

investment in bioscience, clean energy, information technology and other emerging, innovative businesses in Connecticut.

- **Reopen to all eligible residents, Tax Relief for Elderly Renters (Renters Rebate) program**, a program which provides assistance to eligible seniors and individuals with permanent disabilities. The Governor’s midterm budget also recommends the return of the Renters Rebate program from the Department of Housing (DOH) to the Office of Policy and Management (OPM) where this program has been successfully run for over thirty years.

Tax Cuts (in millions)		
	Fiscal <u>2015</u>	Fiscal <u>2016</u>
<u>Personal Income Tax</u>		
Phase-in Exemption of Teachers' Pensions (25-50%)	\$ (23.1)	\$ (23.7)
Extend Angel Investor Tax Credit	(3.0)	(3.0)
<u>Sales Tax</u>		
Exempt Clothing Less Than \$50	(11.5)	(148.5)
Exempt Non-Prescription Drugs	(16.5)	(17.2)
<u>Insurance Companies Tax</u>		
Municipal Exemption for Health Care Plans	(8.7)	(9.0)
<u>Licenses, Permits, Fees</u>		
Two-Day State Park Fee Holiday	(0.2)	-
<u>Earned Income Tax Credit</u>		
Restore Earned Income Tax Credit to 30%	(10.1)	(11.0)
<u>Refunds of Taxes</u>		
Tax Refund Program (FY 2014 Surplus)	(155.0)	-
Total Tax Cuts	<u>\$ (228.1)</u>	<u>\$ (212.4)</u>

EDUCATION

Education is key to Connecticut’s future. Governor Malloy is proposing an ambitious multi-pronged approach that will (a) help new parents save for college, (b) make pre-kindergarten available to all of Connecticut’s children, (c) encourage students and former students to finish their degree programs, and (d) strengthen the system operated by the Board of Regents (BOR) so that it better serves its students.

OFFICE OF EARLY CHILDHOOD

Universal Pre-Kindergarten

In FY 2013, Governor Malloy added funding to create 1,000 new pre-kindergarten (pre-K) slots for the neediest districts. The Governor is recommending:

- **Additional funding to provide 1,020 new pre-K slots** in FY 2015, with the ultimate goal of providing universal access to pre-K by the end of FY 2019. This universal access to pre-K will be means-tested, with access phased-in for the state's low-income children first. Funding includes \$11.5 million for slots and \$2.3 million in startup costs.
- **To increase slot subsidy rates by 3%** and provide \$22,500 per classroom in startup grants. Approximately \$1 million for district and state planning purposes will ensure that the phase-in of universal access to pre-K is done in a thoughtful and efficient manner and includes a thorough analysis of unmet need.

There is an estimated unmet need for pre-K slots for over 4,000 low-income 3 and 4 year olds in priority school, alliance districts and competitive school districts. The Governor is proposing to phase-in:

- An estimated 2,374 slots in Priority School Districts over five years;
- Approximately 1,314 slots in Alliance Districts over three years; and
- An estimated 322 slots in the Competitive (Non-Alliance) Districts over three years.

Universal Access to Pre-Kindergarten					
Phasing In Universal Access for Low Income 3 & 4 Year Olds					
Number of Slots					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Priority School Districts (PSD) School Readiness by 2019	475	950	1,425	1,900	2,374
Alliance Districts by 2017	438	876	1,314	1,314	1,314
Competitive Districts (Non-Alliance) by 2017	107	214	322	322	322
Total Slots	1,020	2,040	3,061	3,536	4,010
Total Cumulative Costs	\$11,511,904	\$24,521,171	\$36,613,944	\$43,329,535	\$51,144,742

Implement the Quality Rating and Improvement System and Increase Inspections

It is important that early childhood programs be of high quality. To that end, \$2 million of existing quality enhancement funding will be repurposed, and \$3.3 million of additional funding will be provided, to launch the **Quality Rating and Improvement System (QRIS)**. The new system includes supplemental funding for programs that are linked to QRIS levels and the percentage of high needs children that a program serves. To help improve the quality of care that providers in the Care 4 Kids program offer, scholarships to improve staff skills will be made available for use in accredited programs. And finally, funding will be used to create **Regional Quality Improvement Centers** that will provide for better dissemination of professional development initiatives.

Licensing Improvements

The frequency of child care licensing inspections needs to increase. Currently, child care licensing inspections occur every three years. The Governor is proposing an additional \$1.5 million for 28 staff so **childcare**

inspections can occur on an annual basis. The current system of background checks will be modernized to provide results more quickly and accurately.

STATE DEPARTMENT OF EDUCATION

Sheff Settlement

In 1996, the Connecticut Supreme Court ruled that Hartford children attended racially and economically isolated schools. The court tasked the executive and legislative branches to craft a solution to reduce such isolation.

In order to reach the goals of the 2013 agreement with the Sheff plaintiffs, Governor Malloy recommends \$4 million to continue the commitment that was funded in FY 2014 plus \$3.6 million in FY 2015 to (a) expand opportunities and programming at existing Magnet Schools, (b) establish new Non-Magnet School programs with a Lighthouse School and a gifted and talented school, and (c) continue the summer immersion program at the Montessori Academy that started last summer.

Additionally, \$9.9 million in capital funds are included in order to expand and implement these programs.

Add Funds for Staff at the Connecticut Technical High School System

In an effort to bolster the health and safety conditions at the technical high schools, the Governor is adding \$1.7 million for 56 full-time positions. These funds will support:

- 24 custodial positions and funding for maintenance supplies;
- 5 school nurses;
- Continuation of 15 positions moving from durational status to full time;
- 10 special education instructors to support Common Core State Standards; and
- 2 English Language Learner instructors to support Common Core State Standards.

TRANSFORM CSCU 2020

To bolster the operations of the community-technical colleges, state universities and Charter Oak State College, the Governor's budget makes a one-time revenue transfer of \$60 million from resources of the General Fund in FY 2015 to the proposed Board of Regents (BOR) – President's Office Operating Fund.

Transform CSCU 2020 is a multi-phase plan to strengthen the colleges and universities of the Board of Regents, increase enrollments and prepare tomorrow's workforce. Phase One of the **Transform CSCU 2020** plan provides both capital and operating resources to develop the strategic vision for the system and enhance the student learning experience for current students. Components of this vision include:

- **Establish the Go Back to Get Ahead initiative** which will encourage Connecticut residents who have some college credits, but have not attained either an associate's or bachelor's degree, to return to the state universities, community-technical colleges or Charter Oak State College to complete their degrees. These funds will enable the BOR to identify and contact the targeted students and provide