



Advisory Council

June 5, 2025

Agenda

- Welcome, Introductions & Agency Updates
- FY26 Budget Process Updates
- Commonwealth Cares for Children (C3) Program Updates
- EEC 5-Year Strategic Action Plan



FY26 State Budget Development Updates

State Budget Process



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



Gateway to Pre-K H.1 Budget Highlights

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 <u>here</u>.

House and Senate Budget Proposals: Highlights

House of Representatives

- \$1.02B for CCFA caseload maintenance
- **\$15M** for new CCFA access through contracted seats
- \$475M for C3
- \$20M for CCR&Rs
- \$18.5M for Head Start
- \$10M for CPPI
- **\$5M** for early childhood mental health grants
- \$5M for Career Pathways
- \$4.25M for Parent Child+
- \$1.75M for Reach Out and Read
- Increases cap on C3 funding available to large, multisite private programs from 1% to 1.25%
- Requires agency to reimplement CCFA unit price contracts rather than cost-reimbursement and enable 20% retained revenue.

Senate

- \$1.06B for CCFA caseload maintenance
- \$475M for C3
- \$27.7M for CPPI
- \$20M for CCR&Rs
- \$20 M for Head Start
- **\$5M** for early childhood mental health grants
- \$4.25M for Parent Child+
- **\$2.5M** for an employer-sponsored care program
- \$1M for Reach Out and Read

EEC FY26 House Budget Development (in millions)

GENERAL FUND LINE ITEMS

Line Item	Appropriation	FY25 GAA	FY26 H.1	FY26 House	FY26 Senate
3000-1000	Admin	\$27.7	\$8.0	\$13.8	\$8.0
3000-1020	Quality Improvement	\$52.6	\$46.9	\$46.9	\$45.0
3000-1045	C3 Stabilization Grants	\$300.0	\$200.0	\$115.0	\$150.0
3000-1049	Employer-sponsored Child Care	\$2.5			\$2.5
3000-2000	Access Management	\$20.0	\$20.0	\$20.0	\$20.0
3000-3060	DCF/DTA Related Child Care	\$356.6	\$448.2	\$448.2	\$448.2
3000-4060	Income-Eligible Child Care	\$417.2	\$517.6	\$517.6	\$517.6
3000-5000	Grants to Head Start Programs	\$18.5	\$18.5	\$18.5	\$20.0
3000-6025	CPPI Pre-K Initiative	\$17.5	\$17.7	\$10.0	\$17.7
3000-6075	Early Childhood Mental Health	\$5.0	\$5.0	\$5.0	\$5.0
3000-7050	Coordinated Family & Community Engagement	\$11.9	\$11.7	\$11.7	\$11.7
3000-7052	Parent-Child Plus Program	\$4.3	\$4.3	\$4.3	\$4.3
3000-7055	Neighborhood Villages	\$1.0	\$1.0	\$1.0	\$1.0
3000-7066	Career Pathways	\$5.0	\$5.0	\$5.0	
3000-7070	Reach Out and Read	\$1.8	\$1.8	\$1.8	\$1.0
	Total	\$1,241.6	\$1,305.7	\$1,218.8	1,252.0

*Senate debating budget week of 5/19/2025 JUNE 5, 2025

EEC FY26 House Budget Development (in millions)

FAIR SHARE-FUNDED LINE ITEMS

Line Item	Appropriation	FY25 GAA	FY26 H.1	FY26 House	FY26 Senate
1596-2410	Child Care Grants to Providers	\$175.0	\$275.0	\$360.0	\$325.0
1596-2411	Income Eligible Access (Waitlist Remediation)	\$15.0		\$15.0	
1596-2412	CPPI Pre-K Initiative	\$5.0		\$10.0	
1596-2429	Early Education & Care Provider Capital Grants	\$15.0			
1596-2434	Rate Increases for Early Education and Care	\$65.0			
1596-2435	EEC Affordability	\$18.0			
1596-2452	Child Care Supports		\$98.0	\$53.0	\$98.0
	Total	\$278.0	\$373.0	\$428.0	\$433.0

To see the full list of line items and proposed funding levels, see the House of Representatives' proposed budget here.

FY25 Fair Share Supplemental Budget

In January, Governor Healey filed an **FY25 Fair Share Supplemental Budget** to complement her FY26 budget proposal. It included **\$150 million to support**:

- capacity building & workforce development
- family access & affordability
- implementation of the Early Education & Care Task Force recommendations
- Commonwealth Preschool Partnership Initiative (CPPI) (over the next 3 years).

The House and Senate recently approved their versions of the Fair Share Supplemental Budget, which will be reconciled and sent to the Governor for her approval.

House of Representatives

- **\$20 million** for capacity building & workforce development, family access & affordability, implementation of the Early Education & Care Task Force recommendations, & CPPI.
- **\$20 million** for CCFA reimbursement rate increases in FY26.
- **\$8 million** for CCFA access for staff working in early education & care.
- **\$7.5 million** for loan repayment for staff working in early education & care.
- **\$3.8 million** for local child care and out-of-school-time programs to support capital and programmatic improvements.
- Establishes the Dolly Parton Imagination Library in Massachusetts

Senate

• **\$2.6 million** for local child care and out-of-school-time programs to support capital and programmatic improvements.



Commonwealth Cares for Children (C3)

Planning/Approach for FY26

- Maintain commitment to predictability and minimize disruptions after two significant changes in the past two fiscal years
- Build compliance to new statutory requirements
 - Ensure that all programs receiving C3 demonstrate a willingness to enroll children receiving child care financial assistance
 - Encourage programs to meet salary benchmarks
- Refine formula/equity adjustment to better recognize community needs (Tier 1) and programs serving a range of children with financial assistance (Tier 2)
- Continue to gather data and program/field feedback; report on impact and input

All changes in FY26 must be cost neutral

Levers for C3 Program





Eligibility: CCFA Acceptance

• New statutory requirement:



(d) As a condition for receiving operational grants under this section, the department shall require early education and care providers to... (ii) continue to, or demonstrate a willingness to, enroll children receiving child care financial assistance, if a family receiving child care financial assistance chooses the provider and the provider has an available opening.

- To comply, EEC will include a new attestation for participating programs in the FY26 C3 application
- Currently, 69% of programs participate in CCFA (defined as having an active voucher agreement or contract)
 - Of the programs that do not currently participate, 83% have indicated willingness or are undecided.

Funds Use: Workforce Investment

- EEC is proposing to require that center-based programs invest at least 50% of C3 funds in their workforce as this is a primary goal of the funding
- Review of current fund use suggest most, but not all programs are using C3 as a support for workforce investments.
- Based on the most recent C3 survey, 18% of programs would need to shift use of C3 funds



Center-based Programs: Percent of C3 Funds Invested in the Workforce

Formula: Proposed Adjustments

In FY26:

- Broaden equity qualifications for Tier 1
 - Programs in towns that are predominately very low COI
 - Broaden the definition of serving ≥25% of capacity with financial assistance
- Scale the equity adjustment for Tier 2
 - Use a sum of enrolled children with CCFA and those with non-CCFA scholarship to calculate a prorated adjustment for programs in Tier 2
- No changes for programs in Tier 3

For FY27:

- Use revised cost models to identify potential additional program types/ base rates
- Review salary scale and identify opportunities to integrate into formula

Data Collection: C3 Application and Survey

• **Proposal**: C3 application and survey provide predictable cadence for data collection from the field through point-in-time data collection.



C3 Survey (bi-annual): August and February surveys focusing on different topics

• **Impact**: Provides regular information to support future costing, ongoing analysis of C3 successes and planning for FY27.

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FY25 Implementation Timeline

May-June

- Continue to review formula and other potential changes
- Gather additional field feedback
- Bring proposed changes to the Board

July-August

- Communicate proposed changes to the field
- Hold public comment period on proposed changes

September-November

- Finalize proposed program changes for Board consideration and vote
- Update recertification process to reflect any Board action

For the most up to date information, program resources & opportunities to learn more and share feedback visit: <u>mass.gov/c3</u>

Considerations for FY27

- Continue to monitor program responses to current enrollment policies
- Use cost model to:
 - Better acknowledge program investment in comprehensive services/staff to support children with special needs
 - Other adjustments to better address out of school time model
 - Review how salary expectations apply in family child care
- Identify opportunities to integrate salary expectations across all program types



EEC 5-Year Strategic Action Plan

Strategic Action Plan Requirements

The agency's 5-year strategic action is required by MGL 15D, Chapter 4.



Conduct assessment of current and future goals



Submit recommendation to the Board for feedback



Submit a plan to the Secretary for review & approval



Submit annual progress reports reflecting the goals and expectations set by the Board and Secretary



Progress on 2020-2025 Strategic Plan

EEC 2020-2025 Strategic Action Plan

EEC released its 2020-2025 Strategic Action Plan in March 2020. You can read the full plan <u>here</u>.





The 2020-2025 plan organized work by systems, programs, educators, and children and families.

Children, Youth, and Families

2020-25 Goal: Children are on track for success in school and to reach their full potential, and their families are empowered to work, build their skills, and attain economic mobility while supporting their children's education and development.



Educators and Professionals

2020-25 Goal: The early childhood and out-of-school time workforce is professionally prepared, well supported, adequately compensated, and culturally and linguistically representative of the population it serves.

Identified key educator skills and competencies for new EEC Credentialing Framework Outlined multiple defined career pathways, including higher education, professional development, and apprenticeships Partnering with all 15 state community colleges to provide credential-aligned education and training through Career Pathways Partnering with local and regional professional development centers (PDCs) to provide credential-aligned programming

Prioritizing ECE educators and staff for CCFA

The 2020-2025 plan also included several actions the agency completed in response to COVID-19

- Deferred licensing and renewal fees
- Expedited process for background record checks and amended teacher qualifications
- Supported targeted workforce mental health initiatives

Programs

2020-25 Goal: Programs will increase their sustainability, engage in continuous quality improvement, and promote high-quality education and healthy development among children and youth.

	Codified C3 into state law and fully funded it with state resourc es	Shifted focus of CCFA reimbursement rate increases to target covering the cost of care		Completed two cost of care studies to better understand programs' real costs	Refined C3 formula to distribute funds more equitably	EI	Increased EOST capital funding to L0.6 million/ year	
Centers, ECSOs, and EEC Program cap Quality team provide trainings on He			ded regional staffing bacity (Behavioral alth and Program ality specialists) to	Integrating professional development focus into new		Increased Early Childhood Mental Health Consultation		

professional learning planning, and curriculum

respond to emerging needs in the field

Credentialing

expectations.

Services grants to

\$5 million



2020-25 Goal: To efficiently and effectively steward public investments in early education and care with utmost integrity, transparency and accountability to the people of Massachusetts.

Developed agency strategic objectives organized around families, educators, and families Hired Director of Diversity, Equity, Inclusion, and Belonging and launched DEIB Council

Increased agencywide capacity through intentional and targeted hiring Facilitated regular working groups, focus groups, and listening sessions to collect input from external stakeholders

Created agency's first Data Analytic and Research teams, to facilitate the regular analysis and use of data

Launched Key Performance Indicator (KPI) dashboards Created agency's first Product team to refine our approach to technology enhancements, development, and refinement Grounded development of new technology/product procurements in the user experience



2026-30 Strategic Plan

2026-30 Strategic Plan: Our Approach

- Continue and expand upon current workstreams
- Center input and feedback from families and providers
- Build on best-practice research from the field
- Prioritize user-centered design
- Utilize EEC data and metrics to drive improvements and measure progress

2026-30 Foundations: Engagement

The agency has engaged with many stakeholders over the last few years and will use their input to inform our next Strategic Action Plan.

Interagency Early Education and Child Care Task Force listening sessions

In the summer of 2024, the Task Force hosted 14 listening sessions across the state and virtually.

Advisory, Workforce, and Data Advisory Councils/Commissions

On a quarterly basis, we meet with our council members to gather input on agency initiatives.



Regular stakeholder engagement opportunities

The agency regularly engages stakeholders through listening sessions, working groups, focus groups, and the 9:30 call.

Regulation Revision Engagements

It is required by statue to host public comment opportunities whenever the agency revises regulations.

2026-30 Foundations: External Research

- Building a Stronger Early Childhood System: Ongoing State Efforts to Improve Coordination and Alignment, Abt Associates, 2021
- MA Special Legislative Early Education and Care Economic Review Commission, 2022
- An Economic Analysis of the Childcare and Early Education Market in MA, Rappaport Institute for Greater Boston, 2024
- Building Blocks: Status of Child Care Reform in Massachusetts and What Comes Next, Massachusetts Taxpayers Foundation, 2024
- Interagency Early Education and Child Care Task Force Year 1 Report, 2025



Inter-Agency Early Education and Child

Care Task Force Year 1 Report: **Community & Executive Branch Engagement on Early Education and** Child Care in Massachusetts

March 2025



Abt





2026-30 Foundations: EEC Research and Data Infrastructure

EEC Research Priorities and Projects



EEC KPI Dashboard



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2026-30 Foundations: IT Modernization

- Child Care Financial Assistance Family Portal
- Educator Portal
- Background Record Check Navigator Improvements
- Learning Management System (LMS)



- Meet people where they are -Recognize different levels of
 - Reduce siloed workflows -Users shouldn't have to think about which system to use

comfort and access to technology

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

In official website of the Commonwealth of Massachusetts Here's how you know Department of Early Education and Care Time to complete 5 to 10 minutes Professional certification If you're an early childhood educator, you can apply for an optional professional certification from The Department of Early Education and Care (EEC). Learn more about eligibility requirements for certifications (opens in a new tab) Information you'll need to apply \sim What happens after you apply \sim Start your application You'll need to log in or create a MyMassGov account MASSACHUSETTS Department of **Early Education and Care** Welcome to the login screen for the EEC Portal. Email Address Password Forgot your password? Sign-in Or MA State Employee

2026-30 Foundations: Strategic 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.



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.



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.



AGENCY INFRASTRUCTURE

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

Next Steps



If you'd like to share feedback/input before the fall, email <u>Emily.Conner-Simons@mass.gov</u>