



**Impact on Early Care and Education of the
Governor's Proposed Rescissions to the FY15 Budget
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On November 20, 2014, in order to reduce an anticipated budget shortfall for State Fiscal Year 2015, Governor Dannel Malloy announced rescissions pursuant to Section 4-85(b) of the Connecticut General Statutes. **Governor Malloy's rescissions to the FY 15 budget leave early care and education programs largely untouched.** In particular, the plan maintains funding, as originally passed, for Care4Kids, state-funded child development centers, and School Readiness in Priority and Competitive districts.

However, the Governor's rescissions do contain some worrisome cuts. These include:

- **School Readiness Quality Enhancement**, which are slated for a \$259,782 (5%) cut;
- **Childcare Quality Enhancements**, which will lose \$162,958 (5%);
- **Head Start – Early Childhood Link**, with a \$104,500 (5%) cut;
- **Even Start**, which faces a \$23,750 (5%) cut;
- **Parents' Trust Fund**, which has been recommended for a \$25,000 (5%) cut;

A full list of changes are included in the table below.

These recommendations are subject to modification as the fiscal year proceeds and the state receives updated revenue and expenditure projections. The Governor has expressed his commitment to ensuring a balanced budget under GAAP (Generally Accepted Accounting Principles), which could require further cuts or may allow for the release of some of the withheld funds. Additionally, agencies may be granted greater discretion to decide how to implement the required reductions, leading to modifications in which line items receive cuts or how cuts are targeted within line items.

Appendix: Early Care and Education Budget Comparisons
(all amounts listed in millions \$)
(proposed changes are highlighted)

	FY 14 Final Budget ¹	FY 15 Budget as Passed ²	FY 15 Governor's Proposed Budget ³	FY 15 Approps. Proposed Budget ⁴	FY 15 Final Budget ⁵	FY 15 Rescission Amounts	FY 15 Budget After Rescissions
Care4Kids	98.97	101.49	116.72	116.72	116.72	0	116.72
Child Development Centers (State-funded Centers) ⁶	18.42	18.42	18.97	19.42	19.42	0	19.42
Child Care Quality Enhancements	3.26	3.26	3.26	3.26	3.26	0.16	3.10
School Readiness Priority School Districts ⁷	74.77	74.30	80.57	78.20	78.20	0	78.20
School Readiness Quality Enhancement ⁸	3.90	3.90	6.90	5.20	5.20	0.26	4.94
School Readiness Competitive School Districts ⁹	6.75	6.76	11.45	11.24	11.24	0	11.24
State Head Start	2.61	2.61	2.61	2.71	2.71	0	2.71
Head Start Enhancement	1.68	1.68	1.68	1.73	1.73	0	1.73
Head Start Early Childhood Link ¹⁰	2.09	2.09	2.09	2.09	2.09	0.10	2.00
Community Plans for Early Childhood	0.60	0.75	0.75	0.75	0.75	0.04	0.71
Improving Early Literacy	0.15	0.15	0.15	0.15	0.15	0.008	0.14
Children's Trust Fund	11.67	11.67	11.67	11.67	11.67	0.20	11.47
Parent Trust Fund	0.50	0.50	0.50	0.50	0.50	0.03	0.48
Even Start	0.48	0.48	0.48	0.48	0.48	0.02	0.45
Early Childhood Advisory Cabinet	0	0	0.03	0.03	0.02	0.0008	0.01
Wraparound Services	0.45	0.45	0.45	0.45	0.45	0.02	0.43
School Based Health Centers ¹²	12.75	12.64	12.64	12.64	11.85	0	11.85
K-3 Reading Assessment Pilot	2.70	2.70	2.70	2.70	3.20	0.16	3.04
Parent Universities	0.49	0.49	0.49	0.49	0.49	0.02	0.46
Family Resource Centers	7.58	7.58	7.58	8.05	8.05	0	8.05
Birth to Three ¹³	37.29	37.29	37.29	39.19	39.19	0	39.19
Early Childhood Mental Health Training ¹⁴	0.43	0.43	0.43	0.43	0.43	0	0.43

¹ See, “HB 6706, An Act Implementing Provisions of the State Budget for the Biennium Ending June 30, 2015 Concerning General Government,” *Connecticut General Assembly*. (June 5, 2013), available at: <http://www.cga.ct.gov/2013/TOB/H/2013HB-06706-R00-HB.htm>. Some appropriations in this bill do not match those in the final budget as passed (PA 13-184 “An Act Concerning Expenditures and Revenue for the Biennium Ending June 30, 2015, available at: <http://www.cga.ct.gov/2013/ACT/PA/2013PA-00184-R00HB-06704-PA.htm>), but the implementing bill supersedes the appropriating bill and is therefore the one we use for reference.

² See, “HB 6706, “An Act Implementing Provisions of the State Budget for the Biennium Ending June 30, 2015 Concerning General Government,” *Connecticut General Assembly*. (June 5, 2013), available at: <http://www.cga.ct.gov/2013/TOB/H/2013HB-06706-R00-HB.htm>.

³ See, Dannel Malloy, “FY 2015 Governor’s Midterm Budget Adjustments, Section B: Budget Summary” (February 6, 2014), available at: <http://www.ct.gov/opm/cwp/view.asp?a=2958&Q=539386&PM=1>

⁴ See, “Appropriations Committee Budget FY 15 Midterm Adjustments,” March 27, 2014, available at: http://housedems.ct.gov/pubs/Appropriations_Committee_Budget_FY15_Midterm_Adjustments_03-27-14.pdf.

⁵ See, Bill No. 5596, “An Act Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2015,” *Connecticut General Assembly*, (February Session 2014), available at: <http://www.cga.ct.gov/2014/TOB/H/2014HB-05596-R00-HB.htm>

⁶ Note that this funding appears under the line item entitled “Child Care Services.” The remainder of the funding for these centers (\$14.2 million for FY 15) is provided via the Social Services Block Grant and does not appear in the state budget.

⁷ This funding stream appears under the line item “School Readiness” within the Office of Early Childhood.

⁸ 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. This funding stream now appears under the line item “School Readiness Quality Enhancement” within the OEC budget.

⁹ This funding stream appears under the line item “Early Childhood Program,” within SDE for FY 13 and earlier, and within the Office of Early Childhood for FY14 and FY15.

¹⁰ A portion of this appropriation (\$1.09 million in FY 12) 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 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).

¹¹ The Children’s Trust Fund includes multiple components: A breakdown of funding by components was not available in the FY 14-15 budget.

¹² This funding stream appears under the line item “School Based Health Clinics” within DPH.

¹³ This funding stream appears under the line item “Early Intervention” within DDS.

¹⁴ This funding stream appears under the line item “Primary Mental Health” within SDE.