

Commonwealth of Massachusetts Department of Early Education and Care

February Board Meeting

February 12, 2025

Agenda

Routine Business

- Approval of Minutes from January Meeting – **VOTE**
- FY25 Human Resources Division Management Salary Adjustments – **VOTE**

Items for Discussion and Action

- Child Care Financial Assistance Regulatory Update – **VOTE**
- FY26 Healey-Driscoll Budget Proposal Overview
 - Child Care Financial Assistance Caseload Trends
- Commonwealth Cares for Children (C3) Program Update
- IT Modernization: Family and Educator Portals

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Child Care Financial Assistance Regulatory Update



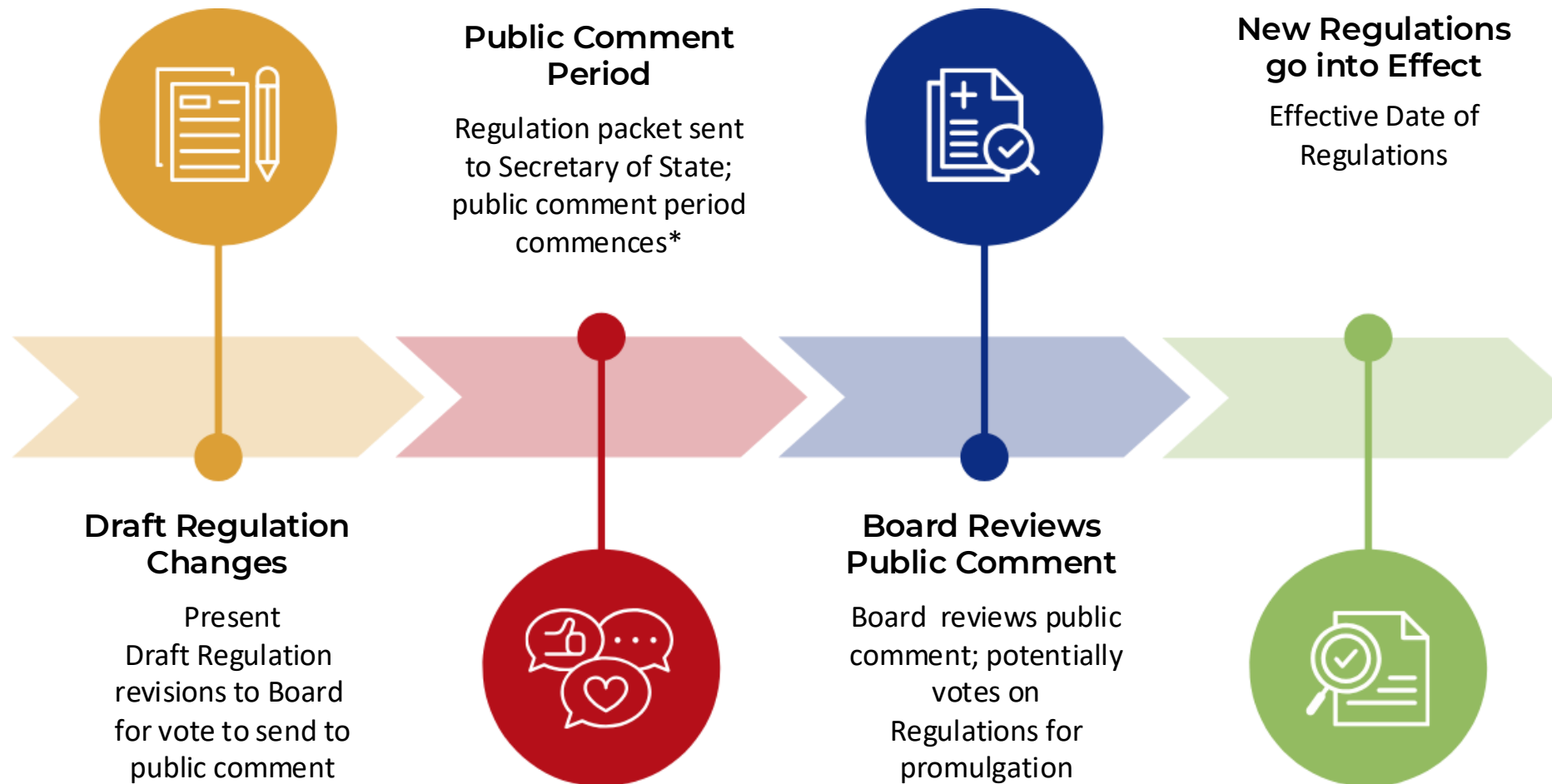
Reason for Regulatory Changes

- The Board is charged with setting policies and regulations related to early education and care programs and services. G.L. c. 15D, § 3.
- The FY25 budget codified certain requirements for the Child Care Financial Assistance (CCFA) Program at G.L. c. 15D, § 13A, effective January 15, 2025.
- Based on the new statutory language, EEC is required to promulgate regulations necessary to implement Section 13A.
 - The promulgation of these regulations will enable EEC the ability to update Child Care Financial Assistance policies and procedures to implement the changes in Section 13A.

Summary of Regulatory Changes

- Expand initial eligibility to families with incomes at and up to 85% of State Median Income (SMI) and allow the Department to go beyond 85% SMI if the federal government allocates additional funding to do so. Add priority access for families at or below 50% SMI.
- Codify existing priority access for staff working in early education and care programs, disability, families experiencing homelessness, young parents, and individuals facing domestic violence.
- Codify that CCFA does not count as income for purposes of disqualifying families for other state governmental assistance.
- Require the Department to annually review the CCFA program to streamline processes and paperwork, add technology, and expand outreach, particularly to non-English speaking families.

Proposed CCFA Regulation Revisions Timeline



**EEC has discretion over timeline of public comment period*

Child Care Financial Assistance Regulations Motion

EEC seeks approval of the draft amended CCFA Regulations, 606 CMR 10.00, to comply with G.L. c. 15D, § 13A and to authorize the Commissioner to file the amended regulations with the Secretary of the Commonwealth for publication and public comment, subject to approval of the final regulations, by the Board.

MOVED: that the Board of Early Education and Care, in accordance with G.L. c. 15D, § 3, hereby approves the draft amended regulations governing Child Care Financial Assistance and authorizes the Commissioner of Early Education and Care to file the amended regulations with the Secretary of the Commonwealth for publication of a Notice of Public Comment in the Massachusetts Register consistent with the Department's proposed policy directions and subject to the approval of the final regulations, after a Public Comment period, by the Board.

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FY26 Healey-Driscoll Budget Proposal Overview

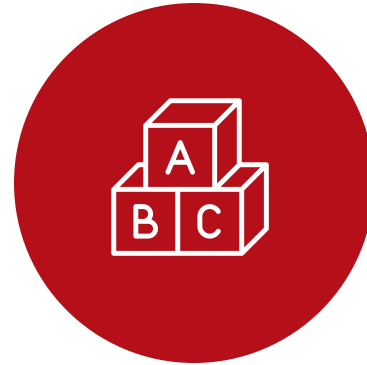


Gateway to Pre-K H.1 Budget Highlights

The Governor's H.1 budget continues to make progress in key areas of the Gateway to Pre-K agenda:

Continued investment in the Commonwealth Preschool Partnership Initiative (CPPI)

The CPPI line item in FY26 will maintain and support all existing communities, with additional funding in Fair Share Supplemental distributed between FY26 to FY28 for expansion within existing and new communities; priority for Gateway Cities



Supporting continued access to affordable care for families through Child Care Financial Assistance

Investments in child care financial assistance line-items to maintain FY24 and FY25 caseload expansion



Sustaining \$475M for Commonwealth Cares for Children (C3)

C3 continues to be a priority and state investment in the program maintains critical operational supports to early childhood programs



EEC FY26 Budget Proposal: Overview

Overall, H.1 funds EEC at \$1.679 billion, 10% increase from FY25 final enacted budget

Key EEC investments included in the Governor's budget proposals include:

- **\$475 million** for **Commonwealth Cares for Children (C3)**, funded from both general appropriations and Fair Share revenue
- **\$1 billion** to support families receiving **Child Care Financial Assistance** (Income Eligible and DTA/DCF-Related)
- **\$17 million** for the **Commonwealth Preschool Partnership Initiative (CPPI)**, supplemented by \$50 million available for the program over 3 years through the Fair Share Supplemental budget, allocating **\$25 million** for CPPI in FY26.

Governor Healey's budget proposal also maintains critical funding across EEC line-items:

- **\$47 million** for licensing staff, initiatives, and supports through the agency's **Quality Improvement** line item
- **\$20 million** for **child care resource and referral services**
- **\$18.5 million** for supplemental grants to **Head Start and Early Head Start** programs
- **\$11.7 million** for the **Coordinated Family and Community Engagement (CFCE)** grant program
- **\$5 million** for **Career Pathways**
- **\$5 million** for **early childhood mental health grants**
- **\$4.25 million** for the **ParentChild+** program

To see the **full list of line items** and proposed funding levels, see the Governor's proposed budget [here](#).

EEC FY26 H.1 Budget Proposal Overview

\$1.679 billion in FY26		
Account	Description of Purpose and Investment	FY26
Administration	Funds staff positions and six offices across the Commonwealth	7,993,364
Quality Supports	Funds monitoring and licensing activities, quality supports, coaching and technical assistance for programs and educators in the child care system, inclusive of Summer Step Up Program	46,903,764
Access Management	Funds child care resource and referral activities, as well as a statewide parent hotline	20,000,000
Child Care Financial Assistance	Supports maintaining financial assistance for children enrolled in child care through the Income Eligible and DTA/DCF Related programs including funding to fully annualize FY24 and FY25 rate increases	1,063,848,979
Grants to Head Start	Provides supplemental funding to all Head Start grantees in MA to help meet their non-federal match	18,500,000
Commonwealth Preschool Partnership Initiative (CPPI)	Funds 12 communities and 9 new communities to implement partnerships between district and community-based early education and care programs to expand local access to high quality preschool.	17,673,127
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	15,990,598
Neighborhood Villages	Funds a pilot program to provide high-quality economically-integrated infant and toddler classrooms	1,000,000
Career Pathways	Supports higher education opportunities for the early education and care workforce at all 15 community colleges and Urban College.	4,950,000
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

EEC FY26 H1 Budget Proposal: Overview

Additional budget items outside of FY26 Budget EEC line items.



\$150 Million

In the Fair Share Supplemental Budget

- **\$100 million** for capacity building, family access and affordability, and workforce supports as well as support for implementation of the Early Education and Care Task Force recommendations.
- **\$50 million** for the Commonwealth Preschool Partnership Initiative (CPPI) that would be available for the program over the next 3 years.



\$30 Million

Important Cross-Secretariat Line Items

- **\$25 million** for year two of ***Literacy Launch***, a multi-year, cross-agency initiative to improve early literacy rates by supporting districts with professional development, technical assistance, assessment and screening, and adoption of evidence-based high-quality materials.
- **\$5 million** to continue development of the education statewide mental health framework and mental and behavioral health supports for students.

To see the **full list of line items** and proposed funding levels, see the Governor's proposed budget [here](#).

EEC Budget: FY25 GAA to FY26 H.1 (in millions)

General Fund Line Items

Line Item	Appropriation Name	FY25 GAA	FY26 H.1	FY26 Notes
3000-1000	Admin	\$27.7	\$8.0	Does not include \$15M for scholarship and loan repayment programs from FY25 and reduces earmarks and administrative funding for FY26 by \$4.7M while maintaining current staffing levels
3000-1020	Quality Improvement	\$52.6	\$46.9	Funds licensing & other quality support staff and initiatives ; \$2.7M reduction to administrative funding and a \$3M transfer of Summer Step Up to CPPI Fair Share
3000-1045	C3 Stabilization Grants	\$300.0	\$200.0	Additional \$100M funding moved to 1596-2410
3000-1049	Employer-sponsored Child Care	\$2.5	--	Not included in FY26
3000-2000	Access Management	\$20.0	\$20.0	
3000-3060	DCF/DTA Related Child Care	\$356.6	\$448.2	Increase to sustain current caseload and anticipated growth
3000-4060	Income-Eligible Child Care	\$417.2	\$517.6	Increase to sustain current caseload and support reprocurd contracts
3000-5000	Grants to Head Start Programs	\$18.5	\$18.5	
3000-6025	CPPI Pre-K Initiative	\$17.5	\$17.7	Supplemented by \$50M included in Fair Share Supplemental budget, available over 3 years. In total, CPPI would be funded at \$25M in FY26.
3000-6075	Early Childhood Mental Health	\$5.0	\$5.0	
3000-7050	Coordinated Family and Community Engagement	\$11.9	\$11.7	Technical assistance savings
3000-7052	Parent-Child Plus Program	\$4.3	\$4.3	
3000-7055	Neighborhood Villages	\$1.0	\$1.0	
3000-7066	Career Pathways	\$5.0	\$5.0	
3000-7070	Reach Out and Read	\$1.8	\$1.8	
TOTAL		\$1,241.6	\$1,305.7	

EEC Budget: FY25 GAA to FY26 H.1 (in millions)

Fair Share Funded Line Items

Line Item	Appropriation Name	FY25 GAA	FY26 H.1	FY26 Notes
1596-2410	Child Care Grants to Providers	\$175.0	\$275.0	Paired with funding in 3000-1045
1596-2411	Income Eligible Access (Waitlist Remediation)	\$15.0	--	Included in 1596-2452 in FY26
1596-2412	CPPI Pre-K Initiative	\$5.0	--	Included in Fair Share Supplemental Budget
1596-2429	Early Education & Care Provider Capital Grants	\$15.0	--	Not included in FY26; Governor Healey's Cap
1596-2434	Rate Increase for Early Education and Care	\$65.0	--	Included in 1596-2452 in FY26
1596-2435	EEC Affordability	\$18.0	--	Included in 1596-2452 in FY26
1596-2452	Child Care Supports	--	\$98.0	Inclusive of 1596-2429, 1596-2434, and 1596-2435 from FY26
TOTAL		\$293	\$373	

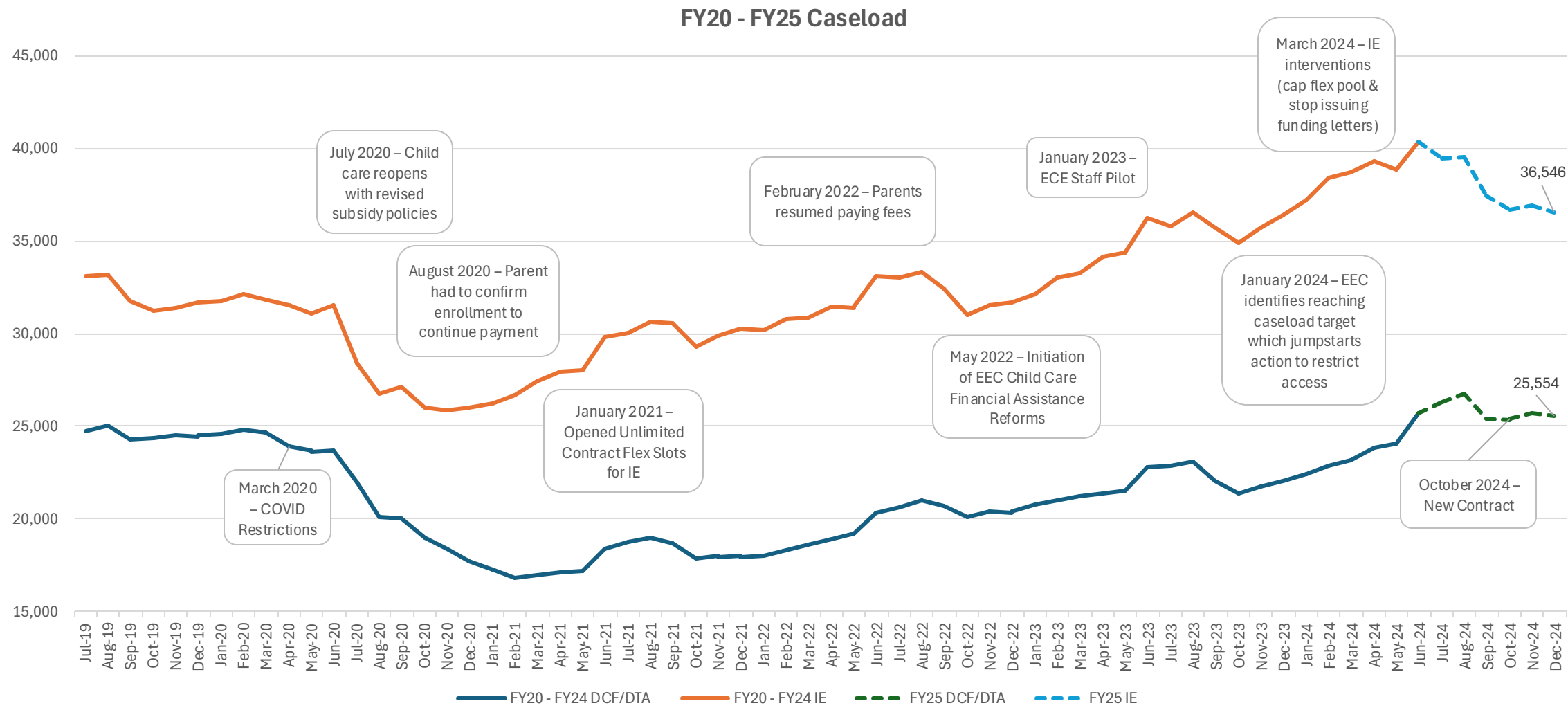
To see the **full list of line items** and proposed funding levels, see the Governor's proposed budget [here](#).

FY26 State Budget Timeline

January	April	May	June & July
Governor submits her FY26 budget proposal to the Legislature	House of Representatives introduces and debates their FY26 budget proposal	State Senate introduces and debates their FY26 budget proposal	House & Senate convene a conference committee to produce a compromise budget for the Governor's consideration. Governor reviews the Legislature's compromise budget and acts on proposal.

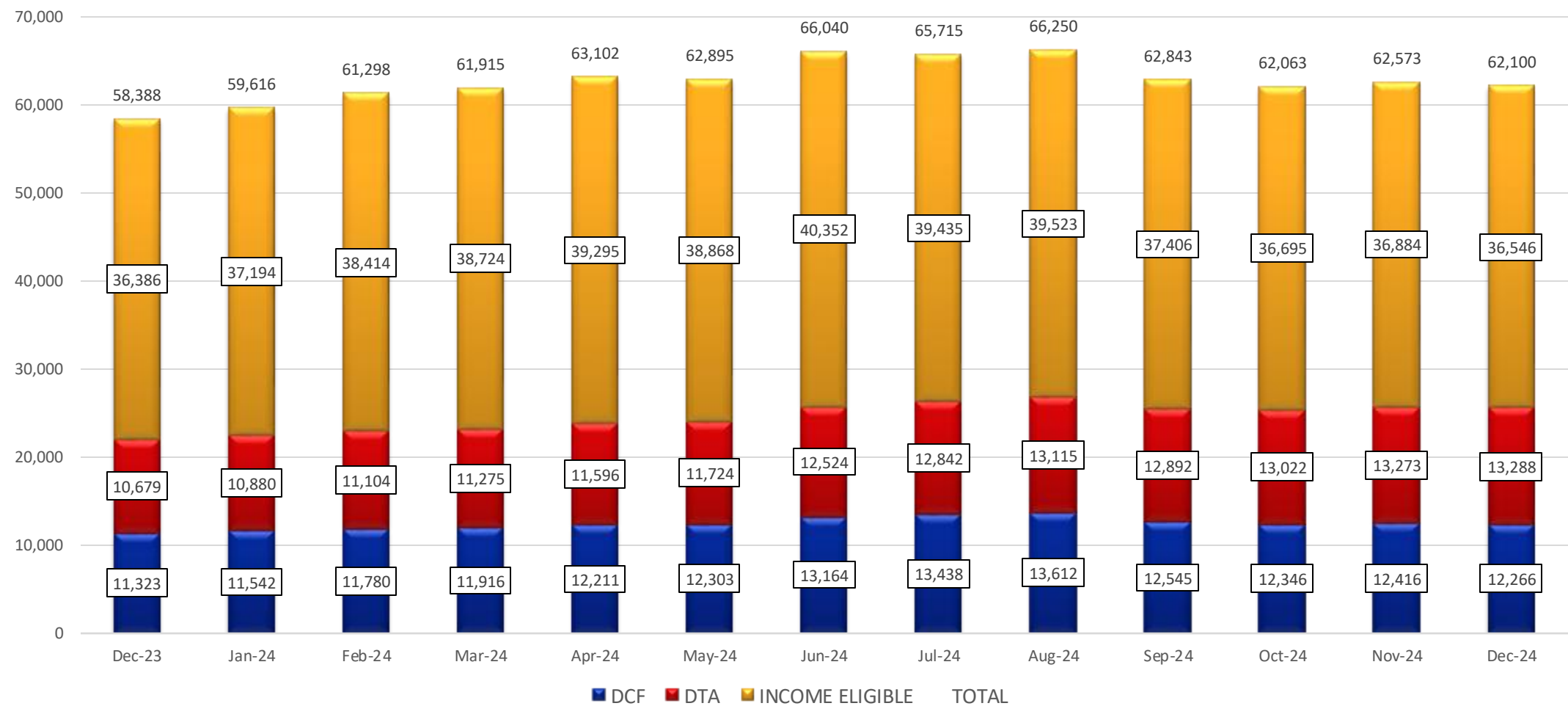
CCFA Caseload Trends

Child Care Financial Assistance Caseloads Over Time

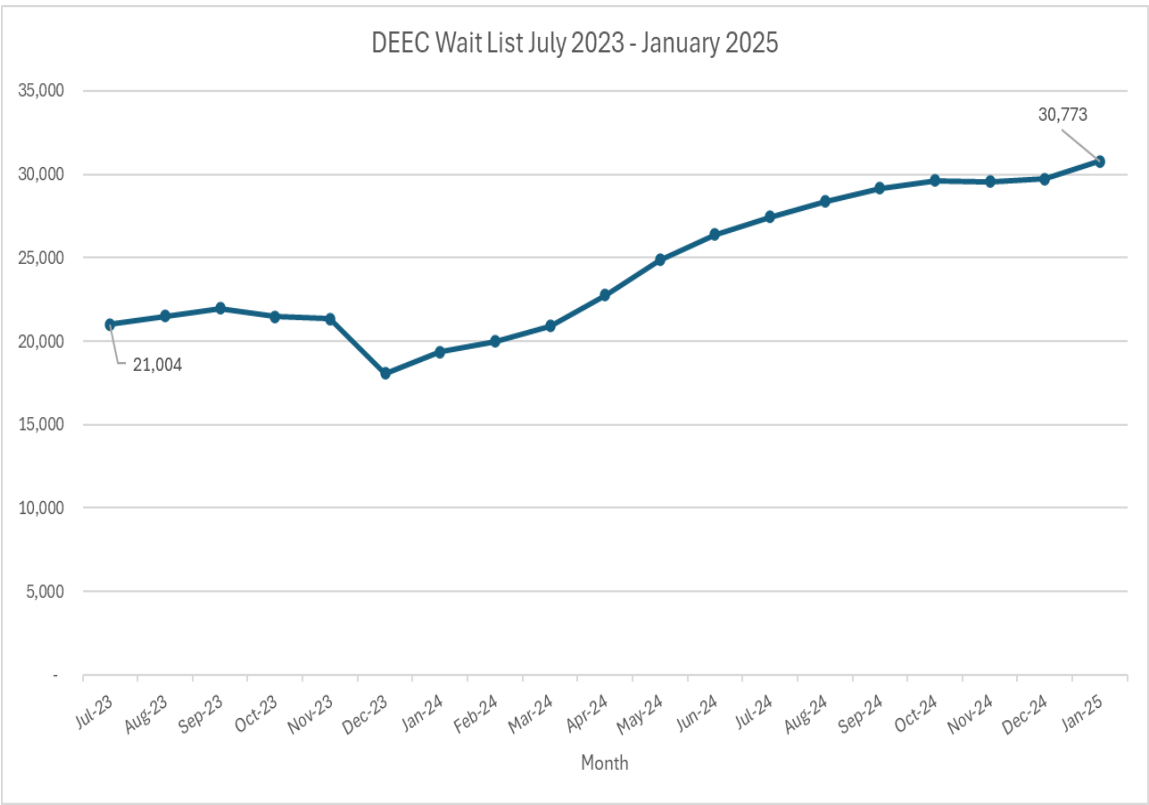
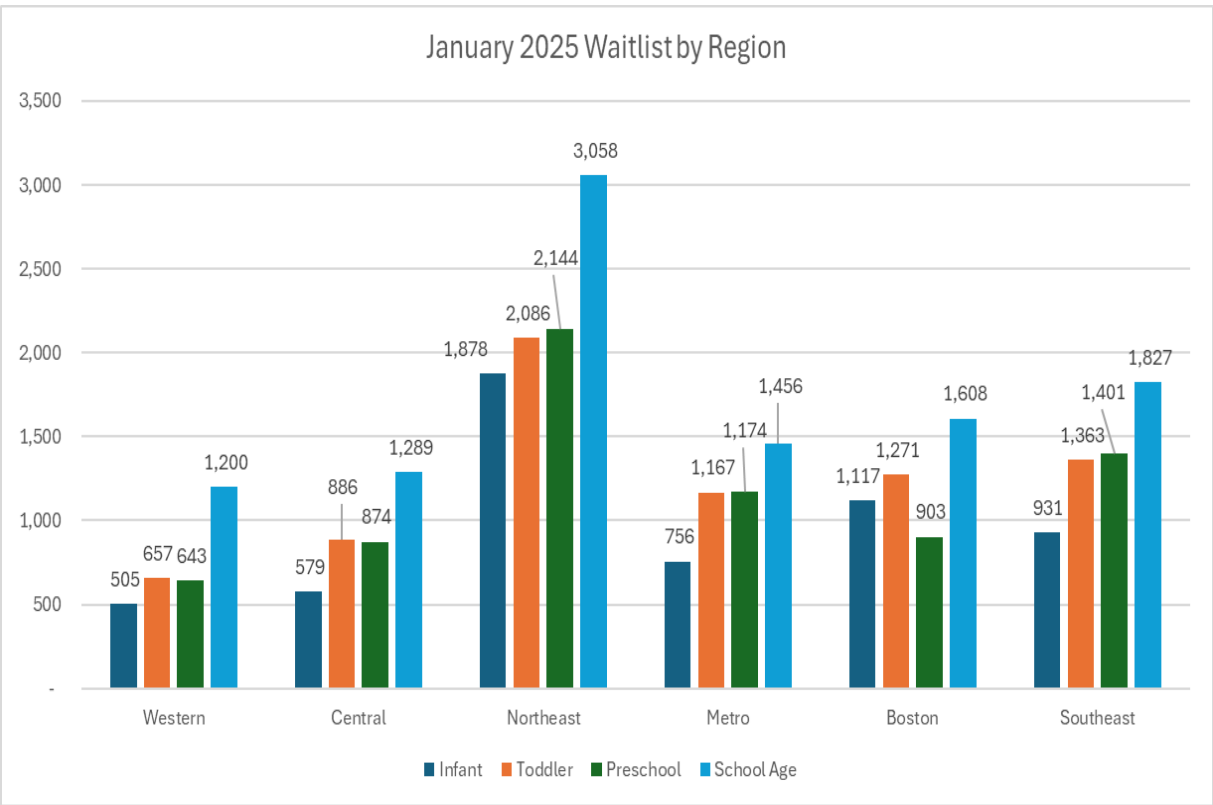


Child Care Financial Assistance: By Program

Caseload by Program - December 2023 to December 2024



Child Care Financial Assistance: Waitlist



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Commonwealth Cares for Children (C3) Program Update



C3 Overview

For over three years, [Commonwealth Cares for Children \(C3\)](#) has served as a vital source of financial stability for the state's rebounding early education and care sector. Starting in November 2024, EEC implemented a revised funding formula to better align allocations with these goals.

Since its launch, C3 funding has helped to support:



Stabilizing operational expenses and maintain capacity for working families



Addressing some of the challenges that the sector faces with recruiting and retaining educators and staff through new investments in the workforce including increased compensation, benefits, and professional development



Mitigating the need for tuition/fee increases in the face of significant rising costs, benefiting a broad range of working families



Sustaining and building the quality of services and education that families with young children need to work and thrive

C3 continues to support critical outcomes for the field

Through C3 participation and ongoing surveys, EEC has an unprecedented understanding of programs' needs and progress across the diversity of the system.

Tracking Changes Over Time



Program Stability

- The number of programs in the system is now 5% greater than pre-pandemic levels
- Licensed capacity levels continue to increase, with more than 17,000 licensed slots added over the last two years.



Workforce Supports

- Educator compensation continues to grow, increasing almost 20% in the past 3 years.
- Signs of improvement are seen in educator retention, with turnover rates decreasing by 6 percentage points since 2 years ago.

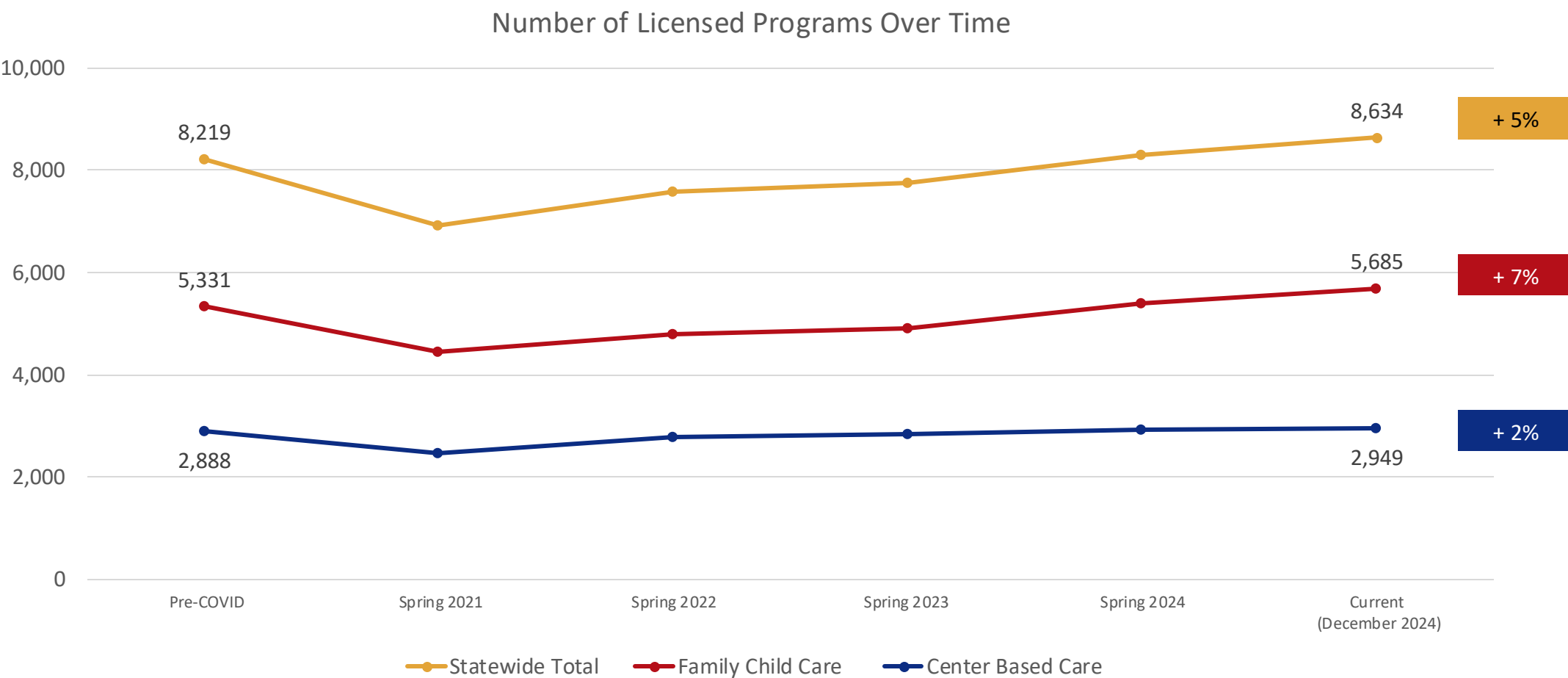


Family Access

- Programs in low and very low opportunity communities are less likely to report annual tuition increases.

Growth of licensed programs

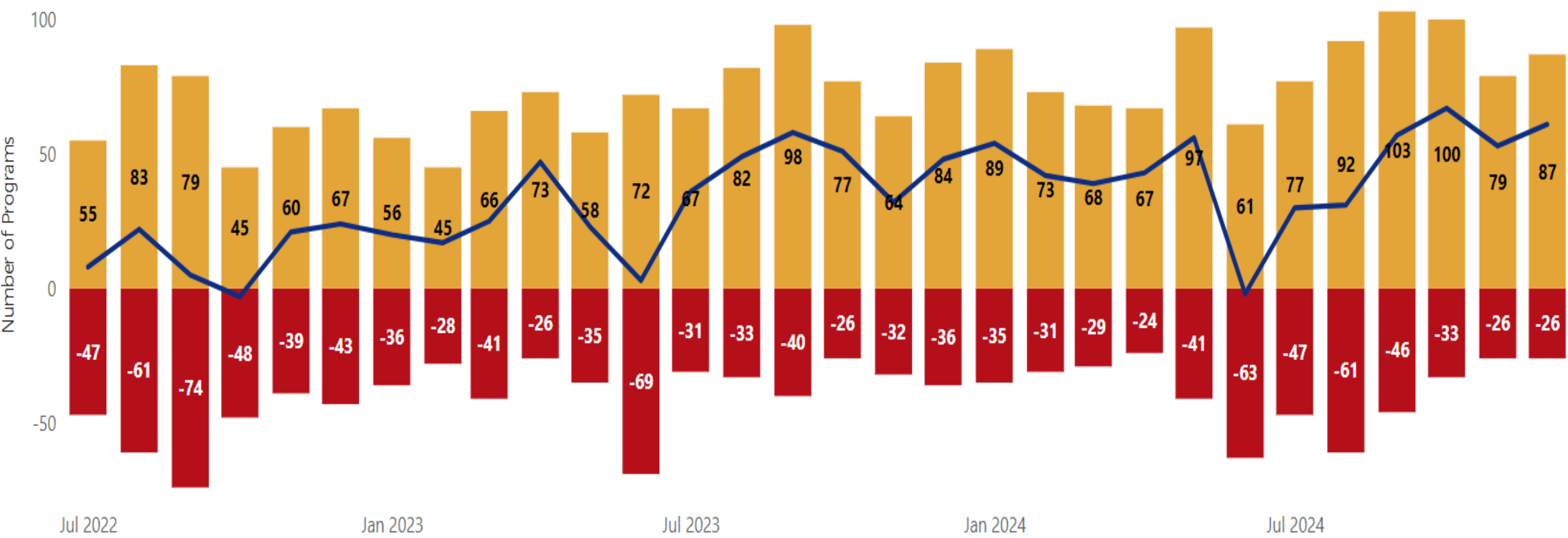
The number of licensed programs now exceeds pre-pandemic levels across all program types, with the largest growth amongst family child care providers.



More programs are opening than closing, resulting in net positive growth.

Number of Newly Opened and Closed Licensed and Funded Programs

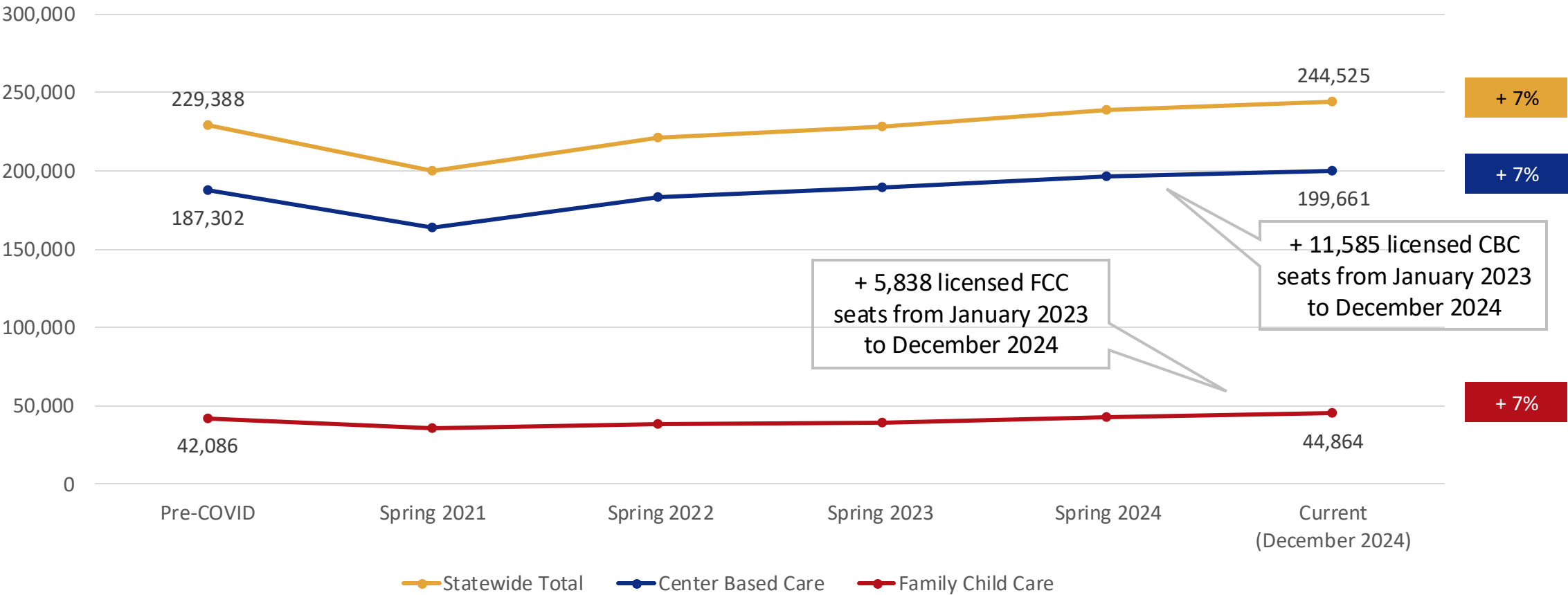
● Closed ● Opened ● Net Open/Closed Programs



Growth of licensed system capacity

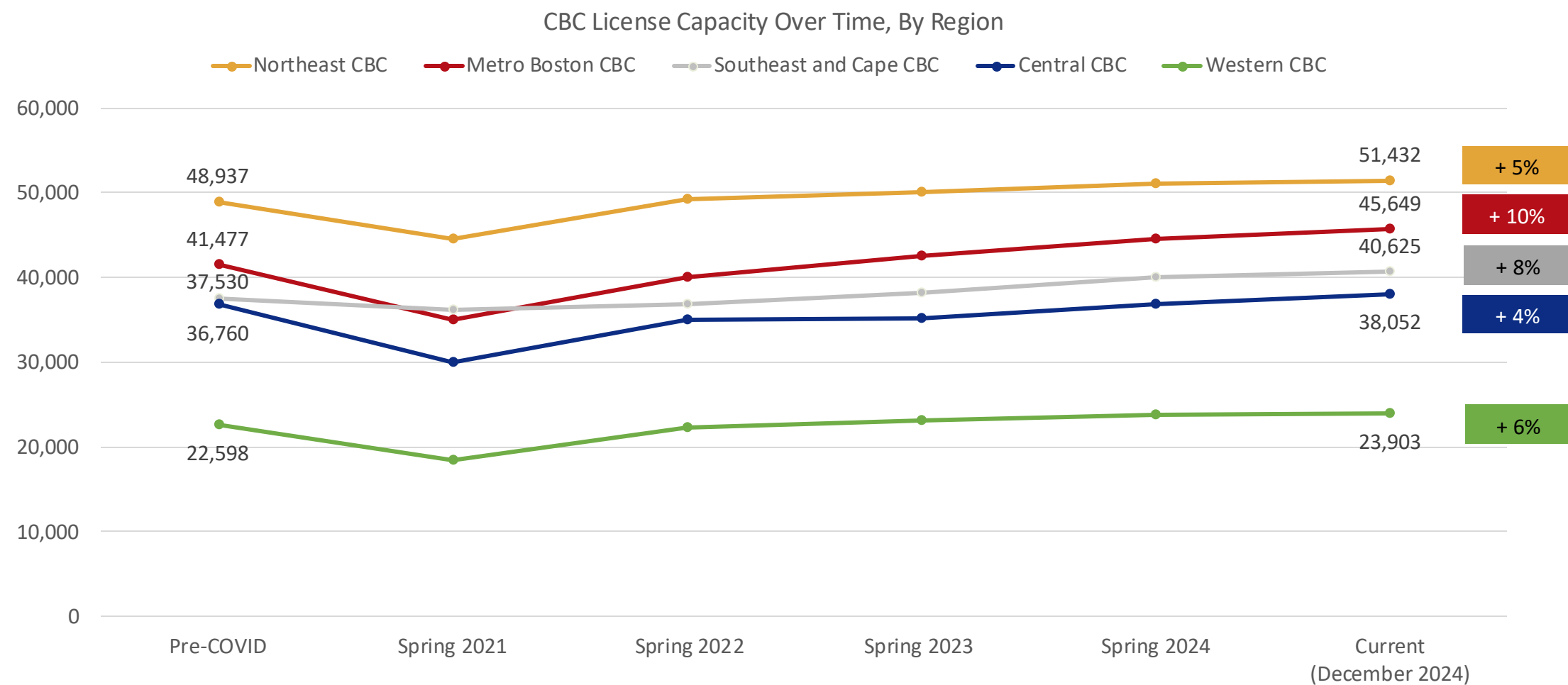
The licensed capacity of the system also continues to grow and exceeds pre-pandemic levels, which reflects both growth in the number of programs and increased capacity at existing programs.

Total License Capacity Over Time



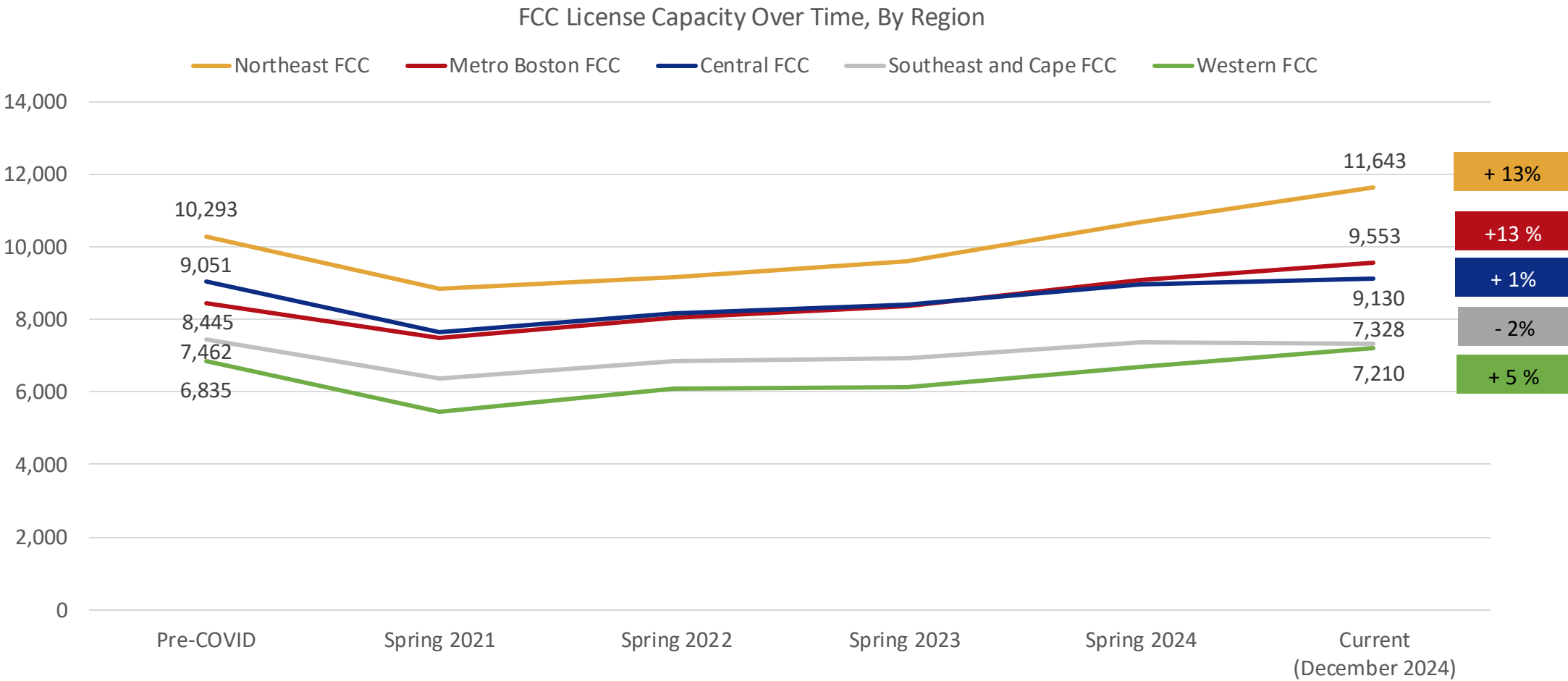
Growth of center-based licensed capacity

Increased across all regions, relative to pre-pandemic levels, with the largest growth in Metro Boston

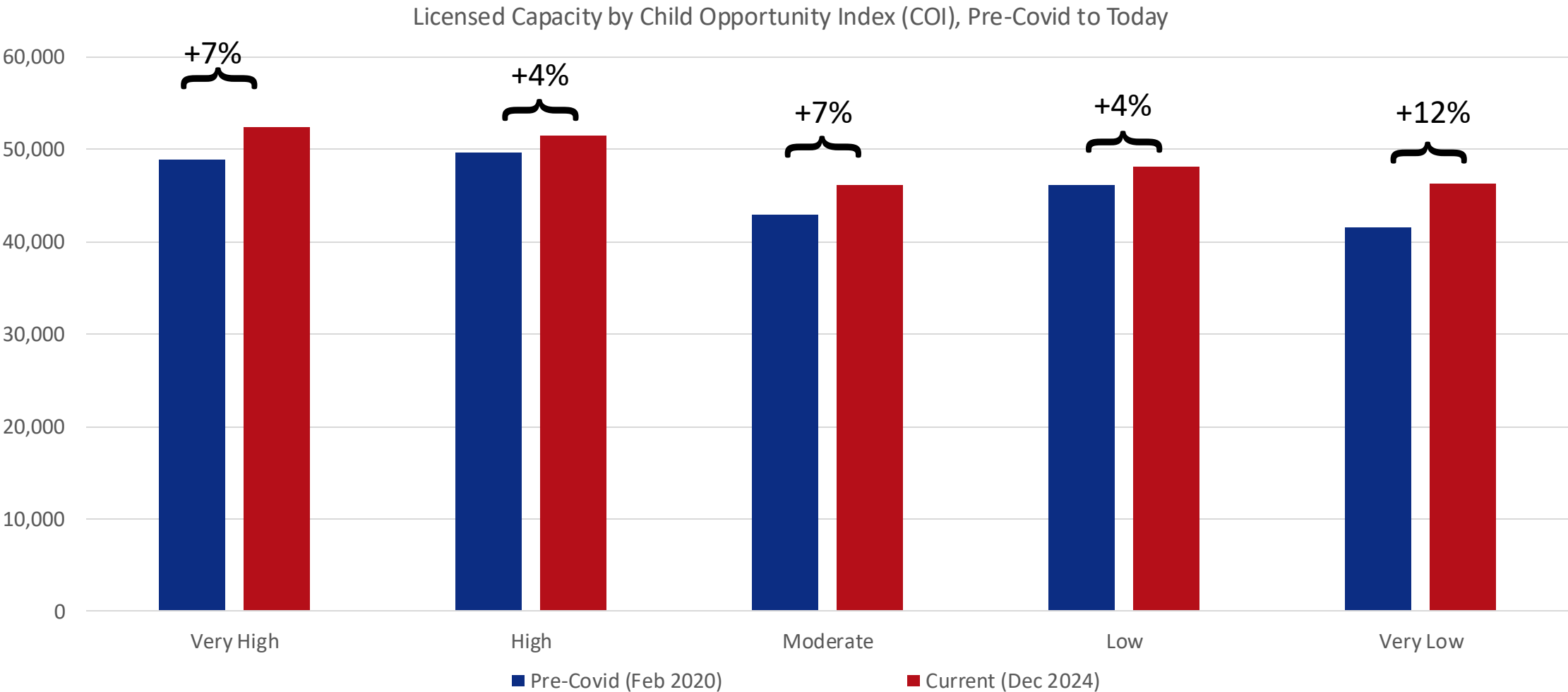


Growth in FCC licensed capacity varies by region

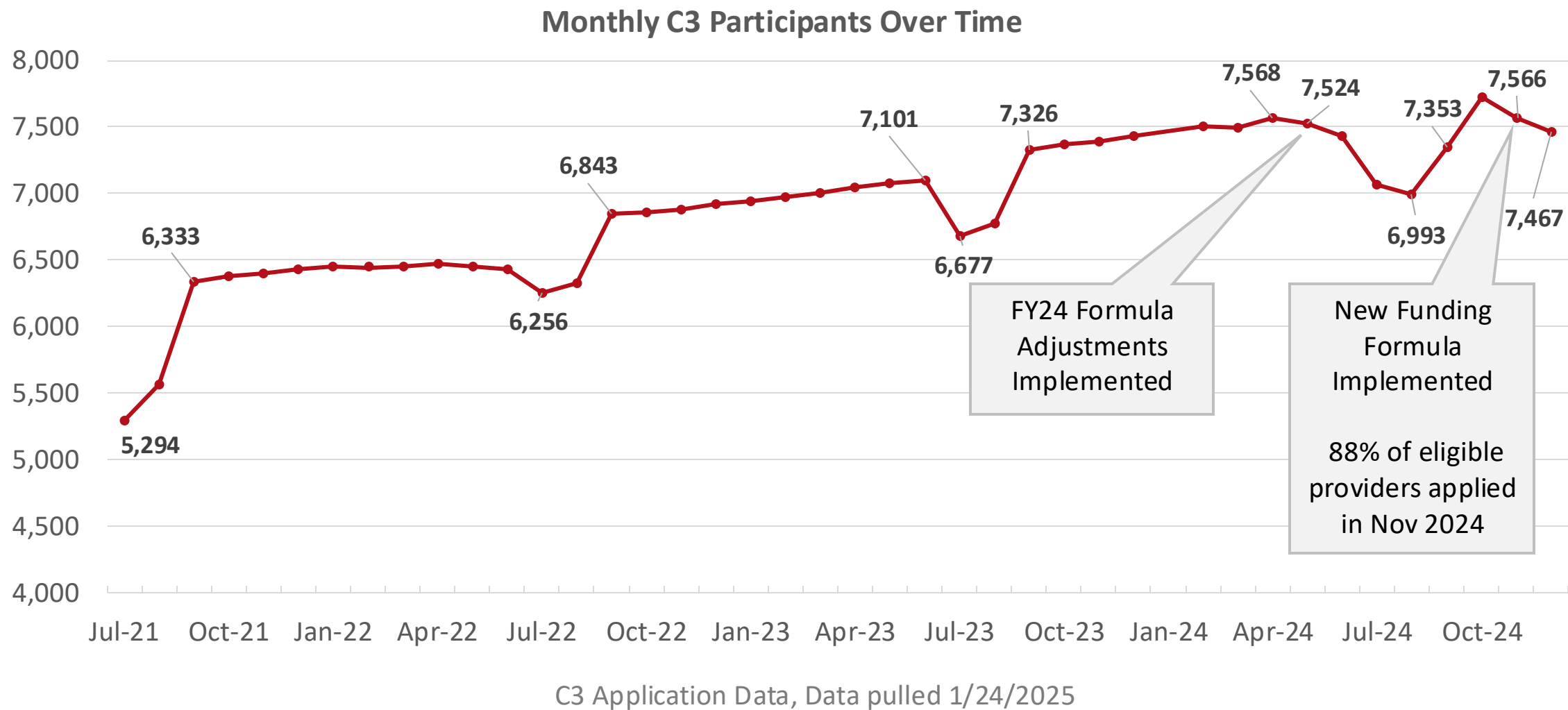
Largest growth in the Northeast and Metro Boston, slower growth in Central, and a slight decline in the Southeast



Capacity has also grown across different types of communities, with very low opportunity areas seeing the largest growth.



EEC continues to monitor C3 participation rates as the new C3 formula takes effect.



August 2024 C3 Survey Overview

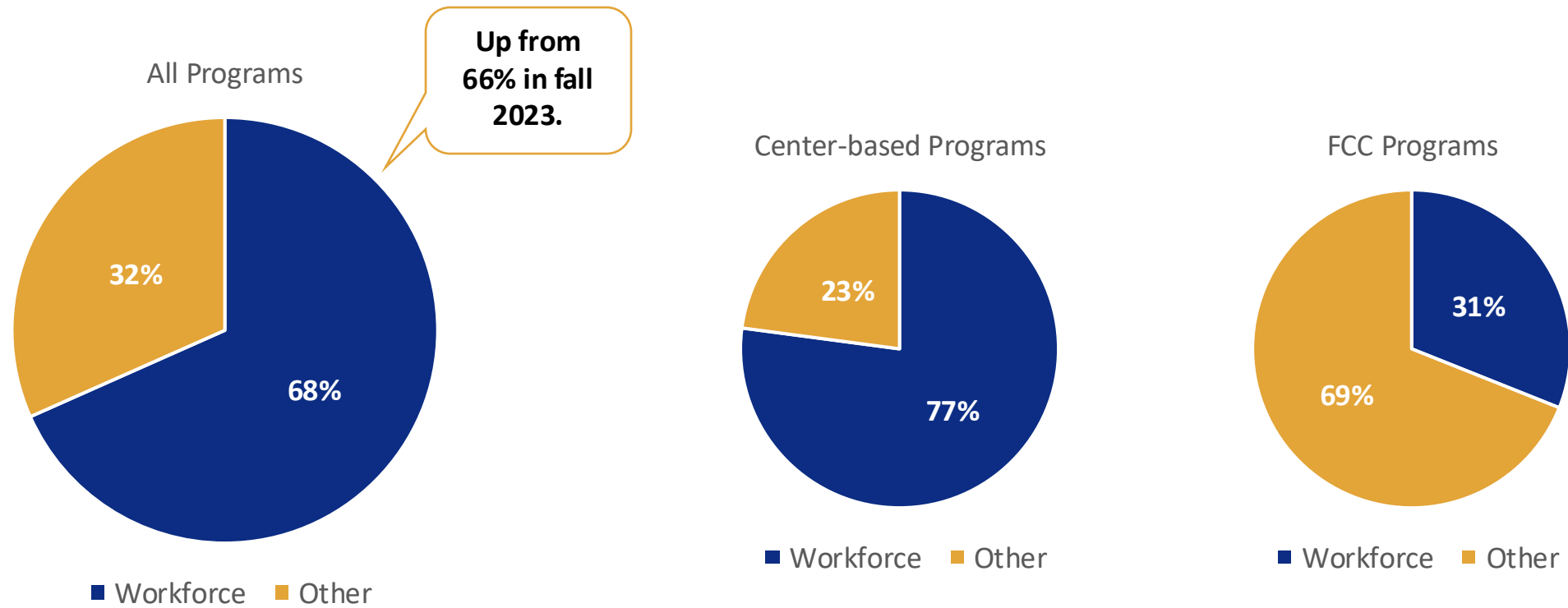
In August 2024, EEC launched the sixth in a series of surveys to gather additional information about programs' use of C3 grant funds, ongoing financial needs, investments in educators, and services provided to families.

This analysis includes responses from 7,393 providers (87%) that completed the survey prior to September 30, 2024. Respondents include:

- 2,662 center-based programs (90%)
- 4,731 family child care providers (86%)
- 5,301 programs (94%) that participate in CCFA

Response rates by region range from 86% in the Southeast and Cape Region to 89% in Western MA.

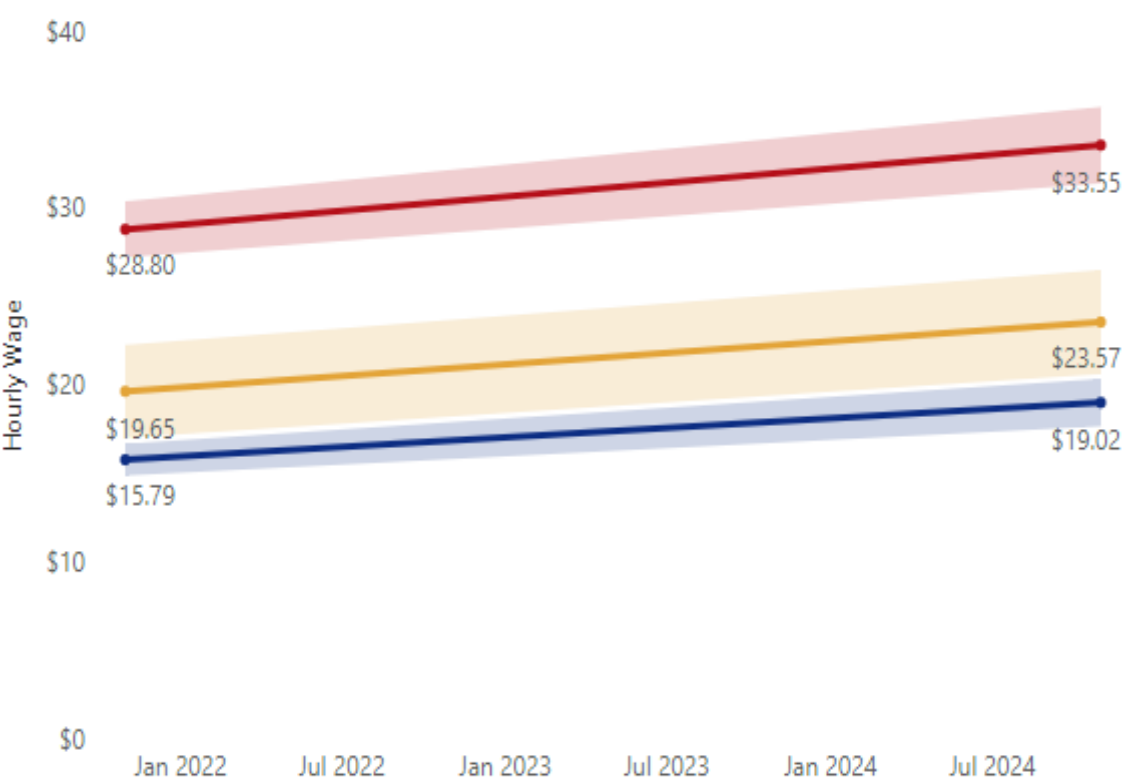
Programs report continuing to spend a high proportion of C3 funds on workforce-related expenses over time.



Educator wages have increased significantly over the past few years, although they remain low.

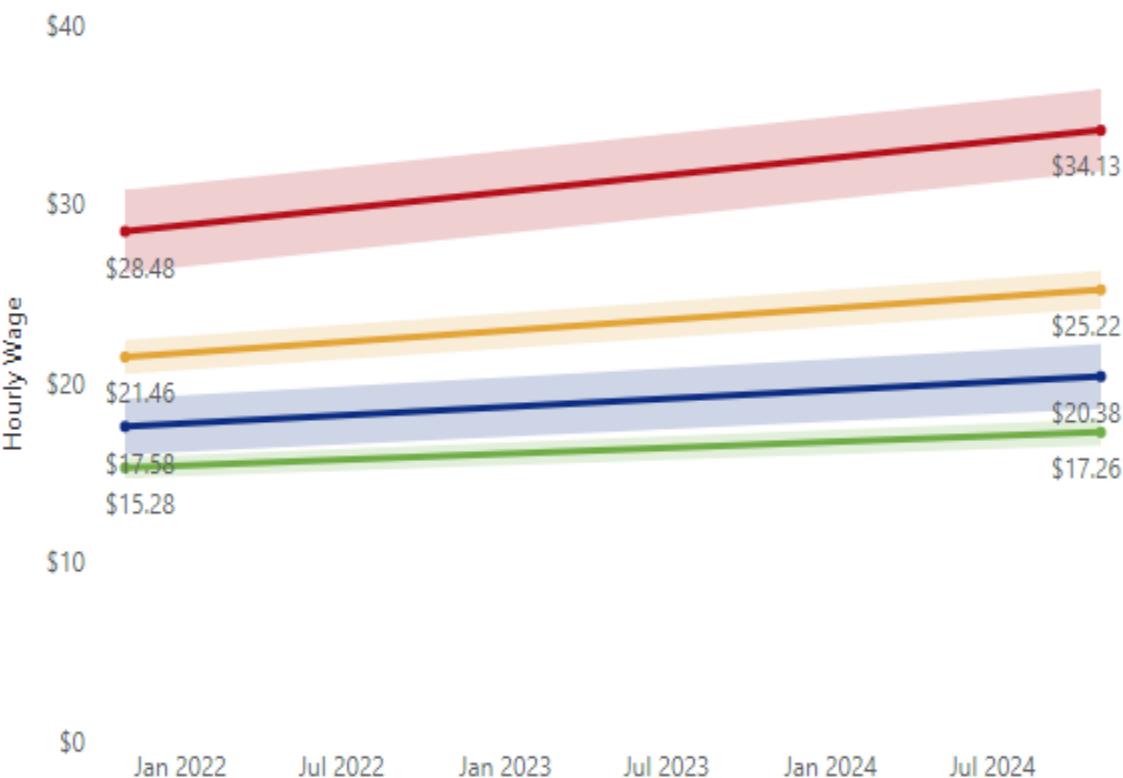
Average Hourly Wages - Center-Based Early Education

Center Director Teacher Assistant Teacher



Average Hourly Wages - Center-Based School Age

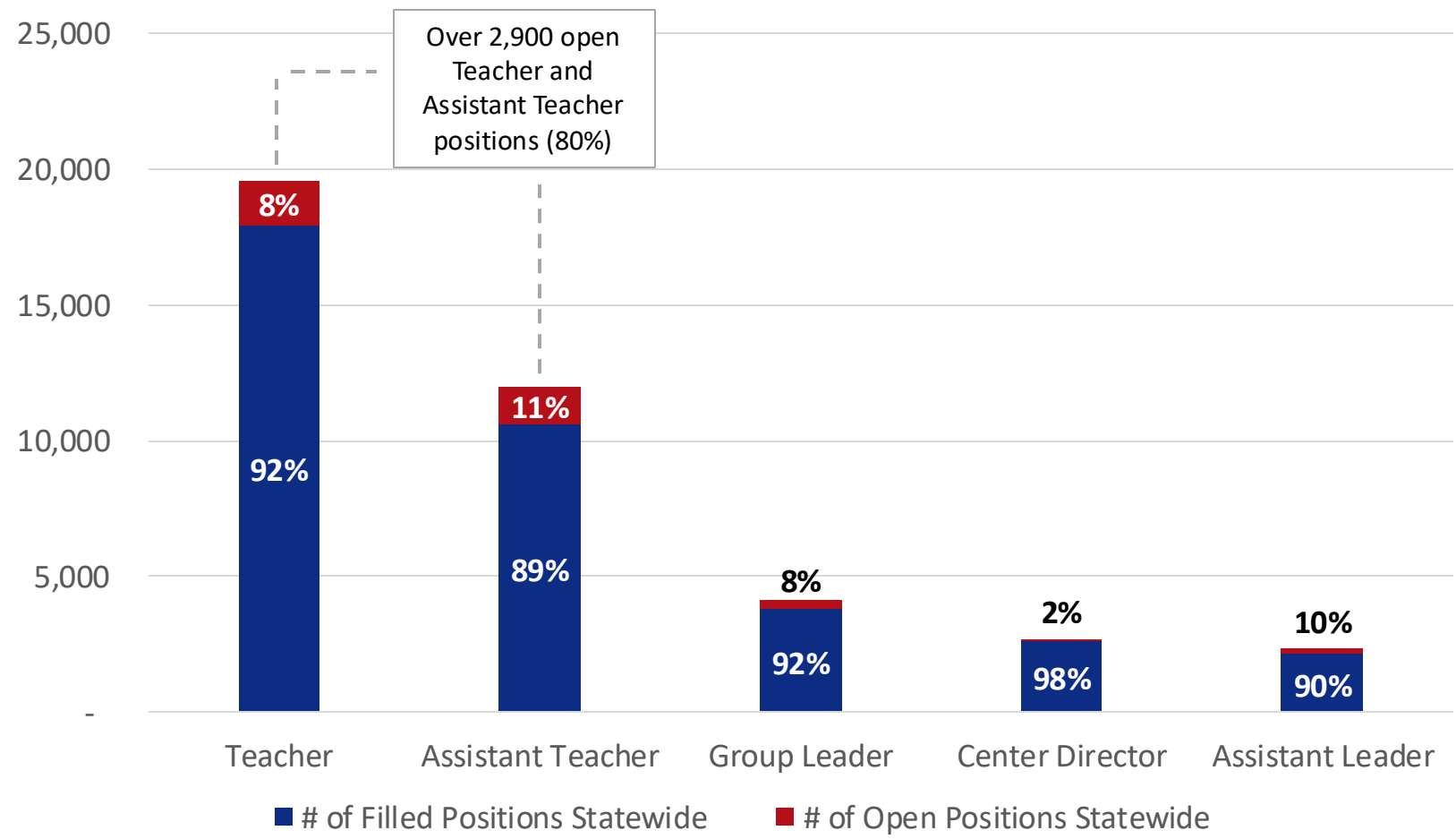
Program Administrator Site Coordinator Group Leader Assistant Leader



Respondents reported that access to benefits beyond paid leave remains limited, particularly for family child care educators.

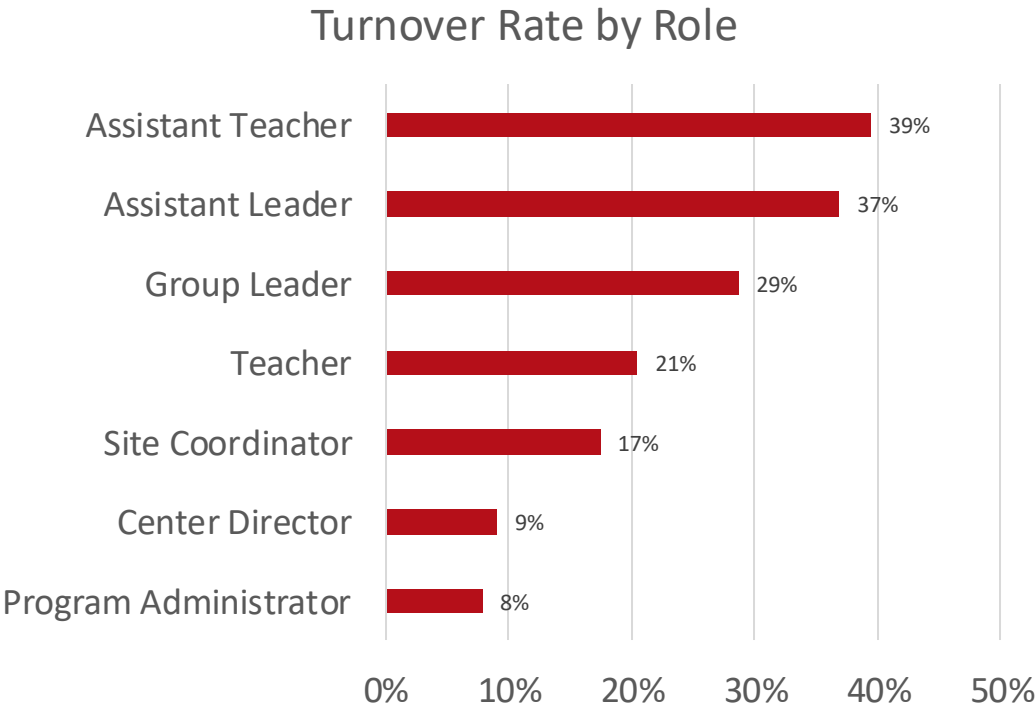
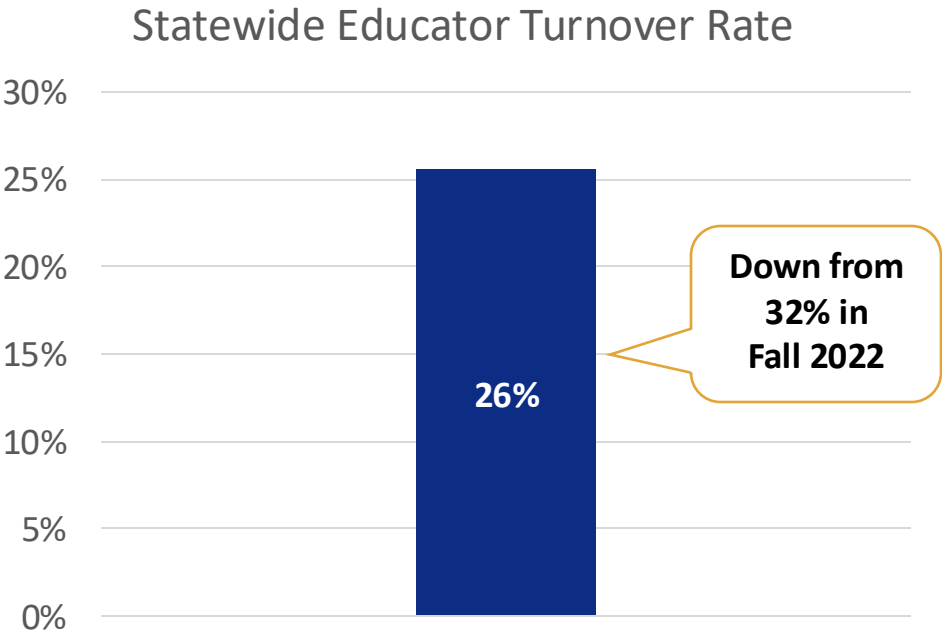
Benefit Type	Percent of Centers Offering Directors Each Benefit	Percent of Centers Offering Teachers Each Benefit	Percent of FCC Owners with Each Benefit	Percent of FCCs Offering Assistants Each Benefit
Paid Time Off	93%	93%	42%	41%
Paid Sick Leave	87%	87%	24%	26%
Health Insurance	66%	63%	15%	4%
Disability Insurance	44%	42%	1%	2%
Reduced Cost of Child Care	39%	42%	4%	6%
Retirement	39%	40%	5%	1%
Dental Insurance	35%	35%	7%	2%
Life Insurance	28%	28%	6%	1%

Across C3 programs, the percentage of open educator positions continues to decrease, with about a 9% vacancy rate.



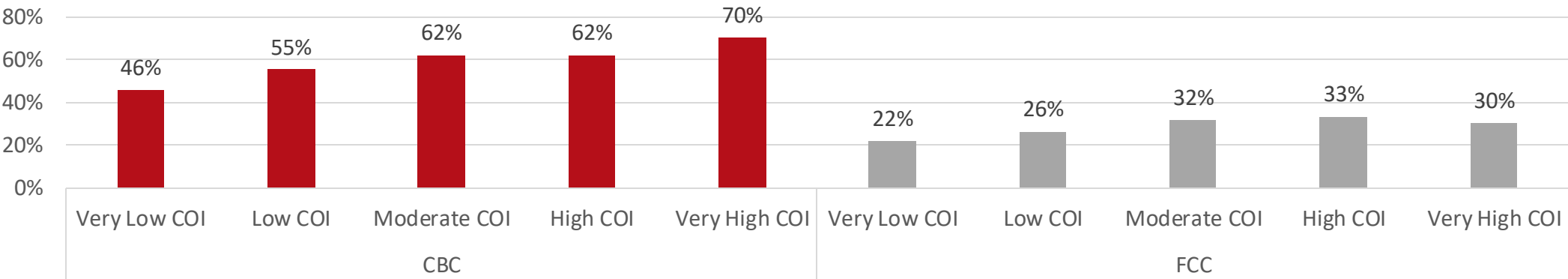
Almost 3,700 positions, or about **9% of all positions** statewide, are open, compared to 11% in Spring 2023

The overall statewide educator turnover rate has decreased since 2022, although it remains high. Assistant roles experience the highest turnover.

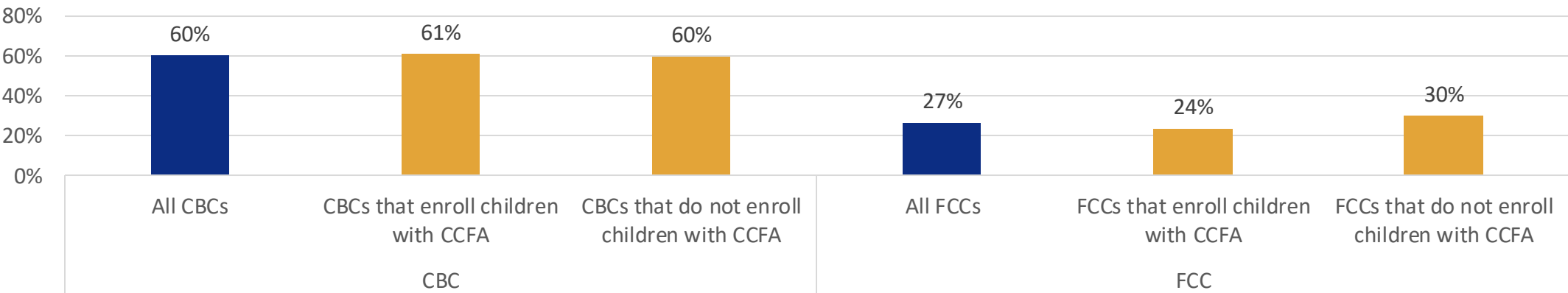


Programs operating in low- and moderate-opportunity communities are less likely to report tuition increases.

Percent of Programs That Have Increased Tuition In the Past 6 Months or Plan to in the Next 6 Months by Child Opportunity Index (COI)

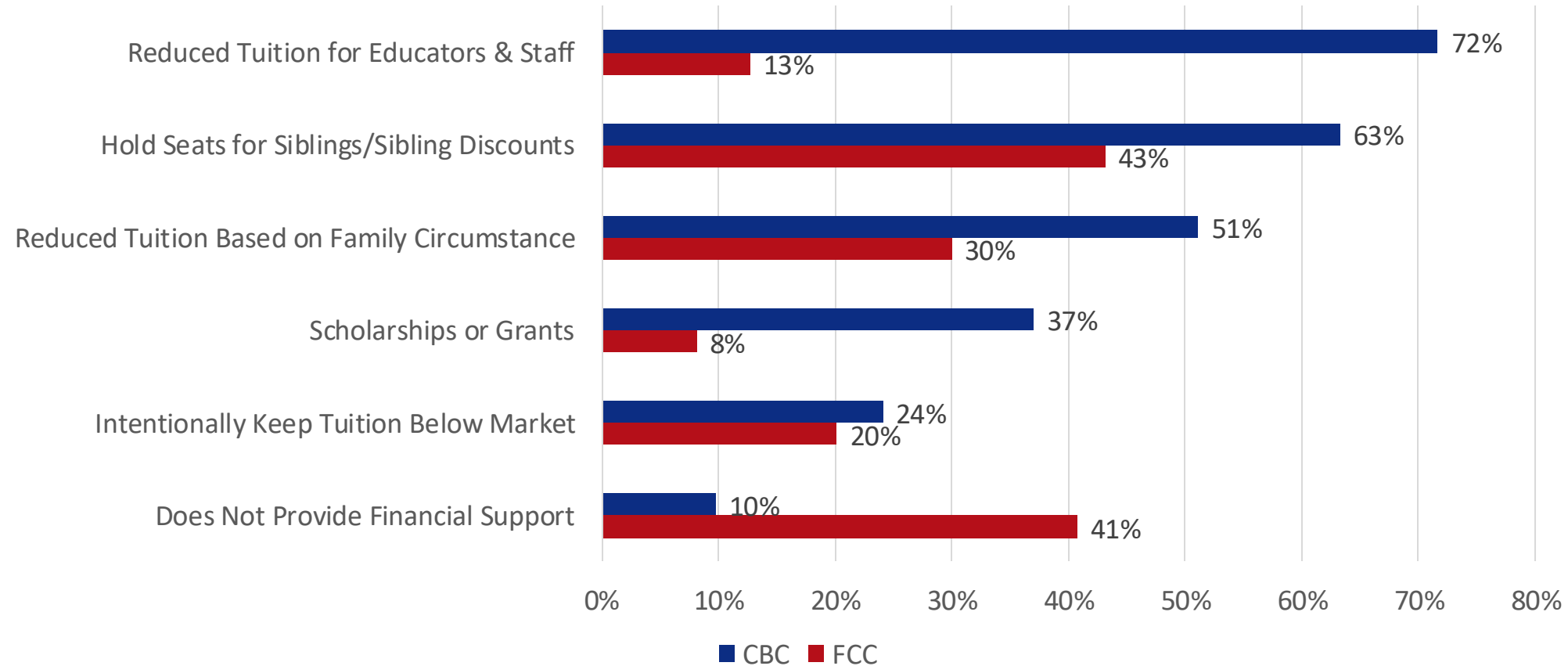


Percent of Programs That Have Increased Tuition In Past 6 Months or Plan to in Next 6 Months



A majority of programs continue to report providing financial support to families beyond EEC Child Care Financial Assistance.

Percent of Programs that Reported Offering Financial Supports Other than CCFA



Implementation of New FY25 Formula

In November 2024, EEC implemented a revised C3 formula with several goals.

- **Recognize C3 as a critical funding mechanism for the early education and care sector** that provides ongoing operational resources to programs.
- **Maintain C3 universality** to sustain and expand capacity to serve working families, invest in workforce and program quality, and build a system that is more accessible and affordable for all families.
- **Provide more equitable distributions aligned with expected costs and enrollment** to better support all programs serving infants and toddlers, providing longer hours, etc.
- **Direct additional funding to programs that serve low- and moderate-income working families** including supporting and incentivizing programs to serve children that receive EEC Child Care Financial Assistance (CCFA).
- **Ensure funding predictability** at the state and individual program level for planning and budget management.

New C3 Formula Implemented in Nov 2024

Base Rate		
Licensed Capacity (Adjusted by enrollment*)	Standardized Base Rate*	
	(Based on youngest age group served, differentiated for part time programs)	
	Center Based Care	Family Child Care
	<div> <div>X</div> <div> <div>\$100 if serve infants (\$80 if open part time)</div> <div>\$80 if serve toddler (\$60 if open part time)</div> <div>\$70 if serve preschool (\$50 if open part time)</div> <div>\$50 if only serve school age (including K)</div> </div> </div>	<div> <div>\$80 if Full Time Assistant (\$60 if open part time)</div> <div>\$60 if Part Time Assistant (\$40 if open part time)</div> <div>\$50 if No Assistant (\$30 if open part time)</div> </div>

1

2

Equity Adjustment		
Tier 1	<div> <ul style="list-style-type: none"> Serves 25% or more children receiving EEC CCFA, or is a Head Start Program, or is located in a very low opportunity area </div>	X 3
Tier 2	<div> <ul style="list-style-type: none"> Serves 1-24% children receiving CCFA, or Serves at least 25% of children with non-CCFA scholarship that covers at least 50% of tuition, and not in a very low opportunity area </div>	X 2.5
Tier 3	<div> <ul style="list-style-type: none"> Does not qualify for tier 1 or tier 2, or CEO compensation ratio exceeds 30:1 </div>	X 1

X

3

Early data on the funding distributed per child slot indicate that the new formula is working as intended.

	Dollars per Slot: Centers	Dollars per Slot: FCCs
All Providers		
All Providers	\$163	\$190
Program Demographics		
C3 Funding Formula Tiers		
Tier 1	\$204	\$238
Tier 2	\$182	\$195
Tier 3	\$74	\$73
COI		
Very Low Opportunity	\$195	\$242
Low Opportunity	\$185	\$195
Moderate Opportunity	\$175	\$142
High Opportunity	\$148	\$118
Very High Opportunity	\$125	\$87
Gateway Cities		
Located in a Gateway City	\$190	\$220
Not located in a Gateway City	\$153	\$155

Early data on the funding distributed per child slot indicate that the new formula is working as intended.

	Dollars per Slot: Centers	Dollars per Slot: FCCs
All Providers		
All Providers	\$163	\$190
Program Operations		
Enrollment		
High Enrollment*	\$178	\$192
Low Enrollment	\$119	\$100
Operating Hours		
Full time**	\$175	\$191
Part Time	\$105	\$60
Youngest Age Group Served – CBC Only		
Infant	\$204	
Toddler	\$146	
Preschool	\$133	
School Age	\$112	
Assistants Employed – FCC Only		
Full Time Assistant		\$229
Part Time Assistant		\$166
No Assistant		\$152

Data includes funds distributed under the new C3 formula through December 17, 2024.

Next Steps and Work in Motion

1

EEC is reviewing the formula and considering the need for adjustments

- Revised cost models are under development to provide updated information inform minor adjustments
- Field feedback following the launch of the new formula is being considered
- Any changes to the formula require public comment and board approval

2

C3 regulations are under development

- Regulations will support the formalization of the C3 program
- Once drafted C3 regulations will require public comment and board approval

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IT Modernization: Family and Educator Portals



IT Modernization

Current Problems

Hard for users to navigate -
Users go to different places
to get what they need



Hard for EEC to get data -
Data from different systems
does not always match up



Limited user scenarios -
Both users and EEC want to
support more workflows



Future Goals



-----> **Meet people where they are** -
Recognize different levels of
comfort and access to technology



-----> **Reduce siloed workflows** -
Users shouldn't have to think
about which system to use



-----> **Keep up with program needs** -
Tech debt shouldn't slow down
implementation

Development Process

1

Lightweight initial version

- Usability testing functionality with end users

2

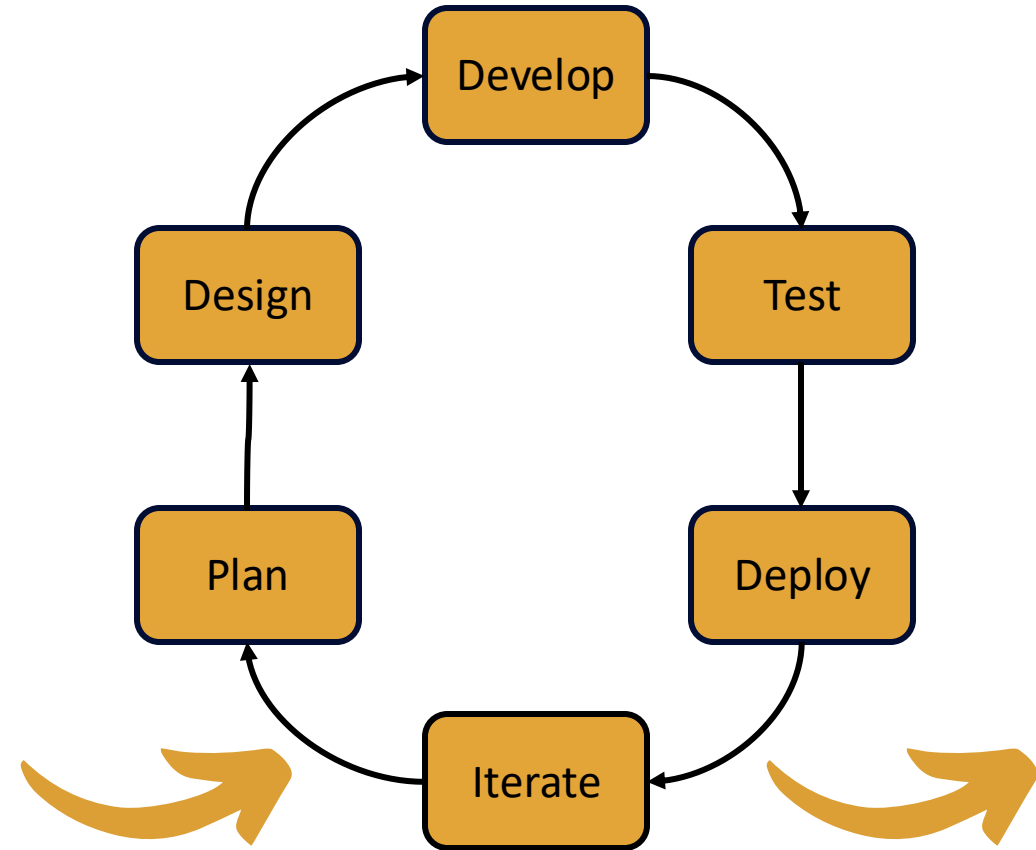
Iterative design & development

- Utilize human-centered design approach
- Base roadmap on real needs

3

Build into EEC/State ecosystem

- Shared login/identity (MyMassGov)
- API connections to other systems



CCFA Modernization

EEC is committed to modernizing its Child Care Financial Assistance Programs and IT Systems for families and providers by:



01 Incremental Improvements

to business processes and technology



02 Centralized Intake

move to a more centralized, statewide, administration of intake and eligibility



03 New Eligibility System

build a new statewide eligibility determination system



04 Reduce Admin Burden

focus on what is easy and what fits into how people already perform their tasks



05 Engage Collaborators

work with families and providers as we make and implement changes

Family Portal/CCFA Goals

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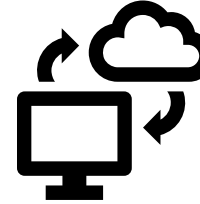
Initial Version



- Families will be able to get on the waitlist with a soft eligibility check
- Families will be able to apply via an online, translated form via portal
- Family Access Admins will be able to review and process applications in one place



Subsequent Versions



- Family Access Admins will be able to send requests for document re-upload when needed
- Easier reauthorization application where the family confirms if info is still the same or needs edits
- Prospective payments for providers billing for CCFA
- More functionality depending on user feedback

Educator Portal Goals

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Initial Version



- Current and aspiring educators will be able to apply for credentials via portal
- Educators will be able to convert existing certifications into credentials
- Educators will be able to keep track of proof of credential(s) online



Subsequent Versions

- Educators will be able to access their StrongStart coursework from Portal
- Other system integrations
 - LEAD: Link educators to their work
 - Navigator: Remind educators when their background checks need renewal, support licensors' easy review of credentials
 - Integration of new LMS
- More functionality depending on user feedback