



Commonwealth of
Massachusetts

Submitted by
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Chair of Special
Commission on
Early Education and Care
Operations and Finance

Recommendations of the Special Commission on Early Education and Care Operations and Finance

December 31, 2013





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MANDATE

This Special Commission on Early Education and Care Operations and Finance was established by Section 166 of the Commonwealth of Massachusetts's FY14 budget. Its explicit purpose was "to make an investigation and study of the cost of administering early education and care services in the Commonwealth and make recommendations to enhance said services where appropriate and necessary." Other objectives for the Special Commission included:

Collect and examine data on need for:

- Greater access to affordable, quality early education and care
- Timely placement of children in early education and care programs
- Funding and programming necessary to enhance early education and care services

Examine methods for:

- Maximizing cost-savings through public-private partnerships to bolster timely placement of children
- Addressing the high cost of early education and care
- Expanding the availability of affordable early education and care services for families receiving transitional assistance
- Determining initial and continuing eligibility for such services
- Improvements to financing, budgeting, assessing and administering early education and care based on best practices from other states and jurisdictions

MEMBERSHIP

The legislative language also established the membership of the Special Commission, as follows: "The commissioner of early education and care, who shall serve as chair; the secretary of administration and finance, or a designee; the house and senate chairs of the joint committee on education, or their designees, and the house and senate chairs of the joint committee on children, families, and persons with disabilities, or their designees; the ranking minority members of the house and senate on the joint committee on education, or their designees; the child advocate, or a designee; the commissioner of elementary and secondary education, or a designee with experience in elementary school transition; the Executive Director of the Massachusetts Head Start Association, or a designee; a representative of the Massachusetts Early Education and Care Association; the commissioner of transitional assistance, or a designee; the commissioner of children and families, or a designee; and 3 members appointed by the governor, 1 of whom shall be a provider of early education and care, and 1 of whom shall be a social worker with experience in serving families with children; a representative of the Massachusetts Teachers Association; and a representative of the AFT-MA."¹

¹ Through supplemental legislation passed in October 2013, two additional members were added to the Special Commission: a member of the Massachusetts Senate and a member of the Massachusetts House of Representatives.



MEMBERSHIP

Member

Affiliation

Senator Michael Barrett	Senate Chair, Joint Committee on Children, Families, and Persons with Disabilities
Molly Bench	Designee of Glen Shor, Secretary of Administration and Finance
Senator Sonia Chang-Díaz	Senate Chair, Joint Committee on Education
Mary Jane Crotty	Designee of Mitchell Chester, Commissioner, Department of Elementary and Secondary Education
Representative Marjorie Decker	Member, Massachusetts House of Representatives
Senator Sal DiDomenico	Member, Massachusetts Senate
Bill Eddy	Massachusetts Association of Early Education and Care
Judge Gail Garinger	The Child Advocate
Edward Goddard, Esq.	Designee of Senator Richard Ross, Ranking Minority Senate Member, Joint Committee on Education
Clare Higgins	Community Action of the Franklin, Hampshire, and North Quabbin regions
Amy Kershaw	Designee of Olga Roche, Commissioner, Department of Children and Families
Representative Kay Khan	House Chair, Joint Committee on Children, Families, and Persons with Disabilities
Pam Kuechler	Massachusetts Head Start Association
Madeleine Leger	AFT-MA
Anne O'Sullivan	Designee of Stacey Monahan, Commissioner, Department of Transitional Assistance
Representative Alice Peisch	House Chair, Joint Committee on Education
Andy Pond	Justice Resource Institute
Tim Sullivan	Massachusetts Teachers Association
Donna Traynham	Designee of Mitchell Chester, Commissioner, Department of Elementary and Secondary Education
Representative David Vieira	Designee of Representative Kimberly Ferguson, Ranking Minority House Member, Joint Committee on Education
Thomas Weber, Chairman	Commissioner, Department of Early Education and Care
Abby Weiss	Manager of the Child and Youth Readiness Cabinet

Consultants to the Commission

Tina Chen-Xu	Public Consulting Group, Inc.
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Hannah Sacchini	Public Consulting Group, Inc.



INTRODUCTION

Background of the Department of Early Education and Care

Pursuant to the Department of Early Education and Care's (EEC or the Department) enabling legislation, MGL c. 15D, EEC is the state's lead agency for the administration of all public and private early education and care² programs and services. EEC was created by the Legislature in 2005 as an independent agency and is overseen by an eleven member Board.³ It is managed by a Commissioner, who also serves as secretary to the Board and its chief executive officer. Through subsequent legislation, the Commonwealth's three education offices were reorganized under an Executive Office of Education (EOE). These agencies include EEC, the Department of Elementary and Secondary Education (formerly the Department of Education), and the Department of Higher Education (formerly the Board of Higher Education). The creation of the EEC represents the Commonwealth's movement toward a targeted focus of supporting all children in their development as lifelong learners and contributing members of the community and to supporting families in their essential work as parents and caregivers.

EEC is the Commonwealth's lead agency for the administration of state and federal child care financial assistance to low-income and other at-risk families, and provides financial assistance for over 51,000 children to attend high-quality programs that support their growth, development and learning. EEC also regulates the licensure of early education and care and out-of-school time programs in Massachusetts, including residential programs, and adoption/foster care placement agencies, and over 10,000 family child care and group/school-age early education and care programs across the Commonwealth. In addition, EEC provides support for information and referral services, including programming for children with special needs, parenting and family support, and professional development opportunities for educators in the early education and out-of-school time fields. EEC's mission is to provide a system of early education and out-of-school time care in Massachusetts that provides all children with the necessary foundation for healthy and positive educational development and lifelong success.

Special Commission's Approach

EEC convened seven meetings with the Special Commission members during the fall in order to develop recommendations for the House and Senate Committees on Ways and Means by the statutorily mandated December 31, 2013 deadline. It was the consensus of the Special Commission to structure its review and study of the agency's operations and finances across three broad topic areas in the following order: (1) Health and Safety; (2) Financing and Child Care Rates; and (3) Quality and Workforce. This ordering is not reflective of

² Please note that references to "early education and care" programs are inclusive of programs serving infants, toddlers, preschoolers and school-age children licensed by EEC.

³ Prior to the creation of EEC, the Office of Child Care Services (OCCS) under the Executive Office of Health and Human Services and the then-Department of Education's (DOE, now the Department of Elementary and Secondary Education) Early Learning Services (ELS) Office managed most of the public funding for the majority of Early Education and Care services provided to Massachusetts children ages birth to 14. OCCS' mission was to establish and foster "strong health, safety and education standards" in child care programs. ELS was responsible for overseeing DOE's three primary early education programs: Community Partnerships for Children, Early Education for Children with Disabilities or Delays, and quality grants to Head Start programs. "A Case Study on the Department of Early Education and Care," Rennie Center for Education Research & Policy and Strategies for Children, April, 2008.



priority but rather reflects the Special Commission's preference for methodically working its way through the essential work and aspirational objectives of the agency.

Each topic area was covered with the same approach and as much breadth and detail as possible within the Special Commission's schedule. The Health and Safety review included program licensing, monitoring and investigations, background record checks, as well as related Information Technology (IT) and personnel infrastructure. The Financing and Child Care Rates review included EEC financing, child care subsidy rates, as well as related IT and personnel infrastructure. The Quality and Workforce review included EEC Quality and Workforce initiatives, such as the Quality Rating and Improvement System (QRIS), the Early Childhood Educator Scholarship Program, and Transportation, among others, as well as related IT and personnel infrastructure.

Many of these topics and sub-topics could serve independently as the subjects of additional review and discussion. Therefore, the Special Commission has proposed specific studies within the recommendations below to help further the Commonwealth's understanding of essential information regarding areas it has deemed necessary and beneficial.

To document the research and discussions throughout the course of the Special Commission, a website was used as a repository of meeting minutes, presentations and additional research items. This website will remain available to reviewers of this final report.⁴

Special Commission's Recommendation Structure

The Special Commission decided to categorize its recommendations in the areas of Health and Safety, Access and Quality, Workforce and Rates, and, in order to fully capture the strong focus on agency infrastructure, other related Supporting Recommendations. The Special Commission elected to present its Health and Safety recommendations first because this is an essential, foundational aspect of the agency's mission. The remaining recommendations are not presented in any priority order within their categories, but rather are provided simply to reflect a comprehensive set of recommendations to strengthen and advance the agency's capacity to meet its vital mission. **The Special Commission does, however, identify a subset of near-term recommendations that it deems worthy of immediate consideration in order to build on the momentum that Governor Patrick, the Legislature, EEC, and the field of early education and care have created since the creation of EEC. These near-term recommendations are noted throughout the document with a blue asterisk (*) and subsequently summarized in the conclusion of the document.**

⁴ Website information: <http://eecommission.publicconsultinggroup.com/>. Log in username: EEC, password: brainbuilding



TOPIC 1: HEALTH AND SAFETY

Health and safety is the foundation for early education and care programs — licensing and monitoring ensure children are in safe and quality early education and care settings. EEC is responsible for the licensing and regulation of approximately 11,000 family, group and school-age early education and care programs, as well as nearly 700 residential care programs and adoption/foster care placement agencies. This includes the federal Head Start program, which has been integrated as part of the early education and care system in the Commonwealth. Making sure all these programs are monitored and supported in making program corrections is crucial to the health and safety of children, but it can also be a very demanding task.

Massachusetts has some of the strongest licensing requirements for early education and care programs in the country, but has room to improve its monitoring performance in accordance with state goals—the 2013 Child Care Aware report ranks Massachusetts as 2nd in the country for child care program standards,⁵ but 48th for program oversight. For example, Massachusetts’s goals on program-to-licensor caseloads are similar to national standards, but, even when accounting for recent progress,⁶ current program-to-licensor ratios are far outside of the Child Care Aware recommended range. EEC seeks to align with national oversight standards but need additional resources and staff to support its strong health and safety standards.

In 2013, EEC’s prior oversight responsibilities to conduct background record checks expanded even further under a new law to include state and national fingerprinting and federal criminal record checks. While these new requirements can give further confidence to parents with children in care, EEC will need sustained resources to implement them.

EEC’s health and safety responsibilities go beyond just licensing and monitoring early education and care environments. The Department is also responsible for overseeing certain aspects of early education and care transportation services, an important component of ensuring health and safety of children in care. Providing transportation services is statutorily mandated for Supportive early education and care programs,⁷ which includes some of the neediest and most vulnerable children, making the monitoring of transportation services for them even more critical. However, resources are also provided to support transportation services for children receiving EEC-funded early education and care services through the Income Eligible and Department of Transitional Assistance early education and care programs.

⁵ Massachusetts was ranked first among all states and second only to the federal Department of Defense. "We Can Do Better." Child Care Aware® of America’s Ranking of State Child Care Center Regulations and Oversight. 2013 Update http://www.naccrra.org/sites/default/files/default_site_pages/2013/wcdb_2013_final_april_11_0.pdf

⁶ Child Care Aware based its monitoring assessment on Massachusetts’s 2012 licensing ratios of 300:1 for family child care providers and 100:1 for center based providers. Those ratios are improving to 273:1 for family child care providers and 90:1 for center based providers in 2014 with the addition of five new licensors. EEC is also modernizing its licensing practices through the development of a Differential Monitoring System, discussed further in Recommendation 3 below, which will utilize enhanced risk assessment. In addition, EEC began cross checks of sex offender addresses with licensed providers’ addresses in March 2013 and will begin conducting state and national fingerprint checks as part of its background records check process in January 2014.

⁷ Supportive early education and care is subsidized early education and care services for children with active cases at the Department of Children and Families.



For the promotion of the health, safety, and quality of early education and care programs in the state, and to enable EEC to progress with its health and safety initiatives, the Special Commission makes the following recommendations:

RECOMMENDATION 1: The Commonwealth should appropriate resources to meet the state's high standard of monitoring licensed programs in order to meet the nationally recognized recommended program-to-licensor caseload ratios.*

- i. The Commonwealth's FY14 program to licensor ratios will be 273:1 for family child care providers and 90:1 for center-based providers.
- ii. According to Child Care Aware and other nationally recognized accrediting bodies for early education and care programs, the recommended ratios are 75:1 for family child care providers and 50:1 for center-based providers.⁸
- iii. The Department currently employs 27 family child care licensors and 28 center-based care licensors. To reach the recommended program to licensor ratios EEC would need an additional 70 family child care and 31 center-based care licensors, at a cost of \$3,850,000 and \$1,705,000, respectively. These cost estimates assume an annual salary of approximately \$55,000 per licensor.

[*near-term consideration]

RECOMMENDATION 2: The Commonwealth should appropriate resources to support the EEC program investigation units in determining if programs subject to licensure or approval are operating in compliance with the law and rules and regulations established by the Board of Early Education and Care.*

- i. The investigators are based in the Department's regional offices and investigate all complaints and allegations regarding compliance with any Department regulations governing early education and care programs in the Commonwealth. The Department's investigation unit's staffing was reduced by half over a decade ago. The Commonwealth should consider appropriating resources to bring EEC's investigation unit back to the FY2002 staffing level of 10 investigators. With the estimated cost of \$55,000 per investigator, an increase in 5 staff would require a total investment of \$275,000.

[*near-term consideration]

RECOMMENDATION 3: The Commonwealth should support the Department in the development and implementation of a system of identifying and more closely monitoring early education and care programs at risk of being out of compliance with licensing and regulation standards.*

⁸ "We Can Do Better." Child Care Aware® of America's Ranking of State Child Care Center Regulations and Oversight. 2013 Update http://www.naccrra.org/sites/default/files/default_site_pages/2013/wcdb_2013_final_april_11_0.pdf



- i. The Department currently has a goal of conducting annual visits to all early education and care programs in the Commonwealth but does not have a system of assessing high-risk programs for increased monitoring and inspections. The Department has identified the need for a differential monitoring system to achieve efficiency gains and better address high-risk programs through increased visits and monitoring.⁹
- ii. The Commonwealth should consider appropriating necessary resources for expert consulting services to assist EEC's ongoing efforts to develop a differential monitoring system.¹⁰

[*near-term consideration]

RECOMMENDATION 4: The Commonwealth should appropriate resources to maintain the Background Records Checks (BRC) unit of the Department to ensure the sustainability of the state's high standards for background records checks.*

- i. Section 7 of Chapter 15D of the Massachusetts General Laws gives EEC its legal authority to issue licenses to programs that meet required standards. The 2013 amendments to G.L. c. 15D mandated that all individuals licensed, certified, or working in an EEC funded or approved child care program must submit to a Massachusetts Sex Offender Registry Information (SORI) check and a fingerprint-based check of state and national criminal history databases.
- ii. The Department's BRC unit is based in the EEC main office and has responsibility for background record checks of early education and care program and transportation staff statewide. In FY14, EEC received funding to hire 10 additional staff to perform the new BRC requirements established by Section 7 of Chapter 15D. The Commonwealth should monitor funding to maintain the 10 additional staff that perform the new requirements. Based on a per staff average cost of \$57,252 and the 10 newly funded staff, EEC would require about \$572,520 in funding annually.

[*near-term consideration]

RECOMMENDATION 5: The Commonwealth should make statutory changes to allow the sharing of data between the Sex Offender Registry Board (SORB) and EEC to improve the efficiency of the background record checks process.

⁹ Differential monitoring (also called "risk assessment monitoring" or "risk-based monitoring") is a method for determining the frequency and depth of monitoring activities based on an assessment of a facility's level of compliance with regulations. For example, a program that is consistently compliant in key health and safety measures may be visited less frequently by an EEC licensor than a program that has a weaker history of compliance, or the frequency of visits could be the same but the depth of what is assessed could be different. It requires having a system of weighted licensing requirements in which rules are ranked for relative risk of harm. The overall benefit is improved health and safety and more efficient usage of licensing resources. Differential monitoring has become increasingly more common nationally, and 26 states in the U.S. used some sort of differential monitoring system as of 2011.

¹⁰ As the differential monitoring system is developed and implemented, infrastructure and staff resources will also need to be reassessed.



- i. Currently the Sex Offender Registry Board and EEC's IT data systems do not allow for efficient exchanges of data. The manual data transfer process to conduct background record checks is not only slow and inefficient but potentially increases the risk for error. A new process of data sharing should be established in a manner consistent with state and federal privacy regulations.

RECOMMENDATION 6: The Commonwealth should support the Department in conducting an independent feasibility study to increase transparency to parents selecting care by making licensing records of early education and care programs available to the public online. The feasibility study should determine a recommended scope of work, schedule, and financial plan.¹¹

RECOMMENDATION 7: The Commonwealth should support the Department in conducting a study to thoroughly review transportation services funded by the Department. The study should include an analysis of the Department's transportation rate structure, transportation rate structures at other state agencies in the Commonwealth, the true cost of transportation, and national best practices for providing early education and care transportation.

- i. For many children and families, the availability of transportation services for early education and care is crucial for the children's access to care.
- ii. EEC currently funds transportation services at a rate of \$6 one-way and \$9 two-way. The transportation rate has not increased since 2006.
- iii. Transportation services and reimbursement rates are provided by other Massachusetts state agencies including the Human Service Transportation (HST) Office, which in its 2012 Annual Report stated an average direct service cost of \$20.46 per one-way trip.

RECOMMENDATION 8: The Commonwealth should appropriate funding necessary for early education and care program transportation services.*

- i. EEC is mandated to provide transportation services to DCF children placed in Supportive early education and care.¹² The Department funds transportation services for children in Income Eligible

¹¹ EEC is monitoring the U.S. Department of Health and Human Services Administration for Children and Families' Office of Child Care's proposal to add new Child Care and Development Fund regulations that would require states to post early education and care providers' health, safety and licensing information online. This proposal is currently under Federal review and, if adopted, would go into effect by October 2015.

¹² Supportive early education and care is funded through line item 3000-3050 in the FY14 GAA: "For supportive early education and care services; provided, that funds from this item shall only be expended for early education and care costs of children with active cases at the Department of Children and Families; provided further, that the Department of Early Education and Care, in collaboration with the Department of Children and Families, shall maintain a centralized list detailing the number of children eligible for services in this item, the number of supportive slots filled and the number of supportive slots available; provided further, that funds may be used to provide services during a transition period of 6 months for families upon the closure of their case; and provided further, that all children eligible for services under this item shall receive those services."



early education and care¹³ and DTA-related early education and care¹⁴ if the services are offered by the program and there is an identified need for the service.

- ii. In FY13 EEC spent a total of \$51.6 million on transportation. This funding paid for transportation services for, on average, 5,700 young children in Supportive early education and care, and on average, 14,000 children in Income Eligible early education and care and DTA-related early education and care.
- iii. The FY15 EEC Aspirational Budget was approved by the Board of Early Education and Care in December of 2013, seeking \$18,034,933 to increase the rate paid for transportation to support improvements in the system, such as the addition of one adult monitor on all vehicles carrying infants, toddlers, and preschool children. The requested funding would provide the ability for EEC to increase payment rates to allow early education and care transportation providers to cover the cost of transportation in a manner that satisfies the requirements that ensure the health and safety of children. The Board recognizes that the rate will only cover a portion of the difference between the EEC transportation rates and the true cost of transportation.

[*near-term consideration]

¹³ Income Eligible early education and care is funded through two accounts in the FY14 GAA. Line item 3000-4060 is the main source of Income Eligible early education and care funding: "For income-eligible early education and care programs; provided, that teen parents at risk of becoming eligible for transitional aid to families with dependent children may be paid from this item..."; line item 3000-4070 provided \$15 million in new funding: "For costs associated with reducing the waitlist for income-eligible early education and care programs."

¹⁴ DTA-related early education and care is funded through line item 3000-4050 in the FY14 GAA: "For financial assistance for families currently involved with or transitioning from transitional aid to families with dependent children to enroll in an early education and care program; provided, that early education and care shall be available to former participants who are working for up to 1 year after termination of their benefits; provided further, that post-transitional early education and care benefits shall be provided to participants who are working for up to 1 year after the transitional period; provided further, that the Department shall issue monthly reports detailing the number and average cost of voucher and contracted slots funded from this item and item 3000-3050; provided further, that the Department may provide early education and care benefits to parents who are under 18 years of age, who are currently enrolled in a job training program, and who would qualify for benefits under chapter 118 of the General Laws but for the deeming of the grandparents income; provided further, that all teens eligible for year-round, full-time early education and care services shall be participating in school, education, work and training-related activities or a combination thereof for at least the minimum number of hours required by regulations; provided further, that recipients shall not be charged fees for care provided under this item..."



TOPIC 2: ACCESS AND QUALITY

EEC's most significant investments are in initiatives to expand access to high quality early education and care services to all children and families in the Commonwealth. One of the most pressing impediments to the Department achieving this objective is the waitlist for Income Eligible early education and care, which includes all age groups that EEC serves: infants, toddlers, preschoolers, and school-age children. While EEC has made progress on its waitlist remediation efforts,¹⁵ it lacks the funds to fully serve all children in need of early education and care services. EEC is also responsible for providing access to services to children and families involved with the Department of Children and Families (DCF). High quality early education and care can be especially beneficial for this vulnerable population as it provides a safe, stabilizing and nurturing environment at a time of incredible stress for both children and their families. The Special Commission gave considerable time to discussing the need for DCF and EEC to work collaboratively to more effectively identify demand for and improve access to Supportive early education and care.

In addressing the quality aspect of early education and care, EEC has made notable progress in developing a method to assess, improve, and communicate the level of quality in early care and education settings, through a Quality Rating Improvement System (QRIS). Consistent with other states' QRIS systems, the Massachusetts QRIS categorizes early education and care programs into different levels of quality, based on five components:

1. Curriculum
2. Health and safety of learning environment
3. Program staff qualifications
4. Family and community engagement
5. Program leadership, management, and administration

EEC's goals are to integrate the QRIS across its program licensing and professional development systems, have all early education and care programs participate in QRIS, and make program quality information publicly available, ultimately allowing families across the Commonwealth to make more informed decisions about choosing their children's early education and care.

In order to support the advancement of EEC's access and quality initiatives, the Special Commission makes the following recommendations:

RECOMMENDATION 9: The Commonwealth should appropriate resources to open access to early education and care in the state by reducing the waitlist for Income Eligible early education and care.*

¹⁵ In FY12, EEC reverted \$11,933,925 of \$442,804,904, or 2.69% of its total Early Education and Care Caseload Accounts. The FY14 State Budget provided for a Prior Appropriation Continued (PAC) of \$8.5 million from the Early Education and Care Caseload Accounts. EEC is utilizing a more centralized approach to caseload account management designed to mitigate against any significant deficits or surpluses in FY14. EEC will continue its monthly caseload meetings with EOE, ANF, House Ways and Means and Senate Ways and Means as part of this new process.



- i. Currently the income eligible early education and care waitlist includes 40,475 children in the state.¹⁶ In FY14, under budget line item 3000-4070, EEC received \$15 million to reduce the waitlist for its Income Eligible early education and care programs. This funding, along with an \$8.5 million FY13 Prior Appropriation Continued, allowed for 3,200 children across the state, to be placed from the waitlist in early education and care programs using a voucher during the period of October through December.
- ii. The Commonwealth should consider funding a waitlist remediation plan to ensure all children on the Income Eligible early education and care waitlist are served.¹⁷ The estimated appropriation necessary to serve 40,475 children is approximately \$303 million,¹⁸ therefore, \$37.5 million in funding allows approximately 5,000 children¹⁹ to be removed from the waitlist.

[*near-term consideration]

RECOMMENDATION 10: The Commonwealth should provide adequate resources to EEC and DCF to manage and provide access to high-quality Supportive early education and care services for children involved in the child welfare system to support their safety as well as their cognitive physical, and social/emotional development.*

- i. EEC is mandated by budgetary language in the Supportive early education and care account (line item 3000-3050) to serve children involved with DCF who would benefit from early education and care services. EEC administers the Supportive early education and care program through a network of contracts with early education and care providers in specific locations across the Commonwealth. DCF is responsible for managing referrals from social workers to providers. Many communities do not have a Supportive early education and care program, limiting access for children and families who could benefit.
- ii. DCF does not have a robust or adequately funded system for managing and tracking need among DCF families who could benefit from early education and care. At the time of this report, 5,554 Supportive early education and care slots are available and approximately 97% are filled—a high-level of utilization when accounting for vacancies related to standard transitions in and out of programs. At the time of this report, DCF has approximately 22,000 active cases involving children. Many of these children would benefit from early education and care services, if program capacity would allow for it. A true statement of demand should be developed by July 1, 2014.

¹⁶ EEC reported 40,475 children on the income eligible waitlist as of December 13, 2013, including: 4,937 infants; 7,947 toddlers; 11,256 preschoolers; and 16,335 school-age children.

¹⁷ The Board of Early Education and Care proposes an increase of \$56.6 million to serve an additional 6,284 children under its FY15 Aspirational Budget Recommendation.

¹⁸ This is an average cost across all child care age groups and is not reflective of the actual cost based on the number of children in each age group on the waitlist.

¹⁹ Ibid.



- iii. The EEC board-approved FY15 Aspirational Budget included a DCF Access Pilot Program. The pilot program would make 500 vouchers available to provide families with access to early education and care. The FY15 cost for the additional children would be approximately \$6,618,810.

[*near-term consideration]

RECOMMENDATION 11: The Commonwealth should appropriate resources to the Department to allow continued progress on its programs and initiatives to increase the quality of early education and care across the state. EEC's current initiatives take into consideration the strong relationship between quality and early education and care rates, as they aim to simultaneously enhance program quality by targeting both QRIS development and rate structure improvement.*

- i. Massachusetts' Race to the Top - Early Learning Challenge Grant (RTT-ELC) \$50 million federal grant award supports initiatives to enhance early education and care program quality. RTT-ELC Project 2, *Quality Rating Improvement System Program Quality Supports*, makes up \$8,791,879 of the grant, while RTT-ELC Project 6, *Standards Validation and Alignment* makes up \$950,748 of the grant. The grant funding expires in December 2015.
- ii. The Department should develop a plan to incentivize early education and care programs to participate in the QRIS and QRIS initiatives. A tiered reimbursement structure should be considered as an option. The plan should be coordinated with the implementation of the marketing initiatives of the QRIS.
- iii. The Commonwealth should considering funding the continuation of the RTT-ELC initiatives after December 2015 and to appropriate necessary resources for EEC to develop and implement a plan to incentivize early education and care programs to participate in quality initiatives.

[*near-term consideration]



TOPIC 3: RATES AND WORKFORCE

The Special Commission recognizes that the current rates strain early education and care programs and directly impact the Commonwealth's ability to provide high-quality care to young children. We recognize the need to more closely align EEC's rate reimbursements for providers with the true cost of care—the current rate structure is inadequate for providers, does not always allow families to find early education and care services, and does not take into account program quality. However, in order to restructure the rates, we need to understand the true cost of care.

In compliance with the Child Care and Development Fund (CCDF), EEC conducts a federally-mandated biannual child care market rate survey. The recent market surveys have collected data in each region of the state across all program types and age groups to evaluate the adequacy of rates for the purpose of demonstrating equal access to child care for low-income families. The current methodology does not take into account the variability of income and rates within EEC regions, the true cost of care, or the level of quality of each program. To capture these important factors, EEC has been exploring alternative options to gather and analyze data that will better inform EEC rate setting methodology.

We understand that one of the biggest drivers of program quality is workforce. Unfortunately, compensation for early educators in the Commonwealth is insufficient and does not reflect qualifications or competency, causing the current 29% turnover rate in the early education field in Massachusetts.²⁰ Educators should also have access and support to further their educational and professional development goals.

Staff working in EEC-licensed Residential programs should have clearly defined educational requirements and access to professional development opportunities. These staff serve some of the Commonwealth's most vulnerable children, including children who have experienced abuse and neglect, those with developmental and educational special needs, and those with mental and behavioral disorders.²¹ Enhanced educational standards would complement a number of related EEC initiatives, such as the Early Childhood Educators Scholarship and Educator and Provider Support Networks, intended to produce a stable and well-supported workforce.

To address the high cost of early education and care and better support the early education field in the Commonwealth, the Special Commission makes the following recommendations:

RECOMMENDATION 12: The Commonwealth should support funding progress toward the federal child care provider rate benchmark and appropriate resources necessary for the Department to conduct in-depth analysis and develop recommendations for a child care provider rate structure that better reflects the true cost of care.*

- i. The EEC Board-approved FY15 Aspirational Budget included a 3% across-the-board rate increase for all providers of subsidized children. The total estimated FY15 cost would be \$13,657,652 (Income

²⁰ Strategies for Children (2009). Early Childhood Educators Scholarship Program.
http://www.strategiesforchildren.org/eea/6research_summaries/09_ScholarshipProgram.pdf

²¹ EEC serves only in the capacity of licensing and monitoring for these programs and should collaborate with other state agencies that contract with these programs for other services, including the Departments of Elementary and Secondary Education, Children and Families, Youth Services, and Mental Health.



Eligible early education and care, \$7,274,381; DTA-related early education and care, \$4,031,960; Supportive early education and care, \$2,351,311). This is the equivalent of an addition of \$0.82 to the daily rate.

- ii. By far, the most significant costs for early care and education programs are salaries and benefits, and the primary intent of any rate increase should be to support improved educator compensation. The Special Commission recognizes that the Commonwealth is on a long-term path to increasing standards for early education and care professionals, such as eventually requiring Bachelor degrees. The increase in standards should happen in parallel with a compensation structure more aligned with a professional and highly qualified early education workforce. By way of comparison, the median annual salary for all educators in family child care programs is \$25,001 - \$27,500 and for those in center-based programs is \$22,501 - \$25,000,²² while the average starting salary for a public school teacher in Massachusetts is \$40,462.²³
- iii. To more closely align rate reimbursements with the true cost of care, EEC should analyze its current method of reimbursement and consider adopting other rate structures.
 - Any new rate structure should have a method of how to best incorporate quality into its rate structure.
 - Any new rate structure should take into account the true supply and demand of child care.
 - Any new rate structure should take into account the median salary of a first year public preschool teacher with comparable educational background.
 - Any new rate structure should take into consideration the impacts of EEC's affordability policies on all families and providers.
- iv. To accurately reflect the increasing costs of child care, EEC should determine an appropriate method for annual rate adjustments.
 - EEC may consider incorporating other states' methods of annual rate adjustment and the consumer price index (CPI).
- v. Any new rate structure should take into account the benchmark set by the federal Child Care Development Fund which recommends that states subsidize at the 75th percentile of the market rate.²⁴

[*near-term consideration]

²² The Massachusetts Career Ladder and Early Educator Compensation Reform. 2013 May. The Bessie Tart Wilson Initiative for Children.

²³ 2011-2012 Average Starting Teacher Salaries by State. National Education Association. <http://www.nea.org/home/2011-2012-average-starting-teacher-salary.html>

²⁴ Findings from the state's 2012 Child Care Market Rate Study show Massachusetts child care rates for any type of care (any of the 6 regions in any of the age groups served) did not meet the 75th percentile of the market rate. In almost all regions and all age groups, EEC rates were below the 50th percentile.



RECOMMENDATION 13: The Commonwealth should appropriate resources to the Department to assess different options for structuring early educators’ compensation and other incentives to better reflect and support quality initiatives. The Department should work collaboratively with early education and care programs in the assessment process and discussions of alternative options.

- i. EEC does not currently have data on the true cost of care across the state. The Department should conduct a study of the true cost of care that builds upon current EEC research initiatives, including but not limited to the 2-year assessment of EEC’s business practices, service delivery and financial system of statewide subsidized child care programs funded in FY14, through line item 1599-0500, and to be completed by June 2015.
- ii. The assessment of options for structuring early educators’ compensation should build upon and utilize other research initiatives, including but not limited to the previous early educator compensation studies by the Bessie Tartt Wilson Initiative for Children.
 - Consideration for options for supplemental incentives for early educators, including increased support for higher education should be explored.
 - The potential of developing a formula for determining early educators’ salaries that would directly tie quality to higher compensation should also be explored.
 - Consideration of the median salary for educators in public preschool programs as benchmarks in the development of recommended compensation levels associated with Massachusetts’ career ladder and QRIS professional qualification standards, both of which are intended to move educators to comparable levels of higher education.
- iii. EEC in conjunction with the Office of Student Financial Assistance at the Department of Higher Education, should develop a mechanism to capture the true need and demand for the Early Childhood Educators (ECE) Scholarship. The scholarship is financed by state funding of approximately \$3.2 million, which supported 1,181 educators from early education and care and out-of-school time care programs in FY14. EEC has identified that the demand for scholarships far exceeds the limited availability of funding, as the fund was immediately exhausted upon release this fiscal year.
- iv. EEC and the Office of Student Financial Assistance at the Department of Higher Education should develop increased partnerships with higher education institutions to expand higher education opportunities for early educators across the state.

RECOMMENDATION 14: The Commonwealth should support changes to the Child Care Quality Fund to allow all early education and care programs access to the grant funding to improve the quality programs through educator training and development and/or the purchase of educational materials.

- i. The Child Care Quality Fund is funded by revenue from the sale of the Massachusetts “Invest in Children” license plates. The fund collects approximately \$300,000 annually.
- ii. The Child Care Quality Fund law (MGL Ch. 29 Sec. 2JJ) is currently exclusive of for-profit early education and care programs. The current language limits the ability of many providers—especially



small family child care licensees—to access the funding because they are not incorporated 501c3 non-profits.

- iii. The Department of Early Education and Care should explore public-private partnerships for marketing opportunities to expand sales of the “Invest in Children” license plates.

RECOMMENDATION 15: The Commonwealth should support EEC in the establishment of educational standards for staff working in Residential programs having unsupervised contact with children. In FY14, EEC licenses over 400 Residential programs. Residential programs provide 24-hour care and services to the neediest and most at-risk children in the Commonwealth. There are 356 licensed group care programs and 68 shelter care programs.

- i. EEC’s education standards for staff working in Residential programs should be based on national best practices and aligned with accreditation standards.
- ii. To better track qualifications and opportunities for professional development, Residential program staff should be required to register in the EEC Professional Qualifications Registry.



SUPPORTING RECOMMENDATIONS

The Special Commission recognizes that successfully implementing the recommendations in this report rely on the Commonwealth's ability to measure progress across early education and care programs, including interactions with other education, public safety, and health and human service programs. Since its formation, EEC has struggled with the lack of integration between the IT systems it inherited and the growing need for integration with external systems as well. Increasingly, ability to access IT systems remotely using mobile devices has become an industry standard, and EEC's lack of mobility infrastructure also limits the effectiveness of its systems and efficiency of its programs. Because of this, the Special Commission recommends the following to support the success of many of the other recommendations made in this report:

RECOMMENDATION 16: The Commonwealth should appropriate resources to allow EEC to develop methods to efficiently share program information among EEC's currently disparate data systems: EEC's investigations, background record checks, compliance, and monitoring systems; as well as the Quality Rating Improvement System (QRIS) and Professional Qualifications Registry (PQR). There should also be a process for seamless data exchanges with other state agencies' systems, such as with the Elementary and Secondary Education's Educator Licensing and Recruitment (ELAR) and the Massachusetts Education Personnel ID (MEPID) and with systems at DCF and DTA to support efficient child care subsidy referral and management.

- i. EEC estimates that the work necessary to complete the next phase of system integration would cost \$5-6 million.²⁵

RECOMMENDATION 17: The Commonwealth should appropriate resources to allow EEC to develop applications and compatibilities so that EEC staff can access the Department's data systems remotely from mobile devices.

- i. EEC estimates that the work necessary to add mobility integration to EEC systems would cost \$2-3 million.

RECOMMENDATION 18: The EEC Advisory Council should comprehensively monitor the progress implementation of the Special Commission recommendations, and update and revise if necessary.

- i. The EEC Advisory Council should seek to fill any vacant seats, especially those held by legislative members and designees. In addition, supplemental appointments from bodies represented on the Special Commission that could meaningfully contribute to the Committee's work, such as a representative from DCF, should be made.
- ii. Progress on the recommendations should be routinely reported to the EEC Board as well.

²⁵ As EEC works to create a comprehensive data system, the Department should consider collaboration with the Department of Elementary and Secondary Education and the Department of Higher Education to integrate relevant data with the Statewide P-20 Longitudinal Data System initiative.



NEAR-TERM CONSIDERATIONS

Through this report, the Special Commission aimed to highlight areas where EEC has made great strides and progress; however, it also meant to call attention to specific areas of need. Among these areas of need, the Special Commission wants to bring to the forefront the recommendations it felt were most urgent and achievable in the near future. However, all of the above recommendations are important for sustaining and advancing early education and care in the Commonwealth into the future.

- **Health and Safety:** The Commonwealth should address the need for resources to support healthy and safe early education and care programs through the development and implementation of a differential monitoring system and increased staffing in the licensing and monitoring, investigation, and background record check units of EEC. Refer to **Recommendations 1, 2, 3, and 4.**
- **Access:** The Commonwealth should establish and fund a waitlist remediation plan with the goal of working towards full remediation to ensure children and families have access to quality child care as well as provide resources to expand high-quality early education and care services for children involved in the child welfare system. Refer to **Recommendations 9 and 10.**
- **Program Quality:** The Commonwealth should provide resources to support initiatives to improve quality. Refer to **Recommendation 11.**
- **Child Care Provider Rates:** The Commonwealth should support and consider funding appropriate resources necessary for the Department to conduct in-depth analysis and develop recommendations for a child care provider rate structure that better reflects the true cost of care. Refer to **Recommendation 12.**
- **Transportation:** The Commonwealth should appropriate funding necessary for early education and care transportation services. Refer to **Recommendation 8.**