



Commonwealth of Massachusetts Department of Early Education and Care

Preparing for Reopening

Meeting of the Board

June 2, 2020





Agenda

1. Updates: Preparing for Reopening

- Previous and Current Landscape
- Preparing EEC Operations

2. Information Used to Inform Decisions

- Field Survey Results (4/30-5/10)
- Educator/workforce surveying and focus groups (UMDI)
- Intent to reopen to inform projections (EEC)

3. Health and Safety Standards

- Overview
- Supporting Operations



Pre-COVID Industry Overview

- Total capacity for 250,000 children up to 14 years old; 750,000 children in full-time working households
- 55,000 children are supported by EEC subsidies targeted to low-income and vulnerable families
- MA has a robust mixed-delivery model for child care, including Family Child Care homes (FCC), a child care run from a private home, with small group sizes ranging from 6-12 children across all age groups.
- ~8,200 non-profit and for-profit business providers (6,000 Family Child Care Homes & 1,200 Centers)
 - 50% do not receive any public subsidy and are wholly funded by private pay fees from parents
 - 15% have most their enrollment subsidized (2/3 or more)
 - 35% have a mixed of private pay and subsidize enrollment
- Childcare was a \$4B industry in MA prior to the pandemic. Estimated losses of approximately \$250M per month during closure from private pay fees alone.

AVERAGE ANNUAL FAMILY

FEES	Center - Average	Center - Maximum	FCC- Average	FCC- Maximum
Infant	\$25,924.08	\$43,188.00	\$12,330.96	\$25,200.00
Toddler	\$22,434.60	\$90,000.00	\$12,534.36	\$25,200.00
Preschool	\$16,506.24	\$113,760.00	\$11,209.08	\$24,600.00

For most center-based programs, infant/toddler care is subsidized by preschool classroom revenue

PRE-COVID AVERAGE CLASSROOM REVENUE - PRIVATE PAY

Infant Classroom	\$181,468.56
Toddler Classroom	\$201,911.40
Preschool Classroom	\$330,124.80

Average Provider Size:
FCC: 8 children (range from 6-12)
Center-Based: 5 classrooms



COVID-19 Exempt Emergency Child Care Program (EECCP)

Background: On March 18th, EEC created the EECCP to serve **essential workers and vulnerable families** who had no other safe options. This program was intended to be back-up child care **suspending existing regulations and using minimum health and safety requirements** to meet the immediate need of the Commonwealth. EEC has provided **~\$18 m in stipends to EECCP providers** to defray the cost of operations.

EEC continued **subsidy reimbursement to closed providers at a cost of ~\$160M** throughout the closure to provide businesses with some stable revenue through the crisis.

EECCP Program At a Glance:

Emergency Sites Operating: 550 (~7% of total capacity)

Current Daily Attendance: ~4,000 (avg. daily)

Current Available Capacity: ~ 6,000 (avg. daily)

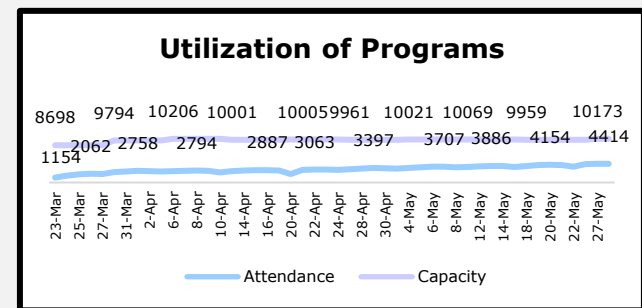
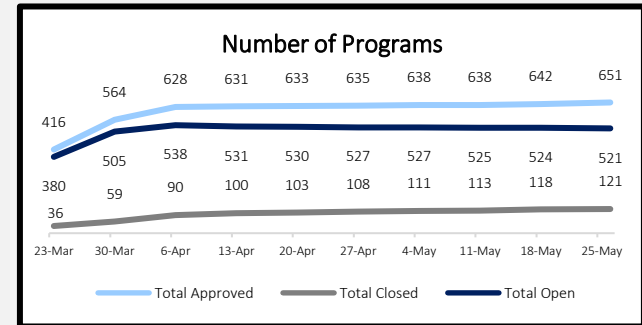
Drop in care only – no regular enrollment for families

Initial Start-Up:

- Waived existing regulation and created new minimum health and safety “checklist” to provide maximum flexibility for providers to respond to emerging needs of families
- 1,008 provider applications received within the first three days
- ~400 providers were launched in the first week
- ~10% closure rate within the first week due to operational challenges (mix of FCC and Centers)

Operations During COVID:

- All monitoring and support has been individualized through daily one-on-one outreach to all providers, allowing for direct oversight from EEC
- Number of programs operating has remained relatively stable but utilization has continued to increase with reopening
- About ~15% of emergency programs have stopped offering services through the closure, and EEC has recruited additional providers, as needed.



- Utilization rates at Family Child Care homes have been almost twice that of child care centers.
- Exposures and quarantines have impacted providers, forcing temporary closure or needs for increased workforce recruitment due to staffing gaps.

Provider Feedback:

- Reports of having to shorten staff hours due to a higher pressure work day and increased health and safety protocols.
- Extra staffing needed for new ratios, isolation and distancing, health checks, and cleaning indoor and outdoor spaces.
- Increased expenses for staff compensation and supplies



Anticipating Healthy and Safe Re-Opening

States that have opened child care to date have shown very low parent demand, as low as ~25-30% pre-COVID levels, regardless of any capacity limitations set by the state.

Expected impact to the child care industry from the COVID-19 crisis include:

- Low parent demand impacting “per-child” funding model and sustainability of providers
- Shifting parent preference towards Family Child Care Homes because of smaller group sizes, more flexible hours, more accommodation to family work schedules

EEC anticipates that Family Child Care will be needed to sustain capacity for families given the public health landscape and the shift in parent work requirements (i.e. increased working from home or staggered schedules). MA has lost 30% of the Family Child Care market over the last five years, so customizing supports to sustain FCC providers will be critical.

Health and Safety Standards – Changes to Group Sizes

Previous Regulation			New Standards*		
Age Group	Pre-COVID (Adult:Child)	Maximum Group Size (Children Only)	Age Group	Health & Safety (Adult:Child)	Maximum Group Size (Children Only)
Infant	1:3	7	Infant	1:3	7
Toddler	1:4	9	Toddler	1:4	9
Preschool	1:10	20 (2:20 ratio)	Preschool	1:5	10
School Age	1:13	26	School Age	1:10	10
Mixed Age (Family Child Care)	1:6	Restrictions based on ages of children enrolled	Mixed Age (Family Child Care)	1:6	6 or 8, with restrictions on number of infants
	1:8			2:8	
	1:10				

The impact of new standards is limited to preschool and school age classrooms. All classrooms should have two adults.

**Group sizes will change as public health indicators improve*



Initial Re-Opening Child Care this Summer- CCDBG Funding

Strategic Objectives	Funding Approach
<p>Child care is a key enabler for the economic recovery of the Commonwealth, and part of the state’s existing education and human service investment.</p> <p>To mitigate the impact of the business interruption caused by fluctuations in family demand and changes in group sizes due to COVID, EEC will partially underwrite the fixed costs of operating child care businesses for those with active subsidy agreements through months 1 and 2 of the reopening using the CCDBG funding allocated through the CARES Act to Massachusetts.</p> <p>Strategic Objectives are to:</p> <ul style="list-style-type: none">• Incentivize providers to reopen and return to the market – thereby protecting child care infrastructure s so it is ready as family demand increases• Protect providers against revenue decreases due to fluctuating parent demand over the near-term• Mitigate the impact of decreased revenue on private tuition rates for the 50% of providers who are serving EEC subsidized children	<p>Accommodation Grants: Defray fixed operational costs through the first two months of reopening</p> <ul style="list-style-type: none">- Funding estimates are predicated on fixed operational costs of ~\$31,000 per FCC/classroom annually based on research*- Additional supply expenses have been accounted for in monthly operational costs- Grants are offered per classroom for Centers or per Family Child Care site- <u>Grants are only offered to providers who have an existing subsidy agreement with EEC to serve subsidized children</u> <p><i>*Fixed operational costs include rent, utilities, maintenance, fees, and professional services; they do not include salaries, materials, food, transport, or other costs that are dependent on the number of children in care.</i></p>

<p>Targeted Outcomes:</p> <ul style="list-style-type: none">- FCC (based on group size of 8): Ensure return to market through early reopening phases and reduce operational burden; enable business sustainability when they are less than 100% enrolled- Center-Based: Sustain infrastructure through restart given anticipated losses from preschool classrooms; support increased operational expenses.
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Inputs to Inform EEC Planning

- **Daily quantitative and qualitative input from providers in the emergency care system (~530 avg)**
- **Field survey of educators and licensees of record, with responses from...**
 - 990 Group Care licensees representing 1777 sites with 28,543 employees (34% of agencies and 59% of total licensed group statewide capacity)
 - 1558 FCC licensees representing 1681 sites representing 2589 employees (29% of agencies representing 34% of total FCC licensed statewide capacity)
 - 10492 Educators (20% of active records in EEC registry)
- **Presentations and written feedback from stakeholders and trade organizations (16)**
- **Town Halls averaging 2 weekly with 1,000 attendees each**
- **Weekly input from early childhood advocates, experts, funders, and leaders**
- **Regular conversations with business leaders to consider innovations and partnership**
- **Emails, letters, and input from providers, educators, advocates, and community members**





Reopening Principles Guide Both Reopening and Recovery

<p>Issue clear guidance regarding protocols to protect the health and safety of families and staff, including:</p> <ul style="list-style-type: none">• Sanitation protocols and space configuration; supply needs• Program design modifications• Grouping and social distancing• Screening and exposure guidelines• Communication with families and staff	<p>Health and Safety</p>	<p>Align early education and care reopening with state phases of reopening</p> <p>Ensure synchronicity with schools and summer camp availability so working families have care for children and youth</p> <p>Target program supports to enable and accelerate family and community recovery</p>	<p>Community Recovery</p>
<p>Ensure adequate supports for the child care workforce, including clear screening and health protocols, expedited hiring processes, and onboarding support</p> <p>Identify incentives to retain and recruit high quality educators in the field and sustain them through the phases of reopening to ensure adequate access to services for families</p> <p>Provide training and mental health support for educators in the field</p>	<p>Workforce</p>	<p>Support operations to withstand enrollment unpredictability; recognize increased startup costs throughout the phases of reopening</p> <p>identify creative strategies to support sustainable and responsive economic restart despite volatility in private pay market</p> <p>Maintain a viable system for vulnerable families through clear subsidy pathways, working with EOHHS agencies</p>	<p>Financing</p>



Operational Planning – Reopening Details

	Preparing for Reopening	Re-Opening
Provider	<p>Review final Minimum Health and Safety Requirements, incl. additional guidance and planning protocols</p> <p>Prepare reopening Package incl. planning templates and self-attestation documentation</p> <p>Determine timeline for reopening, based on consultation with staff and families, completion of training and operational reconfiguration based on new requirements</p>	<p>To reopen, providers submit self-attestation documents to EEC, including:</p> <ul style="list-style-type: none"> - Heath and Safety Plan - Any new hires or updated staff information for expedited for approval - Any modifications to licenses, including authorization of new spaces
EEC	<p>Reopening:</p> <ul style="list-style-type: none"> • Train internal staff on new policies and procedures, with a focus on program support • Finalize expedited protocols for field reopening incl. BRC, teacher qualifications, and license renewal • Prepare review rubrics for plan reviews • Create new trainings, supports and consultation appropriate for the new public health landscape • Infrastructure and workforce supports for providers to return to the market <p>On-Going :</p> <ul style="list-style-type: none"> • Update contracts incl. subsidies; FCC system; mental and behavioral health changes; CFCE's • Determine subsidy adjustments to meet the needs of vulnerable populations • Address family communication systems and guidance 	<p>EEC reviews and issues determinations on a rolling basis, in accordance with determined criteria. Licensors will be key engagements, aligned with additional resources for providers.</p> <p>Provide the following supports upon reopening:</p> <ul style="list-style-type: none"> - Epidemiology line to address health questions - PDC groups to support programmatic supports - Mental health consultation reoriented to the new community landscapes <p>On-going supports for providers:</p> <ul style="list-style-type: none"> - Industry-specific business supports - Professional pipelines for workforce - Trauma informed practice in the new normal



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COVID-19 Field Surveys

Objective: to generate a rough sense of the degree of immediate impact on provider and educator preparedness to return to market on reopening

3 surveys: group care licensees, FCC licensees, and EEC educators

- Released on 4/30/20
- **Within 1 week, EEC had received 13,040 completed surveys representing 54% of total statewide group and FCC childcare capacity**
 - 990 Group Care licensees representing 1,777 sites with 28,543 employees (34% of agencies and 59% of total licensed group statewide capacity)
 - 1,558 FCC licensees representing 1,681 sites representing 2,589 employees (29% of agencies representing 34% of total FCC licensed statewide capacity)
 - 10,492 Educators (20% of those in Strong Start database)
- Limitations:
 - Not random sampling, so selection bias
 - Licensees of record completed the survey, but they may not be as in-touch with centers as directors or other roles
 - Group care educators dominate the educator input, with only 20% of respondents working in FCC, 5% in out-of-school-time, and 3% in public school programs
 - Educator survey appear skewed toward those who remain employed/connected to their employer



Survey Results: COVID-19 Impact On Capacity to Restart

Agencies estimate capacity reduction - and interim challenges maintaining fixed operational costs.

- 63% of responding agencies say they will be prepared to return this summer
- 50% of group care agencies and 75% of Family Child Care homes believe they can return at pre-crisis capacity
- Less than 30% of licensees are still collecting private fees and of these, only 6% are collecting from ½ or more of families
- 20% of all agencies and 43% of group care agencies have received SBA loans

Incentivizing the workforce to return will be key.

- 60% of responding educators say they will return
- According to licensed providers, approximately half their workforce has been laid off, furloughed, or is working with greatly reduced hours
- 70% of those laid off are receiving unemployment
 - a leading concern of providers is that their staff members will not want to return to low wage work in a high risk environment
 - 6% of responding educators reported issues with successfully applying for and receiving unemployment

Who is the Workforce?

92% female

41% people of color

47% more than HS degree

Digging Deeper: UMDI Workforce Follow-up Investigation

Objective: Add additional analysis to workforce attrition concerns raised through initial survey and surface strategies to retain qualified workforce through the recovery period

Timing: through reopening

Methodology:

- 3 focus groups of administrators and educators
- Cohort of survey participants, tracked over time

Owner/Operators:

- what are the most important challenges that need to be addressed when you consider reopening?
- Financial support needs for reopening and beyond?
- What other supports will you require in order to meet the health and safety protocols?

Educators/Assistants:

- Degree of willingness to return to the field, and reason
- Degree of comfort with new health and safety protocols
- Alternative sources of income through the crisis and beyond
- If new job, what field
- Income comparison (now versus pre-COVID)
- What incentives might result in a return to the field?
- Financial level required to return?

Questions are samples and not inclusive of all questions and topics

Digging Deeper: Evaluating Capacity to Return

Objective: to establish a comprehensive picture of who will return to the field, on what schedule, and with what capacity, across geographies and within both the private pay and subsidy markets

Timing: weeks following Standards release

Methodology:

- ***Intent to Reopen Survey*** in LEAD with follow-up calls from licensors

Questions:

- When provider intends to reopen
- Capacity at reopening
- Plans for subsidized spaces
- Space configuration or additional space needs in order to increase or meet capacity

Results from surveying will:

- 1. Inform demand/supply models with real market data on child care capacity over time**
- 2. Surface gaps in services to subsidized and/or vulnerable populations that need to be addressed through cross-agency efforts**



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Minimum Requirements for Reopening

EEC **worked in partnership** with the Department for Public Health (DPH), Executive Office of Health and Human Services (EOHHS), Department for Children and Families (DCF), and the Department of Elementary and Secondary Education (DESE) to develop **initial health and safety protocols** for **child and youth serving summer programs**.

This cross-departmental collaborative approach enabled alignment among state agencies to develop comprehensive guidance that takes all program types into consideration.



Overview of Health and Safety Requirements

Categories for health and safety include:

1. Preparedness and Planning
2. Staffing and Operations
3. Group Sizes and Ratios
4. Screening and Monitoring of Children and Staff
5. Isolation and Discharge of Sick Children and Staff
6. Hygiene and Health Practices
7. PPE and Face Masks/Coverings
8. Cleaning, Sanitizing, and Disinfecting
9. Strategies to Reduce the Risk of Transmission
10. Transportation
11. Food Safety
12. Children with Special Needs, Vulnerable Children, Infants and Toddlers
13. Day Camps





Supporting the Health and Safety Requirements

The Minimum Health and Safety Requirements are anticipated to stay in place through the summer, with adjustments made in the fall based on the public health and public school landscape.

1. The health and safety standards set the minimum requirements to keep programs safe.
 - Programs must have health and safety plans in place to reopen; these standards will require changes to staffing and daily operations
 - The reopening process will include verification that programs have a plan to meet health and safety standards and will be further outlined in the coming days and weeks
2. Programs receiving subsidized payments will need to re-open beginning in FY21 in order to continue receiving subsidies for enrolled children
3. In the meantime, the emergency provider system will continue to meet the needs of families with no safe alternative to group care and we will ensure to build in transition time for those emergency programs to safely transition back to more traditional child care enrollment
4. To mitigate the impact of the business interruption caused by fluctuations in family demand and changes in group sizes outlined in the health and safety guidelines, EEC is considering how to provide financial assistance
5. More guidance will be released shortly on the reopening process and child care provider grant program



Next Steps

- 1. Restart operational sprints to ensure effective meeting of aggressive timelines**
- 2. Enact EEC legal authority to modify licensing criteria for new public health requirements**
- 3. Ongoing analysis of provider supply, family demand, and impact on the child care business model in intermediate and longer term**

July Board meeting: propose any regulation changes, update on fall planning