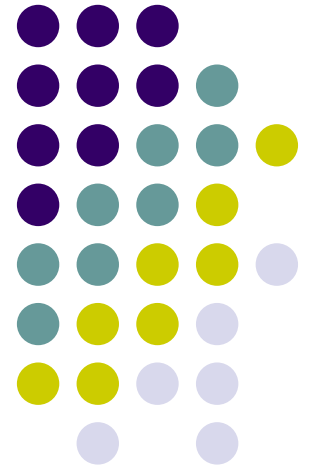


Department of Early Education and Care

May Board Meeting Presentation

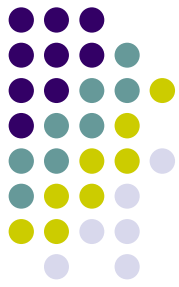
May 9, 2006



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

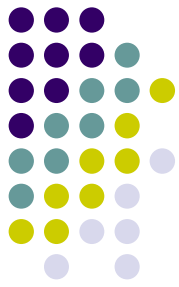


May Agenda

- FY06 Available Funds Project Update
- FY07 Continuation Grants
- Statewide System for Managing Financial Assistance
 - At-Risk categories and priorities
 - Length of eligibility for EEC Financial Assistance
 - Sliding Fee Scale

UPDATE

FY06 Available Funds Projects Update



Transportation Rate Increase

- Payment made to contract providers in April (for July-March)
- Payment expected to voucher-only providers in May (for July-April)

Internet Readiness and IT Capacity Building

- Up to 4,000 providers equipped with computers, EEC-related programs and software, printer, training and technical assistance, e-mail address and initial internet connection
- CBE Technologies selected as vendor for project
- Application (RFR) for providers to be released May 12, **due May 26**
- Equipment installation from June through early August, 2006

Family Support and Parenting Education and Activities

- Draft in design stage, plan for distribution in FY07
- Plan for statewide “Families Learn and Grow Together” Day in FY07

College Prep Skill Building and Behavior Management Training

- Exploring alternative funding sources and implementation through FY07
- RFR for grants will be released May, 2006.

FY07 Continuation Grants



“Continuation Grants” are non-competitive grant awards based on FY06 funding levels:

Requiring Board vote today:

- Parent Child Home Program -- **\$2 million**
- Mass Family Networks -- **\$5.3 million**
- Head Start State Supplement -- **\$7.5 million**

Informational:

- Early Childhood Special Education (Federal “262” grant) – \$7.5 million

Approved at April Board meeting:

- Community Partnerships for Children -- \$68.8 million

If appropriations are reduced from FY06 to FY07, approved allocations will be reduced proportionately. Funding increases or other changes in final FY07 budget will come before the Board in September.

Parent-Child Home Program (PCHP)

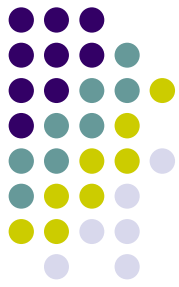
Background



- Home-based parenting, early literacy, and school readiness program for at-risk families with 2 and 3 year old children.
 - Home visitors share books and activities to strengthen parent-child relationships and promote language development.
 - First opened in Massachusetts in 1970
 - First received state funding in FY2000.
- FY06 funding:
 - \$2M to support 25 sites serving:
 - 740 families in the traditional PCHP model (\$1.83M)
 - 21 homeless families (\$70K)
 - 33 Family Child Care Providers (\$100K)
 - Awards range from \$60,000 to \$120,000 per site

Massachusetts Family Network (MFN)

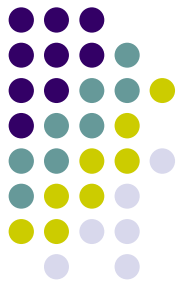
Background



- First funded in 1994 under Education Reform Act
- Welcoming, culturally sensitive and accessible program for all families with young children
- 42 programs serving 164 communities in collaboration with other partners to:
 - Increase school readiness
 - Decrease parental stress
 - Build on family strengths
 - Develop parent leadership
 - Enhance parental effectiveness
- FY06 funding (FY07 reduction proposed in House budget):
 - \$ 5.3million to:
 - Serve @ 22,000 families with 29,000 children, ages 0-3:
 - 16,500 received child development information and support through parent-child playgroups
 - 11,000 participated in activities designed to enhance parenting skills and support the parent as the child's first teacher
 - 4,000 participated in adult education and family literacy activities
 - Respond to 55,000+ requests for services and referrals

Head Start

Background



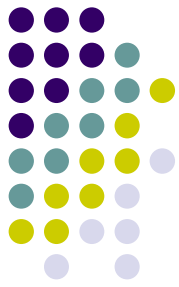
- Federally-funded program, predominantly half-day, school-year
- Center, family child care and home-based models
- Comprehensive school readiness program
- Eligibility:
 - Family income < 100% FPL (< 25% Massachusetts SMI)
 - Requirement to enroll 10% of capacity with children with disabilities
 - Up to 10% permitted to exceed income requirement
 - No work requirement for families
- \$6.6B in federal funds serves 910,000 children nationwide

In Massachusetts:

- Head Start serves approximately 13,000 children
- Head Start is 80% federally funded (\$106.8M), 7% state (\$7.5M), 13% 3rd party (in-kind, grants, other state agencies)
- MA is one of 17 states that provide supplemental Head Start funding

Head Start State Supplement

FY07 Continuation Grant Criteria



State funding since 1987 for two purposes:

- Supplemental Salary Grant: to improve quality at Head Start programs by reducing staff turnover
- Expansion Grant: to purchase Head Start services for about 300 children

FY07 Recommendation:

- Maintain current allocation by program
- Combine grant applications and goals to reflect current needs and maintain current quality
- Support teacher retention
- Gather additional data to inform development of comprehensive, coordinated system of early education and care.

Early Childhood Special Education Allocation Grant (262)

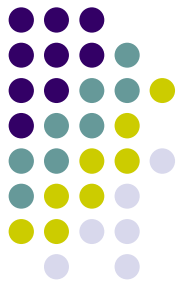
Background and FY07 Allocations



- Supplemental federal preschool funds from Section 619, Part B of IDEA
- Pass-through from federal government to local school districts and charter schools, for inclusive early education and care programs for three to five year old children with disabilities
- Two-part formula:
 - 1996 base distribution per child count
 - Incremental additional funding based on number of children living in poverty and K-12 population per district
- \$7.5 million to be awarded in FY07
- Allocations range from \$506 to \$500,000

Community Partnerships for Children

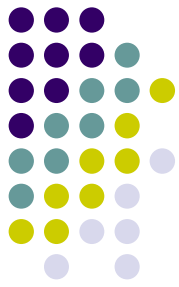
Background



- 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:
 - ✓ To increase **access and affordability** to early education and care programs for preschool aged children
 - ✓ Support **comprehensive services** for children and families
 - ✓ Improve program **quality and professional development** opportunities for early education and care staff
 - ✓ Conduct **outreach** to hard to reach families
 - ✓ Enhance **collaboration** among families, businesses, providers and other organizations
- \$46.6M provided “direct services” to approximately 11,000 children in public schools, Head Start, center-based programs and family child care
- \$22.2M provided for “indirect services”, including comprehensive services, quality improvement, program coordination, collaboration, and administration
- Grants range from \$13,736 to \$9.8M divided into three “Phases” based on historical criteria and expansion

Community Partnerships for Children

FY07 Continuation Grant Criteria



What's not changing:

- Phase 1
- NAEYC accreditation requirement
- All children currently in care will remain eligible
- Allocation of current funding
 - Each CPC will receive the same amount as in FY06
 - Each CPC will spend at least as much on “direct services” (financial aid to families) as in FY06- no requirement to spend more vs. “indirect services”

FY07 CPC Continuation Grant Round



What is changing:

- **Local planning and administrative opportunities**
 - Encourage multi-CPC proposals, especially for smaller CPC's
 - Require technological capacity for data collection and communication/business with EEC and providers
 - Require child and family specific data collection through state system
- **Provider participation**
 - Open participation for all qualifying providers
 - Include 15 communities not represented by any CPC
- **Maximum allowable rates and rate setting methods**
- **Use of consistent priorities and statewide system for managing “direct services” or financial aid to families**

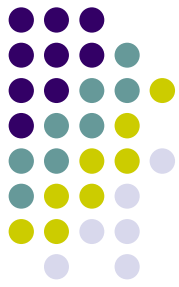
FY07 CPC Continuation Grant Round



What is changing?

- Broader use of statewide system for managing “direct services” or financial aid to families
 - Provide fair and equitable statewide policy for prioritization of children and families
 - Require use of centralized waitlist for remaining FY07 enrollment and plan for all FY08 enrollment
 - Require cross community placements across all communities
 - Serve eligible children in 15 communities without CPC

How will families receive financial aid?

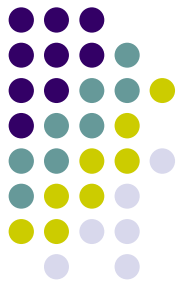


Statewide system using centralized waitlist:

1. Families access centralized waitlist from any CPC, R & R or contracted provider
2. Categorization of priority is fair and equitable regardless of access point
3. Families taken off statewide waitlist based on priority (for CPC's, contracts, and vouchers)
4. For CPC's*
 - a. Serve priority families within CPC area first
 - b. "Cross-community" placement for priority families in other communities
 - c. *If funding is still available, contact EEC before serving families at above 50% SMI with no other risk factors*

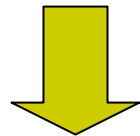
**Will not apply to children currently in care.*

FY06 Policy Projects: Establishing a unified system



ACCESS: Challenges

- ➔ Choice of provider driven by funding stream
- ➔ No single source of complete information
- ➔ Conflicting eligibility standards
- ➔ Waitlist not reliable
- Administrative infrastructure not aligned
- Family support programs not aligned



Differing eligibility criteria and inconsistent information lead to uneven access for families.

Why address access challenges?



- Create fair and equitable entry for children and families
- Provide clear, consistent information to families
- Better ensure priority for vulnerable families and children at risk of school failure.
- Provide continuity of early education and care across communities
- Establish foundation for five-year plan for growth



Provide equitable and even access to children and families.

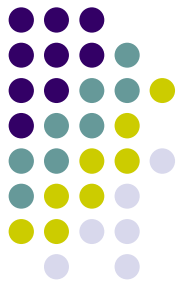
How should we address access challenges?



In FY07:

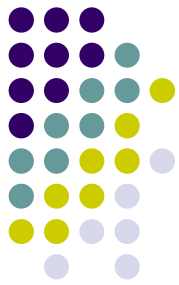
- **Implement clear statewide policies and priorities for entry on and exit off centralized waitlist**
- Propose new regulations for statewide eligibility standards
- Develop a five-year plan to:
 - Provide financial aid to families at higher incomes over time
 - Provide greater access to “pre-k”
 - Measure progress toward greater access, affordability, **and quality**
 - Support children’s mental and behavioral health needs
 - Implement more training, education and compensation for the early education and school age workforce
 - Set and implement standard rates more representative of cost of care

Development of Statewide Policies and Priorities for Financial Aid



- Within existing eligibility standards
- To be implemented in FY07
- To be used by R & R's, contracted providers, and CPCs as they manage centralized waitlist for financial assistance
- Applies to newly enrolled families

April Board meeting decisions and areas for further discussion today



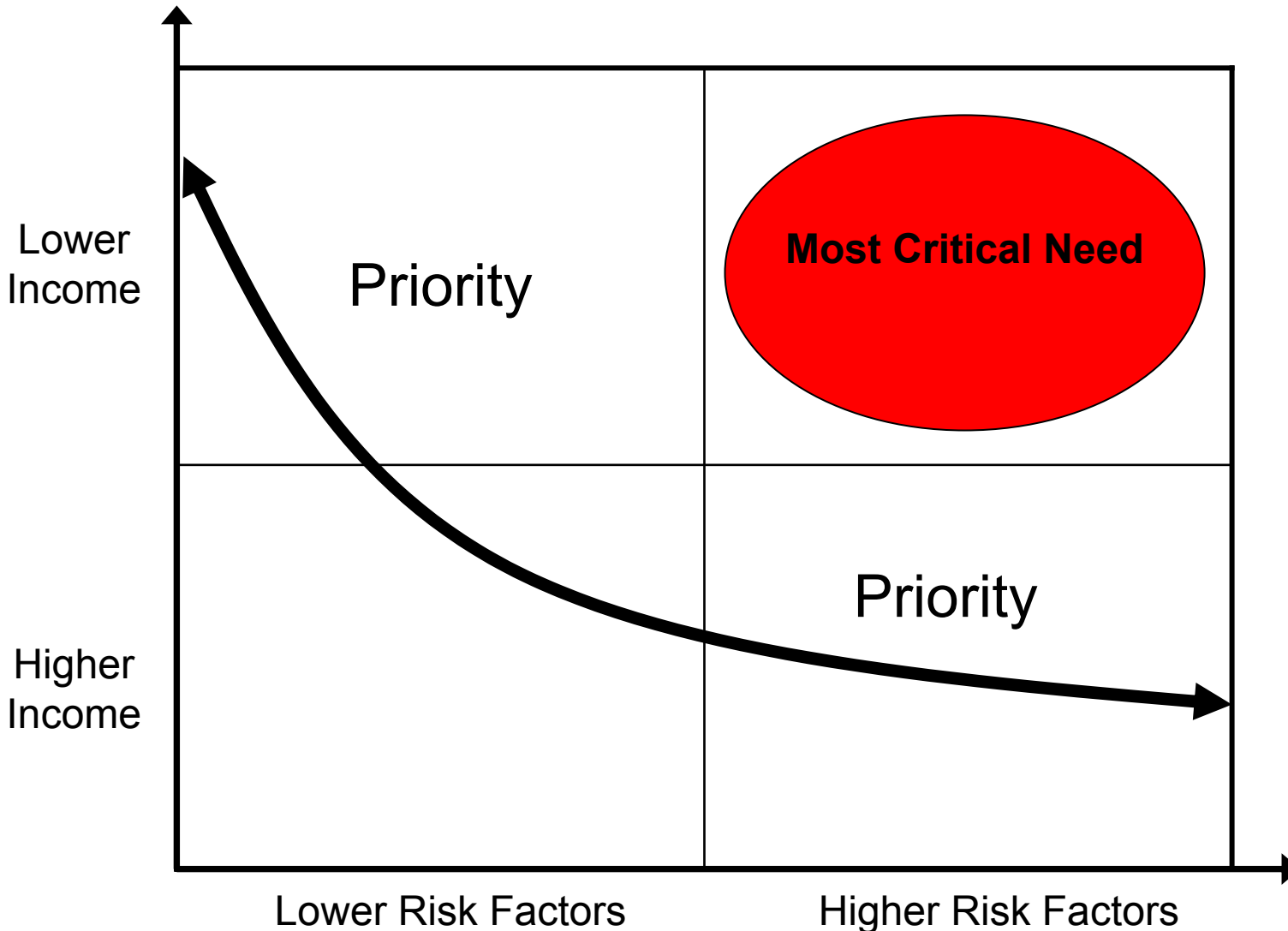
	Existing Contract/Voucher	Existing CPC	Statewide system recommendations for FY07
Age of children served	Infants up to age 13	Pre-k only	No change
State Median Income Year (SMI)	2001	2001	Update to 2006
Income Guidelines			
<i>Basic</i>	Entry below 50% SMI Exit at 85% SMI	Entry/exit up to 100% SMI (Phase III); priority from waitlist	No change, but make prioritization fair and equitable (see slide 30)
<i>For exception categories</i>	Entry up to 85% SMI Exit at 100% SMI	None specified (Phase II)	Entry up to 85% SMI, Exit at 100% SMI
Activity Requirement			
<i>Basic</i>	Minimum 20 hours of work or related activity	Working full or part-time- hours not defined (Phase III)	Allow work <i>and</i> related activities, 20 hours or more
<i>For exception categories</i>	No requirement for some	No requirement for Phase II- At Risk	No requirement for some
Exception Categories	See slide _____ for complete list	See slide _____ for complete list	Create NEW exception categories by merging current practice with other research-based risks.

Fair and equitable statewide prioritization

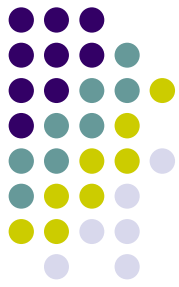


- 1. First priority and immediate access for current or former TAFDC families**
- 2. Priority Access for DSS families with open case (51A)**
- 3. Priority Access for families in Exception Categories reflecting risk factors (entry up to 85% 2006 SMI; exit at 100%)**
Develop policy manual by June 6 to define and prioritize exception categories, and determine common verification process.
- 4. Priority Access for families with no other risk factors (entry up to 50% 2006 SMI; exit at 85%)**
- 5. Access for families with pre-school children at or below 85% 2006 SMI with no other risk factors**

Recommendation for Statewide Priorities Based on Child and Family Risk Factors

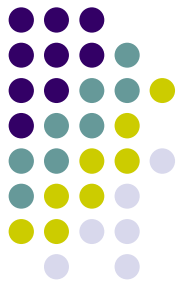


Guiding Principles for Statewide Priority Categories



- Verifiable and documented
- Easily understood and interpreted
- Research-based
- Balancing very low income with other risks
- Balancing parent's accountability with flexibility to meet needs of child
- Calibrated to ensure families in greatest need are served first

Current Exception Categories



Low-Income Child Care (Vouchers/Contracts) Children 0 - 12 Years Old <i>Some Variation between Contract and Voucher</i>	Community Partnerships for Children Preschool Children Only <i>Criteria Applied with Local Variations</i>
Exceptions (to income AND/OR activity requirement) <ul style="list-style-type: none"> • DSS/Active 51a • Special needs (child or parent) • Teen parents • Homeless (in shelter) • Foster parent • Grandparent • Disaster (e.g. hurricane) 	Exceptions (Phase II “At Risk” only): <ul style="list-style-type: none"> • Low income • Disability or mental, chronic, or terminal illness • Low maternal education (no high school diploma) • Single parent • Homelessness or frequent moves • Physical or emotional abuse or neglect • Substance abuse • Prolonged unemployment • Deprived or isolated environments • Premature birth or low birth weight • Evidence of lead paint poisoning • Evidence of inadequate nutrition or nurturance

Potential additions from Transition Team: Domestic violence or trauma; maternal depression; ESL

To create consistent access for children and families most at-risk:

- Merge current exception categories with other research-based risk factors.
- Recommend standard terms, definitions, verification process and priorities to Board on June 6.
- Meet the challenge of balancing needs of family with needs of child AND balancing flexibility/discretion with accountability.

Merge Exception Categories with Research-Based Risk Factors



Current Risk Factors and Priorities		<i>Proposed</i> NEW EEC Priorities
<ul style="list-style-type: none"> • Premature birth • Low birth weight • Evidence of lead poisoning • Evidence of inadequate nutrition or nurturance • Early intervention or Special education involvement • Deprived or isolated environment • DSS/Active 51a • Physical or emotional abuse or neglect • Parent with a disability or mental, chronic or terminal illness • Substance abuse • Incapacitated parent • Sibling with a disability • Single parent • Frequent moves • Prolonged unemployment • Homeless family • Low maternal education • Teen parent • Low income • Disaster/Hurricane 	<p>ALL current risk factors and priorities reflected <i>in one or more of</i> NEW priorities, ALL most highly correlated with:</p> <p>Safety risk Developmental Delay School Failure</p>	<ul style="list-style-type: none"> • DSS/Active 51a • Special Need of Child (Developmental Delay) • Special Need of Parent/Guardian • Homeless Family • Low Maternal Education/Limited English • Teen Parent • Domestic Violence • Federal poverty level • Extraordinary Circumstances • Foster parents • Guardians (inc. grandparents)

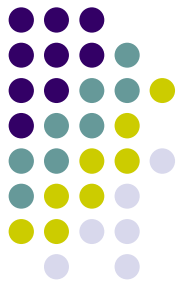
What's next for FY07 statewide waitlist management?



For each new priority category, determine:

- Standard definition and verification process
- Qualification for exception or exemption from:
 - Basic work/activity requirement
and/or
 - Basic income requirement
- Relative priority for access to care *from waitlist*

FY07 Statewide system for families receiving financial aid



For how long?

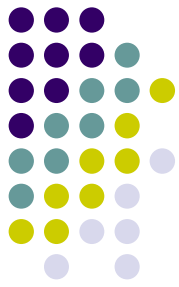
Policy recommendations to:

- Maximize coordination, stability of care for children and families
- Make policies more consistent across funding streams, programs
- Streamline administrative requirements for families and providers

For families:

- Coming up for renewal
- Newly enrolled

FY07 Statewide system for families receiving financial aid



	Current	Proposed*
Regulatory Changes for Contracts and Vouchers:		
*May also apply to CPC's, pending further review.		
Eligibility length	Six months	One year
Time allowed prior to start of approved activity to allow transition for child	One week	Two weeks
Time allowed for job search	Eight weeks	Twelve weeks
Enrollment in four college courses (12 credits) counted as:	Part time	Full time
Time allowed for maternity/paternity leave with sibling(s) in care	Eight weeks	Up to twelve weeks
Policy Change for Contracts and Vouchers:		
Eligibility verification for certain TAFDC clients	Separate documentation provided to R & R	Accept DTA authorization without further documentation

Regulatory Change Timeline



June 6, 2006:

EEC Board votes on proposed changes, authorizing Department to promulgate revised regulations.

June 30, 2006: EEC submits revised regulations to Secretary of State's Office for publication in the *Mass Register*, and submits regulations to the Legislature.

July 14, 2006: Proposed regulations are published in the *Mass Register*.

July 14- August 4, 2006: Public comment period, including public hearing.

August 5-August 21, 2006: EEC reviews public comments and revises regulations as appropriate.

September 5, 2006 Board Meeting: Board reviews and votes on final draft of regulations.

September 8, 2006: Final regulations filed with Secretary of State for publication.

September 22, 2006: Regulations published in the *Mass Register*, and become effective.

Current Sliding Fee Scale: Background and Challenges



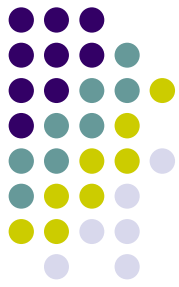
Sliding Fee Scale:

- Income-based sliding fee scale currently applies to most families
- Determines portion of income paid by parents (\$44 million paid by families in FY05)
- Increases with income (from 0% at TAFDC Eligibility Level up to 16% at 85% of SMI)
- No portion paid by current TAFDC clients, those with incomes below TAFDC eligibility level, teen parents, grandparents and other guardians, open cases with DSS, foster parents
- Based on outdated SMI, so changes needed based on 2006 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



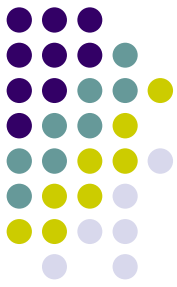
For FY07:

- No change due to:
 - Cost: estimated at \$2.3 million
 - Complexity of implementation with further revisions in FY08

During FY07, for FY08 implementation:

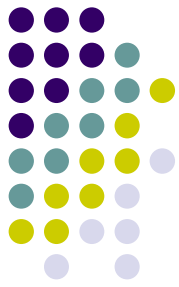
- Initiate comprehensive revision process which considers:
 - Optimal portion of family income that should go toward child care
 - On what basis should fees vary (e.g., current graduated “income bands”, fixed % of family income, cost of care, geographic location?)
 - If all families should pay fees
 - If other benefits should be considered as part of income (e.g. housing assistance)
 - If scale should be indexed on an annual or regular basis

June Board meeting



- Vote on regulations regarding length of eligibility (slide 28)
- Vote on scholarship guidelines
- Vote on background check regulations

Background Check Regulations



- Currently, anyone licensed by EEC or working in a licensed program **can not**:
 - Have certain criminal charges or a conviction included in a CORI (Criminal Offender Record Information)
 - **Have allegations of abuse or neglect of a child, supported in a DSS 51B report**
 - Have conduct which results in his or her child being adjudicated to be in need of care and protection (“CHINS”)
 - Use alcohol or drugs in a manner that is determined to impair the person’s ability to care for children.
 - Engage in any other conduct, criminal or otherwise, which has been determined to impair a person’s ability to care for children

Background Check Regulations

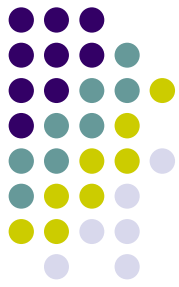


Verification process for applicants varies for each:

- CORI checks done electronically
- All others are through self-declaration and reference checks by EEC and/or provider

Proposal for further review and vote in June:

- Allow EEC to electronically access DSS information to determine if applicant has supported case of abuse or neglect (51B).
- Work with DSS to develop similar safeguards to CORI checks regarding use and dissemination of information.



June Board Meeting

- Votes on regulatory changes and scholarship guidelines
- Final review of FY07 statewide policies and priorities for consistent eligibility
- Preview of Fall FY07 Board Meetings:
 - Regulation Reform
 - Workforce Development Plan
 - FY07 Budget and September vote on allocation criteria for discretionary increases
 - Review of federal state plan