Routine Business
• Approval of Minutes from November 8, 2022 Meeting – VOTE
• Board Working Group: Workforce Recruitment & Retention – UPDATE

Items for Discussion and Action
• 2022 End of Year Review
• Child Care Financial Assistance (Subsidy)
  • Proposed Regulation Revisions - VOTE
• Commonwealth Cares for Children (C3) Program Update & Preliminary Survey Findings
Board Working Group:
Workforce Recruitment & Retention
End of Year Review
Operationalizing EEC’s Strategic Action Plan

**Children, Youth, Families**

Children are on track for success in school and to reach their full potential. Their families are empowered to work, build their skills, and attain economic mobility while supporting their children’s education and development.

**Educators**

The early childhood and out-of-school time workforce is professionally prepared, well supported, adequately compensated, and culturally and linguistically representative of the population it serves.

**Programs**

Programs will increase their sustainability, engage in continuous quality improvement, and promote high-quality education and healthy development among children and youth.

**System**

To efficiently and effectively steward public investments in early education and care with utmost integrity, transparency and accountability to the people of Massachusetts.
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

December 13, 2022
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.

Children and Families

Financial Assistance for Child Care (Subsidy)

✓ End to end review of existing subsidy, regulations, policy and processes to identify and reduce barriers for families and administrative burden for programs
✓ Waitlist analysis/clean-up
✓ Enroll additional children across all programs (IE, DCF, DTA)

Programs

Background Record Check (BRC)

✓ End to end review of existing process to identify business process and technology enhancements to reduce time from candidate selection to start date
✓ Federal Compliance (out of state checks, NSOR)

Educators

December 13, 2022
EEC is working on two parallel, but equally important efforts to address system needs.

**Immediate steps to address workforce capacity challenges**

- Provide access to child care financial assistance to early education and care staff
- Develop public awareness/outreach campaign to build the pipeline
- Build new capacity through target supports for new family child care businesses
- Promote recruitment and retention of new early educators through apprenticeship opportunities

**Work to build robust professional opportunities and career pathways for educators**

- Access to Higher Education and Preparation Programs
- Clear, Compelling Career Pathways
- Workforce Pipeline, Educator Recruitment
- Stable Employers, Competitive Compensation
Investing in Agency Capacity
- New organizational structure to operationalize strategic action plan and align the agency’s operations with key users: families, educators, providers and EEC staff
- 3 new divisions:
  - **Family Access & Engagement** as a dedicated team in the agency
    - **Research & Policy** to reflect the agency’s commitment to increasing its use of data for decision-making
    - **Operations** to consolidate and better align existing functions across finance and budget, internal operations, HR and IT teams
- Recruitment and hiring in key programmatic areas: applied behavioral analysis regulatory structure, workforce development, family child care program support, child care facilities and business operations, external (partner) engagement
- “Digital future” road map to update, enhance, integrate and build new IT capacity (family, provider and staff facing)

Modernizing Background Records Checks
- Large-scale modernization of EEC’s Background Record Checks system to implement two new processes and bring Family Child Care providers into the state’s Navigator system
- One of the country’s first out-of-state background records check process
- Enhanced background record checks process to include two additional checks maintaining compliance with federal requirements
- In partnership with residential programs, planning for retirement of Legacy system, allowing the Department to process checks for all applicants over 10x faster (average of 1.5 days versus 60 days for applicants with no findings).
2022 Progress – End of Year Review

Reimagining Child Care Financial Assistance
• Initiated procurement activities for resource and referral services and Income-Eligible, Supportive, Homeless and Young Parent program contracts
• Amended financial assistance regulations to ensure continuity of care during appeals process for families
• Completed full review of current regulations, policies, procedures and processes resulting in a significant package of child care financial assistance regulation changes aimed at simplifying and streamlining processes for families and program administration
• Launched pilot program aimed at enhanced outreach to families, streamlined intake an application processes and clean-up/updating of waitlist for child care financial assistance
• Implemented an historic $80M increase to the daily reimbursement rates to providers who serve EEC subsidized families

Supporting ECE Providers and Educators
• Continued monthly distribution of C3 funding to more than 7,150 programs across the Commonwealth
• Distributed $14M as a workforce bonus for programs participating in C3
• Established EEC Board Workforce Working Group with focus on recruitment and retention
• Secured funding to launch new Community College system-building partnership
• Added 7 CPPI communities to a total of 16 working to expand local preschool access
• Expansion of professional learning opportunities through Professional Development Centers, the StrongStart Learning Management System and the Early Childhood Mental Health Grantees
• Provided 30 additional programs access to the ECSO leadership coaching for a total of 83
Child Care Financial Assistance (Subsidy)
Proposed Regulation Revisions
Timeline to Regulation Revision Proposal, April 2022 to Present

Information Gathering. Stakeholder Interviews & Reviewing Existing Materials

- Engaged KPMG to provide support for resource and referral and contracted provider procurements
- Interviewed EEC staff, CCRR's, Mass211 about pain points
- Reviewed previous engagements, family surveys, EEC strategic plan, and legislative reports
- Reviewed current regulations, policies, forms, and procedures
- Launched Pilot with intake application and waitlist reconciliation
- Stakeholder Visioning Sessions with internal EEC staff, families, CCRR's, community groups
- Draft Regulation Changes to Board for vote to send to public comment

We are here.

December 13, 2022
Guiding Principles for Improving Financial Assistance for Child Care

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family-Centered:</strong></td>
<td>Reorient the financial assistance for child care system to prioritize the experience and needs of Massachusetts families</td>
</tr>
<tr>
<td><strong>Accessible &amp; Equitable:</strong></td>
<td>Promote expanded and equitable access to child care promoting inclusive practices and communication</td>
</tr>
<tr>
<td><strong>Simplified:</strong></td>
<td>Reduce the bureaucratic burden on families and subsidy administrators through increased flexibility and simplification of processes</td>
</tr>
<tr>
<td><strong>Innovative:</strong></td>
<td>Introduce evidence-based, proven solutions and technology to improve overall system efficiency</td>
</tr>
<tr>
<td><strong>Align Eligibility Requirements and Processes:</strong></td>
<td>Align across agency, state, and federal systems to create consistent processes</td>
</tr>
<tr>
<td><strong>Collaborative:</strong></td>
<td>Work in tandem with internal and external partners to make improvements</td>
</tr>
</tbody>
</table>
## Key Metrics for Child Care Financial Assistance Reforms

### Increase…
- The number of children in families receiving child care financial assistance, including:
  - Low-income families (income-eligible)
  - Infants and toddlers
  - Families receiving SNAP and/or TAFDC through DTA
  - Supportive Child Care through DCF
  - Families facing housing insecurity/homelessness
- The number of providers participating in the child care financial assistance system

### Decrease…
- The number of families on the Income Eligible Waitlist
- The timeline between a family’s application for assistance to placement in a program.
- The timeline for appeals decisions
Currently **41** regulatory changes under consideration, categorized into **three core areas of reform:**

1. **Increase overall system efficiency**
   - 13 proposed regulatory changes

2. **Prioritize family needs and experience**
   - 17 proposed regulatory changes

3. **Modernize and update system**
   - 11 proposed regulatory changes

December 13, 2022
Increase overall system efficiency

Approach:

- **Streamline and clarify roles/responsibilities** (i.e., revisit subsidy administrators’ responsibilities to shift the burden away from the parent, consider affirmative outreach at different stages of child care financial assistance engagement)
- **Reduce documentation burdens** (paystubs, reduce duplication at reauthorization issues, broaden documentation options/streamline requirements, eligibility alignment with participation in other public assistance programs)
- **Use more inclusive and accessible language** to ensure policies and regulations are streamlined and written in simplified, clear, strength-based language
Approach:

- **More supports for families** (i.e., at the beginning of the application process with pre-application consultation, and updated one-pagers)
- **Alleviate burdens on families** (streamline and reduce duplication in the verification process)
- **Extend timelines** to ensure the stability of care for children and families are supported completely (i.e., post-transitional)
- **Reduce rigidity/increase flexibility** for families, without compromising the integrity or strength of our CCDF obligation
Approach:

• **Improve alignment** across EEC regulatory frameworks and partner agency policies and procedures

• **Strengthen partnerships** with financial assistance for child care-involved agencies to ensure processes are efficient and families are supported through seamless coordination and communication

• Evaluate and either extend or remove **COVID flexibilities**
Next Steps: Child Care Financial Assistance Regulation Reform
From Approval, Promulgation to Implementation

We are here.

Present Final Draft Regulation Changes to Board for vote to send to public comment

December 13, 2022

Regulation packet sent to Secretary of State; public comment period commences*

December 14

Board reviews public comment; potentially votes time on Regulations for promulgation

March 14, 2023

Finalize revised policies and procedures based off newly approved regulations

March/April 2023

Deployment of new policies and procedures to field (trainings, new materials)

May/June 2023

Effective Date of Regulations and Policies

July 1, 2023

*EEC has discretion over timeline of public comment period
EEC seeks authority to revise its Financial Assistance for Subsidized Care regulations to increase overall system efficiency; prioritize family needs and experience; and modernize and update the overall child care financial assistance system. In addition to changes that make the regulations more user-friendly and readable, the substantive changes:

- Reduce and eliminate unnecessary and duplicative documentation and reporting requirements that create an undue burden for families.
- Update employment definitions and requirements to reflect the changing nature of work, including more flexibility for hourly wage earners and those working from home.
- Add qualifying service needs for individuals experiencing domestic violence, waive fees for homeless families, and ease and update reporting requirements for individuals with disabilities or participating in treatment for substance abuse.
- Amend the definitions of possible sanctions to clarify the intentional nature of program violations and eliminate the imposition of penalties and loss of assistance where there is no clear intent to defraud.
- Align requirements with associated agencies to streamline processes and reduce administrative burdens.

**Vote:** that the Board of Early Education and Care approves the Department’s proposed amendments to 606 CMR § 10 and authorizes the Commissioner of Early Education and Care to solicit public comment on the proposed amendments, subject to Board approval of the final regulations.
Commonwealth Cares for Children (C3) Program Update & Preliminary Fall Survey Findings
Presentation Roadmap

• Context: Child Care Market and Program Financing

• C3 Fall 2022 Survey Overview and Preliminary Survey Findings
  – Overall Impact of C3
  – C3 Spending
  – Capacity, Staffing and Compensation
  – Family Access and Enrollment

• C3 Funding Allocation and FY23 & FY24 Planning
Program Financing and C3

Key Takeaways:

- Market rate and preliminary cost analysis highlight the persistent gap for most programs between revenue and cost.
- C3 is playing a critical role in addressing this gap by providing operational supports and funds to invest in compensation and benefit increases for educators.
- C3 has helped to stabilize (maintain) capacity and avoid tuition increases, but staffing shortages continue to limit expanded capacity.
- C3 formula has been effective in targeting resources to both staffing and to programs serving EEC subsidized families and operating in communities with high SVI.
- C3 has strengthened the relationship between EEC and participating early education and care programs (88% participation rate), providing new insight and data about the system.
- Data on the system and program efficacy can help inform future development/focus for C3.
In a functioning market, revenues are expected to be greater than costs, allowing for reasonable reserves and opportunities for reinvestments.

Child care revenue comes largely from tuition, whether in the form of parent fees or subsidies from EEC, which, if increased too much, can threaten affordability and access for families.

C3 grants were designed to replace lost revenue due to pandemic-related enrollment fluctuations. Data from grantees points to ongoing challenges in balancing costs associated with workforce retention with affordability for families.
Primary Pain Points in Child Care Market

Costs
- Educator Compensation

Current market pressures require increases to educator compensation to retain and hire qualified staff and quality improvements while restricting tuition increases to ensure family affordability.

These pressures are driving an already unstable business model further out of balance.
In September, EEC launched the third in a series of surveys to gather additional information about programs’ use of C3 grant funds, ongoing financial needs, investments in educators, and services provided to families.

The fall survey launched on September 28 and providers were required to complete the survey when they applied for their next monthly C3 grant.

This analysis includes responses from 6,010 providers (78%) that completed the survey prior to November 10, 2022. Respondents include:

- 2,103 GSA programs (73%)
- 3,907 FCC programs (81%)
- 3,757 programs (87%) that serve children with subsidies*

Response rates by region range from 76% on the Southeast and Cape to 82% in Western MA.

*Note: For purposes of this survey analysis, “serve children with subsidies” is defined as a program that served a child with a subsidy in Feb 2020, May 2021, Nov 2021, March 2022, June 2022, and/or Sept 2022, as these are the points in time incorporated into the C3 formula.
Commonwealth Cares For Children (C3)
Program Update & Preliminary Survey Findings
Overall Impact of C3
C3 funds have helped programs remain open and serving children, hire staff, invest in staff and facilities, and defer family tuition increases.

C3 Grants Funds Allowed My Program to...

- **Increase salaries for existing staff**: 41% (83%)
- **Continue to serve desired number of children**: 65% (67%)
- **Hire additional staff**: 20% (59%)
- **Remain open during the grant period**: 55% (67%)
- **Provide new benefits**: 31% (44%)
- **Increase benefits for existing staff**: 19% (43%)
- **Invest in your physical space**: 40% (60%)
- **Defer planned tuition increases**: 26% (26%)

Programs that report that grant funding allowed them to serve their desired number of children collectively serve over 100,000 children.

December 13, 2022
Families and educators would be significantly impacted if C3 funds were no longer available

Changes Providers Report that They Would Have to Make if C3 Were No Longer Available

- Defer Planned Salary Scale Increases or Benefits Improvements: 65% (Group and School Age), 61% (Family Child Care)
- Increase Tution Rates: 50% (Group and School Age), 54% (Family Child Care)
- Reduce Discretionary Program Expenses: 54% (Group and School Age), 61% (Family Child Care)
- Reduced Educator Compensation: 54% (Group and School Age), 55% (Family Child Care)
- Defer Facility Maintenance/Improvements: 43% (Group and School Age), 47% (Family Child Care)
- Reduce Supports for Educators: 40% (Group and School Age)
- Reduce Staffing Level: 38% (Group and School Age), 22% (Family Child Care)
- Incur or Increase Debt: 39% (Group and School Age), 21% (Family Child Care)
- Defer Planned Salary Scale Increases or Benefits Improvements: 9% (Group and School Age), 14% (Family Child Care)
- None of the above: 2% (Group and School Age), 4% (Family Child Care)

December 13, 2022
Many programs report that they would close if C3 funds were no longer available

Across the 751 providers that report that they would have to close...

- 15,078 licensed seats
- 38% are in the highest SVI communities (SVI > 0.75)
- 65% serve children with subsidies
- 74% are family child care providers
- 35% do not serve children with subsidies
Commonwealth Cares For Children (C3)
Program Update & Preliminary Survey Findings
C3 Program Expenditures
Providers continue to spend the majority of C3 funding on existing operational expenses

To date, providers have spent almost 60% of all grant funds awarded on operational expenses (compared to 66% at the same time last year).

New Investments
Providers have invested 24% of grant funding in new investments (compared to 20% at the same time last year).
Operational Investments Vary By Program Type

Grant Funds Expended By GSAs Through Oct 2022, by Category

Existing Payroll and Benefits: 41%
Past Costs: 5%
Other Operational Expenses: 15%
Salary/Benefit Increases: 10%
Bonuses: 9%
Other New Investments: 5%
Unspent Funds: 15%

Grant Funds Expended by FCCs Through Oct 2022, by Category

Existing Payroll and Benefits: 11%
Past Costs: 10%
Other Operational Expenses: 39%
Salary/Benefit Increases: 5%
Bonuses: 0%
Other New Investments: 13%
Unspent Funds: 22%

The 39% spent by FCCs on “other operational expenses” includes 30% on rent/mortgage/utilities, 4% on facilities maintenance, and 2.5% on PPE.
Spending patterns are consistent over time, with a slight shift from expenditures on existing operations to new investments.

Overall, GSA programs continue to spend the largest share of C3 funds on existing payroll and benefits. Across program types, a smaller share of grant funds are being spent on other operational expenses (e.g., rent, mortgage, utilities, supplies) and GSA programs are spending slightly more funds on compensation increases over time.

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**Group and School Age Program Grant Spending Over Time**

- **Existing Payroll and Benefits**: 41% (GSA), 41% (GSA)
- **Past Costs**: 4% (GSA), 5% (GSA)
- **Other Operational Expenses**: 20% (GSA), 15% (GSA)
- **Salary/Benefit Increases**: 8% (GSA), 10% (GSA)
- **Bonuses**: 8% (GSA), 9% (GSA)
- **Other New Investments**: 5% (GSA), 5% (GSA)
- **Unspent Funds**: 14% (GSA), 15% (GSA)

**Family Child Care Provider Grant Spending Over Time**

- **Existing Payroll and Benefits**: 11% (FCC), 11% (FCC)
- **Past Costs**: 15% (FCC), 10% (FCC)
- **Other Operational Expenses**: 49% (FCC), 39% (FCC)
- **Salary/Benefit Increases**: 3% (FCC), 5% (FCC)
- **Bonuses**: 0% (FCC), 0% (FCC)
- **Other New Investments**: 9% (FCC), 13% (FCC)
- **Unspent Funds**: 12% (FCC), 22% (FCC)

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December 13, 2022
Most providers report that they would prioritize educator compensation and professional learning if the grant is extended.

Activities that GSAs will prioritize if C3 funding were to continue:
- Increase educator salaries: 81%
- Increase educator benefits: 51%
- Invest in more professional learning opportunities for staff: 41%
- Expand license capacity by hiring staff: 28%
- Invest in additional mental health or behavioral supports for children and/or staff: 25%
- Expand license capacity by making capital/facilities improvements: 18%
- Reduce tuition costs: 12%
- Expand hours of operation: 9%
- Other: 4%

Activities that FCCs will prioritize if C3 funding were to continue:
- Increase my own and/or my assistant's compensation: 52%
- Invest in more professional learning opportunities for staff: 39%
- Increase my own and/or my assistant's benefits: 28%
- Expand license capacity by making capital/facilities improvements: 27%
- Expand license capacity by hiring staff: 25%
- Invest in additional mental health or behavioral supports for children and/or staff: 16%
- Expand hours of operation: 15%
- Reduce tuition costs: 13%
- Other: 10%
Commonwealth Cares For Children (C3)
Program Update & Preliminary Survey Findings
Capacity, Staffing and Compensation
Overall, more than one-third of GSA providers report being unable to serve their full license capacity

The proportion of GSA providers that are unable to serve their full capacity has increased since the spring (from 28% to 35%). If these programs were fully staffed, they could serve between 10,000 and 15,000 more children.

Factors Limiting GSA Programs' Ability to Serve their Full License Capacity

- All GSA Providers Unable to Serve Their Full License Capacity: 35%
- Unfilled Staff Openings: 29%
- Lack of Enrollment: 7%
- Health and Safety Concerns: 2%
- Space limitations: 2%
- Transportation Limitations: 1%
- Other: 1%
- Prefer Not to Serve Full License Capacity: 0%
More than half (52%) of GSA programs report that they are currently hiring for at least one open educator position. Among these programs, the average program is hiring for 3.6 positions.

![providers continue to report staffing shortages]

December 13, 2022
Providers report 2,022 open teacher positions, which make up 51% of all open positions and 12% of all teacher positions statewide.

<table>
<thead>
<tr>
<th>Role</th>
<th>Number of Open Positions Statewide</th>
<th>Percent of All Open Positions Statewide</th>
<th>Percent of All Positions that are Currently Open</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher</td>
<td>2,022</td>
<td>51%</td>
<td>12%</td>
</tr>
<tr>
<td>Assistant Teacher</td>
<td>1,219</td>
<td>31%</td>
<td>17%</td>
</tr>
<tr>
<td>Group Leader</td>
<td>393</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Assistant Leader</td>
<td>175</td>
<td>4%</td>
<td>12%</td>
</tr>
<tr>
<td>Site Coordinator</td>
<td>53</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Center Director</td>
<td>45</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Program Administrator</td>
<td>28</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>All Positions</strong></td>
<td><strong>3,935</strong></td>
<td><strong>100%</strong></td>
<td><strong>12%</strong></td>
</tr>
</tbody>
</table>
Almost 1/3 of educator positions have turned over in the past year.

Educator turnover: The % of educators (all educator roles) employed 12 months ago who are no longer employed by the program.
Providers report losing educators to opportunities outside of the ECE system, as well as to public schools and other ECE programs.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Left for a position in another sector outside of licensed early care</td>
<td>46%</td>
</tr>
<tr>
<td>and education or the public school system (693)</td>
<td></td>
</tr>
<tr>
<td>Left for a position in the public school system (584)</td>
<td>39%</td>
</tr>
<tr>
<td>Left for a position in another licensed early care and education or</td>
<td>36%</td>
</tr>
<tr>
<td>ASOST program (543)</td>
<td></td>
</tr>
<tr>
<td>Decided to stay at home/not work for now (304)</td>
<td>20%</td>
</tr>
<tr>
<td>Don't know (155)</td>
<td>10%</td>
</tr>
<tr>
<td>Left to work as a babysitter (120)</td>
<td>8%</td>
</tr>
<tr>
<td>Retired (116)</td>
<td>8%</td>
</tr>
<tr>
<td>Left to work in or start a family child care (32)</td>
<td>2%</td>
</tr>
<tr>
<td>Other (291)</td>
<td>19%</td>
</tr>
</tbody>
</table>

Most Common Reasons Reported for Educator Turnover

Note: Providers were able to select up to three most common reasons for which educators left their programs.
The most frequent recruitment and retention strategy is improving staff compensation.

### Strategies to Recruit New Staff (N = 2103)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More competitive salaries (1,731)</td>
<td>82%</td>
</tr>
<tr>
<td>More competitive benefits (684)</td>
<td>33%</td>
</tr>
<tr>
<td>More flexibility to staff (e.g. schedules, flexible hours) (684)</td>
<td>33%</td>
</tr>
<tr>
<td>Sign-on bonuses (677)</td>
<td>32%</td>
</tr>
<tr>
<td>Other bonuses or one-time payments (639)</td>
<td>30%</td>
</tr>
<tr>
<td>Supports for educators/staff to access higher education opportunities (310)</td>
<td>15%</td>
</tr>
<tr>
<td>Additional professional development, mentoring, or training (290)</td>
<td>14%</td>
</tr>
<tr>
<td>Staff mental health supports (47)</td>
<td>2%</td>
</tr>
<tr>
<td>Other (11)</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Strategies to Retain Staff (N = 2103)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase salaries (1848)</td>
<td>88%</td>
</tr>
<tr>
<td>Provide other one-time payments (e.g. annual bonuses, signing bonus not tied to retention) (1152)</td>
<td>55%</td>
</tr>
<tr>
<td>Provide one-time payments tied to retention (e.g. bonus for staff who work for your program for at least one year) (861)</td>
<td>41%</td>
</tr>
<tr>
<td>Provide more flexibility to staff (e.g. schedules, flexible hours) (594)</td>
<td>28%</td>
</tr>
<tr>
<td>Increase or provide new benefits (426)</td>
<td>20%</td>
</tr>
<tr>
<td>Provide supports for educators/staff to access higher education opportunities (325)</td>
<td>15%</td>
</tr>
<tr>
<td>Provide additional professional development, mentoring, or training (280)</td>
<td>13%</td>
</tr>
<tr>
<td>Provide additional classroom supports to teacher (e.g., supports for children with behavioral challenges) (184)</td>
<td>9%</td>
</tr>
<tr>
<td>Provide staff mental health supports (62)</td>
<td>3%</td>
</tr>
<tr>
<td>Other (2)</td>
<td>0%</td>
</tr>
</tbody>
</table>
Almost all (94%) of GSA programs provided salary increases (with C3 funds and/or funds from other sources). Just under two-thirds (62%) used C3 funds to increase salaries and just over two-thirds (68%) of GSA providers provided salary increases to all educators.

<table>
<thead>
<tr>
<th>Provided salary increases to all educators</th>
<th>Targeted salary increases by role (e.g. assistants, teachers)</th>
<th>Targeted salary increases by years employed at my program</th>
<th>Targeted salary increases to degrees or other professional accomplishments/credentials</th>
<th>Targeted salary increases by performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td>14%</td>
<td>11%</td>
<td>6%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Of the 14% of providers that targeted salary increases based on roles, most targeted salary increases to Teachers, Assistant Teachers, and/or Center Directors.

<table>
<thead>
<tr>
<th>Assistant Teacher</th>
<th>Teacher</th>
<th>Center Director</th>
<th>Site Coordinator</th>
<th>Program Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>86%</td>
<td>42%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>
Educator hourly pay is increasing over time yet remains low.
Educator hourly pay varies by region

GSA Teacher's Average Highest and Lowest Hourly Pay By Region Over Time

Average Highest Wage
Average Lowest Wage
Mid-Point

Western
Southeast and Cape
Central
Northeast
Metro Boston

Dec 13, 2022
Educator hourly pay is lower in programs that serve more subsidized children.
FCCs report low annual take home pay and long hours

About one-quarter of FCC providers report earning between $15,000 and $30,000 per year, after subtracting all bills and expenses, and 16% (more than 600) report either operating at a loss or using all earnings to cover expenses.

More than half (53%) of FCC licensees report spending between 41 and 50 hours per week with children, and almost half (45%) report an additional 6-10 hours per week on other tasks related to running their program outside of their time with children.
Commonwealth Cares For Children (C3)
Program Update & Preliminary Survey Findings
Family Access and Enrollment
Almost half of providers have a waitlist for enrollment

While 44% of providers statewide report having a waitlist, they are more common among GSA providers (compared to FCCs), as well as for providers with lower subsidy enrollment in the lowest SVI areas.

**FCCs** that have a waitlist for enrollment report an average of 9 children on the waitlist, and **GSAs** that have a waitlist report an average of 43 children on the waitlist.

December 13, 2022
About one-third of programs have raised tuition in the past year

Across all provider types, most providers report raising tuition rates between 0-5% and that they do not raise tuition on a consistent schedule.

During recent focus groups, programs (particularly FCC providers) noted that they do not want to increase tuition rates for families and emphasized the importance of stable tuition rates to support families.
Almost half (44%) of programs report providing financial assistance to families beyond EEC subsidies.

Types of financial assistance provided to families include:

- **Reduced child care tuition for your educators and staff**: 11% for All Programs (n=6010), 18% for Less than 33% of subsidized children & Lowest SVI (<0.25) (n=921), 14% for Less than 33% of subsidized children & Highest SVI (>0.75) (n=454), and 13% for At Least 33% of subsidized children (n=2,827).

- **Program-Funded Scholarships or grants to families**: 9% for All Programs (n=6010), 14% for Less than 33% of subsidized children & Lowest SVI (<0.25) (n=921), 11% for Less than 33% of subsidized children & Highest SVI (>0.75) (n=454), and 8% for At Least 33% of subsidized children (n=2,827).

- **Sliding scale tuition**: 8% for All Programs (n=6010), 9% for Less than 33% of subsidized children & Lowest SVI (<0.25) (n=921), 9% for Less than 33% of subsidized children & Highest SVI (>0.75) (n=454), and 13% for At Least 33% of subsidized children (n=2,827).

Providers located in lower SVI areas that serve a smaller proportion of subsidized children are more likely to provide other types of additional financial assistance to families, including program-funded scholarships and reduced child care tuition.
Commonwealth Cares For Children (C3)
C3 Funding Allocation and FY23 & FY24 Planning
Commonwealth Cares for Children (C3)
Timeline & Funding Update

7,155 programs have received C3 funding to date

~$574 million awarded to programs to date

July 2021

- Launch of monthly grants
- Grant Survey

December 2021

- Extension of grants through June 2022
- Expanded eligibility

June 2022

- Workforce bonus
- Grant Survey
- Final funding month FY22

FY23

- Grant extended
- FY 23 grants open
- Grant Survey

- FY22 grants were funded through a combination of Federal funds from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA).
- Through the FY23 budget, C3 grants were extended into FY23 at $250M, with a combination of ARPA Supplemental funds and state dollars.
- The Economic Development Bill recently passed includes $150M for the C3 program: $90M to support continuation of the grants through at least April 2023; and a $60M set-aside for additional payments to programs serving subsidized families.

*Data as of 11/22/22
C3 Funding Formula

**Base Amount**
- **Base Amount** = $83/month per licensed slot \( \times \) Licensed Capacity \( \times \) Staffing Level Adjustment

**Equity Adjustment**
- **Level 1**: (Base Amount \( \times \) 30%) for programs serving high need communities
- **Level 2**: (Base Amount \( \times \) 40%) for programs serving highest need communities

**Monthly Payment**

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**Base Amount**
Eligible providers receive a base amount of $83.33/month for each licensed seat in their program (or 10 seats for all FCCs).

**Staffing Level Adjustment**
GSA providers receive staffing level adjustment based on the ratio between the number of FTEs employed and minimum required by regulations to serve their license capacity. FCC providers receive an additional 1.5X their base amount for a part-time assistant and additional 2X for a full-time assistant.

**Equity Adjustment**
If a provider is located in a high SVI census tract or zip code and/or if a provider serves between 1/3 to 2/3 of its license capacity with children receiving subsidies, their base amount per slot and staffing adjustment is multiplied by 1.3. If a provider is in a highest SVI census tract or zip code and/or serves more than 2/3 of its capacity with children receiving subsidies, their base amount per slot and staffing adjustment is multiplied by 1.4.
# C3 Expenditures to Date
By Provider Type and Subsidized Children Served

<table>
<thead>
<tr>
<th></th>
<th>Total Grant Funds Approved*</th>
<th>Total Grant Funds Via Equity Adjustment</th>
<th>Percent of C3 Funds Resulting From Equity Adjustment</th>
<th>Total Number of Providers Receiving Grants</th>
<th>Percent of All Providers Receiving Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Providers</td>
<td>$560,681,747</td>
<td>$119,512,215</td>
<td>21%</td>
<td>7,155</td>
<td>100%</td>
</tr>
<tr>
<td>FCC Providers</td>
<td>$100,296,487</td>
<td>$25,189,491</td>
<td>25%</td>
<td>4,516</td>
<td>63%</td>
</tr>
<tr>
<td>GSA Providers</td>
<td>$460,385,260</td>
<td>$94,322,724</td>
<td>20%</td>
<td>2,639</td>
<td>37%</td>
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<tr>
<td>Providers Serving Children with Subsidies</td>
<td>$358,307,437</td>
<td>$85,267,785</td>
<td>24%</td>
<td>4,425*</td>
<td>62%</td>
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<tr>
<td>Providers NOT Serving Children with Subsidies</td>
<td>$202,374,310</td>
<td>$34,244,430</td>
<td>17%</td>
<td>2,730</td>
<td>38%</td>
</tr>
</tbody>
</table>

Data as of 11/22/22. Table includes funds disbursed as part of the monthly application process and does not include one-time 2022 workforce bonus payments.

*This number includes providers who served a child with a subsidy at any point in the grant period.
# C3 Expenditures to Date

## By Region

<table>
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<tr>
<th>Region</th>
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<td>21%</td>
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<td>100%</td>
</tr>
<tr>
<td>Central**</td>
<td>$104,961,119</td>
<td>$17,660,447</td>
<td>17%</td>
<td>1,424</td>
<td>20%</td>
</tr>
<tr>
<td>Metro Boston</td>
<td>$129,065,482</td>
<td>$30,555,758</td>
<td>24%</td>
<td>1,576</td>
<td>22%</td>
</tr>
<tr>
<td>Northeast</td>
<td>$137,459,110</td>
<td>$30,063,338</td>
<td>22%</td>
<td>1,727</td>
<td>24%</td>
</tr>
<tr>
<td>Southeast and Cape</td>
<td>$108,927,547</td>
<td>$21,418,931</td>
<td>20%</td>
<td>1,316</td>
<td>18%</td>
</tr>
<tr>
<td>Western</td>
<td>$71,617,132</td>
<td>$17,847,358</td>
<td>25%</td>
<td>1,072</td>
<td>15%</td>
</tr>
</tbody>
</table>

*Table includes funds disbursed as part of the monthly application process and does not include one-time 2022 workforce bonus payments.

** Data by licensing region does not include license exempt Boys and Girls Clubs, as they are not assigned to an EEC licensing region.

*** Data as of 11/22/2023

December 13, 2022
Economic Development Bill – C3 Funding Implications

Adds $150,000,000 to 3000-1047

provided that not less than $60,000,000 shall be made available as grants to providers serving subsidized children, calculated using an equal amount per subsidized child served by each provider, including children receiving both Head Start and subsidy.

Note: Subsidized providers will continue to be eligible for C3 disbursements as long as they are available.
Key Learnings: Summary

• Programs are relying on C3 funds to support core operational expenses and maintain capacity for working families.
  – A significant number of programs report they would close without C3 funds.

• C3 is supporting new investments in the workforce through increased compensation, benefits, and professional development.

• C3 has helped programs mitigate the need for tuition/fee increases in the face of significant rising costs, benefiting a broad range of working families.

• C3 has directed additional investment into programs serving low-income families: both families receiving subsidies and those living and/or working in socially vulnerable communities that are not accessing subsidies.

• Programs have been reluctant to make systemic investments (e.g., increase salary scales) with C3 funds due to one-time/short term nature of the funding to date.
Planning for FY24: Design Considerations

• Eligibility criteria
  – Evidence that field continues to rely on this grant suggesting broad-based eligibility remains important

• Funding formula
  – Cost modeling will inform more in-depth review of extent to which the per slot amount and staffing adjustments account for differential in costs vs. revenues across ages, program types, regions and for programs serving families with EEC subsidies

• Additional design considerations
  – Consider structuring grant to better support longer term investments that address workforce challenges, such as salary increases
  – Consider strengthening relationship between C3 funding and family affordability and access
  – Develop data collection plan to inform ongoing understanding of the broad early education and care sector and C3 grant decision points