

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-487

AN ACT ESTABLISHING THE INFANT AND TODDLER EARLY CARE AND FAMILY SUPPORT INITIATIVE.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

Explanation

The bill redirects General Fund revenue to the Office of Early Childhood (OEC) to establish and administer the Infant and Toddler Early Care and Family Support Initiative to provide grants to child care service providers and staffed family child care networks. Grants must (1) support infant and toddler spaces in an amount equal to at least 75% of the market rate for such spaces, (2) include a bonus of 25% of the grant to accredited providers, and (3) provide access to and support for family support services totaling at least 10% of the total grant amount.

Beginning in FY 24 the bill diverts, to the newly established Early Care and Family Support account within OEC, General Fund revenues equivalent to the budgeted surplus requirements calculated for the General Fund under CGS Section 2-33c. Estimated transfers are provided below.

Source	FY	Max appropriations as % of revenues	Budgeted surplus requirement %	Budgeted surplus requirement (in \$ millions)
FY 20 – FY 21 Budget	2020	99.50%	0.50%	92
	2021	99.25%	0.75%	140.2
FY 22 – FY 23 Budget	2022	99.00%	1.00%	210.2
	2023	98.75%	1.25%	272.6

Primary Analyst: ES
Contributing Analyst(s): EMG, CW
Reviewer: LD

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January 2022 Consensus	2024	98.50%	1.50%	321.2
	2025	98.25%	1.75%	385
	2026	98.00%	2.00%	452.5

The bill results in additional staffing costs to OEC of approximately \$350,000 annually (with associated fringe of \$142,000) to support two Grants and Contracts Specialists, one Associate Accountant and an Education Consultant to administer the Infant and Toddler Early Care and Family Support Initiative. Staffing costs are anticipated to begin in FY 23 as the program is developed, prior to funding availability and grant distribution in FY 24.

The bill makes changes to the Smart Start competitive grant program that could result in increased or more rapid use of bond funds authorized for the program. The program is funded through General Obligation (GO) bond funds. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been.

As of April 1, 2022, the unallocated bond balance available for the Smart Start program is \$25 million; \$10 million will become effective under current law to start FY 23. The bill does not change GO bond authorizations relevant to the program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the terms of any bonds issued.