## **SENATE . . . . . . . . . . . . . . . . No. 301**

#### The Commonwealth of Massachusetts

PRESENTED BY:

Jason M. Lewis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying 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.

#### PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Jason M. Lewis	Fifth Middlesex	
Susan L. Moran	Plymouth and Barnstable	
Robyn K. Kennedy	First Worcester	1/19/2023
Liz Miranda	Second Suffolk	1/19/2023
Rebecca L. Rausch	Norfolk, Worcester and Middlesex	1/23/2023
Paul W. Mark	Berkshire, Hampden, Franklin and Hampshire	1/23/2023
Jack Patrick Lewis	7th Middlesex	1/24/2023
John J. Cronin	Worcester and Middlesex	1/24/2023
Joanne M. Comerford	Hampshire, Franklin and Worcester	1/26/2023
Sal N. DiDomenico	Middlesex and Suffolk	1/26/2023
Patricia A. Duffy	5th Hampden	1/26/2023
Michael D. Brady	Second Plymouth and Norfolk	1/30/2023
Patricia D. Jehlen	Second Middlesex	1/30/2023
Susannah M. Whipps	2nd Franklin	1/30/2023
Marc R. Pacheco	Third Bristol and Plymouth	1/30/2023
Jacob R. Oliveira	Hampden, Hampshire and Worcester	1/30/2023

Carmine Lawrence Gentile	13th Middlesex	1/30/2023
Vanna Howard	17th Middlesex	1/31/2023
Michael J. Barrett	Third Middlesex	2/1/2023
Patrick M. O'Connor	First Plymouth and Norfolk	2/2/2023
Michael O. Moore	Second Worcester	2/2/2023
Thomas M. Stanley	9th Middlesex	2/2/2023
Mike Connolly	26th Middlesex	2/2/2023
Lydia Edwards	Third Suffolk	2/6/2023
Manny Cruz	7th Essex	2/7/2023
Mark C. Montigny	Second Bristol and Plymouth	2/8/2023
Sean Garballey	23rd Middlesex	2/10/2023
Julian Cyr	Cape and Islands	2/10/2023
James B. Eldridge	Middlesex and Worcester	2/10/2023
Adam Gomez	Hampden	2/21/2023
Walter F. Timilty	Norfolk, Plymouth and Bristol	2/22/2023
Mathew J. Muratore	1st Plymouth	2/22/2023
Cindy F. Friedman	Fourth Middlesex	3/6/2023
Michael P. Kushmerek	3rd Worcester	3/6/2023
Michelle L. Ciccolo	15th Middlesex	3/8/2023

### **SENATE**

No. 301

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 301) of Jason M. Lewis, Susan L. Moran, Robyn K. Kennedy, Liz Miranda and other members of the General Court for legislation to provide affordable and accessible high quality early education and care to promote child development and well-being and support the economy in the Commonwealth. Education.

# [SIMILAR MATTER FILED IN PREVIOUS SESSION SEE SENATE, NO. 362 OF 2021-2022.]

#### The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court (2023-2024)

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.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- SECTION 1. The seventh paragraph of section 22N of chapter 7 of the General Laws, as
- 2 appearing in the 2018 Official Edition, is hereby amended by adding the following sentence:-
- Notwithstanding any provision to the contrary, early education and care providers
- 4 contracting with the department of early education and care or their agents shall be exempt from
- 5 the price limitations set forth by the bureau.
- 6 SECTION 2. Section 1A of Chapter 15D, as appearing in the 2018 Official Edition, is
- 7 hereby amended by inserting the following definitions:

"Caregiver", a person living with, supervising and caring for a child whose parents are not living in the home with them or a person with legal guardianship of a child regardless of whether the child's parents are living in the home with them.

"High needs", needs that may result in an individual or family needing more services, including but not limited to any physical, mental, emotional, intellectual, cognitive, behavioral, or health related disability or condition, exposure to domestic violence, trauma history, limited English proficiency, limited literacy, homelessness or housing instability, income at or below the federal poverty line, or involvement with the department of children and families.

"Child care financial assistance", financial assistance given to eligible parents or caregivers for child care provided by an early education and care provider pursuant to a contract or voucher agreement with the department.

"Early education and care provider", or "provider", any childcare center, family child care home, large family child care home, or out-of-school time program licensed or exempt by the department of early education and care located within the commonwealth of Massachusetts that provides early education and care programs and services.

"Operational Grant", an amount of funding from the department to early education and care providers currently enrolling children receiving child care financial assistance or certifying their willingness to enroll a child receiving child care financial assistance should a family choose the provider and there is an available opening.

SECTION 3. Section 2 of chapter 15D of the General Laws, as appearing in the 2018 Official Edition, is hereby amended by striking out subsection (e) and inserting in place thereof the following subsection:-

(e) establish and develop a schedule for revising: (i) a rate structure for voucher and contracted payments to early education and care providers who accept children receiving child care financial assistance based on the payments meeting the full cost of providing high-quality early education and care to such children, in conformity with federal and state law, regulations and quality and safety standards, when combined with operational grant funding, fees paid by parents or caregivers, and any direct funding paid by a source other than the department to providers; provided, that the rate structure shall include higher rates for the provision of care during nonstandard hours, as defined by the department, sufficient to encourage providers to offer care during nonstandard hours; provided further, that the method for reimbursement for voucher and contracted payments to early education and care providers on behalf of children receiving child care financial assistance shall be based on quarterly enrollment rather than daily attendance of participants; (ii) a sliding fee scale for families receiving child care financial assistance which is updated at least every 5 years to reflect affordability standards for participating families, provided that recipients of child care financial assistance whose income is not more than 100 per cent of the federal poverty level shall not be charged fees for care and that amounts charged to families whose income is more than 100 per cent of the federal poverty level shall not exceed 7 per cent of the family's total income and shall be determined by applying the sliding fee scale to the remainder of the family's income after deducting 100 per cent of the federal poverty level.

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A public hearing under chapter 30A and the approval of the board shall be required before the establishment or revision of the rate structure and sliding fee scale.

SECTION 4. Said section 2 of said chapter 15D, as so appearing, is hereby further amended by inserting after subsection (u) the following subsection:-

(v) annually collect from early education and care providers licensed by the department, data on: (i) the number of employees, (ii) the pay rates and employer-paid benefits (iii) the tuition charged for full- and part-time early education and care services by age group, (iv) numbers of children enrolled by age group, family income range, race, ethnicity, country-of-origin, and preferred language.

SECTION 5. Section 5 of said chapter 15D, as appearing in the 2018 Official Edition, is hereby amended by inserting after the words "a common and shared body of knowledge" the following words:- including cultural competency and awareness of implicit bias,

SECTION 6. Said chapter 15D, as so appearing, is hereby further amended by inserting, after section 13, the following section:-

Section 13A. Early education and care financial assistance program

- (a) The department shall use, for the purpose of providing child care financial assistance under this section, funding, from any source that is appropriated or otherwise provided to it for the purpose of subsidizing or reducing the costs to families of fees for early education and care for their children, including increasing per child rates set by the department.
- (b) The early education and care financial assistance program shall provide sufficient child care financial assistance to enable all families to afford and access high-quality early education and care for infants, toddlers, preschool-age, and school-age children, as defined in section 1A of this chapter, provided that a school-age child's financial assistance shall continue until at least the end of the school year in which the child reaches the maximum age.

(c) Child care financial assistance may be used for early education and care provided by public, private, non-profit, and for-profit entities licensed or approved by the department, including but not limited to: preschools, childcare centers, nursery schools, before and after school programs, out-of-school time programs, Head Start and Early Head Start programs, informal childcare providers and independent and system-affiliated family child care homes.

- (d) The department shall provide financial assistance to families receiving services from the department of children and families as provided in section 2 of chapter 18B of the General Laws.
- (e) The department shall provide child care financial assistance to families currently involved with, or transitioning from, transitional aid to families with dependent children; provided, however, that child care financial assistance shall be available to: (i) recipients of transitional aid to families with dependent children; (ii) former recipients who are working or are engaged in an approved service need activity for up to 2 years after termination of their benefits; (iii) parents who are under 18 years of age who are currently enrolled in an education or job training program and who would qualify for benefits under chapter 118 of the General Laws if not for the consideration of the grandparents' income; and (iv) recipients of the supplemental nutrition assistance program who are participating in education and training services approved by the department of transitional assistance.
- (f) The department shall provide financial assistance to families eligible in accordance with any income limits in effect under subsections (g) and (h) of this section.
- (g) The department shall subsidize the cost of early education and care services to all families in need of these services with incomes at or below 85 per cent of the Massachusetts state

median income. Provided, should appropriations be insufficient to subsidize the cost of early education and care services to all families in need of these services with incomes at or below 85 per cent of the Massachusetts state median income, first priority shall be provided to those children whose family's household income is at or below 50 per cent of the Massachusetts state median income or a child with a documented disability whose family's household income is at or below 85 per cent of the Massachusetts state median income and to all children in families who are experiencing homelessness or who are headed by a parent under the age of 20; and provided further, that second priority shall be given to children whose family's household income is above 50 per cent, but not exceeding 85 per cent of the Massachusetts state median income; provided, however, that a family with income below the federal poverty level shall not have its priority status on a waitlist negatively impacted by a family with income above the federal poverty level.

(h) The department shall allocate funding to increase the numbers of families receiving financial assistance based on income eligibility in stages: (i) to those eligible for financial assistance as stipulated in subsection (g); (ii) to provide child care financial assistance to all families in need of these services, whose income is above 85 per cent, but not exceeding 100 per cent, of the Massachusetts state median income; (iii) to provide child care financial assistance to all families in need of these services, whose income is above 100 per cent, but not exceeding 110 per cent, of the Massachusetts state median income; (iv) to provide child care financial assistance to all families in need of these services, whose income is above 110 per cent, but not exceeding 125 per cent, of the Massachusetts state median income; (v) to provide child care financial assistance to all families in need of these services whose income is above 125 per cent, but not exceeding 200 per cent of the Massachusetts state median income.

(i) Family income, for the purposes of eligibility for early education and care financial assistance shall include income of parents living with the child receiving subsidized care but shall not include: any form of income of foster parents, caregivers, or other adult family members; income of or for siblings who are not receiving subsidized care; or earned income of any minor child.

- (j) The department shall subsidize early education and care by: (i) providing vouchers for payment to providers, enabling families to access early education and care providers of their choice and (ii) offering families the alternative of an open space with a provider that is subsidized under the provider's contract with the department.
- (k) The department shall require early education and care providers, as a condition for receiving payments from the department for financial assistance provided to families under this section, to enter into and comply with contractual agreements with the department, developed by the department and requiring the provider to comply with all applicable requirements of this chapter and any other federal or state requirements necessary to receive funding for financial assistance provided to families under this section.
- (l) The department and its agents shall not reduce, terminate, or deny continued financial assistance to families until and unless the family is determined to be ineligible and is given the opportunity for an administrative appeal hearing. In situations in which the department or its agents deny a family's application for financial assistance, the department shall provide the family an opportunity for an administrative appeal hearing and shall process such appeals within 60 days from the date requested.

(m) The department and its agents shall not reduce, terminate, or deny continued child care financial assistance to families based on their household income until and unless the household income exceeds at least 85 per cent of the Massachusetts state median income or the income threshold for currently eligible families as prioritized in subsection (g) or (h), whichever is higher.

- (n) To the extent not otherwise prohibited by federal or state law, the department shall not terminate or deny child care financial assistance on the grounds of fee arrears until and less: (1) the family's fees and financial assistance have been adjusted, prospectively and retroactively, to take into account any reduction in income, and the arrears reduced accordingly; and (2) the family has been offered an affordable payment plan, taking into account their income and expenses, and only if the family refused to enter into the plan. Disputes about the existence or amount of fee arrears and the affordability of payment plans shall be subject to administrative appeal. The department shall accord providers the option of receiving department payment of arrears and repaying the department as the family makes payments under a payment plan.
- (o) The department shall review the early education and care financial assistance program at least annually to identify access barriers to families and opportunities to improve families' experience with the financial assistance process, including but not limited to department paperwork and verification requirements. The department shall take action to remove any access barriers, including but not limited to: (i) making technological improvements, (ii) streamlining the application and renewal processes, (iii) improving outreach to potentially eligible families regarding the availability of financial assistance and the process for applying, (iv) ensuring access for families whose primary language is not English, (v) establishing procedures to screen families for the need for disability accommodations and provide these accommodations, (vi)

ensuring that the department, through its agents and employees, promptly responds to communication by parents and caregivers, and (vii) ensuring that families with children with high needs are informed of openings with providers that focus on serving such families and children.

(p) The department shall adopt any additional regulations necessary to implement the provisions of this section, after providing the opportunity for public comment, to be accepted through both testimony at public hearings and written comments, and after consideration of these comments.

SECTION 7. Subsection (a) of section 17 of said chapter 15D is hereby amended by striking out the definitions of "Family child care provider" and "Family child care services" and inserting in place thereof the following definitions:-

"Family child care provider", a person who provides family child care services on behalf of children receiving child care financial assistance and receives payment from the commonwealth for such services.

"Family child care services", child care services provided for less than 24 hours per day in the residence of the provider on behalf of children receiving child care financial assistance for which payment is made from the commonwealth.

SECTION 8. Subsection (b) or Section 17 of said chapter 15D is hereby further amended by striking out the words "under a rate structure for voucher and contracted payments".

SECTION 9. Section 17 of said chapter 15D is hereby further amended by striking out subsection (h) and inserting in place thereof the following section:-

(h) In addition to the mandatory subjects under subsection (g), the department and an employee organization certified by the department of labor relations as the bargaining representative of family child care providers shall bargain about the rate structure for voucher and contracted payments for family child care services on behalf of children receiving child care financial assistance.

SECTION 10. Said chapter 15D is hereby further amended by adding the following sections:-

Section 19. Notwithstanding the provisions of any general or special law or regulation to the contrary, the department shall establish and distribute operational grants.

(a) Operational grants shall be used for educator compensation and credentialing as well as program quality and sustainability. Said operational grant uses shall include but not be limited to: (i) compensating early education and care provider staff through increased salaries, benefits, bonuses, professional development, or access to continuing education opportunities; (ii) increasing affordability of early education and care to families by reducing the tuition and fees paid by families or offering scholarships to families; (iii) enabling early education and care providers to provide high-quality early education and care and to comply fully with all applicable health, safety, educational, quality-assurance, and other requirements of this chapter as well as any requirements imposed by the department consistent with this chapter; (iv) improving facilities and physical spaces used by the provider; (v) enabling providers to address emergency situations, during which the cost of care significantly increases due to additional federal, state, or department requirements, or the loss of fees due to absence or unenrollment jeopardizes early education and care providers' ability to retain their facilities and staff; or (vi) enabling early

education and care providers to maintain or increase capacity to provide voluntary supplemental services to enrolled children and their families, such as social work services, health and disability-related services, and support to parents and caregivers.

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- (b) The department shall establish a formula for distributing operational grants to providers which shall consider at a minimum the following: (i) the provider's licensed capacity and enrollment, including the ages of the children enrolled and for whom the provider has capacity; (ii) the location of the provider, availability of care in the area, and additional costs associated with the provider's location; (iii) the demographics of the families served by the provider including how many children receiving financial assistance attend, the income level of families, and other pertinent demographic data that may influence the needs of the families and children served; (iv) the number of children with high needs enrolled including those with disabilities, limited English proficiency, and other factors as determined by the department; (v) the cost of quality care methodology established by the department and until such time as the methodology is established, any available information regarding the cost of quality early education and care including available credentialling frameworks and applicable salary guidelines; (vi) any other factors impacting costs to the provider of providing quality care in areas of need including, but not limited to, serving infants and toddlers, providing non-standard hours of care, and providing care to children and families with high needs for whom there are shortages of early education and care slots; and (vii) promoting racial equity. The department shall annually review and update this formula based on relevant data.
- (c) The department shall require early education and care providers, as a condition for receiving funding under this section, to: (i) enter into and comply with contractual agreements with the department, which shall be developed by the department; (ii) continue or agree to enroll

children with child care financial assistance through the department, provided the family chooses the provider and the provider has an available opening; (iii) comply with any recommended salaries, compensation, and benefits put forth by the department pursuant to section 18 of this act, or if the funding the provider receives is insufficient, increase salaries, compensation, and benefits to the extent possible; and (iv) provide data that the department requires, as needed to carry out the department's assessment and reporting requirements under this chapter.

- (d) The department shall develop enforceable compliance standards that demonstrate that early education and care provider openings are accessible to children receiving child care financial assistance with a goal of increasing financial assistance utilization and methods for ensuring that providers receiving operational grant funding meet the standards before renewing their funding.
- (e) Absent any changes in circumstances and assuming compliance with all requirements in subsections (c) and (d) and otherwise determined as necessary by the department, operational grants will be renewed to each provider annually.
- (f) A public hearing under chapter 30A and the approval of the board shall be required before the establishment or revision of the operational grant formula and enforceable compliance standards.
- Section 20. The board shall establish the early education and care educator scholarship program for early education and care sector educators in the commonwealth pursuant to clause (10) of section 5 of this chapter.
- (a) The commissioner, in consultation with the commissioner of higher education, shall make recommendations to the board establishing appropriate guidelines, standards and

application criteria for the administration of the program, including mechanisms to ensure the scholarship provides meaningful improvements in the delivery of high-quality early education and care across the commonwealth.

(b) The scholarship program shall be administered by the department through a memorandum of understanding with the department of higher education.

- (c) The scholarship may be used to cover the cost of tuition, fees and related expenses, including supports unique to the diverse learning needs of the field such as personal childcare expenses in order to attend classes and class meetings, and other supports deemed appropriate by the board for degree granting programs for early educators who are pursuing associate or bachelor level degrees to meet the teacher and program quality standards of the department.
- (d) The amount of each scholarship shall, at a minimum, be sufficient to cover the full cost of tuition and associated fees for one semester of classes at a Massachusetts community college.
- (e) Eligible recipients shall be current or prospective early education and care educators and providers employed by early education and care providers in the commonwealth who commit to teaching for early education and care providers for a term of service after graduation to be determined by the board and shall reflect the diversity of the commonwealth's early education and care workforce.
- (f) Preference shall be given to applicants identified as providers who have displayed a proven commitment to early childhood education as demonstrated by longevity in the field.

(g) The program shall be administered by the department in a manner that ensures receive adequate support in selecting programs and courses which lead to credentials and further their career in early education and care.

- (h) The board shall establish the early education and care educator loan forgiveness program for early education and care sector educators in the commonwealth pursuant to clause (10) of section 5 of this chapter with preference given to applicants identified as providers who have displayed a proven commitment to early childhood education and who work in communities predominantly serving children and families with high needs or areas with a shortage of early education and care slots.
- Section 21. The department of early education and care, the executive office of labor and workforce development and the commonwealth corporation in conjunction with the regional workforce boards shall develop strategies and prioritize programming and funding opportunities towards filling job positions in the early education and care field using existing resources pursuant to clause (12) of section 5 of this chapter.
  - Section 22. Annually, by February 15, the department shall report to the legislature on:
- (a) The cost and use of all child care financial assistance provided by the department. The report shall include: (i) the number of licensed or exempt early education and care providers; (ii) the total cost of the child care financial assistance provided by the department or its agents; (ii) the utilization of available contracted slots and vouchers by region and type of care provider; (iii) the total number of all children receiving child care financial assistance by region, age, type of care, race and ethnicity, disability status of the child, primary language of the household, and income range of the household; (iv) the monthly average number of children on the department's

financial assistance wait list by region, age, type of care, race and ethnicity, disability status of the child, primary language of the household, adults in the household, and income range of the household; and (v) the average monthly number and percentage of utilized contracted slots by region.

- (b) The cost and use of all allocations of funding to early education and care providers under this chapter, including identifying the providers funded, the amount the provider received, and information on the number of providers funded by region, ages served, type of provider, and percentage of enrolled children receiving financial assistance.
- (c) Application information including: (i) the number of applications for child care financial assistance; (ii) the numbers of applications for child care financial assistance denied, broken out by the reason for denial; (iii) the numbers of requests for review made by families of the denial of their applications for or ending of their child care financial assistance, broken out by the reason for denial of the application for or end of the financial assistance and, of those, the numbers of requests for review that: (A) resulted in a decision that reversed the application denial or financial assistance ending, (B) resulted in a decision that upheld the denial or ending of the family's financial assistance, or (C) were undecided as of the end of the 12-month reporting period; and (iv) the number of requests for an administrative hearing made by families of the denial of their applications for or ending of their child care financial assistance, broken out by the reason for denial of the application for or ending of the financial assistance and, of those, the numbers (A) that resulted in a hearing decision that reversed the application denial or financial assistance ending, (B) that resulted in a hearing decision that upheld the application denial or financial assistance ending, (C) in which a hearing was not held as of the end of the 12-

month reporting period, or (D) in which a hearing was held but the decision was not issued as of the end of the 12-month reporting period.

(d) Information about providers including: (i) the number of employees by race and ethnicity; (ii) the salary bands and employer-paid benefits provided to employees, broken out by job position, and within that, broken out by part-time and full-time employee designation, race and ethnicity, and job location within the commonwealth; and (iii) the levels of pay rates and employer-paid benefits compared to levels reported in the previous three reporting years.

SECTION 11. Not later than December 31, 2023, the executive office of labor and workforce development, in consultation with the executive office of housing and economic development and the department of early education and care, shall develop recommendations to the legislature requiring employers of a certain size to provide a childcare benefit. Consideration should be given to benefits such as: pre-tax childcare spending accounts funded in part by the employer, reduced tuition at a specific child care provider, a stipend to be used for childcare at a location of the employee's choice, or the availability of onsite childcare, or other such strategies.

SECTION 12. Not later than December 31, 2023, the department of early education and care shall file a report with the clerks of the house and the senate, who shall forward the report to the chairs of the house and senate committees on ways and means, and the joint committee on education, on a plan to expand local partnerships including strategies and resources necessary to address community-based program expansion plans currently in development under the Commonwealth Preschool Partnership Initiative grant. The report shall identify means by which existing programming may be continued using existing resources available to providers in the mixed delivery system. The report shall also identify strategies for expanding the number of slots

available in communities currently receiving Commonwealth Preschool Partnership Grants and best practices to expand local partnerships to more communities including through mixed delivery programs administered by the local school system, municipal scholarship programs directly to families based on successful models already being implemented in certain municipalities, and other approaches to expand access to public high-quality care.

SECTION 13. Not later than December 31, 2023, the department of early education and care in consultation with the Children's Investment Fund and the Community Economic Development Assistance Corporation shall file a report with the joint committee on education detailing proposed improvements to the Early Education and Out of School Time Capital fund including, but not limited to, eligibility criteria, sizes of grants, ways to streamline the application process, any other parameters to increase the impact of this fund, and any data available on unmet need for early education and care facilities improvements.

SECTION 14. The department of early education and care, the executive office of labor and workforce development and the commonwealth corporation shall jointly conduct a study and report on enhancing the early education workforce pipeline to ensure that the early educator workforce meets the needs of the commonwealth. Said report shall include but not be limited to, providing the following recommendations: (i) recruitment of new early educators; (ii) the development of apprenticeship programs and non-traditional recruitment opportunities; (iii) opportunities for collaboration between providers and vocational schools with curriculums that include early education and care; and (iv) the retention of early educators. Said report shall take into consideration existing resources and may make recommendations regarding additional resources which would be required to fully implement the report. The department of early education and care, the executive office of labor and workforce development and the

commonwealth corporation shall file its report with the clerks of the house of representatives and the senate, the joint committee on education, the joint committee on labor and workforce development, and the house and senate committees on ways and means no later than January 1, 2024.

SECTION 15. Not later than January 15, 2024, the department of early education and care shall file a report with the clerks of the house and the senate, who shall forward the report to the chairs of the house and senate committees on ways and means and the joint committee on education, on design and implementation plans for the early education and care educator scholarship program and loan forgiveness program pursuant to section 10 of this act.

SECTION 16. Not later than March 31, 2024, the department of early education and care shall assess the extent of current supply and the unmet needs of families eligible for child care financial assistance, taking into account relevant differences among locations within the commonwealth including: (i) subsidized transportation of children to and from early education and care providers; (ii) early education and care services for time periods outside standard hours; (iii) substitute care on days on which the family's regular early education and care provider is unavailable; and (iv) any other factors that prevent families from accessing state early education and child care financial assistance and to assess the cost of addressing these unmet needs.

The department of early education and care shall file a report with the clerks of the house and the senate, who shall forward the report to the chairs of the house and senate committees on ways and means, and the joint committee on education.

SECTION 17. Not later than March 31, 2024, the department of early education and care shall establish a methodology that the department will use for assessing and updating the full

costs of high-quality early education and care throughout the commonwealth. This methodology will be used to determine child care financial assistance reimbursement rates and operational grant amounts which are adequate to help meet the cost of providing high-quality early education and care. The methodology shall take into account all aspects of providers' operations and responsibilities and costs that vary with location, type of provider, age ranges of the children served, and service to children with high needs.

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The methodology shall include at least the following components: (i) pay and benefits to all staff, taking into account staff-to-child ratios needed depending on age ranges and service to children with high needs, curriculum planning time, as well as necessary non-educational staff activities, such as communications with families and department staff; (ii) professional development and instructional coaching for staff involved in the direct education and care of children; (iii) occupancy, including rent, utilities, maintenance, and improvements to physical environment; (iv) furnishings, appliances, equipment, office supplies and administration, including internet, telephone, insurance, permits, and taxes or fees; (v) educational supplies and curricula, observational tools, and toys; (vi) nutritious meals and snacks; (vii) transportation services for children to, from, and between early education and care providers, schools, and home; and (viii) costs of additional services to children and families with high needs including staff and staff training needed for accommodating children with disabilities or other high needs, interpreter services, mental health supports and other wraparound services for children, mental health supports for staff, trauma-informed care practice, and staff time required to provide comprehensive family engagement and services to ensure effective early education and promote multi-generational success.

Said methodology shall annually be increased at the rate of inflation and the methodology shall be reassessed and accordingly adjusted no less than once every 5 years.

SECTION 18. Not later than March 31, 2024, the department of early education and care shall develop and file a report on an early education and care career ladder pursuant to section 5 subsection 11 of chapter 15D.

- (a) The career ladder shall include (i) minimum recommended salaries and compensation for each level of the career ladder which are commensurate with the salaries of public school teachers with equivalent credentials and training when required for a position, (ii) minimum recommended benefits for provider staff, including but not limited to health insurance, retirement benefits, paid vacation, and other leave time, and (iii) recommendations for linking professional development and educational credentials to increased compensation and leadership opportunities in the field of early education and care.
- (b) The department shall file the report with the clerks of the house and the senate, who shall forward the report to the chairs of the house and senate committees on ways and means, and the joint committee on education.
- (c) The department shall review the salaries, compensation and benefits structure and guidelines annually and update them, as needed, based on increased cost of living and other factors deemed relevant by the department to determine appropriate compensation for the field.
- (d) The salaries, compensation and benefits guidelines developed under this section shall not preclude provider staff from exercising any rights they may have to collective bargaining about salaries, compensation and benefits.

SECTION 19. Not later than October 1, 2024, the department of early education and care shall file a report with the clerks of the house and the senate, who shall forward the report to the chairs of the house and senate committees on ways and means and the joint committee on education a plan to pilot, scale, and evaluate on a regular basis shared services and quality licensed hubs for early education and care providers including family child care providers.

SECTION 20. Within 180 days following passage of this act, the department of early education and care shall file a report with the clerks of the house and the senate, who shall forward the report to the chairs of the house and senate committees on ways and means, and the joint committee on education, on the steps required to implement this Act and a preliminary assessment of the funding and administrative resources that would aid the department in implementing this act, such as technological resources, technical expertise, and staffing of the department.

SECTION 21. The reports required pursuant to this act shall be made publicly available on the department of early education and care's website in accordance with section 19 of chapter 66 of the General Laws.

SECTION 22. The department shall fully implement this act within 5 years from the date of passage.