

Commonwealth of Massachusetts Department of Early Education and Care

Board of Early Education & Care – September Meeting

September 11, 2024

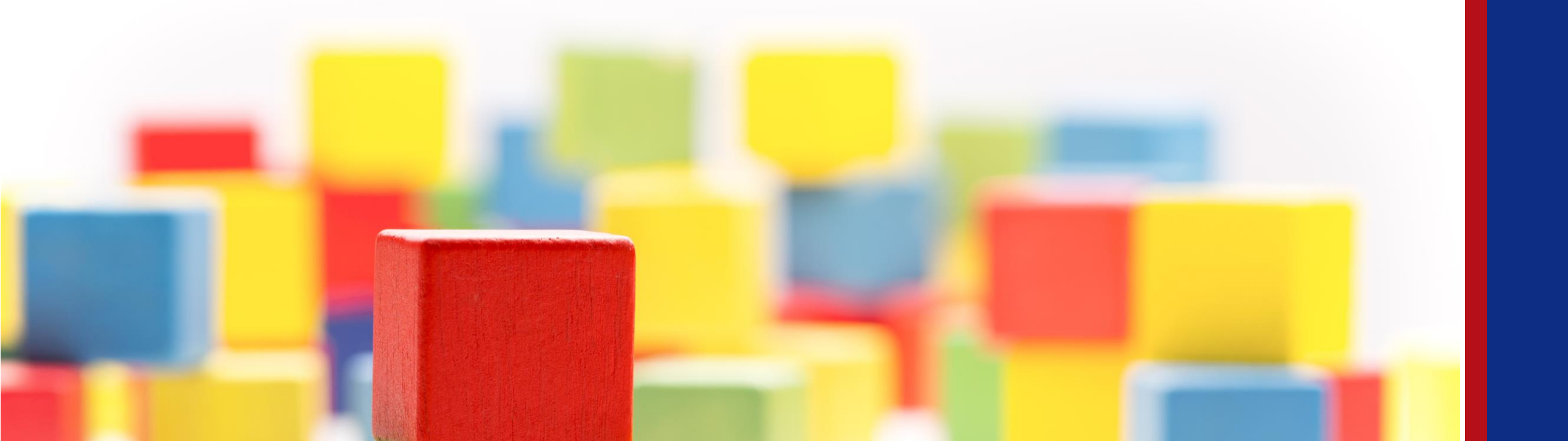
Agenda

Routine Business

- Approval of June Meeting Minutes – **VOTE**
- Approval of Strategic Board Retreat Minutes – **VOTE**

Items for Discussion and Action

- Board Retreat – Summary, Reflections, and Takeaways
- Fiscal Year 2025 Budget Updates
- Child Care Financial Assistance (CCFA) Contracted Provider RFR Updates
- Commonwealth Cares for Children (C3) Program Updates



1

Board Retreat – Summary, Reflections, and Takeaways

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.

FY24 Accomplishments: Policy & Program Highlights

Child Care Financial Assistance Reforms ([link](#))

Child Care Financial Assistance Reform

Why are we changing?

- Increased labor market participation and economic mobility for families.
- Greater equity in access to high quality early education and extended learning opportunities to support children's school and life success.

How are we going to achieve this?

- Engaging internal and external stakeholders throughout the change process.
- Increased flexibility, dignity and stability for children and families.
- Reduced complexity and administrative burden for providers serving or interested in serving families with child care financial assistance.

What is changing?

- CCFA regulations, policies, and procedures
- Contract structure for CCFBAs and providers
- Modernization of the digital experience
- Improving and expanding ways families can interact with EEC

When will this change be happening?

- End-to-end review of the child care financial assistance system launched in April of 2022 to identify opportunities to update, improve and modernize.
- New regulations, contracts, various reform initiatives, and their associated rollout efforts are going into effect on an ongoing basis for the next 6-12 months.
- This is a long-term mindset, process, and culture shift - it will take time to fully implement the changes.

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Cost-Informed CCFA Rate Increases ([link](#))

Recommended Three Rate Option – Variables & Considerations

Variables

- Apply a 5.5% across-the-board COLA
- Consolidate Metro & Metro Boston
- Consolidate Western, Central, and Southeast
- Northeast remains separate
- Increase consolidated rates for center-based care to 81% of the highest cost of care in the group (no further targeted increase for FCCs due to \$20M cap)

Considerations

- 89% of rates are at or above the 50th percentile of market rate (rates below 50th: 2 preschool and 2 FCC over 2 rates)
- 44% of rates are at or above full cost of care. The lowest % of cost of care moves from 56% to 72%
- \$65M is the estimated cost.

MASSACHUSETTS Department of Early Education and Care | January 10, 2024 | 14

Child Care Capital Investment Grants ([link](#))

FY24 Child Care Facility Investment Planning

EEC will use both EEOST funds (provided through the state's Capital Investment Plan) and FY24 budget funds (provided through "Fair Share") to:

- Support broadly accessible smaller scale grants for center-based programs;
- Return to making larger scale grants available for non-profit center-based projects; and
- Develop a strategy and partnership(s) to support facility investment for family child care programs.

Center-based Small Grant
EEOST (Non-Profit) & EECFCG (For-Profit)

To support security upgrades and other smaller facility improvement projects ranging from \$200,000 to \$500,000

- November 9, 2023 Posted to COMMBUYS
- November 28 & 30, 2023 Information Sessions
- January 23, 2024 Applications Due

Center-based Large Grant
EEOST (Non-Profit)

Bringing back funding to support larger projects ranging from \$500,000-\$1,000,000

- December 30, 2023 Posted to COMMBUYS
- January 9 & 11, 2024 Information Sessions
- February 1, 2024 Pre-applications due

Organizations invited to submit a full application by 4:30PM EST on May 2, 2024.

Family Child Care Capital Grants

Reviewing responses to the Request for Information (RFI) from organizations with experience supporting FCCs who could partner with EEC to support an FCC capital grant program.

Coming Soon

Eligible organizations will be required to maintain 50% of slots in the facility to serve low-income families who are eligible for public subsidy.

MASSACHUSETTS Department of Early Education and Care | January 10, 2024 | 4

Workforce Development Initiatives ([link](#))

EEC Workforce Development Efforts

Skills of the workforce drive the quality of interactions and the teaching and learning in the classroom/home

Objective: Build robust professional opportunities and career pathways

Strategic Initiatives

- EEC Learning Management System (LMS) - EEC funded and delivered foundational and ongoing training through StrongStart LMS, PDCs, etc. Includes registration, tracking and verification of professional learning.
- Supportive Pathways - Coordinating state investments to build a system of workforce training programs, including apprenticeships to help new educators start careers in the field and more experienced educators to advance.
- Higher Education Opportunities - Reimagination and improving access to existing opportunities and scholarships for early educators.
- Certifications & Credentialing - Professionalization of the field with state-endorsed qualifications and a clear career ladder for educators.

MASSACHUSETTS Department of Early Education and Care | April 10, 2024 | 15

Commonwealth Cares for Children (C3) Program Updates ([link](#))

Proposed C3 Formula for FY25

$$\text{License Capacity (adjusted by \% enrolled)} \times \text{Base Rate} \times \text{Equity Adjustment}$$

Base Rate

Differential Rates Based on Youngest Age Served (Center-based) or Staffing (Family Child Care) and Hours of Operation

Based on cost models, this part of the formula recognizes differential gaps between revenue and costs faced by programs serving children of different ages and operating full or part time.

Equity Adjustment

Based on Program Tier

This part of the formula recognizes programs serving children with CCFA, other financial scholarships provided to families, and those in a very low opportunity area.

MASSACHUSETTS Department of Early Education and Care | June 12, 2024 | 17

Re-Procurement of CCFA Contracted Seats ([link](#))

Key RFI Topics

Gathering Input from Contract Providers and Family Child Care Systems

MASSACHUSETTS Department of Early Education and Care | December 13, 2023 | 29

FY24 Accomplishments: Agency Capacity & Infrastructure

- Submitted **2025-27 Child Care Development Fund State Plan**, defining how EEC will administer federal CCDF funds
- Secured **\$3.3M in capital funding for CCFA technology modernization** for FY25, as part of the FutureTech Act
- Opened **new Metro Boston regional office** in Quincy, and completed office renovations in Springfield and Lawrence
- **Defined key performance indicators** for each of EEC's five strategic objectives and completed backend development to enable the creation of live KPI dashboards
- Launched EEC's first ever **DEIB Council**
- **Filled more than 40 positions** across the department, including the following newly created, "first ever" EEC positions:

New First-Ever EEC Positions Created and Hired in FY24

- **Director of Diversity, Equity, and Inclusion** (Jesenia Burke)
- **Director of Research** (Ashley White)
- **Research Analyst** (Caroline Connolly)
- **3 Experience Product Owners** (Augie Llona, Daniel Wong, Kristyn Berry)
- **Family Engagement Manager** (Ayesha Rodriguez)
- **Priority Access Manager** (Elyse Tibbetts)
- **5 Regional Family Access Specialists** (Kelly Castor, Ashley Theodat, Cynthia Smith, Onika Jenkins, Mary Dennehy-Colorusso)

FY25 Proposed Strategic Initiatives, Projects and Priorities



FAMILY ACCESS

- Operationalize CCFA policies
- Launch CCFA eligibility system design
- Strategy to better support Family, Friend & Neighbor Care
- CFCE alignment & rebranding



PROGRAM STABILITY

- Develop and implement FY25 rate increase
- Alternative methodology approval
- C3 program updates & analysis
- Further capital investment strategy



PROGRAM QUALITY

- Residential licensing regulations
- Child care licensing regulations
- CCFA contract monitoring
- CQI pilot



WORKFORCE SUPPORT

- Ongoing BRC process improvement
- Launch educator credential
- New apprenticeship and “pipeline” programs
- Further improvements to higher education scholarships and support
- Student loan forgiveness

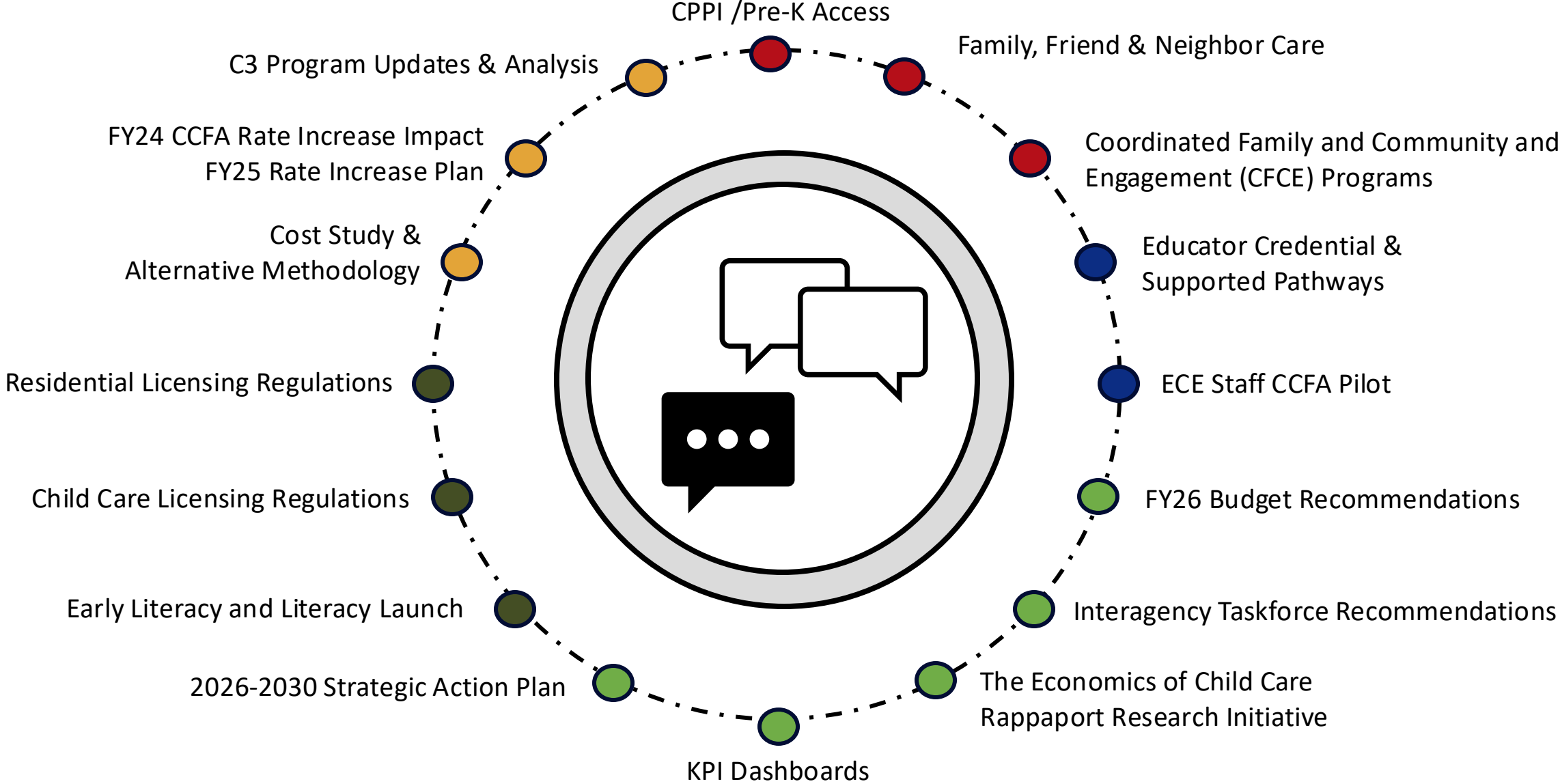


- 2026-2030 Strategic Action Plan
- Continue key capacity building (e.g., Internal Controls, Program Integrity)

- Establish Family Advisory Committee
- Establish Data Advisory Commission
- Launch KPI Dashboards

AGENCY INFRASTRUCTURE

Major Topics for Board Input and Action in FY25





2

Fiscal Year 2025 Budget Updates

EEC FY25 Budget: Overview

The FY25 General Appropriations act (GAA) funds EEC at \$1.542 billion, a \$20 million increase over FY24 GAA.

- **\$475M** for **Commonwealth Cares for Children (C3)** and makes this program permanent
- **\$872M** for child care financial assistance, which provides **\$20 million** for new **child care financial assistance** rate increases in FY25 to continue better covering the true cost of providing care, and annualizes \$65 million from FY24 rate increases
- **\$22.5M** for the **Commonwealth Preschool Partnership Initiative (CPPI)** to maintain FY24 expanded universal access to high-quality preschool with a focus on gateway cities and rural communities
- **\$20M** for **child care resource and referral** services
- **\$18.5M** for supplemental grants to **Head Start** programs
- **\$11.8M** for the **coordinated family and community engagement (CFCE)** grant program
- **\$5M** for early childhood **mental health supports** and services for children and early education professionals
- **\$5M** for professional development and the **Career Pathways Initiatives**
- **\$4M** for the **ParentChild+** program
- **\$5M** for the **Summer Step Up** program to support children entering kindergarten and early elementary school with high-quality summer learning experiences

New Investments

- **\$7.5M** for a new higher education early educator scholarship program
- **\$7.5M** for a new loan forgiveness program
- **\$2.5M** for a new employer sponsored child care pilot

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

EEC Budget by Line-Item (in millions)

Child Care Financial Assistance & Family Access and Engagement

Line Item	Appropriation Name	FY24 GAA	FY25 GAA	FY 25 Notes
3000-1049	Employer-sponsored Child Care	\$0.0	\$2.5	
3000-2000	Access Management	\$20.0	\$20.0	
3000-3060	DCF/DTA Related Child Care	\$346.6	\$356.6	\$10M to annualize FY24 rate increase
3000-4060	Income-Eligible Child Care	\$407.2	\$417.2	\$10M to annualize FY24 rate increase
1596-2411	Income Eligible Access (Waitlist Remediation)	\$25.0	\$15.0	\$15M dedicated for FY25 contracted provider procurement
1596-2434	Rate Increase for Early Education and Care	\$65.0	\$65.0	\$45M to annualize FY24 rate increase \$20M for FY25 rate increase
1596-2435	EEC Affordability	\$0.0	\$18.0	\$8M earmarked for CCFA access for early educators and staff
3000-5000	Grants to Head Start Programs	\$17.5	\$18.5	
3000-7050	Coordinate Family and Community Engagement	\$11.9	\$11.9	
3000-7052	Parent-Child Plus Program	\$4.3	\$4.3	
3000-7070	Reach Out and Read	\$1.0	\$1.0	
TOTAL		\$898.5	\$930.0	

EEC Budget by Line-Item (in millions)

Commonwealth Cares for Children (C3)

Line Item	Appropriation Name	FY24 GAA	FY25 GAA	FY25 Notes
3000-1045	C3 Stabilization Grants	\$475.0	\$300.0	FY25 Funding Sources: <ul style="list-style-type: none"> High-Quality EEC Affordability Trust Fund Early Education and Care Operational Grant Fund (iLottery)
1596-2410	Child Care Grants to Providers	\$0.0	\$175.0	FY25 Funding Source: <ul style="list-style-type: none"> Fair Share
TOTAL		\$475.0	\$475.0	

EEC Budget by Line-Item (in millions)

Other Workforce and Program Supports

Line Item	Appropriation Name	FY24 GAA	FY25 GAA	
3000-1020	Quality Improvement	\$46.7	\$52.6	Funds licensing & other quality support staff
3000-1000	Workforce Related Earmarks	\$0	\$15.0	\$7.5M for Student Loan Forgiveness \$7.5M for Higher Ed Scholarship for Educators
1596-2429	Early Education & Care Provider Capital	\$15.0	\$0	EEOST Capital Grants will continue in FY25. Application for FCC Capital Grants currently open. 2 nd round of capital grant funding for for-profit centers will take place in FY25.
3000-6025	CPPI Pre-K Initiative	\$15.0	\$17.5	
1596-2412	CPPI Pre-K Initiative	\$5.5	\$5.0	
3000-6075	Mental Health	\$5.0	\$5.0	
3000-7066	Career Pathways	\$10.0	\$5.0	
3000-7055	Neighborhood Villages	\$1.0	\$1.0	
TOTAL		\$98.2	\$101.1	

Outside Sections: Overview

In addition to the fiscal investments in FY25, the final budget included statutory “outside sections” that impact and direct the agency’s work in the year(s) ahead.

- Makes **C3 permanent**, codifying the program into law, with guidance for FY25 and beyond.
- Codifies **CCFA eligibility** in state law and extends eligibility up to 85% of the state median income.
- Creates a new **loan forgiveness program** which includes early education and care staff.
- Codifies the existing higher education **scholarship** for early education and care staff.
- Requires EEC to establish a **schedule for revising the CCFA rate structure and parent fee schedule**.
- Requires the agency to establish an early education and care **career ladder**.
- Removes the statutory cap (currently 10) for Family Child Care programs, allowing for new regulation to look at **FCC group size and ratios**.
- Requires EOLWD, in consultation with the EEC and EOED, to prepare a **report on** supporting early education and care and promoting **employer best practices**.
- Creates a **Data Advisory Commission** with new data collection requirements and an annual report.

Find the full language for all outside sections [here](#).

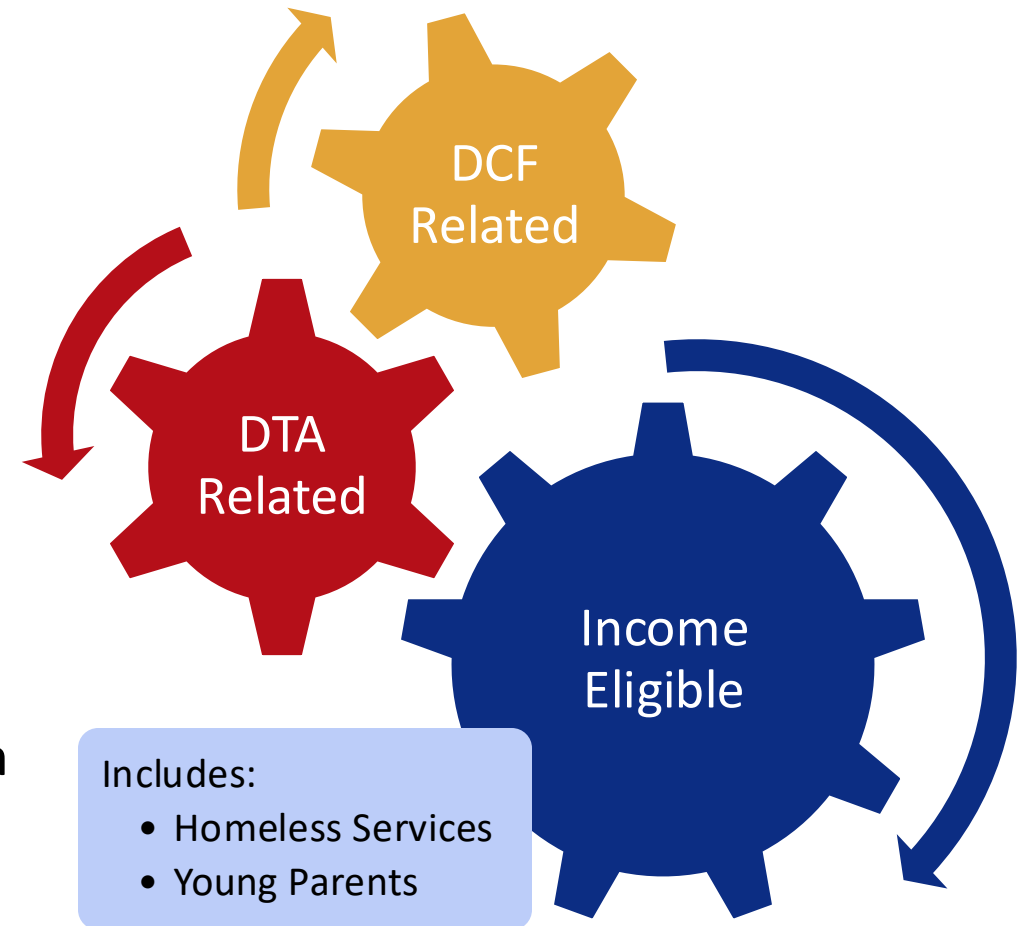
A background image of various colorful wooden blocks (red, yellow, blue, green) scattered on a white surface. A dark red horizontal bar is overlaid on the middle of the image, containing text. The number '2' is inside a white circle on the left side of the bar.

2

Child Care Financial Assistance (CCFA) Contracted Provider RFR Updates

Child Care Financial Assistance (CCFA) Programs

- CCFA programs provide financial assistance for low-income families to access child care and out-of-school time programs so they can work or attend a job training or educational program.
 - **This is for infants, toddlers, preschoolers and school-age children (under 13).**
- EEC administers three child care financial assistance programs accessible to families in the form of vouchers or contracted slots.
- The state's programs are funded federally through the Child Care and Development Fund under the Child Care and Development Block Grant and by the state through multiple EEC line items.



Forms of Assistance

Voucher to Families

- These are portable - families can use them at any program that accepts CCFA
- Administered and managed by Child Care Resource and Referral agencies only
 - EEC re-procured CCRR services last year

Direct Contracts with Providers

- Direct care contract at a center-based site or family child care system for a specific number of seats
 - These were last procured in 2009
- Each contracted provider manages their own contracted seats

Family eligibility rules are the same for contracts and vouchers and they are paid at the same EEC daily reimbursement rate based on age of children, region and type of care. Contracted providers for priority populations receive additional add on rates for supportive services, including transportation now funded separately.

Eligibility

Voucher

- Entitlement: eligible families receiving services from DCF or DTA benefits and participating in an eligible activity/“service need” (e.g., working, education, training)
- Income Eligible:
 - Parent has an eligible “service need” AND
 - Gross income is at or below 50% state medium income at initial eligibility (85% for staff working in early education and child/parent with disability); all families retain eligibility up to 85% SMI

Contracted Seat

- Income eligible OR
- Priority population
 - Families experiencing homelessness (who meet definition of homeless in McKinney-Vento Homeless Assistance Act)
 - Families working with DCF
 - A parent under age twenty-four

Household Size	2	3	4	5	6	7
Annual Gross Income	\$ 49,464	\$ 61,104	\$ 72,744	\$ 84,384	\$ 96,024	\$ 98,208

FY25 CCFA Provider Contracts Re-procurement Goals

- ① Improve the customer service experience for families
- ② Strengthen and align educator staffing and training requirements across programs
- ③ Improve performance monitoring and effectiveness
- ④ Continue efforts to simplify rates for providers

New items

- Incorporating clearly defined customer service and communication expectations to ensure all families have a respectful and consistent experience.
- Instituting consistent staffing expectations for programs and umbrella agency staff.
- Setting training and professional development criteria for programs and staff to ensure that all programs are equipped with the experience necessary to serve and meet the needs of children and their families.
- Introducing Key Performance Indicators (KPIs) and a collaborative approach to monitor performance, program effectiveness, and compliance with core service requirements.
- Making transportation services a separate critical supportive service for priority population contracts, reimbursing providers for each child receiving transportation through the contract. This creates a daily per-child transportation rate for all priority population families, separating it from other support services.

Re-Procurement Outreach

10 Visioning Sessions



With FCC Systems, Center-based programs, FCC educators, Head Start programs and State Partners.

(over 260 attendees across all sessions)

5 Bidders Conferences



Opportunities for potential bidders to learn about the contract and ask questions. 2 for Income Eligible, 2 for Supportive and 1 focused on the budget portion.

Updates at Board Meetings & 9:30 Call



Provided frequent updates at EEC Board Meetings to share, as well as EEC's regular appearance on the 9:30 Call following meetings

Advisory & Workforce Council Meetings



Solicited feedback from our advisory and workforce councils.

New Policy & Regulation Trainings



Hosted 4 intensive trainings on new regulations and policies in Child Care Financial Assistance in person and on zoom.

Contracted Provider Re-Procurement Timeline



This re-procurement is part of a comprehensive effort to improve and modernize the state’s CCFA system, which has included:

- End-to-end review of the current system, studying and updating regulations, policies, and procedures
- Stakeholder interviews
- Multiple visioning and listening sessions.

This is the first time these services have been re-procured since 2009.



3

Commonwealth Cares for Children (C3) Program Updates

C3 Overview

For 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 payments to over 8,000 programs across the state since its inception.

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 has been a critical support 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

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



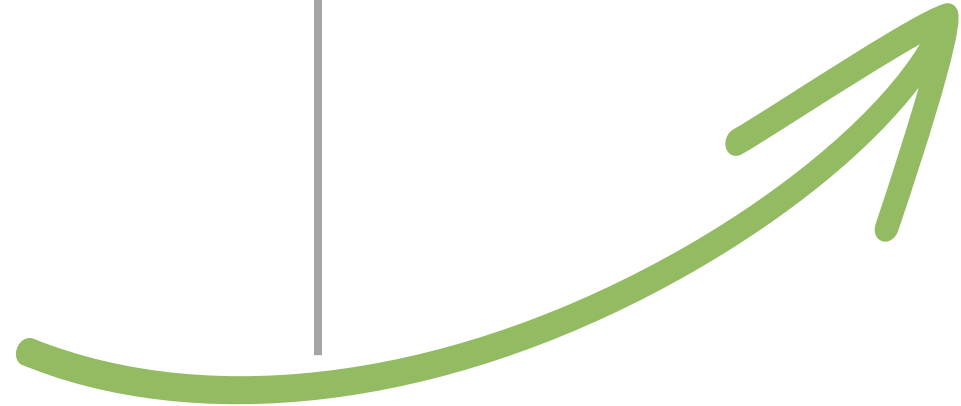
Workforce Supports

- Educator compensation has grown during the C3 period



Family Access

- Programs report using C3 funds to maintain affordability for families



C3 Goals for FY25

- **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.

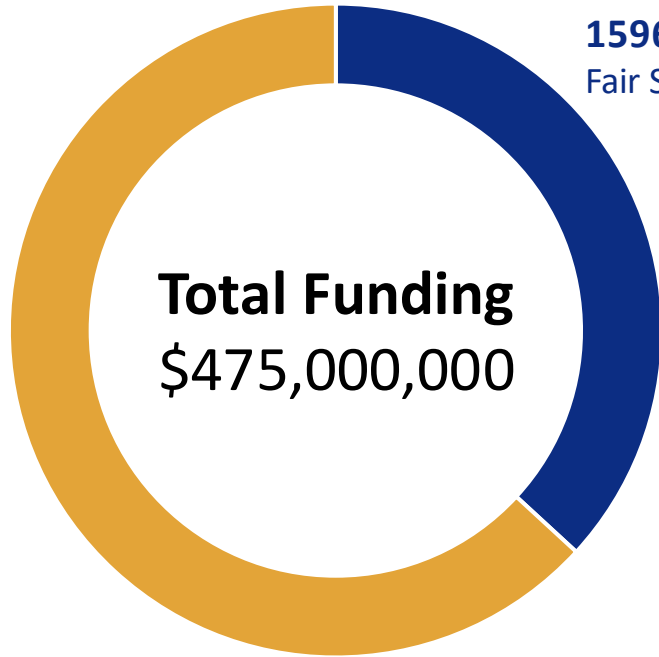
FY25 Budget Requirements

3000-1045: \$300,000,000

High-Quality EEC Affordability Fund & iLottery

1596-2410: \$175,000,000

Fair Share Revenue



Outside Section 189 includes additional requirements for the agency in administering C3 in FY25, including establishing funding requirements based on provider enrollment.

Provider Enrollment Characteristics	Funding Requirement (of Total C3 Funding)
<ul style="list-style-type: none"> • ≥25% of children receiving CCFA • ≥25% of low-income/at-risk children • Head Start/Early Head Start 	≥50.5%
<ul style="list-style-type: none"> • ≥1% but <25% of children receiving CCFA 	≥28.4%
<ul style="list-style-type: none"> • No children receiving CCFA 	≤21.1%

Caps annual funding for for-profit providers that operate more than 10 center-based programs in MA at 1% of total C3 funding.

Authorizes EEC Commissioner to grant a waiver of the 1% limit, if determined to be in the best interest of the Commonwealth.

In developing the formula for FY25, EEC is also taking into account other outside sections that make C3 permanent beginning July 2025 and include additional requirements.

Proposed C3 Formula for FY25

Base Rate

Equity Adjustment

License Capacity (adjusted by % enrolled)

X

Differential Rates Based on Youngest Age Served (Center-Based) or Staffing (Family Child Care) and Hours of Operation

X

Based on Program Tier

Based on cost models, this part of the formula recognizes differential gaps between revenue and costs faced by programs serving children of different ages and operating full or part time.

This part of the formula recognizes programs serving children with CCFA, other financial scholarships provided to families, and those in a very low opportunity area.

FY25 Base Rates for Different Program Types

Proposed rates based on the following information from cost modelling:

1. Recommended staffing based on ages/program type served
2. Proposed higher salaries
3. Other costs associated with each program type

Aligned with identified gaps between costs and revenues identified by the cost models.

Center-based programs

(full- and part-time rates for each program type below except school age, part time = <25 hours per week)

- Programs serving infants as youngest age group
- Programs serving toddlers
- Programs serving preschoolers
- Programs serving (only) school age

Family child care programs

(full- and part-time rates for each program type below)

- Programs with full-time assistant
- Programs with part-time assistant
- Programs without an assistant

Proposed New C3 Formula

Base Rate											
Licensed Capacity (Adjusted by enrollment*)	Standardized Base Rate* (Based on youngest age group served, differentiated for part time programs)										
	<table border="1"> <thead> <tr> <th>Center Based Care</th> <th>Family Child Care</th> </tr> </thead> <tbody> <tr> <td>\$100 if serve infants (\$80 if open part time)</td> <td>\$80 if Full Time Assistant (\$60 if open part time)</td> </tr> <tr> <td>\$80 if serve toddler (\$60 if open part time)</td> <td>\$60 if Part Time Assistant (\$40 if open part time)</td> </tr> <tr> <td>\$70 x if serve preschool (\$50 if open part time)</td> <td>\$50 if No Assistant (\$30 if open part time)</td> </tr> <tr> <td>\$50 if only serve school age (including K)</td> <td></td> </tr> </tbody> </table>	Center Based Care	Family Child Care	\$100 if serve infants (\$80 if open part time)	\$80 if Full Time Assistant (\$60 if open part time)	\$80 if serve toddler (\$60 if open part time)	\$60 if Part Time Assistant (\$40 if open part time)	\$70 x if serve preschool (\$50 if open part time)	\$50 if No Assistant (\$30 if open part time)	\$50 if only serve school age (including K)	
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\$50 if only serve school age (including K)											
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Equity Adjustment		
Tier 1	<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 	X 3
Tier 2	<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 	X 2.5
Tier 3	Does not qualify for tier 1 or tier 2, or CEO compensation ratio exceeds 30:1	X 1

X

1% Cap Requirements

The FY25 budget language relating to C3 (Outside Sections 36 and 189) institutes a cap on annual funding for for-profit providers that operate more than 10 center-based programs in the state. These organizations are limited to receiving a maximum of 1% of total C3 funding. The language applies to C3 in FY25 and beyond.

The language also authorizes EEC Commissioner to grant a waiver of the 1% limit, if determined to be in the best interest of the Commonwealth.



A review of umbrella agencies in LEAD identifies **7 for-profit umbrella** organizations that operate more than 10 sites in MA. These organizations represent 262 individual sites that serve approximately 23,000 children.



EEC is developing a strategy for implementing this requirement and will update the Board at our October meeting. The strategy will consider the impact on accessibility and affordability for families.

Summary of C3 Adjustments Proposed for FY25

Further differentiate per child base rates used to distribute funding to align with proportionate gap between program costs and revenues for different program types in EEC cost models

- Takes into account ages served (for centers), staffing (for FCCs), and hours of operation.
- Will result in some shifts to program funding levels within tiers.

Adjust per slot payments based on reported annual enrollment averages

- For program enrollment $\geq 75\%$ of licensed capacity (center-based) or ≥ 3 children (FCC) programs would receive full per slot allocations
- For center-based programs below this benchmark, per slot payments would be prorated by actual enrollment averages. FCCs would receive 75% of payment if they enrolled < 3 and ≥ 2 children on average, 50% of payment if < 2 and ≥ 1 , and 25% of payment if < 1 child

Replace Social Vulnerability Index (SVI) with Child Opportunity Index (COI) as place-based metric

- Replace SVI – a tool used to measure a community’s vulnerability to disasters – with the COI, which specifically focuses on the quality of local resources and conditions that impact children’s healthy development (see Appendix for additional details).

Adjust CEO compensation ratio Those above 30:1 will not receive equity adjustment

Apply funding caps to large for-profit providers as per budget requirements

- Develop strategy to cap payments to for-profit providers (and non-MA non-profits) with more than 10 programs at 1% of grant expenditures
- Disallow franchises to include C3 funds in royalty calculations and treat them as independent providers

Set consistent monthly C3 payments so that funding levels are stable and predictable

- Set fixed payments based on fall program data and hold payments constant for the remainder of the fiscal year

Open C3 to newly licensed providers quarterly

- Set aside funds at beginning of year for new programs to be able to enter quarterly, and if the projected obligation to new programs exceeds available funds, EEC would close access

Continue administrative improvements introduced in FY24

- Maintain quarterly deadlines for recertification
- Gather information about willingness to engage in a voucher agreement if a family with CCFA seeks enrollment

FY25 Implementation Timeline

September



Work to model and finalize C3 formula to consider new budget language and feedback from the field



Payments based on May/June funding tiers and approach



Continue quarterly process of admitting new programs

October



Update application to collect data needed for new formula



Inform programs of estimated November payments, final payment based on May/June funding tiers and approach



Continue quarterly process of admitting new programs

November



Launch a fully revised application and new formula



Set payments for the rest of the fiscal year based on new formula



Continue monthly recertifications and quarterly process of admitting new programs

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

Appendix

Proposed Place-based Metric for FY25: The Child Opportunity Index (COI)

What Is COI?

- COI is a composite metric used to measure child opportunity within communities.
- COI includes 44 different indicators across three categories: education, health and environment, and social and economic.

What is SVI?

- SVI is a composite metric designed to help local governments identify communities that may need support before, during, and after disasters.
- SVI includes 16 different indicators across four categories: socioeconomic status, household characteristics, racial and ethnic minority status, and housing type/transportation.

Why Use COI vs. SVI?

- Unlike SVI, COI is a child-centric tool that includes variables highly correlated with child development outcomes.
- COI organizes communities into five levels of opportunity, enabling EEC to better target funds to programs that serve families with the fewest resources and opportunities for children.
- COI has been widely used by state and local agencies to examine and allocate resources that focus on unequal access to opportunity and advancing racial/ethnic equity.
- See <https://www.diversitydatakids.org/child-opportunity-index> for additional information.