February 13, 2024

Honorable Karen Spilka
Senate President
State House, Room 332
Boston, MA 02133

Honorable Michael Rodrigues
Chair, Senate Committee on Ways & Means
State House, Room 212
Boston, MA 02133

Honorable Ronald Mariano
Speaker of the House of Representatives
State House, Room 356
Boston, MA 02133

Honorable Aaron Michlewitz
Chair, House Committee on Ways & Means
State House, Room 343
Boston, MA 02133

Honorable Bruce Tarr
Senate Minority Leader
State House, Room 308
Boston, MA 02133

Honorable Jason Lewis
Chair, Joint Committee on Education
State House, Room 511-B
Boston, MA 02133

Honorable Bradley Jones, Jr.
House Minority Leader
State House, Room 124
Boston, MA 02133

Honorable Denise C. Garlick
Chair, Joint Committee on Education
State House, Room 473G
Boston, MA 02133

Dear Senate President Spilka, Speaker Mariano, Leader Tarr, Leader Jones, Chair Rodrigues, Chair Michlewitz, Chair Lewis, Chair Garlick, and Leader Peisch:

I write today with an update on several initiatives of the Department of the Early Education and Care ("EEC" or "the Department"), as requested by the March 2022 Report of the Legislature's Economic Review Commission ("the Commission"). As illustrated below and in our last update submitted on January 3, 2023, the Healey-Driscoll Administration is making significant progress across the Commission's recommendations and is committed to continued efforts to stabilize, heal, and transform the early education system to be affordable and equitable for every child and family across the Commonwealth.

While we have critical work ahead, I am proud to say that Massachusetts' child care system continues to rebound from the impacts of the pandemic, due in large part to the passion and dedication of thousands of educators, directors, staff, and early education supporters. This progress is also a credit to the historic investments from the Administration and Legislature. Key accomplishments during FY23 include:

- Reforming Child Care Financial Assistance (CCFA)

    - Improved access by creating a more family-centered, dignified experience. This was accomplished by reducing administrative burdens for families, providers, and the agency through a regulatory and policy update.
- Child Care Financial Assistance Rate Increases and Cost of Care Study
    - During this time period there was an historic increase to the Child Care Financial Assistance payment rate structure. The agency continued to focus on expanding its Market Rate Study by incorporating data related to the true cost of care for providers to better inform the agency's rate setting process. To this end, the agency has been engaged with a research firm that has been studying the cost of providing care for Massachusetts providers in order to develop recommendations to move towards cost-informed CCFA rates and address challenges facing the states' child care system, including increased affordability, raising compensation for the child care workforce, and ensuring access to high quality child care across the Commonwealth.
- Stabilizing and Supporting Program Operations (C3)
    - Maintained capacity by supporting increased compensation and benefits, mitigated tuition/fee increases and aimed direct investments into programs serving low-income families
- Updating and Modernizing Agency Operations
    - Emphasized building new capacity and creating a human/user-centered agency along with new business processes to modernize and improve the staff and user experience

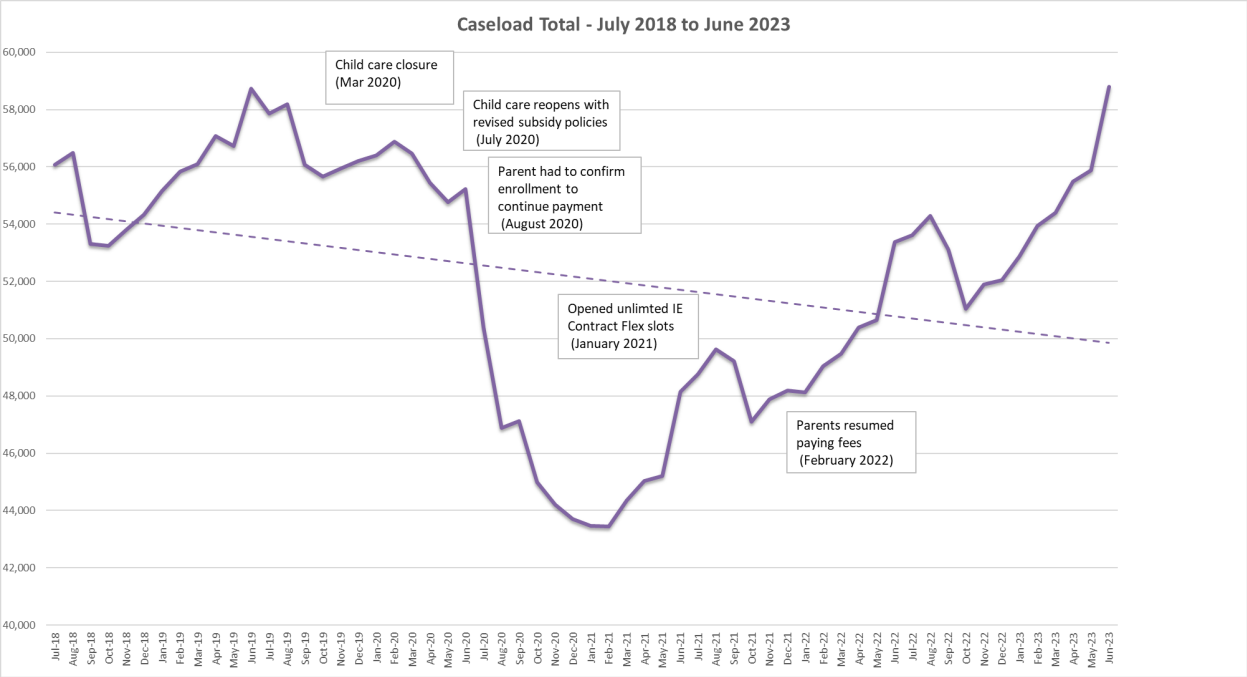
The funding included in the FY24 budget will help the Department build on our progress, enabling the continuation of core services and programming and funding targeted investments to support increased affordability, equity, and quality for Massachusetts families.

Commission Focus Area: Family Affordability and Access
Recommendation: Serve additional families who are already eligible for subsidies and then increase income eligibility threshold to serve more families via the early education and care subsidy system. The Commission recommends that immediate efforts be made to serve additional families who are already eligible for subsidies as currently a small proportion of income-eligible families (likely less than 20%) participate in the subsidy system. The Commission further recommends that over time the Commonwealth raises income eligibility for subsidies to the federal threshold (85% of SMI).

As outlined in our January 2023 report, the Department continues to focus on increasing equitable and inclusive access to Child Care Financial Assistance through work to implement revised regulations and policies, as well as targeted efforts to increase access to care for families on the waitlist and educators and for staff currently working in the state's early education and care workforce. The Department is also focused on modernizing how EEC communicates and engages with families to provide a more flexible, dignified, and multilinguistic, user-friendly experience.

Throughout the fiscal year, the Commonwealth's early education and care field has continued to stabilize with support from programs like the Commonwealth Cares for Children (C3) operational grants, as well as increases in the rates paid to our providers of child care financial assistance. This increasing stabilization has better positioned the agency to reach pre-pandemic caseload figures (see graph below). As of June 2023, we were serving 58,786 children and their families through our child care financial assistance programs. This is a significant increase from the pandemic low of 43,445 in February of 2021. We expect to see these numbers gain momentum as the Department continues to transition out of

COVID response policies and procedures and facilitates access to these essential supports through new investments in the FY24 budget.



To better support families who are receiving financial assistance, EEC is actively working to implement the recently revised Child Care Financial Assistance regulations through updated policies and procedures that are focused on streamlining processes and reducing the administrative burden on families and providers. This includes engaging with external stakeholders through a policy working group to gather feedback and recommendations on policy changes to better serve families, providers, and agencies that work with families to access child care financial assistance.

Further, the agency has launched the following three initiatives focused on improving the experience of families applying for and maintaining child care financial assistance and reducing a family's time on the statewide waitlist:

1. **Early Childhood Education Staff Pilot.** This pilot program launched on January 11, 2023, giving priority access to child care financial assistance to eligible staff working in EEC licensed or funded early education and/or out of school programs. Through this pilot, EEC increased the entry income eligibility threshold from 50% state medium income (SMI) to up to 85% SMI. As of July 2023, the pilot has enrolled over 1,000 children of staff working in early education.
2. **Child Care Financial Assistance Waitlist Clean Up Project.** This is **a new text/email/call initiative** helping families seeking financial assistance receive notice of funding quicker and removes families from the list who no longer need care or are already receiving financial assistance. All families on the waitlist receive an email and/or text with a survey link with several demographic questions related to their need for child care, changes to their contact information and consent to receiving texts from EEC. The email was sent out to over 11,000 families on the waitlist and over 3,000 families by mail. The email was sent out in English with a link to 11 translations (Arabic, Simplified and Traditional Chinese, French, Haitian Creole,

Portuguese, Somali, Spanish and Vietnamese) of the email with respective links to the survey in each language.

3. **Text Message Pilot Project.** EEC and the Executive Office of Technology Services and Security (EOTSS) are piloting a text message project to improve communication with families who are coming off the child care financial assistance waitlist. The text message nudges are designed to assist families in completing key actions when they learn there is funding available for child care assistance through the completion of the application. By improving communication through the delivery of time-sensitive, informative text message notifications and reminders at key points of the user journey, families will have an improved experience navigating child care financial assistance benefits. The text messages are currently available in English and Spanish. The Department is exploring the potential to expand the number of languages offered.

Recommendation: Engage with the business community to identify and promote employer best practices and explore incentives for employers to support additional early education and care benefits for their employees. The Commission encourages expanding state partnerships with the business community to identify and share best practices and explore incentives for employers to support their employees who have young children. Improved collaboration across Secretariats to engage with the business community is important. The Massachusetts Business Coalition for Early Childhood Education and the Massachusetts Business Roundtable are two partners already engaged in this work that can help identify areas of opportunity for partnerships with the business community statewide. Employee benefits may include on-site early education and care, paid leave, flexible work schedules, financial assistance subsidies, backup childcare, workplace support groups, flexible spending accounts, dependent care assistance programs, and partnerships with programs that include reserving or subsidizing slots for employees. Consideration should also be given to developing an employee benefits program for early education and care similar to that required for healthcare for businesses of a certain size.

Over the course of the pandemic, the vital importance of access to stable and affordable child care became demonstrably clear. As a result, we are in an unprecedented moment of support for the state's early education and care system. The state's business community has initiated meaningful conversations about how critical access to affordable, high-quality care is for their employees and how they can contribute to our shared goal of ensuring reliable access to care that enables parents and caregivers to go to or return to work. The challenge our programs are facing in recruiting and retaining staff is causing capacity issues for existing programs and limiting hours of service in some cases and the primary theme in conversations with employers are that their employees are struggling to balance work hours and access to consistent, stable child care.

We are actively engaged with members of the state's business community through both the Massachusetts Business Roundtable and the Massachusetts Business Coalition for Early Childhood Education. Through these partnerships, the agency is working with the business community to better understand challenges and identify common solutions. The Massachusetts Taxpayers Foundation's recently released report, Incentivizing Employer Supported Child Care, also summarizes some key strategies from other states on the role employers can play and how employers can be partners in this critical work.

We are closely collaborating with our state partners at the Executive Office of Labor and Workforce Development (EOLWD) on child care workforce development strategies, including recruitment through the MassHire Career Centers and new formal apprenticeship models. Finally, many local communities have formed coalitions of business leaders, child care providers and municipal representatives, often

through their local Chambers of Commerce, to bring local resources and creative solutions to the table. EEC tackle these issues locally. EEC is also a partner in these conversations.

Addressing the competitiveness challenge created by capacity issues within the child care sector requires collaboration across the public and private sectors, as well as state and local action. We look forward to continued work with the business community and the legislature to identify opportunities for new partnerships and solutions to support families and the economy.

Commission Focus Area: Workforce Compensation, Pipeline, and Advancement

Recommendation: *Utilize existing state structures to build an early education and care workforce pipeline via targeted workforce development strategies and expanded access to higher education and advancement opportunities. The Commission recommends focus on expanding access to state higher education institutions, including community colleges and other partners, to design and pilot promising approaches that can be scaled up to build the workforce pipeline and expand opportunities for the workforce to grow their skills and advance professionally. Approaches may include apprenticeship models, cohort models that provide small groups of staff working in the same program with improved access to higher education coursework, scholarship opportunities in conjunction with counseling and navigation support, and mentoring programs for staff in their first few years in the classroom.*

As the child care sector continues its recovery from the pandemic, an emphasis on workforce recruitment and retention is paramount. Many of the below investments have supported this essential objective.

In October 2022, the Board of Early Education and Care formed a working group focused on workforce development and innovations. This group was guided by the broad goal of identifying promising strategies to increase and improve recruitment and retention of qualified educators. The Board identified several promising approaches that would help build and sustain capacity:

- Targeted recruitment and support for new Family Child Care (FCC) educators to become licensed and sustain operations.
    - Information gathering conversations have identified a set of tools and resources for EEC to develop to support FCC educators in successfully entering the field.
    - Developing resources to effectively support program licensure during pre-licensure.
    - EEC continues to support partners like the Treasurer's Office, City of Boston, and the United Way of Massachusetts Bay who are implementing pilot programs that assist more FCC educators in becoming licensed.
- Early education pathway support models (such as apprenticeships, training programs, and educator supports to facilitate access to higher education including streamlining access to scholarship resources/tuition reimbursement).
    - A preliminary landscape analysis to understand the promising workforce development and training programs underway across the Commonwealth. A synthesis of key program components and recommendations will inform EEC's planning for supporting workforce pathways.
    - On June 27, EEC convened a broad range of constituents engaged in building and launching educator apprenticeship programs across the field. Suggestions for next steps have been gathered and will inform a planning process for action through the fiscal year.

- Public relations and information campaign(s) to elevate the field as a whole and support and magnify recruitment and retention efforts.
    - Through listening sessions, surveys, and review of existing educator resources, EEC has determined that the agency should focus on when and how it communicates with potential educators who have not yet entered the field to highlight the benefits of joining the early childhood workforce and provide greater clarity and support on the processes to meet the field's qualification requirements.

In addition, EEC worked with the Massachusetts Association of Community Colleges and the Early Childhood Funders Collaborative to create a new position coordinating development work with EEC's Career Pathways grantees to address the accessibility of degree-focused coursework, including developing a plan to expand and standardize the use of credit for prior learning in early education pathways. This grant has also been used to fund increased access to necessary coursework.

Further, EEC has a joint initiative with the Department of Higher Education (DHE) Office of Student Financial Assistance (OSFA) to administer the ECE Scholarship program that increases the credentials and qualifications of the early education and care workforce. To-date in 2023, EEC and DHE have made improvements to the scholarship application process and expanded awareness through training to the fifteen community colleges, information sessions for potential and current educators, updated the Mass.gov webpages, revised supporting documents, and created a frequently asked questions (FAQ's) reference page. The impact of these changes will be tracked and evaluated throughout the 2023 application cycle.

Commission Focus Area: System Infrastructures and Local Partnerships

Recommendation: *Support local partnerships across the mixed delivery system. A collaborative funding strategy should be designed with EEC and the Department of Elementary and Secondary Education to continue and expand preschool mixed delivery programs. The Commission supports directing CPPI funds to both current CPPI grantees and additional communities. CPPI involves partnerships of public school districts and community-based programs that have engaged in needs assessment and strategic planning to understand and respond to the needs of families at the local level and combine resources to offer coordinated high-quality preschool. The nine communities currently receiving CPPI grants have shown success implementing best practices that address local needs through a mixed delivery approach. It will be equally important to attend to investments in infant and toddler care in the same communities. Expanded access to full-day, high-quality pre-kindergarten for 4-year-olds is one of the priority evidence based programs in the Student Opportunity Act (SOA) guidance from the Department of Elementary and Secondary Education. The Commission supports further encouraging school districts to prioritize early education access through local partnerships as part of their SOA plans. The Commission recommends that the Commonwealth encourages that SOA plans prioritizing early education and care be developed in collaboration with early education programs in the community, including Head Start and Early Head Start, center-based organizations, and family child care providers, and that expansion and access for families be prioritized within these settings.*

In FY23, the Commonwealth Preschool Partnership Initiative (CPPI) grants expanded to reach five additional communities through the most recent allocation of awards: Haverhill, Gloucester, Westfield, Plymouth, and Hoosac Valley Regional School District. Grant funding now supports 22 communities across the state to develop collaborative relationships between public school districts and EEC-licensed

programs, expanding access to high quality preschool that meets the diverse needs of local families. The grant builds a local infrastructure of public and private preschool classrooms that focus on (1) expanding access to affordable preschool for three and four-year-old children within the community; (2) meet locally aligned quality expectations; and (3) ensure equitable access across program types to children with special needs. This collaborative model is one that the Department can also use to support districts utilizing Student Opportunity Act funds in expanding early education programming.

EEC and Department of Elementary and Secondary Education (DESE) have also launched a collaborative working group that is focused on improving early literacy outcomes for children. Investments in CPPI and other efforts to coordinate quality across the preschool system and expand access for all preschool aged children provide a vital mechanism to support this goal. Work will continue identifying opportunities for better alignment and coordination of policies and funding across the agencies to support these important local efforts.

We appreciate the Legislature's ongoing commitment to the children, families, and educators in the early education system of our Commonwealth. We look forward to continuing to work with you to strengthen this system to ensure its quality for our youngest learners and its vibrancy for our economy.

Please reach out to Addison Koelle, EEC's Legislative Director, at Addison.Koelle@mass.gov, or to me directly with any questions.

Sincerely,



Amy Kershaw
Commissioner