



June 22, 2022

The Honorable Aaron Michlewitz  
The Honorable Ann-Margaret Ferrante  
The Honorable Todd Smola

The Honorable Michael Rodrigues  
The Honorable Cindy Friedman  
The Honorable Patrick O'Connor

Dear Distinguished Conference Committee Members:

We respectfully are writing to comment on line-items relative to early care and education (ECE) in H.4701 and S.2915, the House and Senate FY23 budget recommendations before your Committee. The investments proposed by both branches are nothing short of historic, and we thank both the House and Senate for your unprecedented attention to addressing an ECE sector that is both essential to working families and struggling mightily. Your commitment to stabilizing and ultimately building an affordable, accessible, and high-quality ECE system will have generational impacts on Massachusetts children and families, ECE providers, and the state's economy, and we are deeply grateful for your leadership.

The Massachusetts Taxpayers Foundation released a report this spring that found that the lack of access to ECE in Massachusetts is resulting in at least \$2.7 billion each year in lost earnings for individuals, lower productivity and additional costs for employers, and lost tax revenue for the Commonwealth. This includes:

- \$812M loss to employers due to lower productivity and turnover/replacement costs
- \$1.7B loss in wages to individuals and families from missing work or reducing their hours
- \$188M in lost tax revenue to the state due to lower earnings and lost wages.

As Tom said when the report was released, *"This report clearly demonstrates that thoughtful investment in our state's child care system could unlock billions of dollars in*

*economic activity that stands to benefit working families and their employers, along with the local economy.”* The recommendations made by both branches are just the thoughtful investments needed, and we respectfully request that the Conference Committee accept the best of both the House and Senate recommendations. The House makes key investments in reimbursement rates and provider professional development, while the Senate focuses on Commonwealth Cares for Children (C3) grants and infrastructure improvements. Taken together, these recommendations represent groundbreaking progress toward our shared goal of establishing a “world-class” ECE system for all children and families in Massachusetts.

Specifically, we respectfully urge the following:

3000-1045 - Accept the Senate appropriation to provide grants to ECE providers, building upon the success of the C3 program, which helped to stabilize and, in many instances, save ECE providers during the Covid-19 pandemic. Importantly, this appropriation would codify the concept of establishing a foundation level of funding, an important reform for the long-term viability of the ECE industry.

3000-1042 - Accept the House appropriation making an unprecedented investment in the rates paid to providers who accept subsidized children, including new and necessary resources to address the ECE needs of providers themselves. These funds will directly support the salaries, benefits and professional development of providers, a key element of quality and, in the case of an ECE field who have been historically underpaid, basic fairness.

3000-7066 - Accept the House appropriation for professional development, and higher education opportunities and supports for early educators.

3000-1046 - Accept the Senate appropriation funding initiatives to help implement the recommendations of the Special Legislative Early Education and Care Economic Review Commission. We both served on the Commission and believe it to be a comprehensive blueprint for action, and this line-item includes important investments navigational support and outreach to families, the review and management of subsidy regulations and policies, and financial assistance to early childhood educators employed by programs serving high percentages of subsidized families.

3000-6025 - Accept the Senate appropriation for the Commonwealth Preschool Partnership Initiative. Local preschool expansion planning efforts will coordinate and leverage community resources and expand access for families.

This legislative session promises to be one of the most consequential for ECE in the state’s history. Both branches have recommended unprecedented investments in their budget proposals, additional funding is available through remaining American Rescue Plan Act (ARPA) dollars and surplus FY22 funds, a significant piece of

legislation reflecting the recommendations of the Commission has been released by the Joint Committee on Education, and tax proposals impacting dependent care, including ECE, are being considered. Thank you for your leadership in all of these, and for your kind consideration of our requests.

The House and Senate's focus on ECE is truly unprecedented, visionary, and necessary; for that, we are grateful and offer our heartfelt thanks.

Sincerely,

JD Chesloff  
President and CEO  
Massachusetts Business Roundtable

Tom Weber  
Executive Director  
Massachusetts Business Coalition for  
Early Childhood Education