



# STATE OF CONNECTICUT

## *Office of Early Childhood*

TO: Governor Dannel P. Malloy

FROM: Myra Jones Taylor  
Executive Director, Office of Early Childhood

DATE: October 1, 2013

SUBJECT: Federal Shutdown Considerations

The Office of Early Childhood (OEC) has examined the impact of the federal shutdown on our agency. Our primary concern is the well-being of Connecticut residents who receive critical services and assistance that surround activities of this office.

Though there are no federal grants directly awarded to this agency at this time, there are programs that we operate with federal funds that are passed through from other agencies, such as personnel costs from Title I and IDEA funding from the United States Department of Education (USDE) via the Connecticut State Department of Education (CSDE), and Social Security Block Grant Funds from the United States Department of Health and Human Services (HHS), via the Connecticut Department of Social Services (DSS). The amounts of potential funding impact are as follows:

- Federally funded personnel via the CSDE will occur on October 3, and each subsequent two-week period, the OEC will experience a \$19,000 payroll obligation that covers 3 federally funded employees. The CSDE has assured us that there will be no effect on these funds, provided they are able to continue to make the drawdowns from the federal system, which is scheduled to stay open through the shutdown.
- The Child Day Care Program is a federally funded program which, on October 18, 2013, will experience a scheduled payment of \$8,520,858, of which \$3,924,484 will be from federal funds. DSS has stated that these funds may not be available due to the shutdown. This agency is prepared to temporarily finance this obligation with General fund appropriations already allotted for this program to satisfy this payment. Should the problem not be resolved by January, future scheduled payments to these providers could be in jeopardy. Scheduled payments in the same amounts identified above will occur on January 22, 2014 and April 25, 2014.

In addition to our above stated contingency plan, we also intend on notifying providers of any possible delay in receiving dollars from the State for their federally funded programs. We anticipate that an interruption to the revenue flow would create anxiety as to when the revenue stream would be restored. This would be particularly acute for the non-profit organizations that do not have other revenue sources to draw down during a shutdown period. We may need to consider temporarily financing these payments to districts in order to support local level programs.

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Though it is outside of the control of this Office, it should be noted that all Head Start programs in the state could be affected by this shutdown. These programs receive direct funding from the federal government. These funds are not controlled by this Office or any state agency. The OEC is working with the CT Head Start Association to collect information about each individual program's status with the regards to their direct federal grant award. OEC is aware of one program in Bridgeport, ABCD, that is on an October 1 grant cycle for Head Start. This program had to close its doors yesterday, leaving approximately 1000 low-income children without early care and education. OEC is working with ABCD to use existing wraparound funds to provide early care and education for roughly 170 children. The Bridgeport School Readiness liaison is working with providers in the community to identify additional temporary spaces for children affected by the shutdown. We have been told that a number of programs in the state may be on November 1 grant cycles. These programs will also be affected if the shutdown continues beyond October 31. OEC can provide OPM with that information as it becomes available from the CT Head Start Association.

We plan to continue discussions internally and with the Office of Policy and Management as to the appropriateness of the actions to be taken by this Office so that a coordinated response at the state level is delivered.

Thank you for the opportunity to reassess this agency's considerations.

MJT:gp