



# Commonwealth of Massachusetts

## Department of Early Education and Care

### EEC Advisory Council

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*May 26, 2022*





# Agenda

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- Welcome and Introductions
- Market Rate Survey
- Efforts to Expand Subsidy Access and Policies to Streamline Access

## Market Rate Study

### Key Takeaways:

- Market Rate study is required by federal regulations to identify subsidy rates that provide strong market access for subsidized families.
- EEC is supplementing the Market Rate Study with a Cost Study to better understand costs to programs of providing services and gaps between rates and costs.
- Data from both a market rate and cost study can support holistic rate setting, while also informing a better understanding of current business models and systemic approaches to stable financing for programs.



## Market Rate Study

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- EEC is required by federal Child Care and Development Fund (CCDF) regulations to conduct a market rate study in the next few months and use the results to consider subsidy rates.
  - Using tuition rate data from programs across all regions of the state, a market rate study will identify the range of rates currently charged to families and the percent of the market subsidized families will be able to access.
  - By using administrative data, we will have a strong sample of rates from programs serving subsidized and non-subsidized children.
  - While not a requirement, agencies are encouraged to set rates at the 75th percentile of the market rates.
  - The results of this study will inform subsidy rate setting that supports increasing family purchasing power and market access.



## Market Rate Study: Cost Component

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- EEC has included a cost study component in the Market Rate Study to better understand program costs and revenue; and identify effective funding mechanisms to strengthen the early education and care system in the Commonwealth.
  - Cost models can be developed to better understand the costs of particular program models, by program type and quality investments, for example.
- These data will be considered when developing recommendations to revise subsidy rates to address gaps between rates and costs.
- Updated cost models will also support EEC in planning future efforts to fund programs in ways that effectively support operational needs.

# Market Rate Study: Timeline

## Spring - Summer 2022

- Request for Responses posted May 5<sup>th</sup>
- Analysis of the rate/ hours of operation data available through LEAD (and supplemental survey data) to identify market rates across regions, program types and child ages and make recommendations for EEC rate setting
- Data collection to update outdated cost models

## Fall 2022

- **Approval of market rate study analysis and recommendations at September Board meeting (federally required)**
- Revision of cost models
- Further analysis to understand program characteristics and external factors that shape rates and costs.

## Winter 2022 - 2023

Recommendations around:

- Rate setting process to provide families strong purchasing power and sufficiently address program costs (fall recommendations)
- Potential role of stabilization grants in providing foundational funding
- Opportunities to achieve greater cost efficiencies through shared services

**Ongoing stakeholder engagement – including Board engagement**

## Market Rate Study: Discussion

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- What issues are important to ensure are addressed when using costs and market rates to set rates?
  - Adequate sample of non-subsidized providers in rate information?
  - Ensuring rates both have sufficient purchasing power for families and cover expected costs for programs?
  - What else?
- What information should we be sure to gather to identify effective financial supports for the field more broadly?
  - Understanding effective models of shared services?
  - Revisiting the ideal foundational funding investment?
  - What else?



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## **Efforts to Expand Subsidy Access and Streamline Policies**



# Operationalizing the EEC Strategic Action Plan Implementation Framework & Operational Focus



Human/user-centered restructuring of agency operations and business processes to modernize and improve the staff and user experience

## Key User Groups

### Children, Youth and Families

Maximize access, streamline procedures and expand early education and care options

### Programs

Provide consistent, ongoing supports that promote stable financing, quality services and health and safety

### Educators

Facilitate meaningful career pathways, professional advancement and retention of educators in the field

## Enabling Mechanisms

Data-driven decision making



New and expanded technology



Staff expertise and engagement



On-going stakeholder engagement



Targeted Program Integrity

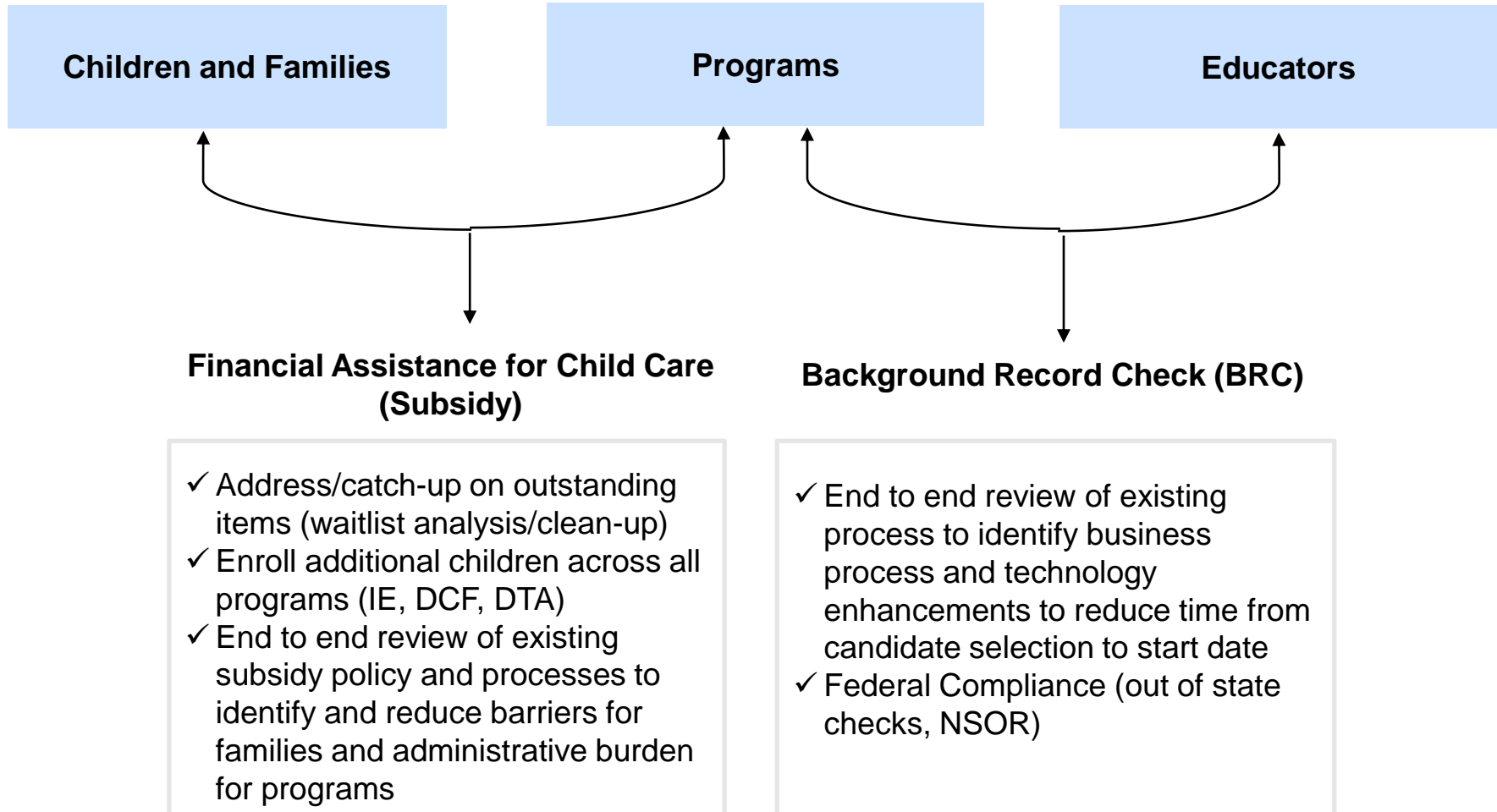


# Operationalizing the EEC Strategic Action Plan

## Immediate Priority Projects



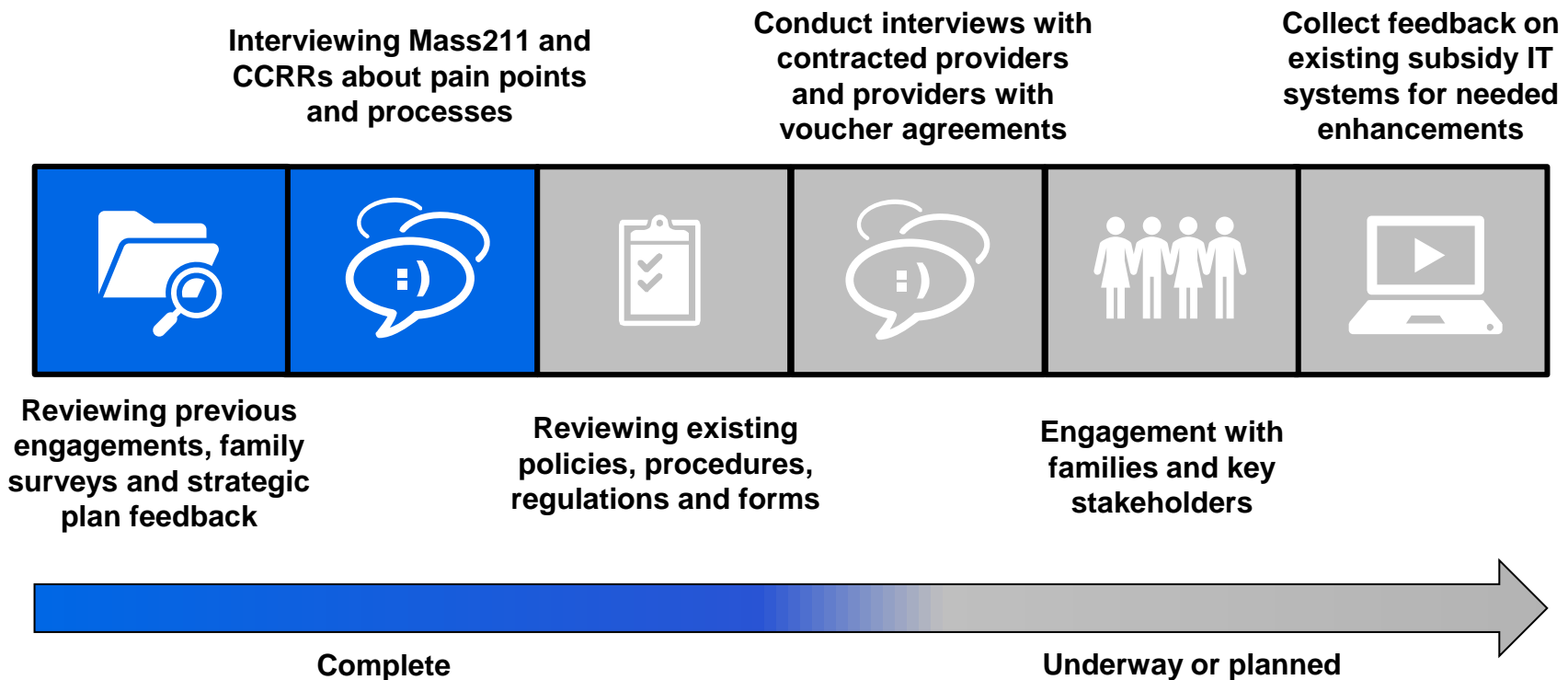
Leveraging cross-secretariat resources to accelerate enhancements and improvements that will improve user experiences and increase access for families.



# Financial Assistance for Child Care (Subsidy): Process for Project



In order to ensure a holistic understanding of the current state, data collection and analysis for this project will depend on interviews with staff at EEC, Mass211, Subsidy Administrators (i.e. CCRRs and contracted providers), families and other key stakeholders, as well as review of key documents (policies, regulations, forms, processes) and systems (Kinderwait and CCFA)





## Current Pain Points within the System

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- **Overly complicated processes** for families seeking subsidy, limiting timely and need-responsive placements
- Subsidy program **eligibility requirements/definitions and processes not aligned or integrated with other Commonwealth-funded services**
- **Limitations of the Kinderwait, EEC's waitlist computer system**, constrain the ability/timeliness of Subsidy Administrators enrolling families, such as getting funding availability letters (FALs) out due to limited data analytics capabilities and data duplication/errors requiring significant data cleaning needs
- Since eligibility verification is done after FALs are sent, families may come to Subsidy Administrator appointments and then be **determined ineligible wasting the parent's time and taking up appointments**
- **Already stretched staffing intake resources and appointment capacity** at Subsidy Administrators limit the number of FALs sent out and the number of families served.
- **Inconsistent usage of eDocuments/eSignature and/or use of virtual appointments** by Subsidy Administrators to hasten document collection and verification process
- **Families having to make multiple appointments** due to bringing the appropriate documents or needed to come back after the dual-authorization process to sign documents
- Lack of availability of subsidized care in specific regions, for specific age groups and hours of operation



## Early Focus Areas within the Subsidy System

**Increasing access for priority populations, e.g. DCF and DTA related care**

**Improving waitlist data and processes and getting families access to care more quickly**

**Identifying and removing barriers to family access by streamlining policies, businesses processes and structures**

### **Areas for Discussion:**

- How can EEC use structures to ensure population specific supports (DTA, DCF, homeless, teen parents) are tailored to support holistic family needs?
- How can EEC support programs seeking to enroll subsidized families, as well as ensuring affordable access?
- How can EEC improve waitlist process, technology and infrastructure to optimize services?
- How can EEC adjust and refine regulations to allow for less burdensome subsidy processes/policies and to mitigate existing inconsistencies and inflexibilities?
- How can EEC use data to prioritize key populations and target increased enrollment?
- How can EEC streamline eligibility policies and simplify processes for families involved with multiple services?