

**EARLY CHILDHOOD EDUCATION  
ENDOWMENT  
2025 ANNUAL REPORT**

Respectfully Submitted by the Early Childhood Education Endowment Advisory Board  
January 9, 2026

## **Table of Contents**

Glossary	Page 3
Introduction	Page 5
Treasurer’s Report	Page 6
Endowment Expenditures	Page 7
Status updates of early care and education programs, early childhood educators, families and children served	Page 8
Recommendations for Legislation	Page 12
Conclusion	Page 12
Appendix	Page 13
Early Childhood Projections FY 2026	
System and Organization Controls (SOC) Report	
Public Hearing Summary	

## Glossary

**Blue Ribbon Panel on Child Care:** A panel of parents; early childhood education experts; business leaders; higher education, public school, child care, and education providers; and legislators brought together by Connecticut Governor Ned Lamont and Office of Early Childhood Commissioner Beth Bye, in 2023, to create actionable plans for affordable child care that is accessible to families and financially viable for providers.

**Early Childhood Education Endowment:** A long-term, sustainable investment, such as a trust fund, established by the State of Connecticut to strengthen and stabilize the early childhood system. The Endowment is designed to support the expansion of child care access, workforce compensation and benefits, quality improvement, facilities, and system infrastructure.

**Public Act 25-93:** Legislation enacted in 2025 that established the Early Childhood Education Endowment and set forth the framework for its governance, allowable uses, and administration. The Act is intended to provide a durable funding mechanism to address long-standing challenges in Connecticut's early childhood system.

**Public Act 25-82:** Legislation enacted in 2025 that requires, in part, the creation of a single point of entry portal for early childhood services. The portal is intended to streamline access for families and providers by improving navigation, coordination, and transparency across early childhood programs and supports.

**Public Act 25-174:** Legislation enacted in 2025 that allocated \$80 million of bond dollars to advance early childhood system building efforts, including governance, accountability, and coordination across state and local entities. The Act supports the alignment of early childhood initiatives to improve outcomes for children, families, and providers.

**Early Childhood Education Endowment Advisory Board:** A statutorily established body responsible for advising on the strategic use and oversight of the Early Childhood Education Endowment. The Advisory Board is tri-chaired by a member of the House, a member of the Senate, and the Commissioner of the Office of Early Childhood and includes representation from key stakeholders including educators, parents, philanthropy, businesses, and advocates.

**Early Start CT:** Connecticut's state-funded early childhood education system that brings together Child Day Care Contracts, School Readiness Grants, and State Head Start Supplement Grants.

**Smart Start:** Provides grant funding districts to establish or expand a preschool program in public schools.

**Connecticut Early Childhood Professional Registry:** A statewide online system managed by the Connecticut Office of Early Childhood that allows early childhood professionals to document

and verify their education, training, credentials, and employment. The Registry supports professional development, licensing, and access to workforce supports and incentives.

**Scholarships:** Financial assistance available to eligible early childhood professionals to help cover the cost of education and training. Scholarships support credential attainment, coursework, and degree completion aligned with career advancement in the early childhood field.

**Local Governance Partners (LGPs):** LGPs will act as the community's early childhood hub and focus on building trusted partnerships with families, providers, and the broader community. The LGP will also be a place for families and community members to get involved in shaping a plan for their community's approach to supporting the holistic needs of families and children birth to five years old.

**Health Insurance Affordability Study:** A statewide analysis examining health insurance coverage, costs, and access for Connecticut's early childhood workforce. The study identifies barriers to affordable coverage and provides data to inform policy decisions related to workforce stability and benefits.

**Facilities:** The physical buildings and core systems used to deliver early childhood education and care. For capital planning purposes, this includes assessment, design, renovation, repair, construction, expansion, modernization, and long-term maintenance to ensure safe, compliant, and sustainable early learning environments.

## Introduction

In 2025, Connecticut took a historic step to strengthen its early childhood system with the passage of Senate Bill 1, now Public Act 25-93. This landmark legislation established the Early Childhood Education Endowment, reflecting the state's long-term commitment to stabilizing, strengthening, and transforming early childhood services for children, families, and providers. The Endowment was launched with an initial deposit of \$300 million, creating a sustainable funding mechanism designed to support strategic investments over time rather than relying solely on annual appropriations.

Public Act 25-93 allows for the responsible and phased use of the Endowment, authorizing up to 12 percent of the fund to be expended in State Fiscal Year 2026. To ensure fiscal discipline and maximize the impact of investments, the legislation also includes an 8 percent cap on administrative costs. Together, these provisions balance flexibility with accountability, ensuring that the Endowment's resources are directed primarily toward programmatic impact while preserving the fund's long-term sustainability. Over the long term, the Endowment is intended to expand access to Early Start CT and provide free child care for families with incomes under \$100,000, while capping family fees at no more than 7 percent of household income for families above that threshold. The Endowment also supports the field through training and technical assistance, professional development, workforce compensation, and other initiatives designed to improve program quality, equity, and sustainability.

In accordance with Section 8 of Public Act 25-93, the Early Childhood Education Endowment Advisory Board submits this annual report to the joint standing committees of the General Assembly having cognizance of matters relating to education, children, appropriations, and finance. The report provides a review of the Early Childhood Education Endowment's financial health and actuarial outlook, expenditures, and programmatic impact.

Early childhood education (ECE) is widely recognized as one of the most effective strategies for improving long-term educational outcomes, reducing achievement gaps, and supporting economic growth. To advance this priority, Governor Lamont established the Blue Ribbon Panel on Child Care in 2023 through a collaborative effort of state leaders, advocates, philanthropy, families, educators, and stakeholders. The Panel was charged with developing a comprehensive vision and actionable recommendations for strengthening CT's early childhood education system statewide.

The Blue Ribbon Panel Report serves as Connecticut's strategic plan for early childhood education. It outlines strategies for building a cohesive, sustainable early childhood education system that ensures equitable access to high-quality early childhood education programs, supports the early childhood workforce, and engages families as partners in learning. The Blue

Ribbon Panel Report is built around four goals: (1) Workforce and Quality; (2) Equitable and Affordable Access; (3) Systems; and (4) Funding.

Following the passage of PA 25-93, 14 of the 16 Endowment Advisory Board members have been appointed with ECE Endowment Advisory Board meetings held on September 19 and November 14, 2025, followed by a formal public hearing held on December 10, 2025.

Following passage of the legislation, the Office of Early Childhood worked in partnership with the Office of the Comptroller, Office of Policy and Management and the Office of the Treasurer to establish the Early Childhood Education Endowment account and related fiscal infrastructure, a process that required time to complete. The State made an initial investment of \$300 million to establish the Connecticut Early Childhood Education Endowment. Endowment funds became available to OEC for expenditure on or around November 19, 2025, upon completion of the required financial set-up.

As required by P.A. 25-93, this report includes:

1. An assessment of the Endowment's financial position and long-term sustainability based on information provided by the Office of the Treasurer;
2. A detailed accounting of expenditures from the Endowment;
3. Status updates on early care and education programs, educators, families, and children served; and
4. Recommendations for legislative action to strengthen early childhood education in Connecticut.

This report reflects the Board's commitment to transparency, fiscal responsibility, and advancing the strategic vision of a unified, sustainable early childhood education system that supports children, families, and educators statewide.

This annual report highlights the efforts and investments supported by the Endowment from July to December 2025.

## I. The financial health and actuarial future of the Endowment based on information received from the Treasurer

The Treasurer oversees the management and investment of the Endowment to ensure its long-term growth and sustainability. This includes setting investment strategy, monitoring performance, and ensuring compliance with statutory requirements. The Treasurer also provides regular reporting to stakeholders, promotes transparency, and works to maximize returns while balancing risk to support the Endowment's mission and spending objectives.

The accompanying spreadsheet, attached in the Appendix, projects the Endowment's growth through FY 2036 based on the following key assumptions: an annual contribution of \$300 million, application of the maximum statutory spending rate with expenditures flowing out

mid-year, and investment earnings at 6.9%, consistent with the assumed rate of return for the Connecticut Retirement Plans and Trust Funds (CRPTF). It includes benchmark rows showing projected figures for each fiscal year, along with adjustment rows that reflect transfers to the Office of Early Childhood (OEC), assumed investment earnings, and the resulting asset balance as of June 30. Together, these projections provide a comprehensive view of anticipated fund growth and spending capacity over time.

Please also see the Appendix for the monthly System and Organization Controls (SOC) Report for the Endowment, which provides assurance on financial reporting and operational integrity. The report includes market value, performance, and asset allocation, with actual performance shown in **bold** and benchmark figures in *italics* for each asset class. As of November 30, 2025, the Endowment totals \$319.6 million, reflecting a 6.54% return since inception. Updated monthly SOC reports are available on the Treasurer's website at <https://portal.ct.gov/ott/pension-funds/pension-fund-performance>.

## II. The expenditures of funds from the Endowment

Between July 1, 2025 and December 31, 2025, the Early Childhood Education Endowment expended a total of \$469,299. Expenditures during this initial reporting period were limited due to the time required to establish the Endowment account and related fiscal infrastructure.

Actual expenditures to date were primarily associated with Smart Start expansion and the Office of Early Childhood salaries. A total of \$68,967 was expended for Smart Start Expansion operational costs. An additional \$367,500 was expended for Smart Start Expansion capital improvements, reflecting initial investments to prepare facilities and infrastructure necessary for future program growth.

Administrative expenditures totaled \$32,832, supporting agency capacity to administer and oversee the Endowment, including fiscal management, program planning, and interagency coordination.

Overall, expenditures to date reflect a deliberate and phased implementation approach, with early spending focused on foundational infrastructure and administrative readiness following the establishment of the Endowment account, positioning the Office of Early Childhood for scaled deployment of Endowment-funded initiatives in subsequent reporting periods.

The accompanying graphic presents both actual and planned expenditures for the Early Childhood Education Endowment during the initial implementation period. Actual expenditures shown are lower than planned amounts, reflecting the time required to establish the Endowment account and related fiscal infrastructure before funds became available for use in mid-November

2025. In addition, expenditures in this report are presented on a calendar-year basis, while the Endowment is designed to support activities through the end of the state fiscal year on June 30, which further contributes to the gap between actual and planned spending at this point in time. The planned expenditures reflected in the graphic largely represent committed or obligated funds that are expected to be expended as programs move from planning and procurement into full implementation later in the fiscal year.

<b>Early Childhood Education Endowment Expenditures July 1, 2025 - December 31, 2025</b>		
<b>Expansion Costs</b>	<b>Actual Expenditures</b>	<b>Planned Expenditures</b>
Smart Start Expansion - Operations Funds	\$ 68,967	\$ 1,425,000
Smart Start Expansion - Capital Improvements	\$ 367,500	\$ 1,445,000
Early Start CT Expansion	\$ -	\$ 6,000,000
Early Start CT Rate Increases	\$ -	\$ 5,254,994
<b>Administrative Costs</b>		
Agency Administrative Costs	\$ 32,832	\$ 1,050,811
<b>Programmatic Costs</b>		
Special Education Supports	\$ -	\$ 300,000
Enrollment Campaign	\$ -	\$ 250,000
Registry/Scholarships	\$ -	\$ 1,450,000
Quality Enhancement/Improvement	\$ -	\$ 771,250
Local Governance Partners (LGPs)	\$ -	\$ 2,680,000
Health Insurance	\$ -	\$ 300,000
Stabilization Grants	\$ -	\$ 10,000,000
<b>Total Endowment Fund Expenditures</b>	<b>\$ 469,299</b>	<b>\$ 30,927,055</b>

### III. Status updates of early care and education programs, early childhood educators, families and children served

#### **SFY 2026 Successes**

The first six months of activities related to the Endowment focused on planning, organizational capacity building, and meeting the needs of families and providers through expansion of new and affordable child care spaces and increased payment rates for Early Start CT contractors.

#### **Early Start CT Rate Increases**

Effective October 1, 2025, the Office of Early Childhood implemented an 8 percent increase in the per-space reimbursement rates paid to Early Start CT providers, including State Head Start programs. This adjustment applied across infant/toddler, preschool, and school-age full-day spaces and reflects the State's commitment to stabilizing the early childhood education system while advancing the long-term goals of the Endowment. Annual per-space rates increased by \$1,080 for infant/toddler full-day spaces (from \$13,500 to \$14,580), \$840 for preschool full-



day spaces (from \$10,500 to \$11,340), and \$339 for school-age full-day spaces (from \$4,125 to \$4,464).

This rate increase is intended to reflect the Office of Early Childhood's intentional efforts to work toward reimbursement levels that more fully reflect the true cost of care, strengthen provider financial stability, and support workforce recruitment and retention. For State Head Start programs, this adjustment represents the first rate increase in many years, addressing long-standing funding constraints and supporting program sustainability.

### **Early Start CT Expansion**

The OEC designed and launched a Request for Applications on November 24, 2025 for programs interested in being awarded Early Start CT state-funded child care spaces. OEC received 548 applications, 271 from licensed family home providers and 277 from licensed and license-exempt center and group home providers. Of those that applied, 89% of family home providers and 64% of center and group home providers are not currently funded through Early Start CT, Smart Start, or State Head Start. Early Care and Education division is currently in the process of reviewing applications to fund an estimated 1,039 Endowment funded child care spaces anticipated to open in January 2026. The 1,039 spaces will be funded across 56 providers, all being providers new to state funding. Of the new spaces, an estimated 385 will be infant/toddler spaces, 467 will be preschool spaces, and 187 will be school age spaces. Additionally, an estimated 1,007 will be full-time spaces, 19 will be half-time spaces, and 13 will be quarter time spaces.

### **Smart Start Classrooms**

In Fall 2025 and in partnership with public schools to increase access to preschool, the CT Office of Early Childhood (OEC) funded 11 new Smart Start classrooms across Bridgeport, New London, Norwalk, Norwich, Stamford, Thomaston, and Watertown, creating state-funded ECE spaces for 165 additional preschool children. Of these, 7 classrooms opened in Fall 2025, with 4 classrooms anticipated to open in January 2026. Capital Improvement funding was provided to 10 districts to open an additional 20 classrooms next year.

### **Increase Access to Scholarships**

The Endowment provides an expansion of scholarship assistance funds through the addition of \$1million to support the ECE workforce. The Registry system provides the application and tracks the implementation of vouchers for providers pursuing Child Development Associate credential (CDA), Associate of Arts (AA) and Bachelor of Arts (BA) level coursework, as well as the 12 foundational ECE credits needed for BA level staff who do not hold ECE degrees. Scholarship requests have increased in response to increasing number of Early Start CT funded providers and potential applicants whose staff need to meet education

qualifications requirements and in response to the availability of scholarship for the 12 foundational credits for BA degree holders.

## **Communication and Outreach**

To ensure that the Early Childhood Endowment and related initiatives reflect the needs and priorities of Connecticut families and providers, the Office of Early Childhood over the past six months undertook a robust communication and outreach strategy which included:

- Six listening sessions - four in person held in Hartford, New Haven, Waterbury, Norwich, and Norwalk, two virtual including one in Spanish)
- Two virtual public listening sessions for the One Point of Entry Portal
- A formal public hearing held on December 10, 2025 by the Endowment Advisory Board; 29 individuals provided written and 20 provided verbal testimony. A summary of the public hearing is attached in the Appendix
- Creation of three Endowment Fact sheets for 1) ECE providers 2) Families and 3) Local Governance Partners

## **Health Insurance Subsidy Planning**

The Connecticut Health Insurance Exchange (“Access Health CT”) completed Phase I of a statewide Health Insurance Study in partnership with Wakely Consulting Group, LLC to assess health coverage access, affordability, and barriers among Connecticut’s early childhood education (ECE) workforce, including center-based and home-based providers. The Early Childhood Education Workers Healthcare Affordability Study – Phase One report will be shared with the Endowment Advisory Board in January, 2026.

## **Upcoming in Early 2026**

### **Workforce and Quality**

Looking ahead to early 2026, the Office of Early Childhood (OEC) will advance a comprehensive set of workforce and quality initiatives aimed at strengthening program quality and supporting educators. Key efforts include updating the Early Childhood Educator Staff Compensation Schedule first developed in 2022 pursuant to PA 19-61, expanding oversight through a 25 percent increase in random NAEYC visits to accredited programs, and supporting new Early Start CT providers by covering Environmental Rating Scale observations and training an additional rater to meet growing demand. OEC will also respond to a 150 percent increase in requests for individualized accreditation quality improvement support and heightened demand for training and coaching on the Connecticut Early Learning and Development Standards (CT ELDS), driven by Early Start CT requirements and FY 2025 policy changes. In parallel, OEC

will update and refresh the Professional Registry to improve functionality, efficiency, and access to scholarships and workforce benefits.

### **Single Point of Entry Portal**

Public Act 25-82 requires OEC to create a single point of entry portal for families and providers. To meet this requirement, OEC is conducting listening sessions with families, providers, and stakeholders to inform the portal's design and functionality and will initiate the procurement process through the release of an RFQ and/or RFP to support development and implementation.

### **Local Governance Partners**

OEC will continue to build and support the Local Governance Partner (LGP) network as a core component of early childhood system coordination. Currently, 48 LGPs representing 86 towns are established statewide. Through SHINE, the statewide LGP intermediary, LGPs will receive quality enhancement funding, professional development, and ongoing training and technical assistance. A central focus of this support will be helping LGPs fulfill their statutory responsibility to complete a Local Needs Assessment (LNA) that identifies local strengths, gaps, and priorities related to young children and families. To ensure consistency and reduce administrative burden, OEC is developing a standardized LNA Toolkit with shared data sets and a common template in partnership with external partners, with training beginning in early 2026 and completion expected by late spring 2026.

### **Health Insurance Subsidy**

The next phase of work related to health insurance affordability for the early childhood education workforce will advance. Per PA 25-93, in SFY 2027, the CT Health Insurance Exchange and OEC will design a targeted health insurance subsidy program that leverages demographic analysis and scenario modeling to test fiscally sustainable strategies that complement existing coverage options through Access Health CT and Medicaid/HUSKY. Outcomes will be evaluated for effectiveness, equity, scalability, and long-term sustainability to inform future recommendations to the General Assembly, including potential Endowment investments to support the ECE workforce. Not later than May 1, 2026, the Connecticut Health Insurance Exchange will submit a recommended subsidy amount to the Early Childhood Education Endowment Advisory Board for consideration, based on the amount allocated for such purpose in the Early Child Education Endowment. On or before June 30, 2026, the Advisory Board will approve or modify the recommendation, establishing the subsidy amount to be applied directly to the cost of qualified health plans.

### **Facilities and Infrastructure Planning**

Finally, The Office of Early Childhood is currently developing strategies to grow the early care and education field, including through funding opportunities to renovate and build

physical spaces for child care to increase the availability and quality of child care in Connecticut. In 2026, OEC will request to be on the bond commission's agenda to make the first and second requests of \$11.5 million (\$23 million total for FY26 and FY27) from the \$80 million allocated in PA 25-174. OEC plans to coordinate some of the grant funding opportunities for facilities projects with funding opportunities for Early Start CT.

## Recommendations for legislation

At this time, there are no specific legislative actions being requested. However, continued legislative attention is needed to protect and preserve the state's investment in the Early Childhood Education Endowment, including the projected deposit of the state's Unappropriated General Fund Balances anticipated at the close of the state fiscal year. Maintaining the integrity of the Endowment's structure, ensuring funds are used consistent with legislative intent, and supporting prudent fiscal and governance practices are critical to safeguarding the long-term sustainability and impact of this significant public investment.

## Conclusion

The Early Childhood Education Endowment has been foundational in making the expansions, pilots, and system-building efforts outlined in this report possible. Endowment funding has provided the flexibility and stability needed to invest in workforce supports, local governance infrastructure, data and planning initiatives, and targeted programmatic expansions that strengthen Connecticut's early childhood system. These investments represent coordinated, intentional strategies to address long-standing gaps, respond to community-identified needs, and improve access, quality, and sustainability across the system.

As implementation continues, the Endowment positions the state to move beyond short-term solutions toward long-term, systemic impact, while also generating meaningful economic returns. Investments in early childhood directly support workforce participation for parents, stabilize the child care sector as a critical component of the state's economy, and reduce long-term public costs through improved educational, health, and economic outcomes. Continued protection of the Endowment is therefore not only a policy imperative, but an economic one. Any erosion of this investment would constrain system growth and undermine these returns, while sustained stewardship will ensure that the Endowment delivers lasting benefits for children, families, educators, employers, and Connecticut's broader economy.

# APPENDIX

Office of the Treasurer  
State of Connecticut  
Early Childhood Endowment Projections

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# **EARLY CHILDHOOD ED ENDOWMENT FUND**

Net of All Fees and Expenses

11/30/2025

INSURER'S OF									Compound, annualized returns			
Funds	Percent Holdings	Policy Weights	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
Benchmark												
Early Child Ed Endowment Fund	100.0%		\$319.6	0.49	3.95	6.54	N/A	N/A	N/A	N/A	N/A	N/A
Policy Benchmark				0.64	4.59	7.64	N/A	N/A	N/A	N/A	N/A	N/A
Excess Return				(0.15)	(0.64)	(1.10)	N/A	N/A	N/A	N/A	N/A	N/A
Global Equities	50.6%	37.0	\$161.6	0.26	5.92	10.10	N/A	N/A	N/A	N/A	N/A	N/A
MSCI All Country World IMI Index				0.12	5.69	10.01	N/A	N/A	N/A	N/A	N/A	N/A
Domestic Equity	31.3%		\$100.1	0.19	6.02	10.95	N/A	N/A	N/A	N/A	N/A	N/A
MSCI USA IMI Index				0.14	5.91	10.70	N/A	N/A	N/A	N/A	N/A	N/A
Developed Markets Equity	13.4%		\$42.7	1.01	4.17	6.88	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EAFE + Canada Index				1.04	4.30	7.58	N/A	N/A	N/A	N/A	N/A	N/A
Emerging Markets Equity	5.9%		\$18.8	-1.01	9.48	13.15	N/A	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets IMI				-2.27	8.07	11.60	N/A	N/A	N/A	N/A	N/A	N/A
Global Fixed Income	18.3%	15.0	58.5	0.66	2.12	3.33	N/A	N/A	N/A	N/A	N/A	N/A
Dynamic weighted blend of Core, Non-Core and Emerging Debt				0.62	1.79	3.02	N/A	N/A	N/A	N/A	N/A	N/A
Core Fixed Income	13.5%	13.0	\$43.3	0.68	2.05	3.23	N/A	N/A	N/A	N/A	N/A	N/A
50% Barclays U.S. Aggregate Bond / 50% Intermediate Treasury				0.65	1.88	2.85	N/A	N/A	N/A	N/A	N/A	N/A
Non-Core Fixed Income	4.8%	2.0	\$15.3	0.63	2.33	3.62	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index				0.58	1.56	3.29	N/A	N/A	N/A	N/A	N/A	N/A
Liquidity Fund	0.3%	1.0	\$1.0	0.33	1.05	1.79	N/A	N/A	N/A	N/A	N/A	N/A
U.S. 3-Month T-Bill				0.28	0.96	1.71	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate <sup>(1)</sup>	6.1%	10.0	\$19.5	N/A	0.58	0.78	N/A	N/A	N/A	N/A	N/A	N/A
Open End Diversified Core Equity (NFI-ODCE Index) 1Q in Arrears^				N/A	0.81	0.81	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure and Natural Resources <sup>(1)</sup>	3.5%	7.0	\$11.2	N/A	1.51	3.18	N/A	N/A	N/A	N/A	N/A	N/A
U.S. CPI + 400 basis points 1Q in Arrears^				N/A	1.77	2.97	N/A	N/A	N/A	N/A	N/A	N/A
Private Equity <sup>(1)</sup>	11.6%	15.0	\$37.2	N/A	2.44	3.83	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 + 250 basis points 1Q in Arrears^				N/A	10.54	17.23	N/A	N/A	N/A	N/A	N/A	N/A
Private Credit <sup>(1)</sup>	5.7%	10.0	\$18.3	N/A	3.43	5.31	N/A	N/A	N/A	N/A	N/A	N/A
S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^				N/A	2.52	4.31	N/A	N/A	N/A	N/A	N/A	N/A
Absolute Return (Risk Mitigating)	3.9%	5.0	\$12.3	-1.07	1.09	0.63	N/A	N/A	N/A	N/A	N/A	N/A
Dynamic weighted blend of HFRX and public indices <sup>(2)</sup>				0.33	3.63	5.28	N/A	N/A	N/A	N/A	N/A	N/A

\* Inception Date for Early Child Ed Endowment Trust is July 2025.

<sup>(1)</sup> Actual performance, reported one quarter in arrears.

<sup>(2)</sup> A blended dynamic benchmark comprised of the weightings of each of the investments unitized within the strategy

## Themes from the ECE Endowment Advisory Board Annual Public Hearing: December 10, 2025

This document synthesizes themes from live verbal testimony and written submissions provided to the Connecticut Early Childhood Education (ECE) Endowment Advisory Board for a public hearing on December 10, 2025. The summary captures perspectives raised by stakeholders, including providers, families, advocates, community organizations, and elected officials.

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### Theme 1: Broad Support for the Endowment's Vision, Coupled with Urgency About Timing

Speakers expressed strong appreciation for Connecticut's leadership and the bold vision of the ECE Endowment and Early Start CT. State legislators, advocacy organizations, providers, parents, and researchers described the Endowment as a historic investment in Connecticut's early childhood system. Several testimonies underscored early positive impacts already being felt by families in Early Start CT.

At the same time, speakers expressed concerns that the benefits of the Endowment and Early Start CT for many families and providers are still several years away while the current system remains under acute strain. Speakers emphasized the importance of stabilizing the current early childhood education system while implementing the long-term vision, warning that without sustained annual investments, contingency planning, and near-term relief, the promise of the legislation may not be realized.

*"The Early Childhood Education Endowment matters because it represents something we rarely get in this field: long-term security. Not temporary relief. Not a quick fix. But real investment in the future of early learning and the people who make it possible."* — Lushanna Thompson, FCC provider

*"What Connecticut has done in ECE over the last two legislative sessions is to be applauded. The state's system is arguably the most comprehensive in the country. What contingency plans can be instituted now to ensure long-term stability?"* — Ruchi Sheth, Connecticut Voices for Children

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### Theme 2: Care 4 Kids is a Critical but Fragile Part of the Current System

Testimony reinforced that the Care 4 Kids program remains a central subsidy supporting family access to care and provider sustainability, while also facing capacity and operational challenges.

Key points raised included:

- Families are facing extended waits of six months or more for Care 4 Kids, forcing them to delay employment or leave the workforce.
- Providers are subsidizing care while families wait, often accepting partial or no payment, which can destabilize them as small businesses by causing them to lay off critical workers, have unfilled spaces, or go out of business entirely.
- In regions without sufficient Early Start CT access, Care 4 Kids remains the only viable option.

Speakers encouraged the State to stabilize and adequately fund Care 4 Kids, particularly during the transition to Early Start CT, and emphasized that clearer alignment and communication across subsidy programs would significantly improve family access. An example included establishing unified, user-friendly enrollment and navigation systems across Early Start CT and Care 4 Kids.

*"Families are waiting six to nine months for Care 4 Kids approval. For a small family child care program, one or two empty seats can push you to the edge of closure."* — Laura Brown, FCC provider



*“I have parents who did everything right, followed every step, and waited so long that they lost their jobs. These are not numbers; they're real families.” — Francheska Velazquez, center director*

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### **Theme 3: Workforce Crisis: Recruitment, Retention, and Compensation**

Testimony illustrated workforce recruitment and retention challenges through the recounting of lived experience across the mixed delivery ECE system. Speakers emphasized that compensation and benefits remain misaligned with the responsibilities, qualifications, and expectations placed on early childhood educators.

Key concerns included:

- Experienced educators earning near-minimum wages, even with formal credentials and years in the field, contributing to financial insecurity and reliance on public assistance.
- Persistent vacancies with few or no qualified applicants —even in long-standing programs — limiting program capacity, increasing wait times for families, and constraining expansion efforts.
- High staff turnover driven by low pay and lack of benefits, which disrupts continuity of care, weakens staff-child relationships, and places strain on remaining staff and program leadership.

Speakers consistently called for reimbursement rates that support competitive compensation and workforce stability, access to health insurance and retirement benefits, and clear career pathways so early childhood education is treated as a viable, long-term profession.

*“My classroom generates so much money in tuition, but I still need a second job to make ends meet...I love my job, and yet I cannot afford to do it.” — Ashley Barry, Pre-K teacher and parent*

*“According to the State of CT, I was below poverty level while working a full-time job with a college degree and two decades of professional experience.” — Sarah Gautie-Ferreira, early childhood educator*

*“We cannot expect quality without valuing the people who provide it. Competitive, stable compensation means we can recruit and retain skilled teachers who build strong relationships with children and deliver the level of care families deserve.” — Shannon Knudsen, center director*

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### **Theme 4: Family Child Care (FCC) Needs Targeted, Equitable Support**

Testimony reinforced that many FCC providers, both long-standing and newly licensed, face distinct barriers that affect their sustainability.

Common themes included:

- Perceived unequal access to contracts, grants, loans, and relief funding, including capital for facilities, due to complex requirements and administrative barriers.
- Financial vulnerability, particularly given heavy reliance on Care 4 Kids.
- Market pressures, including competition with larger programs and limited ability to absorb enrollment changes, that can disadvantage small, home-based providers.

Speakers emphasized the importance of simpler, more equitable access for FCC providers to funding, along with targeted supports that support both entry into the field and long-term viability.

*“Family child care homes are not being properly considered when it comes to benefits that help us maintain our businesses...I hope that this time, a fairer approach will be taken and that the requirements and documentation will be simpler and more accessible for home child care providers.”*

— Ruben Mallma Medina, FCC provider

*“One empty slot in family child care is not an inconvenience. It’s a financial emergency.”*

— Kimberly Tucker, FCC provider

*“I would like the aid, funds, and all existing resources to maintain and strengthen home-based child care businesses like mine to reach us directly without excessive paperwork or requirements.”*

— Maria E. Gonzalez-Reyes, FCC provider

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## Theme 5: Equity and Restorative Justice

Advocacy organizations, providers, and parents highlighted that the Endowment presents an opportunity to advance equity in how public investments support families and the ECE workforce.

Primary equity considerations included:

- Ensuring that providers of color, women, and caregivers of children with disabilities are not forced out of the workforce due to systemic gaps.
- Expanding pathways to ownership and long-term economic stability, particularly for providers of color, so that the system creates opportunities for asset-building and intergenerational wealth.
- Prioritizing working-class and ALICE (Asset Limited, Income Constrained, Employed) families who may earn too much to qualify for existing assistance but still face significant financial barriers to accessing affordable child care.

Testimony stressed that equity must be operationalized through clear priorities, fair and understandable eligibility thresholds, and accountability mechanisms that center families and providers most affected by child care affordability challenges, access gaps, and system instability.

*“For more than a century, CT’s early childhood system has rested on the labor of black women, especially family child care providers, who open their homes and care for entire neighborhoods long before our state recognized child care as essential infrastructure...The Endowment gives us the power to change that story.”* — Georgia Goldburn, program leader

*“Middle-income families, especially those just above the cutoff for Care 4 Kids, are being squeezed the hardest. We make ‘too much’ to qualify for help, but nowhere near enough to absorb fees that exceed college tuition.”* — Cora D’Alessandro, parent and faculty member at UConn Waterbury

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## Theme 6: Program Sustainability and True Cost of Care

Testimony consistently emphasized that the long-term sustainability of the early childhood education system depends on funding that reflects the true cost of delivering high-quality care.

Key points included:

- Programs cannot absorb rising costs for wages, benefits, insurance, rent or mortgage payments, utilities, food, and supplies without adequate reimbursement.
- Facility investments are critical, particularly for small centers and FCC providers who often lack access to capital, financing, or ownership of their physical space.

- Without predictable funding, programs cannot plan for staff retention or long-term viability.

Speakers encouraged the Advisory Board to balance expansion with rate adequacy, capital support, and long-term financial planning, emphasizing the importance of sustainability as the system grows. They also recommended contingency plans to protect the Endowment during economic downturns.

*“The fixed costs are a burden on these small businesses that already operate on a thin margin. Because of the economic squeeze, there is little room for building improvements and capital projects.”*

— Rep. Robin Comey

*“High quality for young children requires more money...We need to know what income will be available to work with, and what will not, way before 7/1/2027.”* — Joyce Abate, center-based provider

*“Increased stable funding lets programs plan long-term improvements necessary to run quality programs. Programs will no longer have to survive by the skin of their teeth year after year.”*

— Edie Reichard, center director

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### Theme 7: Impact on Families and the Economy

Parents’ testimony illustrated how access to affordable, reliable child care directly influences economic mobility, particularly for mothers, single parents, and caregivers of children with disabilities. Speakers shared that child care decisions are often constrained not by preference, but by affordability, availability, and scheduling realities.

Recurring points:

- Families may delay or leave employment because child care costs exceed earnings.
- Limited availability of infant and toddler care — particularly full-day, full-year options — creates significant barriers for parents, especially those with nontraditional work schedules.
- Child care instability disrupts career trajectories, lifetime earnings, and state tax revenues.

Speakers framed investment in early childhood education as an important contributor to workforce participation and economic outcomes, benefiting families, employers, and the state’s economy.

*“When parents, especially mothers, step out of the workforce, the state loses tax revenue, employers lose skilled workers, and entire industries lose experienced talent.”* — Sarah Russell, parent

*“As the Endowment grows, it will continue to expand access and ease financial burdens, allowing parents to work, pursue education, and care for their children without making difficult sacrifices.”*

— Chene Russell on behalf of the CT Office of Early Childhood Parent Cabinet

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### Theme 8: Data, Accountability, and Cross-Sector Alignment

Testimony emphasized accountability, transparency, and the use of data to inform implementation.

Recommendations included:

- Creating a one point of entry portal to make it easier for families to navigate Early Start CT, Care 4 Kids, and related supports, and to collect additional data on family demand and unmet need.
- Using data to inform slot allocation and expansion decisions, including consideration of child care deserts, Care 4 Kids enrollment management, and family work-hour needs.

- Setting clear short-, medium-, and long-term targets for the Endowment's size and committing to sustained annual investments.
- Public reporting on progress, including access, affordability, provider and workforce stability, and parent experience.
- Maintaining meaningful parent and provider feedback loops, including mechanisms to gather input during implementation and course correction.

Speakers stressed that maintaining public trust will require clear benchmarks, regular reporting, and accountability to families and providers, while also ensuring that data is used to support cross-sector alignment and a comprehensive approach to supporting young children and their families.

*"Transparent reporting and data-driven evaluation will show that Connecticut is keeping its promise, year after year."* — The Connecticut Project Action Fund

*"[The] data strongly suggests we need a cross-sector, aligned focus on young children's health and development as well as the health, mental health, and basic needs of the families in which they live and grow. Of course, early care and education is a core part of this kind of young child policy framework, but it is not the only part."* — Dr. Janice Gruendel, CT 359 Network

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