**Board of Early Education and Care**

**Monday, August 21, 2023**

**10:00 AM – 3:00 PM**

**Guild of St. Agnes**

**University Collaborative Early Education Center**

**248 Mill Street**

**Worcester, MA 01609**

**Members of the Board of Early Education and Care Present**

Dr. Patrick Tutwiler, Secretary of Education

Amy Kershaw, Commissioner

Paul Belsito, Chairperson

Maria Gonzalez Moeller

Carolyn Kain, J.D., Designee for HHS Secretary Kate Walsh

Linda D. Sagor, M.D., M.P.H

Jamella Lee

Cheryl Travers

Mora Segal

Nikki Ruiz de Luzuriaga

Stephanie Curenton, Ph.D.

**Members of the Board of Early Education and Care Not Present**

George Atanasov

**AGENDA:**

**Welcome and Comments from the Chair**

Sharon MacDonald, the Guild’s Executive Director welcomed the Board and attendees and gave a history of the program. Board members and attendees were given a tour of the program.

Board members and attendees introduced themselves by discussing their favorite childhood books, which were donated to the program.

**Meeting Overview, Purpose & Charge**

**Comments from the Secretary**

Secretary Tutwiler discussed priorities for the Department of Education for the upcoming year and highlighted the principles of stabilize, heal, and transform. He stated that the year ahead will focus on staffing and mental health. He discussed a focus on universal pre-K and literacy through the early education space.

**Comments from the Commissioner**

Commissioner Kershaw stated that today’s retreat will provide an opportunity to look back at FY23 and prepare for the year ahead by determining strategic initiatives. Commissioner Kershaw stated that the FY24 budget and the Commonwealth Care for Children program will be discussed.

Commissioner Kershaw discussed the vision and the mission of the agency. She highlighted FY23 accomplishments and priority initiatives. Commissioner Kershaw discussed end-to-end reforms of the childcare financial assistance program, including updated regulations and re-procurement of childcare referral agencies. She highlighted that 58,000 families are enrolled in the financial assistance system, which is the goal that was set for FY24**.** Commissioner Kershaw discussed increases to rates and reforms to cost-informed rates. She highlighted that the cost study has been finalized and will be published soon. Commissioner Kershaw discussed the C3 program and highlighted that it is now funded through state dollars for the first time. Commissioner Kershaw stated the C3 grants have allowed the agency to have new relationships with and greater insight into childcare programs. Commissioner Kershaw discussed progress in short and long term goals related to workforce.

Commissioner Kershaw provided FY23 hiring updates and highlighted EEC’s new organizational structure that includes two new divisions and more than 50 new positions with a focus on increased diversity. Commissioner Kershaw stated that the agency is currently hiring for a Commissioner of Diversity, Equity, and Inclusion and discussed new positions that will be filled in FY24.

Chairperson Belsito reflected on the modernization of the agency and the recognition of the importance of the agency through funding by the Governor.

Commissioner Kershaw highlighted improvements to the background records check process and noted that Massachusetts is the first state to meet a federal compliance deadline. She stated that residential programs will be moved into the modern Navigation system in the coming months. She recognized COO Greg Norfleet’s leadership.

Board member Moeller thanked the Commissioner for prioritizing updates to the background record check and stated that, as a provider, she has noticed a real improvement that is helpful with recruitment and hiring. She thanked Greg Norfleet for his work on the project.

Board member Segal thanked Commissioner Kershaw for her leadership and inquired about the RFP process for contracts. Commissioner Kershaw stated it is an opportunity to reflect on the unique

Chairperson Belsito highlighted that the delay is based on feedback from the field.

Deputy Commissioner Nicholas stated that there is an opportunity to learn more about what is needed for a different approach for purchasing contracts to improve supports for families and the extension of the RFP timeline will allow for collaboration with programs and families. She stated that her hope is to define what is needed.

Commissioner Kershaw explained that the agency purchases contracts for income-eligible families and contracts for spots for DCF involved families to guarantee space for teen parents and families experiencing homelessness. Commissioner Kershaw stated there is an opportunity with a contract to build additional supports such as transportation and behavioral supports.

Board member Moeller added that contracts provide regional stability for families and it will be important to consider flexibility for regional differences and listen to providers. Board member Moeller highlighted that teen parents are held to the same requirements for subsidy and often are not able to work because they are in school so they are unable to meet the requirements.

Commissioner Kershaw noted that there is underutilization of contracts which is a reflection of the lack of flexibility.

Board member Curenton acknowledged that is rare that a state has a contract system and urged the Commissioner to continue to think creatively. Commissioner Kershaw stated that the federal government issued a draft rule that governs the programs and includes that states must offer vouchers and contracts.

**FY24 Strategic Objectives and Initiatives**

* FY24 Strategic Objectives
  + Operational & Performance Indicators

Ian Cutler, Director of Project Management and Strategy presented the FY24 EEC strategic objectives and described the process to develop the initiatives. He stated that the mission was to align the high level, mission driven work with the day-to-day operations in order to prioritize efforts to meet the mission of the agency. Mr. Cutler highlighted five objectives including family access, program stability, program quality, and workforce supports. He stated that the hope is that these five initiatives will help organize work internally and create measurable goals to track progress.

Commissioner Kershaw stated that the existing strategic action plan is durable but the shift for FY24 is to separate program stability and quality and she stated that the focus is on collaborating with stakeholders with a data driven lens. Chairperson Belsito expressed appreciation for the data driven lens. Board member Segal inquired about the timeline to achieve the initiatives and how to measure success by the end of FY24. Mr. Cutler stated that the goals are not timebound but are part of a hierarchy of strategic objectives that will have targets and measurable outcomes. Once the metrics are set, the threshold and targets will be set. Mr. Cutler discussed the importance of the agency infrastructure component because although it may not be visible from the outside, it is necessary to help the agency meet its objectives.

Adrienne Murphy, Director of Data Analytics, discussed the performance indicators that will be used to measure progress on the objectives. Ms. Murphy stated that the indicators are categorized as what can be measured now, what will be measured next, and what can be measured later. Ms. Murphy highlighted the performance indicators for family access to ensure families have equitable access to quality and affordable care in their own communities. She asked for feedback from the Board regarding the indicators. Board member Lee asked when the strategic plan will end and what goals were set prior. Commissioner Kershaw stated that we are in year four of the strategic action plan and it does include outcome measures, but it did not include targets. Commissioner Kershaw stated that reporting will be done on these initiatives on a regular basis with a five-year horizon. Board member Curenton asked about how information will be de-aggregated including language and Ms. Murphy confirmed that those factors are being considered. There was discussion on the current system’s capability to track indicators of success, including service needs, tenure of financial assistance, and certain aspects of stability. Commissioner Kershaw stated that it is within our manageable interest to see if eligibility was affected by changes in income or because of not submitted paperwork.

Board member Moeller inquired about prioritizing families from the waitlist who are at risk of losing employment. Deputy Commissioner Nicholas stated that EEC is currently working to add policy to allow CCR&Rs to prioritize placement for financial assistance families who have an immediate need.

Jessi Murray, EEC Chief Product Officer, confirmed that it is possible to track why families turndown a subsidy.

Ms. Murphy discussed performance indicators for program stability to ensure that licensed or funded programs are operationally stable and financially sustainable. She highlighted how data is currently collected through the C3 grant process. She asked for feedback from the Board.

Chairperson Belsito commented that most of the data is available through participation in C3 grants and because C3 is fully funded it will be possible to see trends.

Board member Segal asked how many times data is collected and Ms. Murphy stated it is collected twice per year.

Board member Moeller commented that the data collection is time consuming for providers and there could be room to consider efficiency for greater accuracy. Ms. Murphy affirmed that there are efforts to streamline. Chairperson Belsito added that as the information is made more transparent, hopefully the added value will be seen. Board member Segal commented on the focus on licensed capacity and practical capacity based on staffing.

Ms. Murphy discussed the performance indicators for program quality to support children’s health and safety and provide high quality environments that are culturally responsive, inclusive and support children’s learning and development in partnership with families. Board member Sagor asked if there are current health and safety metrics and Ms. Murphy stated that there are currently tied to regulations and licensing. Commissioner Kershaw stated that Massachusetts has among the highest health and safety regulations and some revisions are needed due to a lack of child focused outcomes. Commissioner Kershaw stated that because there are no standards for kindergarten readiness, it is difficult to assign indicators in early childhood.

Board member Curenton inquired if the term anti-biased can be added and included as an initiative. She further commented that more holistic social and emotional measures need to be included and cautioned against a focus solely on early literacy. Board member Curenton stated that there needs to be a measure of partnership with families and how family satisfaction can be measured. Board member Segal affirmed Board member Curenton’s comments that there should be a holistic approach that includes social and emotional health and executive functioning and we should continue to signal to represent that approach. Board member Moeller commented that health and safety measures need to be aligned with DESE especially in shared programs. Commissioner Kershaw stated that will be a focus during regulation revisions.

Ms. Murphy discussed performance indicators for workforce supports to ensure a diverse field of educators, leaders and program staff that is competitively compensated and support by clear professional pathways that promote quality, retention, and advancement. Board member Lee asked if there was a goal to have a compensation structure and would C3 be the support for that. Deputy Commissioner Bowne stated that there is a goal around targets for compensation and confirmed that C3 is an opportunity to support educators, but more review is needed. Commissioner Kershaw stated it is necessary to determine what the educator pathway looks like, and while it could be possible to share a salary structure, we are not there yet.

Board member Curenton asked how we might be able to capture workforce provider salaries and their reliance on other state supports such as SNAP. Ms. Murphy stated that the staff pilot program is a great indicator for that data. Deputy Commissioner Nicholas commented that the current system does not allow for cross-agency communication and there is a question if that is appropriate for EEC, but it is important for providers to have that information. Commissioner Kershaw stated that it could be helpful to provide information about state benefits that employees could be eligible for as part of a compensation package.

Ms. Murphy discussed performance indicators for agency infrastructure to ensure EEC has sufficient internal capacity, organizational structures and diverse perspectives and expertise to carry out its mission and strategic objectives. Commissioner Kershaw stated that as the other objectives move along, it will be an indicator that agency infrastructure is working. Board member Lee inquired about staff retention and desegrated data related to diversity. She further stated a learning and development metric would be important. Commissioner Kershaw shared that a Director of Learning Development is currently advertised, and EEC is excited to fill that position.

* **FY24 Budget**

Chief Financial Officer Amanda Sakaguchi shared FY24 budget highlights and stated that this budget reflects that early education is a priority for the current administration. She stated that C3 is fully funded for the first time which signals to field that this funding can be used for ongoing investments. Ms. Sakaguchi stated that there are four areas that are funded from the Fair Share Amendment. Commissioner Kershaw discussed the Governor’s vetoes and stated that the legislature has the opportunity to override the vetoes until October 18. Ms. Sakaguchi stated that supports are being provided to EEC through different funding sources, which reflects the prioritization of early education.

Ms. Sakaguchi provided an overview of the FY24 appropriations.

Board member Segal asked about the longevity of C3 funding since it is funded through the Trust Fund.

Ms. Sakaguchi clarified that FY24 is the first year that EEC has access to the Trust Fund and $225M has been appropriated this year. Commissioner Kershaw stated that the Trust Fund was created as an investment in future opportunities and acknowledged that the Trust Fund is not automatically replenished so further discussion is needed to transition from a stabilization grant to an operational funding source.

* **Commonwealth Cares for Children (C3) – Program Planning**

Deputy Commissioner Bowne provided an overview of how C3 funds support the early education and care market and highlighted staffing costs and tuition, including subsidy. She highlighted that data collected as part of the grant has been used to inform how the program is utilized. Deputy Commissioner Bowne discussed the four key goals used to develop the C3 formula.

Ms. Murphy shared data related to the C3 grant that show high participation rates across regions and provider spending of C3 funds on operational expenses. She stated that there is a shift from expense categories into investment categories. This data is collected twice per year. Board member Segal inquired if it is possible to show the C3 funds as a percentage of total budget and Deputy Commissioner Bowne stated that could be determined by looking at costs. Ms. Murphy stated the data shows that program enrollment is continuing to stabilize. Deputy Commissioner Bowne discussed goals for the C3 grant moving forward and highlighted the need to continue prioritizing equity by further directing funds to programs servicing high need communities. Commissioner Kershaw stated that the definition of high needs families must be expanded beyond families that receive financial assistance. Board member Sagor asked why 100% of providers do not accept subsidies and Commissioner Kershaw stated there are numerous reasons that providers point to, including administrative burden. Board member Kain commented that if the goal is to achieve equity, it is important that providers receive the same payment from the state from a subsidy as they receive from a private pay family. There was discussion surrounding market rates and Commissioner Kershaw stated that it is important to provide parents with purchasing power and funding to providers for operational costs to provide equity in access. Deputy Commissioner Bowne discussed the goal to strengthen focus on professional advancement, workforce compensation, and program quality and Ms. Murphy stated that over half of all C3 funds have been spent on workforce compensation and funds. Ms. Murphy shared that although wages have increased during C3 funding, wages remain low. Ms. Murphy shared data collected regarding staffing challenges, highlighting that 80% of program cite unfilled staff openings as a reason that they cannot serve their full license capacity.

Deputy Commissioner Bowne discussed ways to adjust the C3 program, including the grant formula, fund use requirements, eligibility requirements and how data is collected to better inform other levers. Deputy Commissioner Bowne confirmed that there is not strict language included in the budget that restricts how EEC can manage the funds. Deputy Commissioner Bowne discussed the timeline for potential program adjustments and Commissioner Kershaw stressed the desire to maintain stability for programs. Board member Ruiz de Luzuriaga inquired about the agency’s ability to drive down costs for programs in relation to C3 funding. Commissioner Kershaw stated that programs that participate in C3 have not raised tuition or passed on costs to families and it would be possible to formalize that as an eligibility requirement. Board member Curenton asked if summer programs are eligible for C3 funding and Deputy Commissioner Bowne clarified that only programs that operate year-round, including summer are eligible. Chairperson Belsito commented that it will be important to engage the legislature for the next budget as part of next steps. Secretary Tutwiler commented that sharing of compelling data is vital.

**FY24 Board Meeting Agenda Preview**

Commissioner Kershaw shared a preview of major topics for board input and action in FY24. Chairperson Belsito thanked all attendees for their commitment and hard work.

Meeting adjourned at 3PM.