

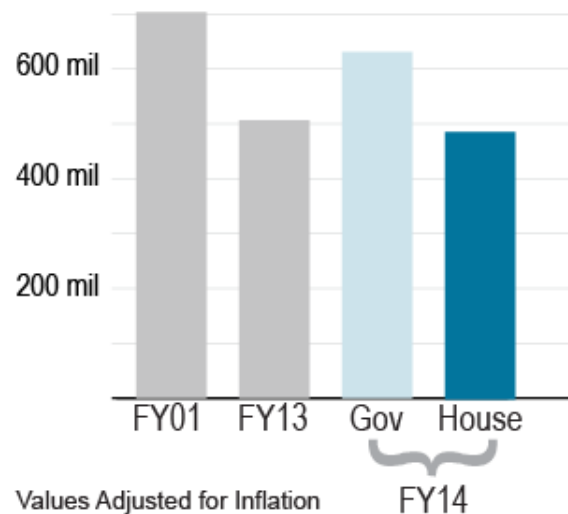
CUTS TO EARLY EDUCATION & CARE IN THE HOUSE BUDGET FOR FY 2014

Early education and care is an essential resource both for children and their parents.¹ It prepares young children for success in school and in life, including helping low-income children do better in school, graduate more regularly, work more, earn more, and access other public benefits at a lower rate.² Further, access to early education gives parents the support they need to seek and keep jobs, improve their economic circumstances, and provide for their families.

Despite the evidence that investments in early education are of tremendous value, the House budget for FY 2014 cuts support for these programs, reducing funding by about \$11 million from FY 2013.

The Governor's budget took a different approach. With new revenue raised primarily through the broad-based income tax, it expanded access to child care for low-income families and invested in new efforts to improve the quality of programs offered. Rather than continuing the trend of cuts stretching back to 2001 (see graph to the right), the Governor's budget invested \$130 million in early education, including, notably, funding aimed at clearing waitlists for low-income families seeking child care support. The House budget raises some new revenue, but most of it is targeted towards the state's transportation needs.

Early Education & Care



For more information on funding for early education and care over the past decade, see MassBudget's recent brief [Declines in Spending on Early Education & Care in Massachusetts](#).

COMPARING THE GOVERNOR'S AND HOUSE'S FY 2014 PROPOSALS

With new revenue available to support important state programs, the Governor's FY 2014 budget both expanded access to child care for low-income families and invested in new efforts to improve the

¹ For more information about the economic gains of high quality early education and care on both parents and children, see [Economic Gains from Early Education and Care](#)

² For the role high quality early education plays in preparing children for school and for reading by the third grade, see Haskins and Rouse, 2005. "Closing Achievement Gaps."

quality of programs offered. The House budget neither expands access nor invests in immediate quality improvements. Instead, the House budget level funds or cuts most existing child care accounts.

The House budget does direct \$350,000 for two new accounts (line items 3000-4065 (House) and 3000-1001 in the table below) to support a new **Office of Compliance Management** tasked with auditing the Department of Early Education & Care (EEC). Under the House proposal, a manager would be appointed by the Executive Office of Administration of Finance to review and provide oversight of EEC procedures. Further, a special commission would investigate EEC services in order to recommend family access and program quality improvements.

EARLY EDUCATION & CARE LINE ITEMS

Line Item	Name	FY 2013 Current	FY 2014 Governor	FY 2014 House	House - Gov
<i>various*</i>	Income Eligible-Related Line Items	231,870,452	283,447,976	214,340,742	-69,107,234
3000-4065 (Gov)	Early Ed Provider Quality Investments		30,586,713		-30,586,713
3000-4080	Quality Efforts		30,000,000	0	-30,000,000
3000-8000	Comprehensive Support Services		5,000,000	0	-5,000,000
3000-4090	Kindergarten Entry Assessment System		3,200,000	0	-3,200,000
3000-7051	Reading Proficiency by Grade 3		3,000,000	0	-3,000,000
3000-2000	Child Care Referral Centers (Access	5,933,862	7,933,862	5,933,862	-2,000,000
3000-1000	Dept. of EEC Administration	12,112,954	12,844,972	12,353,980	-490,992
3000-7000	Healthy Families Home Visiting	10,438,346	10,483,563	10,161,347	-322,216
3000-4050	TANF-Related Child Care	125,495,740	128,063,499	128,063,499	0
3000-5000	Grants to Head Start Programs	8,000,000	8,000,000	8,000,000	0
3000-6075	Early Childhood Mental Health	750,000	750,000	750,000	0
3000-7050	Services for Infants and Parents	18,164,890	18,164,890	18,164,890	0
3000-2050	Children's Trust Fund	1,006,844	1,055,709	1,065,473	9,764
3000-7070	Reach Out and Read Program	750,000	750,000	800,000	50,000
3000-5075	Universal Pre-Kindergarten	7,432,383	7,432,383	7,500,000	67,617
3000-4065 (House)	Early Ed Commission Consultant			150,000	150,000
3000-1001	EEC Office of Compliance Management			200,000	200,000
3000-3050	Supportive Child Care	77,330,875	80,227,189	80,821,506	594,317

*Includes line items 3000-4060, 3000-4075, and 3000-4070.

Low-Income Child Care Waitlist

Currently, 53,750 children of low-income families are on a list waiting for child care subsidies through the **Income Eligible Child Care** program, an increase of around 3,500 children since January 1, 2013. This wait list currently includes 4,838 infants, 10,079 toddlers, 15,469 preschool, and 23,364 school age children. Almost 60 percent of those on the wait list, 30,386 children, are children not yet in the K-12 system. Most families on the wait list have been unable to get a subsidy since February 2011.

The Governor's proposal directed an additional \$51.6 million to provide care for infants, toddlers and preschool children currently on the wait list. By contrast, the House proposal cuts Income Eligible Child Care by \$17.5 million, or 8 percent, from FY 2013 levels (see "Income Eligible-Related Line Items" in the table above). This proposal would ensure that the majority of families on the wait list would continue to wait for care.

Two other existing programs – **Supportive Child Care** and **TANF Related Child Care** – also provide child care subsidies for children in need. Due to the fact that funding levels for both are driven by caseload projections, the Governor's and House proposals are very similar.

Investments in Program Quality

In addition to expanding access, the Governor's proposal invested almost \$72 million in new programs dedicated to improving the quality of early education for children and families. The House proposal does not include any funding for these initiatives. New initiatives which would have received funding under the Governor's proposal include:

- \$30.0 million for **Quality Efforts** to support teacher training, professional development, and classroom grants. Funding for this new program is tied to the Quality Rating and Improvement System (QRIS) which assesses the current level of early education and care delivered by providers and supports initiatives that raise the quality of care.
- \$30.6 million for **Early Education Provider Quality Investments**. This funding would be split between:
 - \$17.6 million to more safely transport children to and from care, including providing bus monitors to support drivers transporting large numbers of kids.
 - \$13 million to increase reimbursement rates paid to providers. For providers, the main driver of quality is also the primary cost driver – teacher salaries. The revenue used to pay teacher salaries primarily comes from rates charged to families or subsidized payments by the state. When the state reimburses providers below market rates, it can be difficult for providers to employ highly trained teachers in early childhood education. Currently, in Massachusetts reimbursement rates paid to early education and care providers are well below market rates and federal recommendations.³ This investment would support an increase in reimbursement rates for providers to increase salaries, benefits and professional development opportunities for early education teachers – raising the quality of care children receive.
- \$11.2 million for three new programs focused on improving the school readiness of children transitioning out of early education and into K-12 schools. These three programs include:
 - \$5.0 million for **Comprehensive Support Services**, a competitive grant program to provide school readiness supports – especially those designed to increase third grade reading proficiency – for families with infants, toddlers and pre-school age children in communities with low-performing schools.
 - \$3.2 million for a **Kindergarten Entry Assessment System**, which assesses a child's school readiness. Required in General Law Chapter 15D since EEC's inception, implementation began with a 2012 pilot in 24 districts including roughly 17,500 students and funded with federal "Race to the Top" funding.⁴ The system supports tools and training for teachers, data collection and assessments which are developed to align with the K-12 Massachusetts Comprehensive Assessment System (MCAS).

³ For a detailed discussion of center based rates, see [Declines in Spending on Early Education and Care in Massachusetts](#). For information on all rates paid by the state, see the [Massachusetts Market Price Survey](#).

⁴ Race to the Top is a U.S. Department of Education contest which awarded funding to states for education reform. Massachusetts was awarded \$250 million over 4 years. For more information about Race to the Top in Massachusetts, see <http://www.doe.mass.edu/rttt/>

- \$3.0 million for **Family Engagement to Support Reading Proficiency by Grade 3**. This program would fund the Reading Proficient by Grade Three Grant, which supports programs and services such as: parenting classes, professional development for private early education and public k-12 providers, home visiting, parent-child playgroups, and adult literacy programming.

For a full description of these programs, see the MassBudget brief, [Nurturing Kids, Supporting Families: Early Education & care in the Massachusetts State Budget](#).