has shown an upward trend in state spending, an increase in the state’s supply of affordable early care and education (ECE) programs for low-income children, and significant progress in early childhood education systems-building. Despite this progress, significant gaps by geography and income persist in access to ECE and in outcomes.

Beginning in 2016, the upward trend in state spending ceased. Connecticut Voices’ budget analyses show that, as of 2016, policymakers pulled back upon investments in early childhood as part of an overarching austerity approach to a structural budget deficit. Austerity budgeting in the face of rising fixed costs has led to deep cuts to vital services for young children in health, early care and education,


2 Primarily, new spending has increased the sizes of School Readiness preschool programs and the Care 4 Kids child care subsidy. We examine these trends more fully in this paper in the section entitled, “Progress over the Last Decade.”
and wrap-around supports, with holdbacks and cuts chipping away at individual ECE programs and supports for the last several years. Few (if any) state early care and education programs are expected to grow to meet children's needs. The child care subsidy (a key driver of access for low-income children) remains closed to new applicants. Moreover, without structural solutions to the state budget, related spending on children and families may be further crowded out.

State budgeting does not occur in a vacuum. The very same economic changes that have contributed to the state's budget crisis have also posed direct challenges for low- and moderate-income families. Our annual analysis of the State of Working Connecticut has charted the declining share of well-paying jobs in the state and the "jobs swap" which has replaced family-wage-paying work with low skills, low wage work, making it harder for workers to earn a self-sufficient wage. Low-income working families now face a triple squeeze with loss of job opportunities, loss of vital state services, and an actual increase in taxes, as proven poverty-reducing tools such as the earned income tax credit have been reduced as a revenue-raising tool. At the same time, the cost of child care is rising. In the face of mounting evidence of the critical importance of high-quality early care and education, our analysis shows that paying to keep two young children in average-priced child care is affordable to only seven percent of families with young children in Connecticut. The highest-quality care may be even further out of reach.

Past iterations of this early childhood report have been used to assess progress towards building a coordinated early childhood system and ensuring adequate spaces for every child needing care. Policymakers and advocates have used our reports to argue for critical investments to advance that vision. This year's report builds upon earlier editions by examining both the impacts of past investments and the current reality of disinvestment, concluding with a discussion of how to move forward toward a vision of school readiness and meaningful opportunity for all children.

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7 “The Governor’s budget proposal offered a cuts-focused austerity budget that raises revenue by asking for more from those with less. Compared with the current fiscal year’s (FY 2017) appropriated spending, the Governor’s budget cuts $1.36 billion from government services, assumes $1.56 billion in public sector concessions, and raises $600 million in new revenue, largely by raising taxes on low- to middle-income families. Under the Governor’s proposal, low-income families would lose access to health care (through HUSKY A and School Based Health Centers); wraparound services through their schools; scholarships to attend college; and Care 4 Kids child care subsidies that allow parents to work and children to grow. At the same time, the budget would reduce family income for low- and income families by decreasing the Earned Income Tax Credit which has been proven to be the most effective policy for reducing child and family poverty.” See Derek Thomas, et al. Connecticut Voices for Children. “A Better Approach to Budgeting: Concerns about the Austerity Approach of State Budget Proposals.” May 2017. Retrieved from http://www.ctvoices.org/sites/default/files/Three%20Austerity%20Budgets%20(2).pdf.

8 Based on Connecticut Voices for Children analysis of 2-1-1 Child Care reports of average weekly child care costs from 2012 to 2017. We expand upon this analysis in the “Supporting Early Care and Education” section.

9 Based on Connecticut Voices for Children analysis of 2016 Census micro-data. We explain this data more fully in this paper in the section entitled, “Support for Families at all Income Levels”
The report begins with a summary of research on the importance of ECE and need for state support to ensure that all families can access high-quality care. Next we examine a multitude of data sources to assess the successes of the last ten years in adding child care slots, increasing access for the most vulnerable, and building a high-quality early childhood system. We then present early indicators of systems-level progress that is at risk in today’s fiscal and economic climate. Finally, we discuss the importance of prioritizing early childhood as a public good, and the need for early childhood advocates to embrace a broader opportunity agenda in light of the state’s fiscal challenges. We close with a modern revision of our traditional guiding questions: How can we ensure that every child, regardless of background or need, enters school ready to learn? How can Connecticut advance towards this goal during a state budget crisis?

The Importance of State Support for Early Care and Education

In this section we address why early care and education matters and why the state has a role in ensuring that families can access quality programs. We review research literature about the benefits of early care and education for children, parents, and the state economy. Then, we examine data about the unaffordability of child care to highlight the importance of state support.

Benefits of Early Care and Education

Benefits for Children

Every child should enter kindergarten ready to learn. For decades, early childhood researchers have known that being “ready to learn” requires more than early counting and letter identification: kindergarten readiness is impacted by factors like physical health, social and emotional well-being, curiosity, and attention. Studies show that a child’s social and behavioral readiness impact the child’s academic performance, assessments by teachers, likelihood of needing special education services, likelihood of retention (being “held back”) and likelihood of being suspended or expelled. Young children who have experienced adverse childhood experiences (ACES) early in life, including living in poverty or unstable families, often disproportionately struggle in kindergarten.

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10 This report contains data from a plethora of sources, which are documented at length in the data appendix and their endnotes, available online at www.ctvoices.org/changing-state-early-childhood. Unless otherwise noted, data was collected throughout the spring of 2017 from sources documented in the appendix.
12 Ibid.
Quality early child care and education can make a dramatic difference in reducing the disparities that exist in children’s readiness to learn upon kindergarten entry. Early childhood is a critical period of rapid brain development in which babies and young children learn from call-and-response interactions, play, and other forms of interaction. Far from providing just child care, ECE programs use developmentally appropriate practices to expose young children to play and interaction with peers, present new learning opportunities, and (ideally) provide research-based curricula tailored to multiple facets of children’s development. In high-quality programs, children learn both early academic skills – like counting blocks and naming colors – and “soft skills,” like expressing emotions and resolving conflicts, that research shows are critical in school and in the workforce. Studies have not yet clearly determined what aspects of ECE are most critical to ensuring later success for children or why some early childhood programs are so successful. However, research is clear that children who attend preschool programs are generally more prepared for school than children who do not.

Notably, the use of ECE is not without tradeoffs. Although children who attended child care out of the home tend to show higher academic skills, they also show more impulsivity and risk taking in adolescence, especially if the child care was rated as lower-quality. In a later study, after controlling for various family background factors, children who attended child care for more hours per week also planned to attend less selective colleges. These adverse social and behavioral effects of child care may be particularly prevalent for children under the age of four, or for children attending low-quality care settings that use developmentally inappropriate techniques, such as using whole-group instruction for toddlers at the expense of play.

Although all children can benefit from early care and education, there are a number of populations with a particularly critical need for quality early programming. For homeless families and families facing other sources of instability, stable child care can help ensure child safety. For the one in four

20 The OEC outlines a number of skills that children should know before kindergarten (whether taught at home or in ECE programs) in the Connecticut Early Learning and Development Standards, retrievable from http://www.ct.gov/oec/cwp/view.asp?a=4541&q=536726.
26 For a discussion of the importance of child care for homeless families, see testimony by the Office of the Child Advocate on a bill to prioritize homeless families’ access to child care subsidies (Connecticut Senate Bill 16-10) on pages 1-2 of https://www.cga.ct.gov/2016/KIDdata/Tmy/2016SB-00010-R000216-Sarah%20Eagan,%20Office%20of%20the%20Child%20Advocate-TMY.PDF.
children under age six at moderate or high risk for a developmental, behavioral, or social delay.\textsuperscript{27} ECE can help identify and address needs early.\textsuperscript{28} For families with other unmet needs, such as those struggling with parenting skills or learning English, ECE providers can connect families to key resources.\textsuperscript{29}

**Benefits for Families**

Early childhood programming can also support family economic security: by offering children safe and nurturing environments, ECE programs enable adults to seek and maintain employment. Fewer than 30 percent of young children in Connecticut live in a household in which one or more parent does not participate in the labor force\textsuperscript{30} (see figure 1). In the absence of staggered work schedules or free child care supplied by friends or family, families in which all parents work must rely on formal child care settings.

**Benefits for the Workforce**

Early care and education for young children has benefits that go well beyond individual families, with critical implications for the viability of our current and future workforce. For today’s workforce, early care and education provides critical work supports. As noted above, ECE settings enable parents – prime working-age individuals – to participate in the labor force. Without access to child care, parents may instead choose to stay home with their children: indeed, some studies suggest that increases in child care costs over the past two decades have led to more working-age mothers staying home, with clear implications for labor force participation and productivity.\textsuperscript{31}


\textsuperscript{28} Because of their early childhood expertise and familiarity with developmental milestones, ECE providers are a vital resource to identify initial concerns, monitor well-being, make referrals, and support developmental progress. A number of resources for early childhood providers discuss strategies for evaluating and addressing concerns about children’s development or other issues. “Some children walk earlier than others and some talk sooner than others, but in general, they follow a similar course of development. There are, however, some exceptions. Some children develop very late and some do not follow a common pattern. While some children may “catch up,” others may suffer from a developmental delay or even a disability. The earlier such delays and disabilities are recognized, the sooner these children, their families, and their caregivers can get help. Child care providers, especially, are in a unique position to recognize a problem or delay because they have the opportunity to observe many children and to experience the full range of child development.” See Suzanne Ripley. Early Childhood News: The Professional Resource for Teachers and Parents. “Intervention: The Earlier, The Better.” Retrieved from http://www.earlychildhoodnews.com/earlychildhood/article_view.aspx?ArticleID=122.

\textsuperscript{29} ECE providers can connect families to a number of wrap-around supports, including Even Start (a family literacy program for families with low literacy), Family Resource Centers (which provide a continuum of family support services), and a variety of home visiting services.

\textsuperscript{30} Based on Connecticut Voices for Children analysis of 2016 Census micro-data. We utilized the “fes” variable. Note that this data excludes households coded as “not a family” or “same-sex married-couple families.” This variable reports on families consisting of: “married-couple families,” “male householder, no wife present,” and “female householder, no husband present.”

Moreover, quality child care and preschool represent an early investment in our state’s future workforce: children who attend high-quality ECE experience higher high school graduation rates, increased employment, and increased earnings as adults. Increased societal and workforce productivity benefits both individual lives and the economic well-being of the state: children who attend high-quality ECE also experience fewer social ills such as drug use, high blood pressure, and arrests, thereby reducing the need for costly social services. Research has shown that these long-term benefits in earnings and other social outcomes can last at least forty years.

Economists have actually quantified the benefits of early childhood education. Nobel Laureate James Heckman has estimated that spending $1 on high-quality early care and education can yield between $7 and $12 in economic returns through increased earnings and decreased need for social services. In our recent Economic Impact of Child Care brief, we used a conservative estimate of return on investment and calculated that each year Connecticut’s highest-accredited early care programs result in long-term benefits of $1.9 billion to the state.

The Need for State Support for Early Care and Education

Support for Low-Income Families

Although early care and education has critical benefits for children, families, and the economy, many Connecticut families cannot afford quality care. In

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this report, we have traditionally examined trends in child poverty as an indicator of the need for state support for child care, given that for families living under the poverty line, child care is prohibitively expensive: in 2016, two parents with an infant living at the poverty line (which is $20,160 per year) could expect to spend almost 70 percent of their income on center-based child care. Rising child poverty rates in the state over the last decade have increased the need for state child care subsidies for low-income families.

Without government-subsidized care, very low-income families may choose options other than quality care, such as one parent leaving the workforce or seeking informal child care with a friend, family member, or other unregulated child care provider. Unregulated child care brings increased risks: while child care providers licensed by the state undergo criminal background checks, home safety checks, and annual inspections, unregulated providers by definition have no such requirements. Moreover, even when informal child care settings are safe, providers are not required to meet the same quality standards regarding curricula, child-teacher ratios, or health services.

Support for Families at all Income Levels

Although low-income families are the most burdened by child care costs, the high cost of child care poses a burden for Connecticut families across the income spectrum. The cost of child care in our state has long been among the highest in the country, and continues to rise. Between 2009 and 2017, the

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41 For a full discussion of licensing requirements, see resources on the OEC’s Division of Licensing page, retrieved from http://www.ct.gov/oec/cwp/view.asp?a=4542&q=544636.
42 We discuss the cost of child care in “The State of Early Childhood 2015” and our previous Early Care and Education Report Cards. They can be found online at http://www.ctvoices.org/publications. Connecticut’s high relative cost of care is also noted by a number of other organizations, including Child Care Aware and multiple state and national media organizations.
average cost of child care rose by five percent after adjusting for inflation, in contrast with real wages which fell by about ten percent during the same period of time.

Due to rising costs and falling wages, most families with young children struggle to afford child care, according to federal and state standards which define affordable child care as care that costs less than ten percent of a household's income. By that definition, a family with two young children in 2016 would have to earn over $257,000 per year in order for child care to be affordable. Only seven percent of Connecticut households with a young child meet that income level (see Figure 2).

Anonymous father of two, Middletown, CT

“Child care had a big impact on our household budget. Paying for child care was like paying for a second mortgage. We paid $1,300 when both our children were in child care. My wife and I are both firmly middle class with two professional jobs. When we initially chose day care, we chose a day care that was the best for our child. We initially chose a day care because we liked the philosophy. But this day care was out of our league, because of money. It was $1,300 for one kid. With our second child, we moved our first child to a cheaper day care and placed our youngest in home day care. This still cost $1,300 a month for both children.

The preschool that we had to settle for, because of cost, was not the quality that we were hoping for. We were hoping for basics like counting and ABCs, and our children did not get that. Our children loved the social component of preschool but they did not get the academic preparation that they needed.

We are excited to get out from under the payment of day care. Day care and car payments hold people back and keep people from being able to save anything. Now that both children are out of day care we can save a little bit, which is great.”

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43 Source: Connecticut Voices for Children analysis of 2-1-1 Child Care reports on the average cost of care. In July 2009, 2-1-1 reported average costs of $10,165 for preschoolers (cited in our Early Care and Education Progress Report, 2010). In July of 2017, 2-1-1 reported average costs of $234 per week for preschoolers ($12,168 per year). The 2017 cost was retrieved from http://www.211childcare.org/reports/average-child-care-cost/. (Note that this report is updated regularly with new numbers.) After adjusting for inflation to July 2017 dollars using the Bureau of Labor Statistics Inflation Calculator, the cost of preschool has increased by 5%.


46 Child Care Aware reports the average cost in 2016 ($14,079 for infants; $11,669 for preschoolers). We analyzed household incomes (variable “fincp”) for households with children under 5 using 2016 Census micro-data.
Families across the income spectrum need help paying for child care, and the government has long met some of that need, whether at no cost (such as public preschool in magnet and charter schools) or a reduced cost (such as through the child care subsidy, Care 4 Kids). Government support also bolsters the viability of the child care industry: for many ECE programs, state funding is a critical component built into the business model.47

Progress over the Last Decade

In the last section, we discussed the importance of quality early care and education to support healthy child development, parents’ ability to work, and the state economy. We reviewed the importance of state support to ensure that families across the economic spectrum can afford care. In this section, we assess the adequacy of state investments over the last decade. First, we examine improvements in access to preschool, the provision of state-subsidized infant/toddler care, the growth of child care subsidies, and the quality of care. Then, we discuss the limited data available to assess the sufficiency of that progress.

Trends in State Spending on Early Care and Education Programs

Legislative allocations have enabled increased programming and infrastructure building in early childhood over the past decade, including during recent years when other human services have experienced cuts. In last year’s State of Early Childhood, we documented at length the progress Connecticut has made in systems building; 48 this year we focus primarily on the expansion of programs funded by the state and by municipalities.

Connecticut has a “mixed delivery model” for ECE, meaning it includes both public school and community-based early care and education options, with a wide variety of teacher backgrounds,

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47 At a talk by Harriet Feldlaufer, OEC, on February 16, 2017, the child care system was described as being founded on three legs of support: parent fees, the Care 4 Kids child care subsidy, and other state-funded programs (such as Child Day Care Centers, School Readiness programs, and Smart Start).

languages spoken, program hours, and curricula.49 Programs may be funded by the state, federal government, local municipalities or school districts, parent fees, or some combination of funding streams. Most state-funded programs serve children in communities classified as high-need. (Both the definition of community need and individual family eligibility criteria vary, as seen below in Figure 3.)

Over the past ten years, several large state-funded programs (particularly Care 4 Kids, School Readiness, Smart Start, and Head Start) have received millions of new state dollars. The OEC has also obtained new federal funds in the form of the Preschool Development Grant and leveraged new philanthropic dollars. Figure 4 shows state expenditures on ECE programs over the last fifteen years. In general, this graph illustrates a gradual growth of spending on the direct provision of ECE programs. Some funding enhancements reflect small increases in provider fee rates or administrative

costs; however, as we will document in this section, funding increases have generally expanded the availability of programs.

The graph also shows that state funding for Care 4 Kids has vacillated significantly. This program does not directly fund classroom spaces for children; rather, Care 4 Kids is a child care subsidy that covers a significant portion of low-income families’ child care costs. Families may use their Care 4 Kids subsidies to enroll their children in another state-funded program, such as School Readiness, or to access a private community-based program, such as a center, family child care, or a kith and kin provider.

Figure 4. State Spending on Early Care and Education Programs

Preschool Programming

One of the state's principal investments in early childhood over the past decade has been in state-subsidized preschool through School Readiness programs. These programs require the provision of high-quality center-based preschool for modest parent fees. School Readiness includes classrooms in both Priority School Districts (the state's ten lowest-performing districts) and Competitive School Districts (thirty slightly higher-performing districts).


51 School Readiness programs are center-based preschool programs required by the state to maintain accreditation by the National Association for the Education of Young Children (NAEYC) and meet other stringent quality standards. Child Day Care Centers and some other state-funded programs have similar requirements.
Figure 5 shows the number of children served in various state-funded preschool programs. **Increases in School Readiness funding have enabled the expansion of classrooms to serve more preschoolers.** Since 2004, the number of preschoolers served in Priority School Districts has increased by 75 percent, from about 6,000 in 2004 to about 10,700 in 2016. The number of children served in the (smaller) Competitive School District program has increased by almost 300 percent, from fewer than 400 children in 2004 to almost 1,500 in 2016. Together, the two School Readiness programs provide preschool education for more than ten percent of all three- and four-year-old children in the state.

![Figure 5. Number of Preschoolers Served in State-Funded ECE Programs](image)

Two new grants have also increased the availability of public school preschool. Beginning in 2016, the state opened new preschool programs through the new Smart Start program, funded through a state legal settlement fund. In the 2015-2016 school year, Smart Start served 480 children. The state also received new federal funds through the Preschool Development Grant, which have helped add high-quality classrooms for 430 children and improved existing classrooms for 282 children. **The Preschool Development Grant is not depicted in Figure 5, as it does not represent state funds.**

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53 Data provided by Harriet Feldlaufer and Maggie Adair, OEC, via email.
These gains, however, have been partially offset by declines in preschool slots offered by Head Start, Child Day Care Centers, and Even Start.

- In 2016, the state and federal Head Start programs served a combined total of only 6,181 preschoolers, down from a high of almost 7,500 in 2010, reflecting Head Start’s shift towards infant/toddler care. State funding for Head Start has remained relatively flat since 2002.54

- The preschool population served by Child Day Care Centers has also fallen in size: the 2,400 preschoolers served in Child Day Care Centers in 2016 represent an all-time-low for the 21st century. These declines reflect a shift towards infants and toddlers rather than cuts to overall funding levels (the inflation-adjusted value of state funding for Child Day Care Centers has doubled since 2005).56

- Declining state funding for Even Start, a small program that provides comprehensive services to families with low literacy, has led to all-time low preschool provision as well. One decade ago, Even Start served as many as 70 preschoolers per month. In 2016, Even Start served just three preschoolers.

The increase of state funding for preschool programs and services has changed the face of early care and education across the state. This section highlights some of the primary impacts upon the availability of care. (Notably, increased funding has also allowed for limited increases in provider compensation or other operation costs, but compensation remains low.57)

The prioritization in public school preschool has helped increase the share of three-year-olds enrolled in preschool by almost ten percent. Our analysis of Census micro-data shows that as of 2016, the share of three-year-olds enrolled in preschool of some kind increased to 54% (from 45% at the time of survey in 2005). Given that research shows that preschool’s academic benefits are greatest for children who start at earlier ages, greater enrollment for three-year-olds is promising. Over the same period, the share of four-year-olds enrolled in preschool increased by six percent to around 80 percent.59 (See Figure 6.)

Four-year-olds are shifting from community-based preschool to public preschool, while three-year-olds are increasingly attending community-based preschool. Census data does not show which specific programs these children attended, but does differentiate between public and community-based

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54 According to an October 2016 email from Grace Ann Whitney, OEC, to Connecticut Voices for Children, the Head Start program has transitioned towards caring for more infants and toddlers in response to evolving population need.


56 The 2016-adjusted value of state funding for Child Day Care Centers doubled from $8.2 million in FY 05 to $18.5 million in FY 09. In FY 16, the program was funded at $17.0 million.


59 Based on CT Voices analysis of 2016 Census micro-data using variable “sch.” Note that in our analysis, we excluded children who were in kindergarten using the variable “schg.”
Preschool enrollment data reported by the State Department of Education corroborates the increasing public school preschool enrollment seen in the Census data: between the 2011-2012 and 2016-2017 academic years, public preschool enrollment has increased from about 16,600 children to almost 18,800 (a 13 percent increase in just five years).\textsuperscript{60}

In contrast, the majority of increasing preschool attendance for three-year-olds occurred in private preschools.

The prioritization of public school preschool may contribute to declines in the availability of community-based centers and family child care. In addition to from data showing spending and enrollment in state-funded programs, we also analyzed program licensure data from the United Way, which shows the number of regulated ECE providers and slots available (both state- and privately funded) in all programs across the state. Our analysis shows that over the past fifteen years as the state has invested in public preschool (through School Readiness and other programs), the numbers of community-based centers and family child care homes in the state have steadily declined. Figure 7 shows that since 2002, the total number of licensed family child care homes has declined by about 80 per year; beginning in 2011, the number of licensed centers began declining as well, though more slowly (about 20 per year).

Meanwhile, the number of license-exempt programs (centers run by public schools and religious institutions) has remained fairly consistent since first reported in 2009. Because the decrease in community-based programs has occurred during a period of increased public preschool investment,

the overall number of slots for preschool across all state- and privately-funded programs has remained fairly stable at around 70,000.61

Combined, data reflecting state spending, preschool enrollment, and the decline in the number of community-based providers show a correlation between the increasing prioritization of public schools and declines in community-based centers and homes. There is no data showing causation between these factors. However, providers have suggested that there may be a causal link: state- and locally-subsidized public school options may outcompete community-based programs for enrollment, hurting the business models of community-based providers.62

Although prioritizing public preschool helps many children access preschool, it is important that families have an array of options for their early care and education needs. For many families, public preschool is the best option: it is sometimes offered at no cost, takes place within respected public institutions, may offer access to other resources (such as school buses), and typically require teachers to have bachelor’s degrees. Still, some advocates have voiced concerns that public schools are not adequately prepared to provide high-quality preschool: children under five represent a distinct developmental stage with needs that are different from those of older children. Serving young children may require different infrastructure, different pedagogy, and different expertise.63

61 Early drafts of the Unmet Needs Report commissioned by the Office of Early Childhood have suggested that the demand for slots – based largely on Census employment data – may be around 70,000. This figure is slightly lower than the actual number of slots in the state. However, the Unmet Needs Report will address in great detail the diverse needs of families seeking child care, which are more complicated than a one-to-one match of one child-one slot. (As a cursory example, a family in Willimantic with no transportation cannot utilize an open slot in Hartford.) The publication of the OEC’s report this fall should cast considerable light on the availability of varying types of child care, the needs of families in different regions, and recommendations for how to better align resources with family need.

62 Reflects common sentiment expressed by early childhood providers and some OEC staff during Early Childhood Alliance meetings in 2016 and 2017.

Moreover, as the OEC’s forthcoming Unmet Needs Report will reportedly discuss at length, centers and family child care providers may have more flexible schedules, offer child care in languages other than English, or meet other individualized needs that public schools cannot. Ultimately, given families’ varying structures, work schedules, access to transportation, and cultural values, the state needs a diverse array of ECE programs to ensure that families can access care whenever and however they need it. The destabilization of community-based ECE programs threatens families’ ability to obtain the care that meets their needs.

**Despite significant public investment, one in five students never experience preschool.** Each year, the State Department of Education surveys kindergarteners’ parents about whether their children ever attended preschool. Below, Figure 8 shows that between 2003 and 2006, the statewide preschool experience rate increased from 75 percent to 80 percent. Since then, the rate has remained consistent at around 80 percent. This data indicates that despite all state and local provisions, one in five children still never attend preschool.

Families may deliberately choose not to utilize preschool due to home schooling, cultural preferences, or other factors. However, our analysis of preschool experience data shows that children who enter kindergarten without having ever attended preschool remain concentrated in lower-income school districts. In 2006, SDE created designations called “District Reference Groups” (DRGs) to compare similar schools and districts, based upon factors including district enrollment, family education, median income, family occupations, approximated community need. These DRGs were labeled from A to I, with median family income declining progressively with each successive DRG. 64 DRG A covers highly affluent suburban districts in Fairfield County, while DRG I covers seven large urban districts with large populations of low-income students and students of color.

Preschool experience rates correlate roughly with geographical wealth divisions: in the 2016 academic year, almost 100 percent of kindergarteners in the wealthiest districts had attended preschool, while fewer than 75 percent of children in the poorest districts had experienced preschool. In the wealthiest districts in Fairfield County, 97 percent of kindergarteners attended preschool. In contrast, fewer than three-quarters of kindergarteners in the two poorest school district groupings had attended preschool.

The gap in preschool experience between the lowest-income districts and the highest-income districts has narrowed. When preschool experience rates are examined over time, data shows that the

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64 Although SDE no longer uses the District Reference Group classification, no better classification system has emerged. To preserve historical continuity and to discuss differences between different types of school districts, we continue to classify districts this way in order to examine similar districts over time.
The gap between the highest- and lowest-income communities has narrowed significantly (see Figure 10). While the wealthiest districts’ preschool experience rates have remained consistently high, the large urban districts’ preschool experience rates have increased from a low of 56 percent in 2004 to a high of 73 percent in 2016. This increase in the percent of children in large, low-income cities who are attending preschool has significantly narrowed the preschool experience gap, from 40 percent in 2003 to just 26 percent in 2016.

A smaller, though significant and sustained increase has occurred in DRG E, which consists of 35 small, mostly rural districts with moderate family income and education but low rates of single-parent families and children in poverty. (At various points, some other DRGs have shown short-term decreases but given that these decreases have not persisted over time we cannot extrapolate a trend.)

While the SDE data does not report where these children attended preschool, the increase may reflect increased investment in School Readiness and other state- and locally-funded programs which target low-income and low-performing areas. If so, public preschool in high-need communities may be effectively helping to decrease disparities in preschool access across municipalities.

Preschool experience rates in one group of low-income districts have declined significantly since 2002. Improvements in the large urban districts have been offset somewhat by declines in preschool experience rates in DRG H, which consists of nine smaller cities and towns with high percentages of single-parent families, children in poverty, and families who do not speak English at home. Outside the large cities, districts in DRG H have the highest poverty rates and lowest median incomes in the state. Between 2013 and 2016, DRG H students’ preschool experience rates fell from a steady 75 percent to just 66 percent.

Determining what accounts for changes in preschool experience in these districts would require more detailed public data showing where children from different municipalities attend ECE programs. OEC representatives have reported that this data may soon be available for children who attend publically-funded preschool.65

65 Shared by representatives of the OEC during a September 26th, 2016 meeting with Connecticut Voices for Children.
Infant/Toddler Programming

The state has invested significantly more in providing subsidized preschool than in providing child care for infants and toddlers. In Connecticut (as has been the case across the country), the push for early care and education has traditionally prioritized preschool: given that three- and four-year-old children are soon to enter the K-12 system, their need for preparation is more immediately evident. Moreover, preschool is less expensive to administer than infant/toddler care and is more easily pedagogically connected to K-12 curricula.

Figure 11. Number of Infants and Toddlers Served in State-Funded ECE Programs

Source: Various; refer to the data appendix. Note that enrollment in some of these programs may overlap
Over the past decade, the state has increased the number of state-subsidized slots for infants and toddlers in Child Day Care Centers and Early Head Start (see Figure 11). As we noted in the preschool section, both Head Start and Child Day Care Centers have shifted towards infant/toddler care. Combined, the programs serve almost 80% more infants and toddlers in 2016 than they served in 2005.

Although Early Head Start and Child Day Care Centers have grown in their capacity to serve infants and toddlers, each remains smaller than any of the four major preschool programs (Child Day Care Center preschool classrooms, Head Start, or either of the School Readiness programs). This is not to say that the state has not invested in supporting children aged birth to two: a number of other state programs, ranging from developmental supports to home visiting programs, are available to the families of the youngest children. However, these programs do not meet the needs of parents who require child care for an infant or toddler.

Moreover, as noted above, the state has decreased funding for Even Start over the past ten years. In 2016, the program served just 43 infants and toddlers, down from a high of 74 in 2003.

The total number of regulated child care slots for infants and toddlers across the state has grown less than ten percent over the last decade. As with preschool data, we track both enrollment in state-funded programs and the total number of regulated programs and slots for infants and toddlers. The total number of slots has remained relatively constant at around 20,000 since 2006, despite all state investment in early childhood and the shift in some programs towards infant/toddler care. This represents that the total number of infant/toddler slots is equal to less than one-third of the total number of preschool slots.

66 State-funded wrap-around supports include Birth to Three, the Children’s Development Infoline, Help Me Grow, Healthy Start, the Positive Parenting Program, The Stranger You Know, Family Development Training, the Early Childhood Consulting Partnership, and 2-1-1 Child Care. For descriptions of each program, see the glossary of our “Assessing Quality in Connecticut’s Early Childhood System” report at http://www.ctvoices.org/ECE-Quality.
The relative lack of infant/toddler care provided by the state mirrors a broader statewide trend in which the availability of care for infants and toddlers far outstrips family need. Although Connecticut’s birth rate has been falling, an increasing percentage of families of young children have all parents in the workforce and thus likely need child care.67 The current availability of slots is insufficient: in early drafts of the Unmet Needs Report, the Office of Early Childhood estimated in 2015 that across Connecticut, providers of all kinds only offered enough infant/toddler slots to meet one-third of estimated statewide need.68

Infant/toddler care is more expensive to administer, in large part due to required low child-teacher ratios,69 and often the expense of operating infant/toddler care exceeds families’ ability to pay. Community-based providers reportedly often use preschool classrooms to subsidize infant/toddler care. With the number of center- and home-based providers falling, the availability of infant/toddler care may fall as well. Without more significant state prioritization, the supply of infant/toddler care is unlikely to ever meet statewide need.

Care 4 Kids

Care 4 Kids is a critical component of early childhood. We discuss Care 4 Kids separately from preschool or infant/toddler care because it plays a more complex role than direct early childhood programming. Funded by a combination of federal and state funds, Care 4 Kids is a child care subsidy that covers child care expenses on a sliding scale to help working parents access high-quality ECE that they otherwise could not afford.

67 Based on CT Voices analysis of 2016 Census micro-data using variable “fes.” In 2005, 39% of children under five lived in households in which one or more parent who was not in the workforce. In 2016, only 28% of children under five lived in such a family. Families with all parents in the workforce are more likely to need child care.

68 Early drafts of an Unmet Needs Report commissioned by the Office of Early Childhood indicated that the total need statewide for infant/toddler slots may be around 75,000. The estimated number of spaces available is about 24,000.

The vast majority of recipients (about 99 percent)\textsuperscript{70} are either working parents with household incomes under 50 percent of the state median income or current or former recipients of Temporary Assistance for Needy Families (TANF). Historically, the program has funded roughly equal numbers of infants/toddlers and preschoolers, in addition to slightly lower numbers of school-aged children. As of 2016, average monthly enrollment consisted of about 7,800 infants and toddlers, 6,900 preschoolers, and 6,100 school-aged children.

**Care 4 Kids enrollment has fluctuated in response to state funding cuts.** At least twice in the last fifteen years while the Care 4 Kids program was under the control of the Department of Social Services (DSS), enrollment in Care 4 Kids closed to most families. Both times, enrollment for young families subsequently fell by a significant margin. During program closures, eligible families who apply for subsidies are placed on waitlists. Unfortunately, no data exists indicating the child care choices made by waitlisted families.

Figure 13 shows the close alignment of Care 4 Kids spending and enrollment, including corresponding decreases in 2002 and 2009 during program closures. In 2002, DSS closed the program during an economic downturn. Within three years, the state reduced its funding for Care 4 Kids by almost 70 percent, leading to a drop of almost 60 percent in the average number of children receiving subsidies each month. After the program reopened, funding and enrollment steadily increased, reaching pre-closure levels by 2008. Then in 2009, when the program was closed to some new families (and new restrictions imposed), enrollment for young children again fell before increasing given increased state funding beginning in 2010.

![Figure 13. Care 4 Kids: Trends in Spending and Enrollment](image)

Figure 13. Care 4 Kids: Trends in Spending and Enrollment

Most recently, in August of 2016, enrollment in Care 4 Kids was closed again to new families. We will discuss the implications in the “Progress At Risk” section.

\textsuperscript{70} Enrollment data reported by Harriet Feldlauber, OEC, February 16, 2017.
Care 4 Kids supports the viability of state-funded and private-pay ECE programs. Both state-funded ECE programs (particularly School Readiness and Child Day Care Centers) and many privately-funded programs that serve lower-income communities and families accept Care 4 Kids subsidies. For providers serving low-income communities in particular, Care 4 Kids is a critical source of funding to open and maintain classrooms. In one 2017 survey of about 250 child care providers, respondents reported that Care 4 Kids subsidies constituted about 30 percent of their budgets. Providers who reported a high level of reliance on Care 4 Kids subsidies were (predictably) disproportionately located in low-income areas, where the traditional private-pay business model is often not viable in the absence of public subsidies.71

Quality Improvement

The state’s provision of wrap-around supports increases the quality of all early childhood programs. Service providers and state agencies increasingly recognize wrap-around supports – services that meet children’s and families’ holistic needs – as a vital part of education. In a factsheet about wrap-around supports and closing the achievement gap, the State Department of Education says, “Schools cannot do it alone. In order to achieve maximum success in their education reform efforts, schools need to engage a set of partnerships between the school and other community resources. These partnerships develop a unified focus on academics, services, supports and opportunities that leads to improved student learning, stronger families and healthier communities.”72

The same holds true for early childhood. In our recent brief about the quality of child care, we argue that wrap-around supports including meals, medical care, and home visiting were critical components of the success of the flagship models for early care and education: the Perry Preschool Project, Abecedarian Project, and Carolina Approach to Responsive Education (CARE).73 In Connecticut, few ECE programs have built in such robust wrap-around supports. However, state- and locally-funded programs offer a number of supports to help meet children and family’s needs in and outside the classroom, including medical care, home visiting, and developmental consultations. The provision of these supports independent of child care and preschool helps to lower the cost of high-quality ECE and to support the needs of children who aren’t attending ECE.74 For a full discussion of wrap-around supports in Connecticut, see our report, Assessing Quality in Connecticut's Early Childhood System.75

Donaeya Jenkins, mother of Bret

“When [Bret] got here, he wasn’t crawling or sitting up, or doing the things that he should be doing at his age. [Hope Child Development Center] referred me to a Birth-to-Three program[...] With that, it was just amazing, everything took off from there. They showed me which shoes to buy, which exercises to do with him. They supported the teachers and what to do with him in his physical development areas, what to do when they go outside, certain activities, slides, ladders, things that he can do to build his large muscles so that he can move up to the next room because he was held back. When he did start walking we saw even more change in him. Now he’s climbing on things, he’s hopping off things, he’s walking with balance, he picks himself off the floor.”

71 Survey conducted by the Connecticut Child Care Association of Connecticut, which represents the interests of private child care providers.
74 Ibid.
75 Ibid.
Quality improvement is a critical state function. The early care system is relatively young, informed by a growing research base that helps to shape its structure and evolution. The issuance of regulatory guidelines and quality assurance by the state helps to ensure children’s health and safety and maximize the developmental benefits of care. Connecticut’s use of a “mixed delivery model” (its mix of public school and community-based early care and education options) renders quality improvement efforts especially important. Although the mixed delivery model helps meet the varying needs of our diverse communities, setting and meeting consistent quality standards is more complex than it would be in a state with only publicly funded options.\textsuperscript{76} Community and stakeholder involvement is critical to ensure that all voices are represented and all families’ needs met in quality improvement efforts.

With the advent of the OEC, the state has engaged in multiple new or enhanced quality improvement initiatives. In addition to direct early care programming, Care 4 Kids, and wrap-around supports, the state has invested in improving the quality of care provision, with recent results including the following:

In programs that accept state funds, the share of lead teachers with a bachelor’s degree has increased from 45 percent in 2012 to 63 percent in 2016, with six percent increases in each of the last two years.\textsuperscript{77} If the six percent annual increase in degree attainment were to continue in a linear fashion, we would expect 93 percent of lead teachers to earn a B.A. by the statutory deadline in 2021. Unfortunately, the number of students currently enrolled in early childhood degree programs compared with the number of ECE providers expected to retire indicate that degree attainment may decelerate, which will necessitate either further delays of the statutory bachelor’s degree requirement or further state efforts to facilitate higher education attainment.

- In the fall of 2017, the OEC began piloting their Quality Recognition and Improvement System (QRIS). Providers have voiced concerns about the current model, including some providers’ belief that it should more fully align with National Association for the Education of Young Children (NAEYC) standards.\textsuperscript{78} The pilot period over the next three years will provide an opportunity to further refine and test the model.

- The OEC is using the federal Preschool Development Grant to fund high-quality, accredited preschool with comprehensive wrap-around services in thirteen high-need communities that have received fewer state preschool funds. This model funds teacher compensation commensurate with local public kindergarten teacher wages, and thus has a much higher per-pupil rate than other programs.

Unfortunately, quality improvement requirements can increase costs for providers.\textsuperscript{79} For state-funded programs, cost increases require increase in funding rates provided by the state. For private providers, increased costs necessitate increased family fees, which make child care even less affordable. In both cases, costs associated with quality improvement efforts underscore the importance of the state’s role in subsidizing costs.

\textsuperscript{76} The OEC provides significantly more quality regulations for state-funded center- and school-based programs. Many of these regulations would not make sense if applied to a private center serving only Spanish-speaking families, for example, or a family child care provider serving infants overnight. See discussion of our state’s recent NIEER ratings and interstate rankings in a McKinsey report in the appendix of our quality report. \textit{Ibid}.

\textsuperscript{77} Connecticut Voices analysis of data supplied by the OEC Workforce Registry.

\textsuperscript{78} Expressed by providers during several meetings of the Early Childhood Alliance and during Quality Recognition and Improvement System listening sessions. Given that (a) NAEYC is often considered a “gold standard” for early care and education, and (b) the OEC has prioritized NAEYC accreditation for state-funded and community-based providers, many providers would like to see greater alignment between the standards.

\textsuperscript{79} For example, requirements for provider credentials, child-teacher ratios, and accreditation all contribute to the cost of providing care; when states introduce increased requirements, the costs of operating a center or family child care business increase as well.
Evidence of Need for Continued Progress

Ideally, assessments of the success of early care initiatives would examine children’s ECE experiences linked with later academic, behavioral, and health outcomes. This data could be used to examine improvements in achievement and well-being among children who attend high-quality ECE programs, and to highlight the most effective programs. The state is working to integrate such data, but comprehensive systems are not yet available.

In 2016, the Connecticut General Assembly commissioned a study to examine the effects of School Readiness; the study found that attending School Readiness improved attendees’ early literacy and numeracy skills with effects 75 percent larger than the average achievement effects of successful preschool interventions. While these results are promising, this study was the only Connecticut-based study of its kind.

To assess early care initiatives in the state more broadly, we have turned to the limited data currently available: standardized test scores. For the purposes of this report, we have utilized fourth grade scores to align with the adage, “ready by five, fine by nine,” as was used in Connecticut’s Early Childhood Cabinet Results-Based Accountability model. When more linked assessment data becomes available in the future, we may look at indicators across a larger number of years.

In 2016, only one in four fourth grade students from the large urban districts met or exceeded goal levels on the English/Language Arts portion of the standardized achievement test. Fewer than one in five fourth graders from those districts met or exceeded goal levels on the math portion. The share of students in the large urban districts (DRG I) who met or exceeded goal levels on each portion of the exam was less than half the statewide average, and less than one-third of the average in the wealthiest suburban districts. These data indicate that much more work needs to be done to support the kindergarten readiness of young children in low-income areas,

Figure 14. Fourth Graders Meeting or Exceeding Goal Levels on SBAC Test, 2015-2016 Academic Year (Score = 3 or 4)

particularly in the large urban districts. As noted earlier in this report, about one-fourth of children in these municipalities never attend preschool, let alone two years of consistent, high-quality preschool.

Progress at Risk

*In the last section, we discussed the impacts of state investment over the past decade upon access to preschool, infant/toddler care, child care subsidies, and the quality of care. Data showed, that despite significant state and local efforts, a 26 percent preschool experience gap persists between the most affluent school districts and the large urban school districts; the total number of infant/toddler slots statewide meets only about one-third of OEC-estimated state need; the availability of community-based providers continues to decline; and wide academic achievement gaps persist across school districts. In this section, we discuss evidence of the state's slowed investment in early childhood. We present early indicators of the consequences of this change and discuss anticipated future consequences.*

Programs at Risk in FY 17 – FY 19

Funding for early care must be understood in context of broader budget. The state budget faces a structural deficit resulting in part from long-term failure to fund pension liabilities for teachers and state employees. Fiscal Year 2018 will be the first year in which the share of the budget devoted to “non-functional costs”—teachers' pensions, state debt, and benefits for public employees—will exceed the share devoted to children. Without structural reform, these costs threaten to consume an even larger share of the budget over the coming decades, crowding out direct supports for children and families. Furthermore, four new restrictions imposed during the 2017 legislative session on the state’s future ability to spend money further limit the ability of the state to invest.

While the state’s spending on early childhood has grown over the past ten years, the impacts of Care 4 Kids closures during periods of disinvestment in 2002 and 2008 serve as cautionary reminders of the risks of disinvestment (refer back to Figures 4 and 13). Yet, funding is at risk given the budget challenges currently facing the state. The reality of the structural budget deficit puts all the work of the past decade at risk. In the midst of Fiscal Year 2017 budget adjustment discussions in April of 2016, Connecticut Voices for Children wrote,

“With a $900 million deficit projected for the fiscal year beginning July 1, 2016 and widening to well over $2 billion by 2020, Connecticut faces a looming, but not unmanageable, fiscal crisis. In response, the legislature has debated significant cuts to health and human services and to education. While such cuts may offer a short-term
solution to the budget gap, they do so at a significant cost to the long-term economic and social structure of the state.\textsuperscript{82}

Although some of the most devastating proposed cuts in FY 17 were averted, ultimately legislators cut almost 4 percent of total planned spending on children.\textsuperscript{83} For FY 18 and 19, legislators annualized cuts and holdbacks from FY 17 and instituted a number of new cuts.

Underfunding of Care 4 Kids

While early childhood was largely held harmless – and indeed grew – from FY 13 to FY 16, a new era began in May of 2016. The federal government announced mandatory new child care subsidy regulations to the Child Care Development Block Grant (CCDBG), which funds about 40 percent of Connecticut’s Care 4 Kids child care subsidy, with no accompanying increase in funds. In May, the OEC announced that meeting these new standards would leave Care 4 Kids underfunded by $34 million in FY 17.\textsuperscript{84}

After discussion of a number of solutions, the program’s largest priority group (which funds working parents with incomes under 50 percent of state median income (SMI)) was closed in August of 2016, with subsequent closures to former TANF recipients and to teenage parents in December of 2016. See Figure 15 for documentation of the closed enrollment categories.

![Figure 15. Care 4 Kids Priority Groups](http://www.ctcare4kids.com/care-4-kids-program/reports/)

<table>
<thead>
<tr>
<th>PRIORITY GROUP</th>
<th>ENROLLMENT DEC. 2016</th>
<th>OPEN OR CLOSED TO NEW APPLICANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Group #1</td>
<td>Family that currently receives TANF with a parent employed in a training activity</td>
<td>2,427</td>
</tr>
<tr>
<td>Priority Group #2</td>
<td>Working parent who has received TANF within 5 years of the application date</td>
<td>3,302</td>
</tr>
<tr>
<td>Priority Group #3</td>
<td>Teen parent (age 18 or 19) in high school or high school equivalent</td>
<td>23</td>
</tr>
<tr>
<td>Priority Group #4:</td>
<td>Working parent with income under 50% of state median income</td>
<td>7,931</td>
</tr>
<tr>
<td>Priority Group #6</td>
<td>Working parent with income between 50% and 85% of state median income</td>
<td>172</td>
</tr>
</tbody>
</table>

Source: Enrollment data reported by Harriet Feldlaufer, Office of Early Childhood, February 16, 2017.

Figure 16 shows the ensuing decline of Care 4 Kids enrollment for children under five: thirteen months after the closure of Priority Group 4, the number of infants and toddlers served fell by almost 3,400 (41 percent) and the number of preschoolers served fell by over 2,400 (33 percent).\textsuperscript{85}


84 See the OEC’s initial announcement of the closure at http://www.ct.gov/oec/cwp/view.asp?Q=581054&A=4545. Note that the proposed eligibility change described in the announcement was altered after significant discussion with early childhood advocates, though no notice reflecting the change exists on the OEC website.

Throughout 2016 and 2017, Connecticut Voices for Children and other advocates engaged in coalition building, research, lobbying, and awareness campaigns about the importance of fully funding Care 4 Kids. Despite all efforts, the FY 18 and 19 state budget left the program underfunded by an estimated $30 million in FY 18 and $25 million in FY 19.86 Subsequently, on November 8, 2017, the OEC announced that they would reopen enrollment to Care 4 Kids, beginning with mailing applications to the first 1,600 of the nearly 5,800 families on the waitlist. However, given that the program is not fully funded, it will serve fewer children per month than at peak levels in 2016, leaving many families on a waitlist.87

Other Funding Cuts

Looking ahead, a number of other programs face threats of significant funding reduction or elimination. In FY 17 policymakers made small but impactful cuts to Family Resource Centers, Head Start and Early Head Start, and a number of quality improvement efforts.88 For FY 18 and 19, policymakers annualized last year’s cuts; further reduced funding for Head Start and Smart Start; and reduced or eliminated funding for wrap-around supports including Family Resource Centers, the two-generation initiative, Help Me Grow, Improving Early Literacy, Community Plans for Early Childhood, and Healthy Start.89

On the positive side of the ledger, the bipartisan budget just passed by the legislature did restore some proposed cuts to ECE programs and wrap-around supports. It also kept intact the Office of Early Childhood, in contrast to some earlier proposals that called for moving parts of the OEC into other departments or eliminating the agency altogether by incorporating it into the State Department of

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86 In May of 2016, the OEC reported that the Care 4 Kids appropriations of $122 million for FY 17 were $33 million short of anticipated funding needs. We calculated estimated underfunding for FY 18 and 19 based on this figure.


Education. The OEC was formed in part in response to a 2010 commissioned study that found that a cohesive early childhood agency could most effectively provide early childhood services. Maintaining the OEC aligns with governance structure best practice.

Looking ahead, we are mindful that, in recent legislative sessions, proposed cuts have been defeated one year only to be raised again in the subsequent year. Given this precedent, it is safe to anticipate that the aforementioned proposals may resurface in 2018.

**The Impacts of Disinvestment**

*Current Evidence*

Disinvestment is already impacting community-based early care providers. A recent survey of 191 providers conducted by the Connecticut Association for Human Services and the Connecticut Early Childhood Alliance found that 54 percent of providers were “less financially healthy now than they were before the Care4Kids freeze.” The provision of services by extant programs may decline as well: 45 percent of providers surveyed had laid off staff, and 37 percent had to close classrooms.

As seen in Figure 18, during Fiscal Year 2017 (the year in which Care 4 Kids closed), the number of center-based program closures was 55 percent higher than the FY 2016 rate, and more than three times the FY 2015 rate. Each year, about half of center-based providers who closed attributed the closure to

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90 CT Voices analysis of the budget passed by the legislature on October 26th, 2017. Publication pending.

91 Fragmented early care and education (ECE) delivery systems “limit effectiveness in delivering a seamless continuum of services to children and families, who may frequently utilize services across these siloed systems, experiencing cumbersome and duplicative processes, varied eligibility and enrollment requirements, and undue inconvenience. Especially as states have faced severe economic decisions, the concept of re-engineering for maximum efficiency – through consolidation into a centralized operational entity - is especially salient.” Julia Coffman, et al. BUILD Initiative. “Early Childhood System Governance: Lessons from State Experiences.” November 2010. Page 11.

92 Ibid.

the business not being profitable. While the share of closing providers who closed for unprofitability reasons did not increase, the number of programs that closed as a result has risen significantly.94

We note that available data does not indicate that the closure of Care 4 Kids has impacted family child care provider closures. In FY 17, the rate of program closure was actually lower than that of FY 16.95

Anticipated Impacts of Care 4 Kids Closure

In a typical year, preschool and school-aged enrollment in Care 4 Kids peaks in the summer as many families rely on summer camps or other child care options during public school summer breaks.96 Then, each September, preschool enrollment drops significantly (by over 600 in 2015) as many five-year-olds leave for kindergarten. These children are gradually replaced throughout the fall and spring; Care 4 Kids enrollment includes significant monthly “churn” as eligible children are born, enter or leave care settings, or newly gain or lose income-based eligibility.

Due to the closure of the subsidy, in the summer of 2017, low-income public school students were unable to obtain summer Care 4 Kids certificates unless their families were already receiving the subsidy. Centers therefore did not experience the typical annual summer “bump” in enrollment. Moreover, many families can no longer access care without subsidies, which can leave slots or whole classrooms empty.97 Empty seats jeopardize program viability; program closures and scale-backs make it more difficult for all families to find child care, regardless of whether they qualify for Care 4 Kids or not.

In September, another class of five-year-olds left preschool for kindergarten without the usual gradual replacement by new Care 4 Kids recipients: between August and September of 2017, preschooler enrollment fell by 685 (12%), likely contributing to the closure of classrooms and programs. The recovery of the early childhood system once new families enroll in Care 4 Kids beginning in November 2017 will take time: the Connecticut Early Childhood Alliance estimates that it takes at least six months to begin a home day care program and at least a year to start a new child care center.98

94 Ibid.
95 When surveyed, the majority of family child care providers closing their businesses cite retirement or pursuit of career changes as the rationale for closure; there was no substantial change in rationale in 2016 or 2017. Ibid.
96 The OEC has reported that in the past, each year, approximately 2,200 such families request “summer-only” certificates. Reported by Harriet Feldlaufer, Office of Early Childhood, February 16, 2017.
97 Based on a survey of 191 providers by the Connecticut Association for Human Services and Connecticut Early Childhood Alliance, 74% of providers reported a net decrease in Care 4 Kids children served since August 2016. Of those providers reporting losses, 13 fewer Care 4 Kids children were served, constituting an average of 10% of each provider’s total licensed capacity. Connecticut Association for Human Services (CAHS) & CT Early Childhood Alliance. “Care4Kids Policy Brief.” August 2017. Retrieved from www.cahs.org.
98 Stated by staff of the Early Childhood Alliance at the September 2017 membership meeting.
Moreover, although some new families will be able to enroll in the program, the program will continue to operate with a waitlist list for the foreseeable future. Unfortunately, children’s development cannot wait, and neither do employers who need their employees to come in to work. We can therefore expect that Connecticut will continue to see new cohorts of young children who are underprepared for school far beyond the date of this partial opening of Care 4 Kids.

**Anticipated Collective Impacts of Funding Cuts**

The closure of Care 4 Kids, elimination of wrap-around supports, and cuts to other services for children and families dismantle infrastructure that advocates and policymakers have built over decades. The closure of classrooms, centers, and family child care providers reduces the ability of all families to access care, especially in low-income communities. The incremental closures of state-funded wrap-around services undermines the ability of the early childhood system as a whole to identify and address the needs of children and families.99 Disinvestment in quality improvement efforts slows forward progress toward better outcomes for children and reduces our ability to pursue new federal funding.100

Taken together, proposed cuts to early care and education sacrifice the programs that are known to have the highest rate of returns.101 Important measures to monitor include future Care 4 Kids enrollment and funding, provider closures, the total number of providers and slots, preschool experience rates, and the number of children served by various state-funded ECE programs and wrap-around supports. However, none of this data assesses the holistic well-being or quality of the early childhood system across the state or in any particular community.

Similarly, none of this data assesses the holistic healthy development of young children, so many impacts may be difficult to measure. Forthcoming data linking state-funded early childhood programs and educational outcomes will have some indications for child well-being, but researchers may need to pursue less conventional indicators, such as abuse and neglect or health data. Qualitative interviews of parents, early childhood providers, and teachers may also be beneficial. It will be especially important to assess the impacts of cuts to early childhood upon low- and middle-income communities, who are hit hardest by proposed cuts in other areas as well.102

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100 In a 2016 discussion with Connecticut Voices for Children, OEC staff noted that our state was better prepared for the new 2016 Child Care Development Block Grant regulations than other states due to having an early childhood agency and preexisting internal quality improvement efforts.

101 “The highest rate of return in early childhood development comes from investing as early as possible, from birth through age five, in disadvantaged families. Starting at age three or four is too little too late, as it fails to recognize that skills beget skills in a complementary and dynamic way. Efforts should focus on the first years for the greatest efficiency and effectiveness. The best investment is in quality early childhood development from birth to five for disadvantaged children and their families.”—James J. Heckman, December 7, 2012


Gary Mayes, father of Javien

“[Javien] opened up little by little, with different teachers that he’s had, they worked with him on learning different words, expressing himself more instead of crying, and it ended up transpiring with him actually coming a long way to this point right now. Honestly, without the Care4Kids services, it would’ve been tough to actually have him into a daycare setting period[...] Care 4 Kids granted us that opportunity to have our child in a school setting, for him to learn and make progress with the other kids his age and whatnot.

And unfortunately now[...]they closed [Care 4 Kids] enrollment. Wow, so they can’t get in. I have friends of mine currently going through that right now in similar situations, single parents without any father or mother really around, and they’re panicking like how are they going to be able to pay for daycare, keep up the household, take care of their child. It’s tough, you know, especially for low-income families. It really is tough.”
Recommendations: Toward Opportunity

In the last section, we discussed a current departure from the state’s previous trend of increasing investment in early childhood, noting both visible consequences of disinvestment as well as some anticipated consequences should current patterns continue. In this section, we recommend a different path forward: a framework to advance healthy child development, kindergarten readiness and successful youth ready to contribute to the state’s overall health, wellbeing and prosperity.

Invest in Early Childhood for the Public Good

A free public education lies at the heart of a sound democracy. Quality public education benefits not only its recipients but the broader society at large: enabling students to graduate school with the knowledge and skills to contribute to prosperous and healthy communities. Early childhood programs have many of the same attributes. Smart investments in early childhood can help ensure that all children start school ready to learn and graduate from school ready for college and career.

Unlike public education, early care is not a guaranteed right. Rather than being made free and available to all children, early care and education is seen in most Connecticut communities as a private choice: a commodity purchased by those who can afford it. The combined short- and long-term economic and social benefits of early childhood programs, however, suggest a broad state interest akin to that in traditional public education. Supporting the healthy development of young children is an investment in the social and fiscal well-being of our entire state, underscoring the importance of shifting the state’s treatment of early childhood from one of private commodity to one of a public benefit. In order for Connecticut to retain its long held attraction as a state with a highly prepared and productive workforce, it needs to invest in early childhood as part of a broader strategic investment in educational opportunity throughout the state.

Connecticut Voices for Children has long described the state budget as both a reflection of its values and a determinant of its future. For our state to thrive, its budget must make strategic investments in critical resources, funding programs, services, and structures that will lead to a better tomorrow. Connecticut Voices for Children advocates for the prioritization of an Opportunity Agenda: a policy agenda grounded in a commitment to:

- Thriving children and families,
- Equitable access to quality education, and
- Inclusive economic growth that advances opportunity for all residents.

Policies that advance the healthy development, care, and education of young children are vital to each of these desired outcomes.

For years, much of the state’s progress in supporting early childhood has hinged upon creating new ECE and wrap-around support programs and expanding slots within existing programs. At the

103 Some Connecticut communities have free preschool available through public, charter, or magnet schools. However, in general across the state, Connecticut does not offer free public preschool. Moreover, no community in Connecticut offers free care for infants and toddlers. Families instead must identify and pay for programs that meet their ECE needs.

104 For examples, look to the creation of Smart Start, Connecticut’s use of the Preschool Development Grant, or new locally-funded public school options.

105 For examples, look to the expansion of Child Day Care Centers and School Readiness.
same time, advocates have successfully worked to build the early childhood system as a whole through the creation of the Office of Early Childhood. Given current limitations on the state budget, advocates must work cross-sector so that supporting young children becomes part of a broader agenda to support thriving children and families, educational success, and shared prosperity. Investing in the long-term well-being of our state will require the united voices of advocates, municipalities, businesses, and other stakeholders. Advancing a cohesive, research-driven vision of opportunity is critical to ensuring that every child can thrive.

Quality child care enables parents to work, lifting families out of poverty. It enables healthy development and education of our children: those who will thrive in childhood and grow into thriving adults if supported equitably and adequately. An Opportunity Agenda must prioritize investments that enable children to enter school ready to learn and leave school prepared for success in college and career. It must support economic growth by ameliorating the effects of poverty and ensuring that parents can work. And, it must advance equity through targeted programs for low-income communities and families to ensure that children have equitable preparation for kindergarten.

As a part of an Opportunity Agenda, we support three immediate priorities:

- Maintaining the OEC to support the structural integrity of the state’s early childhood system.
- Investing further in Care 4 Kids to help low-income families access child care when they need it, without a waitlist.
- Supporting wrap-around services (such as home visiting programs and developmental supports) to help ensure that vulnerable children’s needs are met.

Over the longer term, we recognize the need for further research and subsequent advocacy to address challenging questions, such as:

1. How can early childhood funding be preserved to best support the healthy development of our young children?
2. How can we increase the efficacy and equity in access to existing programs within the limitations of the budget and the constitutional spending cap?
3. What changes can be made to existing business models so that early care providers can offer fairer compensation to highly trained and experienced staff?
4. How can we engage the business community in support for high quality early care and education as a part of a broader effort to ensure the economic competitiveness of our state?

By embracing an Opportunity Agenda, advocates can build a broader base of support for critical public and private investments and engage in new partnerships to ensure that all young children have a meaningful opportunity to grow and thrive.

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