Commonwealth of Massachusetts
Department of Early Education and Care

Board of Early Education & Care – September Meeting

September 13, 2023

Agenda

Routine Business

- Approval of Minutes from June 13, 2023 Meeting – VOTE
- Approval of Minutes from August 21, 2023 Strategic Board Retreat – VOTE

Items for Discussion and Action

- Board Retreat – Summary, Reflections, and Takeaways
- Child Care Financial Assistance Reform: Regulation and Policy Timeline Update
- Commonwealth Cares for Children (C3) Spring Survey Findings
- The Economics of Child Care – Rappaport Institute of Greater Boston Research Initiative
    - Jeffrey Liebman Director of the Taubman Center for State and Local Government & Robert W. Scrivner Professor of Social Policy, Harvard Kennedy School of Government



1 Board Retreat – Summary, Reflections, and Takeaways

FY23 Accomplishments and FY24 Priority Initiatives

The Board, and the agency, have made significant progress over the past year across each strategic pillar, stabilizing the early education and care field and positioning the agency and the field for further transformation.

This year has focused on:

Reforming Child Care Financial Assistance

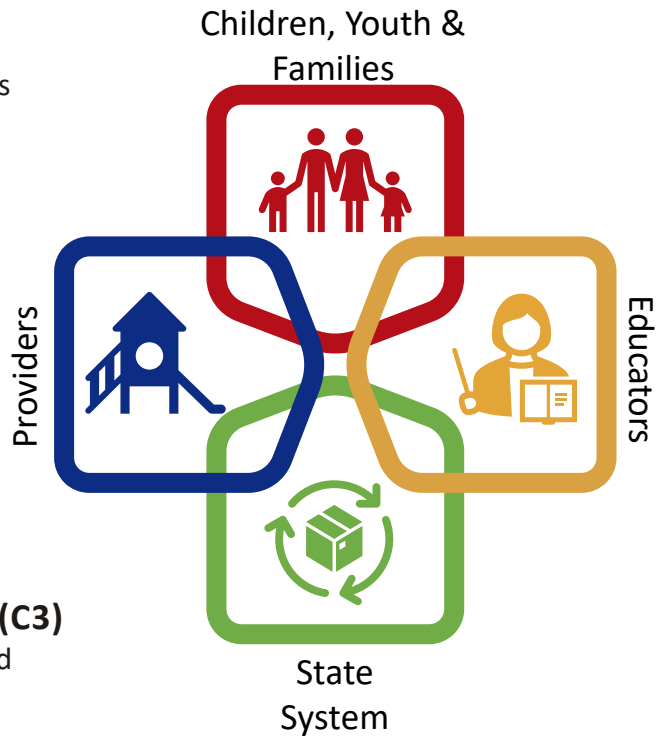
Improve access, create a more family-centered, dignified experience and reduce administrative burdens for families, providers, and EEC

Rate Increases and Cost-Informed Rate Reforms

Historic increase to Child Care Financial Assistance payment rate and expand on the Market Rate Study by looking at the cost of care to better inform the agency around the cost drivers and where we can better support programs across the Commonwealth

Stabilizing and Supporting Program Operations (C3)

Maintain capacity, support increased compensation and benefits, mitigate tuition/fee increases and direct investment into programs serving low-income families



Building Career Pathways & New Pipelines

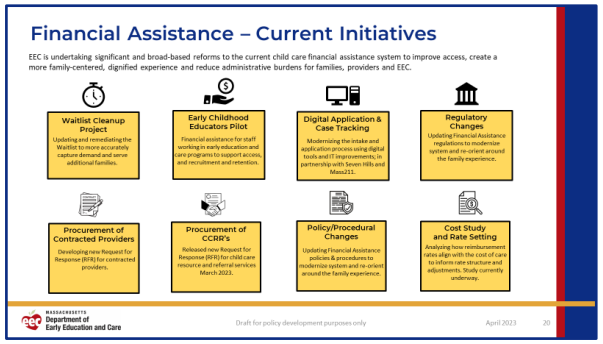
Robust professional opportunities and career pathways to help professionalize the field while developing immediate strategies to increase recruitment and retention of skilled educators

Updating and Modernizing Agency Operations

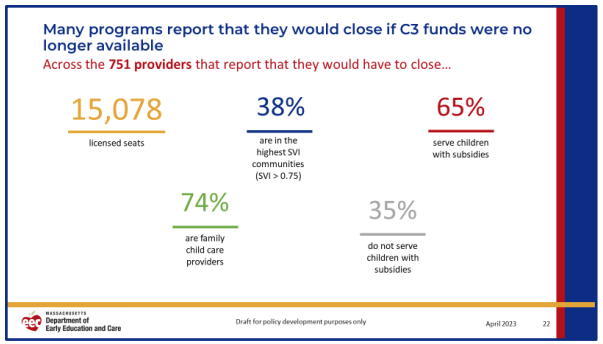
Create a human/user-centered agency and business processes to modernize and improve the staff and user experience

FY23 Accomplishments and Priority Initiatives

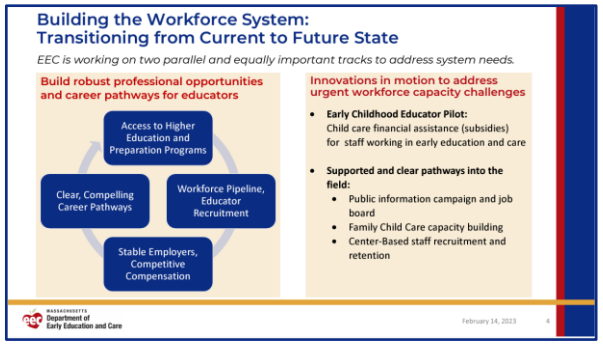
Reforming Child Care Financial Assistance (link)



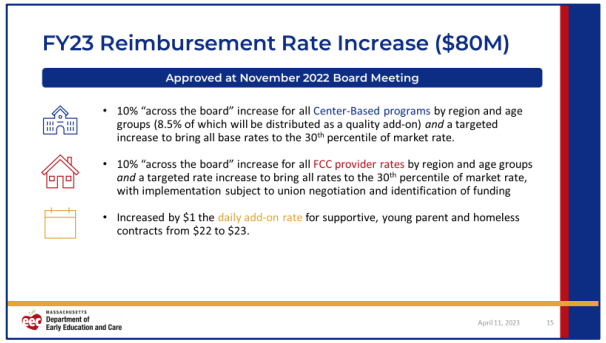
Stabilizing and Supporting Program Operations (C3) (link)



Building Career Pathways & New Pipelines (link)



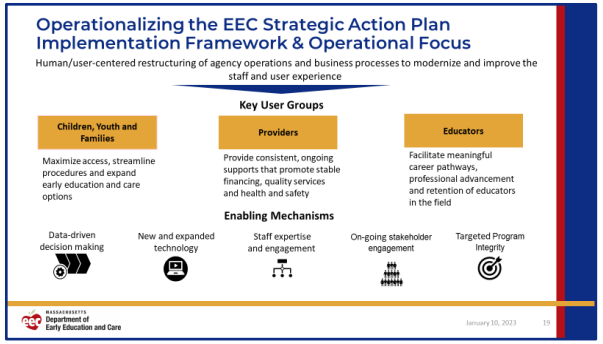
$80 Million Child Care Financial Assistance Rate Increase (link)



Understanding the True Cost of Care (link)



Updating and Modernizing Agency Operations (link)



While maintaining momentum and progress in each of these areas, the agency is also developing a program quality theory of action to focus on what's happening in the classroom.

FY24 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 STABILITY

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



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.



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 Budget Highlights

- **$778** million towards **Child Care Financial Assistance** to support access to care for families with no or low income, who are receiving services from DCF or DTA, and who are experiencing homelessness. This reflect an increase of $25 million over last year.
- **$475** million fully supporting the continuation of **Commonwealth Cares for Children (C3)** stabilization grants to child care providers
- **$45** million to increase **subsidy reimbursement rates** for providers who accept state financial assistance, in addition to the annualization of **$80** million of rate increases that were implemented last year
- **$5** million for **mental health consultation** services for early education programs, an increase of $1.5 million over FY23 funding

Preschool Development Grant Updates: $12 M every year over 3 years

- EEC been awarded a three-year, $36 million federal grant (currently in year 1)
- This new federal funding will support and accelerate EEC work across all strategic objectives

Major Topics for Board Input and Action in FY24

Commonwealth Cares for Children (C3) 

Child Care Financial Assistance (CCFA) Policy Reforms 

Child Care Licensing Regulation Revision Launch 

Educator Credentialing & Certification 

Child Care Financial Assistance (CCFA) Rates 

Residential Licensing Regulation Revisions 

Promoting High Quality Early Education and Care: Moving from Theory to Action 

KEY

 Family Access

 Program Stability

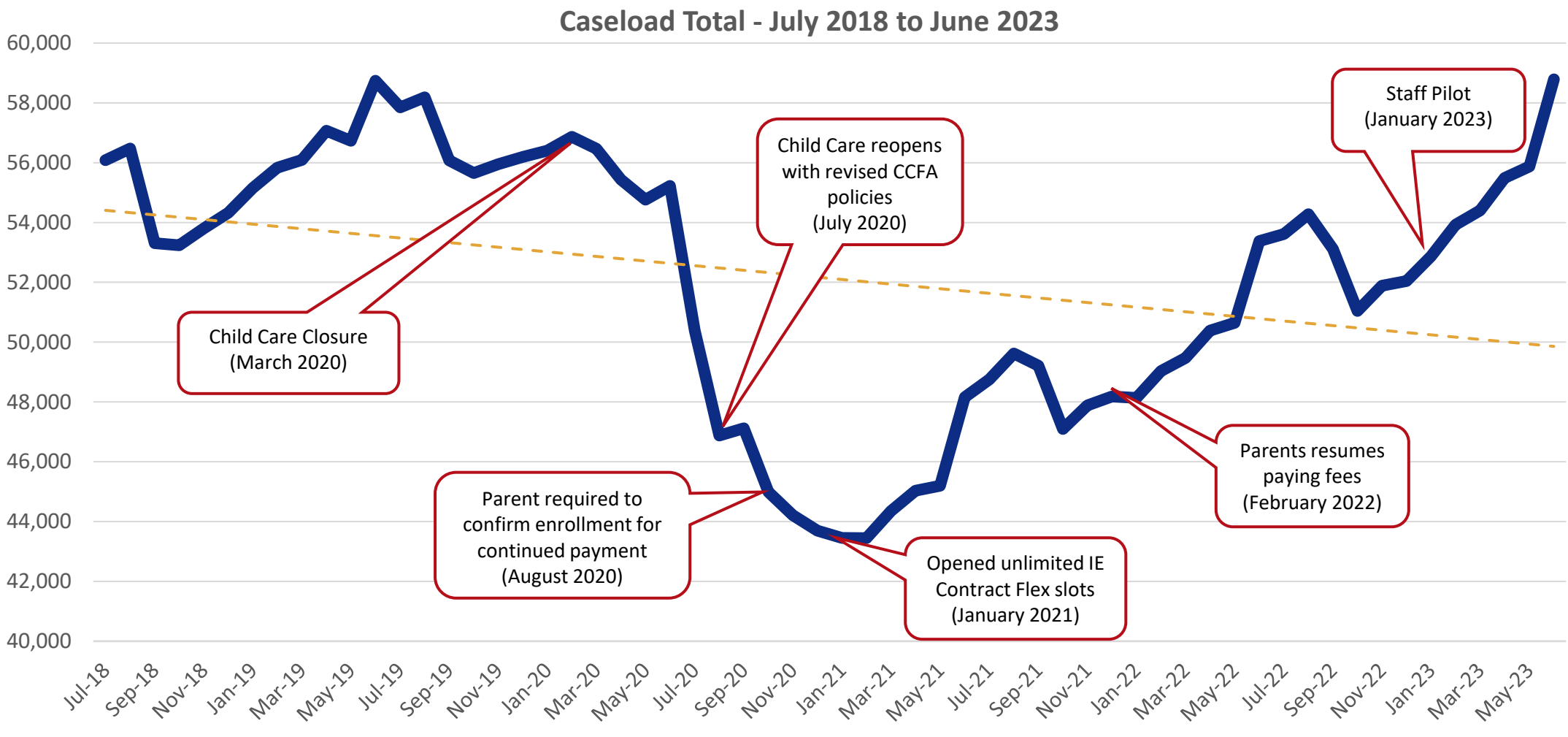
 Program Quality

 Workforce Supports

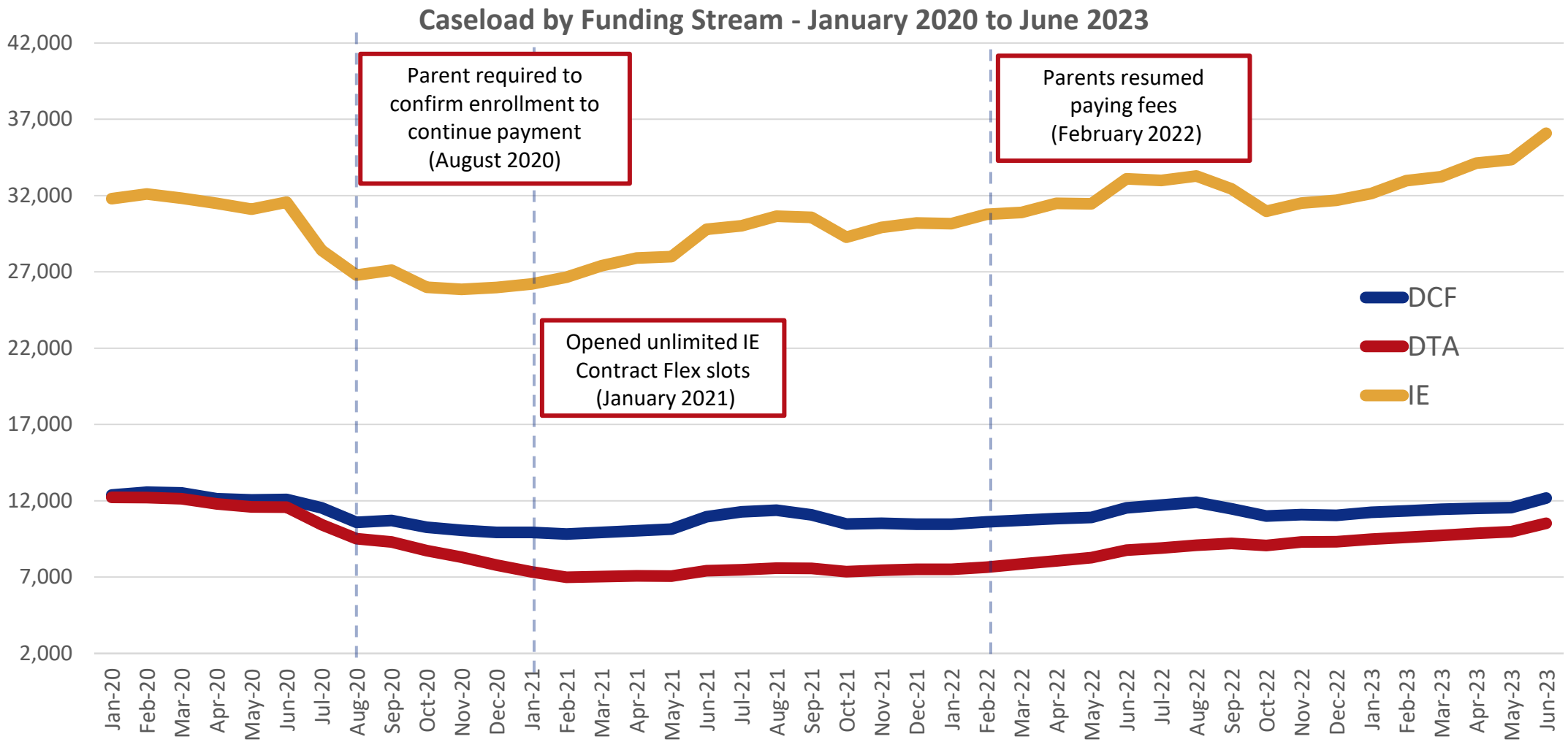


2 Child Care Financial Assistance Reform: Regulation and Policy Timeline Update

Child Care Financial Assistance Caseload: Total



Child Care Financial Assistance Caseload: By Program/Population



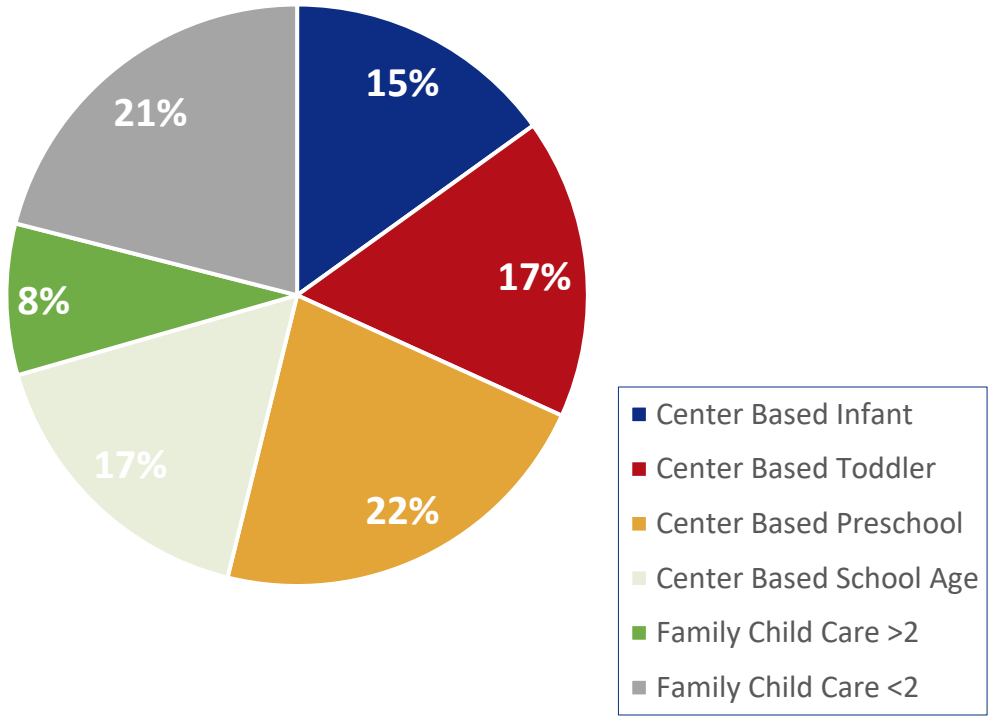
ECE Pilot: Enrollment Data as of 8/28/23

2,552 children reached with the ECE priority so far!

1,253 children enrolled in care

503 children are on the waitlist or in the eligibility determination process

Enrollment by Age Group



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

What is changing?

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

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

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

Current Initiatives



CCR&R/Contracted Re-procurement

Releasing new Request for Response (RFR) for Child Care Resource and Referral organizations (CCR&R's), effective Summer 2023



Contracted Provider Re-procurement

Releasing new Request for Response (RFR) for contracted providers, effective July 2024



Policy / Procedural Changes

Updating Financial Assistance policies & procedures to modernize system and re-orient around the family experience, effective October 2023



Regulatory Changes

Updating Financial Assistance regulations to modernize system and re-orient around the family experience, approved March 2023 and effective October 2023



Family Engagement

EEC/EOTSS engaging families through user research to learn about the experiences of families who use CCFA and find opportunities to improve the digital service experience.



Waitlist Cleanup Project

Updating and remediating the Financial Assistance Waitlist so that it accurately captures active families who are seeking care



Early Childhood Educators' Pilot

Supporting access to affordable child care Early Childhood Educators



Digital Application & Case Tracking (FACTs)

Modernizing the intake and application process using digital tools and IT improvements; in partnership with CCR&Rs and Mass211.

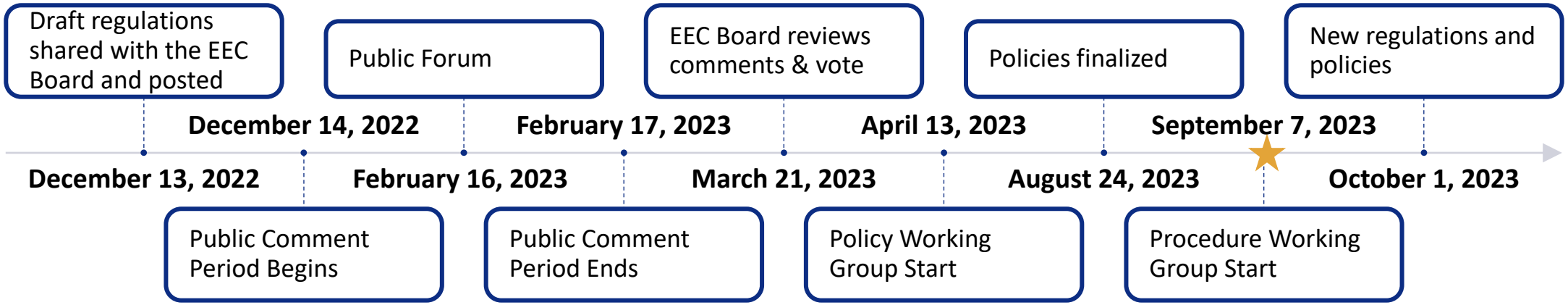


SMS Texting Pilot

Modernizing communications to families through touchpoints throughout the journey via SMS text message; Exploring Waitlist use case currently as a pilot

Child Care Financial Assistance Reform

Timeline



Participants

Public Forum
215 Participants
40+ Comments

Policy Working Group
13 Organizations
6 Working Sessions

Priorities & Approach: Aligning Policy to Regulatory Reforms

1. **Prioritize family needs and experience**



2. **Increase Overall System Efficiency**



3. Modernize and update system



Proactive communication and new supports for families to alleviate barriers	Extend timelines to ensure stability of care	Reduce rigidity and increase flexibility
Streamline and clarify roles and responsibilities	Reduce documentation burdens	Use more inclusive and accessible language
Improve options to include online applications, email and text notifications and remote appointments	Facilitate access for priority populations (Families experiencing homelessness families with disabilities families involved with DTA & DCF, and families facing domestic violence)	Evaluate and retain or modify COVID flexibilities

Changes in Policies/Procedures

The new policies, organized by key program/population, will guide the development of detailed procedures and technical changes to align with the new regulations and focus on the family journey

Current Policies (135 pages)

1) Waitlist Policies
2) General Requirements for Child Care Subsidies
3) Income eligible Program Requirements
4) Reauthorization
5) DTA-Related Child Care Program Requirements
6) DCF-Related Child Care Program Requirements
7) Young Parent Child Care Services Program Requirements
8) Child Care for Homeless Families
9) Attendance and Approved Break in Care
10) Parent Fees
11) Eligible Child Care Subsidy Providers
12) Denials and Terminations
13) EEC Financial Assistance Complaint, Appeal and Investigation Process
14) Sanctions
15) Improper Payments and Recoupments

Upcoming Policies (33 pages)

1) Income Eligible
2) DTA-Related Child Care
3) DCF-Related Child Care



3 Commonwealth Cares for Children (C3) Survey Findings

Spring 2023 C3 Survey Overview

In March, EEC launched the fourth in a series of surveys to gather additional information about programs' use of C3 grant funds, ongoing financial needs, and issues facing the workforce and families.

The spring survey launched on March 31, 2023 and providers were required to complete the survey when they applied for their next monthly C3 grant.

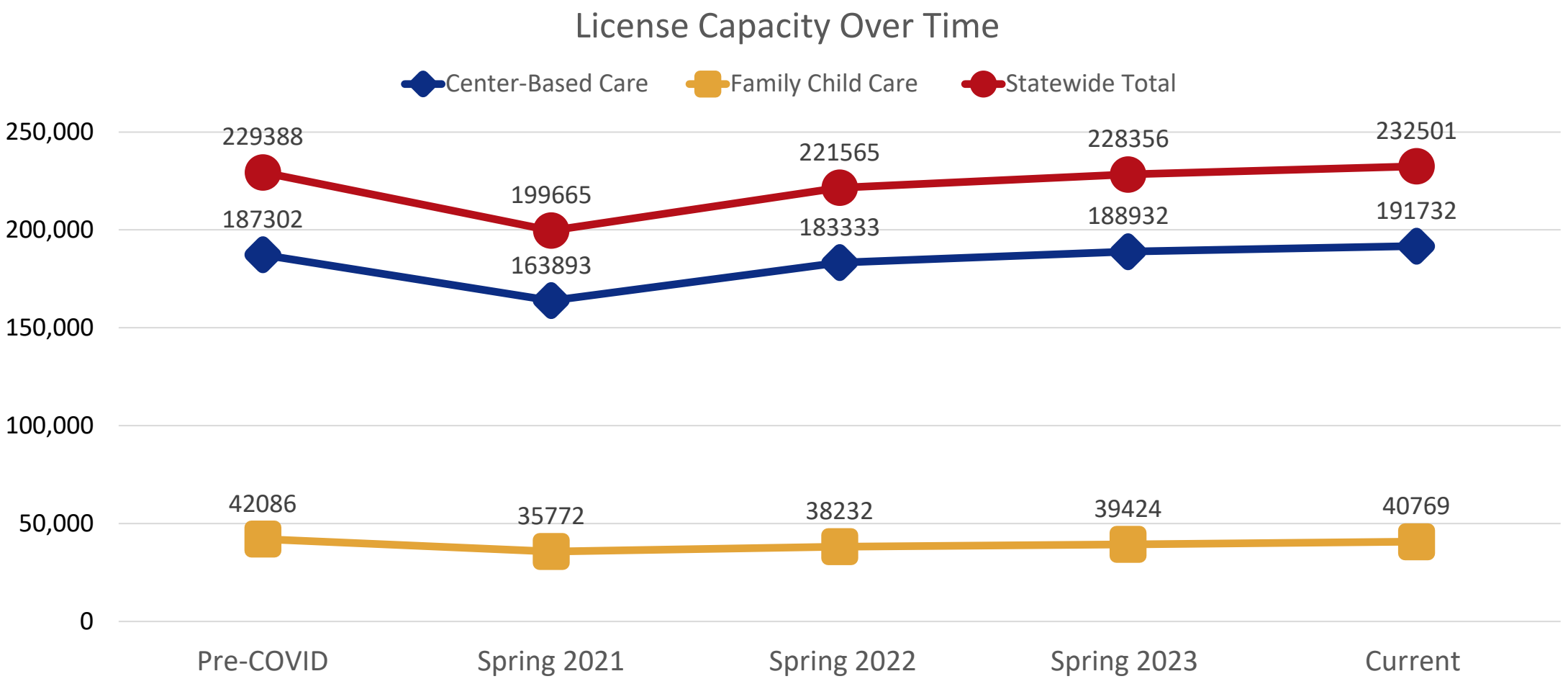
This analysis includes responses from 6,806 providers (87%) that completed the survey prior to July 31, 2023. Respondents include:

- 2,577 center-based care programs (88% of all CBC providers statewide)
- 4,229 family child care programs (86% of all FCC statewide)
- 4,414 programs (96% response rate) that serve children receiving EEC Child Care Financial Assistance*

Response rates by region range from 85% in the Southeast and Cape to 89% in Western MA.

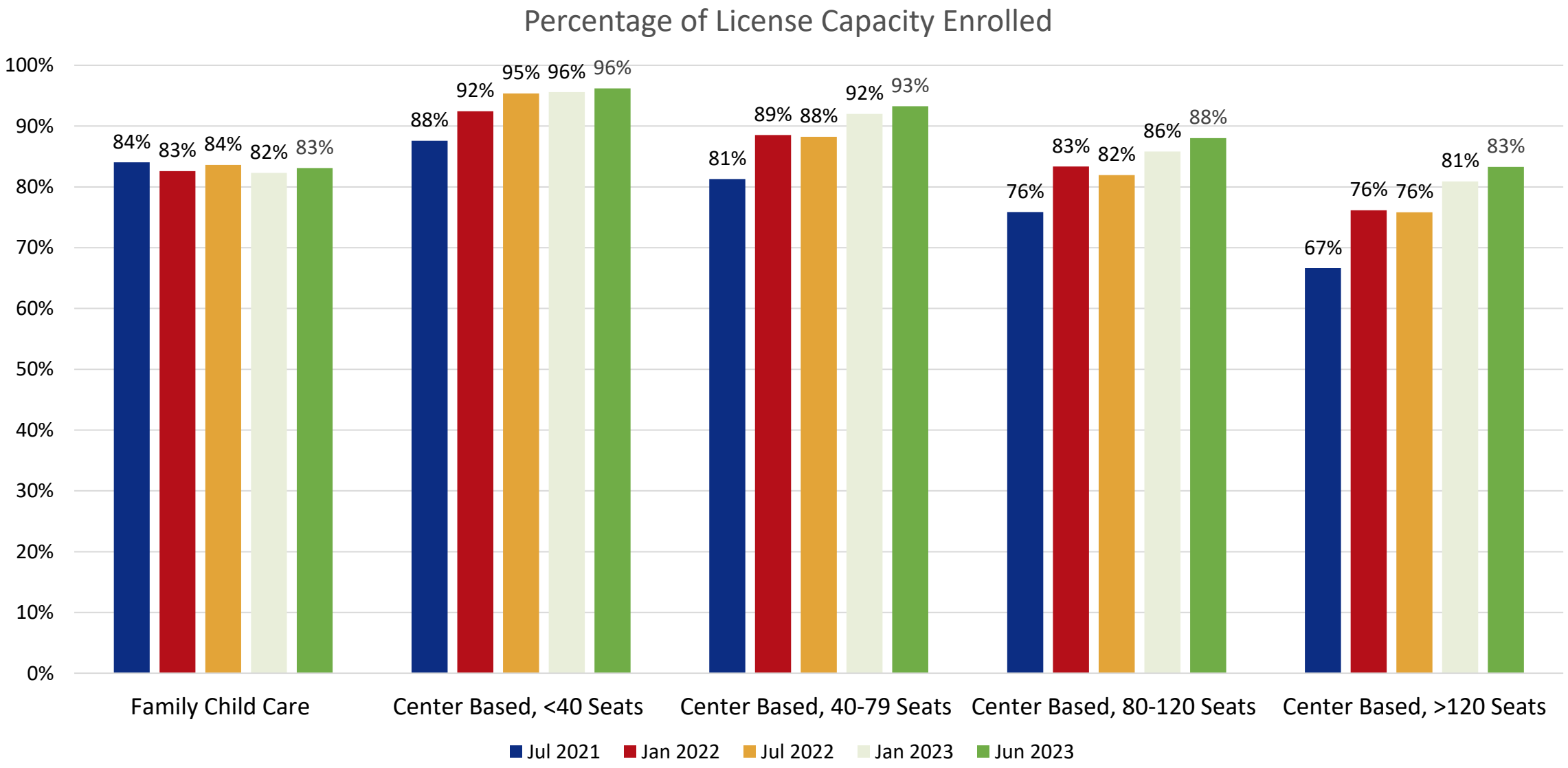
*Note: For purposes of this analysis, "serve children receiving EEC child care financial assistance" is defined as a program that served a child with child care financial assistance in Feb 2020, May 2021, Nov 2021, March 2022, June 2022, Sept 2022, Dec 2022, and/or March 2023, as these are the points used in the C3 formula.

Licensed capacity continues to rebound.



Licensed Capacity as of 8/25/23

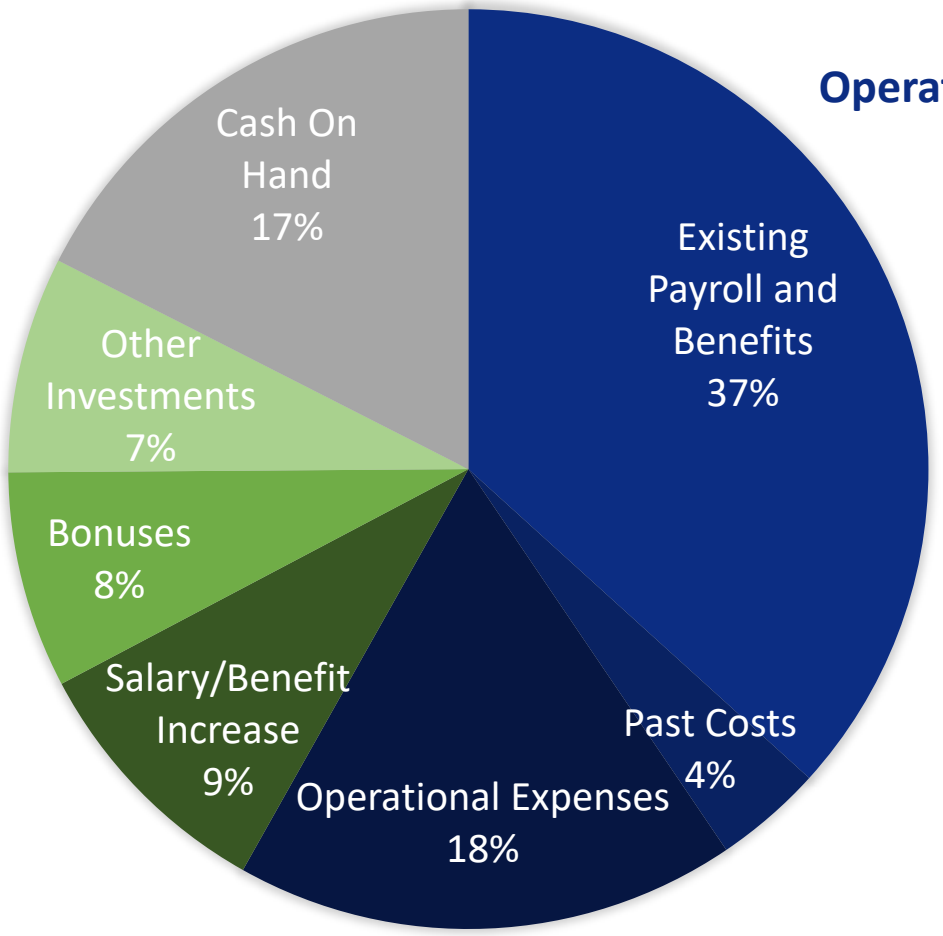
Program enrollment is continuing to stabilize.





C3 Spring 2023 Survey Findings: Program Expenditures

Programs continue to spend the majority of C3 funding on existing operational expenses.



Operational Costs

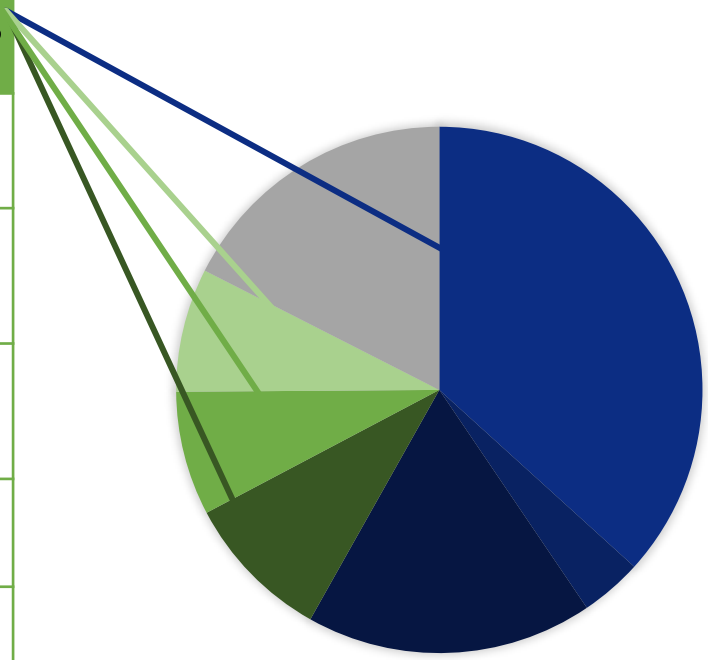
To date, programs have spent 58% of grant funds on operational expenses over time (compared to 65% at the same time last year).

New Investments

Programs report spending 25% of total grant funds on new investments (compared to 20% at the same time last year).

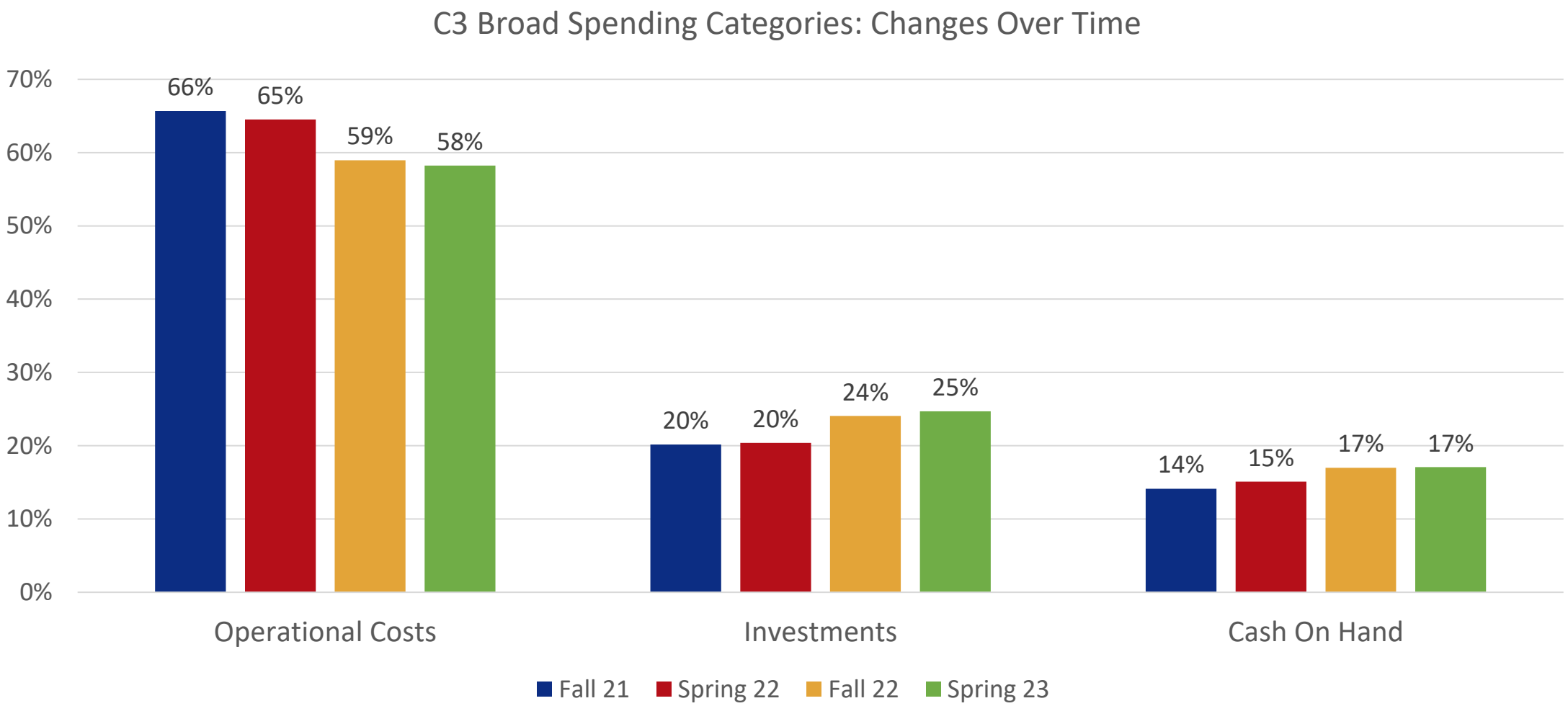
Over 50% of C3 funds to date have been spent on workforce compensation and supports.

Workforce Spending	% of Total C3 Grants
Existing payroll and/or benefits	37%
Increased compensation for educators through salary increases	9%
Increased compensation for existing educators through one-time payments	8%
Incentives to attract or hire new staff	1%
Access to additional training and mental health supports for staff	1%
Total Spending	**55%**

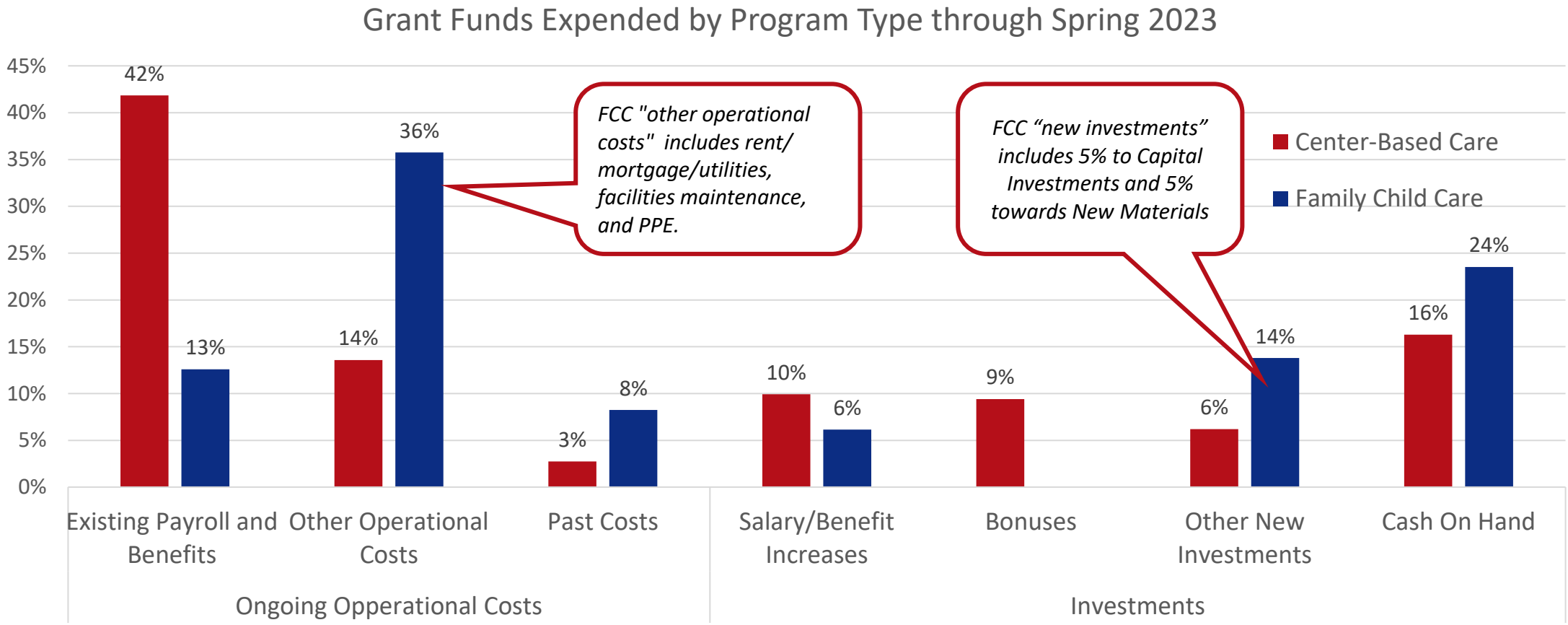


Data from Spring 2023 C3 Survey

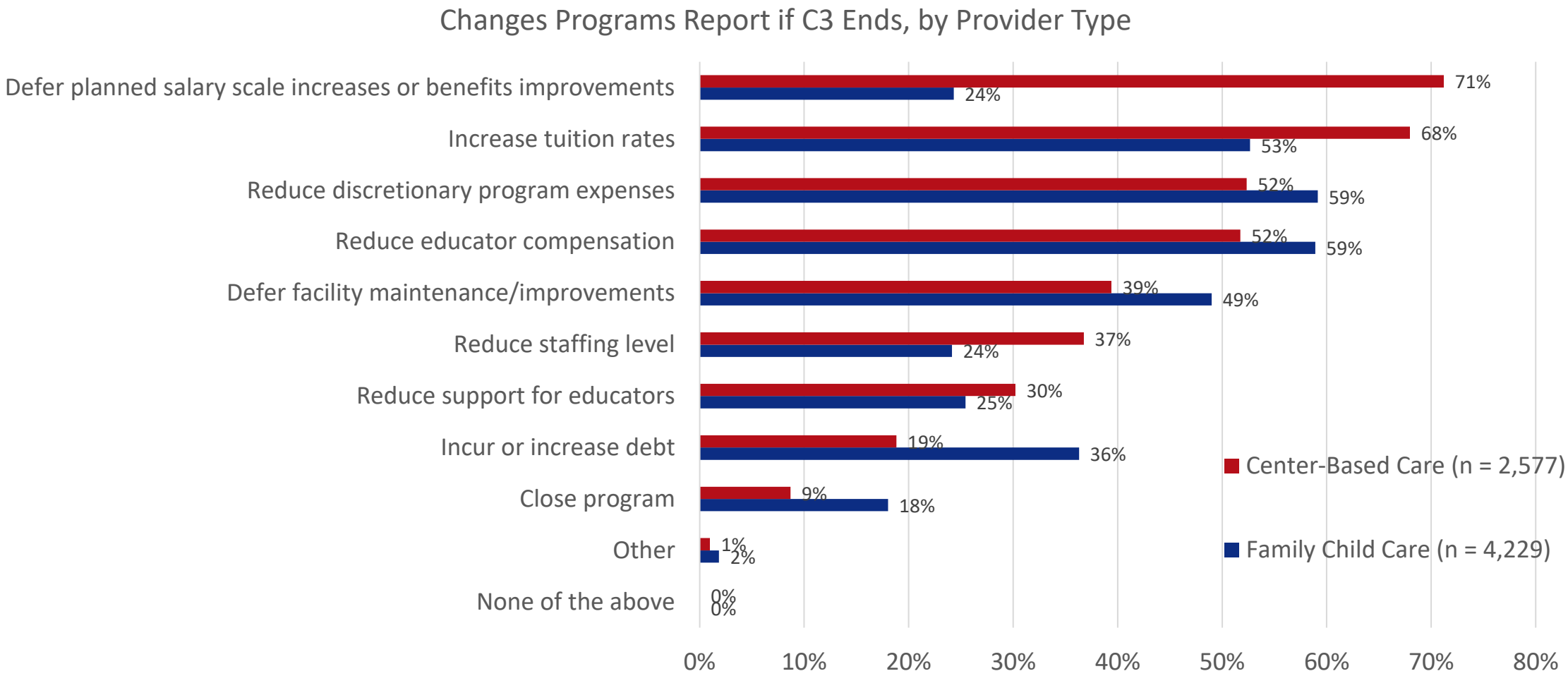
Over time, programs are spending a smaller proportion of funds on ongoing operational costs and a higher proportion on investments.



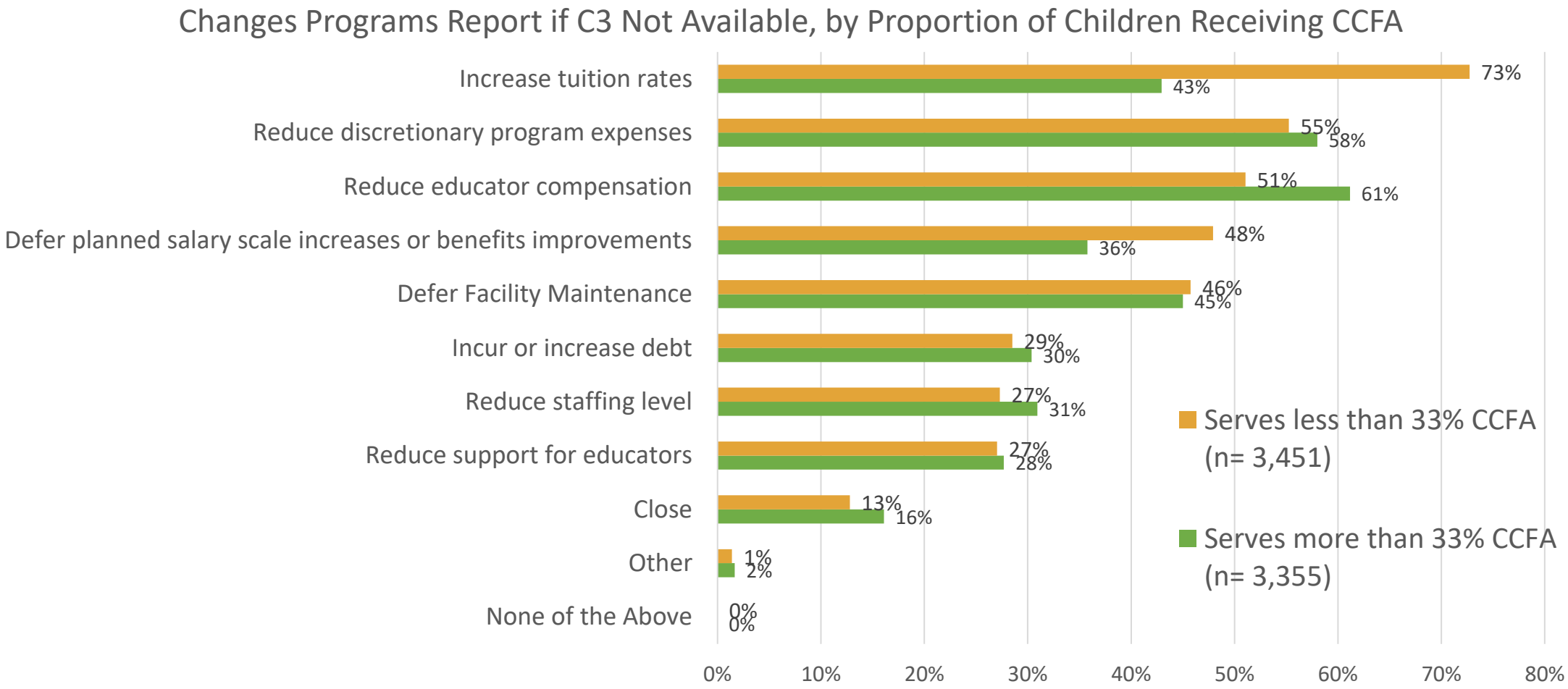
The flexibility of C3 funding allows different program types to spend funds based on their needs.



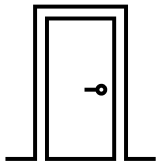
C3 funds have supported providers in raising salaries, making investments (including avoiding debt), and avoiding significant tuition increases.



The changes programs would make if C3 were no longer available vary by the proportion of children that receive child care financial assistance.



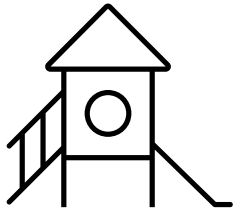
Programs increasingly report needing to close if C3 funds were no longer available.



982

programs report they would

Close if C3 Funds No Longer Available



18% of family child care report they would close

up from 14% in Fall 22

8% of center-based programs report they would close

up from 9% in Fall 22



18,000

Licensed Seats

would be lost if these programs closed



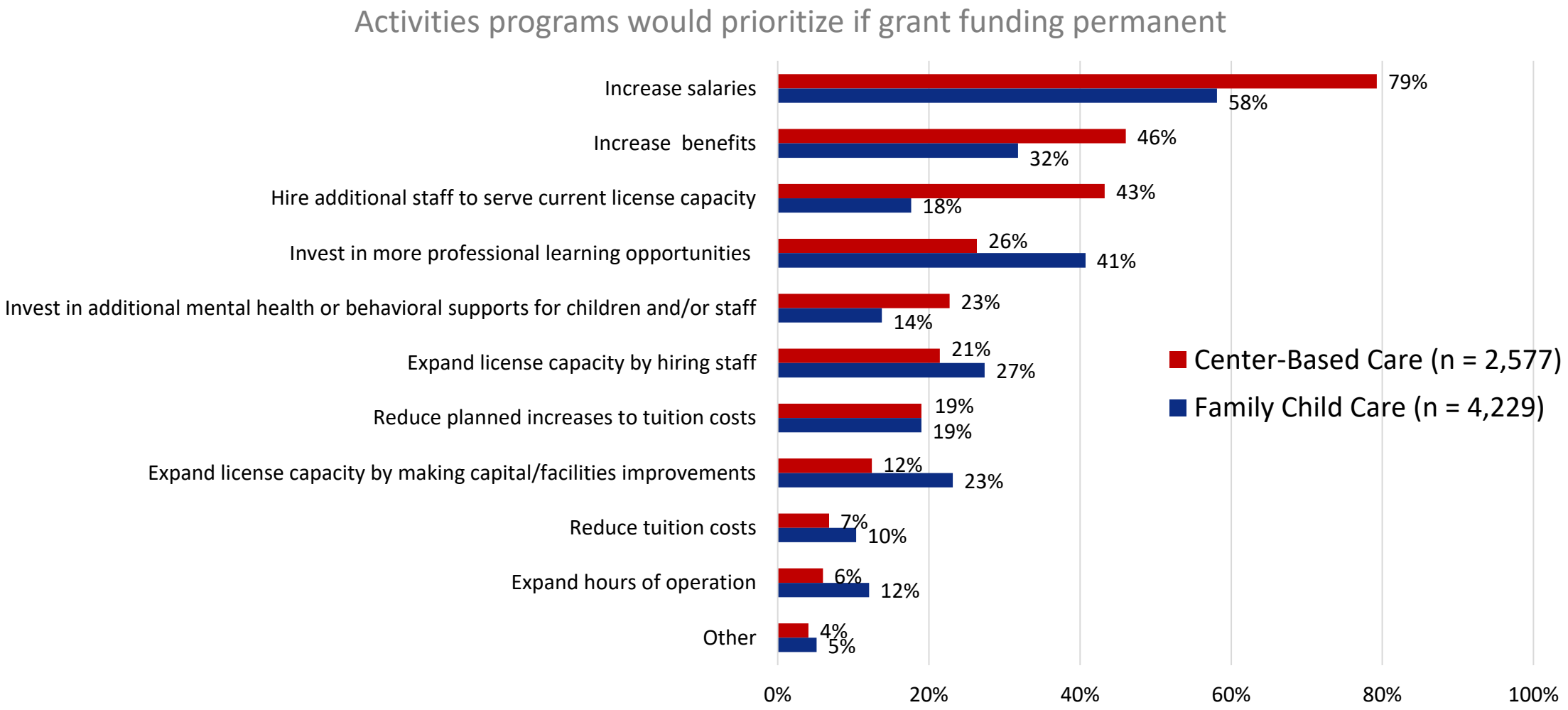
~6,500

Child Care Financial Assistance Seats

would be lost if these programs closed

Data from Spring 2023 C3 Survey

If C3 became a permanent funding source, programs would prioritize increasing salaries and benefits, hiring additional staff, and investing in professional learning and additional supports for children.

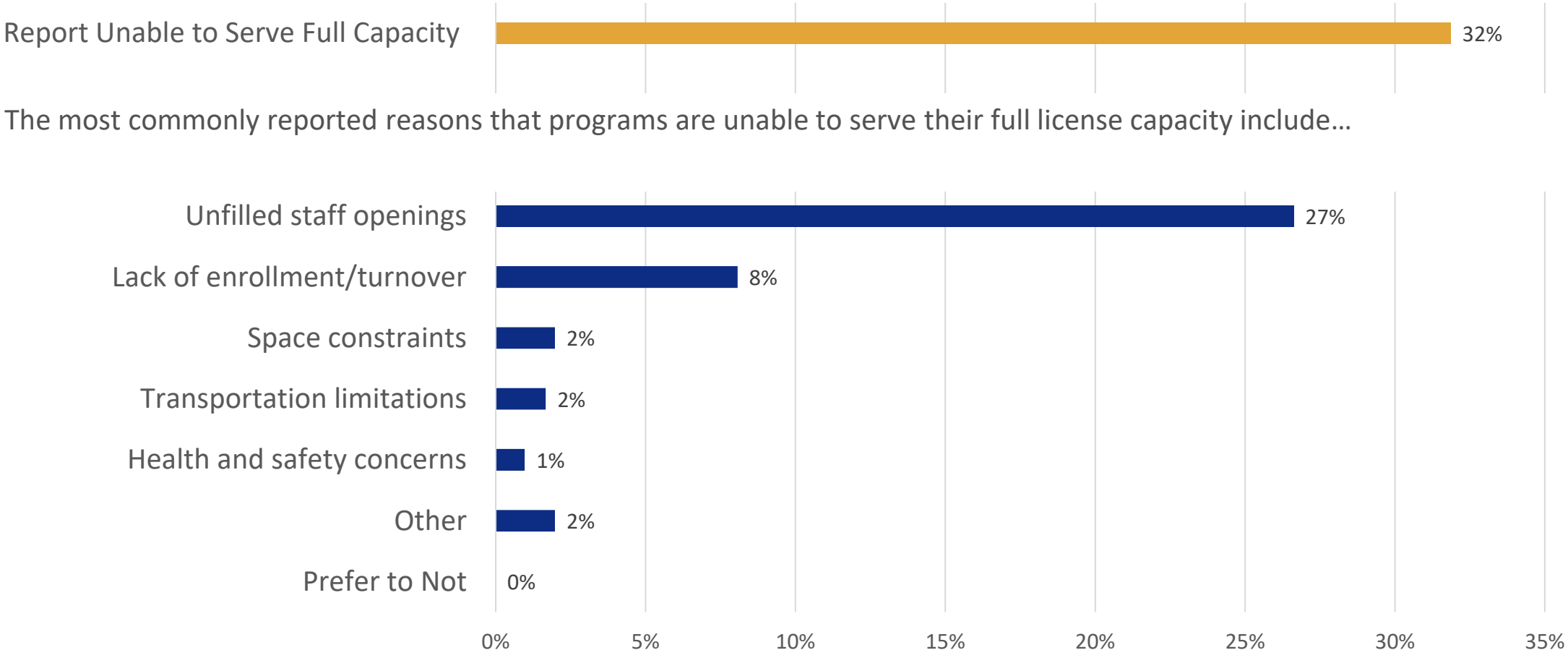


Note: Programs were allowed to choose up to three activities

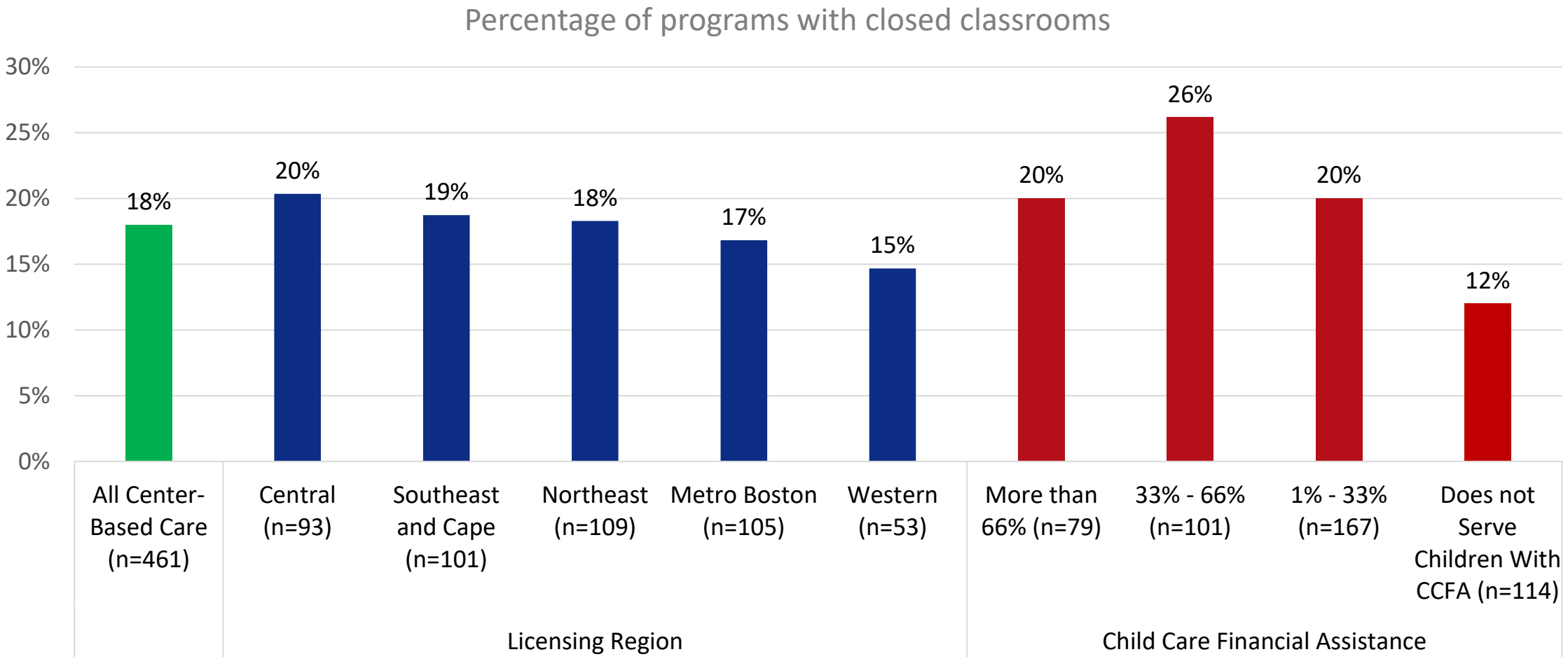


C3 Spring 2023 Survey Findings: Capacity, Staffing, and Compensation

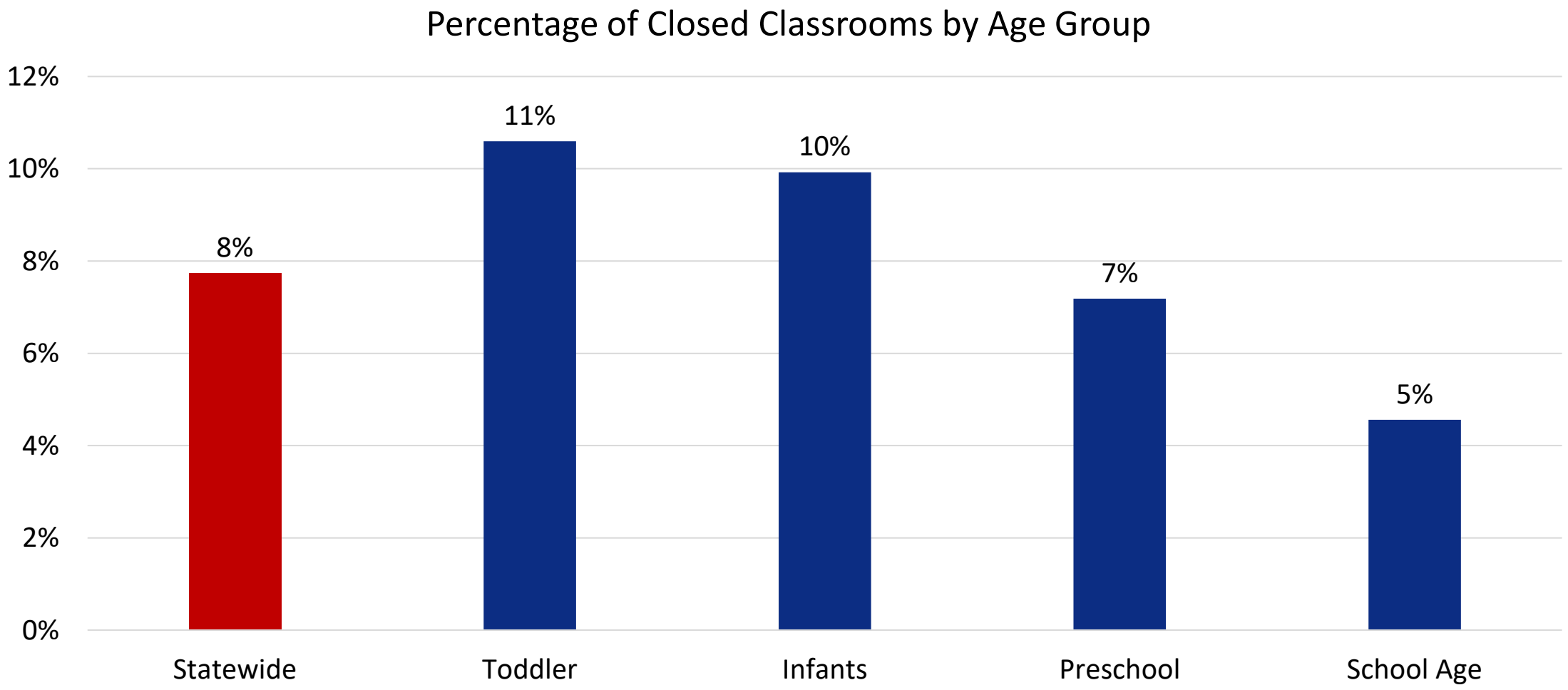
Overall, about 1/3 of center-based providers report being unable to serve their full license capacity.



Almost 1/5 of center-based programs statewide report at least one closed classroom.



Infant and toddler classrooms are the most affected by classroom closures.



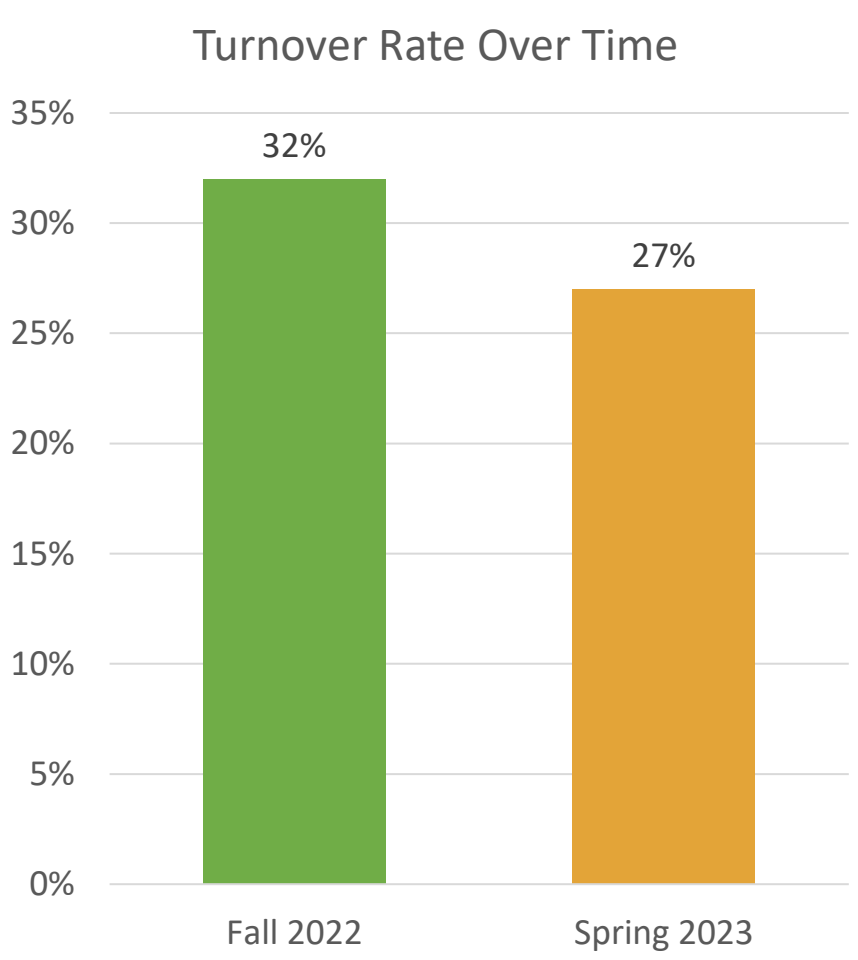
About 11% of all educator positions statewide are open.

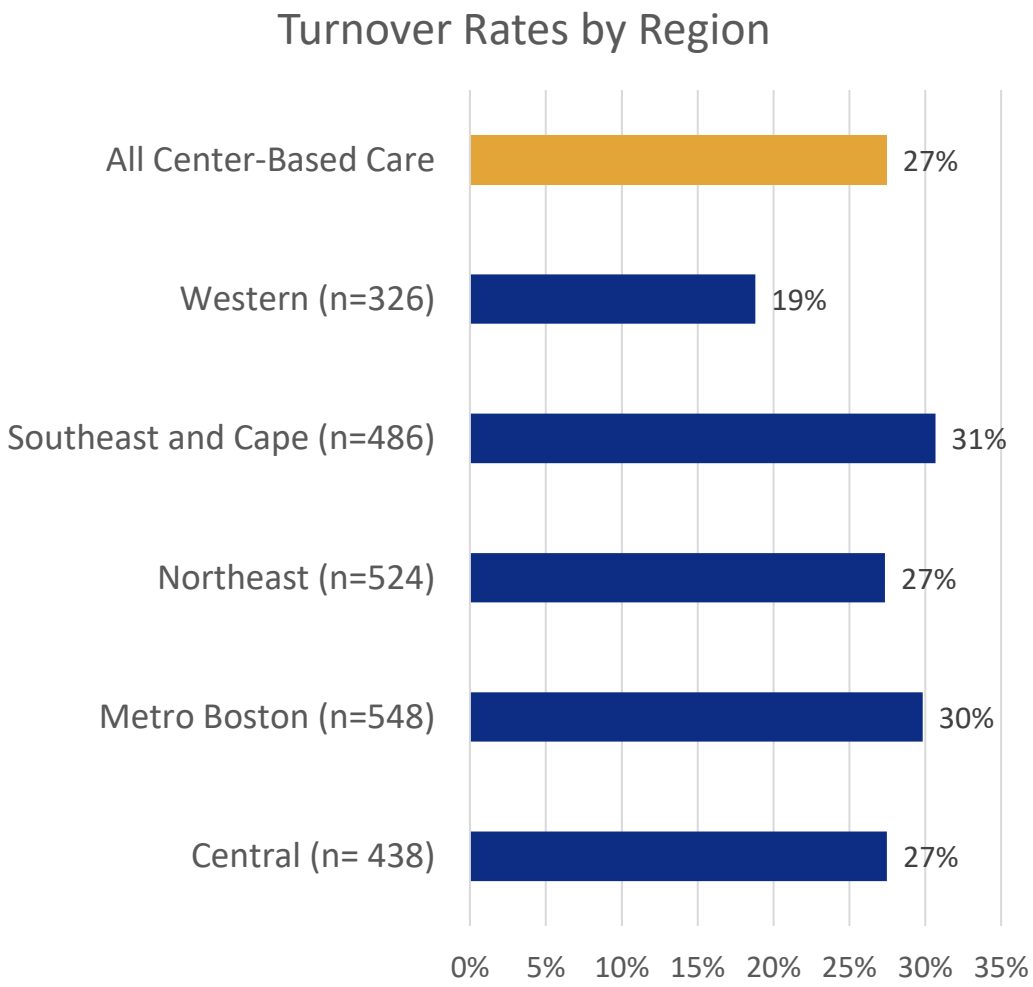
Programs report 2,045 open teacher positions, which make up 50% of all open positions and about 11% of all teacher positions statewide.

46% of all center-based programs report an open position, averaging 3.4 open positions per programs.

Role	Number of Open Positions Statewide	Percent of All Open Positions Statewide	Number of Positions Statewide	Percent of All Positions that are Currently Open
Teacher	2,045	50%	19,389	11%
Assistant Teacher	1,249	31%	8,684	14%
Group Leader	406	10%	3,436	12%
Assistant Leader	213	5%	1,696	13%
Site Coordinator	60	1%	1,008	6%
Center Director	53	1%	2,294	2%
Program Administrator	46	1%	1,301	4%
All positions	**4,072**	**100%**	**37,808**	**11%**

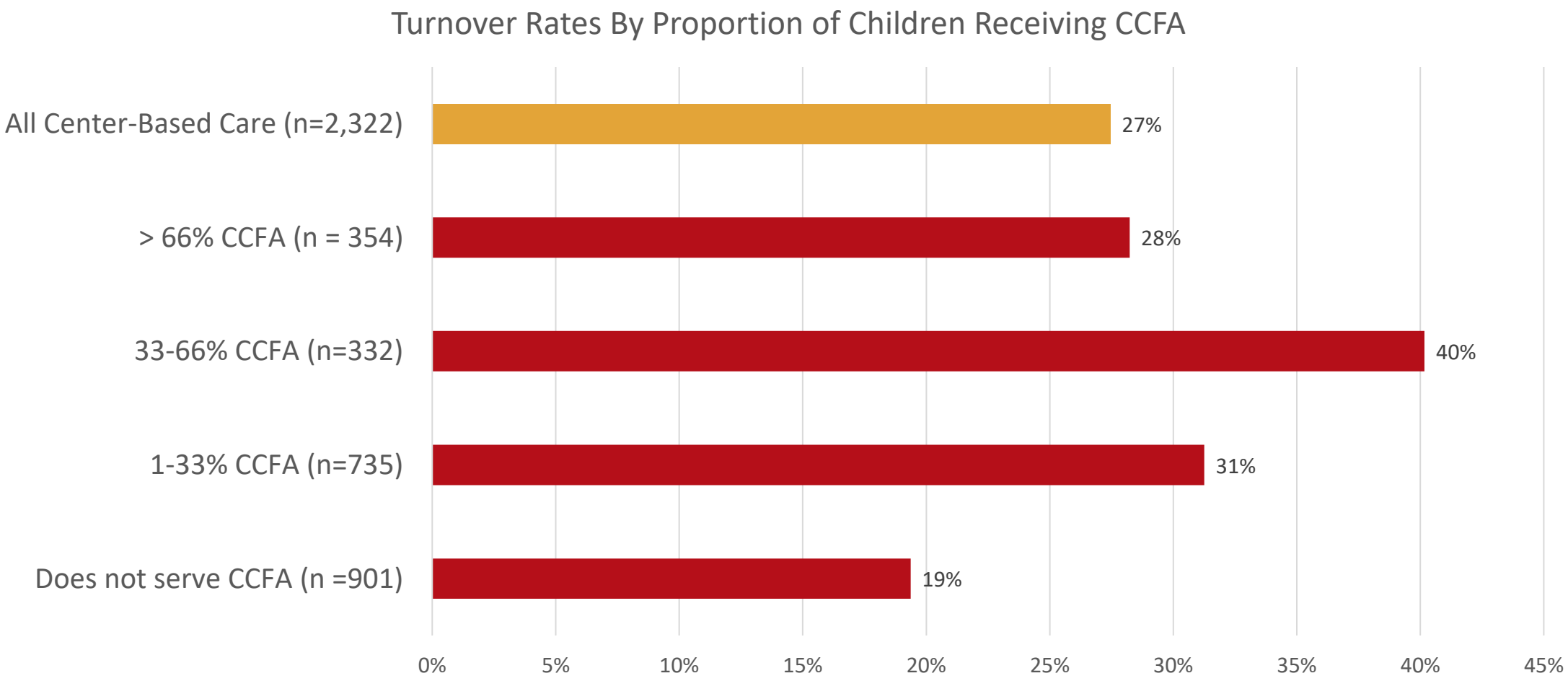
The educator turnover rate is decreasing, although it is still high.





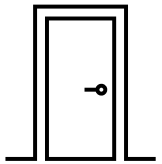
Educator turnover: The % of educators (all educator roles) employed 12 months ago who are no longer employed by the program.

Turnover rates vary based on the proportion of children receiving child care financial assistance that a program serves.



Educator turnover: The % of educators (all educator roles) employed 12 months ago who are no longer employed by the program.

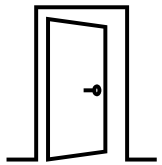
Staffing challenges prevent programs from serving their full license capacity.



1/3

Of all group and school age programs

Cannot serve their full license capacity



79% of those GSA programs

Cite unfilled staff openings as a cause



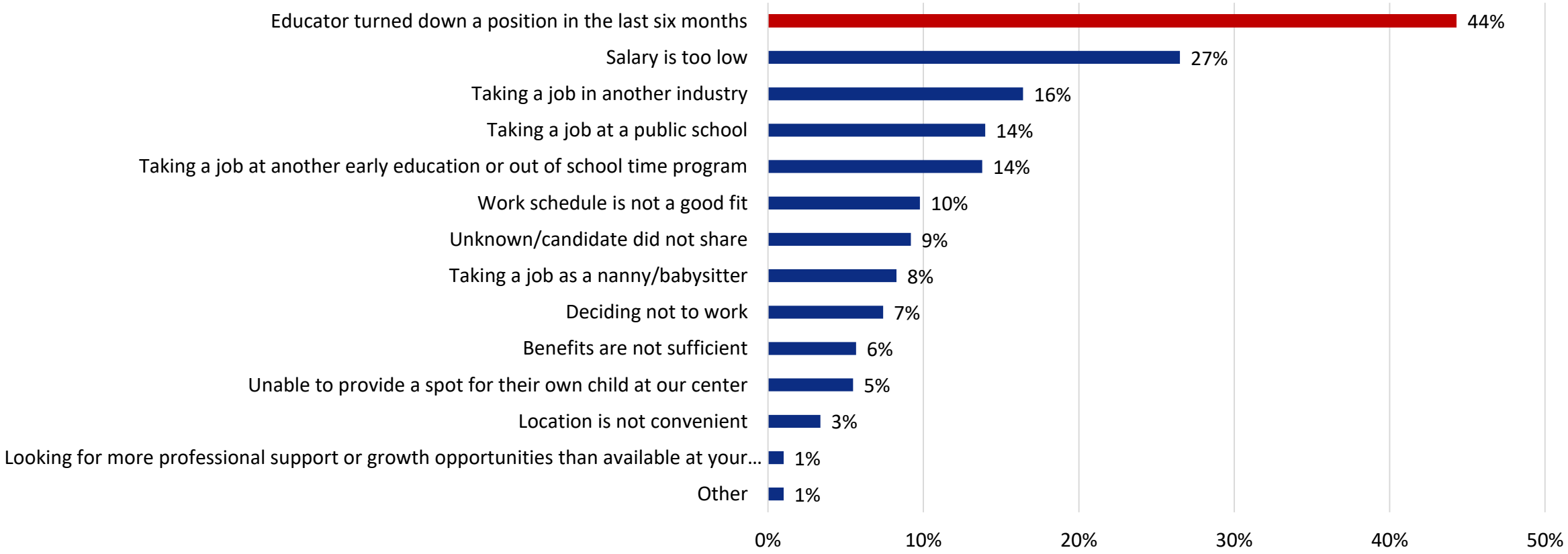
10,000-16,000

additional **children** could be served

if these positions were filled

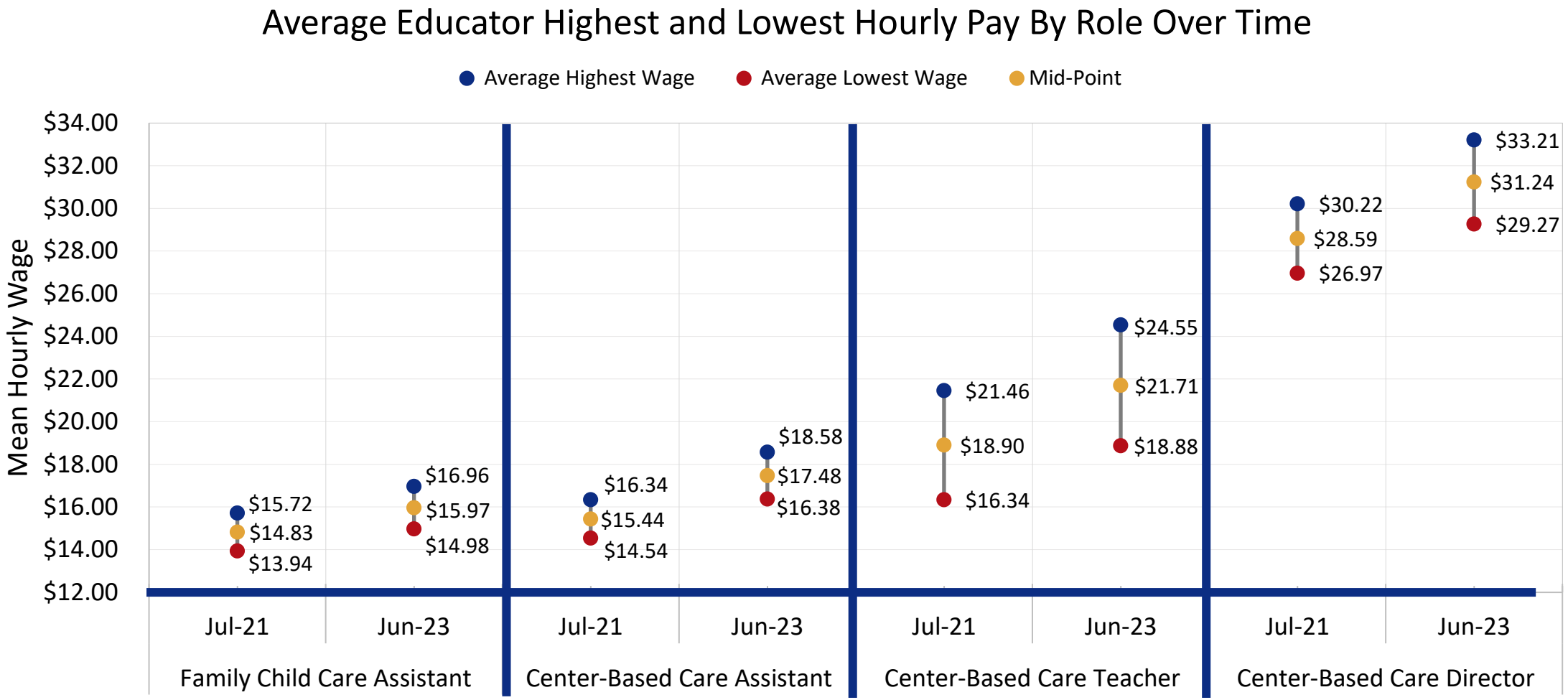
Overall, 44% of center-based programs reported having at least one educator turn down a role in their program in the last 6 months.

The most frequently reported reasons include:



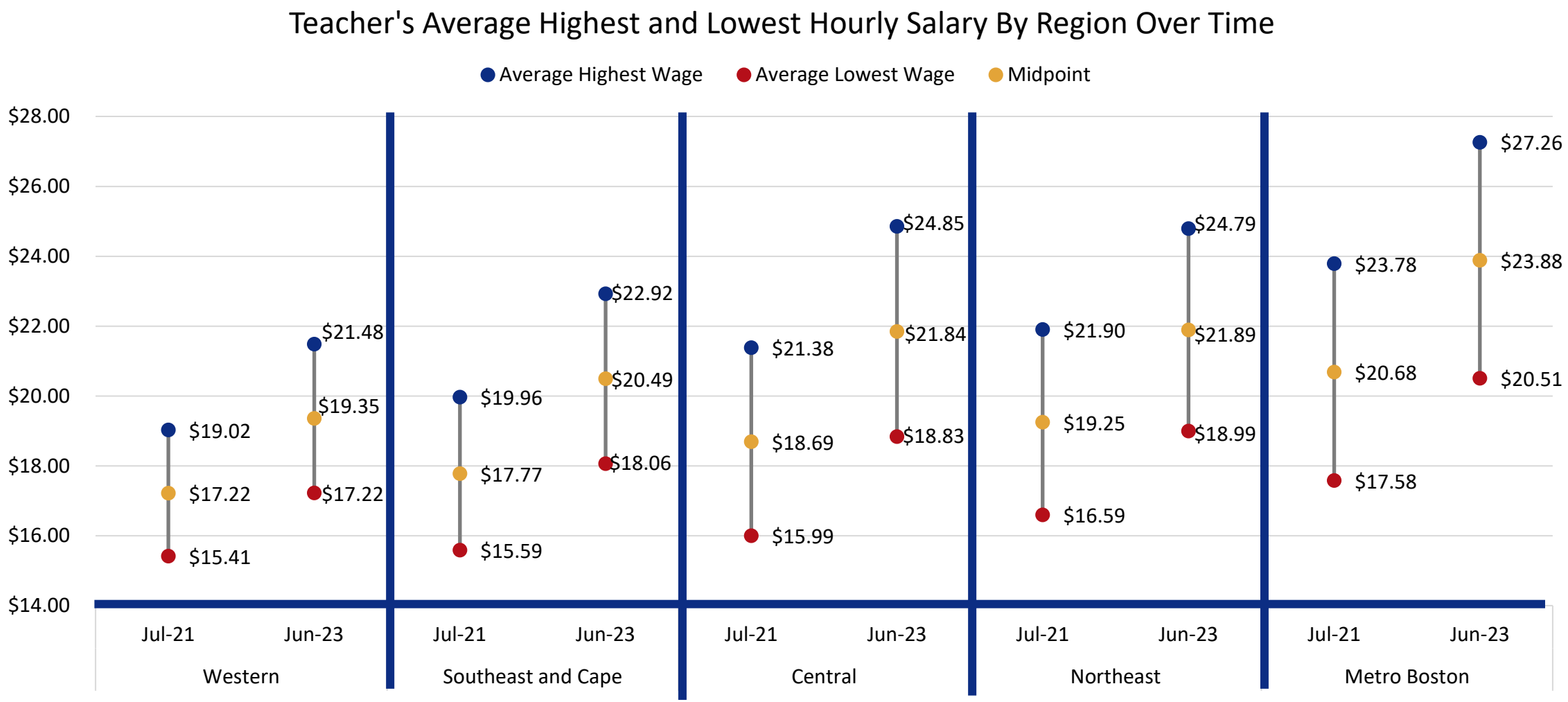
Note: Providers were able to select more than one option

Wages have increased since the beginning of C3 but remain low.

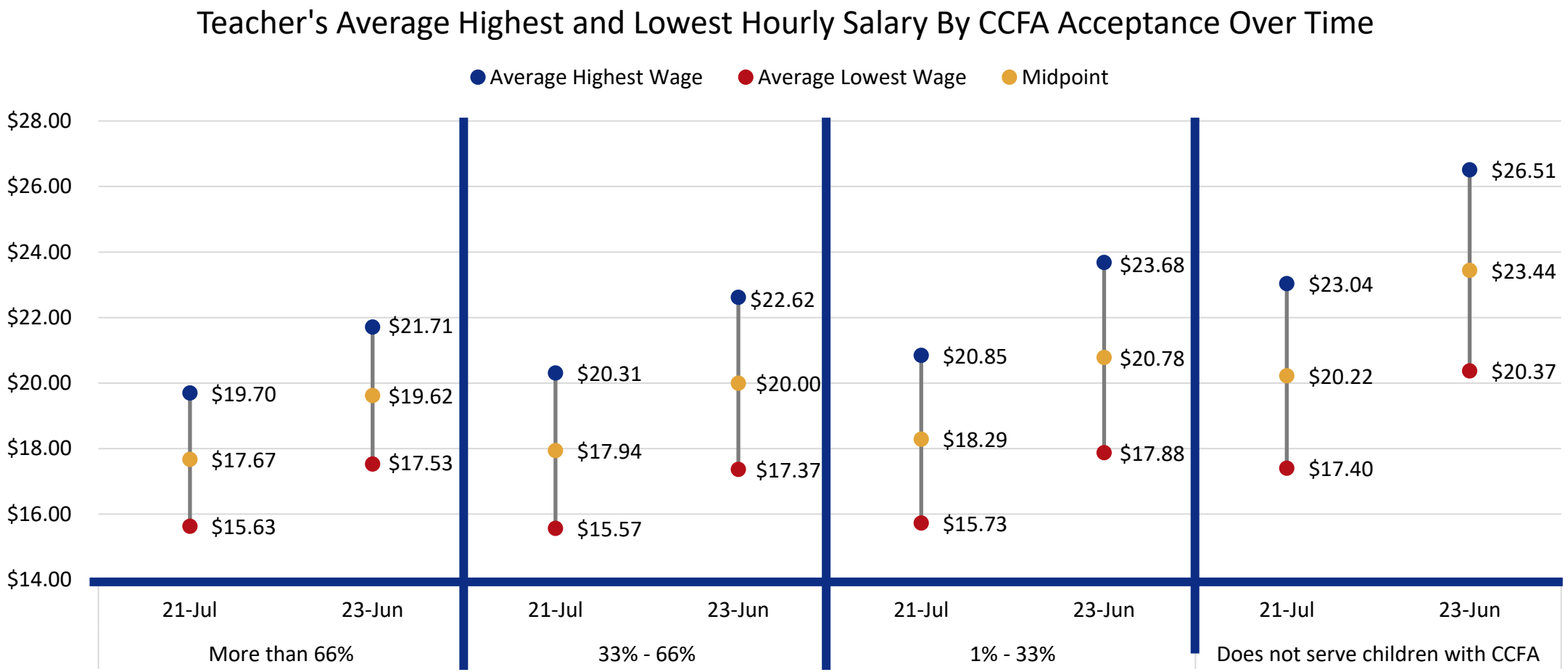


Data through FY23

Educator hourly pay varies by region.



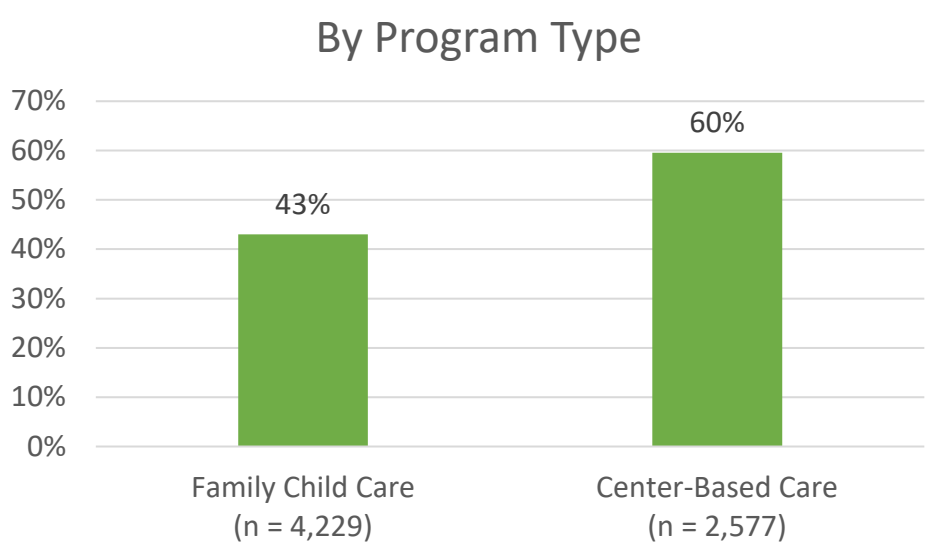
Educator hourly pay also varies by the proportion of children that receive child care financial assistance.

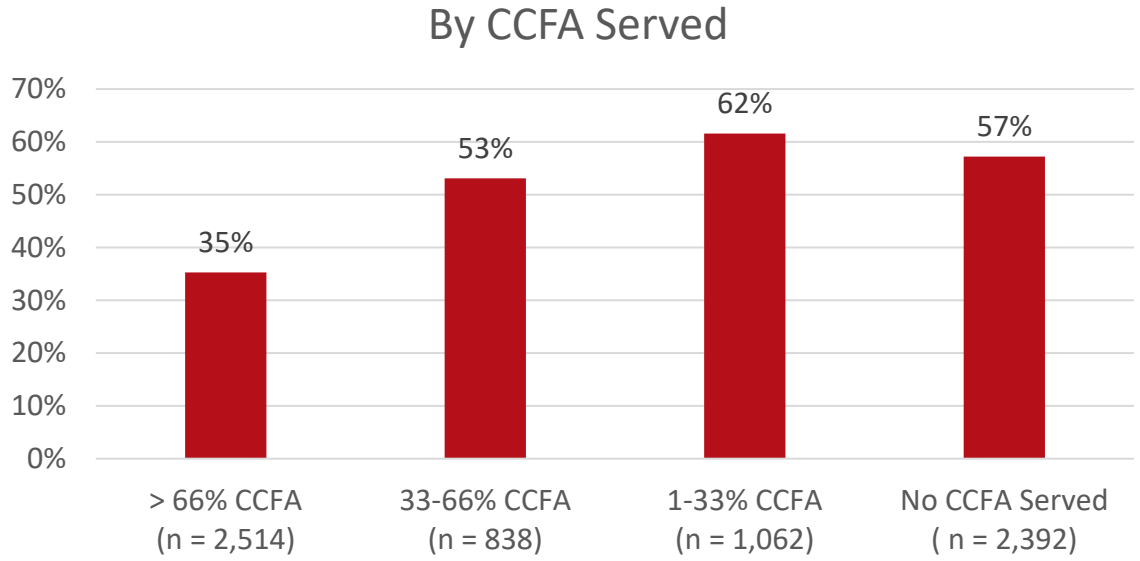


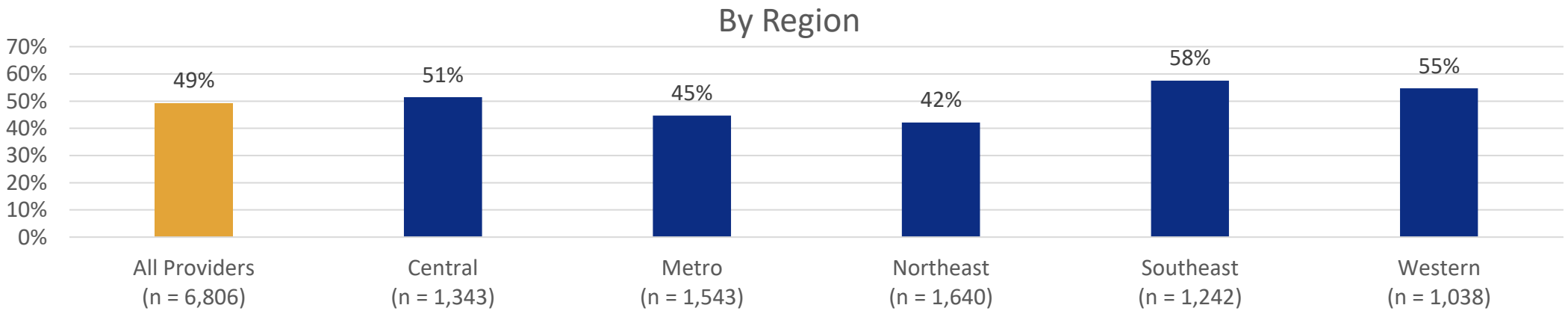


C3 Spring 2023 Survey Findings: Family Access and Enrollment

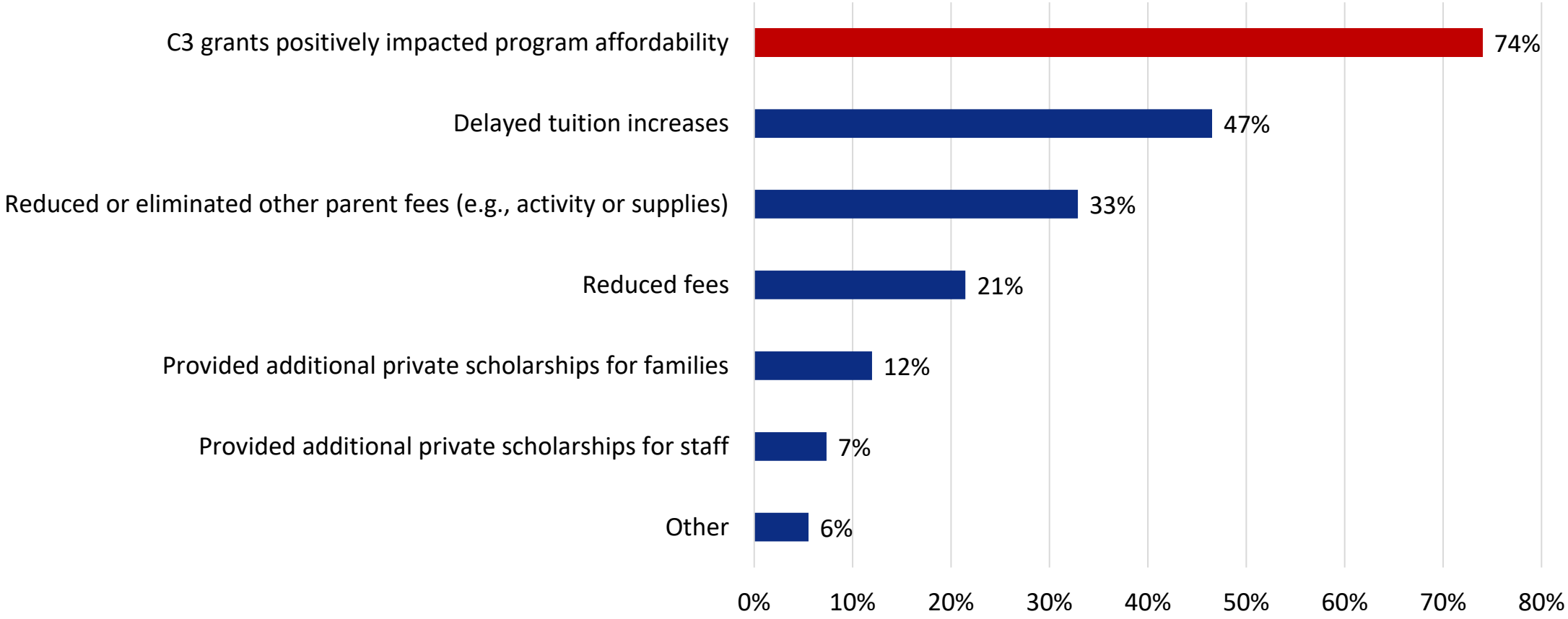
Nearly half of programs have their own waitlist for enrollment.







Almost ¾ of programs report that C3 has positively impacted affordability for families.





Planning for FY24 & FY25

Levers for C3 Program Adjustments

Grant Formula

Data Collection

Fund Use Requirements

Eligibility Requirements

Considerations for C3 Program Planning

FY24

Improve and refine data collection efforts on staffing, workforce compensation, program characteristics, and demographics of families served

FY25

Data-driven program enhancements/adjustments

Discussion Questions

- What are your takeaways after seeing the data?
- What are key considerations for EEC as we think through the transition of the C3 program from emergency stabilization to ongoing operational support?



4 The Economics of Child Care – Rappaport Institute of Greater Boston Research Initiative

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