



## Nurturing Kids, Supporting Families: Early Education and Care in the Massachusetts State Budget

by Jeff Bernstein

Early education and care is an essential resource enabling parents with young children to work or engage in activities that will support their efforts to join the work force. In addition, a growing body of research finds that high quality early education plays a critical role in preparing young children for success in school, and in life.<sup>1</sup> High quality early education supports school readiness so children can start kindergarten ready to learn. Being ready to learn in turn prepares children to read by the third grade, a critical benchmark for determining later success in school and beyond.<sup>2</sup>

In FY 2006, Massachusetts became the first state in the nation to unite early education and care services under one agency – the Department of Early Education and Care (EEC). Prior to this, programming was administered in two different agencies.<sup>3</sup> EEC was created to unify the separate programs, make the system more efficient and improve outcomes for children and families.

The focus of this paper is the budget for early education and care programs and services administered by EEC.<sup>4</sup> It discusses the different ways in which our Commonwealth supports access to early education and care– primarily for lower income working families – and the investments the Commonwealth makes in improving the quality of the early education and care our children receive. By following links to MassBudget's [Children's Budget](#) readers will be able to find more in depth discussions of each program and data on program funding including funding cuts over the past decade.<sup>5</sup> Information concerning new items introduced in the Governor's FY 2014 proposal can also be accessed at the [Children's Budget](#).

### THE EARLY EDUCATION AND CARE BUDGET

In FY 2001 Massachusetts allocated about \$700 million for early education and care after adjusting for inflation.<sup>6</sup> In FY 2013 current state spending on early education and care is just shy of \$500 million, a 28

<sup>1</sup> See "[Economic Gains from Early Care and Education](#)."

<sup>2</sup> For the role high quality early education plays in preparing children for school and for reading by the third grade, see Haskins and Rouse, 2005. "Closing Achievement Gaps." And to see how third grade reading leads to later success in school, see Hernandez, 2012. "How Third-Grade Reading Skills and Poverty Influence High School Graduation." The [Annie E. Casey Kids Count Data Center](#) tracks this critical benchmark by city and town as well as tracking other data which highlights how children are doing in Massachusetts.

<sup>3</sup> EEC consolidated programs from the former Office of Childcare Services and the Early Learning Unit of the Department of Education.

<sup>4</sup> See the Annie E. Casey Kids Count Data Page for information on [the number of children in Massachusetts](#) and the [percentage of children enrolled in pre-school](#) by cities and towns.

<sup>5</sup> MassBudget, as the Massachusetts Kids Count representative, works with the Annie E. Casey Foundation to improve child well-being in the state. The Children's Budget is one piece of MassBudget's Kids Count work aimed at providing information about children's issues in the budget to all people who care about children in Massachusetts.

<sup>6</sup> For more information on the cuts to funding, as well as the decline in the state contribution to early education and care since FY 2001, see MassBudget's, [Declines in Spending on Early Education and Care in Massachusetts](#).

percent decrease.<sup>7</sup> For FY 2014, the Governor's proposal for early education and care totals \$630.9 million including substantial new investment for access and quality. The proposal increases early education spending by 26 percent compared to FY 2013 spending.<sup>8</sup>

The balance of this paper outlines the Commonwealth's support for early education and care, first discussing programs that support access to early education before moving on to a description of the administrative functions of EEC, and finally analyzing targeted programs which affect the quality of programming offered to children and their families.

## Access to Early Education and Care

Almost 90 percent of the EEC budget supports access to early education and care for children and their families through three child care subsidies:<sup>9</sup> Supportive Child Care; TANF Related Child Care,<sup>10</sup> and Income Eligible Child Care.<sup>11</sup> For more information on Access to Early Education and Care, see [here](#).

### Supportive Child Care

Supportive Child Care supports children in the care of the Department of Children and Families (DCF). Children receive child care, case management and other support services which include covering the cost of transportation if needed.<sup>12</sup> DCF (formerly the Department of Social Services - DSS) is the primary child welfare agency in Massachusetts. It is charged with protecting children from abuse and neglect while strengthening families and trying to keep them intact. Families are eligible if child care would aid in protecting the child and it is included in their Family Service Plan.

Families involved with DCF may be experiencing a high degree of stress and their children often have specific health needs. DCF determines what services are needed. If child care is needed, DCF informs EEC which then contracts with child care providers who deliver services appropriate for children in DCF care. These services often allow families in stress to remain intact – preventing a child's removal from the home or assisting in a return. Child care services are provided for 6 months and can be continued for a subsequent six months upon review. DCF waives fees for families with an open case. Families can also receive child care for up to 6 months following the closure of the case.

Between April 2011 and March 2012 EEC provided a subsidy to an average of 5,766 children a month in DCF care. For more information on Supportive Child Care, see [here](#).

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<sup>7</sup> Funding for the Children's Trust Fund (CTF) is included in the budget total because CTF funding goes through EEC. CTF funding was also included in the paper on the [Declines in Spending on Early Education and Care in Massachusetts](#). However, descriptions of the two CTF line items are not included in this brief because the goals of the program more closely align with the child welfare mission of the Department of Children and Families (DCF). State funding for CTF primarily goes to a home visiting program focused on child abuse and neglect prevention for first time parents. Descriptions of the two line items can be found at <http://children.massbudget.org/childrens-trust-fund>; and <http://children.massbudget.org/healthy-families-home-visiting-program>

<sup>8</sup> For more information about the proposed increase in early education and care spending, see MassBudget's "[Early Education & Care in the Governor's FY 2014 Budget](#)."

<sup>9</sup> For information on how many licensed child care slots there are in your community, see the Annie E. Casey Kids Count Data Center page on [child care slots](#).

<sup>10</sup> TANF stands for Temporary Assistance for Needy Families – the program introduced in 1996 as part of federal welfare reform legislation.

<sup>11</sup> In FY 2001, eight distinct line items administered by two different agencies funded child care subsidies in Massachusetts.

<sup>12</sup> For details on the process of assessing need, see <http://www.mass.gov/edu/birth-grade-12/early-education-and-care/laws-regulations-and-policies/financial-assistance-regulations-and-policies/supportive-child-care-subsidy-policies/assessing-transportation-needs.html>

## TANF Related Child Care

TANF Related Child Care provides child care for families involved with or transitioning from Transitional Aid to Families with Dependent Children (TAFDC).<sup>13</sup> The Department of Transitional Assistance (DTA) administers TAFDC and determines eligibility based on financial and work related requirements which can include education and training. To receive a TANF Related Child Care subsidy, families must first qualify for TAFDC. Families must have income and assets below required limits and meet work related requirements which stipulate the number of hours that must be spent working, looking for work, or in an education or training program.<sup>14</sup> Recipients can continue to receive child care support for up to two years after leaving TAFDC provided they meet all eligibility thresholds.

Eligible families apply for benefits through DTA and are referred to a local Child Care Resources and Referral agency that supports the family in locating appropriate child care. Between April 2011 and March 2012 EEC provided a subsidy to an average of 16,410 children a month. For more information on TANF Related Child Care, see [here](#).

## Income Eligible Child Care

Income Eligible Child Care provides subsidized child care for low-income parents not receiving child care through TAFDC who are working, disabled or in an education or job training program. Parent fees are determined using a sliding scale based on income.<sup>15</sup> Children in foster care or with relatives who are not legally responsible for them are exempt from sliding fee requirements. Eligible families are offered either a voucher or a contracted slot. A voucher allows families to choose any provider with space who accepts vouchers. Contracted slots are spots at specific programs set aside for Income Eligible families. Because slots are specific to one program, switching programs can be more difficult than with a voucher.

Families are eligible if their income is below 50 percent of the state median.<sup>16</sup> For families with a special need, income must be below 85 percent of the state median.<sup>17</sup> Since demand far exceeds supply, a wait list for child care is maintained. As funding has dropped, the number of children receiving a subsidy has decreased and the number of children on the wait list has grown. After adjusting for inflation, funding decreased 14.3 percent between FY 2010 and FY 2012. EEC closed access to vouchers for all new families on the wait list in February 2011. From March 2011 to March 2012 the number of children receiving an Income Eligible subsidy dropped 12.9 percent to 30,592. And during FY 2012 the number of children on the waiting list climbed to over 36,000 – more than the number of children receiving an Income Eligible subsidy. Between March and April 2012 alone the number of children on the waiting

<sup>13</sup> Child Care is provided to support work goals introduced in mid-1990s welfare reform legislation. Families receiving TAFDC in Massachusetts must meet work/training requirements unless they qualify for exemptions. For a list of exemptions, see <http://www.masslegalhelp.org/income-benefits/tafdc-cant-meet-work-requirement>. For more information on the number of TAFDC recipients in Massachusetts, see the [Annie E. Casey Kids Count Data Center](#) for Massachusetts.

<sup>14</sup> For specific information on financial limits and on what assets and income is counted, see <http://www.lawlib.state.ma.us/source/mass/cmr/cmrtext/106CMR204.pdf>; or <http://www.massresources.org/tafdc-financial-eligibility.html>; for information on work related requirements, see *Chapter 203.400* at <http://www.mass.gov/eohhs/docs/dta/g-reg-203.pdf>. For more information on children in poverty in Massachusetts, see the [Annie E. Casey Kids Count Data Center](#).

<sup>15</sup> Very low income families receive subsidies for free.

<sup>16</sup> Families remain eligible if their income remains under 85 percent of the median income.

<sup>17</sup> Families with a special need remain eligible if their income remains under 100 percent of the median income. For the definition of special needs families, see <http://www.mass.gov/edu/docs/eec/financial-assistance/for-families/fy11-income-eligibility.pdf>

list increased by almost 4,000 – a jump of 11.8 percent in only one month. As of January 2013, the waiting list includes over 50,000 children. For more information on Child Care Access, see [here](#).

## Early Education and Care Administration

The Department of Early Education and Care (EEC) oversees the early education and care system in Massachusetts. EEC supports all early education and care programming and funds wages for central office staff.<sup>18</sup> Child Care Resource and Referral Centers (CCR&Rs) provide information, referrals and support for clients who are seeking or who already receive a referral for one of the child care subsidy programs.<sup>19</sup> For more information on Early Education and Care Administration, see [here](#).

### Child Care Resource and Referral Centers

CCR&R centers are regional agencies that assist families through the process of applying for a child care subsidy (also called voucher management). The process begins when a parent contacts a CCR&R, or calls Mass211 to inquire about a child care subsidy and have their child added to a centralized wait list. When a spot opens up, the family begins looking for a child care program that meets their needs.

CCR&R agencies can provide information about child care programs to families.<sup>20</sup> Families choose a program and receive counseling on eligibility requirements, and resource and referral information from the CCR&R. Initial vouchers, which can be written by CCR&Rs or the contract provider, last up to one year. CCR&R agencies and contract providers can continue to work with families helping with the reapplication process after the initial period. For more information on Child Care Resource and Referral Centers, see [here](#).

### Department of Early Education and Care Administration

The Department of Early Education and Care (EEC) was created in 2005 to oversee early education and care services, and after-school programming. Prior to the creation of EEC, administration of early childhood programs was split between two different agencies.

EEC administers programming which supports early education as well as family support.<sup>21</sup> Programs such as Universal Pre-kindergarten, Early Childhood Mental Health Consultation Services and Reach Out and Read provide support to entire families while striving to improve the quality of early education that children receive. EEC works with community partners (including CCR&Rs) providing funding and awarding contracts to local providers who deliver the direct services outlined in the programs. EEC also evaluates services delivered by local providers to maintain and improve quality.

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<sup>18</sup> Administration of the CTF is funded through a separate line item. For more information, see the Children's Budget at <http://children.massbudget.org/early-ed-administration>

<sup>19</sup> Contracted providers and Coordinated Family and Community Engagement grantees also administer subsidies and provide information and referrals.

<sup>20</sup> Families can look for a day care program on their own and do not need CCR&R assistance. The rest of the steps in the process do require CCR&R support. Information and referral services are available to any family, not just those with a subsidy.

<sup>21</sup> EEC also serves as the licensing organization for some programs administered by other state agencies.

EEC is the licensing agency for nearly 12,000 early education and care programs including after school programs, group child care centers and family child care homes.<sup>22</sup> EEC also licenses adoption placement agencies, foster placement agencies and residential care programs setting regulations which providers must meet to be licensed. For more information on the department of Early Education and Care Administration, see [here](#).

## Quality and Targeted Programs

EEC administers the funding for multiple programs which provide educational opportunities for very young children and their families. These programs target specific populations and aim to improve the overall quality of programming. Early Childhood Mental Health Consultation Services, Grants to Head Start Programs and Universal Pre-Kindergarten are three such examples of this. Two other programs described in this section include Reach Out and Read and Family Support and Engagement. For more information on Quality and Targeted Programs, see [here](#).

### Early Childhood Mental Health Consultation Services

Early Childhood Mental Health Consultation Services provide support to children and families in early education and care programs focusing on lowering the number of school suspensions and expulsions. Services are concentrated at the classroom level and include program assessment, on-site mentoring, teacher training, and parent consultation. Individual level services, including child and family therapy are referred to third party providers. Grants are directed towards children affected by poverty, biological or family risk factors, or other factors causing a high stress environment.

Services aim to build teacher capacity so teachers can maximize child learning and address the needs of children who exhibit behavioral challenges. The Center on Social Emotional Foundations for Early Learning's (CSEFEL) Pyramid Model is one model recommended by EEC to increase the number of early childhood professionals capable of supporting young children and preventing and addressing challenging behaviors. For more information on Early Childhood Mental Health Consultation Services, see [here](#).

### Services for Infants & Children (Family Support and Engagement)

Services for Infants & Children funds two grants administered by EEC. The Coordinated Family and Community Engagement (CFCE) grant funds approximately 100 grantees which deliver family support programs, parent education, and provide information and referrals for other services. The Educator and Provider Support (EPS) grant funds professional development for providers.

CFCE grantees provide families with information about the early education and care of their children. Grantees assist families in accessing EEC financial assistance and supply information about parenting, nutrition, reading and education so that parents can make informed decisions about the care and services their child needs. Funds from this grant may be spent on salaries, consultants, supplies, equipment, travel and other operating costs.

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<sup>22</sup> See the Department of Early Education and Care Strategic Plan, February 2009 at <http://www.mass.gov/edu/docs/eec/research-planning/state-planning/eec-strategic-plan.pdf>

One-quarter of the EPS grant goes towards coaching and mentoring activities. At least 33 percent of funds must be allocated for coursework which results in practice-based competency building. Opportunities are targeted to educators and providers that serve children with the highest needs – those children facing multiple risk factors. EPS funding also supports assessment of best practices in the professional development field. For more information on Services for Infants & Children, see [here](#).

## Grants to Head Start Programs

The vast majority of funding for local Head Start providers comes from a federal grant. Funding is allocated to lead agencies who administer the funding to local Head Start organizations. Massachusetts contributes a small supplement which accounts for less than 10 percent of total spending on Head Start annually. The state supplement allows local Head Start providers to improve quality and increase enrollment. In FY 2009, 314 children were enrolled through the use of state funds. State Head Start funding also supports salary grants for providers and allows the state to meet federal Head Start matching requirements.

Head Start and Early Head Start programs promote school readiness of children ages birth to five from low-income families. Head Start programs are guided by three principles: 1) provide services for the whole family - health, education, nutrition, and social and other services; 2) promote parent engagement - emphasizing the role of parents as a child's first and most important teacher; 3) build community - employ community residents, many former head start clients, and work collaboratively with community organizations to help families meet their basic needs.

Head Start programs can be based in centers or schools, family child care homes, or at a child's own home where staff visit once a week. Early Head Start serves infants, toddlers, pregnant women and their families promoting healthy prenatal outcomes, positive development of very young children, and healthy family functioning. For more information on Grants to Head Start Programs, see [here](#).

## Reach Out and Read

Reach out and Read funds an early literacy and school readiness program by partnering with doctors to give out free books and encourage families to read together. The program builds off the relationship between parents and medical providers to develop critical early reading skills in children.<sup>23</sup> The program begins at six months of age and continues through age five, with emphasis on children living in poverty and in under-performing school districts.

Medical providers are trained in the three part Reach Out and Read model: 1) doctors and nurses speak with parents in the exam room about the importance of reading and offer age-appropriate tips; 2) pediatric primary care providers give each child a book to take home; and 3) the waiting room has children's books and displays information about literacy. For more information on Reach Out and Read, see [here](#).

## Universal Pre-Kindergarten

Universal Pre-Kindergarten (UPK) funding targets quality improvement of pre-school programs. Preference is given to classrooms in towns and cities with schools and districts at risk of or determined

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<sup>23</sup> For MCAS data on third grade reading, see the Annie E. Casey Kids Count Data Center page on [MCAS 3<sup>rd</sup> Grade Reading](#)

to be under-performing. These schools and districts include those which have been identified for improvement, corrective action, or districts with a high percentage of students scoring in levels 1 and 2 on the MCAS exams. Low-income communities are also given preference.

Funding may be used to: provide or facilitate access to full day - full year services for working families, support the engagement of children's families, support accreditation activities, evaluate and improve services for children, strengthen and improve teacher skills and practice, and increase teacher salaries and benefits. Salaries for pre-school teachers are often much lower than those for K-12 teachers which can make it difficult to retain high quality pre-school teachers. The average salary for a pre-school teacher, even one with a graduate degree, is barely half of the average Kindergarten teacher salary.<sup>24</sup>

Program types eligible for funding include public, private, non-profit and for-profit preschools, child care centers, nursery schools, head start programs and family child care homes. For more information on Universal Pre-Kindergarten, see [here](#).

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<sup>24</sup> Early Educator Salary Data and the MA Career Ladder – EEC Fiscal Committee Board Meeting, Feb. 4, 2013. Joint report by The Bessie Tartt Wilson Initiative for Children and the Department of Early Education and Care.