

**Department of Early Education and Care
Board Budget Priorities Memo
For Consideration by the Board of DEEC December 3, 2019**

Introduction:

At the time of the Department of Early Education and Care's (EEC) budget priority conversation, the Department is in the middle of a strategic planning process. This process, as charged by the EEC Board in October 2019, will result in a strategic road map developed in collaboration with stakeholders to guide the organization's activities towards specific impact targets over the next three to five years, setting forth a path towards a larger vision for early education and care across the Commonwealth. The emerging priorities from the initial engagement with stakeholders is being used to inform the budget priorities set forth by the EEC Board. Additional information will continue to evolve these priorities until the road map is presented and approved by the DEEC Board, anticipated for March 2020.

During the first three months of engagement, with stakeholders as part of the strategic road map development, there are emerging themes that help drive specific budget requests for the FY21 fiscal year. One key area the EEC Board will be considering as the strategic road map is developed is a coordinated process for on-going feedback loops to better leverage expertise from stakeholders and providers across the Commonwealth. To this end, ongoing community engagement will refine priorities in this budget memo and specific investments will be shaped through continued conversations with stakeholders. The Board has called out a few specific areas that will be targeted for community engagement that will further define specific priority areas.

This memo will be submitted to the Executive Office of Education, upon approval by the EEC Board of the Department of Early Education and Care, for consideration during development of the Governor's budget request to be submitted to the Legislature in early 2020. These priorities reflect the best information at the time of approval, and they will continue to be refined through the strategic planning process. Given this, the areas for consideration as budget priorities for FY21 include:

- Update EEC Systems and Investments to Respond to Changes in the Landscape:
 - o Build the foundational data collection and tools for revising EEC financing mechanisms (minimum \$10M investment towards provider rates)
 - o Adjust parent fee schedule to better support access for low income families (minimum \$10M towards defraying costs for parents)
 - o Update regulations to ensure consistent support for quality (investment in staff capacity required, see below)
- Invest in the EEC Infrastructure to Support Communities and Providers:
 - o Create a staffing model that supports customer engagement (approximately \$5.2M for staff salaries)
 - o Invest in the technology that responds to the user needs of the field and to EEC needs effectively use data (approximately \$8M investment in technology infrastructure)
- Sustain Programmatic Investments and Explore Key Areas for Increased Coordination:
 - o Continue roll-out of critical new systems of support (adjustments to funding requirements in FY21)
 - o Identify effective strategies for improving implementation across high impact areas (needed investment TBD)

Foundational Work in FY20:

EEC is undergoing significant transformation following appointment of a new Commissioner in August 2019 and expansion of its mandate and operations in order to comply with changes in federal law. This includes EEC's development of new systems to improve professional development and workforce supports and enhance background checks. These systems will require continued investment from the Commonwealth to ensure that they are scaled effectively and provide meaningful access for the field, and quality and safety for children and families. Two significant components of the system where foundation structures are currently being built and refined include:

- **Background Record Check Infrastructure:** Given the increased role that the Department was required to take on with the revised Child Care Development Block Grant regulations released in 2014, EEC is building new technological and operational processes to help manage the activities required for compliance. The implementation of these new processes is currently under review using the first year of implementation data to inform refinement and improvement. While continued investment in technology and operations will be required in the upcoming fiscal year, decisions in FY20 will determine the specific needs across technology and operational infrastructure for FY21.
- **Supports for Quality and Workforce:** Over the last few years, EEC has focused on updating the foundational Quality Rating and Improvement System (QRIS) standards that define expectations for program quality and educator competencies in Massachusetts based on updated research of program efficacy and approaches to measuring quality. In FY20, the QRIS implementation and the associated professional standards will be finalized and structures of support for providers will be aligned with these new expectations. This work includes launching the revised QRIS that targets research on quality improvements, new system of Professional Development Centers (PDCs) run by UMass Boston to support quality, and outlining a career lattice for the educators to provide a career pathway across professional credentials aligned to the QRIS.. The specific needs for FY21 will focus on continuing the development of this foundational infrastructure, ensuring responsiveness to the needs of the field and identifying areas to streamline expectations across systems to build coherence across workforce development efforts.
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Key Priorities for FY21:

The priorities endorsed by the EEC Board for consideration in the FY21 budget include initial feedback from the field, aligned to the ongoing work of the Department and continued compliance with federal requirements. To inform the work of the Executive Office of Education, the Governor's Office, and the Legislature in preparation of the Department's budget to achieve progress for children and families across the Commonwealth, the EEC Board offers the following priorities:

Update EEC Systems and Investments to Respond to Changes in the Landscape

- Revise EEC financing structures using new tools (minimum \$10M investment towards provider rates):
 - o As part of the strategic road map, EEC is working on alternative data to target state investments in programs. With the intention of replacing the use of the market rate

survey, the “cost of quality” measure will provide a better tool to track progress in support programs to deliver quality care in each of our regions. Using this tool, EEC will explore alternative financing models that would provide more stability to providers in the field and incentivize continuous quality improvement. The EEC Board is recommending a minimum of an initial \$10M increase in funding for caseload reimbursement as an investment towards the shift in payment methodology that would be implemented using a cost of quality across regions without decreasing caseload numbers or increasing the waitlist. This is anticipated to be a multi-year transition, and it would build on the innovative funding models piloted with DCF (short-term child care initiative) and DTA (grandparent child care initiative). Additional details on this cost of quality metric and the potential implication for DEEC financing structures will be available as the strategic road map is solidified in early 2020.

- Adjust parent fee structures to improve access for low income families (minimum \$10M towards defraying costs for parents):
 - o As announced in March 2019, DEEC is working to revise the parent fees required under subsidy eligibility regulations. The current fee scale has not been substantially changed since 2001 (aside from minor changes made in 2014), and EEC is generating recommendations to the EEC Board in FY20 to revise parent fees. This will have a significant financial impact for the Department to mitigate impact of reduced parent burden on provider reimbursements. While the detailed analysis is still under consideration, investment in reducing parent fees is critical to improving access for families who qualify to receive EEC subsidies and are thus required to provide a co-pay for child care services.
- Review regulations to ensure consistent support for quality (investment in staff capacity required, see below):
 - o The feedback from the field has revealed a number of regulations that need to be revisited fully realized the Department’s objective to support quality programming. It is not anticipated that this will have costs beyond staffing needs for FY21 detailed in the next section, and more details about this process will be outlined as part of the strategic road map.

Invest in the EEC infrastructure to Support Communities and Providers

- Create a staffing model that supports EEC customers (approximately \$5.2M for staff salaries):
 - o The most critical investment needed for a sustainable operational model is substantial increase in Department staff to respond to the needs of the field. As part of the overall strategic planning process, EEC is working with Guidehouse, Price-Waterhouse Cooper’s public sector consulting arm, to build a strategic approach to staffing expansion and internal system development. Targeted to improving services to our customers in the field, the revised organizational structure will include an increase of ~78 additional positions across all divisions of the Department. The Department anticipates on-boarding 35 of these new positions during FY20, while the additional 43 positions for FY21 will be fully determined based on the results of the Guidehouse analysis. Additional positions target key functions of the agency, such as licensing and investigations, and bolster strategic engagement by the Department to create on-going feedback loops with the field.

- Invest in the technology that responds to the needs of the field and EEC (approximately \$8M investment in technology infrastructure):
 - o The needed investment in technology cannot go understated, building on the roll-out of the LEAD and CCFA systems. Like many state agencies grappling with new regulatory requirements, continued technological investments are needed to achieve true efficiency given the current systems. Currently, EEC data sits across many different technology platforms, making it inefficient to provide robust data analysis that can effectively be used to make decisions quickly. The Board of EEC prioritizes continued investments in technology in line with an integrated technology vision for EEC and the development of a user-friendly strategy to improve stability for the field.

Sustain Programmatic Investments and Explore Key Areas for Increased Programmatic Coordination:

- Increasing the Efficacy and Consistency of Existing Programmatic Supports (Adjustments to funding requirements in FY21):
 - o Given the focus in FY20 of completing the development and alignment of our new systems to support enhanced capacity and quality across the field, the budget priorities for program investments focus on sustaining our current programming to deepen the alignment and effectiveness of these systems. It would be difficult for these efforts to absorb additional funding in FY21 as EEC works to develop and enhance sustainable systems for the field. However, minor adjustments are required to current funding lines to ensure that they can effectively target identified needs. While the investment in the workforce has been essential in building pipelines for educators, providing increased flexibility in the use of these funds will allow EEC to design funding to meet specific credential and coursework needs of the various regions across the Commonwealth in collaboration with stakeholders.

- Identify Effective Strategies for Improving Program Implementation Across Key High Impact Areas (Needed investment TBD):
 - o Three key themes have consistently arisen throughout the strategic planning process to date and are targeted for goal setting with the community over the coming months. While no specific investment is identified at this time, the EEC Board will prioritize specific engagement in each of these areas to determine the opportunity for investment in the future:
 - **Improve EEC and DESE Alignment:** In order to better support children and family’s trajectory across the early education and early elementary years, the field is asking for better partnership across Departments to improve coordination on behalf of families. The investment outlined in the Student Opportunity Act will expand the footprint of public and private preschool in the Massachusetts mixed delivery system, increasing the need for improved coordination. The following topics outline the priorities for further exploration for coordination across EEC and DESE.
 - *Aligning funding to improve access:* As investment in school districts across Massachusetts increases, EEC and DESE must look at the funding structures to support coordination across early education, early elementary, and out

of school time settings. This will ensure maximum access for children in communities, including minimizing transitions for children with special education needs and sustaining the infant and toddler care amidst a changing preschool landscape.

- *Aligning educational and instructional supports to improve student outcomes:* Supporting consistency of curriculum and assessment practices across the early years and grades can help ensure that all providers are prepared to support children to be on track to third grade long before they take the MCAS. As EEC works to roll-out the revised QRIS system, alignment around educational tools and requirements will be paramount to leveraging this new system for child outcomes. This will ensure that children are experiencing a deeper learning that is based in research and best practices, including the identification and supports for children with special needs.
- *Aligning workforce preparation requirements to improve career pathways:* Development of career pathways must include the breadth of career possibilities for educators across our education systems, including public schools, private early education programs, family childcare, after school/ out of school time programs and Head Start. Alignment of credential and licensure requirements for early educator preparation programming across EEC and DESE, will create a more integrated lattice approach to preparing educators using a more coherent set of stackable standards. Intentional effort to bridge and articulate the educator requirements across the departments will help support common goals around retention and recruitment of a diverse teaching workforce shared by both DESE and EEC.
- **Enhance Approaches to Family Engagement Across Communities:** Improving systems of educating and engaging families about both child development and program options is a key function of EEC that the field has highlighted for improvement. In order to best support communities, EEC's system must focus on program capacity and coordination to build on local resources and allow for differentiation. Building on the work of the Coordinated Family and Community Engagement grantees, the EEC Board will prioritize enhancing existing infrastructure to reflect current research around family engagement in collaboration with experts in the field. The EEC Board will prioritize the following areas for exploration:
 - Supporting community-level programs or other entities working to engage families with resources that make their work more effective.
 - Leveraging current research on improving adult engagement with children to revamp existing resources, with some investment likely needed as the plan is defined.
- **Assess Specific Gaps in Mental Health Services:** Specific gaps in available mental health supports have consistently been identified through community conversations. In addition, a need to better understand the root causes of challenging behaviors will help support the child's complete context in addressing mental health supports. Additional collaboration with the field is needed to identify

the most effective use of that funding to meet the field's specific needs across these two enhancements to mental health services:

- *Crisis Support to Providers:* While support targeted to ongoing mental health consultation is valuable, there is an identified need for services to be available to address critical moments in the program when children are demonstrating extreme behaviors.
- *Better integration of mental health throughout training and preparation programs and social emotional learning practices:* Children and families need to be supported by all employees of a program. Thus, comprehensive approaches to preparation and training programs need to incorporate mental health, social emotional learning standards, and trauma informed practices so all employees have skills they need to be effective. This will help build a systemic set of response's to children's needs.

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