Report of the Massachusetts Early Education and Care Council

December 16, 2004

In accordance with Section 344 of the FY2005 Massachusetts State Budget, this report is submitted to:
The Joint Committee on Education, the Arts and Humanities;
The Clerks of the Senate and the House
The Joint Committees on Ways and Means
The Early Education and Care Advisory Committee
EXECUTIVE SUMMARY

The Early Education and Care Council (comprised of Department of Education Commissioner David Driscoll, Department of Public Health Commissioner Christine Ferguson, and Office of Child Care Services Acting Commissioner Joanne McMahan) developed this comprehensive plan for establishing the new Department of Early Education and Care, and made a series of recommendations for the new Department’s policies and procedures. The Council recognized this as an opportunity to inform the implementation of a consolidated system of high quality early education and care in the Commonwealth. However, it also highlighted the critical importance of continuing to give priority for early education and care services to families served by the Department of Transitional Assistance and the Department of Social Services.

The Council’s recommendations are explained in more detail throughout this report, and it is important to understand the rationale behind them rather than relying exclusively on this summary. In brief, these recommendations include:

Transfer of programs to the Department of Early Education and Care:

- Transfer all programs from the Office of Child Care Services, with the exception of licensing for residential group care facilities, and adoption and foster care placement agencies.

- Transfer all programs administered by the Department of Education’s (DOE) Early Learning Services Unit, with the exception of the Kindergarten, mental health, and autism grant programs which serve public school aged students and teachers.

- Do not transfer any programs from the Department of Public Health.

- Continue to coordinate services with the Executive Office of Health and Human Services (EOHHS) and Department of Education.

Integration of Policies and Procedures:

- Procure all early education and care direct services through a combination of contracts and vouchers beginning in FY07.

- Analyze current reimbursement rates in FY06 to develop and implement a standardized rate system in FY07.

- Adopt OCCS age and eligibility standards for all new families entering care in FY06, unless funding levels increase to permit broader access.

- Ensure continued prioritization for families receiving Transitional Aid to Families with Dependent Children (TAFDC) benefits, thereby ensuring continued compliance with federal funding requirements, and those served through the Department of Social Services.

- Maintain eligibility for children currently served through Department of Education early education and care programs under the program guidelines in place when they entered care.
Consolidate all wait lists for early education and care programs and manage centrally.

- Adopt the DOE “Program Standards and Learning Guidelines” for all center-based programs for three and four year olds, and develop standards and guidelines for programs for infants and toddlers, after school child care, and family child care programs.

- Streamline licensure, accreditation, and monitoring requirements to ensure high quality programs while minimizing the administrative burden of redundant and expensive evaluations of providers.

- Maintain current DOE licensure for early childhood teachers employed by public school districts.

**Consolidation of Administration and Management:**

- Maintain both Community Partnerships for Children (CPC) and Child Care Resource and Referral (CCR&R) administrative structures, with CCR&Rs having primary responsibility for voucher management, regional intake and eligibility determinations, and development of regional workforce development plans, and CPCs focusing on local capacity development, implementation of quality initiatives, and local intake and eligibility determinations.

- Align geographic regions for CCR&Rs and CPCs.

- Maintain the important role of the Mass Family Networks

- Make decisions about new office space and staff responsibilities as quickly as possible to facilitate a smooth transition.

All of the Council’s recommendations reflect a commitment to prioritizing the needs of low-income families and ensuring a high quality system of early education and care in Massachusetts.
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1. INTRODUCTION

Chapter 205 of the Acts of 2004 established a new Department of Early Education and Care, effective July 1, 2005. Section 344 of the FY05 budget gave the Early Education and Care Council the responsibility for developing a comprehensive transition plan for establishing the new Department and making recommendations for the new Department’s policies and procedures. Specifically, it required the Council members (Commissioner David Driscoll, Department of Education, Commissioner Christine Ferguson, Department of Public Health, and Joanne McMahan, Acting Commissioner, Office of Child Care Services) to:

- **Develop a comprehensive plan to consolidate and transfer the management and administration of programs, services, and funding** for all existing early education and care programs and services from the Department of Education, the Office of Child Care Services, and the Department of Public Health, to the Department of Early Education and Care;

- **Identify statutory and regulatory duplication** of early education and care program administration and services under chapter 28A, and section 54 of chapter 15, and recommend consolidation of early education and care line items;

- **Recommend standards**, taking into consideration the program requirements under section 54 of chapter 15 of the General Laws;

- **Set forth procedures regarding certification** and take into consideration the teacher qualification requirements within the Department of Education’s program standards;

- **Recommend procedures for establishing licensure and accreditation policies**, eligibility criteria, sliding fee scales, reimbursement rates, services, regulations, monitoring, and policies among publicly funded early education and care programs;

- **Identify how the state can best prioritize the needs of low-income families**;

- **Identify the proper role of Mass Family Networks**, child care resource and referral agencies, and other regional coordination and informational entities to assure the continued existence of comprehensive parent outreach, education, and support services under the new Board of Early Education and Care;

- **Identify the appropriate role of local councils** in gathering data on local needs, identifying providers in need of quality assistance, and serving as a local access point for families in need of services; balancing the need for local access with the need for clear central financial authority, transparent accounting and reporting standards, and fiduciary responsibility vested in the board; and

- **Submit a report containing its recommendations** to the Joint Committee on Education, Arts, and Humanities, the Advisory Committee on Early Education and Care, the Clerks of the Senate and House of Representatives, and the Senate and House Committees on Ways and Means, not later than December 15, 2004.
The Council agreed on the following principles to guide its work:

1. Programs to be transferred and consolidated within the new agency should be consistent with the mission of the new agency;

2. Existing services for families, in particular families served by the Department of Social Services (DSS) and by the Department of Transitional Assistance (DTA) through the Transitional Aid to Families with Dependent Children (TAFDC) program, should continue to receive priority in the new agency;

3. The systems for administration and contracting for early education and care must be coherent and coordinated and provide seamless access to families;

4. The standards for programs under the new agency should reflect high quality;

5. Adequate time must be allowed for the new agency to transition contracting, eligibility, wait lists, and licensure standards successfully; and

6. Ongoing and effective linkages between the EOHHS, DOE, and the new Department are essential.
2. CONSOLIDATION AND TRANSFER OF PROGRAMS

The Council’s first task was to recommend which programs should be transferred from the Department of Education (DOE), the Office of Child Care Services (OCCS), and the Department of Public Health (DPH) to the Department of Early Education and Care (DEEC), established pursuant to Chapter 15D of the Massachusetts General Laws. To guide this work, the Council turned to the language in the statute establishing the new agency, which says that the new Department shall serve:

“...as the lead agency for the administration of all public and private early education and care programs and services ... [and as] the state agency responsible for compliance with early education and care services in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [PRWORA]... [and as] the state education agency for the purposes of early education and care under federal law.”

The Council reviewed all current OCCS, DPH, and DOE programs primarily serving infant-toddler, preschool, and school age children to determine which programs fell within the statutory authority of the new Department. In conducting this review, the Council addressed several key issues:

1. **Age range**: What age group should the new Department serve?

2. **Scope of services for new Department**: Should the new Department focus primarily on early education and care, consolidating programs at DOE and OCCS, or should it also encompass health care programs from DPH?

3. **EOHHS coordination**: What approach assures that the needs of children and families served by other EOHHS agencies are met by providing for ongoing coordination?

4. **DOE coordination**: How can strong links be put in place between the new Department and the DOE?

1. **Age Range** – DOE, OCCS, and DPH provide programs for children from a variety of age groups.

   **OCCS**: Licenses family, group, and after school child care programs that serve children in three age groups -- birth to age 2.9 (infants and toddlers), age 2.9 through 5 (preschool age), 5 through 12 or up to the age of 16 if the child has special needs (school age). OCCS also licenses residential programs that serve children through the age of 18. OCCS administers subsidies to children birth through school age, or up to the age 16 if the child has special needs.

   **DOE**: Serves primarily school age children (for grades K through 12), and provides funding and services for preschool programs. It is the state agency responsible for meeting the special education requirements for children with disabilities, ages 3 through 21.

   **DPH**: Provides health care services for children with identified developmental disabilities or at risk of such disabilities from birth through age 3. It also offers health care programs for pregnant women and new mothers.
The enabling statute for the new Department, Chapter 15D, provides that the primary focus of the Department and its Board is “to establish regulations, oversee and administer programs for preschool age children.” For this reason, the Council considered whether programs to be transferred to the new Department should be limited to those serving children in the preschool age range. In the case of OCCS child care, there was consensus that this would not benefit children and families, nor would it provide continuity of care. The Council also believed that providers and other stakeholders would be best served by having one agency purchase and administer all child care.

2. Scope of services – Beyond looking at the age range of programs that should be transferred to the new Department, the Council considered the types of services to be delivered. The mission of the new agency is one that entails the merging and coordination of child care, most importantly those child care services that are funded through the Child Care Block Grant under PRWORA, with the early education programs at DOE. Thus, the entire range of OCCS child care programs was felt to be within the scope of services for the DEEC. The Council also concluded that the licensing of child care programs, except for residential and placement licensing, should be included within the new agency.

In contrast, the Council decided that programs primarily providing health services were outside the scope of intended services for the new Department. Programs such as Early Intervention at DPH, which provide for the delivery of therapeutic, medically-necessary services for infants and young children under three, or which serve to promote the health of pregnant women and new mothers and their children, such as WIC, are most correctly viewed as health care related, and therefore outside of the intended role of the new Department.

Another important consideration with respect to DPH programs is the important interest in the continued availability of federal funding that supports these vital public health programs. Federal funds are provided to the state as a direct result of the programs operating under the umbrella of DPH, the agency responsible for the public health activities of the Commonwealth. Placing the programs in a new agency whose mission is education and child care-focused could jeopardize this funding. In addition, in the case of Early Intervention services, private health insurers, pursuant to G.L. c.175, §47C, c.176A, § 8B, c.176B§4C, and §176G, §4, are required to provide a substantial share of the funding. This requirement hinges on the medical necessity for the services. It is questionable as to whether private health insurers would continue to provide such coverage should this program be merged into programs of early education. (Indeed, services such as those provided by the Early Intervention programs, e.g., occupational, physical, and speech therapy, when paid for and provided by school districts under special education programs have generally been excluded from private health insurance coverage, and are not currently subject to the statutory health coverage requirements cited above.)

Finally, the Council felt that child abuse prevention and parenting services provided by the Children’s Trust Fund and the child welfare services of the Department of Social Services were not intended to come within the jurisdiction of the new Department and are not recommended for transfer to the new agency. The Council also concluded that the licensure function, currently performed by OCCS, with respect to adoption and foster care agencies should not be included in the new Department.
In addition, the Council concluded that the current OCCS licensure responsibility for residential group care facilities for children operated by state agencies or by private providers that contract with EOHHS agencies and school districts to provide residential services should remain at EOHHS. This licensure function is not connected to early education and care, but is vital to the ability of EOHHS agencies (as well as of school districts) to provide for the safety and well-being of children and youth served in residential settings.

3. EOHHS coordination - The Council’s third consideration was to assure that the transfer and consolidation of child care programs in the new Department does not adversely affect access to child care for low-income families receiving TAFDC benefits who are subject to the TAFDC work requirements, those families involved with DSS who need to receive supportive child care in order to preserve and strengthen their families, and the provision of clinical services provided in collaboration with the Department of Mental Health for children in child care settings. The Council is confident that the new Department will remain committed to maintaining these vital services for children and families. However, because these key programs are an integral part of other family support services that will continue to be provided by EOHHS agencies, it is critical that the new Department develop strong linkages with EOHHS. The Council recommends transferring these programs subject to a requirement that the new Department develop a formal agreement with EOHHS that assures smooth and uninterrupted service access and delivery for all families served by EOHHS agencies.

Since the new Department is the agency responsible for meeting the child care requirements of PRWORA, it must necessarily follow the funding priorities of the Child Care Block Grant (CCBG). Under PRWORA, at least 70% of the CCBG funding must be used to provide child care for families receiving, transitioning off, or at risk of becoming dependent on TAFDC.

4. DOE coordination - The Council’s fourth consideration was to ensure strong connections and links with the Department of Education. It is important that there be smooth transition for children in early education and care programs to public school kindergarten and early elementary classrooms. There needs to be ongoing communication on issues related to the provision of special education programming and services across the two agencies and with the public schools. Other important program links will be with DOE’s nutrition, English language learners, adult education and parenting, Title I, and curriculum units. In addition, since both agencies act as the State Education Agency for federal purposes, clear coordination and information sharing mechanisms will need to be established.

Based on the considerations outlined above, the Council recommends the following line items be transferred to the new agency, totaling $436,005,150 in FY05. (Appendix A contains more detailed program descriptions.)
<table>
<thead>
<tr>
<th>Code</th>
<th>Agency</th>
<th>Program Description</th>
<th>Funding</th>
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<tbody>
<tr>
<td>4130-0001</td>
<td>OCCS</td>
<td>Child Care Services and Administration</td>
<td>$1,395,164</td>
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<tr>
<td>4130-0005</td>
<td>OCCS</td>
<td>Child Care Licensing</td>
<td>$6,375,782</td>
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<tr>
<td>4130-2998</td>
<td>OCCS</td>
<td>Child Care Quality and Improvement</td>
<td>$4,158,404</td>
</tr>
<tr>
<td>4130-3050</td>
<td>OCCS</td>
<td>Contracted and Voucher Child Care Slots - This appropriation funds contracted and voucher child care for TAFDC, low-income, and at-risk families.</td>
<td>$278,936,661</td>
</tr>
<tr>
<td>4130-3100</td>
<td>OCCS</td>
<td>Child Care Resource and Referral - This appropriation funds child care resource and referral agency voucher management, information and referral, and training services.</td>
<td>10,043,732</td>
</tr>
<tr>
<td>4130-3600</td>
<td>OCCS</td>
<td>DSS Supportive Child Care Slots - This appropriation funds supportive child care for children involved with Department of Social Services for child protection services.</td>
<td>48,344,206</td>
</tr>
<tr>
<td>1599-0042</td>
<td>OCCS</td>
<td>Rate Reserve – Child account of A&amp;F Rate Reserve for increase in rates paid to child care providers throughout the Commonwealth.</td>
<td>5,000,000</td>
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<tr>
<td></td>
<td><strong>OCCS TOTAL</strong></td>
<td><strong>$354,253,949</strong></td>
<td></td>
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<tr>
<td>7030-1000</td>
<td>DOE</td>
<td>Community Partnerships for Children - Direct services to 15,300 children, quality enhancements to improve quality of services for children, and comprehensive services.</td>
<td>69,309,364</td>
</tr>
<tr>
<td>7030-1500</td>
<td>DOE</td>
<td>Head Start State Salary &amp; Expansion Grants – $4.4M for salary increases; $1.7M for expansion grants.</td>
<td>6,146,143</td>
</tr>
<tr>
<td>7030-1000</td>
<td>DOE</td>
<td>Massachusetts Family Network (MFN) – Grants to 42 lead agencies for family education and support for families with young children, prenatal to age four.</td>
<td>5,295,694</td>
</tr>
<tr>
<td>7030-1004</td>
<td>DOE</td>
<td>Parent/Child Home Program (PCHP) – Grants to 25 lead agencies for home-based parenting, early literacy, and school readiness services for young children at risk, 18 months to age four and their parents.</td>
<td>1,000,000</td>
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<tr>
<td></td>
<td><strong>DOE TOTAL</strong></td>
<td><strong>$81,751,201</strong></td>
<td></td>
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<tr>
<td></td>
<td><strong>DEEC TOTAL STATE SOURCES</strong></td>
<td><strong>$436,005,150</strong></td>
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**Trusts and Federal Grants**

In addition to the state appropriations above, which reflect both state revenues and federal block grant revenues, the following trust account and federal grants should also be administered by the new Department:

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<tr>
<td>4130-2015</td>
<td>OCCS</td>
<td><strong>Quality Research</strong> – Funds an array of research efforts designed to measure and improve children’s success and to inform policy decisions. (annual grant award ending FY06)</td>
<td>249,600</td>
</tr>
<tr>
<td>4130-2010</td>
<td>OCCS</td>
<td><strong>Child Care Inclusion Project</strong> – Supports inclusion for children with special needs in child care programs. (ending FY05)</td>
<td>74,000</td>
</tr>
<tr>
<td>4130-2900</td>
<td>OCCS</td>
<td><strong>License Plate Quality Trust Account</strong> – Funds from sale of License Plates support grants to child care programs for staff training, and educational material and equipment.</td>
<td>300,000</td>
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**OCCS TOTAL** $623,600

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<tr>
<td>7043-7002</td>
<td>DOE</td>
<td><strong>Early Childhood Special Education Allocation Grants</strong> – Federal grants to school districts of $500 per child used to support the development, implementation, and evaluation of inclusive programs.</td>
<td>$10,050,610</td>
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**DOE TOTAL** $10,050,610

**DEEC TOTAL TRUST AND FEDERAL GRANTS** $10,674,210
3. INTEGRATION OF POLICIES AND PROCEDURES

After deciding on recommendations for program consolidation and transfer, the Council identified duplicative or conflicting practices among these programs and recommended procedures for establishing new policies in several key areas.

3.1 Payment Methodology

Current Practice:

**DOE:** Distributes funding through grants awarded to Community Partnerships for Children lead agencies. Lead agencies may be public school districts, Head Start, and child care centers. In addition, federal grants are awarded to public schools for special education services for young children with disabilities and state grants are awarded to Head Start agencies for salary enhancement and program expansion and to Mass Family Networks and Parent-Child Home Program grantees for services for young children and their families. Also, the DOE awards other grants and contracts for special projects and services.

**OCCS:** Distributes funding through a mix of contracts and vouchers. Contracts are entered into directly with providers through a competitive procurement. Providers that wish to accept vouchers must enter into a voucher agreement with one of the 14 CCR&Rs across the state. OCCS contracts with the CCR&Rs to provider voucher administration, including monitoring of voucher providers.

Recommendation: All of these methods of payment serve important functions and should be preserved. However, for the payment of direct service delivery, contracts and vouchers provide more accountability and standardization. Since one of the goals of the new Department is to consolidate and make uniform the purchasing practices for all early education and care programs, the new Department should transition to this payment methodology for all direct service delivery as soon as practicable. This method of disbursement is consistent with 79% of the spending to be transferred to the new Department, and with most other state-administered direct care programs.

At the same time, because grant payments provide more flexibility and discretion, the new Department should rely on this important tool to fund program coordination, workforce development, and quality initiatives.

In FY06, grants should continue to be the vehicle for distributing federal early childhood special education, state Head Start, Mass Family Networks, and Parent-Child Home Program funds. However, after the new Department completes the transition of CPC direct service dollars to contracts and vouchers in FY07, it should consider that option for the direct services provided through these programs.

**Timing:** July 1, 2006. Given the significant differences between the process for grant awards and that used in setting contract and voucher rates, it is unrealistic to expect that the new Department can immediately develop a unitary funding system or transition CPC lead agency direct service dollars into contracts and vouchers in its first year. There are challenges inherent
in making this switch, including the reconciliation of different reimbursement rates and eligibility procedures discussed later in this report.

However, the agency must begin the time-consuming transition process immediately, and should develop a comprehensive plan in FY06 to begin funding all direct services through contracts and vouchers beginning July 1, 2006. When transitioning CPC direct service dollars to contracts and vouchers, the new Department should determine the appropriate mix of contracts and vouchers necessary to ensure continued access to child care in all regions of the Commonwealth.

**Challenges:**

- Ensuring that children currently served through grant-funded slots are moved into a contract or voucher slot without interruption of services.

- Analyzing DOE’s current CPC grant funding, and the composition of OCCS direct service funding, to distinguish between direct service and indirect service expenditures. These types of spending are often overlapping in a child care setting. The table below shows a breakdown of FY04 CPC expenditures and the difficulty in distinguishing direct services from other spending. In many cases, the spending that DOE classifies as non-direct services is captured in the rates paid to OCCS providers (e.g., transportation, quality, coordination, and administration). The new agency should take care to ensure that discretionary grant funding provides a resource for additional services and does not duplicate services paid for through established rates.

<table>
<thead>
<tr>
<th>FY04 Community Partnerships Expenditures</th>
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<tr>
<td>CPC programs allocate grant funds as follows:</td>
</tr>
<tr>
<td>- 68.2% on Direct Services (includes Kindergarten under Phase I)</td>
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<tr>
<td>- 8.8% on Comprehensive Services</td>
</tr>
<tr>
<td>- 8.7% on Program Coordination</td>
</tr>
<tr>
<td>- 7.7% on Quality</td>
</tr>
<tr>
<td>- 2.9% on Administration</td>
</tr>
<tr>
<td>- 1.9% on Collaboration</td>
</tr>
<tr>
<td>- 1.5% on Outreach</td>
</tr>
<tr>
<td>- &lt;1% on Capital</td>
</tr>
</tbody>
</table>

- Determining the appropriate allocation of administrative costs between direct and non-direct service categories.

- Recognizing the cash flow differences between grant payment and contract or voucher payment, and providing an adequate transition period for providers to accommodate for this change.
Reconciling different methods of reimbursement, as some programs receive reimbursement based on the number of children enrolled, while others may receive the funding required for the salary of a teacher.

3.2 Reimbursement Rates

Current Practice:

**OCCS:** OCCS uses a market rate study, available funding, and certain other legislative requirements to establish a rate for each of the six regions across the Commonwealth. The use of a market rate study is required by the federal Child Care and Development Block Grant Act and its regulations to ensure that eligible children have equal access to comparable child care services provided to children whose families do not receive financial assistance for child care under any other governmental program. To provide eligible children with access to comparable child care services, OCCS pays providers the same regional rate for the same type of service.

In addition, there are four reimbursement tiers available to child care providers based on their participation in four quality initiatives.

**DOE:** Each of the 165 CPCs has discretion over the level of payment for providers in its area. CPCs use one of three methods to determine rates: individual providers’ private market rate, a community rate based on a percentile or percentage of the market rate in the community, or the state rate. The level of payment may vary from the rate that OCCS pays the same provider.

Recommendation:
The Council agreed that the new Department should have a single rate structure. However, reconciling such a variety of rates will be a challenging and complicated task, and cannot be accomplished before the new agency begins on July 1, 2005. Given the complexities involved in achieving this, the Council recommends that the Board of Early Education and Care develop a transition plan to take effect by July 1, 2006, or earlier if possible. The plan should analyze the current rate structures, make recommendations for a new unified system, and develop a phased-in plan for implementing the new rates statewide, concurrent with the payment methodology transition from grants to vouchers and contracts.

Principles that should Guide the New Rate System
As a set of overarching principles to guide this process, the Council recommends working toward a coordinated eligibility and reimbursement system that:

- Provides families with access to a wide array of providers, enabling family choice.
- Maintains a mix of public and private providers.
- Strives toward integration of children from all income levels, and children with and without disabilities.
- Reimburses all types of providers consistently through established statewide rates, based on type of care and geographic region.
Prioritizes the needs of low-income families.

Maximizes federal funding and the Commonwealth’s available resources.

Maximizes continuity of care for children and families.

**Timing:** During FY06, the new agency should maintain the existing rate structure, just as it is maintaining the existing payment methodology through grants, contracts and vouchers. In FY07, the transition plan outlined above should be implemented, concurrent with the transition from grants to vouchers and contracts for direct services for children and families.

**Challenges:** The transition to a new rate structure should be seamless for parents and as smooth as possible for providers. Fundamental inconsistencies in the current structures must be resolved, but this will take time given limited state and federal resources. Many of these challenges are similar to those that will be faced in transitioning from grants to contracts and vouchers. They include:

- Determining what services are appropriately included in rates, and which should be funded via “add-ons” and grants.
- Closing the gap between OCCS subsidized rates and CPC subsidized rates while maintaining incentives for provider capacity and continuity of care.
- Maintaining access in CPC communities, and at the same time prioritizing the needs of low-income families in other communities where access may be more limited.
- Implementing the new rates consistently, subject to policies and procedures set out by the new Department, with no exemptions or exceptions for individual providers.

### 3.3. Eligibility

**Current practice:**

**OCCS:** To be eligible for subsidized child care all families must document an income need and a service need, as described in the subsection below (Income Eligibility and Service Need). OCCS prioritizes subsidized child care access based on federal funding obligations and TAFDC work requirements, so that the following families have immediate access:

- Parents with a current Child Care Authorization from the Department of Transitional Assistance and teen parents under age 18 who are attending a high school or GED program;
- Teen parents age 18 or 19 who are attending high school;
- Families who have open protective cases with DSS, for immediate access to a Supportive Child Care subsidy.
The enrollment of all other eligible families is subject to available funding and prioritized in accordance with the requirements of CCBG and OCCS policy, including general continuity of care principles. If a child care slot is not available, a family is placed on the wait list and is served on a first-come, first-served basis.

**Income Eligibility and Service Need**
Under the CCBG regulations, eligibility is limited to those families whose income does not exceed 85% of the state median income (SMI), and lead agencies are required to give priority for services to children of families with very low family income. OCCS policy limits eligibility to families who are at or below 50% of the state median income (SMI). Families remain eligible and continue in OCCS-funded slots until their income exceeds 85% of the SMI. (If a child has a qualifying disability or special need, or if the parent's service need is incapacity, the family can enter the system at or below 85% of the SMI and can remain in the system as long as the family's gross monthly income does not exceed 100% of the SMI.)

In addition to meeting income eligibility criteria, to be eligible for subsidized care families must have a “service need.” A “service need” is defined as the amount of time that neither parent/guardian is available to care for the child because they are either:

- Seeking, beginning, or continuing paid employment;
- Participating in education or training;
- Incapacitated with a documented disability that renders them unable to care for their children; and/or
- Custodial relatives age 65 or over who receive retirement income.

In addition, a child with a documented disability or special need meets the service need criterion, regardless of whether a parent is available to provide care.

Eligibility of all families is reassessed every 6 months, or whenever there is a change in the family composition, or a change in the family's income or service need. OCCS' "income eligibility" requirements are based on the State Median Income (SMI) as follows:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>50% SMI</th>
<th>85% SMI</th>
<th>100% SMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family of 2</td>
<td>$23,448</td>
<td>$39,864</td>
<td>$46,896</td>
</tr>
<tr>
<td>Family of 3</td>
<td>$28,968</td>
<td>$49,248</td>
<td>$57,936</td>
</tr>
<tr>
<td>Family of 4</td>
<td>$34,488</td>
<td>$58,620</td>
<td>$68,964</td>
</tr>
<tr>
<td>Family of 5</td>
<td>$39,996</td>
<td>$68,004</td>
<td>$79,992</td>
</tr>
<tr>
<td>Family of 6</td>
<td>$45,516</td>
<td>$77,196</td>
<td>$91,032</td>
</tr>
<tr>
<td>Family of 7</td>
<td>$46,548</td>
<td>$79,140</td>
<td>$93,096</td>
</tr>
<tr>
<td>Family of 8</td>
<td>$47,592</td>
<td>$80,916</td>
<td>$95,184</td>
</tr>
<tr>
<td>Family of 9</td>
<td>$48,624</td>
<td>$82,644</td>
<td>$97,236</td>
</tr>
</tbody>
</table>
DOE: Accepts new families at up to 125% of SMI. CPCs are required to prioritize families earning 100% SMI and below. Families remain eligible on a sliding fee basis until the child becomes kindergarten eligible or until the end of the Fiscal Year if the parents become ineligible.

DOE is required under state law to use the sliding fee scale promulgated by OCCS to determine a family’s contribution for child care. As a result, the fees charged are the same for both programs. (See Appendix B: Sliding Fee Scale.) The table below shows the distribution of income among the families served by both agencies.

<p>| Income Levels of Subsidized Families as a % of the State Median Income (SMI) |
|-----------------------------------------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>Income Range</th>
<th><strong>DOE 3 and 4-Year Olds</strong></th>
<th><strong>OCCS 3 and 4 Year Olds</strong></th>
<th><strong>OCC 0-12 Year Olds (all children served)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50% SMI</td>
<td>7,191 47%</td>
<td>11,360 88%</td>
<td>39,836 89%</td>
</tr>
<tr>
<td>51-85% SMI</td>
<td>3,672 24%</td>
<td>1,456 11%</td>
<td>4,929 11%</td>
</tr>
<tr>
<td>85-100% SMI</td>
<td>1,017 7%</td>
<td>40 &lt; 1%</td>
<td>189 &lt; 1%</td>
</tr>
<tr>
<td>100-125% SMI</td>
<td>459 3%</td>
<td>0 0</td>
<td>0 0</td>
</tr>
<tr>
<td>Above 125%</td>
<td>153 1%</td>
<td>0 0</td>
<td>0 0</td>
</tr>
<tr>
<td>Income Information Not Required</td>
<td>2,754 18%</td>
<td>0 0</td>
<td>0 0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>15,300 100%</td>
<td>12,856 100%</td>
<td>44,954 100%</td>
</tr>
</tbody>
</table>

Recommendation: The new Department should adopt OCCS age and eligibility standards for all new families unless funding levels increase to permit broader access. However, ALL children enrolled as of July 1, 2005 in DOE programs should continue to receive services under the current eligibility standard and should remain eligible pursuant to those standards.

This recommendation is critical. It is imperative that the new Department continue to prioritize early education and care services for families who are eligible for TAFDC benefits. Not doing so would jeopardize over $95.4 million in federal TANF block grant funding, which must be used for low-income, working families. As the Commonwealth plans to expand the work requirements for these families, this provision becomes even more important.

In addition, the federal Child Care Block Grant (CCBG), which will provide over $195 million (including funds transferred from the TANF block grant) for the new Department’s programs, requires a cap on family eligibility at 85% of the State Median Income (SMI) and requires families to have a service need for care, such as work or receipt of protective services from DSS through...
the supportive child care program. Adopting the OCCS standards in the new agency will allow continued compliance with these provisions.

**Timing:** The new eligibility standards should take effect in FY06 for all new families entering the system. Children currently served through CPCs should remain eligible under the program guidelines in place when they entered care. Children who would have aged out of the DOE early education and care programs should continue to receive services, if eligible under OCCS program guidelines to be adopted by the new Department provided there is adequate funding.

**Challenges:** The immediate challenge will be in CPC communities where the grant award exceeds the number of families who qualify under the OCCS eligibility guidelines. If possible, these communities should enroll families with three and four year old children from the existing wait list of nearly 3,700 children in neighboring cities and towns. A description of a process for a unified wait list appears below.

### 3.4 Wait Lists

To insure equal access to subsidized child care, both DOE and OCCS maintain wait lists when funding resources are insufficient to serve all of the eligible children. Wait list data collection and analysis is a valuable tool for understanding supply and demand not only for funding, but also for pinpointing insufficient capacity by geographic area and age group, such as infant care. As of September 2004, there were 13,911 children ages birth through 12 on OCCS’ unduplicated wait list for OCCS-subsidized income eligible child care. Because agencies and providers now maintain separate wait lists, many families try to maximize their chances of getting care by signing up on multiple wait lists. In addition to being time-consuming and inefficient, these duplicate entries make precise analysis difficult. Similarly, if a family on multiple lists gets a placement, notification of the placement to and removal from the other wait lists may not occur.

**Current Practice:**

**OCCS:** All programs participating in OCCS’ subsidy system maintain computerized wait lists that document family service needs - intake date on the wait list, ages of children, income, and other relevant factors. The 14 Child Care and Resource and Referral Agencies (CCR&Rs) use CCIMS; the 250 contracted providers use eCCIMs, a Web-based system. Both systems automate intake, eligibility, placements, and billing for all OCCS-subsidized children and providers. These wait lists are consolidated and unduplicated on a quarterly basis for internal analysis and reporting to the legislature and other groups.

**DOE:** The 165 Community Partnerships manage wait lists locally; there is no statewide collection of the data or efforts made to unduplicate the data. In many cases, CPC lead agencies coordinate with the CCR&Rs to update wait list information and to identify children for services. They regularly refer families to both the CCR&Rs and contracted providers, especially if the families have children who are not in the 3-5 age group they serve.

**Recommendation:** The new Department should create an online consolidated wait list by expanding the eCCIMs system. Already in use by the 250 OCCS contracted providers, eCCIMs runs on a secure website within the mass.gov firewall that meets all standards for security, encryption, and hardware, as established by EOHHS and ITD, the Commonwealth’s Information Technology Division that sets statewide technology standards. In addition to the wait list,
eCCIMS manages eligibility, rates, provider information, placement, and attendance with full billing functionality to be rolled out in the coming months. DOE is currently collaborating with OCCS to enhance eCCIMS for use by CPC lead agencies; 4 CPC pilot sites will begin using the system in December, 2004. This will allow families to access state subsidies at various levels and locations.

Over time, the new Department should integrate information and wait lists for other programs, including Head Start and public school after school programs, into this database.

By adopting this recommendation, the new Department will provide valuable benefits:

**For Families:**
- Provide one-stop shopping to access the wait list.
- Select their preferred provider, and still be notified of other available slots if the preferred provider has no openings.
- Receive timely mailings and notifications.

**For Providers:**
- Allow access to a common system with fast and efficient data entry
- Provide information on all children waiting for services, with information that can be sorted based on any criterion (e.g., zip codes, towns, age groups).

**For the Commonwealth:**
- Ensures fairness and maximize access.
- Provides accurate, up to date data on child care supply and demand.

**Timing:** As the CPC pilot of eCCIMS continues, each site will be trained and have available both training modules and a Help Desk. Adding a centralized wait list module to this system would require very little additional training.
Challenges:
Having a consolidated system will simplify access to care for eligible families and children and will provide families with more choices, as their entry on the wait list provides access to all providers, not just the provider where they registered. For providers, the system will offer an automated way to manage wait lists, including those maintained for other funding sources, replacing in some cases a cumbersome paper process. Nevertheless, implementing a new system presents challenges:

- **Provider acceptance:** In addition to mastering a Web-based system, providers could face the challenge of marketing their services competitively to the families waiting for income eligible child care. A unified wait list means that a family that “Provider A” adds to the wait list may choose “Provider B” or may be offered a slot by “Provider C” before “Provider A” has an opening. Conversely, “Provider A” could enroll a family wait listed by “Provider B” or “C” without having had any previous contact with them. Rather than operating individually, each with their own wait list, to meet the child care needs of a single family, providers will need to work together to meet community child care needs collectively. A single wait list will challenge providers to market their services and pool their resources to serve all the eligible families who need child care in their community, not only the families waiting for space in their program.

- **Resources:** Although every provider will manage enrolling families on, and placing children from, the wait list, the wait list tracking process – issuing and mailing renewal of wait list membership, logging terminations, and changes – may need to be handled centrally. While this will save providers’ time, it will also require centralized resources.

- **Technical:** eCCIMS has a proven track record of reliability and flexibility. Since there is already a wait list component in the application, adjusting it for broader use is anticipated to be simple.

- **User hardware and software:** With standard internet access and a standard PC, all providers should be able to use the system.

- **Program acceptance and training:** Although this recommendation presents the usual logistical challenge of any new system implementation and integration, eCCIMS will already be in use by OCCS providers and the lead agencies participating in the eCCIMS pilot when the new Department is implemented. These logistical hurdles are far outweighed by the opportunities a new consolidated wait list system would present.

3.5 OCCS Regulations and DOE Standards

**Current Practice:**

In April 2003, the Massachusetts Board of Education approved Early Childhood Program Standards and Learning Guidelines for center-based programs for three and four year olds. The guidelines are based on the Massachusetts Curriculum Frameworks and include the requirements set out in the OCCS licensing regulations as well as some additional standards. These well-received standards and guidelines had extensive review by the early childhood
community, including CPC providers, OCCS providers, Head Start providers, and others. Programs receiving funding through the CPCs are required to comply with the standards. Extensive training is underway across the Commonwealth to help providers implement the standards and guidelines.

**Recommendations:**

- **Adopt the DOE Program Standards and Learning Guidelines for all center-based programs for three- and four-year olds.** This will align current OCCS licensing standards with the DOE requirements. This process is already underway as a result of the Council’s earlier work.

- **Develop standards and guidelines for programs for infants and toddlers, after school child care, and family child care programs,** in conjunction with the Department of Public Health and the Department of Education. In the meantime these programs should continue to meet the OCCS licensing and program standards.

**Timing:** This work is already underway and should continue without interruption as the new Department is implemented.

**Challenges:** Orienting staff of both agencies to this new approach will require teamwork and cross-training activities.

### 3.6 Licensure, Accreditation, and Monitoring

**Current Practice:**

Programs receiving funds from DOE and OCCS must meet both agencies’ requirements, which can result in duplicative and burdensome workloads for local programs. Different licensing, accreditation, and monitoring requirements and visits result in an administrative burden for programs, especially for small programs with limited administrative resources.

**OCCS:**

Every 2 years, all center-based providers must go through the OCCS licensing process that includes onsite monitoring; some also choose voluntarily to seek National Association for the Education of Young Children (NAEYC) accreditation. This Accreditation includes a validation process conducted at the program by NAEYC selected professionals in addition to an annual self-assessment that forms the basis for a quality improvement plan at the program.

OCCS, as part of its tiered system, also requires center-based providers to conduct periodic self-assessments using one of four different rating scales, depending on the ages of the children served and the type of provider. These self-assessments form the basis of a quality improvement plan for each provider.

**DOE:**

CPC center-based providers are required by statute (Ch.15, s. 54) to achieve NAEYC Accreditation. Each CPC council and randomly selected CPC service providers are required to participate in monitoring visits from DOE every 5 years. This Comprehensive Review and Site Visit program (CRSV program) is a collaborative effort that includes DOE staff, CPC coordinators, private audit firm staff, and early education and care consultants. DOE also monitors public
school districts on a 3 year cycle for compliance with state and federal special education laws and regulations, including those for young children ages 3-5.

**Recommendations:**

- Standardize program requirements within the new Department, using the newly adopted DOE Program Standards as the Commonwealth standards.

- Phase out the statutory requirement for providers to seek accreditation from the National Association for the Education of Young Children by replacing it with a Massachusetts accreditation system based on the Commonwealth standards.

- Develop one self-evaluation or self-study process for early education and care programs based on the Commonwealth standards.

- Adopt the new self-evaluation system for all programs receiving state funds and serving 3 and 4 year olds.

- Expand the Commonwealth standards to include a coordinated self-evaluation system for programs serving children in family child care settings.

- Develop a coordinated self-evaluation system for programs serving children aged birth to three, including Early Intervention programs, based on the standards and guidelines to be developed by the DEEC.

- Have licensing staff conduct the formal evaluation process for compliance with the standards every two years. Massachusetts would then be using the same set of requirements for both licensing and program standards.

- Have licensing staff conduct the formal evaluation process for infant/toddler, after school, and family child care programs using the current state regulations until the DEEC develops new standards and guidelines.

- Continue to monitor contracted providers using OCCS’ current monitoring system, but coordinate contract monitoring activities with the licensing evaluation process to eliminate duplication of efforts and reduce administrative burden on providers.

- Have local CPC staff provide onsite technical assistance as well as other training and support to programs in meeting the Commonwealth standards.

- Continue to monitor compliance with early childhood special education and federal laws and regulations through DOE’s Program Quality Assurance unit, with assistance from DEEC staff. (An interagency agreement regarding the review and approval of waivers to these regulations needs to be developed.)

**Timing:** As a result of the Early Education and Care Council’s March, 2004 report, work on a number of these issues has been initiated. The new Department should continue this work without interruption.
Opportunities: By developing an accreditation system based on statewide standards, we would reduce the administrative burden and the cost for providers and would focus them on the state program standards in order to maintain and improve quality.

3.7 Certification and Workforce Development

During the fall of 2003, a subcommittee comprised of DOE, DPH, and OCCS staff met to develop a comprehensive method for granting credentials to early childhood professionals for coursework taken. The subcommittee was asked to explore the development of core competency areas for early education and care professionals. Core competencies are a set of observable skills and essential knowledge that staff should have and be able to demonstrate in order to effectively provide services to children, youth, and their families.

Current Practice:

OCCS: The Professional Qualifications Unit at OCCS issues over 5,000 certificates each year. The Unit reviews qualifications and maintains a database of individuals and their level of certification, as well as a microfilm library of all applications received. OCCS began issuing certificates in 1989 when new regulations and a centralized system for reviewing qualifications went into effect.

The OCCS group child care qualifications establish seven levels from an entry-level teaching assistant, without coursework or experience, to a Director II, with 7 college courses and up to 32 months of experience. The qualifications balance courses in early education with hands-on experience. Courses must be for college credit or, with some limitations, for OCCS-approved CEUs (Continuing Education Units). The more formal education one has, the less experience is required. The qualifications recognize the Child Development Associate Credential, DPH's Early Intervention Specialist, and DOE's PreK-2 licensed teacher as corresponding to OCCS' lead teacher qualifications. The regulations also set specific qualifications for working with infant/toddlers and tie the level of qualification to the capacity of the child care program.

The OCCS regulations mandate inservice training for group and after school child care staff as well as family child care providers. OCCS’ primary means of providing training is through its contracted child care resource and referral agencies. OCCS also supports professional development through individual quality initiatives. Examples include: distance learning courses on infant/toddler care, school age care, and inclusion; CDA scholarships; Quality Fund Grants generated by the “Invest in Children” license plate; a reimbursement rate tier, the Salary Incentive Program for Professional Development, for programs providing subsidized child care; and training in self-assessment using the Environmental Rating Scales.

DOE: The DOE issues a teacher license entitled: Early Childhood: Teacher of Students With and Without Disabilities, PreK-grade 2 for public school teachers. The DOE issues approximately 900 Early Childhood licenses per year. The DOE also reviews several hundred more submissions and provides information on what the applicants need to do in order to be issued the license in addition to providing guidance to those inquiring about the application process.
To receive a Preliminary license, the applicant needs to have completed a Bachelor's degree, passed the Massachusetts Tests for Educator Licensure (MTEL), and taken seminars/courses that address the teaching of reading, English language arts, mathematics, and on ways to prepare and maintain students with disabilities for general classrooms. To receive an Initial license, the applicant needs to have completed an educator preparation program approved by the Commissioner, completed a Bachelor's degree and passed the MTEL exams. To receive a Professional license, the applicant must meet the requirements for the Initial license in that field and meet any other requirements set by the Board of Education. The Professional license must be renewed every five years through the successful completion of the required number of professional development points (PDPs). The three MTEL tests for the Early Childhood license are: Early Childhood Subject Matter, Foundations of Reading, and Communication and Literacy Skills.

The DOE provides professional development support to public and non-public school early education and care teachers through technical assistance initiatives such as Early Childhood Resource Centers, Early Childhood Regional Network meetings, conferences, Advancing the Field, and the new Building Careers program. The purpose of the Building Careers program is to improve curriculum planning, implementation, and assessment to promote classrooms that support all young children including those with disabilities and those who have limited English proficiency.

**Recommendations:**

- Connect the various early childhood workforce development systems through a core competency structure. Begin by defining the knowledge and skills necessary to provide quality services to children, youth, and their families. Use that information to form the basis of a single, comprehensive workforce development system in Massachusetts that ensures that coursework and/or workforce development credentials are linked to a specific body of knowledge.

- Support this new system with improved partnerships between the CPCs and the CCR&Rs. The CCR&Rs could function as conveners to bring regional training opportunities to the table to facilitate and support training while minimizing duplication. The CCR&Rs could also subcontract with local CPC child development experts as trainers.

- DOE continue to issue the PreK-grade 2 license for public school teachers.

**Timing:** Since this work is already underway, the new Department should continue its implementation without interruption.

**Challenges:**

The early education and care workforce is in need of a single comprehensive workforce development system that is inclusive of all early childhood professions, includes a career ladder, registry, training structure, and standardized articulation agreements. However, the new Department must recognize that new certification and workforce development requirements will affect the cost of child care for all families. Any changes in this area should be weighed against their potential impact on access and affordability.
4. CONSOLIDATION OF ADMINISTRATION AND MANAGEMENT

4.1. Role of CCR&Rs and CPCs

**Current Practice:**

**OCCS:** OCCS contracts with 14 child care resource and referral agencies (CCR&Rs) across the state to provide education, information, and referral for parents seeking child care. They also provide voucher management, both onsite and at DTA offices, that includes eligibility determination, wait list management, voucher issuance, billing and reimbursement, and voucher monitoring. CCR&Rs also offer child care provider training, family child care pre-licensing orientation, and in home / relative care provider orientation. Some of the 14 CCR&Rs also serve as the CPC lead agency in their community.

**DOE:** The 165 CPCs serve 335 cities and towns. While all CPC Councils/Lead Agencies are responsible for intake and eligibility determination, they may perform these functions directly, subcontract with providers, or contract with CCR&Rs to do these activities.

CPCs also assess professional development needs in their communities and organize training or courses. This training may be purchased from CCR&Rs or from institutions of higher education. CPCs identify local needs for comprehensive services (e.g., nutrition; social, health/mental health services; home visiting; family support, education, and literacy; and transportation). CPCs may provide or subcontract for these services. Finally, CPCs may provide information and referral to other programs and services to families, or may subcontract with CCR&Rs for this activity.

**Recommendations:**

- Both administrative structures offer important strengths and should be preserved. However, to realize fully the benefits of a new, consolidated Department of Early Education and Care, the Department needs to define, coordinate, and unduplicate the roles of the CCR&Rs and CPCs. This will help maximize funding for direct service delivery, and minimize confusion among parents and providers. In addition, the new Department should minimize the burden on DTA families and simplify access by not requiring families to visit both a DTA office and their local CCR&R to access a subsidy. The Council believes that CCR&Rs should have primary responsibility for voucher management, regional intake and eligibility determination, and development of regional professional development and training plans while the CPCs would focus on local intake and eligibility determination, local capacity development, and the development and implementation of quality initiatives, including workforce development. Both types of organizations would continue to be a “resource and referral” service to families, but these services need to be planned and coordinated centrally through the new Department.

- The new Department should also work toward geographical alignment and full coverage statewide of the CCR&Rs and the CPCs. The system is already fairly consistent in this respect, but Appendix C shows a few areas of overlap or gaps in service that should be addressed by the new Department.

**Timing:** The CPC and the CCR&R operations will remain largely unchanged in FY06 as the new Department plans for the transition from grants to vouchers and contracts to pay for direct service
delivery. During this time, the new Department should be assessing the appropriate roles of the CPCs and CCR&Rs, and should be ready to purchase the appropriate services beginning July 1, 2006.

**Challenges:** The challenges of better coordinating these two systems will be in finding the right balance between local organizations and a larger, coordinated, standardized statewide service delivery system. This challenge provides an opportunity to offer new and improved services and information to more families, and to gather more reliable data on how best to serve the children of the Commonwealth.

4.2 Role of Mass Family Networks

Since its creation in 1994, after being established by the Education Reform Act of 1993, the Mass Family Networks (MFN) program has been helping parents learn how to be more effective parents and build on their strengths and capabilities as well as take advantage of resources available in the community. The Mass Family Networks provide comprehensive parent outreach, education, and other services that support the development of the youngest children within the context of their families and communities. Mass Family Networks have collaborated with the Children’s Trust Fund’s Family Resource Centers at both the state and local levels. The programs have also worked closely with public school early childhood special education programs, DPH Early Intervention programs, and DSS related initiatives.

**Priorities of Mass Family Networks include to:**

- Plan and conduct outreach to all families with young children (prenatal through 3 years old) through a variety of methods so that families, including those who may be difficult to reach by traditional methods, are provided with opportunities to participate in a variety of programs.
- Coordinate a system of community family education and support resources and services for all families with young children (prenatal through 3 years old).
- Provide opportunities for parents to build upon their educational experiences, increase parenting skills to enhance their children’s development, take leadership roles in the community, and develop community and inter-family relationships.

Currently funded at over $5 million, Mass Family Networks are available in 164 communities through 42 grants, serving over 22,000 families with young children. They, along with the state-funded Parent-Child Home Program, which is a national model focused on family literacy for families with children 18 to 30 months old, provide the new Department with valuable resources, for reaching families at a critical time in children's development.

**Recommendations:**

- Maintain family education and support resources throughout the Commonwealth, and seek ways to coordinate with other family outreach programs so that more families with young children can participate.
- Build upon the important links that have been established with the public schools, as well as with the Children’s Trust Fund, DPH Early Intervention, DSS, and other local and state entities to provide the most cost-effective and comprehensive services to as many families as possible.
4.3 Administrative Staffing and Resources

The new Department’s most immediate challenge will be consolidating the administration of the Office of Child Care Services with the Department of Education’s Early Learning Services Unit, while maintaining continuity of services and funding accountability. The current central offices’ staff, located now in Malden and Boston, will need to be relocated to a new main administrative office, as neither office’s current space can accommodate the consolidated Department.

<table>
<thead>
<tr>
<th>Current OCCS and DOE Early Learning Services Staffing</th>
<th>OCCS (FTE)</th>
<th>DOE (FTE)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration and Finance</td>
<td>25</td>
<td>4</td>
<td>29</td>
</tr>
<tr>
<td>Includes accounting, budget, contracting, grants and human resources.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy and Development</td>
<td>8</td>
<td>21</td>
<td>29</td>
</tr>
<tr>
<td>Includes external relations, policy and program development, parent outreach, training, research, special projects and teacher quality.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Legal</td>
<td>3</td>
<td></td>
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</tr>
<tr>
<td>Support Staff</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Sub-total</td>
<td>42</td>
<td>28</td>
<td>70</td>
</tr>
<tr>
<td>Licensing</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Includes Investigations, A&amp;F, Policy, IT, Legal and Support staff supporting Licensing Functions.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>143</td>
<td>28</td>
<td>171</td>
</tr>
</tbody>
</table>

Recommendations:

- The new Department needs to determine its administrative structure and how to organize staff accordingly. The new Department’s Commissioner should develop a plan for involving staff in the transition process.

- The new Department should find new office space as quickly as possible. Having all central office staff in one location will facilitate a successful transition.

- The new Department should enter into interagency service agreements with the Executive Office of Health and Human Services to maintain access to centralized information technology and other administrative resources that would not be cost-effective to procure independently.

Timing: The new Department needs to make staffing and administration decisions a top priority, and should try to have these issues resolved by August 2005. This will provide the existing staff certainty
regarding their role in the new Department, and will allow the new Department to focus its energy on administering existing programs and addressing the challenges outlined in this report.

5. PRIORITIZATION OF THE NEEDS OF LOW-INCOME FAMILIES

Part of the Legislature’s charge to the Council was to “identify how the state can best prioritize the needs of low-income families.” The Council believes that the recommendations outlined in this report accomplish that goal. With nearly 14,000 children from low-income working families currently waiting for child care services, the best way to prioritize the needs of low-income families is to align eligibility requirements in a way that reaches those families as quickly as possible. Further, the responsibility of the new Department as the child care agency under PRWORA and requirements of its funding under the Child Care Block Grant require it to prioritize TAFDC families. Finally, the Council believes strongly that the new agency must continue to support the same level of funding for families receiving supportive child care as a result of their involvement with DSS. These fundamental requirements, as well as the specific recommendations for consolidating the administration and standards for the new Department described above, reflect the goal of prioritizing the needs of low-income families.

6. CONCLUSION

The creation of the new Department of Early Education and Care provides an important opportunity to consolidate and streamline separately administered early education and care programs in the Commonwealth. It is a chance to create a less fragmented system that families and providers can readily navigate and to reduce duplicative administrative procedures and costs to serve more children and families. Such an opportunity brings big challenges. Implementing this report’s recommendations will be a difficult but achievable task in the new Department’s first year. Several projects must be undertaken simultaneously, and each will need to be accomplished while at the same time assuring continuity of care for children and families, and continued compliance with federal and state finance laws. To aid the new Department in this endeavor, the Council will continue meeting through the end of this Fiscal Year, to assist in the planning for a smooth July 1, 2005 transition to the new Department, and to offer its support and collaboration to the newly-appointed Board and Commissioner of Early Education and Care.
<table>
<thead>
<tr>
<th>Line Item Description</th>
<th>Description</th>
<th>Served</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4130-3050 Income Eligible Child Care</td>
<td>Serve families who meet the income eligibility requirements. (Contracts &amp; Vouchers)</td>
<td>18,415</td>
<td>112,847,467</td>
</tr>
<tr>
<td>4130-3050 Employment Services Program</td>
<td>Serve families who are receiving TAFDC benefits while working. DTA must authorize service. (Vouchers)</td>
<td>6,852</td>
<td>53,812,398</td>
</tr>
<tr>
<td>4130-3050 Transitional and Post-Transitional</td>
<td>Families who are receiving TAFDC benefits while working. May include DTA authorization. (Vouchers)</td>
<td>15,280</td>
<td>90,432,348</td>
</tr>
<tr>
<td>4130-3050 Foster Parent Child Care</td>
<td>For children placed in foster homes by the Dept. of Social Services where foster parents are working, in school or in training. (Vouchers)</td>
<td>437</td>
<td>3,184,533</td>
</tr>
<tr>
<td>4130-3050 Teen Parent Child Care</td>
<td>For children of low-income teen parents who are attending high school or GED programs. (Contracts &amp; Vouchers)</td>
<td>1,022</td>
<td>12,442,148</td>
</tr>
<tr>
<td>4130-3050 Early Intervention Child Care</td>
<td>For low-income parents receiving early intervention services. (Vouchers)</td>
<td>309</td>
<td>2,414,544</td>
</tr>
<tr>
<td>4130-3050 Non-traditional hours child care</td>
<td>For families with children of low-income parents with non-traditional work hours (typically service industries). (Contracts &amp; Vouchers)</td>
<td>104</td>
<td>1,151,628</td>
</tr>
<tr>
<td>4130-3050 Homeless Child Care</td>
<td>Children living in homeless family shelters whose low-income parents are working with DTA or other social service agencies. (Contracts &amp; Vouchers)</td>
<td>136</td>
<td>1,360,982</td>
</tr>
<tr>
<td>4130-3050 Child care children affected by HIV/AIDS</td>
<td>Medical, mental health and child care for children affected with or affected by HIV/AIDS in the greater Boston area.</td>
<td>13</td>
<td>168,570</td>
</tr>
<tr>
<td>4130-3050 In Home/Relative Child Care</td>
<td>Funding and Services are included in Income Eligible and Employment Services Programs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4130-3050 Special Needs Flex Pool Funding</td>
<td>Serve low-income families with children with special medical, mental health and behavioral needs that leave them at risk of exclusion. Funding is primarily used for Teachers’ Aides.</td>
<td></td>
<td>503,000</td>
</tr>
<tr>
<td>4130-3050 Comprehensive Mental Health Services</td>
<td>Serve low-income families with children with special medical, mental health and behavioral needs that leave them at risk of exclusion. Services provided by Mass Behavioral Health Partnership. (MBHP)</td>
<td>16 Pilot Programs</td>
<td>619,044</td>
</tr>
</tbody>
</table>

Subtotal 4130-3050 | 42,568 | 278,936,661 |
<table>
<thead>
<tr>
<th>Line Item Description</th>
<th>Description</th>
<th>Served</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4130-3600 Supportive Child Care</td>
<td>For families involved with DSS for child protection services to resolve abuse and neglect while children remain in their parents’ care and custody.</td>
<td>4,176</td>
<td>48,344,206</td>
</tr>
<tr>
<td>4130-3100 Child Care Resource &amp; Referral Services</td>
<td>Education, information and referral for parents seeking child care.</td>
<td></td>
<td>10,043,732</td>
</tr>
<tr>
<td>4130-3100 Customized Referral Services</td>
<td>Assistance to parents in identifying appropriate placements for children with developmental disability needs.</td>
<td>Included in above</td>
<td></td>
</tr>
<tr>
<td>4130-2900 License Plate quality grants</td>
<td>Funds from sales of License Plates support grants to child care programs for staff training, and educational material and equipment.</td>
<td></td>
<td>300,000</td>
</tr>
<tr>
<td>4130-2998 CDA Scholarship grants</td>
<td>Scholarships to qualified low-income applicants pursuing their Child Care Development Associate (CDA) credential to enhance skills and professionalism.</td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td>4130-2998 Higher Ed/Continuing Ed Courses, Training and Consumer Education</td>
<td>Traditional and distance learning courses developed by OCCS in collaboration with experts in business, nutrition, child health, domestic violence, 1-800 phone number for parents seeking information and referral on child care and customized computer programs to enhance school readiness skills.</td>
<td></td>
<td>447,866</td>
</tr>
<tr>
<td>4130-2998 Technology Development and other OCCS Expenditures</td>
<td>Management information system development for child care subsidies, inclusion services, contract employees, travel, printing, translation, and training to support quality licensing and subsidy activities.</td>
<td></td>
<td>3,690,538</td>
</tr>
<tr>
<td>4130-2010 Child Care Inclusion Grant</td>
<td>Supports inclusion for children with special needs in child care programs.</td>
<td></td>
<td>74,000</td>
</tr>
<tr>
<td>4130-2015 Quality Research</td>
<td>Funds an array of research efforts designed to measure and improve children’s success and to inform policy decisions.</td>
<td></td>
<td>249,600</td>
</tr>
<tr>
<td>4130-0001 Administration</td>
<td>Accounting, Budget, Contract, Human Resources, Legal, Policy, Research and Management staff and related administrative benefit expenses.</td>
<td></td>
<td>1,395,164</td>
</tr>
<tr>
<td>4130-0005 Licensing and Subsidy Administration</td>
<td>Licensing, Investigations, Contract Monitoring, Policy &amp; Training, Teacher Qualifications, CORI and related operational expenses.</td>
<td></td>
<td>6,375,782</td>
</tr>
<tr>
<td>1599-0042 Rate Reserve</td>
<td>Child Account of A&amp;F Rate Reserve for increase in rates paid to child care providers throughout the Commonwealth.</td>
<td></td>
<td>5,000,000</td>
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</table>

**GRAND TOTAL (all OCCS accounts)** | **$354,877,549** |
<table>
<thead>
<tr>
<th>Line Item Description</th>
<th>Description</th>
<th>Served</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7030-1000 Community Partnerships for Children</td>
<td>Direct services to children, quality enhancements (college courses, accreditation support) to improve quality of services for children, comprehensive services (family education and support, medical and dental screening, transportation, mental health services) for children and families.</td>
<td>15,300</td>
<td>69,309,364</td>
</tr>
<tr>
<td>7030-1500 Head Start State Salary &amp; Expansion Grants</td>
<td>$4,436,142 for salary increases; $1,710,001 for expansion grants.</td>
<td>303</td>
<td>6,146,143</td>
</tr>
<tr>
<td>7030-1000 Massachusetts Family Network (MFN)</td>
<td>Grants to 42 lead agencies for family education and support for families with young children, prenatal to age four.</td>
<td>24,670</td>
<td>5,295,694</td>
</tr>
<tr>
<td>7030-1004 Parent/Child Home Program (PCHP)</td>
<td>Grants to 25 lead agencies for home-based parenting, early literacy, and school readiness services for young children at risk, 18 months to age four and their parents.</td>
<td>354</td>
<td>1,000,000</td>
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<tr>
<td>7043-7002 Early Childhood Special Education Allocation Grants</td>
<td>Federal grants to school districts of $500 per child used to support the development, implementation, and evaluation of inclusive programs.</td>
<td>14,500</td>
<td>10,050,610</td>
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</table>

**Total DOE:** 99,951 91,801,811
### APPENDIX B: STATE MEDIAN INCOME

#### COMMONWEALTH OF MASSACHUSETTS- OCCS and DOE's Community Partnership Programs

#### SLIDING FEE SCALE FOR CHILD CARE

<table>
<thead>
<tr>
<th>FEE FAMILY LEVEL</th>
<th>Family of Two</th>
<th>Family of Three</th>
<th>Family of Four</th>
<th>Family of Five</th>
<th>Family of Six</th>
<th>Family of Seven</th>
<th>Family of Eight</th>
<th>Family of Nine</th>
<th>Daily Fee</th>
<th>Weekly Fee</th>
<th>Daily SACC Fee</th>
<th>Weekly SACC Fee</th>
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<tbody>
<tr>
<td>1</td>
<td>0-971</td>
<td>0-1180</td>
<td>0-1421</td>
<td>0-1663</td>
<td>0-1905</td>
<td>0-2146</td>
<td>0-2387</td>
<td>0-2630</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>972-1095</td>
<td>1181-1260</td>
<td>1341-1420</td>
<td>1500-1665</td>
<td>1742-1825</td>
<td>2084-2146</td>
<td>2386-2450</td>
<td>2631-2757</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1096-1219</td>
<td>1261-1340</td>
<td>1421-1529</td>
<td>1500-1625</td>
<td>1742-1825</td>
<td>2084-2146</td>
<td>2386-2450</td>
<td>2631-2757</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>1220-1380</td>
<td>1341-1420</td>
<td>1500-1665</td>
<td>1742-1825</td>
<td>2084-2146</td>
<td>2386-2450</td>
<td>2631-2757</td>
<td>2826-2940</td>
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<tr>
<td>5</td>
<td>1381-1457</td>
<td>1421-1529</td>
<td>1500-1625</td>
<td>1742-1825</td>
<td>2084-2146</td>
<td>2386-2450</td>
<td>2631-2757</td>
<td>2826-2940</td>
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<tr>
<td>6</td>
<td>1548-1580</td>
<td>1576-1675</td>
<td>1676-1799</td>
<td>1901-2087</td>
<td>2181-2389</td>
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<td>2787-2825</td>
<td>2826-2940</td>
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</tr>
<tr>
<td>7</td>
<td>1676-1799</td>
<td>1766-1875</td>
<td>1901-2087</td>
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<td>2551-2675</td>
<td>2787-2825</td>
<td>2826-2940</td>
<td>2826-2940</td>
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<tr>
<td>8</td>
<td>1876-2000</td>
<td>2001-2175</td>
<td>2251-2435</td>
<td>2561-2800</td>
<td>2901-3200</td>
<td>3101-3479</td>
<td>3481-3650</td>
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<tr>
<td>9</td>
<td>2176-2321</td>
<td>2436-2650</td>
<td>2901-3200</td>
<td>3101-3479</td>
<td>3481-3650</td>
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<td>2901-3200</td>
<td>3101-3479</td>
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<td>3676-3899</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### How to Use the Scale:

1. **Family composed of one parent, 3 children yields a family of four.** Family Income is: $1407 per month. This income falls in range circled in red, on FEE LEVEL 1 line. Moving to the PARENT FEES ASSESSED columns, DAILY FEE is blank, indicating this income is so low no fee is charged.

2. **Family composed of two parents, 4 children yields a family of six.** Family Income is: $2190 per month. This income falls in range circled in blue, on FEE LEVEL 5 line. Their daily fee will be $5.50.

3. **Family composed of one parent, two children, yielding a family of three.** Family Income is: $4,200 per month. Looking at Fee Level Line 21, this income is greater than 85% of the SMI, and therefore they are not eligible for an OCCS subsidy.