



MASSACHUSETTS
**Department of
Early Education and Care**



Advisory Council Meeting

September 3, 2026

Agenda

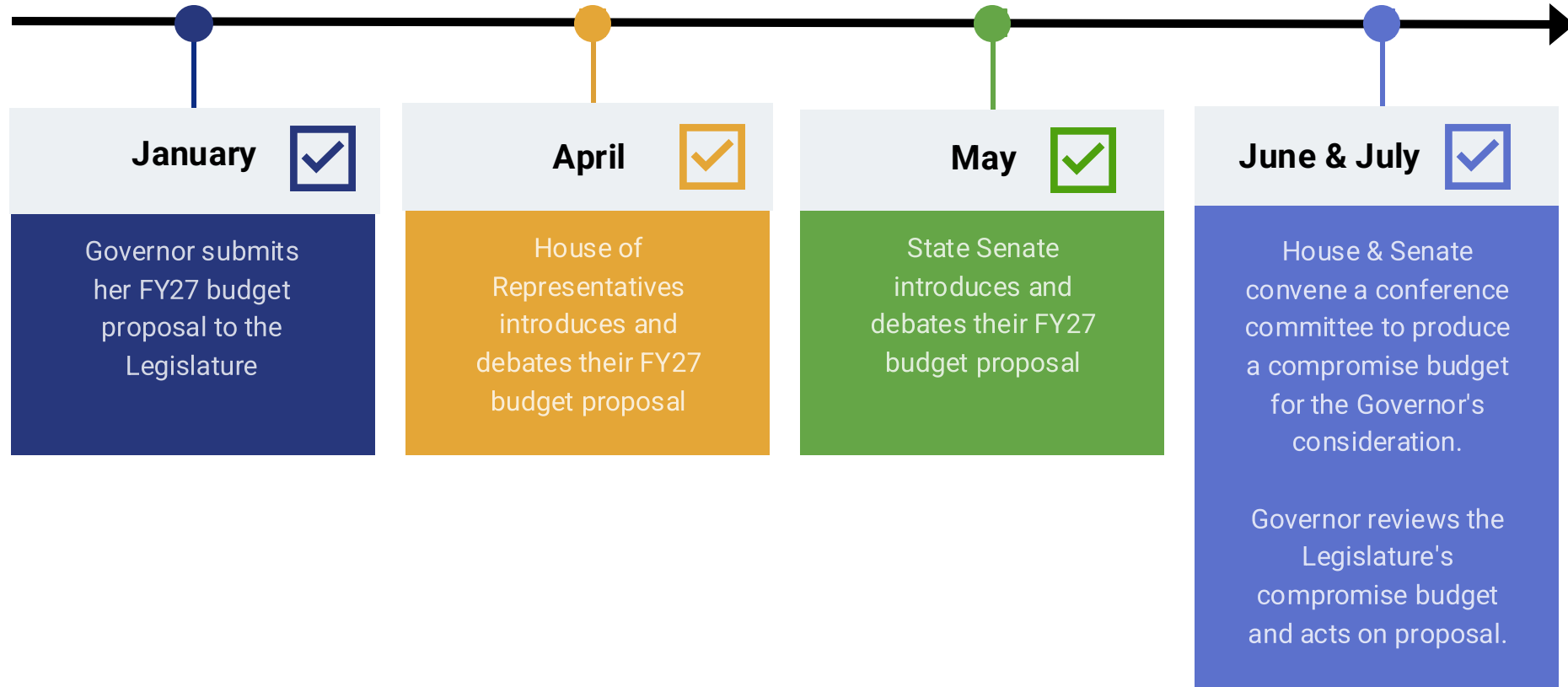
Items for Discussion and Action

- Welcome, Introductions & Agency Updates
- FY27 Budget Overview
- CCFA Expansion
- Alternative Methodology: FY27 Cost Research & Modeling



FY27 Budget Overview

State Budget Process



Highlights from FY27 GAA

The FY27 GAA funds EEC at \$1.843B, which is \$17.4M (0.9%) below the Governor's FY27 Budget Proposal (H.2)

Aligned with H.2

- **C3** funded at **\$475M**
- **CCFA** funded at **\$1.2B**
- **Coordinated Family & Community Engagement (CFCE)** funded at **\$11.7M**
- **CCR&R** funded at **\$20M**
- **Head Start** funded at **\$20M**
- **Parent Child+** funded at **\$4.25M**
- **Early Childhood Mental Health** funded at **\$4.95M**
- **Career Pathways** funded at **\$2.97M**

Funded Above H.2

- **EEC's Administrative account** funded at **\$17.2M**, \$4M above H.2
 - Includes \$7.5M for Scholarship Program
 - Includes \$525K for earmarks
- **Neighborhood Villages** funded at **\$1M**, increase by \$10K

Funded Below H.2

- After earmarks, EEC's Administrative funds **agency operations** at **\$9M**, \$4M below H.2
- **CPPI** funded at **\$15.5M**, \$21.5M below H.2
 - Includes Summer Step Up language
 - Reduces funding level for current grantees from FY26
 - No funding for expansion within existing or for new communities

Review the **full FY27 budget** on the [Massachusetts Legislature's website](#).

EEC FY27 Final GAA

\$1.844 billion in FY27 Final GAA

Line Item & Fair Share	Description of Purpose and Investment	FY27 GAA
Administration	Funds staff positions and six offices across the Commonwealth	17,195,519
Quality Supports	Funds monitoring and licensing activities, quality supports, coaching and technical assistance for programs and educators in the child care system	48,175,758
Access Management	Funds child care resource and referral activities, as well as a statewide parent hotline	20,000,000
Child Care Financial Assistance	Supports financial assistance for eligible children enrolled in child care, including a rate reserve and child care financial assistance waitlist remediation effort, and inclusive of Early Education and Care Staff Program	1,220,827,822
Grants to Head Start	Supports a grant to all Head Start grantees in MA to help meet their non-federal match	20,000,000
Commonwealth Preschool Partnership Initiative (CPPI)	Funds CPPI communities across the state in an innovative funding partnership between the LEA and local child care providers, as well as language for Summer Step Up program	15,500,000
Mental Health Consultation	Funds access to mental and behavioral health consultants for coaching and technical assistance to child care providers	4,950,000
Community and Family Engagement	Supports a network of 81 community collaboratives designed to provide parenting resources and supports to all families in every community, inclusive of Parent Child Plus programs	15,990,598
Neighborhood Villages	Funds a pilot program to provide high-quality economically-integrated infant and toddler classrooms	1,000,000
Higher Education- Career Pathways	Supports a targeted initiative across all the network of state community colleges to develop credit-bearing CDA course work to increase the supply of qualified educators	2,970,000
Reach Out and Read	Supports Reach Out and Read, a pediatric literacy intervention program which trains doctors, nurse practitioners, and other medical professional to incorporate evidence-based model into regular pediatric checkups	1,750,000
Commonwealth Cares for Children (C3)	Ongoing monthly payments to support operating costs for all EEC-licensed child care providers	475,000,000

FY27 Budget Summary

GENERAL LINE ITEMS (\$ in millions)

Line Item	Appropriation Name	FY26 GAA	FY27 H.2	FY27 GAA	FY27 GAA vs. FY26 GAA	FY27 GAA vs. FY27 H.2	Notes
3000-1000	Administration	\$ 11.52	\$ 13.17	\$ 17.20	\$ 5.68	\$ 4.03	\$7.5M Scholarship Program and \$525K Legislative Earmarks, net H.2 operational reduction \$4.0M
3000-1020	Quality Improvement	\$ 45.45	\$ 48.17	\$ 48.17	\$ 2.72	\$ -	
3000-1045	C3 Grants	\$ 115.00	\$ 115.00	\$ 475.00	\$ 360.00	\$ 360.00	Fully funds program at \$475M with 1596-2410
3000-2000	Access Management	\$ 20.00	\$ 20.00	\$ 20.00	\$ -	\$ -	
3000-3060	DCF/DTA Related Child Care	\$ 448.21	\$ 597.23	\$ 597.23	\$ 149.02	\$ -	
3000-4060	Income-Eligible Child Care	\$ 517.64	\$ 623.59	\$ 623.59	\$ 105.95	\$ -	
3000-5000	Grants to Head Start Program	\$ 20.00	\$ 20.00	\$ 20.00	\$ -	\$ -	
3000-6025	CPPI Pre-K Initiative	\$ 5.00	\$ 4.95	\$ 15.50	\$ 10.50	\$ 10.55	Includes Summer Step Up language; reduction in funding for CPPI grantees
3000-6075	Mental Health Grants	\$ 5.00	\$ 4.95	\$ 4.95	\$ (0.05)	\$ -	
3000-7040	Title IV-E	\$ 0.52	\$ 0.52	\$ 0.52	\$ -	\$ -	
3000-7050	CFCE	\$ 11.74	\$ 11.74	\$ 11.74	\$ -	\$ -	
3000-7052	Parent-Child Plus Program	\$ 4.25	\$ 4.25	\$ 4.25	\$ -	\$ -	
3000-7055	Neighborhood Villages	\$ 1.00	\$ 0.99	\$ 1.00	\$ -	\$ 0.01	
3000-7066	Career Pathways	\$ 3.00	\$ 2.97	\$ 2.97	\$ (0.03)	\$ -	
3000-7070	Reach Out and Read	\$ 1.75	\$ 1.75	\$ 1.75	\$ -	\$ -	
1596-2410	C3 Expansion	\$ 360.00	\$ 360.00	\$ -	\$ (360.00)	\$ (360.00)	Fully funds program at \$475M with 3000-1045
1596-2411	Income Eligible Waitlist Rem	\$ 10.70	\$ -	\$ -	\$ (10.70)	\$ -	Consolidated in 3000-4060
1596-2412	CPPI Pre-K Initiative	\$ 15.50	\$ 32.00	\$ -	\$ (15.50)	\$ (32.00)	Consolidated in 3000-6025
1596-2452	Child Care Supports	\$ 83.00	\$ -	\$ -	\$ (83.00)	\$ -	Consolidated in 3000-3060 and 3000-4060
	TOTAL	\$ 1,679.28	\$ 1,861.28	\$ 1,843.87	\$ 164.59	\$ (17.42)	

FY27 Agency Watch Areas and Management

The FY27 budget requires us to closely watch and carefully manage our resources:

- **Operations**

- Funded at \$4M below the Governor's budget will require the agency to slow or postpone some initiatives, manage overtime carefully, and be selective backfilling vacancies.

- **CPPI and Gateway to Pre-K**

- Funded at \$15.5M, compared with \$20.5M last year, we will be unable to expand to additional districts and Gateway Cities. Participating districts must recalibrate their existing programs.

- **Career Pathways**

- Funded at just under \$3M on paper, we intend to work with the board to repurpose \$4.5M in funding for scholarships to support this program at \$7.5M total in FY27

FY26 Fair Share Supplemental Budget

On June 12, the Governor signed a [compromise version of the supplemental budget](#) that includes funding to be spent by **FY27** and additional funding through **FY29**:

To be spent by end of FY27 (June 30, 2027)

- **\$10.7 million** for CCFA contracted seats
- **\$150 million transfer** to EEC's CCFA Programs

To be expended by end of FY29 (June 30, 2029)

- **\$7.5 million** for loan repayment for staff working in early education & care
- **\$8 million** for CCFA access for staff working in early education & care
- **\$12.5 million** to reduce the waitlist for the income eligible Child Care Financial Assistance program
- **\$20 million** for Literacy Launch (at DESE)

The compromise supplemental budget also includes \$1.4M in direct investments (earmarks) for 15 projects related to early education and care.

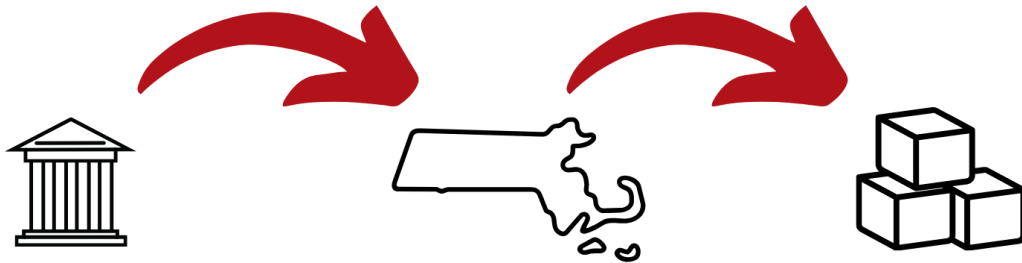


Child Care Financial Assistance (CCFA) Expansion

Child Care Financial Assistance (CCFA) Overview

Child Care and Development Fund (CCDF) BACKGROUND

The Child Care and Development Fund (CCDF) is a joint federal and state program authorized under the Child Care and Development Block Grant Act (CCDBG) which provides federal funding for child care subsidies to help eligible low-income families access child care and improve the quality of child care for all children. The state's Child Care Financial Assistance (CCFA) programs are funded by these resources and across multiple EEC accounts.



Approximately 49% of EEC's total budget in FY26 was either direct federal funding or tied indirectly to federal funding through either the CCDF or TANF block grants.

EEC administers three child care financial assistance programs accessible to families in the form of vouchers or contracted seats:

- Income Eligible Line item (3000-4060)
- Department of Children and Family Related Line item (3000-3060)
- Department of Transitional Assistance Related Line item (3000-3060)

Child Care Financial Assistance (CCFA) Programs

CCFA programs provide financial assistance for low-income families to access early education and care and out-of-school time programs so they can work or attend a job training or educational program. **This assistance is for infants, toddlers, preschoolers, and school-age children (under 13).**

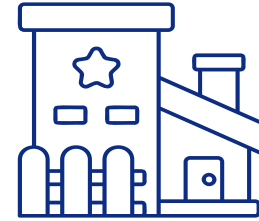
CCFA Program	Eligibility	Access point
Income Eligible (includes Families experiencing homelessness, ECE Staff, Parents under 24 and children with a disability)	Families with household income at or below 85% state median income (SMI)	Statewide waitlist, subject to available funding
DTA Related Care	Families with an active DTA cash benefits case and up to two years after case closure	Direct referral from DTA for guaranteed access per state law, not subject to waitlist
DCF Related Care	Families receiving support from DCF and up two years after case closure	Direct referral from DCF for guaranteed access per state law, not subject to waitlist

Forms of CCFA Assistance



Voucher

- These are portable - families can use them at any program that accepts CCFA
- Administered and managed by Child Care Resource and Referral agencies only
- DTA/DCF receive guaranteed access to a voucher
- Access is subject to funding availability for income eligible families

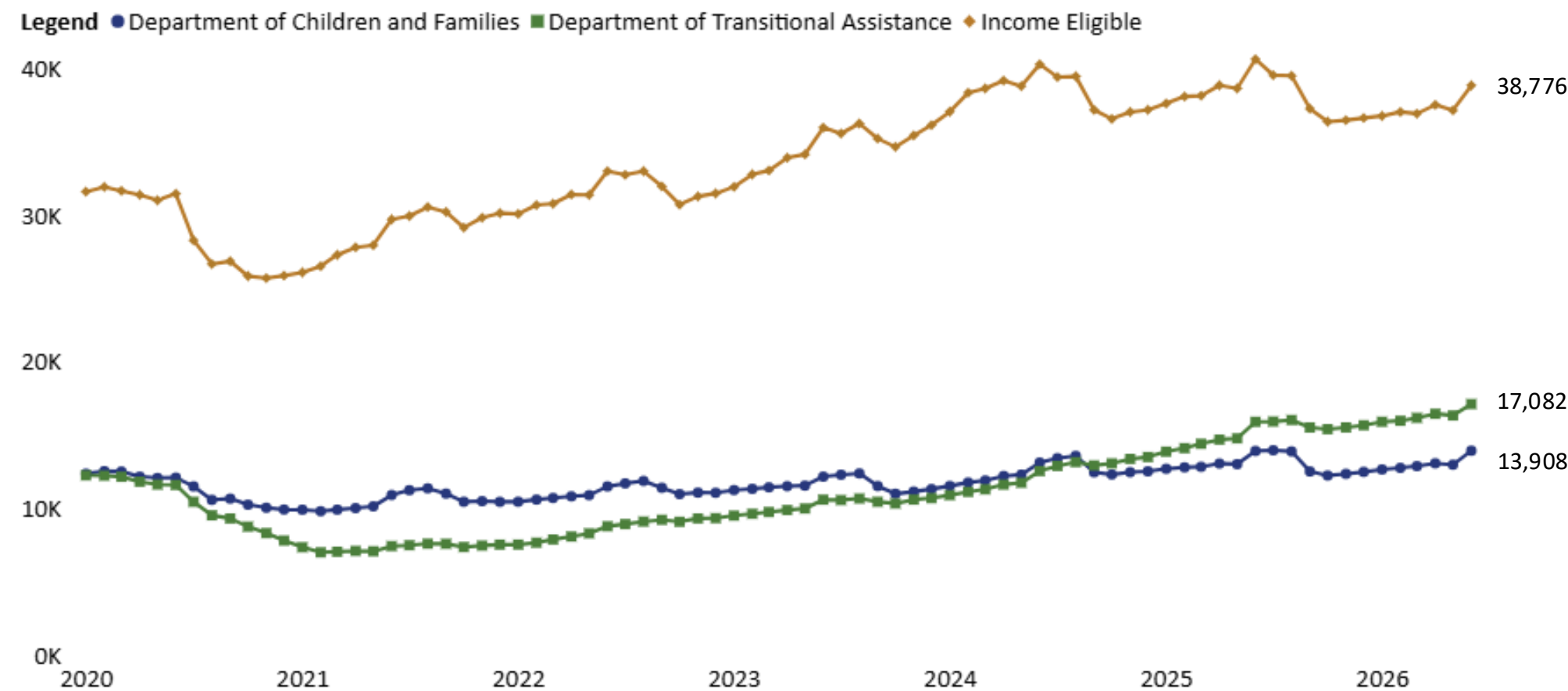


Contracted Seat

- Direct care contract at a center-based site or family child care system for a specific number of seats
- Each contracted provider manages their own contracted seats, including CCFA eligibility
- Access subject to available awarded seats for Income Eligible or DCF related Care

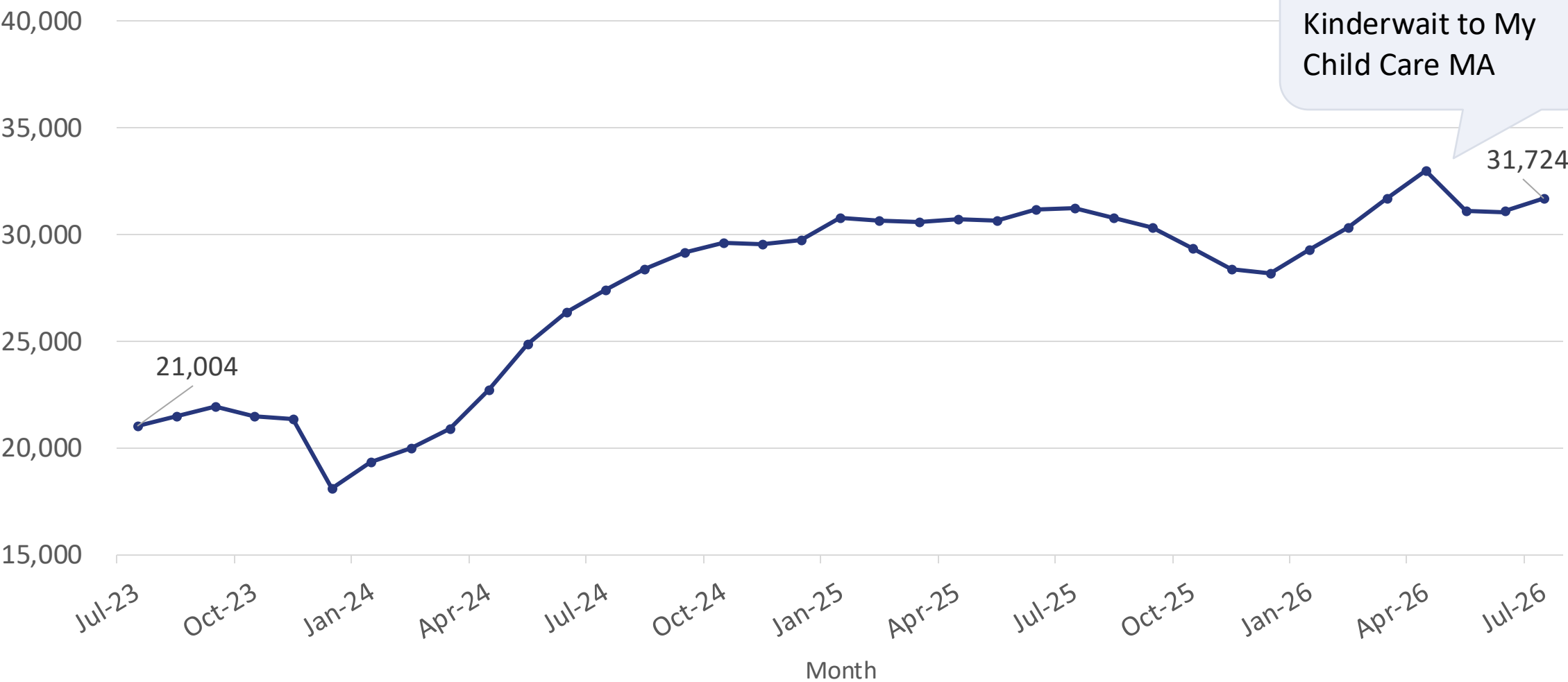
CCFA Overall Caseload (Through June 2026)

Number of children receiving CCFA reported by funding source statewide, by month



Income Eligible Waitlist

July 2023 through July 2026



Funding and Type of Care

Governor Healey signed the FY26 Fair Share Supplemental Budget in June, which included \$31.2 million to support increased access for families on the Income Eligible Waitlist: \$20.5 million for vouchers and \$10.7 million for contracted seats. Distribution will ensure geographic equity across the state and prioritize families waiting the longest.

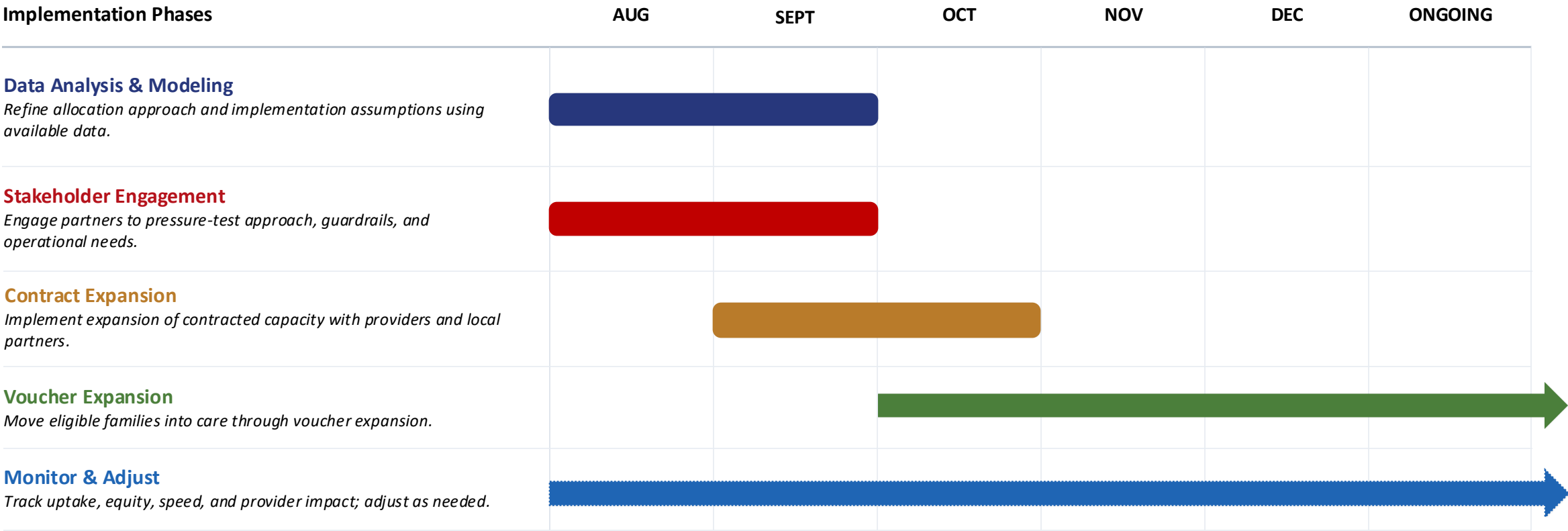


\$31.2M
total funding for
expanded access to
CCFA programs

Funding	Type of care / focus	Estimated seats
\$31.2M	Total for Income Eligible (IE) seats	Approximately 2,112 IE seats
\$12.5M	Vouchers from the IE waitlist starting with families waiting the longest, balanced with priority populations; ensure equity in geographic distribution	approximately 916 seats
\$10.7M	Contract expansion for existing providers with priority for programs with higher utilization; allowing flexibility, where possible, to meet greatest needs	approximately 610 seats
\$8.0M	Vouchers for children of staff working in early education and care programs from the IE Waitlist	approximately 586 seats

CCFA Expansion

IMPLEMENTATION TIMELINE

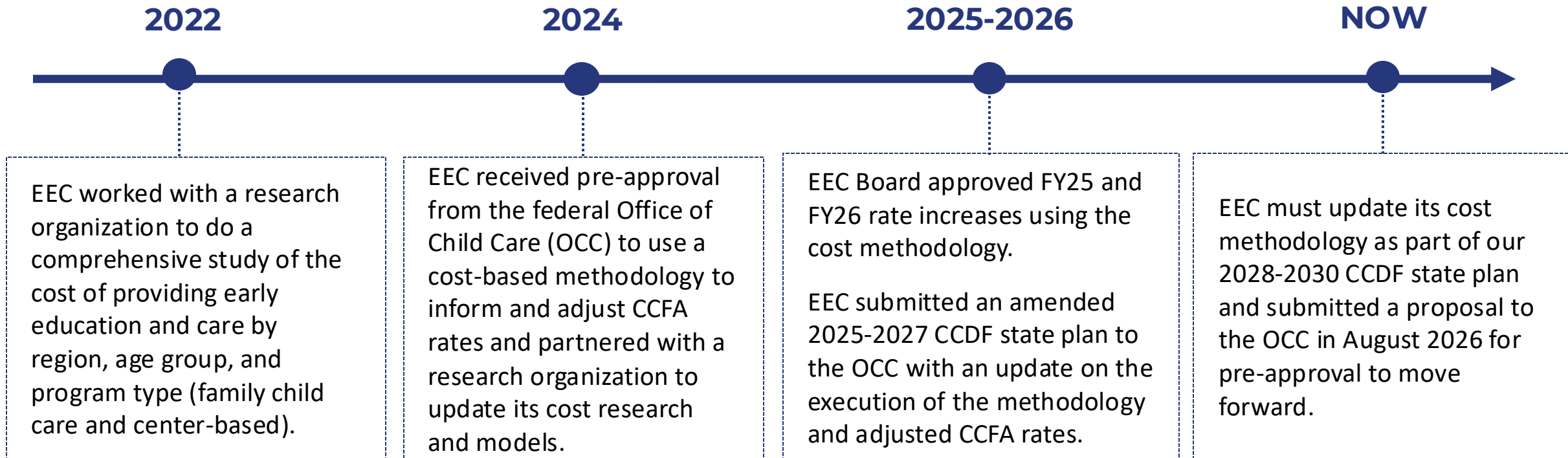




Alternative Methodology: Cost Research & Modeling in FY27 and Beyond

Recent Context: Cost of Care Research

EEC engaged in research to develop a cost-based methodology beginning in 2022. Since then, the team has continued to expand research and use this work to inform our approach to setting CCFA rates and other strategic investments such as C3.



Overview & Purpose

- Estimates the per-child cost to operate a child care program, by program type, region, ages of children served, and other program characteristics.
 - This is not the same as what programs *charge* for care (tuition).
 - This is not the same as a *budget* (a plan for spending)
- Represents the most typical classroom and staffing configurations of early education and care programs.
 - Will not represent the unique configurations of *every* program.
- Used to inform state-level funding and policy decisions including and not limited to CCFA rates by estimating revenue-expense gaps under different program scenarios.

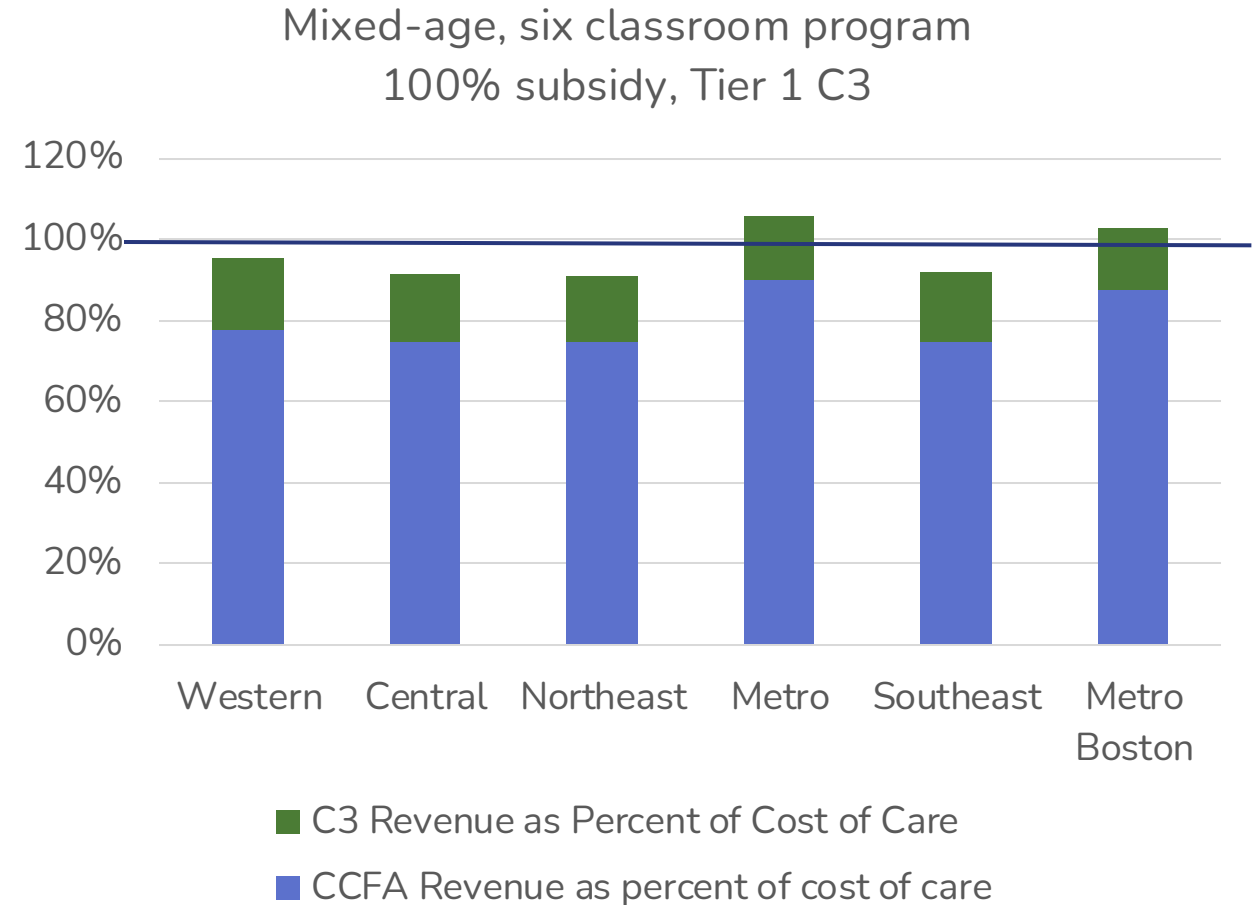
Example Cost Research Finding:

CCFA plus C3 funding nearly covers current care costs for most centers serving a high proportion of CCFA children, but margins remain tight.

- Center-based cost model indicates that a 100% subsidized mixed-age six-classroom program's revenue *with* Tier 1 C3 is within

$\pm 10\%$

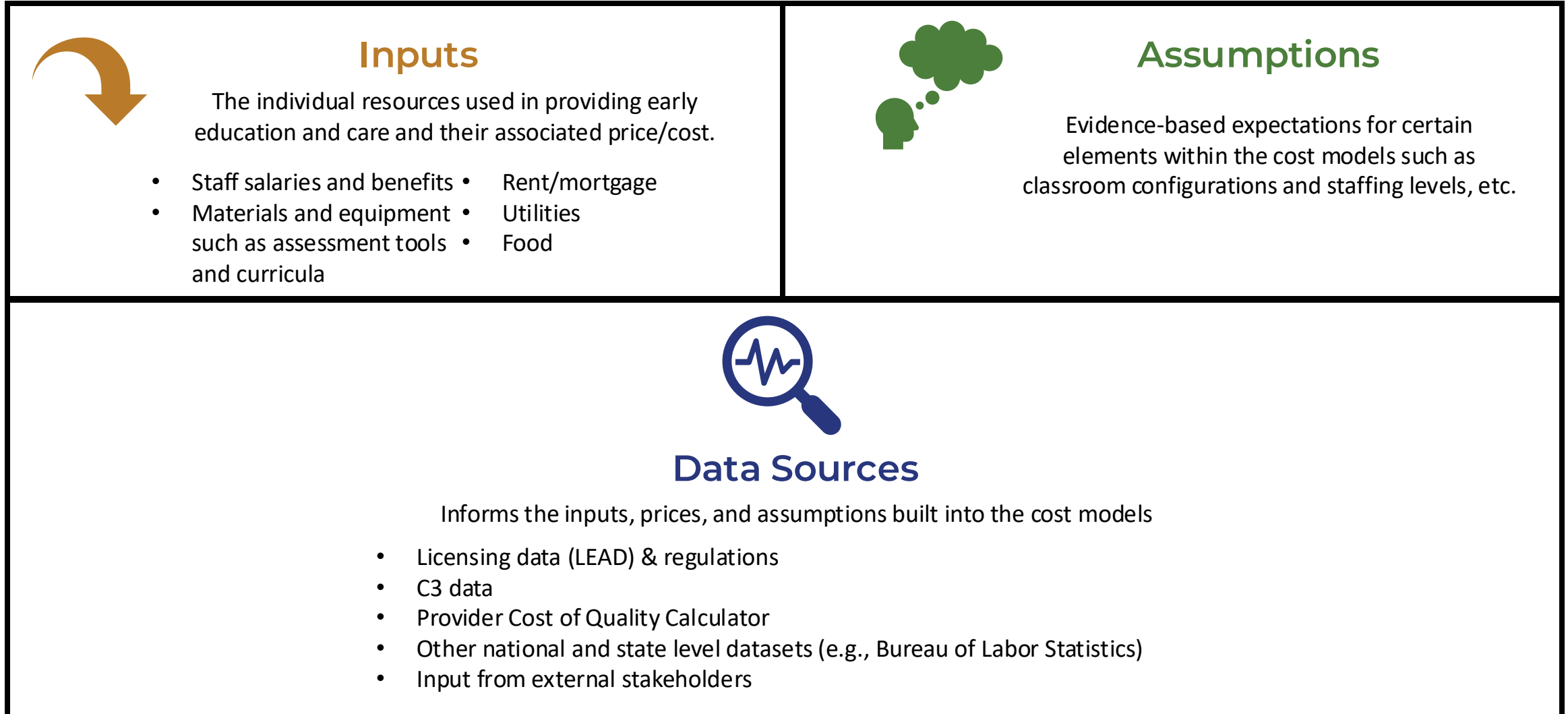
of the program's cost of operations assuming current staffing and median wages.



EEC Alternative Methodology Proposal

- Update and refine EEC's center-based and family child care cost models so they can continue to inform policy, program, and funding decisions.
- Continue to focus on both cost of current care and cost of aspirational care, including increased compensation.
- Continue to development of an out-of-school time cost model.
- Engage key stakeholders throughout the process, including the EEC Board, Advisory Council, early education and care programs, resource and referral agencies (CCRRs), child care associations, advocates, and other key partners.
- Share findings with internal and external audiences.
- Produce a publicly accessible report.
- Use the alternative methodology to set CCFA rates in FY28 and beyond, subject to funding availability.

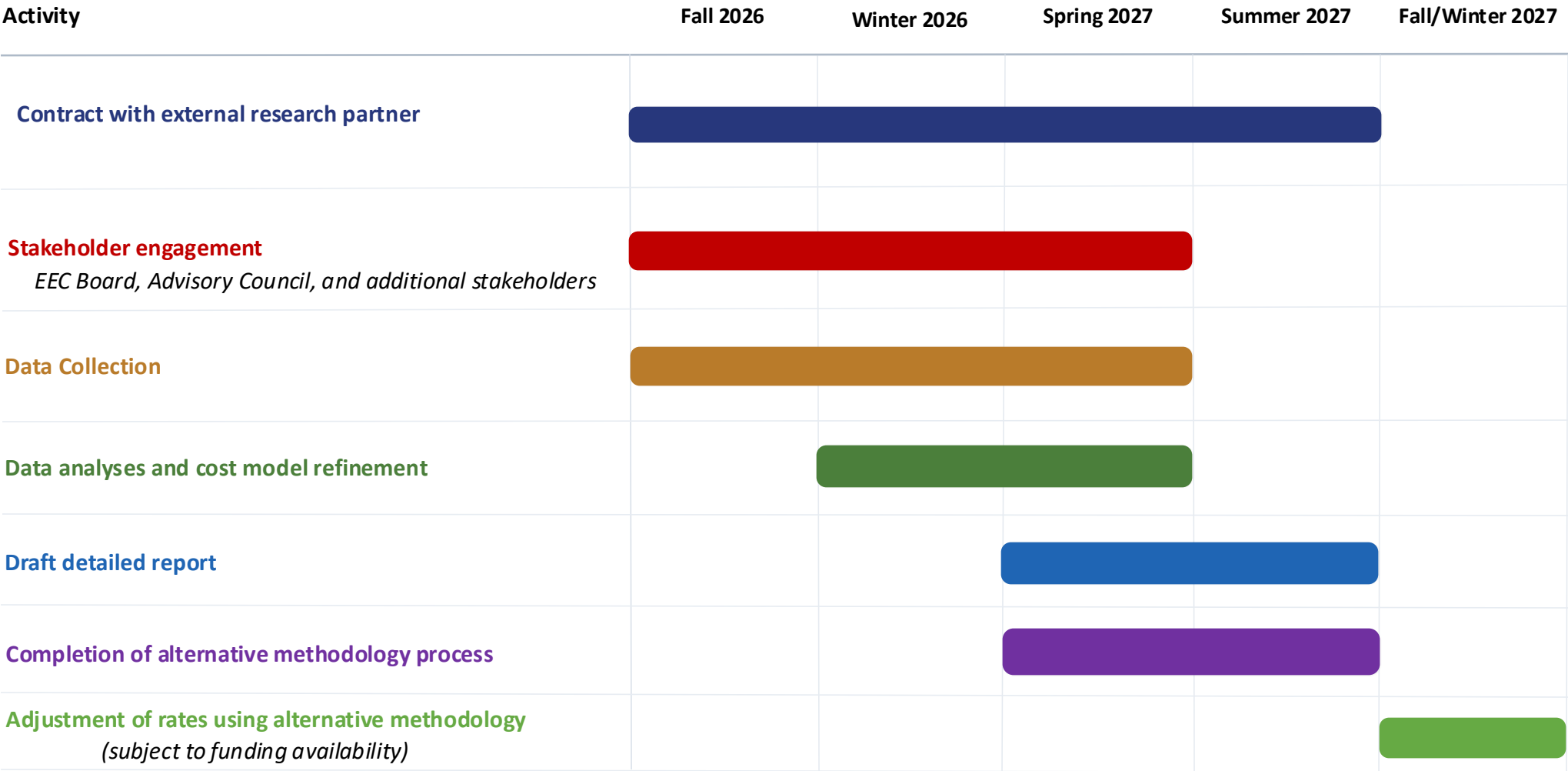
Cost Research Components



Proposed Updates: Prices & Assumptions

- All data sources used in the models to determine the value of certain inputs will be reviewed and updated, as needed.
 - The prices reflected in the cost models will be updated to 2026 dollars.
 - When 2026 price data is not available, prices will be adjusted based on inflation.
 - This includes potential adjustments to prices/costs associated with both personnel (e.g., wages, benefits) and non-personnel (e.g., food, utilities) inputs.
- All assumptions within the cost models will be reviewed to ensure they accurately reflect current typical program operating practices.
 - Assumptions within the cost model will be informed by the most recently available data.
 - This could mean potential updates to certain assumptions such as staffing structures, classroom configurations, and enrollment levels.

Timeline of Proposed Updates





THANK YOU

View Agency KPI Dashboards (updated monthly) [here](#).

Next Meeting – December 3, 2026