



# Commonwealth of Massachusetts

## Department of Early Education and Care

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### Meeting of the Board

*November 10, 2020*



# Agenda

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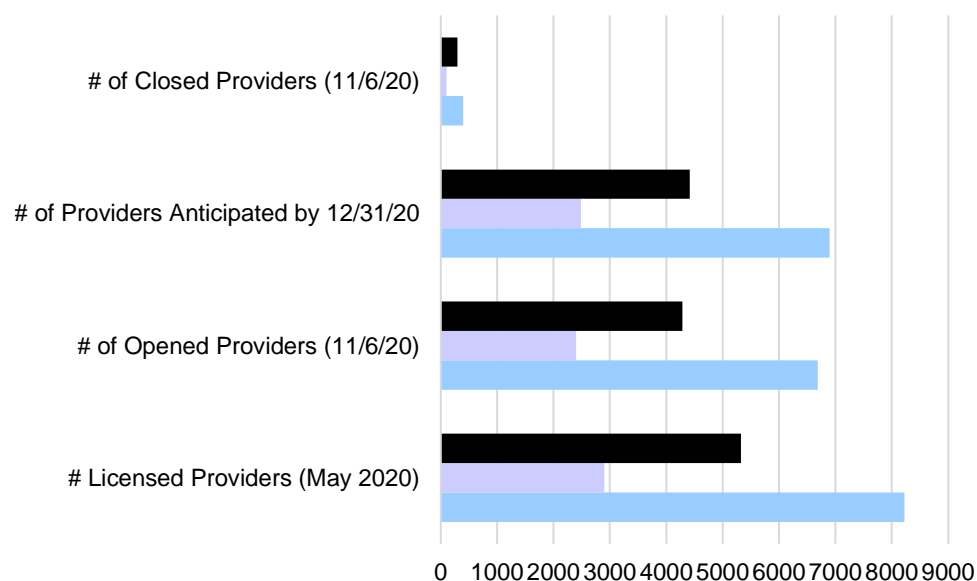
- **Fall Data Snapshot**
- **Strategic Plan: Zeroing in on Children and Families**
  - Supporting Access for Families
    - Subsidies
    - Parent Fees
    - Commonwealth Preschool Partnership Initiative
  - Supporting Child Outcomes
- **FY21 Budget & Spending Update**
- *Check in – Commissioner's annual evaluation*

# Provider Survey Data Analysis: EEC Licensed Capacity



Most providers have opened as of November and by the end of the year, 84% of providers are anticipated to have opened.

Estimated Licensed EEC Providers\* Re-Opening (as of 11/6/20)



	# Licensed Providers (May 2020)	# of Opened Providers (11/6/20)	# of Providers Anticipated by 12/31/20	# of Closed Providers (11/6/20)
■ FCC	5322	4287	4414	293
■ GSA	2902	2401	2485	103
■ Total	8224	6688	6899	396

- 81% of licensed providers have reopened as of November
- Closures include 396 providers or 5% of licensed providers
  - FCC closures include 293 providers or 6% of licensed providers
  - GSA closures include 103 providers or 4% of licensed providers

*A more in depth analysis will be discussed at the December meeting as survey responses continue to be collected*

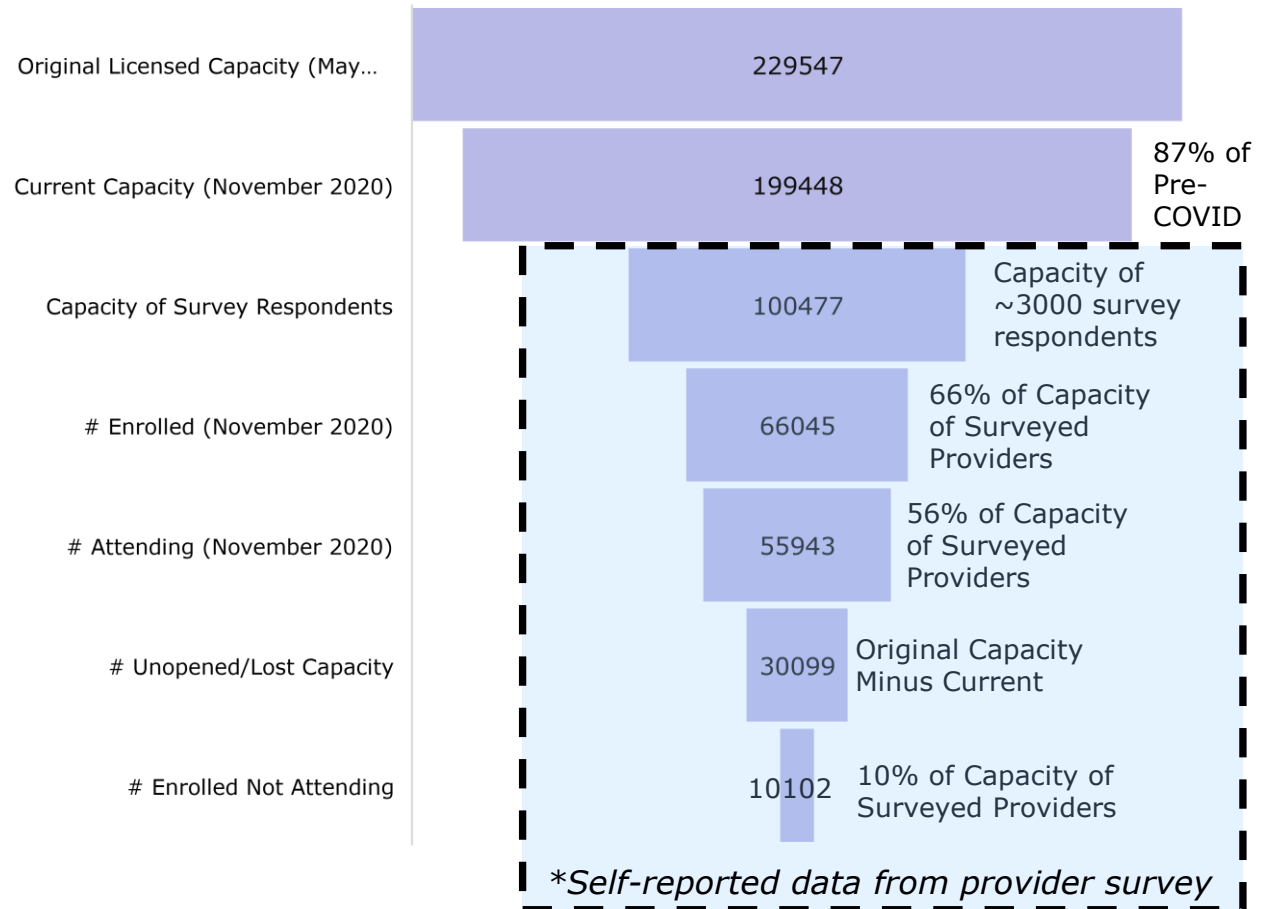
The data analysis on the following pages is formulated using: licensing data from EEC programs over time and weekly survey responses from over 45% of programs.

## Attendance and Enrollment Estimates

Enrollment rates are still low, however attendance rates have increased since September.

- Capacity is estimated at 199,448 slots or 87% of the Pre-COVID level.
- Of those providers who completed the survey, children are *enrolled* to occupy 66% of available slots.
- Of those providers who completed the survey, children are *attending* to occupy 56% of available slots.
- Approximately 10% of children are enrolled but not attending.

Estimated System-wide Licensed EEC Providers Enrollment & Attendance (as of 11/6/20)



\*Note: Survey responses did not reach adequate levels to extrapolate data for system-wide estimates.

# Subsidy Enrollment Analysis



- Current financing structures in the child care field require maximizing enrollment for industry stability. EEC is working to track decreases in subsidy enrollment, focusing on income eligible families not placed through DCF or DTA.
- Income eligible families can access child care tuition subsidies by enrolling in a contracted provider directly or applying for a tuition voucher through a Child Care Resource & Referral agency.
- Families referred through DCF and DTA are automatically eligible for services and are not included in this analysis.
- **Note:** EEC has used placement data, indicating children actively placed with a child care provider. This differs from billing data used for cost analysis.

Income Eligible Child Care	Anticipated Placements	Current Placements	Difference	Percent Utilized
Voucher	21,665	16,117	5,548	74.4%
Contract	13,716	8,654.5	5,061.5	63.1%
<b>Total</b>	<b>35,381</b>	<b>24,771.5</b>	<b>10,609.5</b>	<b>70.0%</b>

Source:

- Voucher information based on CCRR weekly report dated 11/2/2020.
- Contract information based on contract utilization run 11/2/2020.

# Income Eligible Voucher Enrollment



- EEC is working with the CCR&R's to track active outreach efforts aimed at enrolling and sustaining families from the waitlist.
- Waitlist clean-up performed by CCR&R's during COVID child care closure yielded minimal reductions in waitlist numbers.
- EEC continues to streamline policies in order to support families, seeking feedback from partners regarding how to build family confidence about returning to care.
- About 40% of the EEC waitlist are waiting for school age services, about 40% for infant or toddler services, and the remaining ~20% are for preschool services.

CCRR	Voucher Allocation	Current Placements	Difference	Percent Utilized	Waitlist
Child Care Choices of Boston (Boston)	3,374	2,493	881	73.89%	2,134
Child Care Circuit (Northeast)	6,274	5,174	1,100	82.47%	4,093
Child Care Network (Cape & The Islands)	1,114	738	376	66.25%	731
Child Care Resources (Central)	2,602	1,933	669	74.29%	1,454
Community Care for Kids/QCAP (Metro)	1,743	1,011	732	58.00%	1,161
New England Farm Workers (Western)	3,092	2,384	708	77.10%	2,014
PACE Child Care Works (Southeast)	3,466	2,384	1,082	68.78%	2,059
<b>Total:</b>	<b>21,665</b>	<b>16,117</b>	<b>5,548</b>	<b>74.39%</b>	<b>13,646</b>

# Income Eligible Contract Enrollment



- EEC is seeking more flexibility across provider contracts to support maximizing enrollment.

Region	Program Type Description	Slots Awarded	Total Slots Used	Slots Open	Percent Utilized	Current Waitlist
1	GSA - Infant to Pre-School	1,081	570.5	510.5	52.78%	1,177
	GSA - School Age	631	330.5	300.5	52.38%	837
	FCC - All Ages	295	212.5	82.5	72.03%	
<b>Region Totals</b>		<b>2,007</b>	<b>1,113.5</b>	<b>893.5</b>	<b>55.48%</b>	<b>2,014</b>
2	GSA - Infant to Pre-School	483	336	147	69.57%	676
	GSA - School Age	349	278	71	79.66%	430
	FCC - All Ages	562	523.5	38.5	93.15%	
<b>Region Totals</b>		<b>1,394</b>	<b>1,137.5</b>	<b>256.5</b>	<b>81.60%</b>	<b>1,106</b>
3	GSA - Infant to Pre-School	1,122	726	396	64.71%	2,562
	GSA - School Age	901	739.5	161.5	82.08%	1,521
	FCC - All Ages	748	668	80	89.30%	
<b>Region Totals</b>		<b>2,771</b>	<b>2,133.5</b>	<b>637.5</b>	<b>76.99%</b>	<b>4,083</b>
4	GSA - Infant to Pre-School	601	322	279	53.58%	1,176
	GSA - School Age	535	321.5	213.5	60.09%	735
	FCC - All Ages	423	344.5	78.5	81.44%	
<b>Region Totals</b>		<b>1,559</b>	<b>988.0</b>	<b>571</b>	<b>63.37%</b>	<b>1,911</b>
5	GSA - Infant to Pre-School	1,175	607.5	567.5	51.70%	1,648
	GSA - School Age	925	468	457	50.59%	1,059
	FCC - All Ages	451	253.5	197.5	56.21%	
<b>Region Totals</b>		<b>2,551</b>	<b>1,329.0</b>	<b>1,222</b>	<b>52.10%</b>	<b>2,707</b>
6	GSA - Infant to Pre-School	1,923	811.5	1,111.5	42.20%	1,147
	GSA - School Age	716	439.5	276.5	61.38%	678
	FCC - All Ages	795	702	93	88.30%	
<b>Region Totals</b>		<b>3,434</b>	<b>1,953</b>	<b>1,481</b>	<b>56.87%</b>	<b>1,825</b>
<i>GSA - Infant to Pre-School Total</i>		<i>6,385</i>	<i>3,373.5</i>	<i>3,011.5</i>	<i>52.83%</i>	<i>8,386</i>
<i>GSA - School Age Total</i>		<i>4,057</i>	<i>2,577</i>	<i>1,480</i>	<i>63.52%</i>	<i>5,260</i>
<i>FCC - All Ages Total</i>		<i>3,274</i>	<i>2,704</i>	<i>570</i>	<i>82.59%</i>	
<b>Grand Total</b>		<b>13,716</b>	<b>8,654.5</b>	<b>5,061.5</b>	<b>63.10%</b>	<b>13,646</b>

# Current Surveys of Families and Employers Also Reveal a Changing Context for All Families

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## **1) Family decisions and employer needs hang in the balance**

- 79% of MA parents are concerned they will not be able to work without formal care arrangements (Strategies for Children 2020)
- 40% of US employers are concerned employees will not fully return to work, and an additional 25% are concerned employees will leave workforce (US Chamber Foundation 2020)

## **2) K12 and Child Care decisions are intertwined**

- 91% of MA employers report that at least some of their employees have expressed concern about school and child care schedules (MA Business Community Survey 2020)
- 52% of MA families are entirely or mostly dependent on school plans when deciding about child care (Strategies for Children 2020)

## **3) The issue is impacting women disproportionately**

- 4 times as many US women as men left the labor force in September 2020 (US BLS)
- Studies have shown significantly more US women than men have reduced work hours, left work to care for children, and spent more time on education and household tasks during the pandemic (American Progress)



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- **FY21 Budget & Spending Update**

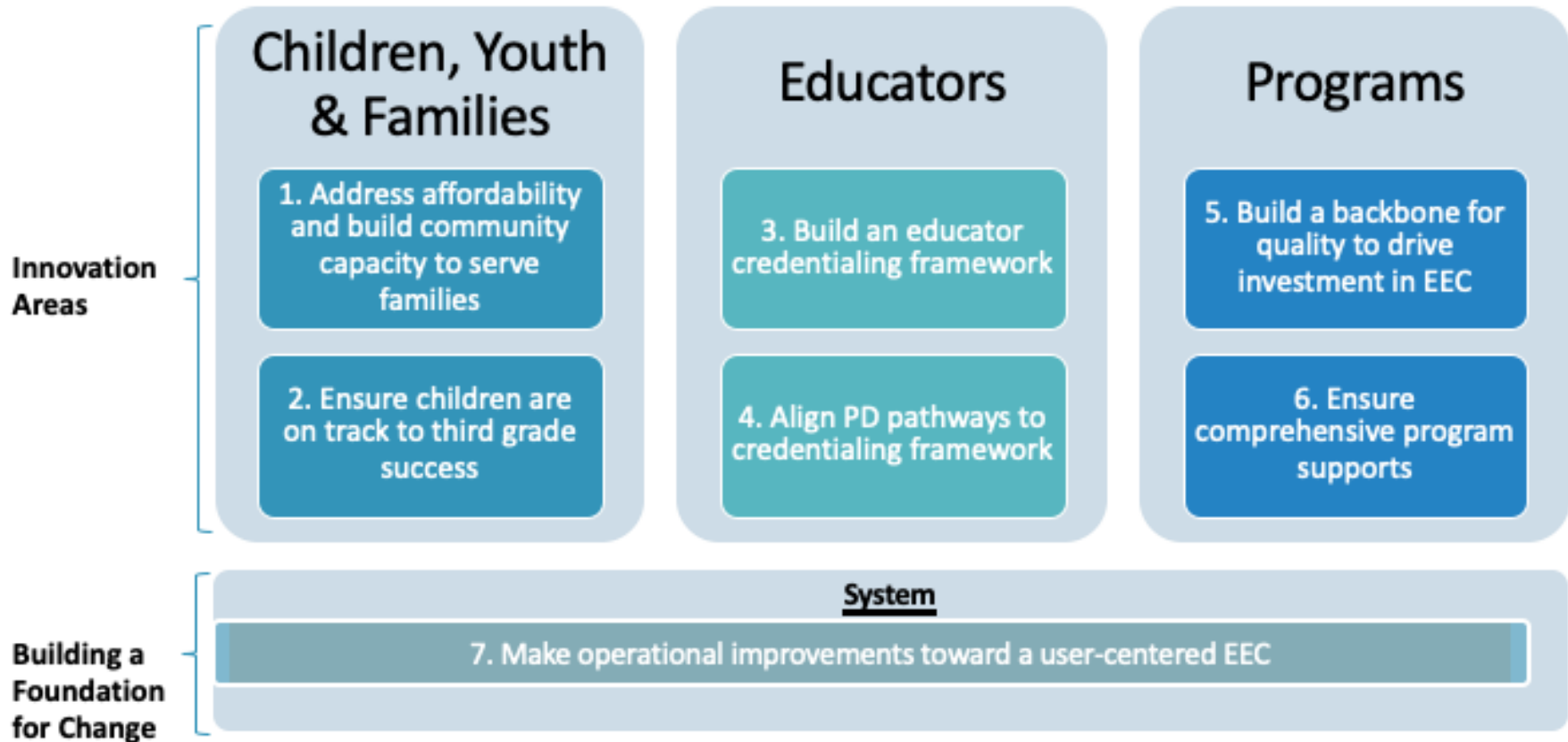
## System



**To efficiently and effectively steward public investments in early education and care with utmost integrity, transparency and accountability to the people of Massachusetts.**

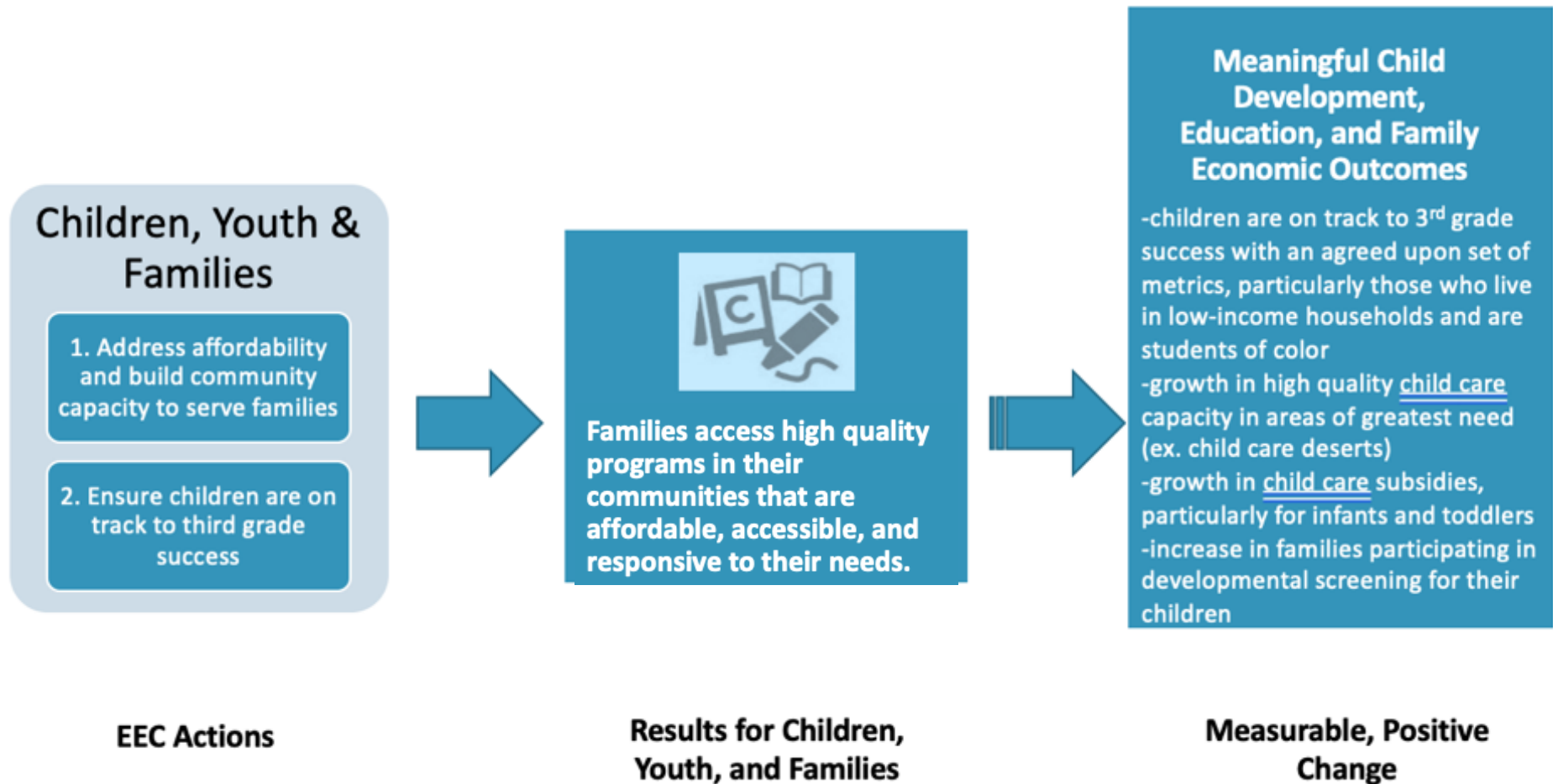
## Reminder: Strategic Plan Actions

In September we looked at these initiatives in detail...



# Actions Drive Results, with Progress Monitoring

In October, we looked at metrics for success in each area...



# EEC Role: Children, Youth, and Families

**Families understand how to identify and access affordable, high quality education and care opportunities and resources; communities collaborate to provide wraparound supports**



EEC role is to:

- Continually improve and increase access to the subsidy system; tier investments to ensure access to high quality programming for eligible working families
- Invest in community referral and collaboration infrastructure to meet the holistic needs of families
- Leverage community investments and partnerships across health and education agencies to support families with children birth to third grade with comprehensive services



**Unify family, district, and community understanding of 'on track' to third grade success so that resources and families can align to support positive child outcomes**



EEC role is to:

- Work closely with public health and elementary partners as well as communities and practitioners to define meaningful 'on track' measures across the birth to third grade continuum
- Collaborate closely with DESE to support the needs of young learners across our shared education and care settings

# Current Strategies to Support Children, Youth, Families



**Families understand how to identify and access affordable, high quality education and care opportunities and resources; communities collaborate to provide wraparound supports**



**Families access high quality programs in their communities that are affordable, accessible, and responsive to their needs.**

**Unify family, district, and community understanding of 'on track' to third grade success so that resources and families can align to support positive child outcomes**

**Strategies to Support:**

1. Access
2. Affordability
3. Community Collaboration

**Strategies to Support:**

1. DESE/EEC Collaboration to consider the birth-to-third continuum
2. Supported transitions for children across systems
3. Coordinated policies to support children, youth, and families



# Improved Access to Subsidies

EEC is working to improve subsidy utilization analysis in order to address barriers to accessing child care tuition subsidy across the state.

- **Leverage lessons learned from COVID-related subsidy policy changes**
  - Sustain policies that help families maintain subsidy access
  - Increase opportunities to access subsidies for new families through continued revisions to current regulations and policies that can improve access
- **Better understand demand for subsidy in relation to the overall demographics of the Commonwealth**
  - Identify demand complications due by COVID while focusing on population-level analysis
  - Expand EEC analytic capacity to map subsidy access in order to build a more responsive, agile subsidy system
- **Opportunity to identify mechanisms to more flexibly match access to subsidies with demand from families**
  - Improve use of provider contracts to create responsive access pathways
  - Consider structures to improve family outreach and support to enroll in child care tuition subsidy

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**Closer Look at One Affordability Strategy**

# **PARENT FEES**





## Developing a New Parent Fee Chart

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***EEC has been working on revising the parent fee schedule, the amount of tuition subsidy expected to be contributed by the parent.***

### ***Fee Chart Development Process:***

- EEC has worked with Urban Institute to develop multiple models that address concerns highlighted through pending litigation.
- Urban Institute has developed multiple models currently under consideration, in conversation with EEC stakeholders and partners.

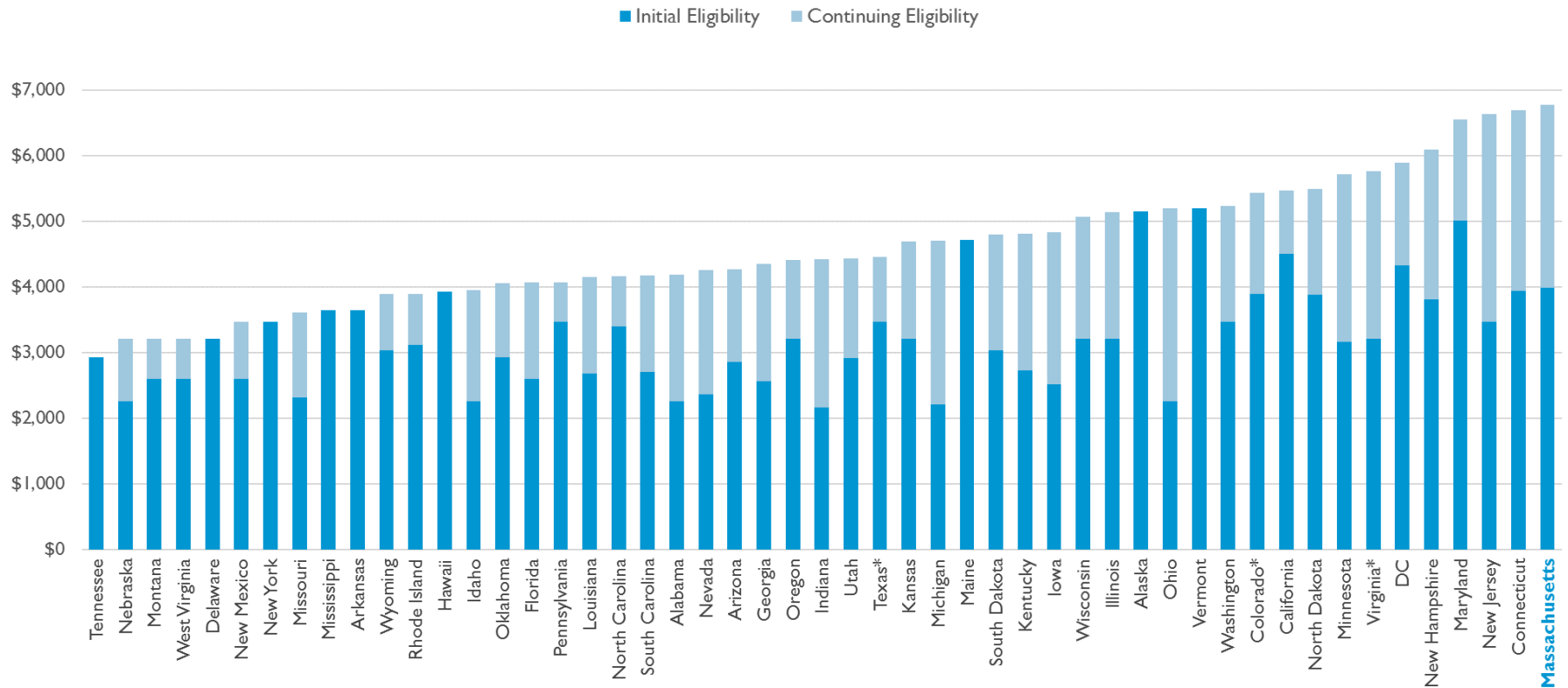
### ***Fee Chart Implementation Process:***

- We are working with the Legislature to enable a modified implementation process, addressing the urgency of the need for a new fee chart prior to reinstating family fees in FY21.
- Board approval will be sought for a new fee chart in January, with an outlined process to promulgate new subsidy regulations within 6 months.

# Monthly CCDF Eligibility Thresholds for Family Size Three (2018)



*MA has the highest median income and, as a result, the most generous eligibility thresholds in the country.*



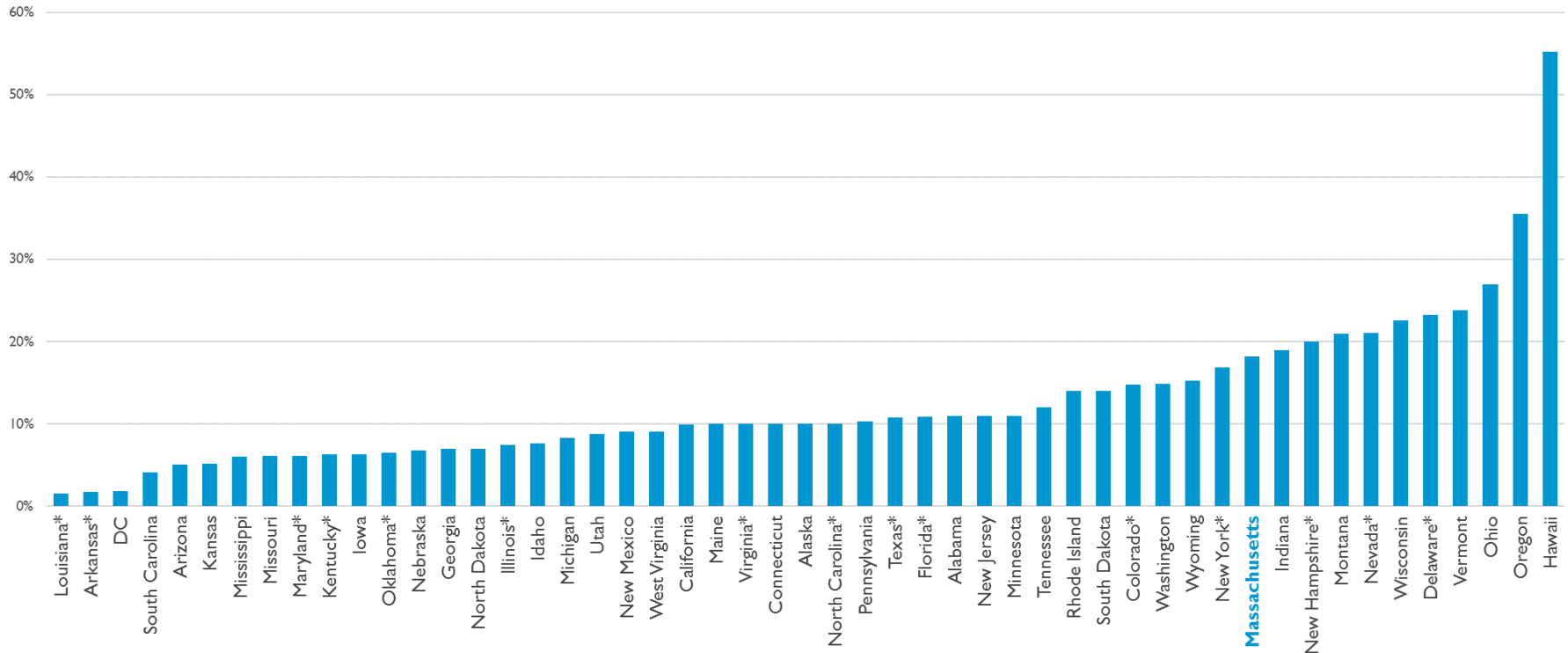
**Source:** CCDF Policies Database (<https://ccdf.urban.org>)

**Note:** In states that set different thresholds for substate areas, the thresholds are for the following areas: Denver, Colorado; Gulf Coast Region of Texas; and Group III counties in Virginia.

# Maximum Monthly Copayment for Family Size Three (Single Parent with Two Children in Care) at Highest Eligible Income as Percent of Family Income (2018)



*Parent copays, although not the highest in the country, are also higher than most other states.*



**Source:** Urban Institute researchers' calculations using CCDF Policies Database (<https://ccdf.urban.org>)

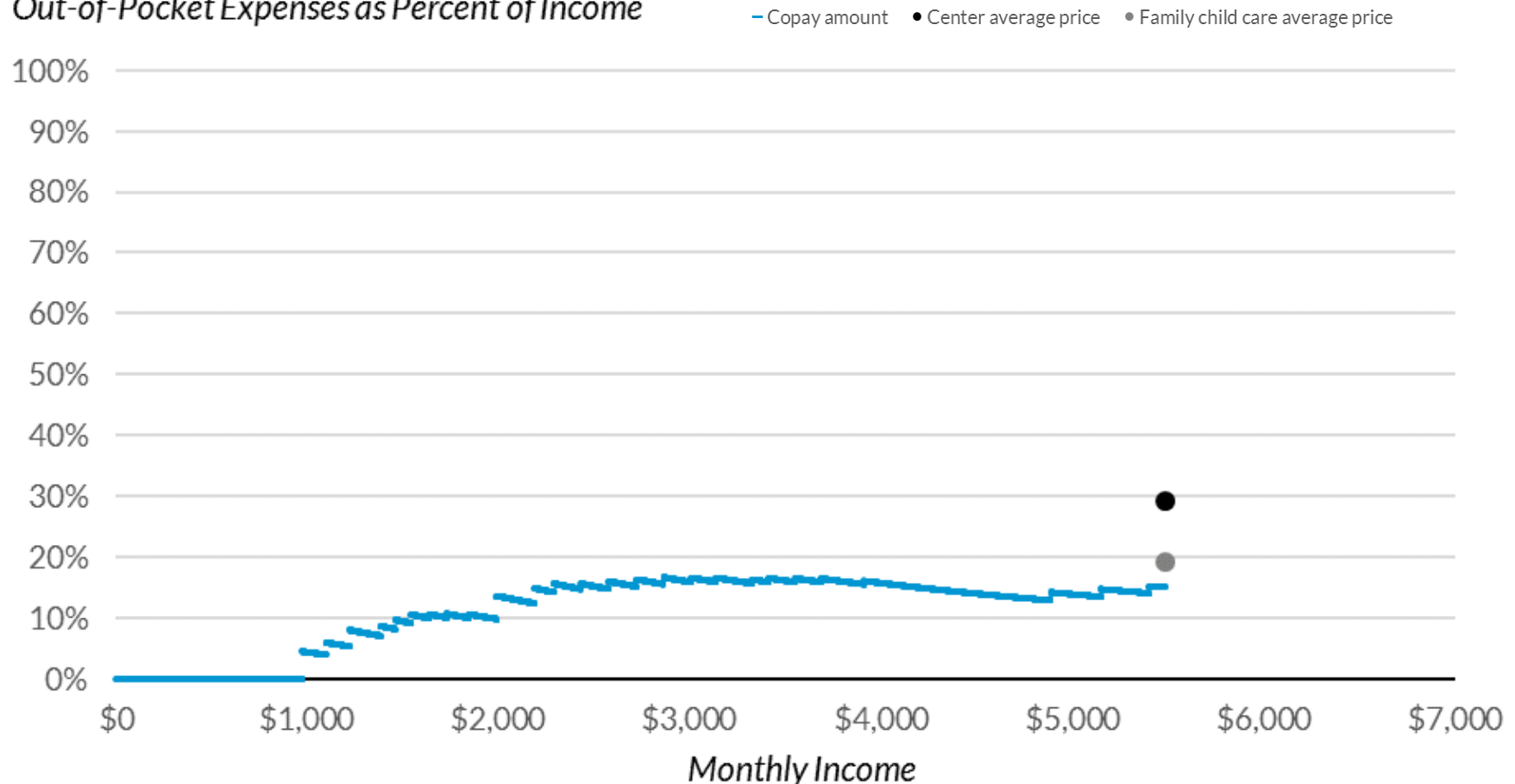
**Note:** Copayment amount for a single parent with a two-year-old and four-year-old in full-time center care. When there is substate variation in policies, the copayment amounts are for most populous area in each state: Arkansas (Urban Counties), Colorado (Denver), Delaware (New Castle), Florida (Miami-Dade County), Maryland (Baltimore), Nevada (Clark County), New York (New York City), Texas (Gulf Coast Region), Virginia (Group III Counties). In some states (Illinois, Kentucky, Louisiana, Maryland, New Hampshire, North Carolina, and Oklahoma), the highest income eligibility limit exceeds the limit listed in the copayment chart; in these cases, the maximum copayment is set to the highest copayment amount listed in the state chart.

## Massachusetts: Out-of-Pocket Expenses as Income Increases for a Two-Person Family (Single Parent with One Child in Care) Current Copayments (percent of income) (2018)



*A closer look at parent copays across income distribution for 1 child shows the cost increases quickly as a percent of income and fluctuates in surprising ways. Fees do increase to close the average private rate for Family Child Care, suggesting the structure has been successful in reducing potential cliff effects for many families.*

### Out-of-Pocket Expenses as Percent of Income



**Source:** Urban Institute researchers' calculations using October 1, 2018 policies from the CCDF Policies Database (<https://ccdf.urban.org>); Child Care Aware "The US and the High Price of Child Care: 2019."

**Note:** Copayments for full-time care for family size two (single parent with a 24-month old child). Prices are the average state price for full-time center and full-time family child care for an infant.

## Preliminary Models

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- **All models developed by Urban Institute include:**
  - Fees begin at 100% of poverty (65% in current policies)
  - TANF and non-parent caretakers are exempt (also current policy)
  - Part time discount (also current policy)
  
- **Based on litigation, EEC is exploring models with different costs across income ranges with an aim for 7% average**
  - Model One:
    - 7% of family income at all levels, regardless of family size
    - No additional fees for siblings
  - Model Two:
    - Fees for first child begins between 4 and 6% of income
    - At the highest income bracket, first child between 12-15%
    - Sibling fee discount simplified (50% for all additional children)

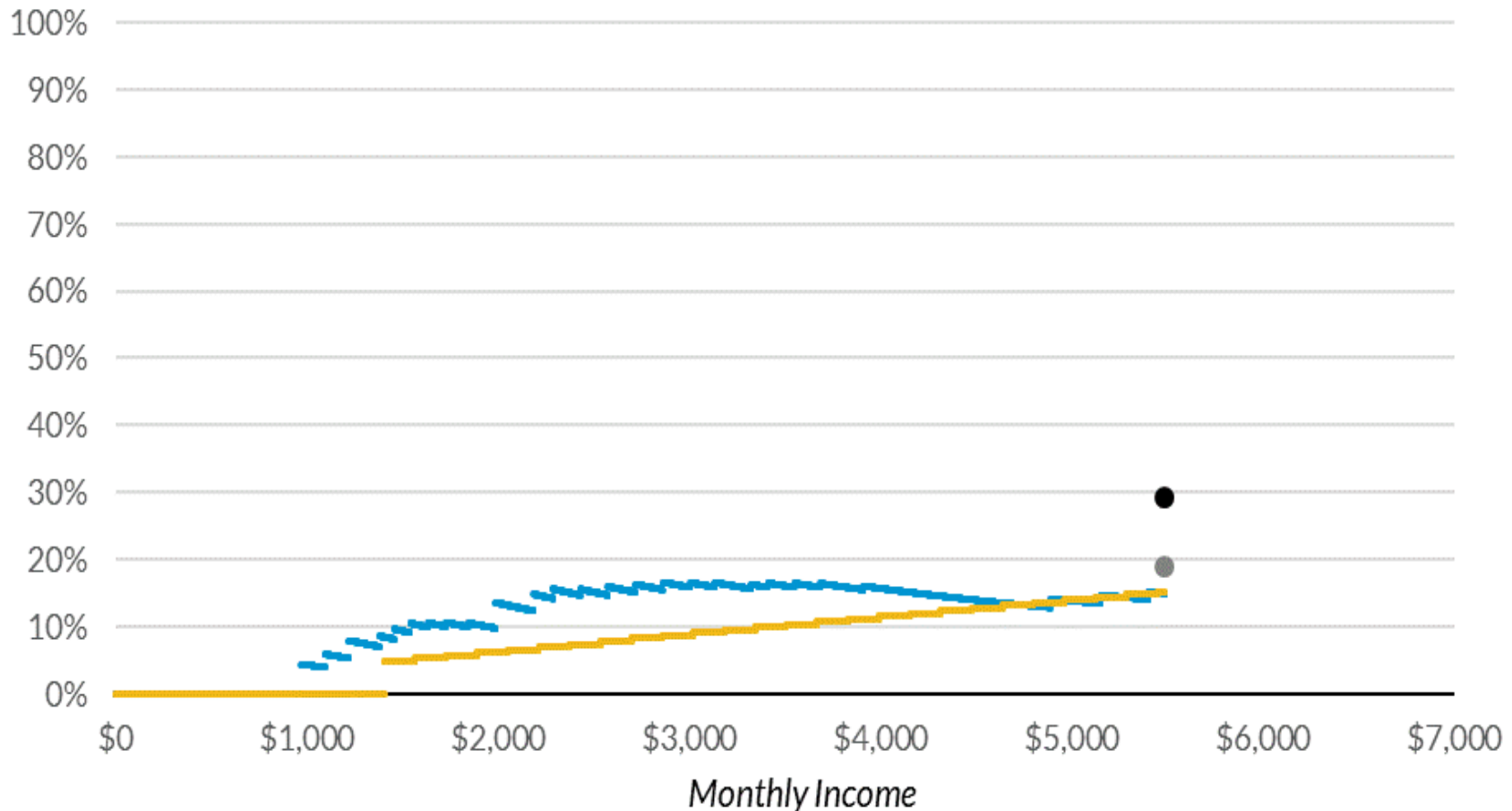
# Massachusetts: Out-of-Pocket Expenses as Income Increases for a Two-Person Family (Single Parent with One Child in Care) Current Copayments (percent of income) (2018)



*A comparison of the alternative model that begins at 5% of income for the same family shows how fees begin at a higher income level than currently, begin at a lower percentage of income and increase at a steady rate to a similar threshold.*

## Out-of-Pocket Expenses as Percent of Income

— Copay amount    • Center average price    • Family child care average price



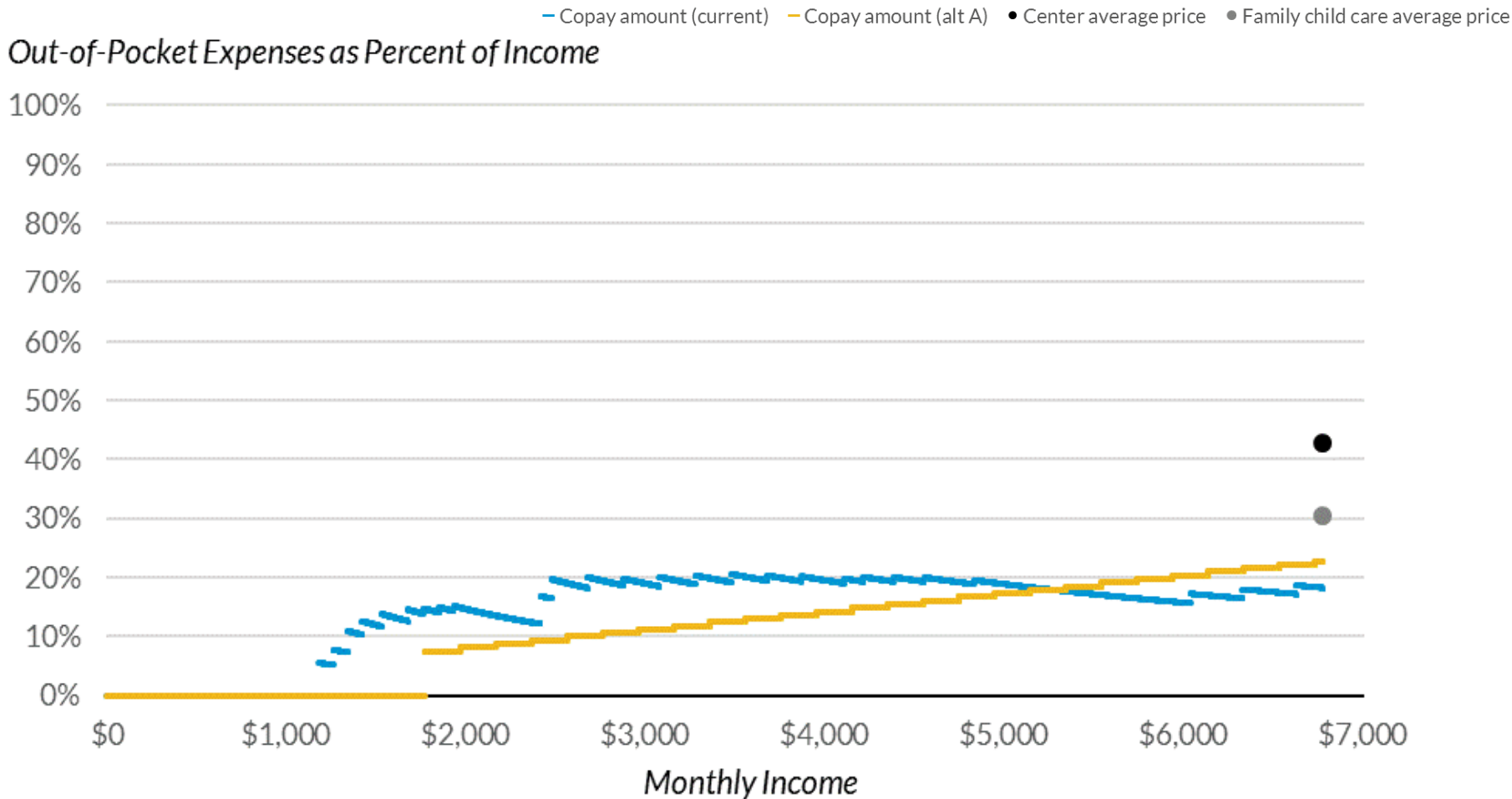
**Source:** Urban Institute researchers' calculations using October 1, 2018 policies from the CCDF Policies Database (<https://ccdf.urban.org>); Child Care Aware "The US and the High Price of Child Care: 2019."

**Note:** Copayments for full-time care for family size two (single parent with a 24-month old child). Prices are the average state price for full-time center and full-time family child care for an infant.

# Massachusetts: Out-of-Pocket Expenses as Income Increases for a Three-Person Family (Single Parent with Two Children in Care) Current Copayments (percent of income) (2018)



When considering this model in a family with two children, the rate is slightly higher across the income distribution but remains lower than our current rates until the very highest income levels.



**Source:** Urban Institute researchers' calculations using October 1, 2018 policies from the CCDF Policies Database (<https://ccdf.urban.org>) and proposed alternative fee schedule; Child Care Aware "The US and the High Price of Child Care: 2019."

**Note:** Copayments for full-time care for family size three (single parent with a 24-month old and a 48-month old child). Prices are the average state price for full-time center and full-time family child care for an infant and toddler.

## Summary of Findings

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- **Cost to EEC**

- Predicted revenue to providers from parent fees ranges from 52% - 72% of current revenue levels, depending on the model

- **Affordability for families**

- Percent families paying any fee is reduced from 72% to 58% across models
- Almost all families are paying less than 15% of their income (>98% of families across models)
- In majority of models, 90% families pay less than 10% of income
- Average fee ranges from 5.6% - 7.7% of a family income

- **Significant improvement for families over current structure**

- 93% or greater would pay the same or less compared to current policies



## **Closer Look at Community Collaboration to Support Family Access**

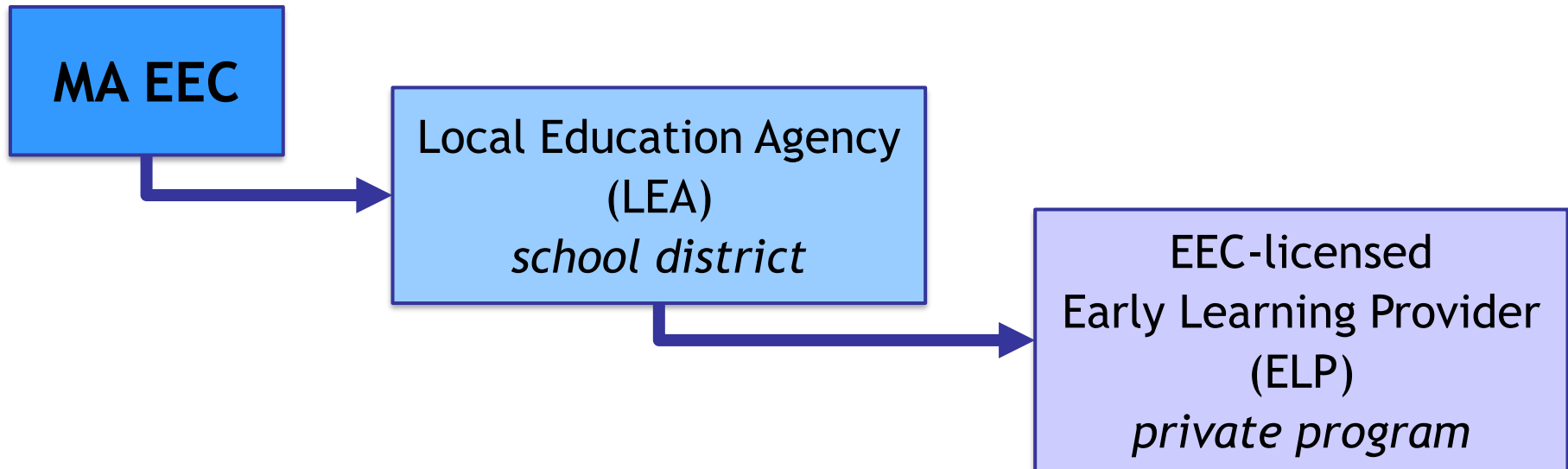
# **CPPI**



## CPPI Grant Structure

- Builds collaborations across public school – private program in high needs communities
- Provides classroom-level funding supports preschool classrooms across mixed delivery system
- Incentivizes communities to coordinate early education programming to address family needs at the local level

### Grant Structure



# CPPI FY20: Building Local Infrastructure to Support Student Outcomes



- **Develop structures for local collaboration & alignment:**
  - Build partnerships between districts and EEC-licensed programs
  - Improve program quality and alignment
  - Coordinate workforce supports
- **Coordinate resources to expand access to quality preschool with needed support for families**
  - Create systems of family access across programs responsive to local needs
  - Improve special education services for children with IEP's
  - Provide targeted comprehensive, wrap-around supports
- **Identify sustainable funding models to maintain expansion**

*Through these desired changes (or **theory of action**), the CPPI model in FY20 was designed to work toward these **overarching goals** with a **long-term goal** of **sustained positive outcomes** (i.e., school readiness for young children).*

# CPPI Grantees, Partners & FY20 Awards



Cohort 1\*

Cohort 2\*\*

Grantee	Grant Partners	FY20 Award
Boston Public Schools***	• Boys & Girls Club of Dorchester	\$625,000
Lowell Public Schools***	• Little Sprouts; Community Teamwork; & Greater Lowell Family YMCA	\$625,00
New Bedford Public Schools	• Little People's College; NorthStar Early Learning; PACE Head Start; & YMCA Southcoast	\$625,000
North Adams Public Schools	• Child Care of the Berkshires	\$450,000
Somerville Public Schools	• Elizabeth Peabody House; Somerville YMCA; Dandelion Montessori; Community Action Agency of Somerville Head Start; Open Center for Children; & Bigelow Cooperative Day Care	\$625,000
Springfield Public Schools***	• New Beginnings; Square One & YMCA of Greater Springfield	\$625,000
Holyoke Public Schools***	• Valley Opportunity Council	\$750,00
Lawrence Public Schools***	• Greater Lawrence Community Action & The Community Group	\$750,000
Northampton Public Schools	• Community Action Head Start and Early Learning Programs & Smith Childcare Center	\$697,325
<b>Total</b>		<b>\$5,772,325</b>

\* Cohort 1 - Awarded spring FY19

\*\* Cohort 2 - Awarded fall FY20

\*\*\* Prior PEG grantees

# FY20 Implementation: Lessons Learned

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- **Expanding access is complex**
  - Removing barriers (costs, scheduling, transportation)
    - Includes attention to comprehensive services/ special ed
  - Ensuring consistent quality and alignment
    - Includes supports for inclusive practices
  - Some districts expanding seats, but not through grant
  - Strongest work requires understanding of local needs/ systems
    - Need clarity around the local problems to be solved
    - With leadership commitment and a plan of action
- **Quality improvement and alignment an achievable goal**
  - Organization/ coordination of PD supports a powerful tool
  - Further attention to workforce expectations needed
- **Community collaboration supports are essential to success**
  - Staff to provide facilitation and coordination



## Lessons Learned (cont'd)

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- **Sustainability will require coordinated support**
  - Districts still need grant funding to sustain efforts in FY22
    - No clear path to sustaining access/ quality innovations
  - Tension about priorities can undermine collaboration
    - Communities need to continue to build shared goals
    - COVID redirected attention/ added local tensions
- **Further clarification needed from EEC and DESE on grant expectations and opportunities**
  - Make explicit grant alignment with state level expectations
  - Provide guidance on funding sources to sustain grant activities



## Opportunity for FY21 & FY22

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- **Solidify sustainable local structures in support of emerging vision across the current CPPI grantees**
  - Deeper dive into current grantees' work (reflecting COVID)
    - Work with current grantees to identify paths forward
    - Map state and local resources and barriers to progress
  - Build tools to support grantee success and aligned vision
    - Identify opportunities with DESE for high impact joint guidance
    - Support further innovation aligned with grant goals
    - Identify multiple pathways for grantee success
- **Encourage community pilots for new and innovative programming and funding models**
  - Encourage grantees to use experience for innovative thinking
  - Support grantee pilot testing of new approaches
  - Coordinate with DESE around opportunities to test changes to funding and compliance structures for improved alignment
  - Successful innovations to inform future grantees and statewide practice/policy changes

# Diving Deeper in Child/Youth/Family Strategies

**Families understand how to identify and access affordable, high quality education and care opportunities and resources; communities collaborate to provide wraparound supports**



**Families access high quality programs in their communities that are affordable, accessible, and responsive to their needs.**

**Unify family, district, and community understanding of 'on track' to third grade success so that resources and families can align to support positive child outcomes**

Strategies to Support:

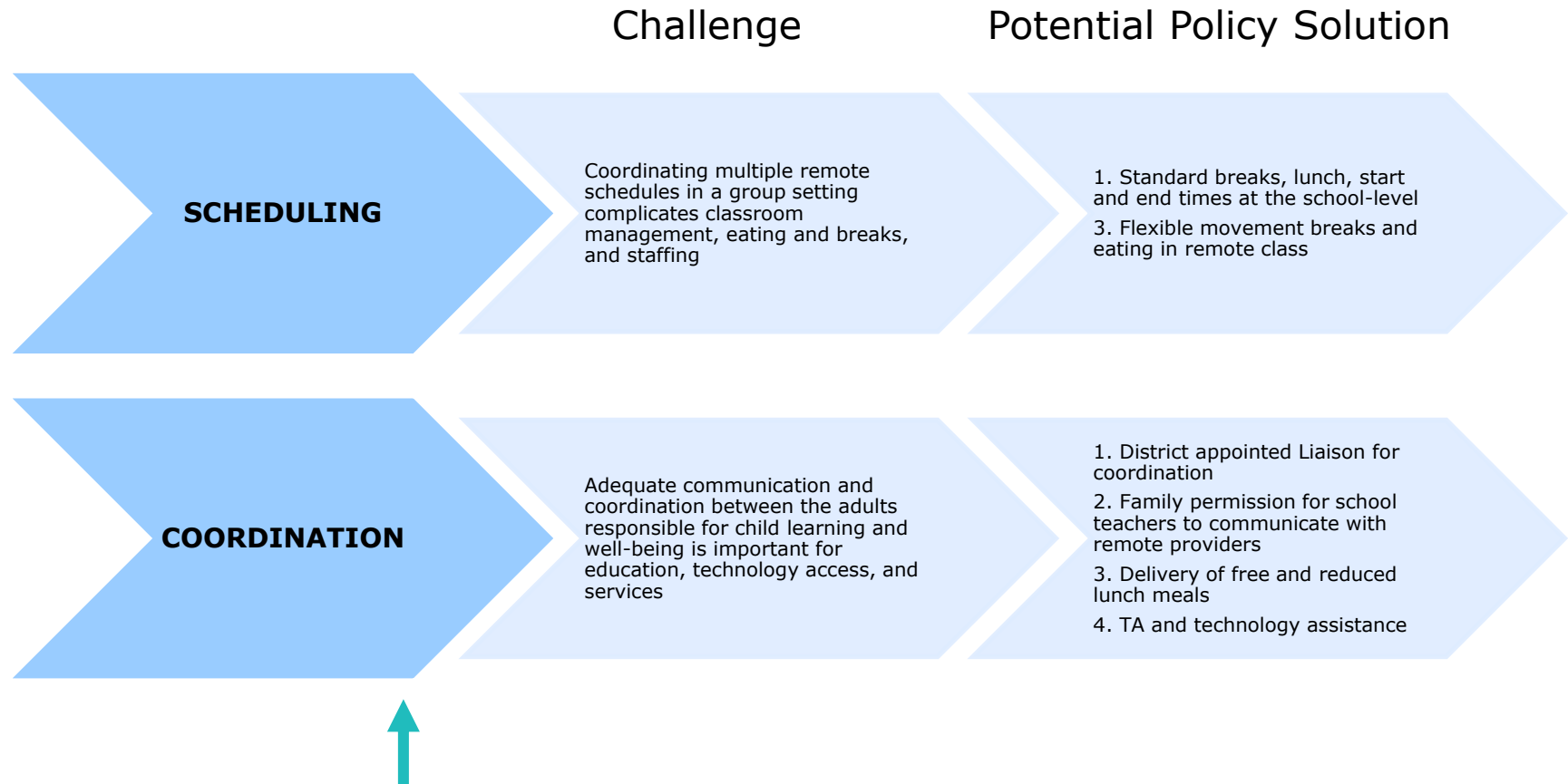
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Strategies to Support:

1. DESE/EEC Collaboration to consider the birth-to-third continuum
2. Supported transitions for children across systems
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# Urgent EEC/DESE Collaboration: Remote Learning



*How are we building and strengthening ties between out of school time and school settings to reinforce and deepen child and youth learning?*

Additional coordinated efforts will be undertaken by DESE and EEC through the fall and winter to improve coordination

## Ongoing Collaboration: 'On Track' to 3<sup>rd</sup>

*EEC will undertake an effort to propose research-based metrics for ensuring children are on track to 3<sup>rd</sup> grade success starting in the earliest years.*

### Key Principals and Considerations

- **Collaboration:** the system will be developed and implemented through collaboration between public school, public health, and early education and care agencies, in consultation with national and local experts and practitioners
- **Existing Infrastructure:** Efforts to create the system will build from previous efforts and current practices in Massachusetts, and existing initiatives and infrastructure will be leveraged in developing and implementing the system
- **Focused on Child Context:** The system will take a comprehensive view of child development. It will not measure or test children; rather, it will assess the context in which children develop and the opportunities they have on their path to third grade success.
- **Flexible Metrics:** Both direct and indirect indicators of child and family outcomes will be considered in the development of the system, and the system will incorporate expansive and inclusionary metrics and definitions of success.



*How are we defining 'on track' to third grade success in a way that can be easily understood by districts, programs, and families – so that resources can be directed towards meaningful child outcomes?*

### Planned Actions and Timeline

State landscaping, including materials review and key informant interviews	September – November 2020
National best practice landscaping	November – January 2020
Convening of ad-hoc work group to develop initial framework and related metrics that will comprise the indicator system	January – June 2021
Community engagement regarding initial framework and related metrics – incorporate feedback (through regional town halls, public meetings, webinars and/or surveys)	March – June 2021
Finalize On-Track to Third Grade Success indicator system	July 2021

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- **FY21 Budget & Spending Update**

# FY20 Revisited



Type	Budget	Expended	Unexpended
Subsidy	\$ 599,267,097	\$ 600,432,906	\$ (1,165,809)
Grants	\$ 64,127,408	\$ 61,256,745	\$ 2,870,663
Payroll	\$ 18,133,466	\$ 16,731,278	\$ 1,402,189
Non-Grant Contracts	\$ 8,341,463	\$ 7,069,673	\$ 1,271,790
Office/Relocation Costs	\$ 2,197,410	\$ 1,783,925	\$ 413,485
IT Supports	\$ 5,091,364	\$ 4,854,435	\$ 236,929
CCRR - Subsidy Mang.	\$ 10,072,082	\$ 9,842,821	\$ 229,261
Admin	\$ 409,885	\$ 282,433	\$ 127,451
	<b>\$ 707,640,175</b>	<b>\$ 702,254,215</b>	<b>\$ 5,385,960</b>

- ANF funded expenditures incurred through the COVID-19 closure through the supplemental reserve transfer (\$27M), which transferred expenditures from our subsidy account at the end of the fiscal year.
- Chart above does not include the end of year supplemental transfer that covered COVID-19 response expenses and the 3000-7040 Retained Revenue account (\$509K)
- Of the \$6.6M reverted from the non caseload accounts, about 60% was committed to a contractor who was unable to expend the dollars due to COVID-19



## FY20 Revisited – Explanation of Underspending

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- In FY20 roughly \$6.6M was reverted from the non caseload accounts.
- Grants account for roughly 9% of EEC's overall operating budget and make-up over 43.8% of the overall FY20 reversion. Of the \$2.8M reversion, \$2.3M was committed by EEC but unable to be spent by grantee.
  - More than \$1.7M was committed to the Career Pathways grant program.
  - StrongStart grant and Early Mental Health grantees account for the remaining underspending.
- Personnel account for roughly 2.5% of EEC's overall operating budget and make-up over 21.4% of the overall FY20 reversion.
  - Investments in EEC staffing were delayed due to COVID-19 crisis.
  - COVID-19 also reduced EEC travel costs significantly due to travel restrictions for staff.
- Non-Grant contracts account for just a little over 1% of EEC's overall operating budget and make-up over 19.41% of the overall FY20 reversion, totaling \$1.2M.
  - Majority of funding was committed by EEC but unable to be spent by contracted entities to the COVID-19 crisis, including the durable goods grant targeted to family needs during the child care closure.

# FY21 H2 Revised Budget Proposal

Line Item	Line Description	FY20 GAA	H2 FY21	H.2 FY21 Revised	FY21 HWM
3000-1000	Administration	6,847,055	6,394,823	\$ 6,394,823	6,394,823
3000-1020	Quality Improvements	39,443,988	44,551,119	\$ 44,551,119	40,012,640
3000-1042	Center Based Rate Reserve	20,000,000	10,000,000	\$ 10,000,000	20,000,000
3000-1043	Sliding Fee Scale Reserve	-	10,000,000	\$ 10,000,000	10,000,000
3000-2000	Access Management	10,086,311	10,086,311	\$ 10,086,311	11,100,000
3000-3060	Supportive Care	275,987,080	350,928,901	\$ 350,928,901	315,764,565
3000-4060	Income Eligible Child Care	276,480,376	286,702,892	\$ 286,702,892	286,702,892
3000-5000	Grants to Head Start	12,000,000	12,000,000	\$ 12,000,000	15,000,000
3000-6025	Commonwealth Preschool Partnership Initiative	5,000,000	5,000,000	\$ 5,000,000	2,500,000
3000-6075	Mental Health	2,500,000	2,500,000	\$ 2,500,000	2,500,000
3000-7040	EEC Contingency Contract Retained Revenue	161,893	185,185	\$ 185,185	185,185
3000-7050	Family and Community Engagement Services	14,042,000	14,042,000	\$ 14,042,000	11,482,000
3000-7052	Parent-Child Plus program	-	-	\$ -	3,000,000
3000-7055	Neighborhood Village Pilot Program	1,000,000	-	\$ -	1,000,000
3000-7066	EEC Provider Higher Education Opportunities	5,000,000	8,500,000	\$ 5,000,000	10,000,000
3000-7070	Reach Out and Read	1,000,000	1,000,000	\$ 1,000,000	1,000,000
		<b>\$669,548,703</b>	<b>\$761,891,231</b>	<b>\$ 758,391,231</b>	<b>\$ 736,642,105</b>

- The Governor's Revised H.2 includes mostly level funding to the Governor's proposed budget from January.
- Two outside sections further outline approaches to the caseload account management for FY21.

# FY21 Caseload Account Spending Update



<b><i>Number of Billed Children</i></b>				
	<b>June Actuals</b>	<b>July Actuals</b>	<b>Aug Actuals</b>	<b>Sept Actuals</b>
DCF Voucher	4,622	4,121	3,808	3,828
DCF Contract	7,449	7,394	6,733	6,677
DTA Voucher	11,571	10,395	9,464	9,075
IE Voucher	20,295	17,477	16,517	16,290
IE Contract	11,239	10,832	10,104	10,134
	<b>55,176</b>	<b>50,219</b>	<b>46,626</b>	<b>46,004</b>
<b><i>Comparison to Last Year's Actual Costs</i></b>				
	<b>June Actuals</b>	<b>July Actuals</b>	<b>Aug Actuals</b>	<b>Sept Actuals</b>
3000-3060 Base Caseload	\$ 26,102,922	\$ 28,090,914	\$ 21,732,218	\$ 22,164,178
3000-4060 Base Caseload	\$ 24,010,421	\$ 24,284,293	\$ 19,588,337	\$ 18,975,171
Parent Fees	\$ 6,356,223	\$ 6,636,888	\$ 5,532,057	\$ 5,184,150
<b>Total:</b>	<b>\$ 56,469,566</b>	<b>\$ 59,012,095</b>	<b>\$ 46,852,611</b>	<b>\$ 46,323,500</b>
<b>FY2020 Actuals</b>		\$ 56,566,292	\$ 51,725,858	\$ 43,454,610
<b><i>Difference</i></b>		\$ 2,445,804	\$ (4,873,246)	\$ 2,868,890

- Note: June and July billing numbers reflect families transitioning during reopening.
- Despite lower enrollment, school age children enrolled in full-day programming will continue to increase costs.
- School age children represent approximately 50% of the billed caseload.