



# Commonwealth of Massachusetts Department of Early Education & Care

**Board of Early Education and Care Strategic Retreat**

August 21, 2023



# Agenda

01. Welcome, Introductions & Meeting Overview
02. Agency Updates & FY23 in Review
03. FY24 Strategic Objectives & Initiatives
04. FY24 Board Meeting Agenda Preview
05. Wrap-up & Next Steps

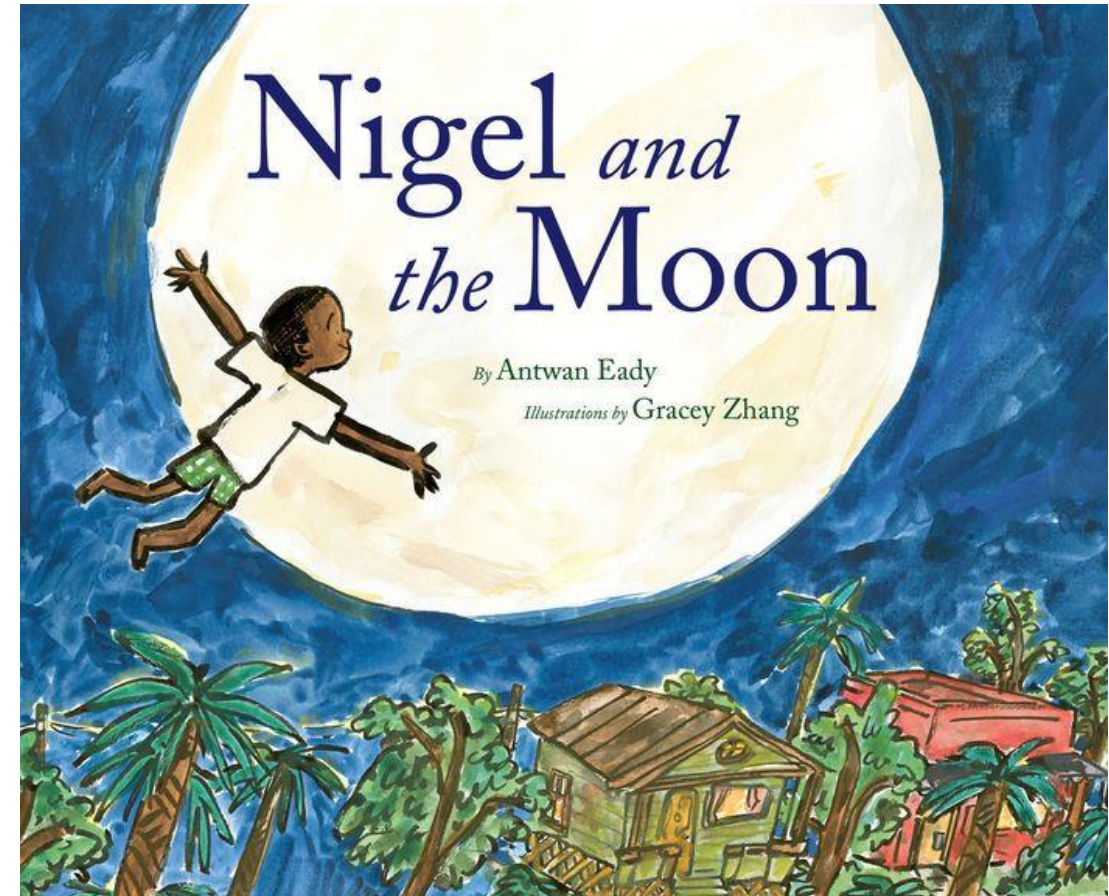
A background image of numerous colorful wooden blocks (red, yellow, blue, green) scattered on a white surface. A single red block is prominently placed in the center foreground, resting on a green block. A dark red horizontal banner with rounded ends is positioned across the middle of the image, containing the text '1 Welcome, Introductions & Meeting Overview'.

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# Welcome, Introductions & Meeting Overview

# Share a Book

- Why is this book important to you?
- At the end we will leave behind all books, to say thank you to our hosts!







## ② Agency Updates, FY23 in Review & FY24 Budget

# Who We Are



## Our Vision

EEC's vision is that children, youth, and families reach their full potential now and in the future.



## Our Mission

EEC creates the conditions for children, youth, and families to thrive socially, academically, and economically.

### We work to achieve our vision and mission by:

- Collaborating across organizations and sectors to build an equitable system of safe, affordable, high quality early education and care
- Supporting residential, placement, out of school and after school, and early education and care programs and educators in their essential work with children and youth
- Increasing opportunities for families to support their children and attain economic mobility.

# FY23 Accomplishments and Priority Initiatives

The Board, and the agency, have made significant progress over the past year across each strategic pillar, stabilizing the early education and care field and positioning the agency and the field for further transformation.

This year has focused on:

## Reforming Child Care Financial Assistance

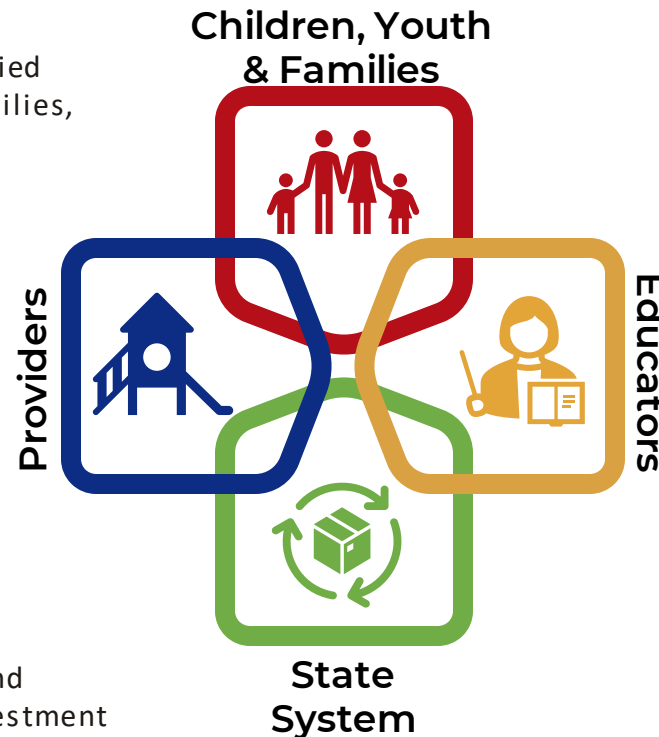
Improve access, create a more family-centered, dignified experience and reduce administrative burdens for families, providers, and EEC

## Rate Increases and Cost-Informed Rate Reforms

Historic increase to Child Care Financial Assistance payment rate and expand on the Market Rate Study by looking at the cost of care to better inform the agency around the cost drivers and where we can better support programs across the Commonwealth

## Stabilizing and Supporting Program Operations (C3)

Maintain capacity, support increased compensation and benefits, mitigate tuition/fee increases and direct investment into programs serving low-income families



## Building Career Pathways & New Pipelines

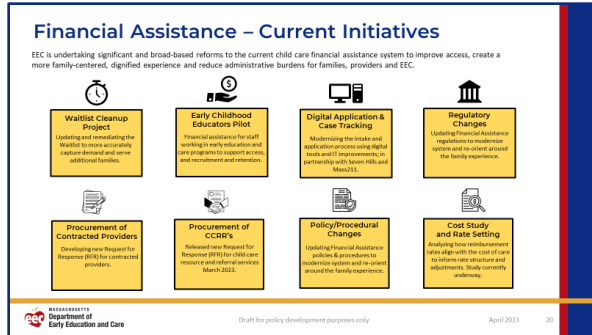
Robust professional opportunities and career pathways to help professionalize the field while developing immediate strategies to increase recruitment and retention of skilled educators

## Updating and Modernizing Agency Operations

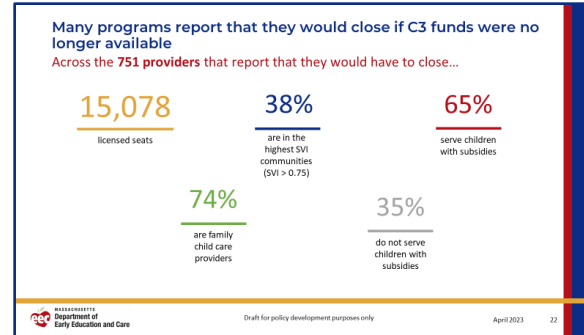
Create a human/user-centered agency and business processes to modernize and improve the staff and user experience

# FY23 Accomplishments and Priority Initiatives

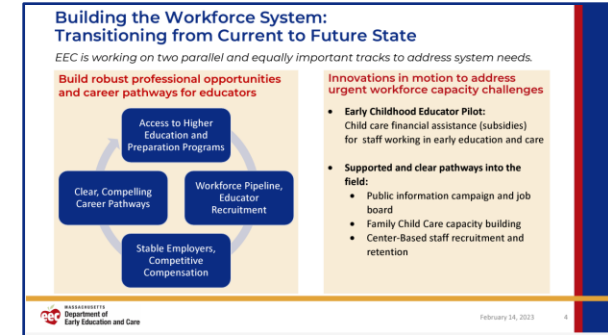
## Reforming Child Care Financial Assistance ([link](#))



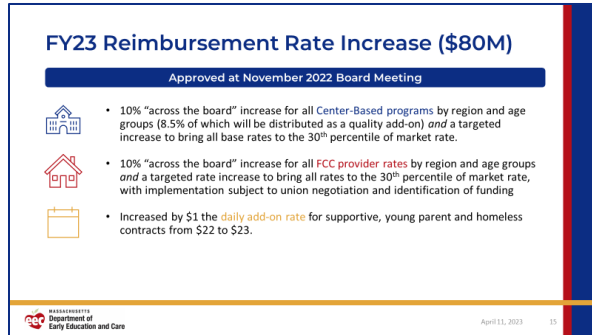
## Stabilizing and Supporting Program Operations (C3) ([link](#))



## Building Career Pathways & New Pipelines ([link](#))



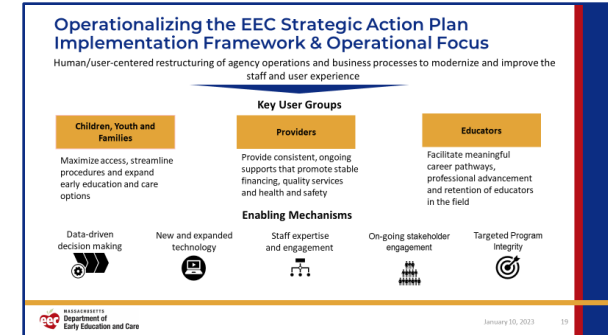
## \$80 Million Child Care Financial Assistance Rate Increase ([link](#))



## Understanding the True Cost of Care ([link](#))



## Updating and Modernizing Agency Operations ([link](#))



While maintaining momentum and progress in each of these areas, the agency is also developing a program quality theory of action to focus on what's happening in the classroom.



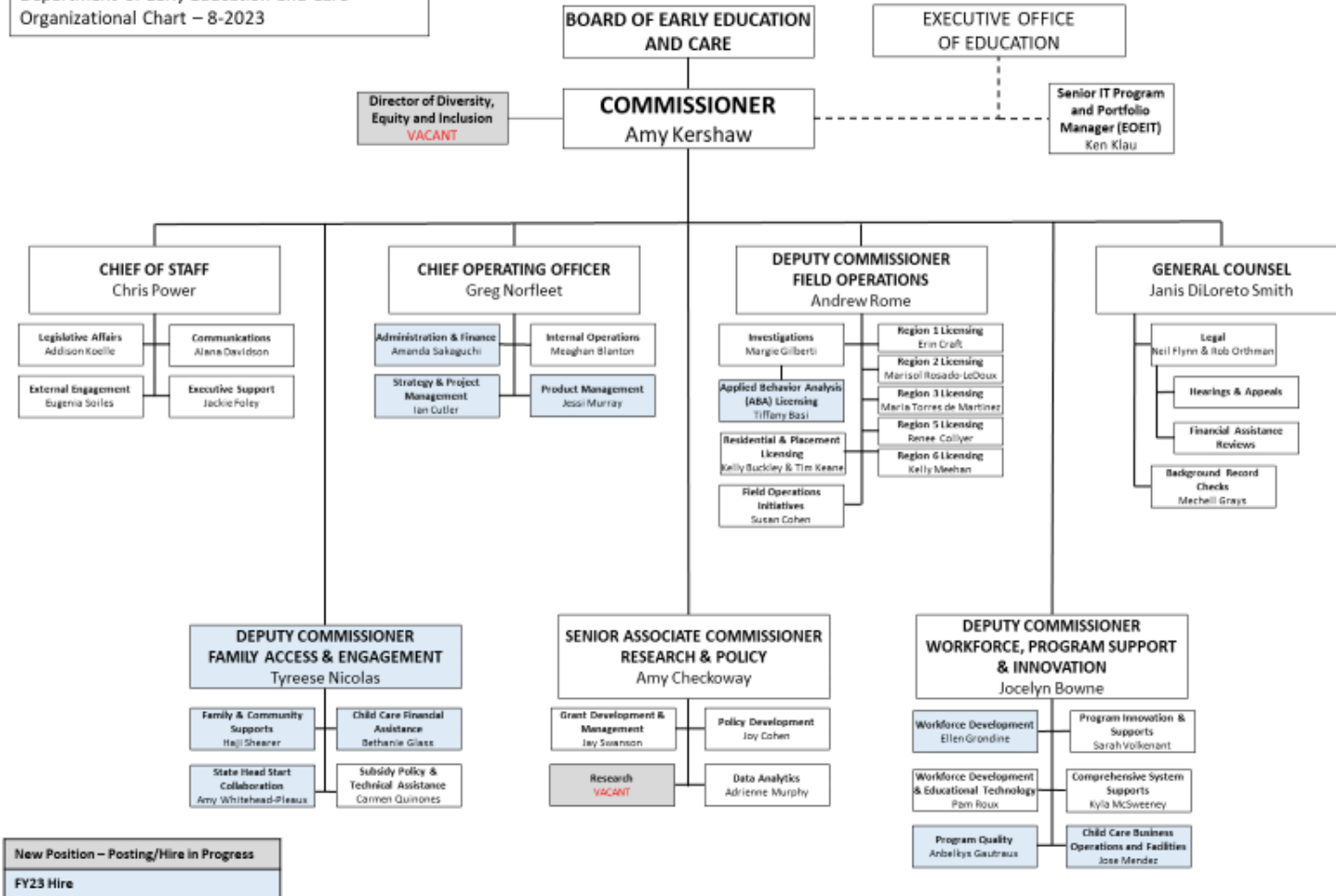
# FY23 Hiring Updates

- In FY22, EEC introduced our new organizational structure with two new divisions: Family Access & Engagement and Policy, Research & Data Analytics
- In FY23, EEC engaged in an ambitious hiring strategy to actualize our new structure, resulting in:
  - More than 50 positions filled including vital Division & Unit leaders
  - Increased diversity throughout the agency, with a focus on new managers and management positions.

Family Access & Engagement	Operations	Workforce, Program Supports and Innovation
<ul style="list-style-type: none"><li>• Deputy Commissioner of Family Access and Engagement, Tyreese Nicolas</li><li>• Associate Commissioner of Family and Community Supports, Haji Shearer</li><li>• Director of Head Start State Collaboration Office, Amy Whitehead-Pleaux</li><li>• Director of Child Care Financial Assistance, Bethanie Glass</li></ul>	<ul style="list-style-type: none"><li>• Chief Financial Officer, Amanda Sakaguchi</li><li>• Director of Project Management and Strategy, Ian Cutler</li><li>• Chief Product Officer, Jessi Murray</li></ul>	<ul style="list-style-type: none"><li>• Senior Associate Commissioner of Workforce Development, Ellen Grondine</li><li>• Director of Program Quality, Anbelkys Gautraux</li><li>• Director of Child Care Business Operations &amp; Facilities, Jose Mendez</li></ul>

# FY23 Organizational Structure & Current Hiring Priorities

Department of Early Education and Care  
Organizational Chart – 8-2023



## Priority Positions in Hiring Process

Position	Division
Director of Diversity, Equity and Inclusion	Commissioner's Office
Director of Learning, Development & Training	Operations
Family Experience Product Owner	Operations
Director of Research	Policy & Research



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## FY24 Strategic Objectives & Initiatives

# Draft FY24 EEC Strategic Objectives

In partnership with families, educators, programs and other stakeholders, EEC will use data driven decision-making to inform work around the following objectives:



## FAMILY ACCESS

Families have equitable access to quality and affordable early education and care in the communities in which they live, learn, and work.



## PROGRAM QUALITY

Programs licensed or funded by EEC support children's health and safety and provide high quality environments that are culturally responsive, inclusive, and support children's learning and development in partnership with families.



## PROGRAM STABILITY

Programs licensed or funded by EEC are operationally stable and financially sustainable.



## WORKFORCE SUPPORTS

A diverse field of educators, leaders, and program staff is competitively compensated and supported by clear professional pathways that promote quality, retention, and advancement.



## AGENCY INFRASTRUCTURE

EEC has sufficient internal capacity, organizational structures, and diverse perspectives and expertise to carry out its mission and strategic objectives.



## Draft Performance Indicators: **Family Access**

Families have **equitable access to quality and affordable early education and care** in the communities in which they live, learn, and work.

<b>Now</b>	<ul style="list-style-type: none"><li>• % of MA birth-to-5 population enrolled in care</li><li>• # and % of children that live in a locality where there is sufficient supply (not a child care desert)</li><li>• # and % of all eligible children receiving EEC child care financial assistance, with disaggregation by region and age group</li><li>• # and % of providers serving children with child care financial assistance, with disaggregation by provider type and region</li><li>• Average length of time families and children are on child care financial assistance waitlist</li></ul>
<b>Next</b>	<ul style="list-style-type: none"><li>• % of family income spent on child care tuition</li><li>• Length of time from eligibility determination to enrollment</li></ul>
<b>Later</b>	





## Draft Performance Indicators: Program Stability

Programs licensed or funded by EEC are **operationally stable** and **financially sustainable**.

- |            |  |
|------------|--|
| <b>Now</b> | <ul style="list-style-type: none"><li>• Child Care Financial Assistance rate plus C3 and other public revenue compared to cost of quality care per child</li><li>• Program stability metrics including # new programs, # programs closed, # of programs overall, licensed capacity, staffed capacity</li><li>• Amount of C3 dollars received, with disaggregation by provider type, SVI, and % of children receiving EEC child care financial assistance</li><li>• Proportion of C3 dollars allocated to current operational expenses vs. investments</li><li>• Percent of providers able to serve their full license capacity</li></ul> |
|------------|--|

**Next**

**Later**



## Draft Performance Indicators: Program Quality

Programs licensed or funded by EEC support children's **health and safety** and provide **high quality environments** that are culturally responsive, inclusive, and support children's learning and development in **partnership with families**.

<b>Now</b>	<ul style="list-style-type: none"><li>• Licensing operational metrics (e.g., # non-compliances in key areas, if investigations, # of visits completed)</li><li>• Number of programs reached by and nature of supports provided by EEC-funded program supports (e.g., Professional Development Centers, Early Childhood Mental Health Consultation, Early Childhood Support Organizations, Pyramid Model Coaching)</li></ul>
<b>Next</b>	<ul style="list-style-type: none"><li>• Program health and safety metrics (TBD)</li><li>• Early literacy screening outcomes from K to grade 3 (in collaboration with DESE)</li></ul>
<b>Later</b>	<ul style="list-style-type: none"><li>• Standardized measures of classroom/setting quality (TBD)</li></ul>



# Draft Performance Indicators: Workforce Supports

A **diverse field** of educators, leaders, and program staff is **competitively compensated** and supported by **clear professional pathways** that promote quality, retention, and advancement.

<b>Now</b>	<ul style="list-style-type: none"><li>• Number of educators statewide by role (in programs receiving C3 funds)</li><li>• Workforce turnover rate statewide (in programs receiving C3 funds)</li><li>• Number of educators reached by EEC educator-focused supports (e.g., Career Pathways, ECE Scholarship, Professional Pathways, Professional Development Centers)</li></ul>
<b>Next</b>	<ul style="list-style-type: none"><li>• Average workforce compensation level relative to target (in programs receiving C3 funds)</li></ul>
<b>Later</b>	<ul style="list-style-type: none"><li>• Educator progression within new credentialing system (TBD)</li><li>• Distribution of educators by role in new credentialing system(TBD)</li></ul>



# Draft Performance Indicators: **Agency Infrastructure**

EEC has sufficient **internal capacity, organizational structures, and diverse perspectives and expertise** to carry out its mission and strategic objectives.

- Extent to which EEC progressing on metrics in other objectives
- Operational tracking of efficiency and accuracy of core public-facing business processes (Child Care Financial Assistance, BRC, call center, educator certification, etc.)
- Customer satisfaction level with EEC services and systems

# FY24 Budget Highlights

- **\$778** million towards **Child Care Financial Assistance** to support access to care for families with no or low income, an increase of \$25 million over last year
- **\$475** million fully supporting the continuation of **Commonwealth Cares for Children (C3)** stabilization grants to child care providers
- **\$45** million to increase **subsidy reimbursement rates** for providers who accept state financial assistance, in addition to the annualization of **\$80** million of rate increases that were implemented last year
- **\$5** million for **mental health consultation** services for early education programs, an increase of \$1.5 million over FY23 funding

## Preschool Development Grant Updates: \$12 M every year over 3 years

- EEC been awarded a three-year, \$36 million federal grant (currently in year 1)
- This new federal funding will support and accelerate EEC work across all strategic objectives



# EEC Appropriations

**\$1.463 billion in FY24**

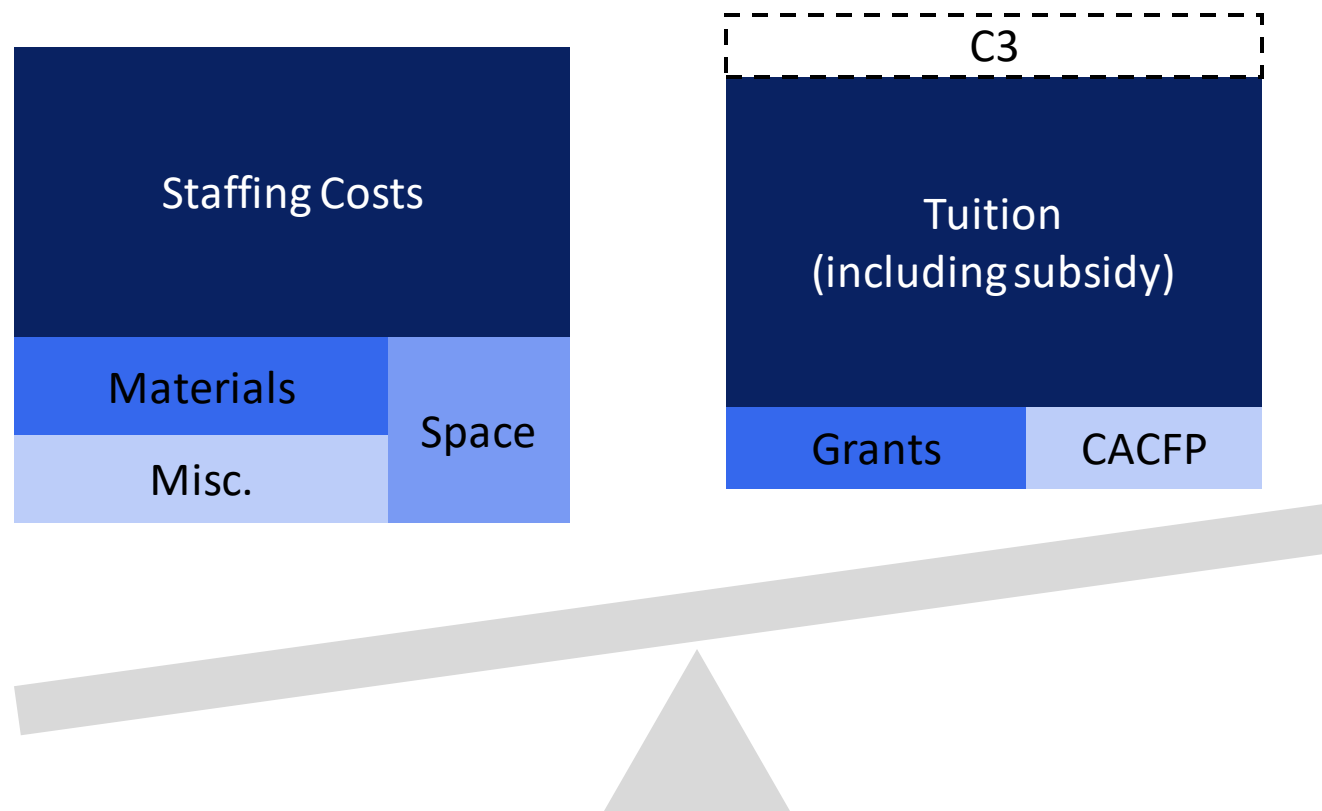
Line Item	Description of Purpose and Investment	FY24
Administration	Funds staff positions and six offices across the Commonwealth	\$12,426,537
Quality Supports	Funds monitoring and licensing activities, quality supports, coaching and technical assistance for programs and educators in the child care system	\$46,706,191
Access Management	Funds child care resource and referral activities, as well as a statewide parent hotline	\$20,000,000
Subsidy Investments	Supports tuition reimbursement subsidies for children birth-fourteen enrolled in child care, including a rate reserve and child care financial assistance waitlist remediation effort	\$778,775,368
Subsidy Rate Increases	Provides funding to increase daily reimbursement rates to programs participating in EEC's Child Care Financial Assistance program	\$45,000,000
Grants to Head Start	Supports a grant to all Head Start grantees in MA to help meet their non-federal match	\$16,500,000
Commonwealth Preschool Partnership Initiative	Funds 21 communities across the state in an innovative funding partnership between the LEA and local child care providers	\$20,500,000
Mental Health Consultation	Funds access to mental and behavioral health consultants for coaching and technical assistance to child care providers	\$5,000,000
Community and Family Engagement	Supports a network of 81 community collaboratives designed to provide parenting resources and supports to all families in every community, inclusive of Parent Child Plus programs	\$15,859,190
Neighborhood Villages	Funds a pilot program to provide high-quality economically-integrated infant and toddler classrooms	\$1,000,000
Higher Education- Career Pathways	Supports a targeted initiative across all the network of state community colleges to develop credit-bearing CDA course work to increase the supply of qualified educators	\$10,000,000
Reach Out and Read	Supports Reach Out and Read, a pediatric literacy intervention program which trains doctors, nurse practitioners, and other medical professional to incorporate evidence-based model into regular pediatric checkups	\$1,750,000
Commonwealth Cares for Children (C3)	Ongoing monthly payments to support operating costs for all EEC-licensed child care providers	\$475,000,000
Early Education & Care Provider Capital	This new line item will provide grant funding for capital improvements for child care providers	\$15,000,000



# Commonwealth Cares for Children (C3)

Update and planning

# C3 funds play a key role in supporting the early education and care market.

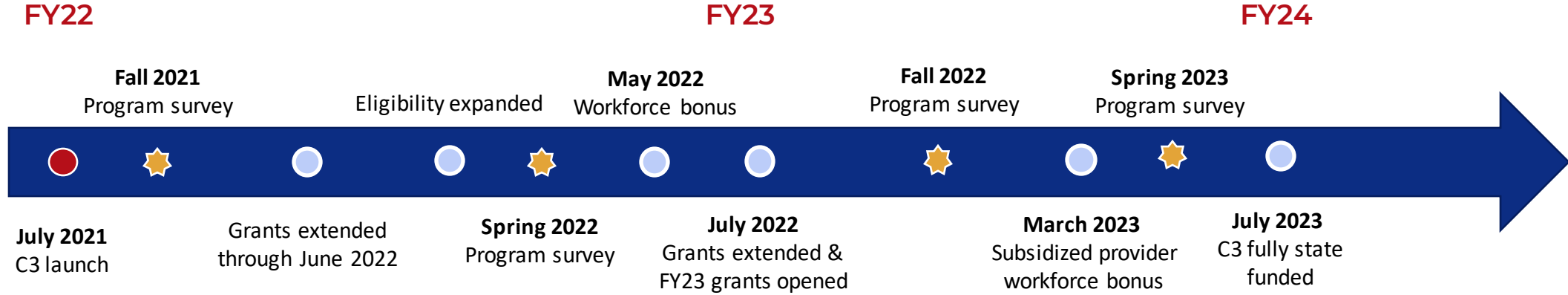


Operational and other supports, such as C3, have been key to maintaining capacity and mitigating challenges across user groups:

- New investments in the workforce through increased compensation, benefits, and professional development.
- Helps programs mitigate the need for tuition/fee increases in the face of significant rising costs, benefiting a broad range of working families.
- Directs additional investment into programs serving low-income families.

As of this spring, 968 providers report they would close without C3 funds.

# C3 Overview



- 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).
- For FY23, C3 grants were initially extended at \$250M, with a combination of ARPA Supplemental funds and state dollars. An economic development bill in the fall of 2022 included an additional \$150M for the C3 program and in the spring of 2023, Governor Healey signed a supplemental budget that included \$68M in additional funding for the C3 program to support grants through the end of the fiscal year.
- For FY24, C3 grants are funded at \$475M in state dollars.

# The C3 formula was developed with four key goals in mind.

## Goals of Funding Distribution

Stability

Equity

Adequacy

Simplicity

Base Amount

**Base Amount =**  
\$83/month per licensed slot X  
Licensed Capacity X  
Staffing Level Adjustment



Equity Adjustment

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



**Monthly payment**



# Program participation in C3 is high.

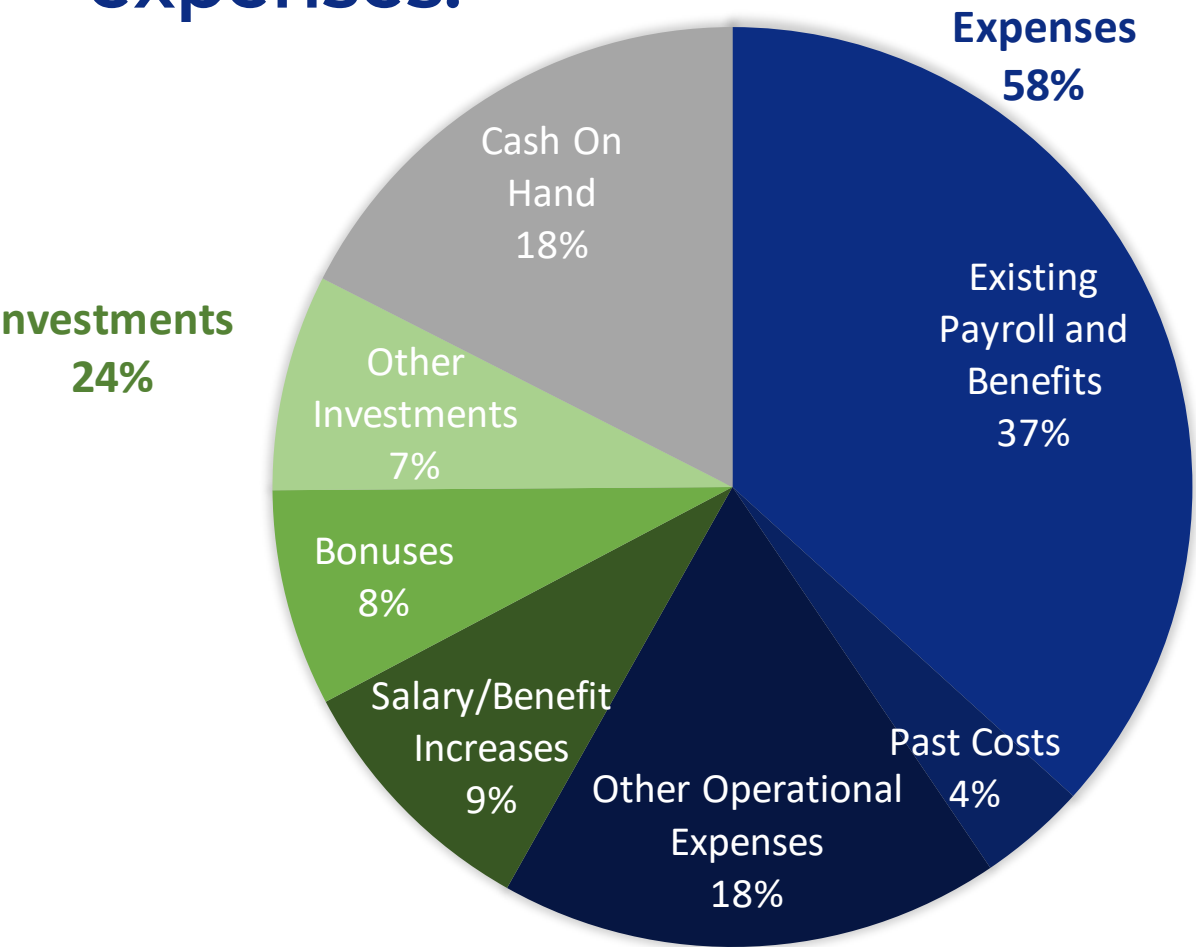


**7,700 programs** have received C3 funding to date

C3 Take-up Rates, as of June 30, 2023					
	Overall Take-Up Rate	Majority BIPOC Census Tract	Gateway Cities	Highest SVI (.75-1)	Serving Children Receiving Child Care Financial Assistance
Family Child Care Providers	91%	97%	94%	95%	<b>99%</b>
Center-Based Providers	90%	96%	96%	96%	<b>97%</b>

Note: Due to mismatch of provider addresses and census data, 636 out of 7,819 providers are excluded from the BIPOC Census Tract analysis

# Providers have spent C3 dollars on a variety of operational expenses.



**C3 by the Numbers**

**\$924.8 million in grants since July 2021\***

**\$504.1 million in FY23\***

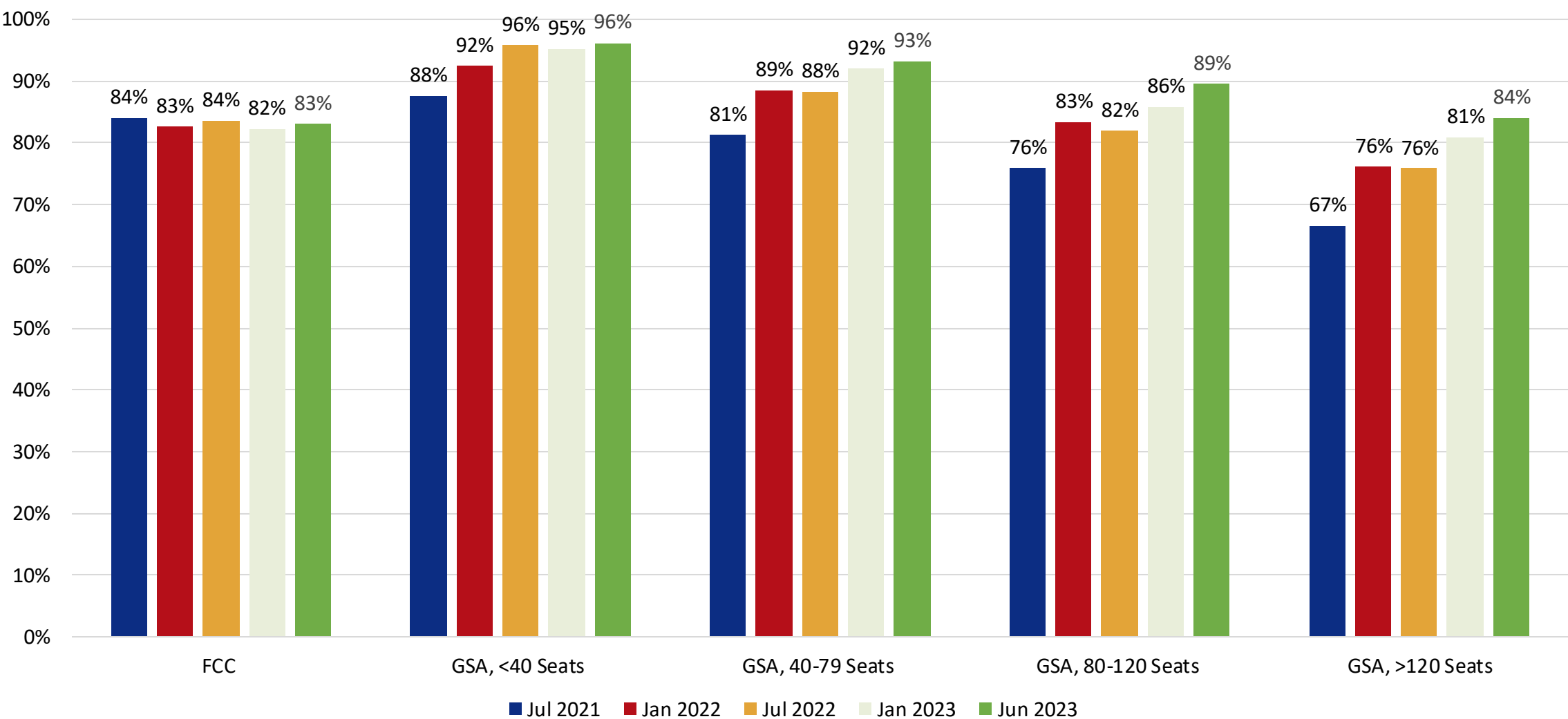
**Grants to 7,700 providers  
employing over 36,000 educators**

**Monthly average grant:**  
**Family Child Care: \$1,503**  
**Center-based programs: \$12,368**

\*These totals include the one-time C3 Workforce Bonus distributed in May 2022 or the Subsidized Provider Workforce Bonus distributed in March 2023.

# Program enrollment is continuing to stabilize.

Percent of License Capacity Enrolled



# As we move from emergency stabilization to ongoing operational support, it makes sense to reflect on the most impactful use of C3 resources.

- 1 Continue to prioritize equity by further directing funds to programs serving higher need families
- 2 Strengthen focus of grant on professional development, supporting, workforce compensation and quality investments to enable programs to address these areas without passing along costs to families

# Goal #1: Continue to prioritize equity by further directing funds to programs serving higher need families



# The equity adjustment targets funds to providers in higher need communities and those serving families receiving Child Care Financial Assistance.

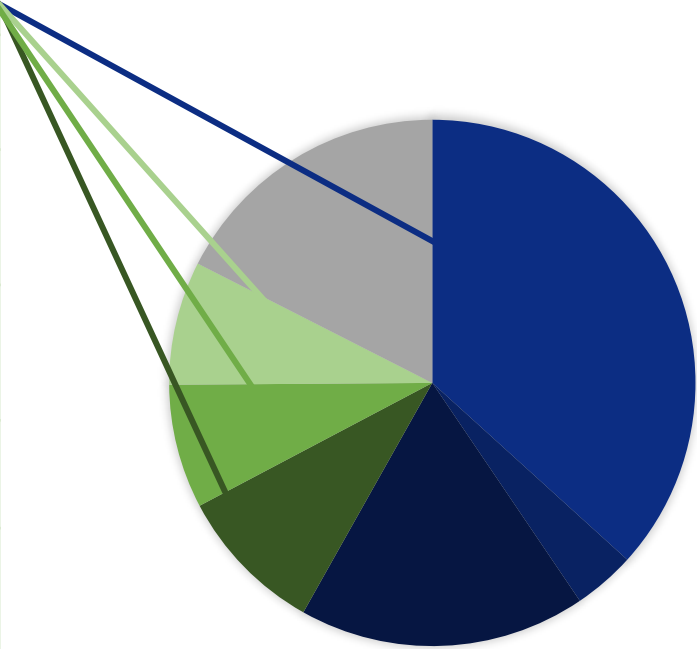
	Total Grant Funds*	Grant Funds Generated by Equity Adjustment	% of Funds from Equity Adjustment
Family Child Care	\$ 147,905,644	\$ 37,231,806	25%
Center-Based Care	\$ 704,509,257	\$ 144,268,528	20%
Serving Children with Subsidies	\$ 548,029,495	\$ 130,242,492	24%
Not Serving Children with Subsidies	\$ 304,385,405	\$ 51,257,842	17%
Providers in Highest SVI Communities (SVI $\geq 0.75$ )	\$ 458,627,712	\$ 130,178,889	28%
Providers NOT in Highest SVI Communities (SVI $< 0.75$ )	\$ 393,787,188	\$ 51,321,445	13%
<b>All Providers</b>	<b>\$ 852,414,900</b>	<b>\$ 181,500,333</b>	<b>21%</b>

\*These totals do not include the one-time C3 Workforce Bonus distributed in May 2022 or the Subsidized Provider Bonus distributed in March 2023.

# Goal #2: Strengthen focus on professional advancement, workforce compensation, and program quality

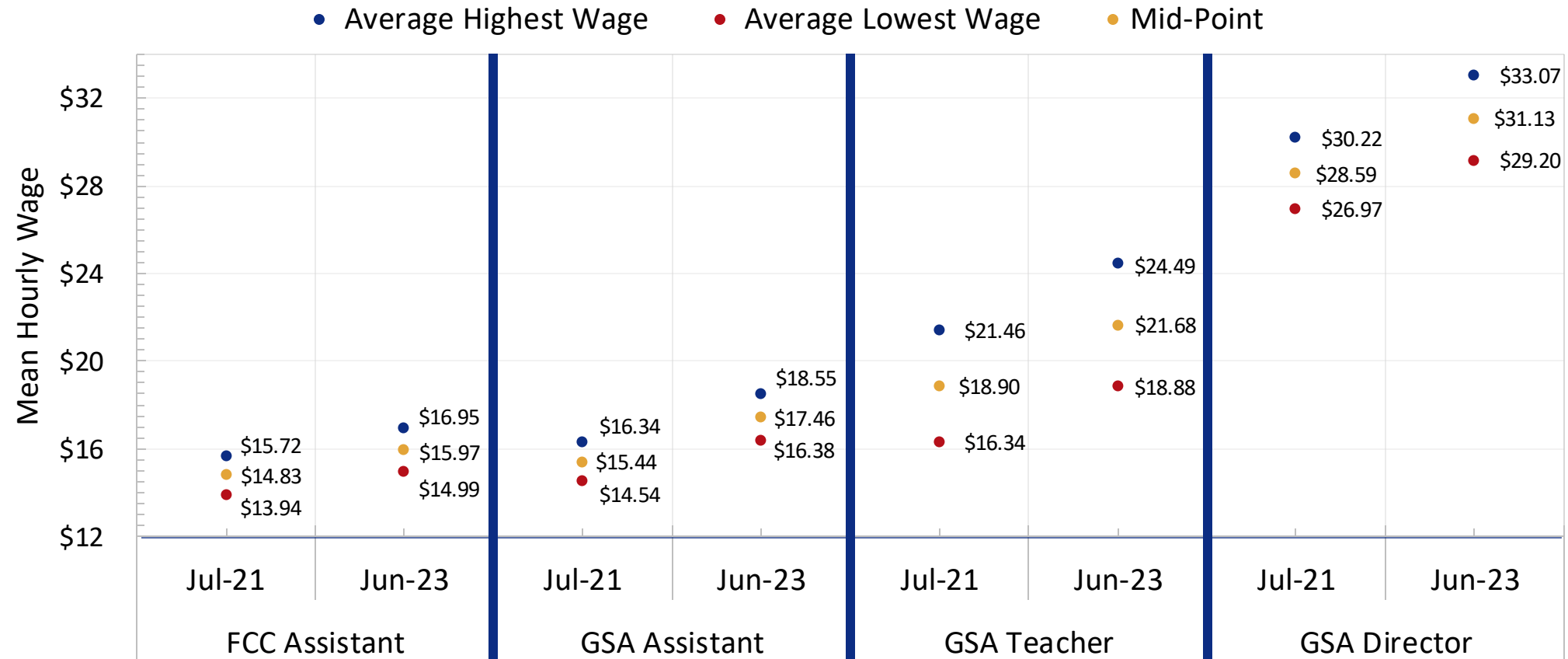
# Over 50% of C3 funds to date have been spent on workforce compensation and supports.

Workforce Spending	% of Total C3 Grants
Existing payroll and/or benefits	37%
Increased compensation for educators through salary increases	8%
Increased compensation for existing educators through one-time payments	7%
Incentives to attract or hire new staff	1%
Access to additional training and mental health supports for staff	1%
<b>Total Workforce Spending</b>	<b>53%</b>

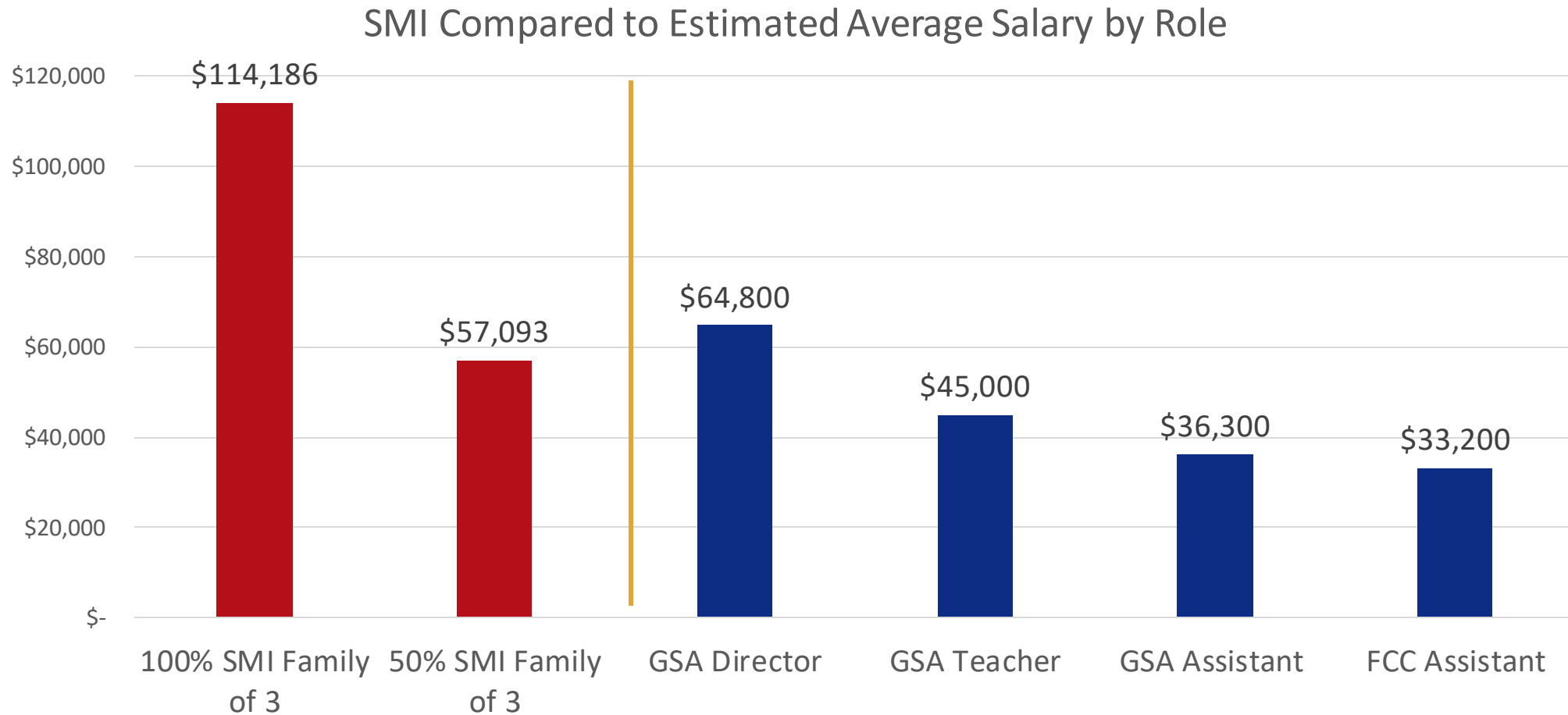


# Wages have increased since the beginning of C3.

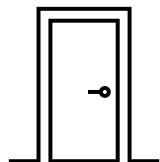
Average Educator Highest and Lowest Hourly Pay Over Time



# Yet compensation remains low.



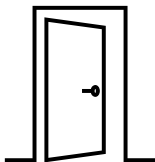
# Staffing challenges prevent programs from serving their full license capacity.



1/3

Of all group and school age programs

Cannot serve their full license capacity



80% of those GSA programs

Cite unfilled staff openings as a cause



9,600-15,000

additional **children** could be served if these positions were filled





# Planning for FY24 & FY25

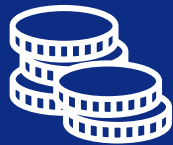
# Levers for C3 Program Adjustments



Grant Formula



Data Collection



Fund Use  
Requirements



Eligibility  
Requirements

# Timeline for Potential Program Adjustments

## Beginning in FY24:



Improve and refine data collection efforts on staffing, workforce compensation, program characteristics, and demographics of families served

## Beginning in FY25:



Adjust formula to more effectively direct funds to programs that serve higher need families.



Customize fund use expectations for different program types (e.g. family child care, out of school time, and center-based programs)



Increase grant focus on professional advancement, workforce compensation and supports (e.g., salaries, one-time stipends, benefits, professional development, planning time) and quality investments (e.g., curricula, educational materials)

# Next Steps

- 1 Solicit additional feedback about potential directions for C3
- 2 Develop plan for and move forward with collecting new data in FY24
- 3 Continue to model different scenarios for potential changes to C3 formula in FY25





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## FY24 Board Meeting Agenda Preview



# Major Topics for Board Input and Action in FY24

Commonwealth Cares for Children (C3)    

Child Care Financial Assistance (CCFA) Policy Reforms  

Child Care Licensing Regulation Revision Launch   

Educator Credentialing & Certification  

Child Care Financial Assistance (CCFA) Rates   

Residential Licensing Regulation Revisions  

Promoting High Quality Early Education and Care: Moving from Theory to Action  

## KEY



Family Access



Program Stability



Program Quality



Workforce Supports





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## Wrap-up & Next Steps