

## Testimony

### Early Childhood Education Endowment Advisory Board Annual Public Hearing December 10, 2025

Dear Commissioner Trueworthy, Treasurer Russell, Senator Maher, Representative Farrar, and esteemed members of the Early Childhood Education Endowment Advisory Board:

Connecticut Voices for Children (CT Voices), a research and advocacy organization working to ensure that one day Connecticut is a thriving and equitable state where all children reach their full potential, submits testimony for the Early Childhood Education Endowment Advisory Board Annual Public Hearing.

Firstly, we would like to take a moment to thank the members of the Advisory Board for their leadership in getting this historic endowment passed. We are thrilled to have played a small role in advancing universal access to early childhood in Connecticut. Specifically, we are pleased that the roadmap laid out by the Governor’s Blue Ribbon Panel on Child Care is starting to be resourced as the critical state infrastructure we know it is. This is no small feat and your commitment to providers, educators, families and children across our state is what has and will continue to make a difference.

What Connecticut has done in early childhood is to be applauded and with the passage of several important policies this legislative session along with critical implementation choices, the state’s system is arguably the most comprehensive in the country. However, it’s important to note that the early childhood crisis is far from solved.

#### **Ongoing Trends in Early Childhood Education**

In the most recent State of Early Childhood report<sup>i</sup>, our findings show a decade marked by instability, uneven progress, and sustained gaps between need and capacity. We estimate the number of children likely needing care in the state to be upwards of 160,000. The state has never come close to having enough slots. The number of publicly funded slots is an even smaller fraction. For families, this leads to difficulties both in affordability and access.

Meanwhile, providers face immense pressure due to financial strain and workforce shortages exacerbated by low wages. In fact, childcare providers, who are overwhelmingly women and disproportionately women of color, have been subsidizing the system with their own low wages. Provider closures continue at concerning rates—in 2024 alone, the state lost 224 family child care (FCCs) homes and 60 child care centers (CCCs).

Our data also shows that ECE capacity hit a decade low in 2024, with diverging trends between the infant/toddler age group and the preschool age group. Between 2023 and 2024, the number of infant/toddler slots grew by 12% while the number of preschool slots decreased by 20%. The contrast between the age groups tells us something important and something encouraging: where we have chosen to invest, we are starting to see progress.

#### **Benefits of Early Care and Education**

The long-term benefits of high-quality early care and education (ECE) are thoroughly documented, and we have conducted ample research on ECE over our 30-year history as an organization. We know that

ECE is good for children and their lifelong success as well as parents, businesses (including ECE businesses) who rely on care to be able to work, and our economy overall through the many financial contributions and returns on investment.

A child develops rapidly between birth and age 3, learning foundational cognitive skills such as language, behavior, and social-emotional learning, establishing the foundation on which they will grow.<sup>ii</sup> The benefits of ECE are even more pronounced for children in low-income families, dual language learners, and children with special needs. Children that receive quality ECE are more likely to perform better in school, retain gainful employment, and are less likely to be incarcerated.<sup>iii</sup>

Given the long term impact of ECE, early interventions, and other supportive programming, we argue it is important to connect the dots on how these investments lay the groundwork for success in middle school, high school, and beyond. Furthermore, access to child care is critical for parents and caregivers to be able to meaningfully participate in the workforce. Work instability while children are very young has long-term impact on parental earnings due to slowed career advancement trajectories, particularly for mothers. ECE is essential infrastructure for the success of children and their families. This is why the Endowment is so important.

### **Which Priorities are Funded by the Endowment**

This fiscal year, Connecticut will experience the first impact of the Endowment in building out and strengthening the early childhood sector. As outlined in the statute, the intention is to increase the number of child care slots allowing for more access to ECE for families, and increase provider rates and other supportive measures for providers.

We appreciate the Advisory Board's inclusion of increasing provider rates and provider wages in the first round of appropriations from the Endowment. We hope this prioritization continues next year. As we reported in our most recent State of Early Childhood report, the median provider pay is just over \$30,000 in 2024.<sup>iv</sup> When we looked at hourly wages, child care workers earn a median of just \$15.59 per hour—which is below Connecticut's 2024 minimum wage of \$15.69.<sup>v</sup> With the rising cost of living, this remains a pressure point that needs to be alleviated. When providers cannot afford to stay in the system, it creates ripple effects that are detrimental for families seeking care.

As critical as the Endowment is to supporting Early Start CT and advancing universal access to early childhood in our state, we cannot forget the importance of Care 4 Kids. We understand that the Endowment funds cannot be co-mingled with CCDF funds. However, we hope the state will continue to alleviate ongoing challenges with Care 4 Kids by increasing state investment from the General Fund during the budget process. At this point in time, Care 4 Kids remains the largest child care subsidy program in the state, assisting low and middle income families. There are still parts of the state where Early Start CT is not an accessible option for families. Currently, Care 4 Kids is at capacity. Meanwhile the waitlist grows due to record demand and families experience wait times of approximately 7 months. This pause is causing mounting pressure on the families waiting for ECE assistance as well as the providers who serve them.

### **Remaining Questions**

While we are excited to see the inaugural deposit and appropriations from the Endowment, we have concerns about future deposits. As outlined within the statute, the entirety of the General Fund Budget surplus, should one exist and only if the Budget Reserve Fund is at statutory capacity, is to be deposited into the Endowment in all fiscal years henceforth. These past several years have been economically

sunny for the state, allowing for robust revenue and a Budget Reserve Fund that is full. However, over the last six months, the federal landscape has rapidly changed with excessive tariffs, the passage of H.R.1 and other damaging actions from the federal government (e.g. executive orders that cut the continuum of care funding and potentially new cuts to SNAP). The totality of these changes has put more pressure on families to make ends meet, shifted more costs to states including Connecticut, and raised questions around whether there will be a Budget surplus of the General Fund.

We are deeply worried that more federal actions and fallout will strain both the Budget and state revenue streams. However, in spite of these challenges, we believe that the state has a moral obligation to mitigate as much harm as possible. The combination of filling federal funding shortfalls and changes in the overall economy, can lead to a situation where Connecticut does not end the next fiscal year with a Budget surplus of the General Fund, ultimately denying a deposit to the Endowment. Should this happen in the upcoming fiscal year or subsequent years, we wonder what contingency plans we can institute now to ensure the Endowment receives deposits.

Additional questions we would like to elevate to the Advisory Board are:

1. In these early years of the Endowment, each deposit is meaningful to building a robust fund that can both build capacity and sustain it. If there is no deposit this fiscal year, will 12% of the remaining balance still be withdrawn? If so, how will sustainability be evaluated in the absence of new funds?
2. Many benefits including the provider health insurance subsidy and zero family fees for families making under \$100,000, are scheduled to be realized in fiscal years 2027 and 2028, respectively. If the fund does not meet the required benchmarks to fully fund any given phase, which aspects will be prioritized and in what order? What criteria will guide those decisions?
3. In the event of a sustained economic downturn or lower than expected Treasury returns, what is the contingency plan for implementing the programmatic expansion laid out in the statute?
4. What proactive contingency mechanisms, if any, does the Advisory Board recommend to ensure continued contributions to the Endowment?

As previously written, rate increases and educator pay are critically important to stemming the crisis. What's more, expanded slots are critical given the shortage and this cannot happen without funding.

To be clear, the vision laid out in Public Act 25-93 where families making less than \$100,000 have no parent fees, where provider wages are at parity with other educators, and where each child has a slot—will not be realized without continuous annual deposits to the Endowment. We urge the Advisory Board to consider all available options in the event of unforeseen circumstances.

The State has already taken a critical step towards progress in establishing the Early Childhood Education Endowment. The historic nature of this must be preserved with continuous aligned action.

We thank the Early Childhood Education Endowment Advisory Board for their ongoing commitment to supporting the Early Childhood sector.

Respectfully,

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<sup>i</sup> Sheth, R., & Knox, E. (2025). The 2025 State of Early Childhood: A System in Transition. Connecticut Voices for Children. [https://ctvoices.org/wp-content/uploads/2025/11/CTVoices\\_-\\_SOEC-2025-FINAL-11.17.pdf](https://ctvoices.org/wp-content/uploads/2025/11/CTVoices_-_SOEC-2025-FINAL-11.17.pdf)

<sup>ii</sup> Center on the Developing Child at Harvard University. (2007). InBrief: The science of early childhood development. Harvard University. <https://developingchild.harvard.edu>

<sup>iii</sup> Davis Schoch, A., Simons Gerson, C., Halle, T., & Bredeson, M. (2023). Children’s learning and development benefits from high-quality early care and education: A summary of the evidence. OPRE Report #2023-226. Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

<sup>iv</sup> Sheth, R., & Knox, E. (2025). The 2025 State of Early Childhood: A System in Transition. Connecticut Voices for Children. [https://ctvoices.org/wp-content/uploads/2025/11/CTVoices\\_-\\_SOEC-2025-FINAL-11.17.pdf](https://ctvoices.org/wp-content/uploads/2025/11/CTVoices_-_SOEC-2025-FINAL-11.17.pdf)

<sup>v</sup> *ibid.*