

Commonwealth of Massachusetts Department of Early Education and Care

Advisory & Workforce Council

March 7, 2024

Agenda

Welcome, Introductions & Agency Updates

Items for Discussion and Feedback

- Child Care Development Fund (CCDF) State Plan
 - Alternative Methodology
- Commonwealth Cares for Children (C3) Program Updates

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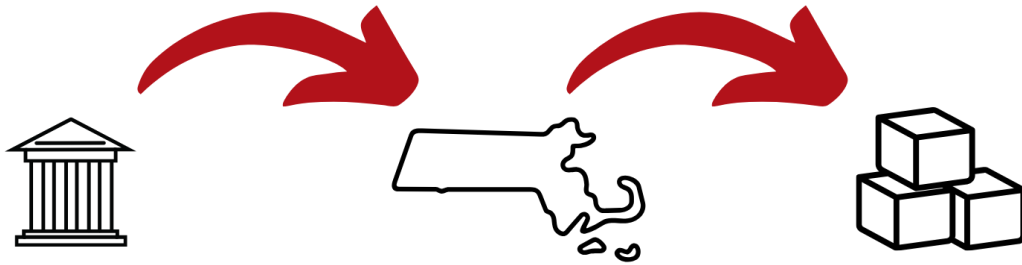
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State Plan Notification

CCDF Background & Overview

Child Care and Development Fund (CCDF) BACKGROUND

The Child Care and Development Fund (CCDF) is a federal and state partnership program authorized under the Child Care and Development Block Grant Act (CCDBG) that provides federal funding for child care subsidies to help eligible low-income families access child care and improve the quality of child care for all children. States use CCDF to also invest in initiatives including building the skills and qualifications of the workforce, supporting programs to achieve higher standards, and providing consumer education to parents.



Just under 50% of EEC's budget in FY23 was direct federal funding or tied indirectly to federal funding through either the CCDF or TANF block grants.

CCDF Plan

Defines how states or territories will administer CCDF in alignment with the requirements of the CCDF final rule and the Child Care and Development Block Grant Act statute.

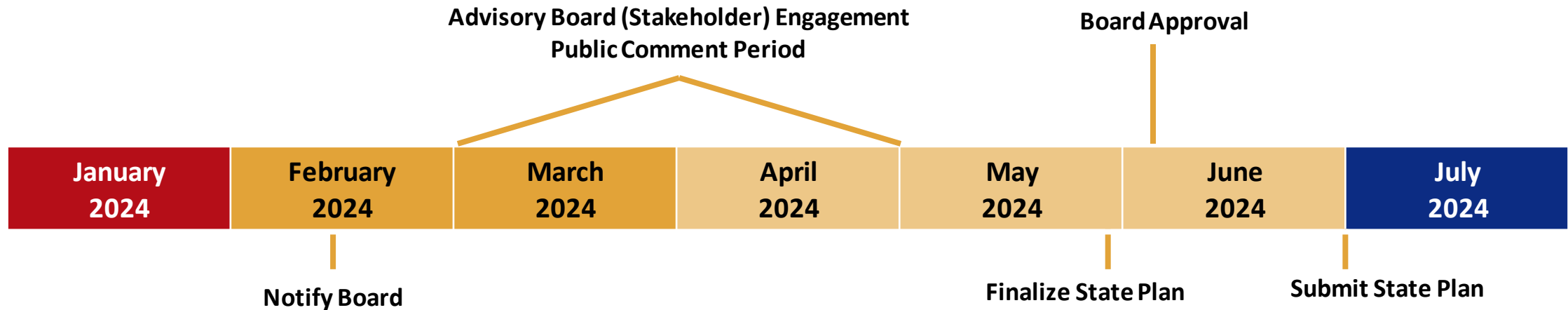
- The Office of Child Care (OCC) requires that the State Plan be updated every three years
- Current plan cycle, October 2021-September 2024
- Our next plan, due July 1, 2024, will be in effect from October 2024 – September 2027

EEC is required to work with stakeholders to draft the plan and the Board is required to vote on the plan before it is submitted to our federal partners.

FY25-27 CCDF State Plan: Scope & Timeline

The Office of Child Care (OCC) requires the agency to meet requirements and report on activities, progress, spending and programing in the following areas:

1. CCDF Program Administration
2. Child and Family Eligibility and Enrollment and Continuity of Care
3. Child Care Affordability
4. Parental Choice, Equal Access, Payment Rates, and Payment Practices
5. Health and Safety of Child Care Settings
6. Support for a Skilled, Qualified, and Compensated Child Care Workforce
7. Quality Improvement Activities
8. Lead Agency Coordination and Partnerships to Support Service Delivery
9. Family Outreach and Consumer Education
10. Program Integrity and Accountability



Purposes of the CCDF State Plan

Why
(Compliance)

Confirm and validate that lead agencies are following key CCDF policies

What
(Transparency)

Collect key data on the CCDF policies to provide a full understanding of program

How
(Planning)

Lead agencies build on CCDF policies to address needs, meet goals, and work with partners. EEC does this through our Strategic Objectives.

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.

EEC Objectives & State Plan Alignment



FAMILY ACCESS

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

State Plan Sections:

2. Child and Family Eligibility and Enrollment and Continuity of Care
3. Child Care Affordability
4. Parental Choice, Equal Access, Payment Rates, and Payment Practices
9. Family Outreach and Consumer Education



PROGRAM STABILITY

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

State Plan Sections:

1. CCDF Program Administration
4. Parental Choice, Equal Access, Payment Rates, and Payment Practices
8. Lead Agency Coordination and Partnerships to Support Service Delivery
10. Program Integrity and Accountability

EEC Objectives & State Plan Alignment (cont.)



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.

State Plan Sections:

5. Health and Safety of Child Care Settings
6. Support for a Skilled, Qualified, and Compensated Child Care Workforce
7. Quality Improvement Activities



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.

State Plan Sections:

6. Support for a Skilled, Qualified, and Compensated Child Care Workforce

Key Initiatives Across EEC Strategic Objectives

Child Care Financial Assistance (CCFA)

- Regulation & Policy Reforms Implementation
- Rate Increase & Reforms
- Early Education Staff Access

Expanding Access to High Quality Preschool

- Community Preschool Partnership Initiative (CPPI)
- Early Literacy/Literacy Launch

Workforce Development

- Educator Credentialing & Certification
- Strengthening Partnerships with Higher Education for Career Pathways
- Apprenticeship Programs

Supporting Program Quality & Stability

- Commonwealth Cares for Children (C3)
- Continuous Quality Improvement
- Facilities Improvements

Health and Safety Standards

- Residential Licensing Regulation Revisions
- Child Care Licensing Regulation Revision
- Ongoing Modernization of BRC System

IT System Development and Modernization

- Future Tech Act & CCFA System Upgrades

KEY



Family Access



Program Stability



Program Quality



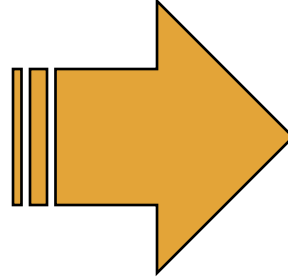
Workforce Supports

Alternative Methodology Update

In January 2024, EEC received approval from the federal Office of Child Care (OCC) to use a cost-informed alternative methodology to set child care financial assistance rates as part of the FFY25-27 CCDF State Plan.

Planning & Development

EEC is in the process of finalizing the scope of work and procuring a contract with an external partner to update, refine, and expand EEC's current cost of care estimation models. This work will expand our knowledge of the cost of care and revenue needed to operate child care programs under a variety of scenarios.



Future State

The approved alternative methodology will be used to inform both child care financial assistance rates and other state investments that support family access and affordability, program and workforce stability and quality, and sustainability.

Alternative Methodology Workplan

Over the next year, the alternative methodology plan includes:

- **Engaging broadly with stakeholders** to gather input on the methodology, data sources, cost and revenue assumptions, and findings
- **Updating and refining existing cost models**
 - **Collecting, analyzing, and incorporating data** into the models to reflect cost drivers such as licensed capacity, enrollment, program size, program staffing, educator compensation, and non-personnel expenses
- **Expanding models to include revenue inputs** such as enrollment efficiency, participation in the Child and Adult Care Food Program (CACFP), private tuition and fees, and other potential funding sources (e.g., CCFA, C3, CPPI)
- **Collecting and analyzing tuition rate data** to understand if and how costs for families have changed since the market rate survey in 2022 and subsequent rate increases
- **Reporting on findings and recommendations** to inform future decisions about and planning for CCFA rates and other funding sources



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Commonwealth Cares for Children (C3) Updates

C3 Overview

For nearly 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, providing monthly grants to approximately 8,323 licensed and funded child care programs in the state.

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

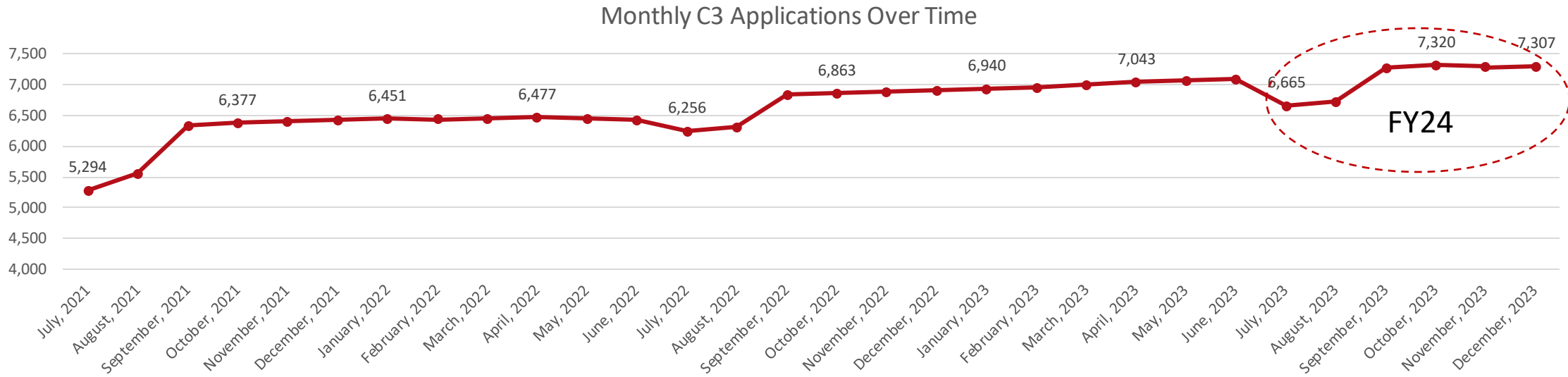


Mitigating the need for tuition/fee increases in the face of significant rising costs, benefiting a broad range of working families



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

C3 participation has steadily increased since the grant's inception in July 2021.



In December:

4,673 FCC Providers
(89% of all FCCs)

2,634 Center-Based Providers
(89% of all CBCs)

4,584 in Highest SVI Areas
(93% of all providers in highest SVI areas)

4,552 Providers Serving Children with Child Care Financial Assistance
(95% of all providers serving children with CCFA)

Understanding C3

Through C3 participation and completed surveys EEC has an unprecedented understanding of programs' needs and progress.

Tracking Changes Over Time



Program Stability

- License capacity exceeding pre-pandemic levels
- Some programs rely heavily on C3 funding to sustain operations



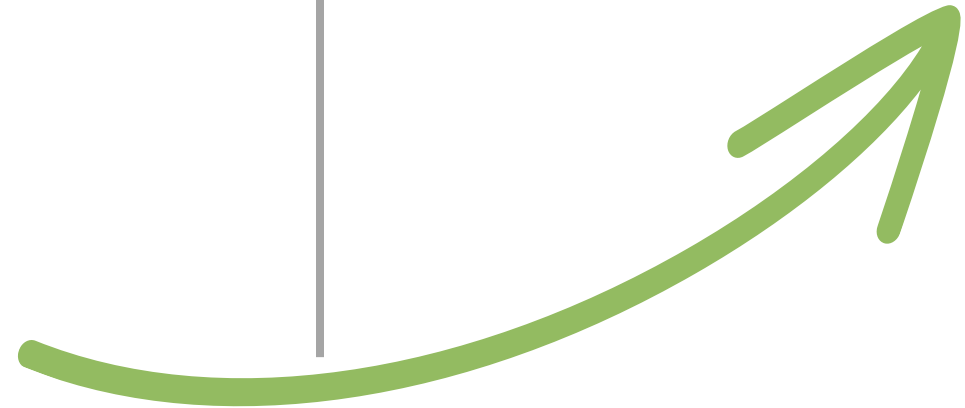
Workforce Supports

- Educator compensation has grown during the grant period



Family Access

- Programs report using C3 funds to maintain affordability for families



Levers & Guiding Principles for C3 Program Changes

Levers



Formula



Administrative



Fund Use Requirements



Eligibility Requirements

Principles

Maintain Universality

Maintain universality in response to the need for operational resources for programs 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

Support low-and moderate-income families

Continue to direct resources to programs that serve low- and moderate-income working families

Incentivize Child Care Financial Assistance

Support and incentivize programs to serve children that receive CCFA

Sufficient Flexibility

Provide sufficient flexibility for programs while allowing for future adjustments as we gain a deeper understanding of C3's impact

Appendix

FY25-27 CCDF State Plan Sections & Topics

The Office of Child Care (OCC) requires the agency to meet requirements and report on activities, progress, spending and programing in the following areas:

- 1. CCDF Program Administration** – Identifies the Lead Agency, Lead Agency leadership, and the entities and individuals who will implement the program. Identifies the partners consulted in Plan development.
- 2. Child and Family Eligibility and Enrollment and Continuity of Care** – Identifies how Lead Agencies define eligible children and families and how the Lead Agency improves continuity for eligible children and families.
- 3. Child Care Affordability** – Includes determining an eligible family’s co-payment, and the policies in place to waive or make co-payments affordable for families.
- 4. Parental Choice, Equal Access, Payment Rates, and Payment Practices** – Addresses access to the full range of providers available; adequate payment rates for providers, payment practices that fairly support providers; differential payment rates; and supply building strategies.
- 5. Health and Safety of Child Care Settings** – Addresses CCDF health and safety requirements, State/Territory licensing requirements and exemptions, and policies for comprehensive background checks.
- 6. Support for a Skilled, Qualified, and Compensated Child Care Workforce** Addresses State and Territory efforts to support the child care workforce, the components and implementation of the professional development framework, and early learning and development guidelines.
- 7. Quality Improvement Activities** – States and Territories will describe the types of activities supported by quality investments over the 3-year period.
- 8. Lead Agency Coordination and Partnerships to Support Service Delivery** Identifies who the Lead Agency collaborates with to implement services, how match and maintenance-of-effort funds are used, coordination with child care resource and referral systems, and efforts for disaster preparedness and response plans in response to emergencies.
- 9. Family Outreach and Consumer Education** – Addresses consumer education practices, including details about child care consumer education website, and the process for collecting and maintaining a record of parental complaints.
- 10. Program Integrity and Accountability** – Describes Lead Agencies’ internal controls and how those internal controls effectively ensure integrity and accountability.

2023 Progress – End of Year Review



Continued Investment in Agency Capacity & Structure

- Building on the new organizational structure set in 2022, filled over 50 key positions to further actualize the strategic action plan with a focus on equity and inclusion
- Recruitment and hiring in key areas: product management, research and data analytics, workforce support and development, family engagement and child care financial assistance
- Approved to add 28 new positions in FY24, which EEC is actively working to post and hire now

Modernizing Background Records Checks

- Continued modernization of EEC's Background Record Checks system to bring Residential and Placement programs (R&P) into the state's Navigator system and added an out-of-state background records check for residential program candidates
 - New average processing time for submissions: Placement Agencies = 1 day and 21 hours; Residential Programs = 4 days and 23 hours
- Launched one background record check consent form for all program types
- Planning for retirement of the Legacy system

Reimagining Child Care Financial Assistance (CCFA)

- Launched significant reforms to CCFA regulations and interim policies to simplify the application process, reduce paperwork, and better support homeless families, families with disabilities and families facing domestic violence
 - EEC is currently half-way through a comprehensive training program for Family Access Administrators on the changes
- Launched new family facing web pages at Mass.gov/CCFA
- Procured new contracts for resource and referral services with Child Care Resource and Referral agencies
- Kicked off procurement activities for Income-Eligible, Supportive, Homeless and Young Parent program contracts
- Simplified Child Care Resource and Referral Agency regions to streamline process for families/providers and align with licensing regions
- Launched text messaging to families in English/Spanish when financial assistance becomes available to streamline the application process
- Conducted outreach to families on the waitlist to ensure it is up-to-date
- Implemented an historic \$80M increase to the daily reimbursement rates to providers who serve families receiving CCFA

2023 Progress – End of Year Review

Supporting ECE Providers and Educators

- Career Pathways
 - Launched optional Director certification (currently available statewide), and Teacher/Lead Teacher in Western MA (others following)
 - Drafted competencies for the educator credential aligned with quality domains
 - Moving all EEC PDC professional development opportunities to EEC’s StrongStart Online Professional Development System
- Access to Higher Education
 - In collaboration with DHE, revising the ECE Higher Education Scholarship Program to improve accessibility and expand eligibility
 - Partnership with MACC and Career Pathways grantees to expand credit for prior learning
- Workforce Pipeline
 - Hosted 3 Apprenticeship Convenings to identify opportunities for EEC investment
 - Enrolled fourth cohort of ECSO (27 programs, 156 classrooms) to provide intensive support for center-based program directors
 - Stable and Competitive Employment Opportunities
 - Continued C3 funding reaching 8,197 providers
 - Application data shows salary increases since 2021
 - ECE Staff Pilot providing access to child care financial assistance for 1,252 educators with 1,759 children
 - Added in LEAD a voluntary way for family child care assistants looking for employment to connect with providers who are hiring
- Expanded Program Supports
 - Expanded CPPI communities to a total of 21 working to expand local preschool access
 - Invested additional \$1.5 million in early childhood mental health consultation services (through ECMH grant)
 - Announced \$300,000 in Massachusetts FRESH grants for schools and early education and care programs
 - Awarded \$8.5 million to 20 organizations across the Commonwealth in FY23 EEOST capital funding
 - Administration’s FY24-28 Capital Plan increases EEOST funding by \$4 million a year each year
 - Opened applications for \$14.3 million in capital funding for early education and care programs, first time includes for-profit programs

Foundational Regulatory Review

- Launched regulatory review process for EEC’s R&P programs, as well as child care licensing