



## **Summary Overview: Common Start Coalition Bill**

*An Act Providing Affordable and Accessible High Quality Early Education and Care to Promote Child Development and Well-Being and Support the Economy in the Commonwealth*

**H.605 (Reps. Gordon & Madaro) & S.362 (Sens. Lewis & Moran)**

### **SECTION 1: DEFINITIONS REQUIRED FOR LEGISLATION**

This section amends the existing definitions section of Chapter 15D to add several new definitions to avoid ambiguity in the bill. These definitions do not affect the terminology used in early education and child care programs in the field.

### **SECTION 2: NEW EEC OBLIGATIONS FOR CREATING A MORE ACCESSIBLE, AFFORDABLE SYSTEM**

This section details new obligations for the state's Department of Early Education and Care (EEC) in order to achieve Common Start's vision for making high quality early education and child care available and affordable to all Massachusetts families.

- **Creating a system that compensates providers for the costs of high quality early education and child care:** This section instructs EEC to develop a system in which increased public funding and affordable family fees combine to enable providers to meet the full costs of providing high quality care.
- **Developing the methodology for calculating the cost of high quality early education and child care:** EEC is required to develop, with public input, a sound methodology for determining the actual costs of high quality early education and child care, considering children's ages, geographic locations within the state, and the range and nature of children's needs. EEC is required to update cost calculations yearly. It is to use these costs as targets to set reimbursement levels and direct funding for providers. The bill specifies basic requirements for the cost methodology, but EEC is permitted to include additional factors as needs evolve:
  - Base costs: These costs are the basic components of operating an early education and child care program, including personnel, occupancy, and instructional costs.
  - Costs of services for children with high needs: These children may require additional services and supports. This framework ensures that providers serving children with higher needs are compensated for their elevated costs.
  - Costs of complying with state and federal requirements: The framework includes a category to account for the costs of data collection, reporting, and other required activities.

- Costs of achieving policy goals: This component of the cost model allows EEC to calculate incentive compensation needed to reduce child care deserts and increase the supply of nonstandard hours care, among other goals.
- **Calculating costs of fully implementing “Early Education and Child Care Affordability Framework”:** EEC is required to calculate the funding required to implement the vision of this bill for accessible, affordable, high quality education. These calculations must include the costs of high quality care identified above, as well as of provisions of the bill addressing accessibility and affordability for families. EEC is also required to assess the extent of unmet needs for services such as subsidized transportation or nonstandard hours care.
- **Maintaining compliance with federal funding requirements:** Directs EEC to comply with all requirements necessary to maintain existing federal funding for early education and child care and to secure new funding that may become available.
- **Ensuring accessibility for families with diverse needs:** This bill requires EEC to take measures to provide all families with access to affordable early education and child care, including:
  - Disability access: EEC to ensure equal access to the publicly-funded early education and child care system to both parents with disabilities and to children with disabilities. Requires EEC to establish a Director of Disability Access position, which is something DTA previously did, with very promising results.
  - Language access: EEC to ensure equal access to parents and children with limited English proficiency through use of bilingual staff and interpreters and translation of documents into the 8 most common languages in Massachusetts.
  - Responsiveness to families: EEC to improve responsiveness to inquiries by parents concerning obtaining and retaining subsidies and other matters entrusted to EEC.
  - Proactive information for families of high needs children: EEC to inform families with high needs children of openings with providers who serve these children.
- **Collecting provider data and releasing public reports:** EEC is required to collect certain information from providers and produce reports at least annually on topics including:
  - Subsidies provided to families, broken down by household income, race, and ethnicity. These reports would include statistics on how applications, approvals, and denials break down across demographic lines.
  - Cost and allocation of direct-to-provider funding (Bedrock Funding) across providers.
  - Educator pay data and grant programs, including deviation of reported salaries from EEC guidance developed under Section 13D, described below.
  - Rates charged to families for care

### **SECTION 3: DUTIES OF THE EEC BOARD**

This section obligates the EEC Board to ensure that the department complies with the duties developed in this bill.

#### **SECTION 4: DUTIES OF THE EEC COMMISSIONER**

Section 4 empowers the Commissioner with authority to carry out the responsibilities created by this bill, both within EEC and at Child Care Resource and Referral agencies (CCRR's) and other subsidy administrators. This bill creates a much larger role for EEC in the coordination of early education and child care providers, families, and funding sources, and so the Commissioner's authority is central to the success of any implementation. It also requires the Commissioner to recommend a budget sufficient to implement the improved system of funding affordable, high quality early education and child care created by the bill.

#### **SECTION 5: CREATING THE EARLY EDUCATION AND CHILD CARE AFFORDABILITY FRAMEWORK: EXPANDING PUBLIC FUNDING TO MAKE EARLY EDUCATION AND CHILD CARE AFFORDABLE TO FAMILIES AND SUSTAINABLE FOR PROVIDERS AND EDUCATORS**

This section is the heart of this bill to reform the system of early education and child care in Massachusetts. It creates new programs and improves existing programs to meet three critical needs: 1) ensuring affordability for individual families, 2) funding providers to cover the actual costs of providing high quality care, and 3) increasing compensation and professional development opportunities for educators.

To accomplish this, the bill further amends Chapter 15D by adding four new sections:

- **Expanding early education and child care subsidy program:** This section (13A) expands the existing subsidy system. It creates a commitment to financial assistance for early education and child care for residents of the Commonwealth with no restrictions based on service need or income level, although at the outset EEC is required to prioritize existing service needs. The bill prioritizes the expansion of subsidies in tiers, with the lowest-income households accessing subsidies first and higher income households accessing subsidies as funding expands. Families with incomes at or below 50 percent of state median income will owe no fees for early education and child care services, while those making more will owe fees on a sliding scale not to exceed 7 percent of income. This duty to expand subsidies to more families does not prevent EEC from also increasing subsidy reimbursement rates to providers as a part of paying for the full cost of quality care.
- **New Bedrock Funding program for providers:** This section (13B) creates a new program of direct provider funding called "Bedrock Funding" (term used colloquially, but not in the bill itself) to help defray the costs of operating a high quality early education and child care program and increase affordability for families. To be eligible for Bedrock Funding, providers must agree to accept families that use early education and child care subsidies, and they must follow new EEC guidance on educator salaries and benefits. Allocation of funding will be based on a set of factors, notably the number of

early education and child care spaces the provider maintains (separate from attendance or enrollment) and the extent of the provider's service to high needs children. The bill also creates factors EEC must use in prioritizing funding allocations during the implementation phase. Once a provider receives Bedrock Funding, it is presumed to continue so long as the provider remains eligible. When implementation of this bill is completed, Bedrock Funding will combine with per-child subsidies and family fees to compensate providers for the full cost of care.

- **Professional development grant program:** This section (13C) creates a new program to support educator recruitment, retention, and professional development. Under this program, EEC may provide scholarships, loan forgiveness, and other financial aid to enable individuals to achieve early education and child care skills and credentials through training and post-secondary certificate and degree programs.
- **Early education and child care compensation guidelines:** This section (13D) obligates EEC to develop salary and benefits guidelines for early educators and other staff to ensure that those working in the early education and child care field are compensated equitably. This guidance, once implemented, can foster higher quality by keeping more talented educators in the field and attracting new teachers over time.

#### **SECTION 6: EEC REPORT TO LEGISLATURE ON RESOURCE NEEDS TO IMPLEMENT REFORMS**

Understanding that EEC will require additional resources to implement this bill, this section instructs EEC to report to the legislature on its needs within six months of the bill's passage. This report will incorporate feedback collected through at least 3 public hearings.

#### **SECTION 7: MAINTENANCE OF TAFDC-RELATED CHILD CARE POLICIES**

The bill does not change existing laws providing child care for current and former TAFDC families.

#### **SECTION 8: MAINTENANCE OF DCF-RELATED CHILD CARE POLICIES**

The bill does not change existing laws providing child care for families involved with DCF

#### **SECTION 9: BILL IS TO BE IMPLEMENTED, NOTWITHSTANDING OTHER STATE LAWS IN PLACE**

#### **SECTION 10: ASPIRATIONAL TIMEFRAME**

Sets out an aspirational 5-year timeframe to fully implement the bill.

#### **SECTION 11: BILL TAKES EFFECT UPON PASSAGE**

While the bill takes effect upon passage, EEC implementation will naturally require a period of policy development and coordination with partners and providers.