



Commonwealth Cares for Children (C3) Stabilization Grant Program:

A PRIORITY FOR MASSACHUSETTS' FY23 BUDGET

Since July 2021, Massachusetts' C3 Stabilization Grant program has supported thousands of early education and care programs across the Commonwealth with crucial direct-to-provider grants. These grants have been highly effective: they have stabilized the state's early education and care sector, enabled investments in quality and educator pay, and prevented program closures.

INCLUSION OF \$480M IN THE FY23 BUDGET TO EXTEND THE C3 STABILIZATION GRANT PROGRAM THROUGH FY23 IS ESSENTIAL FOR ENSURING THAT WORKING FAMILIES HAVE ACCESS TO THE CARE SOLUTIONS THEY NEED.

C3 Stabilization Grants:

- Were first introduced by the MA Department of Early Education and Care in July 2021. Massachusetts packaged federal American Rescue Plan Act (ARPA) funding into direct-to-provider grants that are available to all licensed center-based, Family Child Care, and after-school/out-of-school-time providers in the state.
- Provide direct-to-program funding intended to cover operational costs, including labor expenses.
- Tie grant funding to a program's enrollment capacity.
- Are available to all licensed programs, in recognition of the fact that the child care sector as a whole is failing.

The C3 Stabilization Grant Funding Formula Prioritizes Equity

- The amount of grant funding for which a program is eligible is calculated based on: (1) licensed capacity, (2) quality, and (3) equity.
- The C3 Funding Formula includes an equity adjustment, which allocates additional dollars to early education and care providers that serve socially vulnerable communities and/or lower-income children and children with special needs.
- As of late 2021, 65 percent of all C3 Stabilization Grant funding has been distributed to programs participating in the Massachusetts' child care subsidy program.
- Average per-slot grants to providers in more socially vulnerable communities are 30 percent higher than grants made to providers in more well-resourced areas.

Commonwealth Cares for Children (C3) Stabilization Grants Are Critical for Preventing Child Care Program Closures

The C3 Stabilization Grant Program stabilized Massachusetts' early education and care sector and protected against further program closures.

- Nearly 84 percent of the state's 7,500 eligible providers, which includes center-based programs, Family Child Care, and after-school/out-of-school-time providers, are participating in the C3 Stabilization Grant program.
- Family Child Care providers represent a majority of programs receiving grants.
- Prior to the launch of the C3 Stabilization Grant program, 1,359 programs closed between March 2020 and June 2021. From July 2021 to December 2021, only 453 additional programs closed. 98% of programs that closed between July 2021 - December 2021 did NOT receive C3 funding. Only 7 programs that took C3 funding closed.

If the C3 Stabilization Grant Program is not extended through FY23, it is likely that many programs that do not take state subsidies will close. Many of these programs are in socially vulnerable communities.

- Failure to extend the C3 Stabilization Grant program will most acutely impact programs that currently do not participate in the state subsidy system.
- 42 percent of Massachusetts's licensed providers do not accept subsidies.
- **32 percent of providers that do not take subsidies are in socially vulnerable communities.**
- **37 percent of all closures in Massachusetts, from March 2020 to January 2022, were among programs in high social vulnerability areas that did not participate in the state's subsidy system.**

\$480 million must be included in Massachusetts' FY23 budget to extend the C3 Stabilization Grant program through FY23 for all child care providers, prioritizing programs that serve more vulnerable children, families, and communities.



FOR MORE INFORMATION CONTACT:

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