

December 14, 2021

1:00PMPM to 4:00PM

Virtual Meeting:

NOTE: This meeting will be broadcasted over EEC’s YouTube Channel: [https://youtu.be/4dUDx1rX0f0](https://urldefense.com/v3/__https:/youtu.be/4dUDx1rX0f0__;!!CUhgQOZqV7M!yoO_FAuJ6dzkrJbZgWrpb00_DglssqnCMZrRJRoBPtVNzzRcnvP6o825U1spcOk3M07K0a6X$)

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

Nonie Lesaux, Chairperson

Jim Peyser, Secretary of Education

Samantha L. Aigner-Treworgy, Commissioner of Early Education and Care (EEC) and Secretary to the Board

Carolyn Kain, J.D., Designee for HHS Secretary Marylou Sudders

David Cruise

Joni Block

Sheila Balboni

Alison Schonwald

Nicki Ruiz

Paul Belsito

Jamella Lee

Mora Segal

**The meeting was called to order at 1:00 PM.**

**AGENDA:**

**Items for Discussion and Action:**

1. Strategic Action Plan Update- Discussion & Vote

a. EEC Annual report

2. Program Updates- Discussion & Vote

a. Operational C3 Grants

b. EEOST Regs

3. Parent Fees – Discussion

4. FY22 Budget Update- Discussion

a. Rate Increase for center-based and FCC systems – Vote

**Welcome and Comments from the Chair**

Chairperson Leseaux provided welcoming remarks and noted that the frame of this meeting is a mid-year check-in for both policy and operations in terms of operational grants. Chairperson Leseaux provided an overview of the agenda and noted that there will be a vote on the calendar year 2020 annual report, as well as a vote on the EEOST capital fund regulations.

**Comments from the Secretary**

Secretary Peyser noted that the Governor signed the $4 billion ARPA bill. He shared the indirect ways in which the combined state and federal funds will impact EEC, including $16.5 million for loan repayments for human service workers, which include childcare workers, funding for workforce development issues, $2 million for early intervention vouchers, and $10 million to support workforce development for special education in schools, including residential schools. Secretary Peyser noted that the Governor is allocating approx. $1 million to address critical workforce shortages at private special education schools.

**Comments from the Commissioner**

Commissioner Aigner-Treworgy thanked the Secretary for addressing larger statewide investments. Commissioner Aigner-Treworgy discussed the updated workforce policy approach and highlighted the biggest changes, including a ceasing of the teacher qualification process while the EEC Registry gets up and running. The Commissioner stated that the revised policies provide flexibility to recruit a new workforce and build their skill set. The Commissioner stated that office hours are on-going on Tuesdays and Thursdays for feedback and questions regarding the updated policies and how they apply to programs. Commissioner Aigner-Treworgy discussed the current policies pertaining to masking and vaccines and resources available to support programs. Commissioner Aigner-Treworgy stated that policies will be readdressed and reevaluated constantly to address the changing health landscape. Commissioner Aigner-Treworgy noted that programs can use the EEC policies as a base to set their own appropriate policies based on their individual community needs.

Chairperson Lesaux asked if EEC testing sites remain open and Commissioner Aigner-Treworgy confirmed that they were open and available, and that there is a testing initiative available to programs for weekly testing.

**Routine Business:**

Commissioner Aigner-Treworgy noted that the November meeting minutes are being revised and will be available for review in the next month.

Commissioner Aigner-Treworgy provided an overview of the agenda. She noted that the slides are available on-line and will not be shown during the discussion.

**1. Strategic Action Plan Update- Discussion & Vote**

**a. EEC Annual report**

Commissioner Aigner-Treworgy noted that the annual report is for calendar year 2020 and outlines legislative requirements to provide an update on ongoing work. Commissioner Aigner-Treworgy highlighted the metrics showing prevalence of behavioral health needs and how those needs breakdown demographically as well as the impact on children. The Commissioner stated that the annual report prompts discussion and conversation around the expansion of services and delivery of more comprehensive needs that our communities require. Commissioner Aigner-Treworgy noted that the report outlines COVID-19 responsiveness. The Commissioner then opened the discussion for comments and questions.

There was discussion regarding information contained in the annual report and how best to merge the strategic plan and the annual report to show the comprehensive work of EEC.

***Motion to approve annual legislative report*** – Secretary Peyser abstained. **Approved.**

Commissioner Aigner-Treworgy highlighted key initiatives to help achieve the actions outlined in the strategic action plan. She noted that the new parent fee structure is a key component to revising the subsidy system. Subsidy policies have become more responsive to the family landscape and it’s necessary that we understand what kinds of structures different demographics of families are working under in order to drive revisions to make childcare affordable and accessible.

Commissioner Aigner-Treworgy discussed how we are learning from our new funding sources to define access to affordable services and define how it becomes accessible through No Wrong Door strategies.

Commissioner Aigner-Treworgy discussed the launch and learn initiatives to develop the EEC Registry and workforce policies to transition into a competency-based approach. The Commissioner noted that the strategic action plan also contains information on professional pathways initiatives and access to higher education.

**2. Program Updates- Discussion & Vote**

**a. Operational C3 Grants**

Commissioner Aigner-Treworgy discussed the stabilization grants and the supports provided to assist programs to use the funds for operational sustainability. Commissioner Aigner-Treworgy briefly discussed investments in technology and revised organizational structure, as well as the data analytics capacity in order to use data to drive discussions and decision making.

Commissioner Aigner-Treworgy stated that understanding the dynamics that are driving family choice is vital in order to build estimates for capacity needs and to drive innovation.

Next, Commissioner Aigner-Treworgy introduced Eli Cole to discuss the data and feedback collected from engagement with the business community.

Ms. Cole shared that data was collected across secretariats and business coalition partners to consult with and survey business owners to build a strong foundational understanding of the changing needs of working families during this time of innovation for childcare infrastructure.

Ms. Cole noted that the feedback from the business community focused on two areas: access and affordability. In terms of access, employers focused on supply of workforce and flexibility of care.

The focus on affordability was universal across all workforce segments and employee income levels and related to weighing potential salaries against the cost of care to enter the workforce. Employers expressed difficulties with determining a solution to these issues, as well as a lack of understanding of the available resources.

Ms. Cole shared that research is beginning to address the gap in labor supply and demand and to identify areas of growth in childcare infrastructure. Currently, the research has shown the greatest area for growth is with mothers with young children. Childcare is critical to allow mothers to re-enter the labor market.

Commissioner Aigner-Treworgy stated that it is critical to recruit workforce and the need for childcare supports for that recruitment is vital. Next steps are to understand industry and industry needs to be able to match childcare innovation and sustainability strategies. The Commissioner highlighted that access to care and addressing gaps in care is key as the future of work changes. The Commissioner opened the discussion for questions.

There was discussion regarding the effects of workforce shortages on affordability. Commissioner Aigner-Treworgy stated that data collected showed programs raising rates to afford staffing models and, for programs that can’t raise rates, their capacity is impacted. The Commissioner stated that the challenge for EEC lies in the interconnectedness of the components of the system to identify the best enhancements to the existing work and innovation needed for economic recovery. Chairperson Lesaux added that the challenge is to focus on families rather than the location specific delivery of childcare.

There was discussion regarding addressing quality of care in conjunction with access and affordability to meet the needs of various demographics. Commissioner Aigner-Treworgy stated that family choice needs to be driven by access to all needed services rather than families having to sacrificing an important component of quality care.

Commissioner Aigner-Treworgy noted that businesses shared that their employees having access to quality childcare is an urgent need for economic recovery and sustainability. The Commissioner stated that there needs to be a focus on not only sustaining current infrastructure but also incentivizing different kinds of infrastructure in order to build needed supports for business. Infrastructure is not the only component needed but it is necessary to address complex dynamics around affordability. The Commissioner acknowledged that there needs to be innovation and creativity to build a multi-strategy approach to address affordability for families while the subsidy structure is revised.

The Commissioner stated that there is currently limited data to assess if the infrastructure that is being built is supporting families and the data is being collected and looked at in a new way.

Commissioner Aigner-Treworgy discussed the data being collected from providers who utilized operational grants. She stated that programs were not required to provide responses, but the data needed to estimate utilization of childcare overall.

Jocelyn Bowne provided an update on engagement with the operational grants and shared insights from the surveys to show how programs are spending the grant money and the nuances of staffing and enrollment challenges. The data shows that programs are continuing to have operational challenges and need the federal funding to continue to operate.

There was discussion regarding the need and desire of programs to increase salaries for educators given that a third of the programs reported using operational grants to increase salaries. The Commissioner shared that this percentage was slightly higher than anticipated. Chairperson Lesaux inquired about support for smaller programs who reported that they are in danger of closing without continued operational grant funding. Commissioner Aigner-Treworgy stated that there needs to be greater understanding of parent tuition, subsidy, program size and location, and how that impacts salary and staffing.

Ms. Bowne discussed the challenge facing programs who need to invest in staff but who cannot raise rates to an unaffordable level for parents. The data shows that the operational grants is supporting programs to sustain operations and make small changes in staffing.

Ms. Bowne discussed program staffing needs and shared that the trends are statewide. Ms. Bowne shared information reported by programs related to benefits and highlighted that this is an area programs can focus on to attract staff.

Chairperson Lesaux highlighted that this data is so important to inform the work of the EEC and to change the culture of childcare to be more data driven. Commissioner Aigner-Treworgy thanked Ms. Bowne for her work in being a driver of the conversation.

Commissioner Aigner-Treworgy reflected that the data shows the promising impact of the operational grants to sustain physical and human infrastructure. She highlighted the steps for the next six months for maintaining the operational grants. The Commissioner discussed the eligibility requirements for programs to apply or recertify and how the new EEC Registry will make reporting more user-friendly for programs. Commissioner Aigner-Treworgy discussed how the data collected informed a pivot to allow programs to utilize the grant money by providing bonus funds to reflect the variety of strategies that programs use to expand, sustain and professionalize the workforce.

**2. Program Updates- Discussion & Vote**

**b. EEOST Regs**

Commissioner Aigner-Treworgy discussed the proposed amended regulations for EEOST grants and stated that the regulations are the same as the ones previously voted on for public comment. She further stated that no public comment was received.

***Motion by Chairperson Leseaux to approve the proposed amended regulations to 606 CMR 15 and authorize the Commissioner to file the same with the Secretary of State*** – **Approved**.

Break until 2:55 PM

Chairperson Lesaux reconvened the Board meeting.

**3. Parent Fees – Discussion**

Commissioner Aigner-Treworgy provided an overview of the parent fee structure and discussed the creation of the parent fee chart and how changes in the parent fee structure fit into subsidy revisions. The Commissioner stated that the new parent fee structure is more parent-friendly and does not disincentivize families if their salary increases. Since March 2020, EEC has been supporting parent fees for the subsidized population. The Commissioner discussed the roll-out plan for the new parent fee structure and acknowledged that the implementation of the chart is the first step of adjustments to subsidy regulations and structure. Starting February 1, 2022, parents will be responsible for paying their portion of the parent fee. The Commissioner stated that subsidy administrators are responsible for notifying families and EEC is supporting the subsidy administrators with training and webinars. The Commissioner highlighted that this is the first step in revising subsidy regulations as part of the strategic action plan to streamline enrollment and eligibility processes to support subsidized families. Commissioner Aigner-Treworgy noted that the subsidy policies that have been in place during COVID will remain in effect except for EEC paying the parent fee on behalf of families.

There was discussion regarding payment of parent fees during emergency closure. The Commissioner stated that, because emergency closures are not tracked, EEC cannot pay the parent fees, but the language allows flexibility for the programs to adjust.

There was discussion concerning feedback from parents about the implementation of the parent fees because, although there is a great reduction with the new schedule, parents have not been responsible for the fees during COVID so it may create a hardship for some parents. Commissioner Aigner-Treworgy noted that the policy guide highlights the flexibility given to programs to work with families who struggle to pay their parent fee. She indicated that payment of fees is a federal requirement and noted that the letters being sent out to parents will highlight the reduction. The Commissioner stated that, as the subsidy structure is revised, there may be ways to provide emergency funds to programs.

There was discussion regarding the delivery of the letters going out to parents in order to ensure that children do not lose their subsidy or have a lapse in care. Commissioner Aigner-Treworgy stated that EEC is working closely with CCR&Rs and subsidy administrators to assist and support and she anticipates that the open office hours will help identify challenges and allow for solutions.

**4. FY22 Budget Update- Discussion**

**a. Rate Increase for Center-based and FCC systems – Vote**

Commissioner Aigner-Treworgy discussed the rate increases and revisions to the subsidy system in the FY22 budget and shared that the goal is to ensure that we are making strategic investments by adapting the subsidy system to maximize funding and access. She provided background information regarding the current subsidy rate reserve. The Commissioner shared the specific rate increases included in the budget and highlighted that that the administrative add-on rate was increased to cover comprehensive services, such as mental health services needed by the most vulnerable children and will be retroactive to July 1. Commissioner Aigner-Treworgy shared that the changes are annualized.

***Motion by Chairperson Leseaux to approve the EEC recommended four percent rate increase to all center-based rates and FCC administration rates and the recommended two dollar increase to daily add-on rate*** – **Approved**.

Commissioner Aigner-Treworgy provided an update on the budget increases awarded in FY22 and how they will be allocated. The Commissioner highlighted the case load numbers contained in the appendix to contextualize the funding. Commissioner Aigner-Treworgy stated that even with the changes made since March 2020 to provide flexibility to families, subsidized and contracted enrollment continues to decrease. The Commissioner stated that the budget investments made in FY22 are intentional to incentivize and support the programs and family enrollment in subsidies.

Commissioner Aigner-Treworgy discussed the operational reserve funding for subsidized providers and discussed how the allocation was calculated. This money will be sent to providers as a one-time grant in January. This funding will also support PPE for providers through April, as well as investments in workforce. Commissioner Aigner-Treworgy discussed additional specific public investments contained in the FY22 budget as priorities for one-time funding initiatives to highlight the increases and the meaningful investments being made beside operational grants and subsidies.

Chairperson Lesaux expressed appreciation for the balance of competing priorities and opened the discussion or questions and comments. There was discussion regarding COVID’s impact on mental health and how investments can best to support the workforce dealing with these issues.

Meeting ended at 4:00 PM.