



General Assembly

January Session, 2025

**Governor's Bill No. 6867**

LCO No. 4359



Referred to Committee on EDUCATION

Introduced by:

Request of the Governor

Pursuant to Joint Rule 9

***AN ACT CREATING THE UNIVERSAL PRESCHOOL ENDOWMENT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) (a) There is established the  
2       Universal Preschool Endowment. Said endowment may contain any  
3       moneys required or permitted by law to be deposited in the endowment  
4       and shall receive and hold all payments and deposits for contributions  
5       intended for said endowment, as well as gifts, bequests, endowments or  
6       federal, state or local grants and any other funds from any public or  
7       private source and all earnings until disbursed in accordance with the  
8       provisions of this section.

9       (b) The amounts on deposit in said endowment shall not constitute  
10      property of the state and said endowment shall not be construed to be a  
11      department, institution or agency of the state. Amounts on deposit in  
12      said endowment shall not be commingled with state funds and the state  
13      shall have no claim to or against, or any interest in, such deposits. Any  
14      contract entered into by or any obligation of said endowment shall not  
15      constitute a debt or obligation of the state and the state shall have no

16 obligation to any person on account of said endowment and all amounts  
17 obligated to be paid from said endowment shall be limited to amounts  
18 available for such obligation on deposit in said endowment. Said  
19 endowment shall continue in existence as long as it holds any deposits  
20 or has any obligations and until its existence is terminated by law.

21 (c) Notwithstanding the provisions of sections 3-13 to 3-13h,  
22 inclusive, of the general statutes, the Treasurer shall invest the amounts  
23 on deposit in said endowment in a manner reasonable and appropriate  
24 to achieve the objectives of said endowment, exercising the discretion  
25 and care of a prudent person in similar circumstances with similar  
26 objectives. The Treasurer shall give due consideration to rate of return,  
27 risk, term or maturity, diversification of the total portfolio within said  
28 endowment, liquidity, the projected disbursements and expenditures  
29 and the expected payments, deposits, contributions and gifts to be  
30 received. The Treasurer shall not require said endowment to invest  
31 directly in obligations of the state or any political subdivision of the state  
32 or in any investment or other endowment administered by the  
33 Treasurer. The assets of said endowment shall be continuously invested  
34 and reinvested in a manner consistent with the objectives of said  
35 endowment until expended by the Commissioner of Early Childhood in  
36 accordance with the provisions of this section.

37 (d) The Treasurer, on behalf of said endowment and for purposes of  
38 said endowment, may:

39 (1) Receive and invest moneys in said endowment in any  
40 instruments, obligations, securities or property in accordance with this  
41 section;

42 (2) Enter into one or more contractual agreements, including  
43 contracts for legal, actuarial, accounting, custodial, advisory,  
44 management, administrative, advertising, marketing and consulting  
45 services for said endowment and pay for such services from the assets  
46 of said endowment;

47 (3) Procure insurance in connection with said endowment's property,

48 assets, activities or deposits to said endowment;

49 (4) Apply for and accept gifts, grants or donations from public or  
50 private sources to enable said endowment to carry out its objectives;

51 (5) Adopt regulations in accordance with chapter 54 for purposes of  
52 this section;

53 (6) Sue and be sued;

54 (7) Establish one or more accounts within said endowment; and

55 (8) Take any other action necessary to carry out the purposes of this  
56 section and incidental to the duties imposed on the Treasurer pursuant  
57 to this section.

58 (e) The Commissioner of Early Childhood may expend the amounts  
59 on deposit in the Universal Preschool Endowment, if any, for the  
60 purposes of creating sufficient capacity for preschool to be universally  
61 available to children who are three and four years of age and children  
62 who are five years of age and not eligible to enroll in school, pursuant  
63 to section 10-15c of the general statutes, through a public-private  
64 system, in accordance with local needs assessments and through a  
65 competitive grant process prescribed by the Office of Early Childhood  
66 in consultation with the State Department of Education. Said amounts  
67 shall not be expended for any other purpose.

68 (f) Not more than ten per cent of the balance of said endowment,  
69 determined as of December thirty-first of the prior fiscal year, may be  
70 expended in any fiscal year, except that up to thirty million dollars of  
71 said endowment may be expended in the fiscal year ending June 30,  
72 2026. The Treasurer shall ensure that sufficient liquidity exists within  
73 the Universal Preschool Endowment to allow for expenditures in each  
74 fiscal year to the extent authorized by this subsection.

75 Sec. 2. Section 3-13c of the general statutes is repealed and the  
76 following is substituted in lieu thereof (*Effective from passage*):

77 As used in sections 3-13 to 3-13e, inclusive, and 3-31b, "trust funds"  
 78 includes the Connecticut Municipal Employees' Retirement Fund A, the  
 79 Connecticut Municipal Employees' Retirement Fund B, the Soldiers,  
 80 Sailors and Marines Fund, the Family and Medical Leave Insurance  
 81 Trust Fund, the State's Attorneys' Retirement Fund, the Teachers'  
 82 Annuity Fund, the Teachers' Pension Fund, the Teachers' Survivorship  
 83 and Dependency Fund, the School Fund, the State Employees  
 84 Retirement Fund, the Hospital Insurance Fund, the Policemen and  
 85 Firemen Survivor's Benefit Fund, any trust fund described in  
 86 subdivision (1) of subsection (b) of section 7-450 that is administered,  
 87 held or invested by the State Treasurer, the Connecticut Baby Bond  
 88 Trust, the Universal Preschool Endowment, any Climate Change and  
 89 Coastal Resiliency Reserve Fund created pursuant to section 7-159d and  
 90 all other trust funds administered, held or invested by the State  
 91 Treasurer.

92 Sec. 3. (NEW) (*Effective from passage*) (a) For the fiscal year ending June  
 93 30, 2025, after the accounts for the General Fund have been closed and  
 94 the Comptroller has determined the amount of unappropriated surplus,  
 95 if any, in said fund, the amount of such surplus to a maximum of three  
 96 hundred million dollars shall be transferred by the Treasurer to the  
 97 Universal Preschool Endowment established under section 1 of this act.

98 (b) For the fiscal year ending June 30, 2026, and each fiscal year  
 99 thereafter, after the accounts for the General Fund have been closed and  
 100 the Comptroller has determined the amount of unappropriated surplus,  
 101 if any, in said fund, the entire amount of such surplus shall be  
 102 transferred by the Treasurer to the Universal Preschool Endowment,  
 103 except that if the amount in the Budget Reserve Fund is less than  
 104 eighteen per cent of the net General Fund appropriations for the current  
 105 fiscal year, the amount of such transfer shall be reduced and an amount  
 106 equal to such reduction shall be transferred to the Budget Reserve Fund.

107 (c) Any amount transferred pursuant to this section shall be deducted  
 108 in determining the amount of unappropriated surplus to be transferred  
 109 to the Budget Reserve Fund pursuant to subsection (b) of section 4-30a

110 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
---	--	--

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	3-13c
Sec. 3	<i>from passage</i>	New section

**ED**

*Joint Favorable C/R*

APP