American Recovery and Reinvestment Act (ARRA)
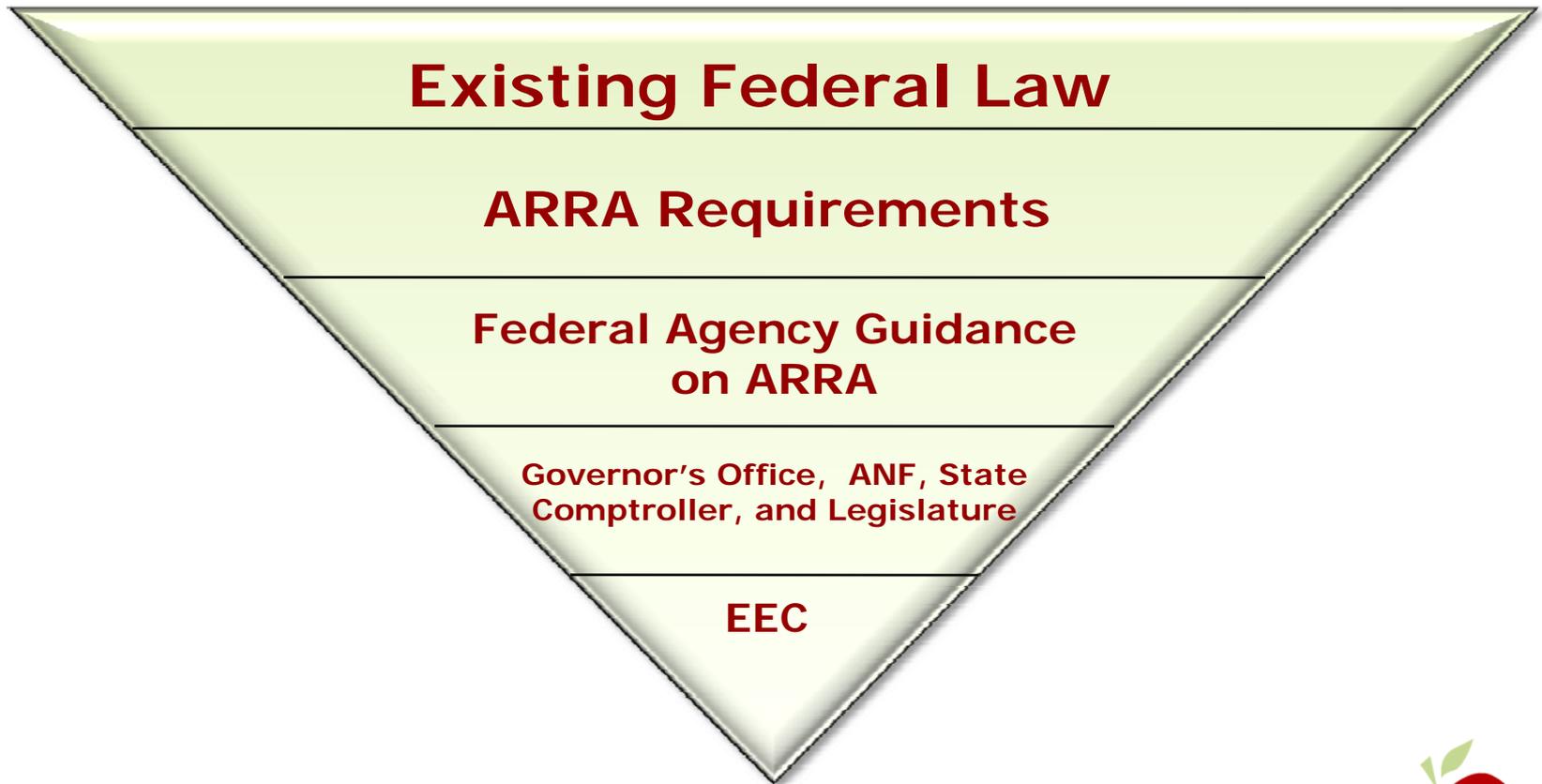
Board of Early Education and Care
September 15, 2009

MASSACHUSETTS
eec Department of
Early Education and Care

ARRA Requirements Overlay

Existing Federal Law

ARRA Requirements

Federal Agency Guidance on ARRA

Governor's Office, ANF, State Comptroller, and Legislature

EEC

Principles for ARRA Expenditures
EEC Board's Fiscal and Budget Committee

Sustainability

Invest one-time ARRA funds thoughtfully to minimize the "funding cliff"

Accountability

Ensure transparency, reporting and accountability

Economic Impact

Spend funds quickly to save and create jobs

Collaboration

Develop cross-agency initiatives to maximize benefits to children

Reform

Use ARRA to promote reforms and cost saving initiatives that will provide a foundation for future growth

Prioritization

Prioritize limited resources toward children with the greatest education and care needs and multiple risk factors. EEC's Strategic Plan emphasizes that the Department values all children and all families. In a fiscally constrained environment, the Strategic Plan also recognizes that children with the greatest educational needs and multiple risk factors come first.

Administration for Children and Families
ARRA Guidance

Guidance

❖ Assist those most impacted by the recession through the provision of funds to expand services to additional children and families;

❖ Through targeted funds, improve the quality of child care to support the health and well-being of children;

❖ Activities allowable must fall within EEC's existing program requirements, per State Plan.*

*Any changes to program requirements such as provider rates (e.g., provider rate increases), income eligibility guidelines, and sliding fee scale require State Plan amendment and federal approval which may delay implementation of ARRA programming.

Discussion:

Allocation of up to $8.1M to Targeted Populations

(Preschoolers Aging-Up to School-Age Programs)

Stakeholder Feedback
Advisory Council, Operation Working Group Feedback

- Focus on most vulnerable in terms of job loss:

   1. Prioritize children already in care (aging-up)

   2. Prioritize families already in care (siblings)

   3. Prioritize age-groups with highest waiting list numbers (infants/school-age)

- Support for families to keep their jobs is more important than supporting families to search for new jobs

ARRA Investment: Job Retention Policy
Review of June Board Discussion

June Board Discussion:

Support existing working families receiving EEC financial assistance to retain and find work by providing continuity of care for their children for up to 2 years only in the following circumstances:

- ✓ Summer-only care;
- ● A sibling of children already enrolled;
- ● **A child "aging up" of a current program; and/or**
- ● A family who loses their job or has a reduction in hours below current minimum eligibility (extend child care provided during job search/ work hour reduction up to 26 weeks total);

Board Policy and Program Committee Discussion

❖ **Should a specific age group (Infant/Toddlers versus Preschoolers) that is aging-up be prioritized for funding?**

Summary of Considerations:

- Severity of a **funding cliff** (younger children = larger cliffs)

- **Cost** (school-age children cost less ($20.91 average rate) that Infant ($52.33 average rate) and Toddlers ($47.07 average rate); so more children and families can be supported)

- **Working parents** (can fund more school age children so more parents can work; parents may find it more challenging to find and to pay for infant toddler care)

- Could **target a geographic area** for access and also tie quality funding to the initiative to achieve a broader reach (use formula like UPK to consider % of low income children served)

- **Quality is uneven** in school age programs within the mixed system across the state – varies per area

Board Policy and Program Committee Discussion *(Continued)*

❖ **Should a specific age group (Infant/Toddlers versus Preschoolers) that is aging-up be prioritized for funding?**

Summary of Considerations Continued:

● Could **link to an established initiative** (e.g. 46 pre-k to 3 districts) - but that is not within the mixed system

● Could open **access for all** preschoolers with a service need but would need to change state plan and these fund are about working families – not is appropriate for ARRA funding

● If **target toddlers** aging up to preschool we acknowledge parents as they work and recognize the value of preschool

● Could **pilot** a community based opportunity --- would need to be replicable; not right timing for a pilot

Current Proposal for Discussion
Use of ARRA Funds to Support Preschoolers Aging-Up to School Aged Care

Commissioner's Recommendation:

Consider targeting a minimum of $4.9 and up to $8.1 million of ARRA funds to support existing Income Eligible preschool children aging up into school age programs

Process: children will be funded though the flex fund available at contracted vendors or in the form of vouchers for services to which they may otherwise not have access to.

Funding: two years; implementation will include a planning / documentation component to address the potential impacts of the time limited nature of these funds

Rationale: these children/families may otherwise not have access to these school-age programs due to current access limitations due to forecasted deficiencies in EEC's Income Eligible account

ARRA Investment: Job Retention Policy
Existing Preschoolers Aging – Up

Income-eligible center-based contracted providers submitted the number of preschoolers that are currently aging-up/out. The cost projections (rounded) below are based on that data.

#of Preschool Children	Status (Aging-Up/Out to School-Age Care)	Cost to Fund FY10 Oct 15- June 2010	Cost to Fund FY11 July 2010 - June 2011	Cost to Fund FY10 – FY11 Oct 15, 2009 – June 2011
451	aging-up from preschool to school age via flexible spending account	$1.74M	$2.47M	**$4.22**
312	aging-out of current program (looking for contracted slots at another program)	$1.2 M	$1.7M	**$2.9M**
82	aging-out of current program (provider is hoping to use flex pool funds)	$317,179	$450,000	**$767,000**
103	unknown status	$398,408	$564,000	**$962,000**
948		**$3.62**	**$5,18M**	**$8.85M**

Existing Infants and Toddlers Aging – Up to Preschool

- EEC plans to manage the cost of Infants and Toddlers aging-up/out into preschool programs in FY2010 (~$1.45M) and FY11 ($2.1M) within the Income Eligible account should the budget remain the same.

Commissioner's Recommendation:

- If, upon addressing the identified pre-school population that is "aging up" or out of a current child care program available funds remain, the Department recommends applying the remaining available funds, up to the $8.1 million allocation, to manage the cost of infants and toddlers that are "aging up" or out of a current child care program.

Rationale for Targeting Population
Income Eligible Preschoolers Aging -Up to School-Age Programs

There is strong evidence that supporting children's participation in out of school time programs is an investment with potentially profound social, academic and familial benefits.

❖Research shows that children from lower income families are less likely to participate in out-of-school time (OST) programs than their peers from higher income families.

❖Children from lower income families may not have the same access and opportunities to participate in these programs as their higher income peers; targeting funds to increase participation can impact their school achievement and success.

❖While there has been debate in recent years about the impact of OST programs on children's academic achievement and development, there is solid evidence that investing in quality OST programs produces short and long-term benefits to participating children and their families.

Benefits of Children's Participation in School Age Programs

School Age Programs can promote:

❖ *School Readiness and Academic Achievement*
o continued academic and social skill development
o can lead to increased achievement and test scores

❖ *Continuity of Care*
o can offer individualized learning and increased support from teachers
o various programs options available to meet unique needs of families
o progress in and out of school to be monitored and supported over time

❖ *Family Engagement and Support*
o parents can sustain work/education while children are in a safe, nurturing environment; research shows employed parents' psychological health is negatively impacted when lacking quality after school care options

❖ *Building Engagement in Out-of-School Time Programs and Enhancing Risk Prevention*
o participation over extended time are more likely to benefit from OST programs
o participation in subsequent years can lead to lower drop-out rates, decreases in risky behavior and enhanced work behavior

Link to ARRA Goals

❖ Research demonstrates that families with access to high quality stable child care are more productive and less likely to miss work.

❖ Lack of stable child care has been identified as a barrier to employment and a primary cause of absenteeism that may lead to termination.

❖ Access to regular and stable child care is associated with greater job stability and retention for low income families.

Sources: Institute for Women's Policy Research, University of Wisconsin-Milwaukee Employment and Training Institute, The Urban Institute, and Institute for Social Research, University of Michigan.

Program Quality and Evaluation

Research cites that children's participation in **quality** after school programs that are strongly connected to schools have the potential to produce the greatest gains for participating children

EEC would evaluate and track:
- ❏ program quality
- ❏ teacher quality
- ❏ participating student's achievement

Tracking Participants
To evaluate whether the participating children have benefitted from participation they will be assigned student identification numbers at the onset of funding. This cohort will be tracked to determine if by grade 4 they have experienced gains that can be linked to their participation in school age programs.

EEC would next develop a formal evaluation plan for this initiative to be shared with the Planning and Evaluation Committee for review.

Discussion:

Use of ARRA Funds to Develop Infant and Toddler Early Childhood Program Standards and Guidelines for Learning Experiences

Development of *Infant and Toddler Early Childhood Program Standards* and *Guidelines for Learning Experiences for Infants and Toddlers*

❖ The *Program Standards* will be used to guide ongoing development, evaluation and improvement of programs that serve children from birth to age three.

❖ The *Guidelines* will be based on those standards and will reflect best practices for learning experiences for programs serving children birth to age three.

❖ Aligned with existing ones for three and four year olds to form a continuum that supports high quality early education and care from birth to kindergarten age.

Partners in Development

Potential partners:

- Members from the Massachusetts Birth-to-School Age Task Force
- The Zero the Three Policy Center
- The National Association for the Education of Young Children
- The National Association for Family Child Care
- The Massachusetts Association for the Education of Young Children
- Researchers from University of North Carolina at Greensboro
- Researchers from Teacher's College, Columbia University
- Research partners from Harvard Graduate School of Education
- Other academic partners who provide early educator education
- A representative group of providers of the mixed delivery system

Development Process

- The development of an evidence based approach by a consultant (via RFR process) for review by multiple partners and stakeholders.

- Collaboration with Contractor, EEC and Stakeholders for initial design

- Initial draft version posted and EEC and contractor hold statewide meetings for input and feedback.

- Feedback Incorporated into updated Program Standards and Guidelines

- Final set of Program Standards and Guidelines released

- **Cost Estimate**: Up to $50,000 for a consultant to create a draft of the Program Standards and Guidelines based on a literature review, evidence based practice, and reviews from multiple partners and stakeholders.