

Conference Committee FY25 state budget

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C3 formula and eligibility

2818 **SECTION 189.** (a) Notwithstanding any general or special law to the contrary, the
2819 department of early education and care shall distribute operational grant funding for fiscal year
2820 2025 through the following formula:

2821 (i) providers with enrollment including at least 25 per cent of children receiving child
2822 care financial assistance, otherwise serving at least 25 per cent of low and at-risk children or
2823 head start or early head start program shall receive not less than 50.5 per cent of operational
2824 grant funding distributed in a fiscal year;

2825 (ii) providers with enrollment including at least 1 per cent but less than 25 per cent of
2826 children receiving child care financial assistance shall receive not less than 28.4 per cent of
2827 operational grant funding distributed in a fiscal year; and

2828 (iii) providers serving no children receiving child care financial assistance shall receive
2829 not more than 21.1 per cent of operational grant funding distributed in a fiscal year.

2830 (b) A provider that is not an “eligible organization” as defined in section 18 of chapter
2831 15D of the General Laws and that, directly or through an affiliate, operates more than 10 center-
2832 based programs in the commonwealth shall not receive more than 1 per cent of annual program
2833 funds unless the provider is granted a waiver by the commissioner deeming such allocation of
2834 more than 1 per cent to be in the best interest of the commonwealth.

iLottery and EEC funds

154 **SECTION 9.** Said chapter 10 is hereby further amended by striking out section 25, as so

155 appearing, and inserting in place thereof the following section:-

156 Section 25. (a) The apportionment of the total revenues accruing from the sale of lottery
157 tickets or shares and from all other sources at the point of sale at a licensed agent shall be as
158 follows: (i) the payment of prizes to the holders of winning tickets or shares, which in any case
159 shall be no less than 45 per cent of the total revenues accruing from the sale of lottery tickets; (ii)
160 the payment of costs incurred in the operation and administration of the lottery, including the
161 expenses of the commission and the costs resulting from any contract or contracts entered into
162 for promotional, advertising or operational services or for the purchase or lease of lottery
163 equipment and materials, which in no case shall exceed 15 per cent of the total revenues accruing
164 from the sale of lottery tickets or shares, subject to appropriation; and (iii) the balance shall be
165 used to fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to
166 appropriation.

167 (b) The apportionment of the total revenues accruing from the sale of lotteries conducted
168 online, over the internet, through the use of a mobile application or through any other means as
169 authorized by section 24 except for those enumerated in subsection (a) shall be as follows: (i) the
170 payment of prizes to the holders of winning tickets or shares; (ii) the payment of costs incurred
171 in the operation and administration of such lotteries, including the expenses of the commission
172 and the costs resulting from any contract or contracts entered into for promotional, advertising or
173 operational services or for the purchase or lease of lottery equipment and materials, which in no
174 case shall exceed 5 per cent of the total revenues accruing from the sale of lottery tickets or
175 shares; and (iii) the balance shall be transferred to the Early Education and Care Operational
176 Grant Fund established in section 19 of chapter 15D.

ECE scholarship and loan forgiveness

344 **SECTION 23.** Chapter 15A of the General Laws is hereby amended by inserting after

345 section 19E the following 2 sections:-

346 Section 19F. (a) Subject to appropriation, the board shall, in consultation with the board
347 of early education and care, establish an early education and care educator scholarship program
348 for current and prospective early education and care sector educators. The program shall be
349 administered by the board, in consultation with the board of early education and care, consistent
350 with clause (10) of the second paragraph of section 5 of chapter 15D.

351 (b) To be eligible for the scholarship program, recipients shall demonstrate that they are
352 either: (i) a current early education and care educator employed or seeking employment with an
353 early education and care provider in the commonwealth; or (ii) a prospective early education and
354 care educator who is enrolled in or has agreed to enroll in a certificate program or an associate,
355 bachelor or graduate-level degree program in the early education and care field in the
356 commonwealth; provided, however, that recipients of the scholarship program shall commit to
357 providing early education and care in the commonwealth for a term of service to be determined
358 by the board in consultation with the board of early education and care.

359 (c) Preference for scholarships shall be given to applicants identified as educators who
360 have displayed a proven commitment to early childhood education or who are members of a
361 socially or economically disadvantaged community.

362 (d) A scholarship granted pursuant to this section may be used to cover the cost of tuition,
363 fees or course-related expenses, including, but not limited to, personal child care expenses
364 incurred in order to attend classes and class meetings and other supports deemed appropriate by
365 the board, in consultation with the board of early education and care, for current and prospective
366 early education and care educators to obtain credentials or associate, bachelor or graduate-level
367 degrees to meet the educator and program quality standards of the department of early education
368 and care.

369 (e) The board, in consultation with the board of early education and care, shall
370 promulgate regulations or guidelines governing the scholarship program, which shall include

371 procedures for repayment of the amount of scholarship benefits for a recipient who participates
372 in the program but fails to complete the commitment under subsection (b) or other requirements.

373 Section 19G. (a) Subject to appropriation, the board shall, in consultation with the board
374 of early education and care, establish an early education and care educator loan forgiveness
375 program for early education and care educators pursuant to clause (10) of section 5 of chapter
376 15D. Preference for loan forgiveness shall be given to applicants identified as early education
377 and care educators in the commonwealth who have displayed a proven commitment to early
378 childhood education and who either: (i) work in communities predominantly serving children
and families with high needs; or (ii) work in regions with a shortage of early education and care
380 slots.

381 (b) The board, in consultation with the board of early education and care, shall
382 promulgate regulations or guidelines necessary to implement this section, which shall include
383 procedures for default of the loan forgiveness program for a recipient who participates in the
384 program but fails to complete the commitment or other requirements.

Establishing a schedule for revising rates and sliding scale fees

417 **SECTION 26.** The second paragraph of section 2 of chapter 15D of the General Laws, as
418 so appearing, is hereby amended by striking out clause (e) and inserting in place thereof the
419 following clause:-

420 (e) establish and develop a schedule for revising: (1) a rate structure for voucher and
421 contracted payments to early education and care providers that enroll children receiving child
422 care financial assistance, which shall be informed by the cost of providing high-quality early
423 education and care to such children in conformity with federal and state laws, regulations and
424 quality and safety standards and any other relevant factors; and (2) a sliding fee scale for families
425 receiving child care financial assistance, which shall be updated within 1 year of the department
426 expanding income eligibility for the child care financial assistance program under subsection (e)
427 of section 13A, or not less than every 5 years, whichever occurs first, to reflect affordability
428 standards for participating families; provided, however, that recipients of child care financial
429 assistance whose income is not more than 100 per cent of the federal poverty level shall not be
430 charged fees for care; provided further, that the sliding fee scale shall be implemented by
431 applying the scale to the amount that a family's income exceeds 100 per cent of the federal
432 poverty level; provided further, that recipients of child care financial assistance shall not be
433 charged fees for care that exceed 7 per cent of the family's total income; provided further, that
434 prior to the establishment or revision of the rate structure or sliding fee scale, the department
435 shall hold a public hearing under chapter 30A on such establishment or revisions and the board
436 shall approve such establishment or revision; and provided further, that the department shall
437 submit any proposed rate structure or sliding scale fee to the clerks of the senate and house of
438 representatives not less than 60 days prior to implementation.

Data advisory committee

439 **SECTION 27.** Said section 2 of said chapter 15D, as so appearing, is hereby further
440 amended by adding the following 2 clauses:-
441 (v) in consultation with the data advisory commission established in section 12B,
442 annually collect data, to the extent feasible, on: (1) the number of for-profit organizations that
443 own or franchise centers in multiple states and operate center-based programs in the
444 commonwealth; (2) the number of center-based programs that are not programs pursuant to
445 subclause (1); (3) the number of early education and care providers serving children and
446 families; (4) the number of employees at early education and care providers, delineated by job
447 position and full-time or part-time designation; (5) pay rates and employer-paid benefits for
448 employees at early education and care providers, delineated by job position and full-time or part-
449 time designation; (6) tuition charged by early education and care providers for full and part-time
450 early education and care, delineated by age group and region; (7) the number of children enrolled
451 by early education and care providers, delineated by region, age, type of care, family income
452 range, race, ethnicity, country of origin, disability status, receipt of early intervention services,
453 primary language of the household and the number of adults in the household; (8) the number of
454 children receiving child care financial assistance, delineated by region, age, family income, race,
455 ethnicity, country of origin, disability status, receipt of early intervention services, primary
456 language of the household and number of adults in the household; (9) the total cost of child care
457 financial assistance provided by the department; (10) the average monthly number of utilized and
458 unutilized contracted slots and vouchers, delineated by region and type of care; and (11) the
459 average monthly number of children on the department's waitlist for child care financial
460 assistance, delineated by region, age, type of care, family income range, race, ethnicity, country
461 of origin, disability status, receipt of early intervention services, primary language of the
462 household and number of adults in the household; provided, however, that the department shall
463 include a summary of the data collected pursuant to this clause in the department's annual report
464 required pursuant to subsection (g) of section 3; and
465 (w) develop, maintain and disseminate a written early education and care informational

466 guide, accessible through the department's website and available in multiple languages,
467 containing resources for parents of newborns, including, but not limited to: (1) information on
468 the short and long-term developmental benefits of a quality early education and care curriculum;
469 (2) the department's role in licensing providers and conducting background record checks and
470 the differences between licensed and unlicensed providers; (3) child care financial assistance
471 eligibility requirements and application process; and (4) the website for families to access an
472 online directory, searchable by geographic location, of licensed child care programs across the
473 commonwealth; provided, however, that the department shall disseminate the guide at accessible
474 locations, including, but not limited to: (A) public libraries; (B) family resource centers; (C)
475 hospitals with maternity services; and (D) birthing centers.

476 **SECTION 28.** The first paragraph of subsection (g) of section 3 of said chapter 15D, as
477 so appearing, is hereby amended by adding the following 2 sentences:- The report shall
478 summarize data collected pursuant to clause (v) of the second paragraph of section 2 and shall
479 provide information and examples on barriers to collecting data required pursuant to said clause
480 (v). The report shall summarize data collected for the operational grant program established
481 pursuant to section 20.

Child care financial assistance

532 **SECTION 32.** Said chapter 15D is hereby further amended by inserting after section 13

533 the following section:-

534 Section 13A. (a) The department shall maintain, subject to appropriation, a child care
535 financial assistance program that shall provide sufficient financial assistance to enable eligible
536 families to afford and access high-quality early education and care for infants, toddlers,
537 preschool-age children and school-age children.

538 (b) The department shall provide child care financial assistance to support early education
539 and care through means which shall include, but shall not be limited to: (i) providing vouchers
540 for payments to early education and care providers of a family's choosing; and (ii) offering
541 families the option of an open slot with an early education and care provider that is contracted
542 with the department; provided, however, that an eligible family shall receive only 1 type of
543 support for each eligible child. Reimbursement for vouchers and contracted payments to early
544 education and care providers that enroll children receiving child care financial assistance shall be
545 based on enrollment; provided, however, that enrollment shall be measured by the department
546 using quarterly enrollment averages or if deemed appropriate by the department, enrollment
547 averages less frequent than quarterly.

548 (c) Child care financial assistance may be used for early education and care provided by
549 public, private, nonprofit and for-profit entities licensed or approved by the department
550 including, but not limited to, preschools, child care centers, nursery schools, before-school
551 programs, after-school programs, out-of-school time programs, Head Start programs, Early Head
552 Start programs, informal child care providers and independent and system-affiliated family child
553 care homes. As a condition for receiving child care financial assistance from the department
554 under this section, an early education and care provider shall enter into and comply with a
555 contract with the department or its agents. The department shall develop the contract which shall
556 include a requirement that the early education and care provider comply with all applicable
557 requirements of this chapter and any other federal or state requirements necessary to receive
558 funding for child care financial assistance provided to families under this section.

559 (d) The department shall provide child care financial assistance to: (i) families with a
560 child who has an open case at the department of children and families or families with a child
561 who is otherwise referred by the department of children and families; (ii) families currently
562 involved with, or transitioning from, transitional aid to families with dependent children,
563 including: (A) recipients of transitional aid to families with dependent children benefits; (B)
564 former recipients of transitional aid to families with dependent children benefits who are
565 working or are engaged in an approved service need activity for up to 1 year after termination of
566 their benefits; (C) participants who are working or are engaged in an approved service need
567 activity for up to 1 year after the transitional period; (D) parents who are under 18 years of age
568 who are currently enrolled in a job training program and who would qualify for benefits under
569 chapter 118 if not for the consideration of the income of the minor parents' legal guardians or
570 parents; and (E) recipients of the supplemental nutrition assistance program who are participating
571 in education and training services approved by the department of transitional assistance; and (iii)
572 families in need of early education and care services whose family income is not more than 85
573 per cent of the state median income; provided, however, that the department shall promulgate
574 regulations to ensure that priority shall be given to families: (A) whose family income is not
575 more than 50 per cent of the state median income; (B) in which a parent or caregiver is working
576 in the field of early education and care subject to rules or regulations set by the department; (C)
577 with children who have a documented disability and whose family income is not more than 85
578 per cent of the state median income; (D) who are experiencing homelessness; (E) who are
579 headed by a young parent as determined by the department; and (F) experiencing domestic
580 violence.

581 (e) If additional funds are available or the federal government obligates itself to release
582 additional funding to expand access to child care services beyond those reasonably sufficient to
583 fund subsection (d), the department shall, in a manner consistent with any requirements placed
584 on the receipt or expenditure of the relevant federal funds, allocate funding to increase the
585 number of families receiving child care financial assistance based on income eligibility in the
586 following order of priority to provide child care financial assistance to: (i) families eligible under
587 said clause (iii) of said subsection (d); (ii) families in need of child care services whose family

588 income is above 85 per cent, but not more than 100 per cent, of the state median income; (iii)
589 families in need of child care services whose family income is above 100 per cent, but not more
590 than 110 per cent, of the state median income; and (iv) families in need of child care services
591 whose family income is not more than 125 per cent of the state median income.

592 (f) If a school-age child is receiving child care financial assistance, the assistance shall
593 continue until the end of the school year even if the child reaches the maximum age prior to the
594 last day of the school year.

595 (g) For the purposes of child care financial assistance eligibility, “family income” shall
596 include the income of parents living with the child receiving child care financial assistance but
597 shall not include: (i) any form of income of foster parents, caregivers or other adult family
598 members; (ii) income of siblings who are not receiving child care financial assistance; or (iii)
599 earned income of any minor child.

600 To the extent allowable under federal laws and regulation, no child care financial
601 assistance provided under this section shall be counted as income or assets for the purpose of
602 disqualifying any person from eligibility for any other government benefit for which the person
603 is otherwise eligible including, but not limited to, transitional aid to families with dependent
604 children benefits.

605 (h) The department or its agents shall not reduce, terminate or deny continued child care
606 financial assistance to a family based solely on family income unless the income exceeds 85 per
607 cent of the state median income or the income eligibility threshold for currently eligible families
608 as prioritized in subsection (e), whichever is higher. If a family is determined to be ineligible for
609 financial assistance, the family shall be given an opportunity for an administrative review. If the
610 department or its agents, after such administrative review, reduce, terminate or deny a family’s
611 child care financial assistance, the department shall provide the family with an opportunity for an
612 administrative appeal hearing and shall process the appeal within 60 days from the date the
613 request is made. Subject to department rules and regulations, while an administrative review or,
614 if applicable, an administrative appeal hearing is pending and until a final determination is made,
615 services supported by child care financial assistance shall continue after receipt of a notice of
616 reduction, termination or denial of continued child care financial assistance.

617 (i) The department shall review the child care financial assistance program not less than
618 annually to identify access barriers to families and opportunities to improve families'
619 experiences with the child care financial assistance process, including, but not limited to,
620 department paperwork and verification requirements. The department shall take action to remove
621 any access barriers, including, but not limited to: (i) making technological improvements; (ii)
622 streamlining the application and renewal processes; (iii) improving outreach to potentially
623 eligible families regarding the availability of child care financial assistance and the application
624 process; and (iv) improving access for families with limited English proficiency.

625 (j) Annually, not later than February 15, the department shall file a report to the clerks of
626 the senate and house of representatives, the senate and house committees on ways and means and
627 the joint committee on education on the child care financial assistance program including, but
628 not limited to: (i) the number of applications received; (ii) the numbers of applications denied,
629 delineated by reason for denial; (iii) the number of administrative reviews requested, delineated
630 by reasons for ineligibility as determined by the department; (iv) the number of administrative
631 reviews performed, delineated by reversal, reduction, termination and denial of child care
632 financial assistance and length of time in which a decision was made; and (v) the number of
633 administrative appeal hearings, delineated by the administrative appeal hearing decisions and
634 length of time in which a decision was made. The report shall be made publicly available on the
635 department's website.

636 (k) The department shall promulgate regulations necessary to implement this section.

FCC definition

637 **SECTION 33.** Subsection (a) of section 17 of said chapter 15D, as appearing in the 2022
638 Official Edition, is hereby amended by striking out the definitions of “Family child care
639 provider” and “Family child care services” and inserting in place thereof the following 2
640 definitions:-

641 “Family child care provider”, a person who provides family child care services on behalf
642 of children receiving child care financial assistance and receives payment from the
643 commonwealth for such services under a rate structure for voucher and contracted payments.

644 “Family child care services”, child care services provided for less than 24 hours per day
645 in the residence of the provider on behalf of children receiving child care financial assistance for
646 which payment from the commonwealth is made under a rate structure for voucher and
647 contracted payments.

648 **SECTION 34.** Subsection (b) of said section 17 of said chapter 15D, as so appearing, is
649 hereby amended by inserting after the fifth sentence the following sentence:- Deductions may
650 further be made under said sections 17A, 17G and 17J of said chapter 180 from payments
651 received by family child care providers through grants received under section 19; provided,
652 however, that notwithstanding subsection (g), with the exception of dispute resolution
653 procedures regarding grant payment errors, the distribution, disbursement or allocation amounts
654 or formulas of said grants shall not be the subject of negotiation or collective bargaining.

655 **SECTION 35.** Said section 17 of said chapter 15D, as so appearing, is hereby further
656 amended by striking out, in line 76, the words “low-income and other at-risk children” and
657 inserting in place thereof the following words:- children receiving financial assistance.

Early Education and Care Operational Grant Fund, Career Ladder

658 **SECTION 36.** Said chapter 15D is hereby further amended by adding the following 3

659 sections:-

660 Section 19. (a) There shall be established and set up on the books of the commonwealth a
661 separate, non-budgeted special revenue fund known as the Early Education and Care Operational
662 Grant Fund, which shall be administered by the department. Amounts credited to the fund shall
663 be expended, subject to appropriation, to provide a funding stream to support the operational
664 grant program for early education and care providers in the commonwealth established pursuant
665 to section 20. The unexpended balance in the fund at the end of a fiscal year shall remain
666 available for expenditure in subsequent fiscal years. The fund shall not be subject to section 5C
667 of chapter 29.

668 (b) The fund shall be credited with: (i) revenue received pursuant to clause (iii) of
669 subsection (b) of section 25 of chapter 10; (ii) other money authorized by the general court and
670 specifically designated to be credited to the fund; (iii) funds from public and private sources,
671 including, but not limited to, gifts, grants and donations; and (iv) interest earned on such money.

672 Section 20. (a) The department shall, subject to appropriation, establish, distribute and
673 maintain an operational grant program for early education and care providers to provide high-
674 quality and sustainable education and care.

675 (b) Eligible uses for operational grants shall include, but not be limited to: (i)
676 compensating early education and care provider staff through increased salaries, benefits,
677 bonuses, professional development or access to continuing education opportunities; (ii)
678 increasing the affordability of early education and care to families, including by reducing the
679 tuition and fees paid by families or offering scholarships to families; (iii) enabling early
680 education and care providers to provide high-quality early education and care and to comply with
681 applicable health, safety, educational and quality-assurance requirements, any other requirements
682 of this chapter, and requirements imposed by the department consistent with this chapter; (iv)
683 improving facilities and physical spaces used by the providers; (v) enabling early education and
684 care providers to purchase high-quality, evidence-based early literacy materials; (vi) enabling

685 providers to address emergency situations during which the cost of care significantly increases
686 due to additional federal, state or department requirements or the loss of fees due to absence or
687 unenrollment that jeopardizes early education and care providers' ability to retain their facilities
688 and staff; (vii) enabling early education and care providers to expand hours of operation to meet
689 the needs of children and families; and (viii) enabling early education and care providers to
690 maintain or increase capacity to provide voluntary supplemental services to enrolled children and
691 their families including, but not limited to, social work services, health and disability-related
692 services and support services to parents and caregivers.

693 (c) The department shall maintain a formula for distributing operational grants to early
694 education and care providers, which shall give preference to providers that serve: (i) high
695 numbers of children receiving child care financial assistance or services from head start and early
696 head start programs; (ii) high numbers of high needs children; and (iii) unique populations or that
697 otherwise advance the interests of the program as determined by the department. The formula
698 shall consider: (i) licensed capacity and enrollment including the ages of the children enrolled
699 and the ages of the children for whom the provider has capacity; provided, however, that
700 enrollment shall be measured by the department using quarterly enrollment averages or if
701 deemed appropriate by the department, enrollment averages less frequent than quarterly; (ii)
702 costs associated with employee compensation, including salaries and benefits; (iii) the number of
703 enrolled children receiving child care financial assistance, services from head start and early
704 head start programs or scholarship assistance or other meaningful financial assistance from an
705 early education and care provider; (iv) to the extent feasible, the demographics and income of
706 families served, including the number of children enrolled and identified as high needs; (v) the
707 cost of goods and services necessary for provider operations, including rent, utilities,
708 maintenance and facility improvements; (vi) the cost of quality care methodology developed by
709 the department and, until such time as the methodology is established, any available information
710 regarding the cost of quality early education and care, including available credentialing
711 frameworks and applicable salary guidelines; (vii) increasing the financial stability of providers
712 in need; (viii) the business structure of providers; and (ix) any other factors impacting the cost of
713 providing quality early education and care including, but not limited to, serving infants and

714 toddlers, providing nonstandard hours of care and providing care in socially and economically
715 disadvantaged and historically underrepresented communities with shortages of early education
716 and care slots. A provider that is not an “eligible organization” as defined in section 18 and that,
717 directly or through an affiliate, operates more than 10 center-based programs in the
718 commonwealth shall not receive more than 1 per cent of annual program funds unless the
719 provider is granted a waiver by the commissioner deeming such allocation of more than 1 per
720 cent to be in the best interest of the commonwealth. The department shall incorporate geographic
721 equity into the development of the distribution formula.

722 Annually, the department shall review and update the operational grant formula to ensure
723 equity and effectiveness in the financial sustainability of early education and care providers.
724 Prior to the establishment or a revision of the operation grant formula, the department shall
725 conduct a public hearing under chapter 30A and submit the proposed updates to the board for its
726 approval.

727 (c1/2) To prioritize low-income and at-risk children, the department shall annually ensure
728 not less than 50.5 per cent of operational grant funding distributed in a fiscal year is disbursed to:
729 (i) providers with enrollment of at least 25 per cent of children receiving child care financial
730 assistance or otherwise serving at least 25 per cent of low and at-risk children; or (ii) head start
731 or early head start programs.

732 (d) As a condition for receiving operational grants under this section, the department shall
733 require early education and care providers to: (i) enter into and comply with contractual
734 agreements with the department or its agents, which shall be developed by the department; (ii)
735 continue to, or demonstrate a willingness to, enroll children receiving child care financial
736 assistance, if a family receiving child care financial assistance chooses the provider and the
737 provider has an available opening; (iii) demonstrate progress towards increasing salary,
738 compensation and benefits in alignment with the career ladder established in section 21, and if
739 not feasible, provide increased salaries, compensation and benefits to the extent possible; and
740 (iv) provide the department with data that the department requires, as needed to carry out the
741 department’s assessment and reporting requirements under this section. The department shall
742 solicit public comments prior to establishing or revising criteria for eligible recipients of the

743 operational grant program.

744 (e) Operational grants shall, subject to appropriation and the distribution formula
745 developed under subsection (c), be renewed for each provider; provided, however, that renewal
746 shall not be required if there is a change in circumstances for the provider making them
747 ineligible, the provider is not in compliance with this section or if the department, in its
748 discretion, determines that renewal would not be appropriate.

749 (f) The department shall establish enforceable compliance standards to ensure the
750 integrity of the program. The standards shall ensure that open slots in early education and care
751 providers that receive operational grants are accessible to children receiving child care financial
752 assistance and that recipients are making meaningful progress towards complying with the career
753 ladder standards established in section 21; provided, however, that a provider that is not an
754 “eligible organization” as defined in section 18 of and that, directly or through an affiliate,
755 operates more than 10 center-based programs in the commonwealth and receives operational
756 grants shall: (i) demonstrate a willingness to accept more children receiving child care financial
757 assistance at each program location operated by the provider or an affiliate of the provider in
758 proportion to the provider’s size, as determined by the department; (ii) dedicate a certain
759 percentage of the provider’s operational grant funds, as determined by the department, to
760 increasing compensation for their early education educators and make meaningful progress
761 towards complying with the department's career ladder; and (iii) annually provide the department
762 with an audited financial statement detailing how the provider’s operational grant funds are
763 spent. Prior to establishing or revising standards, the department shall solicit public input.

764 (g) The department shall include information on the status of the operational grant
765 program in the department’s annual report required by subsection (g) of section 3. This
766 information shall include, but not be limited to: (i) a description of the distribution formula; (ii)
767 an analysis of the incorporation of equity into the distribution formula; (iii) an analysis of the
768 demographic data of the families served by recipients of operational grants; (iv) an analysis of
769 how recipients are using operational grants; (v) an analysis of the impact of the operational grant
770 program on supporting provider sustainability, increasing the availability of early education and
771 care slots, supporting the early education and care workforce, assisting providers with complying

772 with the career ladder established under section 21 and improving access to, and the affordability
773 of, high-quality early education and care; (vi) an analysis of the impact that the termination of
774 the operational grant program would have on the commonwealth; (vii) if applicable,
775 recommendations on how the program could be modified to most effectively direct grant funding
776 to providers serving families with the greatest needs; and (viii) if applicable, recommendations
777 on how to amend the distribution formula to maximize the goals of educational equity, school
778 readiness and optimal results for families with the greatest needs. The department shall publicly
779 post on its website the amount of operational grants awarded, delineated by the name of each
780 recipient and by the municipality in which the recipient is located.

Career Ladder

781 Section 21. (a) The department shall maintain an early education and care career ladder
782 as considered under clause (11) of the second paragraph of section 5.

783 (b) The career ladder shall include, but not be limited to: (i) minimum recommended
784 salaries and compensation for each level of the career ladder that are commensurate with the
785 salaries of public school teachers with equivalent education, credentials and training required for
786 a position; (ii) minimum recommended benefits for early education and care provider staff
787 including, but not limited to, health insurance, retirement benefits, paid vacation and other leave
788 time; and (iii) recommendations for linking professional development and educational
789 credentials to increased compensation and leadership opportunities in early education and care.
790 Prior to establishing or revising the career ladder, the department shall solicit public input.

791 (c) The department shall review the career ladder's compensation structure and benefits
792 guidelines annually and update them, as needed, based on increased cost of living or any other
793 factors deemed relevant by the department to determine appropriate compensation for the field.

Cost of quality care, methodology

2731 **SECTION 182.** Not later than October 31, 2024, the department of early education and
2732 care shall submit a report to the clerks of the senate and house of representatives, the senate and
2733 house committees on ways and means and the joint committee on education on a proposed
2734 methodology to calculate and assess the cost of providing high-quality early education and care.
2735 The methodology shall take into consideration the full cost of service delivery including, but not
2736 limited to, costs that vary based on: (i) geographic region; (ii) early education and care provider
2737 type and size; (iii) the age ranges of children served; (iv) group size and ratios; (v) the
2738 demographics of the populations served by early education and care providers; and (vi) costs of
2739 additional services to children and families with high needs, including staff and staff training
2740 necessary to accommodate children with disabilities or other high needs, interpreter services,
2741 mental health supports for children and staff and staff time required to provide comprehensive
2742 family engagement and services to ensure effective early education and promote
2743 multigenerational success.

2744 In developing the methodology, the department shall consider the factors that affect the
2745 cost of service delivery including, but not limited to: (i) administration; (ii) staff pay and
2746 benefits; (iii) professional development and instructional coaching; (iv) operations and
2747 maintenance including, but not limited to, rent, equipment, technology, furniture and utility
2748 costs; (v) educational supplies and curricula; (vi) food services; and (vii) transportation services.

2749 The department shall include in its report: (i) recommendations to annually assess and
2750 update the methodology to ensure continued alignment with the cost of providing high-quality
2751 early education and care and compliance with federal regulations; and (ii) recommendations
2752 regarding the use of the methodology to inform the development of child care financial
2753 assistance reimbursement rates under clause (e) of the second paragraph of section 2 of said
2754 chapter 15D of the General Laws and the distribution formula for the operational grant program
2755 established in section 19 of said chapter 15D.

Employer supports: best practices, benefits, and incentives

2756 **SECTION 183.** (a) Not later than June 30, 2025, the executive office of labor and
2757 workforce development, in consultation with the department of early education and care and the
2758 executive office of economic development, shall conduct a study and make recommendations in
2759 a report to be filed with the clerks of the senate and house of representatives, the senate and
2760 house committees on ways and means and the joint committee on education. The report shall
2761 include, but not be limited to: (i) identifying and promoting employer best practices; (ii)
2762 exploring employer incentives to support additional early education and care benefits for their
2763 employees; (iii) examining the availability of state partnerships with the business community to
2764 support employees who have young children; (iv) exploring ways to improve collaboration
2765 across secretariats of state agencies to engage with the business community; (v) considering
2766 incentives or requirements for employers of a certain size or specific subgroups of employers to
2767 provide employer-supported early education and care benefits to employees; and (vi) considering
2768 the feasibility of assessing all or certain employers to fund expanded access to high quality,
2769 affordable early education and care. Prior to making its recommendations, the executive office of
2770 labor and workforce development shall meet with regionally-diverse stakeholders

Reporting deadlines: C3 formula and career ladder

2771 **SECTION 184.** Not later than January 15, 2025, the department of early education and
2772 care shall submit to the house and senate committees on ways and means and the joint committee
2773 on education a preliminary report on the implementation and effects of the updated operational
2774 grant funding formula established pursuant to section 189 of this act and section 20 of chapter
2775 15D of the General Laws and consistent with the reporting requirements of subsection (d) of said
2776 section 20 of said chapter 15D.

2777 **SECTION 185.** The department of early education and care shall establish the first early
2778 education and care career ladder pursuant to section 21 of chapter 15D of the General Laws not
2779 later than October 31, 2024.

Family, friend and neighbor care

2780 **SECTION 186.** Not later than January 1, 2025, the department of early education and
2781 care shall submit a report to the clerks of the senate and house of representatives, the senate and
2782 house committees on ways and means and the joint committee on education relative to family,
2783 friend and neighbor care, which shall include, but not be limited to: (i) the feasibility of
2784 implementing and overseeing a family, friend and neighbor care network; (ii) the department
2785 structures necessary to evaluate and support a family, friend and neighbor care network; (iii) the
2786 sustainability of said network; and (iv) any legislative changes necessary to carry out the
2787 recommendations. Prior to reporting its findings, the department shall consult with Community
2788 Labor United Inc.'s Care That Works pilot program, New England United for Justice, Inc.,
2789 Service Employees International Union, Local 509 and Massachusetts Child Care Resource and
2790 Referral Network, Inc.

EOST Capital Fund

2791 **SECTION 187.** Not later than December 31, 2025, the department of early education and
2792 care, in consultation with the Children’s Investment Fund, Inc. and the Community Economic
2793 Development Assistance Corporation, shall file a report with the clerks of the senate and house
2794 of representatives, the senate and house committees on ways and means and the joint committee
2795 on education detailing proposed improvements to the Early Education and Out of School Time
2796 Capital Fund established in section 18 of chapter 15D of the General Laws. The report shall
2797 include, but not be limited to: (i) proposed grant eligibility criteria; (ii) proposed size of grants;
2798 (iii) proposed ways to streamline the application process; (iv) any other parameters to increase
2799 the impact of the fund and ensure that funds reach intended recipients; and (v) any data available
2800 on unmet needs for early education and care facilities improvements.

Multi-site for-profit C3 reporting

2801 **SECTION 188.** Not later than February 28, 2025, the department of early education and
2802 care shall file a report on the impact and utilization of operational grant funding program
2803 established under section 189 of this act and section 20 of chapter 15D of the General Laws by
2804 multi-site, for-profit center-based child care providers who receive operational grants. The report
2805 shall be filed with the clerks of senate and the house of representatives, the senate and house
2806 committees on ways and means and the joint committee on education. The report shall include
2807 information about:

2808 (i) the number of such entities that operate multi-site center-based programs in the
2809 commonwealth and the number of sites operated;

2810 (ii) the number and percent of children served in such programs;

2811 (iii) an analysis of the amount of grant funding distributed to each early education and
2812 care provider, including data on grant spending delineated by category of spending;

2813 (iv) an analysis of the operations of such providers in other states, including an analysis
2814 of the impact, if any, on capacity and tuition costs for such providers when states exhausted
2815 COVID-19-related supplemental Child Care Development Fund funding; and

2816 (iv) Any other information deemed necessary by the department to inform future formula
2817 adjustments to operational grants.

Workforce pipeline

2844 **SECTION 192.** (a) The department of early education and care, in consultation with the
2845 executive office of labor and workforce development, the commonwealth corporation and the
2846 early education and care workforce council, established in section 79 of chapter 154 of the acts
2847 of 2018, shall conduct a study and submit a report making recommendations to: (i) enhance the
2848 early education and care workforce pipeline; and (ii) develop strategies and prioritization of
2849 programming and funding opportunities to ensure that the early educator workforce meets the
2850 needs of the commonwealth.

2851 (b) The report shall include, but shall not be limited to, recommendations on: (i)
2852 recruiting new early education and care providers; (ii) developing apprenticeship programs and
2853 non-traditional recruitment opportunities as part of a curriculum-based service-learning program;
2854 (iii) collaborating with early education and care providers and vocational schools with curricula
2855 that include early education and care; (iv) retaining early educators; (v) incentivizing the
2856 development of family child care providers; and (vi) exploring the potential for the growth of
2857 family child care providers into center-based programs.

2858 (c) The department of early education and care shall file the report, along with any
2859 recommendations, with the clerks of the house of representatives and the senate, the house and
2860 senate committees on ways and means, the joint committee on education and the joint committee
2861 on labor and workforce development not later than June 30, 2025. The report shall be made
2862 publicly available on the websites of the department of early education and care and the
2863 executive office of labor and workforce development.