



# Commonwealth Cares for Children (C3)

# Planning and Approach for FY26

**Goals:** Maintain commitment to predictability and minimize disruptions after two significant changes in the past two fiscal years.

*Recommendations in FY26 must remain cost neutral, which is challenging given growth in programs.*



## Build compliance to new statutory requirements

- Use **Board review** and public comment to “establish” formula
- Ensure that all programs receiving C3 demonstrate a **willingness to enroll children receiving child care financial assistance**
- Encourage programs to meet **salary benchmarks**



## Ongoing analysis of C3 application and survey data identify

- 2,200+ new seats since Nov 2024
- 89% of programs meet benchmark of enrolling 75% of capacity (4% increase from Nov 2024)
- 69% of programs enroll children receiving CCFA (3% increase from Nov 2024)

# FY26 Actions

- 1 Establish (maintain) current formula in FY26
  - Allows FY26 to focus on integrating growth into the current budget
  - Provides additional time to review and consider public/provider feedback
  - Creates time and a process to develop and plan for formula and/or other adjustments in FY27
- 2 Continue programmatic adjustments
  - Ensure all adjustments align with statutory requirements and manage funding
  - Attestation of willingness to accept applications from children with CCFA
  - Fund use requirements focusing funding on workforce investments
  - Manage access to new providers

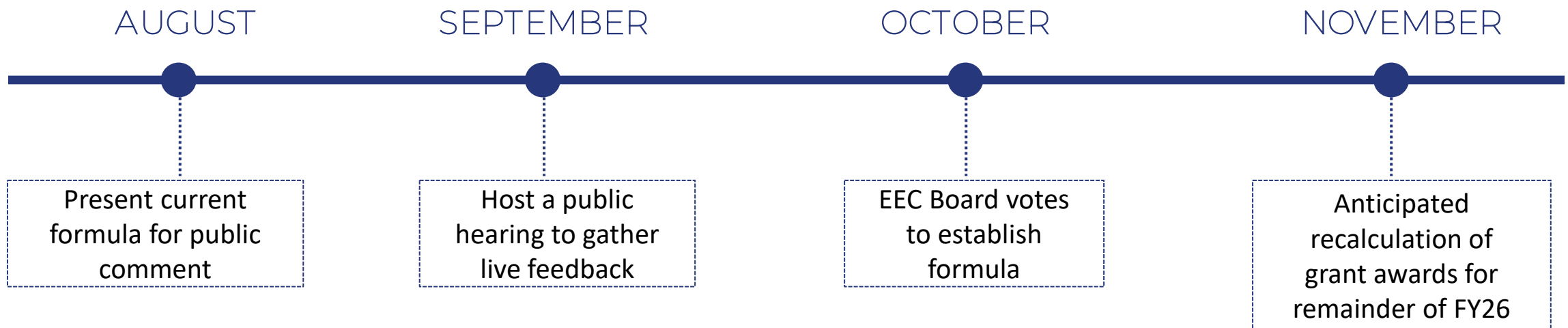


Review of field feedback and consideration of proposals for FY27 during the fall

# New Public Comment Requirements

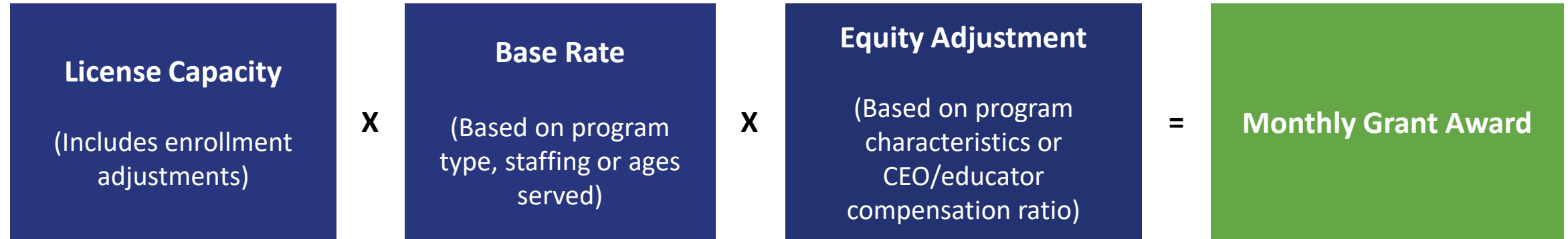
## Statutory obligation

*“Annually, the department shall review and update the operational grant formula to ensure equity and effectiveness in the financial sustainability of early education and care providers. Prior to the establishment or a revision of the operational grant formula, the department shall conduct a public hearing under chapter 30A and submit the proposed updates to the board for its approval.”*

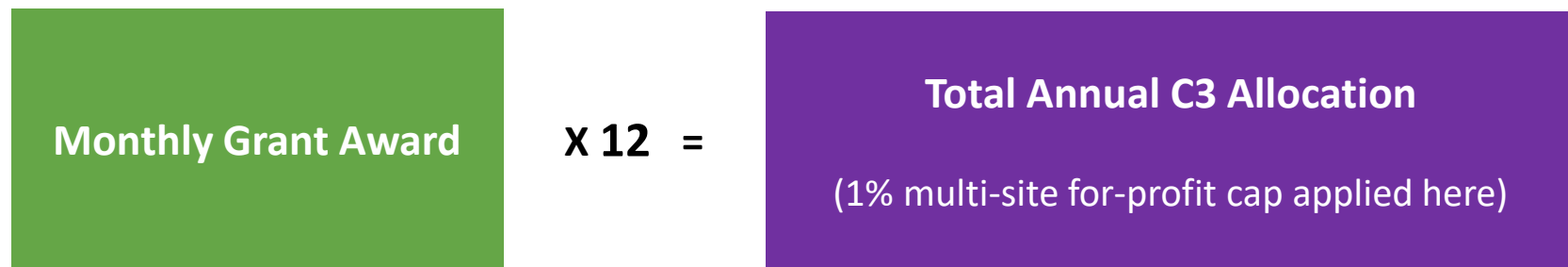


# Current C3 Formula Calculations

## Monthly C3 Funding Calculation



## Annual C3 Funding Calculation



# Commonwealth Cares for Children (C3) FY2026 Formula Motion

Pursuant to G.L. c. 15D, § 20(c), the Department of Early Education and Care shall maintain a Commonwealth Cares for Children (C3) formula to calculate monthly payments to eligible providers. G.L. c. 15D, § 20(d) sets forth additional requirements to the C3 formula and requires the Department to annually review and update the formula and to solicit public comment and conduct a public hearing pursuant to G.L. c. 20A prior to establishing or revising criteria to the formula.

To become effective, the proposed C3 Formula must be subject to a public comment period. Therefore, the Department recommends that the Board authorize the Commissioner of Early Education and Care to file the proposed C3 Formula with the Secretary of the Commonwealth for publication of Notice of Public Comment in the Massachusetts Register. Accordingly, the Department seeks the Board's authorization to solicit public comment on the proposed C3 Formula and to hold a public hearing, consistent with the Department's proposed policy directions and subject to the approval of the final formula by the Board.

**MOVED:** that the Board, in accordance with G.L. c. 15D, §§ 3 and 20, hereby approves the draft proposed C3 Formula and authorizes the Commissioner of Early Education and Care to file the draft proposed C3 Formula with the Secretary of the Commonwealth for publication of a Notice of Public Comment in the Massachusetts Register consistent with the Department's proposed policy directions, and to conduct a public hearing, subject to the approval of the final C3 Formula by the Board.