ERICK RUSSELL
TREASURER

State of Connecticut
Office of the Treasurer

SARAH SANDERS
DEPUTY TREASURER

July 24, 2026

Early Childhood Education Endowment Advisory Board

Dear Advisory Board Members,

This document serves as the Treasurer's report for the July meeting of the Early Childhood Education Endowment Advisory Board and provides an overview of the treatment of Endowment funds in Fiscal Year 2026, as well as the calculation of the carryforward amount for Fiscal Year 2027. The figures referenced below are presented in the accompanying table below.

Funds from the Endowment are transferred monthly to reimburse expenses incurred by the Office of Early Childhood. This approach allows the remaining balance to stay fully invested, maximizing and compounding earnings. Pursuant to Section 79 of Public Act 26-76, any released funds that remain unspent at the end of Fiscal Year 2026 carry forward into Fiscal Year 2027 and each fiscal year thereafter until they are fully expended.

Because these unspent funds remain in the Endowment, they must first be subtracted from the market value as of June 30, 2026, in order to calculate the statutorily permitted 12% allowable spend for Fiscal Year 2027. Once the adjusted balance is determined, the carryforward amount is then added back when calculating the total available spend for Fiscal Year 2027.

The market value calculation includes the estimated surplus transfer identified by the Office of Policy and Management, $411.7 million. The carryforward amount was determined by subtracting actual Fiscal Year 2026 spending ($23.4 million) from the statutory allowable amount ($36 million).

Final performance and market value figures for Fiscal Year 2026 will be published during the first week of August. However, we are confident that any adjustments will be immaterial and will not meaningfully affect the calculations described above.

Early Childhood Education Endowment	(*in millions*)
Endowment Market Value as of 6/30/26	$ 735.6
FY 26 Carryforward (Sec. 79 of P.A. 26-76)	-12.6
Adjusted Endowment Balance FY 27 **Adjusted for FY26 Carryforward*	$ 723.0
FY 27 Statutory Release (12% of Balance)	$ 86.8
FY 26 Carryforward	12.6
Total allowable spend for FY 27	$ 99.4

Thank you for your continued service on the Advisory Board. Please do not hesitate to reach out if you would like additional information or further clarification.

Sincerely,

Erick Russell

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