



March 28, 2024

The Honorable Aaron M. Michlewitz, Chairperson
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Dear Chairperson Michlewitz:

On behalf of the Massachusetts Business Coalition for Early Childhood Education (Business Coalition), a diverse and growing statewide coalition of employer leaders from [85 companies with more than 300,000 Massachusetts employees and 22 business association partners representing thousands of businesses](#) from all regions and industries, and the [Massachusetts Business Roundtable](#) (MBR), a public policy organization comprised of Chief Executive Officers and Senior Executives from some of the state's largest employers, we are writing to thank the House of Representatives for the historic leadership that you are delivering, in strong partnership with the Healey-Driscoll Administration and the Senate, on behalf of early care and education (ECE) programming that is vital to the success of all children, families, communities, and the Commonwealth's economic competitiveness.

We believe that ECE, especially for children ages 0-5, represents critical economic infrastructure that helps enable Massachusetts to attract and retain the talent necessary to achieve a thriving and more equitable economy. Our belief is well founded. In May of 2022, [groundbreaking Massachusetts Taxpayers Foundation research](#) concluded that insufficient childcare costs Massachusetts between \$2.6 billion and \$3 billion each year, impacting families, businesses, and tax revenues. ReadyNation, a national employer group dedicated to promoting the critical connection between childcare and the economy, [recently released research](#) showing that the annual impact on U.S. families, businesses, and taxpayers is \$122 billion – more than double since 2018.

As the Commonwealth navigates a more complicated revenue picture, we respectfully ask that you continue to prioritize ECE by maintaining current levels of support for the Commonwealth Cares for Children (C3) Grants by utilizing income surtax funding, and support Governor Healey's proposals to expand income eligibility for families seeking childcare financial assistance, bolster reimbursement rates for ECE providers who accept childcare financial assistance, expand preschool opportunities in Gateway Cities, and consider any reasonable opportunities to further progress in those programs for the upcoming fiscal year.

Together, C3 and Reimbursement Rates are the twin pillars of the recommendations of the [Final Report of the Legislature's Special Early Education and Care Economic Review Commission](#), which we were honored to participate in and support. Most importantly, the Commonwealth's strategic and unprecedented investments are securing broad-based access to high-quality ECE for children and families, while continuing to support priority populations. As a result, the licensed capacity of the childcare system continues to grow and now exceeds pre-pandemic levels, and the number of licensed childcare programs continues to rebound to pre-pandemic levels. Sustaining and seeking opportunities to grow these priority ECE programs is essential to the healthy growth and development of our youngest citizens, supporting economic opportunity and mobility for working families, and creating a competitive advantage for the entire Massachusetts economy.

The strong leadership of the House, Senate, and Administration is both timely and necessary. The 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 total number of residents 16 or older who worked or were unemployed and actively sought work in the last four weeks – was 64.8 percent in February, down nearly a quarter point from the previous year and nearly five full points from its modern historic 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 report](#) states that Massachusetts lost 111,000 residents during this period, the highest level of outmigration in 30 years.

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 a vital component to 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 institutions, is preventing too many residents from staying, making a living, and raising a family.

ECE 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 ECE, like any system that relies on skilled human capital, is inherently expensive to provide.

The experience of Business Coalition members validates the childcare challenges facing their employees. In a survey of Business Coalition members, 97% of respondents indicated that a few, some, or many of their employees had raised childcare as a concern. In response, the Business Coalition launched an Employer-Supported Childcare Community of Practice to help our members and all Massachusetts employers learn more about best and innovative practices

to support employee needs, and to share any learnings with our public sector leaders. We also worked closely with House Assistant Majority Leader Alice Peisch on [“Act to Encourage Employer Supported Childcare,”](#) H.1934, which would pilot innovative public-private partnerships [that are demonstrating promise in other states](#) to increase ECE access, affordability, and quality. Together, we recognize that the business community has a role to play in fashioning solutions and advocating for the importance of ECE, [as recently highlighted by the Federal Reserve Bank of Boston](#). We believe these efforts will help support the positive momentum generated through the numerous collaborative efforts of our public leaders, allies in the advocacy community, and dedicated ECE professionals.

Finally, as you consider FY25 opportunities, we want to strongly emphasize our belief that significant, impactful, state-level progress would be made from a whole-of-government approach, as proposed under Governor Healey’s recent Executive Order. 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 ECE professionals and the children and families who they serve. The research is clear: ECE is education and an extraordinary benefit to the healthy development of all children and their future. But ECE also is workforce development, community development, and economic development, and its full potential for Massachusetts families will require the engagement and coordination of all Federal, State, and Local Systems responsible for leading those efforts, not just as supporters, but as co-equal leaders in the charge. We appreciate your consideration of opportunities to strengthen childcare for Massachusetts families and communities by supporting comprehensive policymaking efforts.

We appreciate your leadership in making the FY25 State Budget the next important chapter that Massachusetts leaders are authoring in service of ECE, a powerful component of our education, workforce, and economic systems. Please continue to utilize our organizations as resources, as we endeavor to partner with you to create a “world-class” ECE system that will endure as a cornerstone for more successful and equitable communities and economic opportunity.

Sincerely,

Tom Weber
Executive Director
MA Business Coalition for
Early Childhood Education

JD Chesloff
President and CEO
Massachusetts Business Roundtable

Cc: The Honorable Ronald Mariano, Speaker of the House
The Honorable Denise Garlick, Chairperson, Joint Committee on Education
The Honorable Alice Peisch, House Assistant Majority Leader