



June 5, 2024

Dear Chair Michlewitz, Chair Rodrigues, and members of the FY25 budget conference committee:

On behalf of the more than 170 organizations and thousands of parents, providers, early educators and advocates that make up the Common Start Coalition, **we want to express our gratitude for your leadership in proposing transformative permanent improvements to Massachusetts' early education and child care system, with the state budget as a legislative vehicle.**

Massachusetts is now on the verge of passing a budget that would deliver a historic level of funding for early education and child care in Massachusetts and make permanent policy changes that represent a major step towards our Common Start vision of affordable child care for families; significantly better pay and benefits for early educators; a permanent, stable source of funding for providers; high-quality programs and services for children; and substantial relief for businesses and our entire economy. **We are incredibly grateful for your leadership and vision.**

While your two chambers have each prioritized different important policies in your respective budgets, and careful work will be needed to reconcile these complimentary proposals, **Massachusetts is now poised to implement early education and care legislation — through the budget** — that would make our state more affordable for many families, improve our state's economic competitiveness, and increase racial and gender equity in our communities.

We are thrilled that both budgets would:

- Make the C3 Operational Grant Program for providers permanent, codified in M.G.L.
- Allocate \$475 million to continue funding operational grants in FY25
- Appropriate \$774 million for ongoing child care financial assistance to families
- Include \$20 million to increase reimbursement rates for providers who enroll children receiving child care financial assistance

We want to see those shared provisions protected throughout the conference committee process and included in the final conference budget. These provisions would support early education and child care programs, allowing them to invest in educator compensation and increase their capacity to serve more children (particularly those receiving child care financial assistance), while avoiding major cost increases for families.

We also want to see important provisions from both the House and Senate budgets included in the final conference budget. These provisions would increase access to affordable child care for families and address the workforce crisis in early education by supporting educators with greater pay and benefits.

Provisions from the House budget we support:

- Establish an early educator scholarship program, including \$10 million for the program in FY25
- Establish an early educator loan forgiveness program, including \$10 million for the program in FY25
- Provide \$8 million to offer child care financial assistance to early educators
- Maintain funding for navigation supports for early educators seeking credentials or higher education opportunities
- Establish an early education and care data advisory commission, and collect data on the child care sector and the families who are served by it, which will be critical to ensuring an equitable distribution of state resources
- Expand the capacity of large family child care homes while maintaining existing staff-to-child ratios

Provisions from the Senate budget we support:

- Immediately expand eligibility for child care subsidies up to 85% of the state median income, ensuring that more families can access financial assistance for early education and care while continuing to prioritize the lowest-income families for available funding
- As funds become available, allow expanded eligibility for child care subsidies up to 125% of the state median income, ensuring that more families can access financial assistance for early education and care while continuing to prioritize the lowest-income families for available funding
- Invest \$80 million to provide child care financial assistance to more eligible families in FY25 (compared to \$30 million for lowering the waitlist in the House)
- Permanently ensure affordability for families receiving child care financial assistance under this eligibility expansion, by limiting family fees to 7% of household income and providing that families with income at or below the federal poverty level are not charged fees
- Make technical updates to the family child care collective bargaining law to align with other statutory changes, ensuring that this law does not inadvertently move the state backwards on unionization rights for family child care providers
- Establish a career ladder for early educators and incentivize EEC programs to follow its recommended salary and benefit guidelines
- Fund Head Start at \$18.5 million (compared to \$17.5 million in the House)
- Allow family child care providers to exist by right under local zoning law
- Ensure that Transitional Child Care for families who leave the TAFDC program is available not only to parents who are working, but also to those participating in DTA-approved activities like education and training programs.
- Require EEC to review the child care financial assistance program annually to identify and address access barriers faced by families.
- Ensure that families faced with a denial, loss or reduction of child care financial assistance have the opportunity for an administrative appeal hearing and can continue to receive child care financial assistance pending an administrative review or hearing.

- Require an annual report on the numbers and outcomes of families' appeals of denials and terminations of child care financial assistance.

Both budgets make changes to the way operational grants are allocated, as the program evolves from an emergency pandemic-era response measure to a permanent system of support for providers. We believe a careful, data-driven approach can help determine the optimal distribution of operational grant funds. **As a coalition, our principles lead us to support the following guidelines for the allocation of operational grants:**

- In order to ensure that public investments build a system where high-quality care is fully accessible to low-income families, programs that wish to qualify for operational grant funding should be willing to enroll children with CCFA (e.g., by entering an agreement with EEC to accept vouchers). At the same time, providers should not be penalized if they are unable to enroll children with CCFA due to the limited turnover of early education spots and limited availability of CCFA to new families.
- The distribution formula for operational grant funding should prioritize programs serving the greatest number of low-income and vulnerable families, and should be implemented within a maximum of 2 years.
- EEC should develop compliance standards to ensure accountability for providers receiving operational grants, to ensure they are accessible to children receiving child care financial assistance.
- Eligible providers that comply with EEC's standards should have their operational grants renewed annually without having to reapply.

We look forward to working with you to pass comprehensive early education and child care legislation — through the state budget — that puts Massachusetts on the path to delivering high-quality, affordable early education and child care for all Massachusetts families.

Sincerely,

The Common Start Coalition Steering Committee

The Common Start Coalition is a statewide partnership of organizations, providers, parents, early educators and advocates working together to make high-quality early education and child care affordable and accessible to all Massachusetts families. Our goal is to ensure that all families have the care solutions they need and that all children in our Commonwealth have the same, strong start and enter school on a level playing field. We are a diverse coalition including community, faith-based, labor, business, and early education and child care organizations, as well as early educators, parents, individuals, and direct service organizations.

The coalition, established in 2018, includes more than 170 organizations across Massachusetts as well as more than 3,000 individual parents, caregivers, early educators, center administrators, business owners, and family child care providers. More information about the coalition is available at commonstartma.org.