



The Commonwealth of Massachusetts  
Department of Early Education and Care

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Ann Reale  
Commissioner

**Board of Early Education and Care**

Minutes

March 7, 2006

1:00 p.m. – 3:00 p.m.

21<sup>st</sup> Floor Conference Room

One Ashburton Place, Boston, MA 02108

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**Members of the Board of Early Education and Care Present:**

**Elizabeth Childs**

**Julie P. Culhane**

**David P. Driscoll**

**Christopher E. Goode**

**Fred Habib**, EOHHS designee

**Linda Mason**

**Patricia Plummer**, Board of Higher Education designee

**Bernard Russell, Jr.**

**Mary Torrence**

**Ann Reale**, Commissioner of Early Education and Care

**Members of the Board of Early Education and Care Absent:**

**Timothy Murphy**, Chairman

**Judith Gill**

Commissioner Reale called the meeting to order at 1:10 pm.

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**Approval of Undersecretary Habib as Acting Chairman**

**On a motion duly made and seconded, it was:**

**VOTED: unanimously, that Executive Office of Health and Human Services Undersecretary Fred Habib serve as acting Chairman of the March 7, 2006 Board of Early Education and Care meeting.**

**Routine Business:**

**Agency Updates from the Commissioner**

**Early Educator Scholarship Program**

EEC, along with the Board of Higher Education (BHE) has been busy reviewing and approving applications to the Early Educator Scholarship Program. To date, over 1,000 applications have been received and 270 have been officially approved. BHE estimates that about a third of the scholarship funds have been allocated so far. Response to this scholarship opportunity has been terrific and applications will continue to be accepted as long as funding is available. For detailed eligibility information or to download the application forms, please visit the Web site of the BHE Office of Student Financial Assistance

**EEC Office Move Update**

EEC has been meeting with the landlord and architects at 51 Sleeper Street to finalize the design of the new central office space. In addition, the bid process is underway for our regional office space in the Worcester and Salem areas.

**Statements from the Public**

- Betsy Rumplik, Chicopee Community Partnership for Children (CPC), regarding CPC eligibility
- Cindy Milner, Ludlow CPC, eligibility and the value of the CPC program
- Pat Xavier, Boston CPC, eligibility and CPC criteria
- Gillian Budine, Union #28 Schools, regarding eligibility and CPC's
- Esther Anjeh, grandparent, voucher transportation costs

**Approval of the February 7, 2006 Minutes**

**On a motion duly made and seconded, it was:  
VOTED: unanimously, that the Board of Early Education and Care approve the minutes of the February 7, 2006 regular meeting as presented by the Commissioner.**

**Items for Discussion and Action:**

**EEC Guiding Principles**

- Put children and families first
- Be flexible and accountable
- *Balance access, affordability, quality, and coordination/continuity of care*
- Prioritize the needs of low-income families
- Build on strengths of current system; minimize weaknesses; maximize resources
- Seek input from staff and stakeholders
- Keep interested parties informed of progress
- Provide timely and comprehensive information to Board for decision-making

**March Agenda**

- FY06 available funds project update
- Eligibility options and recommendations
- FY07 Grant Round: Options and recommendation

**FY06 Available Funds Projects Update**

- February income eligible caseload higher than projected
  - Families are being served more quickly than anticipated
  - Projected available FY06 funding of \$13.8M may be less as a result
- Ongoing caseload review may require revision of one-time quality plans

I. Consistent Eligibility for EEC Programs Options and Recommendations

**Access Challenges**

- Choice of provider driven by funding stream
- No single source of complete information
- Conflicting eligibility standards
- Wait list not reliable
- Administrative infrastructure not aligned
- Multiple family support programs not aligned

Different eligibility criteria and inconsistent information lead to uneven access for families. Family support programs will be discussed more at a later date.

## **EEC Eligibility Standards: Planning for Short and Long Term**

### **FY07:**

Implement consistent eligibility standards to provide families with consistent statewide access to EEC financial assistance.

### **FY08-FY12:**

After comprehensive review in FY07, begin five-year plan to provide greater access to families at higher incomes over time.

## **Working Assumptions for Developing Consistent EEC Eligibility Standards**

### **As we develop and implement consistent:**

- Income guidelines
- Parent activity requirement
- Exceptions to income and parent activity
- Priorities for special populations
- Method for determining amount of care needed (*How much and for how long?*)

### **We should:**

- Balance needs of parent and needs of child
- Continue to use a combination of income and other priority factors
- Make continuity of care across eligibility criteria and programs a priority
- Continue to comply with federal funding constraints
- Maintain overall capacity of subsidized early education and care
- Maintain eligibility criteria for children currently receiving financial assistance
- Make no change to CPC *Phase I* open eligibility at this time
- Ensure smooth connections with local schools and Head Start



## Background: Current Eligibility Standards for EEC Financial Assistance



	<b>Low-Income Child Care (Vouchers/Contracts) Children 0 - 12 Years Old</b> <i>Uniform Criteria Applied Consistently Statewide</i>	<b>Community Partnerships for Children Preschool Children Only-Phase II and III</b> <i>Criteria Applied with Local Variations</i>	
<b>Is Someone Eligible?</b>	<b>Income</b>	<ul style="list-style-type: none"> <li>• ≤ 50% SMI for entry (85% SMI if special needs)</li> <li>• Eligible up to 85% SMI (100% if special needs)</li> </ul>	<i>Phase III (Working Families) only:</i> <ul style="list-style-type: none"> <li>• ≤ 125% SMI, with priority for families ≤ 50% SMI</li> </ul>
	<b>Parent Activity Requirements</b>	Working or in "approved activity" (training, education, etc.): <ul style="list-style-type: none"> <li>• Full-time: more than 30 hours per week</li> <li>• Part-time: 20 - 30 hours per week</li> </ul>	<i>Phase III (Working Families) and priority for Phase II:</i> Single or two-parent family where all parents are working full- or part-time or retired.
	<b>Other Eligibility Factors</b>	<b>Family Characteristics:</b> <ul style="list-style-type: none"> <li>• Current or former TAFDC client (no waitlist)</li> <li>• Homelessness</li> <li>• DSS / active 51A</li> <li>• Foster care</li> <li>• Teen parents</li> <li>• Active military personnel</li> <li>• Disaster (e.g., hurricane relief)</li> <li>• Grandparent family</li> <li>• Continuity of care (siblings, etc.)</li> </ul> <b>Child Characteristics:</b> <ul style="list-style-type: none"> <li>• Special needs</li> </ul>	<i>Phase II ("At Risk") only:</i> <b>Family Characteristics:</b> <ul style="list-style-type: none"> <li>• Low income (≤ 50% SMI)</li> <li>• Homelessness or frequent moves</li> <li>• Physical or emotional abuse or neglect</li> <li>• Prolonged unemployment</li> <li>• Low maternal education (no high school diploma)</li> <li>• Single parent</li> <li>• Substance abuse</li> <li>• Disability or mental, chronic, or terminal illness</li> <li>• Deprived or isolated environments</li> </ul> <b>Child Characteristics:</b> <ul style="list-style-type: none"> <li>• Premature birth or low birth weight</li> <li>• Evidence of lead paint poisoning</li> <li>• Evidence of inadequate nutrition or nurturance</li> </ul>
<b>For What?</b>	<b>Amount of Care</b>	Determined by family service need	Determined by parent choice and service availability
	<b>Parent Co-pay</b>	None for current TAFDC client Determined by income-based sliding scale for all others	Same as for Low-Income Child Care, but with additional fees for upper incomes.
	<b>Length of Eligibility</b>	Reassessed every six months or less depending on length of approved parent activity or eligibility status change	Full school year, regardless of change in parent eligibility status

### Current Income Eligibility Standards: Statutes, Regulations and Policies

#### Contracts and Vouchers

- EEC Subsidy Regulations:
  - Family income must be at or below 50% SMI at initial application for financial assistance; thereafter, family income must not exceed 85% SMI.
  - Family with a special needs child or incapacitated parent eligible if income is at or below 85% SMI; thereafter, family income must not exceed 100% SMI.
- Federal CCDF Regulations:
- Family income must not exceed 85% of SMI; exceptions must be submitted in state plan

#### Community Partnerships for Children

- Chapter 15, Section 54, paragraph (h) of the General Laws:  
Families with incomes below the statewide median income (100% SMI) shall be given priority for CPC services.
- CPC Technical Assistance Guide:  
If all families with incomes below 100% SMI are served, communities may provide services to families with incomes up to 125% SMI.
- CPC budget line item language:  
CPCs must prioritize services to children on the "waiting list formerly maintained by the Office for Child Care Services."

**Current Income Eligibility Standards**  
**Gross Income and % of State Median Income (SMI)**  
*Example: Family of Three*

	<b>2001: % SMI</b>	<b>Gross Annual Salary</b>	<b>2006: % SMI</b>
	125%	\$72, 406	104%
	102%	\$58, 949	85%
CPC Entry/Exit	100%	\$57, 925	84%
Contract/Voucher Exit	85%	\$49, 236	71%
Entry	60%	\$34, 676	50%
CPC Priority	50%	\$28, 963	42%

Current EEC eligibility standards are inconsistent and based on outdated SMI, but all give priority to lowest income families.

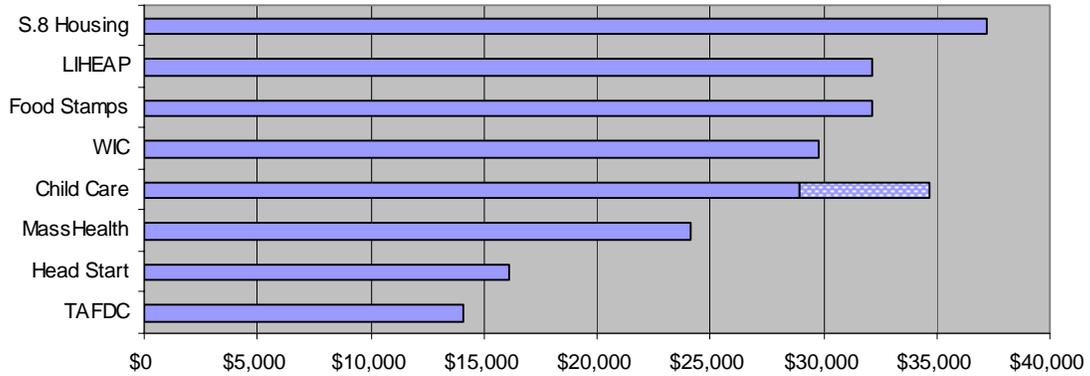
**Income Eligibility Standards**  
**Gross Income and % of State Median Income (SMI)**  
*Example: Family of Three*

<b>2001: % SMI</b>	<b>Gross Annual Salary</b>	<b>2006: % SMI</b>	
125%	\$72, 406	104%	
102%	\$58, 949	85%	← Proposed: EEC Exit
100%	\$57, 925	84%	
85%	\$49, 236	71%	
60%	\$34, 676	50%	← EEC Entry
50%	\$28, 963	42%	

**Recommendation for FY07:**  
 Increase basic income eligibility levels, making EEC eligibility standards consistent statewide using 2006 SMI.

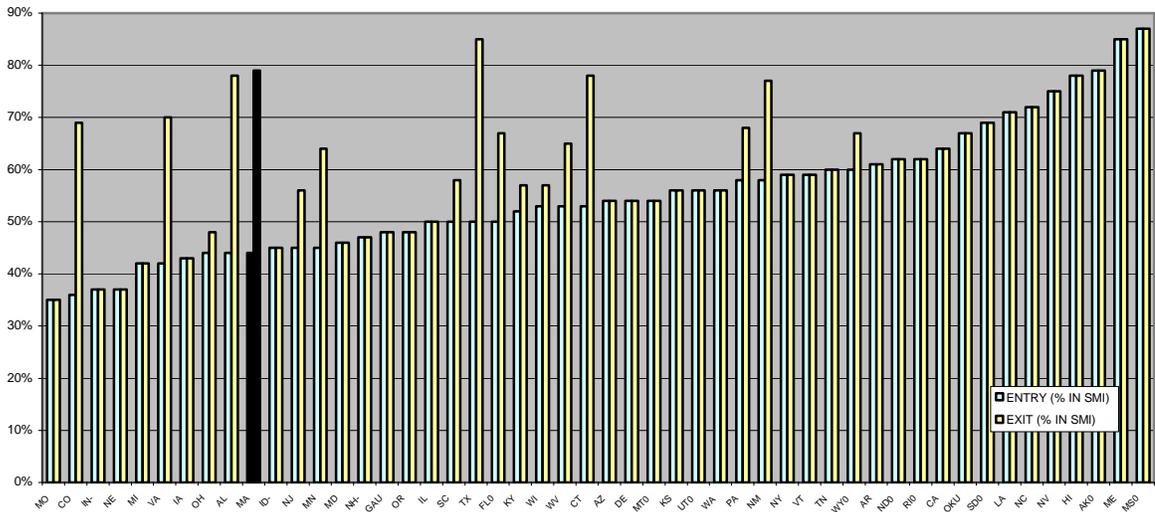
The Board discussed the implications of the recommended change in income eligibility standards. Members requested that additional information be provided at the April, 2006 meeting to answer their questions about any possible adverse impacts of this change.

**How Does This Proposal Compare to Other Means-Tested Programs?  
EXAMPLE: Family of three living in Boston**



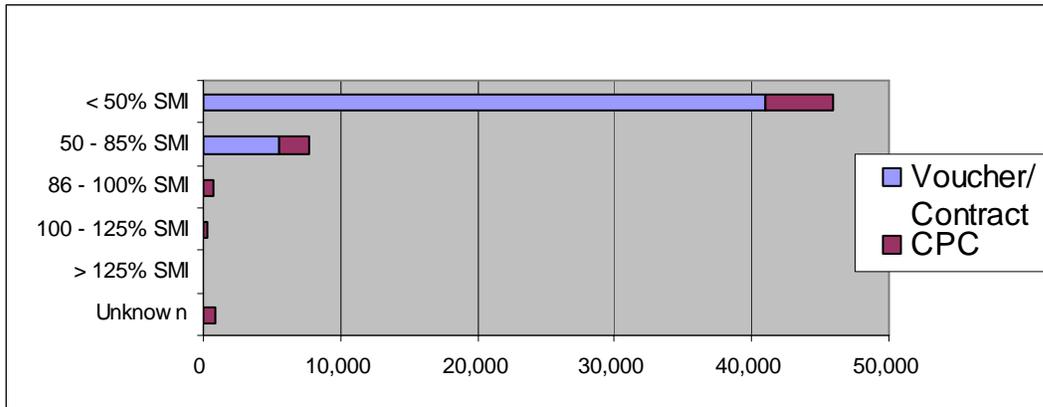
Move to 60% 2001 SMI (50% 2006 SMI) would put eligibility second only to housing assistance guidelines.

**How does this proposal compare to other states?  
Eligibility Standard\* for Subsidized Child Care by State**



All states may not meet demand at these levels.

**Proposal reflects income levels of families currently served by EEC  
EEC Children, Excluding Supportive and CPC Phase I\***



\*Income is not part of eligibility criteria for children receiving assistance through Supportive and CPC Phase I Caseload data for Voucher, Contract, and Community Partnerships for Children programs as of 9/2005 excluding Supportive care and (estimated) CPC Phase I children

Income Level "Unknown" includes children in CPC Phase II for whom income data are not available

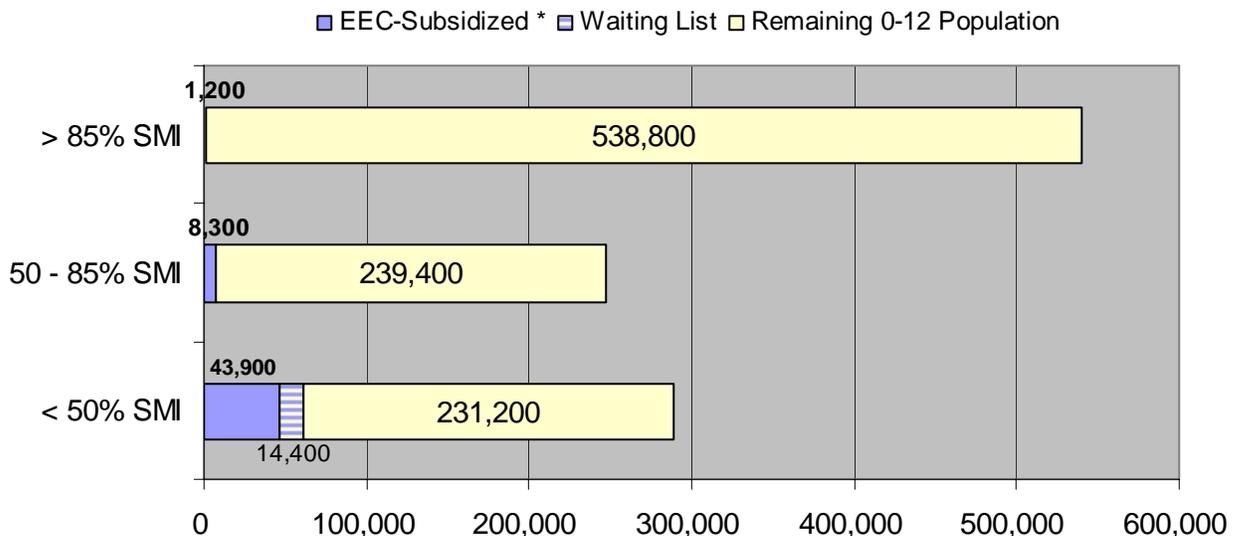
**Currently, EEC serves few children in families making more than 50% SMI (2001), but MOST would still qualify under proposal:**

Some would continue to enter at <60% SMI and earn higher income over time.

Some would continue to meet exceptions to income eligibility

NEW families will be eligible if entering at <60% SMI (2001)

All current families will continue receiving assistance. Example is prospective only.



## **Current Sliding Fee Scale: Background and Challenges**

### **Sliding Fee Scale:**

- Income-based sliding fee scale currently applies to most families
- The “scale” determines portion of provider’s charge is paid by parents rather than by EEC (\$44 million in FY05)
- Portion paid by parents increases with their income (from 0% at Federal Poverty Level up to 16% at 85% of SMI)
- No fee assessed for current TAFDC clients, those with incomes below FPL, teen parents, grandparents, open cases with DSS, foster parents
- Changes in Income Eligibility Standards Affect Sliding Fee Scale because it is also based on outdated SMI

### **Challenges**

- Current scale has many drawbacks, including “cliffs” where small income increases can result in large fee increases
- Revision will be complicated and will require substantial stakeholder input

## **Recommended Approach to Revising Sliding Fee Scale**

### **For FY07 Implementation:**

- Add more income “bands” to current Sliding Fee Scale to implement income eligibility level change

### **During FY07, for FY08 implementation:**

- Initiate comprehensive revision process which considers:
  - Optimal portion of family income that should go toward child care
  - Rate of fee increase as family income rises (e.g., replace current graduated “income bands”, and associated fixed fees, with fees equal to straight %’s of family income?)
  - Appropriate fees for families below the federal poverty level
  - Indexing the Sliding Fee Scale
  - Regionalizing the Sliding Fee Scale

Julie Culhane mentioned that having more higher income families receiving subsidies would enable more lower income families to receive service, as the funding could be stretched farther due to the sliding fee scale.

## Current and Recommended Parent Activity Requirements

Currently, in order to be eligible for EEC financial assistance, families must meet income guidelines **and** must be:

Low-Income Child Care (Vouchers/Contracts)	Community Partnerships for Children
One or more of the following: <ul style="list-style-type: none"> <li>• Working full or part-time</li> <li>• Enrolled in Education or Training               <ul style="list-style-type: none"> <li>○ high school or GED</li> <li>○ 2 or 4 year college</li> <li>○ An “approved” training program;</li> </ul> </li> <li>• Engaged in job search if unemployed</li> <li>• Engaged in housing search if homeless</li> </ul>	<ul style="list-style-type: none"> <li>• Working full or part-time (or retired)</li> </ul>

### Recommendation:

Ensure consistency of parent activity by including all of the above.

### Eligibility Exceptions and Priority Populations

- After Board decisions on:
  - Income;
  - Sliding fee scale; and
  - Parent activity
- Next questions are:
  - Who should be exempt from income and activity requirements? AND*
  - In a constrained budget environment, who gets first priority?*

Current exceptions and priorities vary by program . . .

## Who should be exempt from income and activity requirements?

<b>Low-Income Child Care (Vouchers/Contracts)</b> <b>Children 0 - 12 Years Old</b> <i>Some Variation between Contract and Voucher</i>	<b>Community Partnerships for Children</b> <b>Preschool Children Only</b> <i>Criteria Applied with Local Variations</i>
<b>Exceptions (to income OR activity requirement)</b> <ul style="list-style-type: none"> <li>• Special needs (child or parent)</li> <li>• Teen parents</li> <li>• Homeless (in shelter)</li> <li>• Foster parent</li> <li>• Grandparent</li> </ul>	<b>Exceptions (Phase II “At Risk” only):</b> <ul style="list-style-type: none"> <li>• Low income</li> <li>• Disability or mental, chronic, or terminal illness</li> <li>• Low maternal education (no high school diploma)</li> <li>• Single parent</li> <li>• Homelessness or frequent moves</li> <li>• Physical or emotional abuse or neglect</li> <li>• Substance abuse</li> <li>• Prolonged unemployment</li> <li>• Deprived or isolated environments</li> <li>• Premature birth or low birth weight</li> <li>• Evidence of lead paint poisoning</li> <li>• Evidence of inadequate nutrition or nurturance</li> </ul>

- **Intent** very similar in both programs, but need standard terms, definitions and verification process to ensure consistent access for at-risk families.
- Challenge to balance:
  - Needs of family with needs of child
  - Flexibility/discretion with accountability

## In a constrained budget environment, who gets first priority?

<b>Low-Income Child Care (Vouchers/Contracts)</b> <b>Children 0 - 12 Years Old</b> <i>Some Variation between Contract and Voucher</i>	<b>Community Partnerships for Children</b> <b>Preschool Children Only</b> <i>Criteria Applied with Local Variations</i>
<b>Immediate Access (no waitlist) :</b> <ul style="list-style-type: none"> <li>• Current or former TAFDC client</li> <li>• DSS/Active 51A</li> </ul> <b>Priorities (from waitlist):</b> <ul style="list-style-type: none"> <li>• Homeless</li> <li>• Foster Care</li> <li>• Teen parent</li> <li>• Active military personnel</li> <li>• Disaster (e.g., hurricane relief)</li> <li>• Grandparent family</li> <li>• Continuity of care (siblings, etc.)</li> </ul>	<b>Immediate Access (no waitlist) :</b> <ul style="list-style-type: none"> <li>• At discretion of local CPC</li> </ul> <b>Priorities (Phase III only from waitlist):</b> <ul style="list-style-type: none"> <li>• ≤ 50% SMI)</li> </ul>

- **Intent** very similar in both programs, but need standard terms, definitions and verification process to ensure consistent access for at-risk families.
- Challenge to balance:
  - Needs of family with needs of child
  - Flexibility/discretion with accountability

## **Recommendation: Eligibility Exceptions and Priority Populations**

### **For FY07 Implementation:**

- Maintain immediate access for current/former TAFDC and DSS/Active 51A;
- Issue *consistent* policy on all other exceptions and priorities based on “risk factors” currently in use by both programs;
- Develop common definitions, terms and accepted verification.

### **During FY07, for FY08 Implementation:**

- Review current clinical and social science research;
- Research specific needs of Massachusetts population; and
- Propose new exceptions or priorities as appropriate.

### **Determining Amount of Care Needed**

- For how much?
  - Variation now in determining amount of time/week needed
- For how long?
  - Variation in re-determination (length of eligibility)
    - *Contracts/vouchers:*  
Every six months, but 86% remain eligible at reassessment
    - *CPC's:*  
Every twelve months or at end of program

### **Question for the Board:**

How to balance flexibility and accountability consistently while taking stability of care and needs of child into consideration?

### **Recommendation:**

- For how much?  
Recommendation: Coming in April- to balance needs of children with those of families
- For how long?  
Recommendations:
  - Annual reassessment for all EEC financial assistance, or to the end of the program of care, whichever is later
  - Continue participant requirement to self-report status change
  - Increase random audit function to maintain accountability

## **Developing Consistent EEC Eligibility Standards- Recommendations**

For information on EEC's activities and children's issues, visit us at [www.mass.gov/EEC](http://www.mass.gov/EEC).

Eligibility Standards	Recommendation
<b>Income guidelines/ Sliding Fee Scale</b>	<p><b>For FY07 Implementation:</b> Increase current income eligibility level to 60% of SMI by updating to current year SMI; issue modified sliding fee scale to reflect new eligibility levels for families</p> <p><b>During FY07, For FY08 Implementation:</b></p> <ol style="list-style-type: none"> <li>1) Initiate comprehensive update of sliding fee scale to address challenges for families;</li> <li>2) Assess possibility of using a regional income basis for eligibility determination;</li> <li>3) Assess possibility of Indexing SMI level and sliding fee scale;</li> <li>4) Develop timeline for increasing income eligibility levels over time, based on further analysis of demand for financial assistance, and in conjunction with quality measures</li> </ol>
<b>Parent activity requirement</b>	<p><b>For FY07 Implementation:</b> Issue <i>consistent</i> policy on parent activity requirements based on current policies that include all currently acceptable activities: employment, education, training, job search and housing search</p> <p><b>During FY07, For FY08 Implementation:</b> Consider other activities that could meet parent activity requirements</p>
<b>Eligibility exceptions and priorities</b>	<p><b>For FY07 Implementation:</b> Issue <i>consistent</i> policy on exceptions and priorities/develop common definitions for criteria currently in use in both programs</p> <p><b>During FY07, For FY08 Implementation:</b> Review current clinical and social science research and Massachusetts population and propose new exceptions or priorities as appropriate</p>
<b>Method for determining amount of care needed</b>	<p>Further analysis and recommendations coming in April...</p> <p>Add annual reassessment</p>

## II. FY07 Community Partnerships for Children Grant Round

### Implementing Consistent Policies and Aligning Infrastructure Functions

- **Short Term- FY07**
  - CPC grant round focused on consistent policies and priorities
  - CCR&R administration review of consistent policies and priorities
  - Continue assessing current infrastructure, identifying specific opportunities for further alignment and duplication reduction
  - Fully automate and centralize waitlist for financial assistance
  - Build IT capacity system-wide
- **Intermediate- FY08**
  - Automate intake, eligibility determination, payment
  - Further assess alignment of infrastructure and make recommendations to Board by February 2007

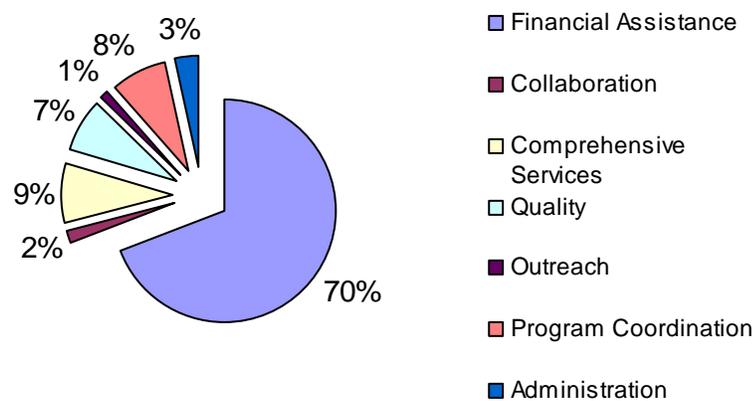
### Background: Community Partnerships for Children Program (CPC)

- Established in 1993 as part of Education Reform to develop a local system of early education and care
- 164 local grants, serving 336 communities, to:
  - ✓ Provide financial assistance to preschool aged children of working families
  - ✓ Support comprehensive services for children and families
  - ✓ Improve program quality and professional development opportunities for early education and care staff

- ✓ Establish local councils that determine needs and decide on spending priorities at the local level, and coordinate resources within the community
- In FY05 \$46.6M provided “direct services” to approximately 11,000 children (at any one time) in public schools, Head Start, center-based programs and family child care
- More than 1000 providers also received support through local quality initiatives.

**Background: CPC Funding by Objective**  
**\$68.6M Allocated to 164 CPC Grantees**

**FY05 CPC Grant Expenditures**



**Short Term: Align CPC Objectives with EEC Priorities: Access, Affordability and Quality**

**Access**

- Implement **consistent eligibility** across all EEC financial assistance
- Fully implement **centralized waitlist**
- Build on local **outreach, planning and collaboration** by moving toward comprehensive planning for all programs and age groups

**Affordability/Rates**

- **Reduce rate disparity:**
  - Raise lowest rates (contracts and vouchers, some CPCs)
  - Put ceiling on highest CPC rates
  - Provide more guidance on rate-setting options across CPCs to further reduce variation in approaches

**Quality:**

Align local approach to comprehensive services, quality supports, and professional development with statewide priorities

### **Administration/Technology**

- Increase consistency in policy and practice across CPCs (e.g., by-laws, collaboration, parent access, provider participation, etc.)
- Enhance CPCs' technological capacity
- Use web-based system to collect real-time data on participating families and providers

### **Grant Application Process**

- On-line application/submission
- Opportunities for consolidated application process for local planning and service delivery (e.g., MFN, PCHP and CPC)
- Opportunities for multi-community/collaborative proposals
- Opportunities to serve eligible families from 15 non-CPC communities

### **CPC Grant Round Timeline**

- March 7: Options and initial recommendations
- April 4: Board reviews RFP and finalizes decisions
- Mid-April: RFP release
- Mid-May: Proposals due
- June: Grants awarded
- July: First FY07 funds disbursed

Board members discussed the CPC grant round. It was requested that more information about the implications of the proposed changes to CPC objectives be available at the April, 2006 meeting.

### **Next Steps**

- Discussions with Legislature
- Discussions with Transition Team
- Outreach to field
- Preparation for April 4 Board Meeting to:
  - Vote on consistent eligibility criteria
  - Make final recommendations for FY07 CPC grant round criteria

**On a motion duly made and seconded, it was:**

**VOTED: unanimously that the meeting adjourn at 3:00 p.m., subject to the call of the Chairman.**

Respectfully submitted,

Ann J. Reale  
Commissioner of Early Education and Care