



**Tom Weber, Executive Director
MA Business Coalition for Early Childhood Education
Joint Committee on Education
Testimony in Favor of H.1934
November 13, 2023**

On behalf of the [Massachusetts Business Coalition for Early Childhood Education](#), a growing coalition of 85 Massachusetts employers, with more than 200,000 Massachusetts employees, and 22 business associations, thank you for the opportunity to testify in favor of [“An Act to Encourage Employer Supported Childcare” \(H.1934\)](#) and early care and education, an issue with well-documented benefits to the healthy growth and development of our youngest citizens, and, very importantly, critical infrastructure to support the Massachusetts workforce, equitable job opportunities for our citizens, and our overall economic competitiveness. In its present condition, insufficient early care and education is [costing Massachusetts at least \\$2.7 billion annually](#) in lost wages for families, and lost revenue for businesses and our government, according to the Massachusetts Taxpayers Foundation.

Massachusetts labor force participation rate is down. [According to the Massachusetts Executive Office of Labor and Workforce Development](#), the state’s labor force participation rate – that is, the number of residents 16 or older who worked or were unemployed and actively sought work in the prior four weeks – was 64.5 percent in September, down more than a half point from the previous year and nearly five full points from its modern high in 1989.

Massachusetts population also is down. [According to the U.S. Census Bureau](#), the state’s population declined .7 percent between April of 2020 and July of 2022. A [Massachusetts Taxpayers Foundation reports](#) that Massachusetts lost 111,000 residents during this period, the highest level of outmigration in 30 years.

These are dire data. The first, a declining labor force participation rate, poses an existential threat to economic opportunity and competitiveness. The second, declining population, poses the most basic existential threat to our society.

What does this have to do with early care and education? Likely, quite a bit.

The exceptionalism of our schools, healthcare, social and civic institutions, and a relentless commitment to perfecting our Commonwealth, present a deeply appealing past, present, and future for many families, including my own. Our Governor and our Legislature are doing a

tremendous job of honoring our responsibility to maintain and expand our strengths for current and future generations, especially with respect to early care and education.

But the facts are the facts. Massachusetts is simply too expensive for too many families, especially younger residents, age 26-35, who, by far, represent the largest cohort of out-migrants from the state, and, coincidentally, represent the most vital component of the state's workforce pipeline. In large and deeply alarming numbers, too many residents are telling us with their feet that the state's higher cost of living, even when coupled with higher than average incomes and our exceptional assets, are not providing many with sufficient security to stay, make a living, and raise a family in Massachusetts.

Early care and education contributes mightily to the affordability challenges facing many families, not just in Massachusetts, but especially in Massachusetts, where we have the most expensive child care among the 50 states, [according to the Economic Policy Institute](#). This is because safe, quality early care and education, like any system that is heavily reliant on skilled human capital, is inherently expensive to provide.

In the course of my work, I have yet to encounter a safe, quality child care system of significant scale that does not rely significantly and necessarily on investments from a centralized source. This is true of model international early care and education systems, as well as model domestic systems like the U.S. Department of Defense child care program and certain market solutions. An exclusively private market solution for the vast majority of families is no more viable for early care and education than it would be for K-12 education. This is why it is my belief that achieving an early care and education system that is responsive to the needs of families, and provides equitable opportunity and to all citizens, ultimately will require strong State-Federal financing partnerships that build on the efforts of Congress during the pandemic response.

Massachusetts already is making historic progress and setting the stage for more with an unprecedented level of commitment and activity. This committee, its present and past chairs, Senate President Spilka, House Speaker Mariano, and this Legislature deserve immense credit for the actions that you have undertaken and your commitment to sustaining that momentum. Few, if any, states in the nation have seized the opportunities presented by the crisis of the COVID-19 pandemic, and translated them into catalytic and enduring early childhood education system improvements with the urgency and thoughtfulness of our Massachusetts leaders. As a result, Massachusetts has more than doubled our investments in early care and education over the past four years. **However, as impressive and important as the *what* has been accomplished, the *how* is perhaps even more impactful.**

Under the leadership of Chairperson Lewis and now-Assistant Majority Leader Peisch, our Coalition participated extensively in the Legislature's Early Education and Care Economic

Recovery Commission, a vital exercise to stabilize the early education and care system by building on the foundational work of previous reforms and quickly delivering assistance to families and programs. With credit to all of the participants, a [framework to deliver and prioritize up to \\$1.5 billion in support](#) to the early care and education and system emerged, and, impressively, the Legislature and the Department of Early Education and Care immediately began to implement significant features of the recommendations, including historic investments in the FY23 and FY24 state budgets. It remains important to make progress across all four Focal Areas: 1.) Program Stabilization; 2.) Family, Affordability, and Access; 3.) Workforce Compensation, Pipeline, and Advancement, and, 4.) System Infrastructure and Local Partnerships.

The Coalition also supported State efforts to produce an equitable funding formula for the disbursement of Federal emergency relief funds for early care and education, in what became the Commonwealth Cares for Children (C3) Stabilization Grants, now the C3 Operational Grants. The value that we saw, and that [Department of Early Education and Care data](#) affirms is working at an unprecedented level of systemic support, is broad-based, foundational investments that enable programs in this fragile industry to keep their doors open, supporting a diverse range of families in need, including those who are eligible for or receiving State Financial Assistance.

In the experience of our Coalition, the employers that we have engaged see this issue as related to their responsibility to attract and retain the talent necessary to their organizations in order to compete successfully in support of a thriving Massachusetts economy. Recommendation #6 of the Commission Report calls for engagement with the business community to identify and promote employer best practices and explore incentives for employers to support additional early care and education benefits for their employees. As a direct result of this report recommendation, our Coalition initiated a landscape analysis of employer-supported childcare practices, which was [augmented by more formal research on the topic](#) by the Massachusetts Taxpayers Foundation. What we found is that employer-supported childcare benefits are relatively nascent but gaining some traction. Care.com's most recent annual ["Future of Benefits" report](#), issued in March 2023, found that a shift in employee benefits may be occurring as the employers assess the post-peak pandemic economy; specifically, "95% are recalibrating their companies' benefit strategies and 47% are trimming overall employee benefits in 2023," but, interestingly, "46% are prioritizing childcare benefits more in 2023 (trailing only retirement plans as the most popular benefit to prioritize this year)."

Common employer childcare benefits identified by Massachusetts Taxpayers Foundation include: On-Site Child Care Child (care that the employer provides at their office location(s)); Subsidies with a Local Provider (subsidized child care that the employer provides with an existing local child care provider); Back Up Care (at home or center-based child care if regular child care coverage fails); Flexible Spending Account (a pre-tax, flexible spending account for

child care expenses); and, Resource and Referral Services (services that help families find and get connected to child care.)

Similar to efforts in states like Iowa, Colorado, Wisconsin, and Indiana, there may be benefits in supporting and studying public-private partnerships to incentivize employer-supported childcare, which is why we filed, and I speak in favor of, “[An Act to Encourage Employer Supported Childcare \(H.1394\)](#).” This bill is modeled, in part, on the Iowa experience, [which was documented](#) in Sunday’s *Boston Globe*. The bill re-imagines the Public-Private Employer Supported Childcare Trust Fund, modeling it after similar programs in the aforementioned states to support a matching grant to promote a variety of employer-supported childcare opportunities. It also establishes a special commission to study and make recommendations on other potential employer-supported childcare benefits. I respectfully would encourage its consideration as an independent measure or in conjunction with related early care and education proposals.

Our Coalition also launched an Employer-Supported Childcare Community of Practice to promote the aforementioned opportunities, consider ways to assist their adoption, and to inform any private or public-private models to support their expansion. This is a business to business, peer coalition, posed to help advance Employer-Supported Childcare. We are working to develop tools for employer-employee engagement around childcare in order to design and implement responsive and sustainable employer-supported childcare strategies, like those considered under H.1934, and other initiatives that will work for everyone.

Finally, I want to share my belief that significant, impactful, immediate state-level progress would come from a whole-of-government approach. The Department of Early Education and Care is an extraordinary agency, led by a terrific commissioner in Amy Kershaw and supported by an incredible group of professionals who care deeply about our amazing field of early childhood education professionals and the children and families who they serve. The research is clear: early care and education is Education and an extraordinary benefit to the healthy development of all children and their future prospects. But early care and education also is workforce development and economic development, and accomplishing and the extending the Commission’s goals will require the engagement and coordination of Federal, State, and Local Systems responsible for leading those efforts, not just as supporters, but as co-equal leaders in the charge.

I want to thank you again for this opportunity. I would be very happy to answer any questions, now or at your convenience, and I look forward to continuing to work together on behalf of an issue of critical importance to so many Massachusetts families and, indeed, the growth and success of the entire Commonwealth.