



Commonwealth Cares for Children (C3) Report to the Legislature: February 2025

Report Overview

Pursuant to the requirements in section 188 of Chapter 140 of the Acts of 2024, the Department of Early Education and Care (EEC) submits the following report on multi-site, for-profit center-based child care providers who participate in the Commonwealth Cares for Children (C3) program.

Commonwealth Cares for Children (C3)

Overview

The Commonwealth Cares for Children (C3) program provides monthly funding to licensed and funded early education and care programs and afterschool and out-of-school time programs to support operational costs, including compensation and other workforce and quality investments. C3 is currently funded at \$475 million and has enabled programs to expand their licensed capacity, recruit and retain staff, and mitigate tuition increases for families. Since its creation in July 2021, C3 has remained open to all child care programs serving families across the Commonwealth; over 9,000 child care programs have received approximately \$1.6 billion in C3 funding. C3 funds may be used for various operational expenses such as increasing educator salaries and enhancing professional development supports to support staff retention or purchasing materials and curricula to improve program quality. Monthly C3 amounts are determined using a formula that considers factors such as program type, youngest age group enrolled, and percent of children enrolled participating in child care financial assistance (CCFA), to address equity. Revisions to the formula implemented in November 2024 are designed to align with legislative changes and to ensure funds are distributed equitably based on program characteristics. C3 plays a crucial role in program and workforce stability and making early education and care more accessible and affordable across the Commonwealth.

Multi-Site For-Profit Umbrella Organizations

Summary of Organizations

Since the implementation of the updated C3 formula in November 2024, more than \$186 million in C3 funds have been distributed to over 7,800 licensed or funded child care providers across the Commonwealth (Table 1). Center-based programs account for 35% of the total number of licensed and funded programs in the state and 83% of the total licensed capacity, or number of seats.

Table 1: Licensed Capacity and C3 Funds Disbursed Under the New Formula for All Programs				
Program Type	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)	Avg Monthly C3 Funds per Seat
Center-based	2,768 (35%)	194,625 (83%)	\$148,893,876 (80%)	\$157
Family child care	5,195 (65%)	40,720 (17%)	\$37,711,050 (20%)	\$190
Total	7,897 (100%)	235,345 (100%)	\$186,604,926 (100%)	\$163

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

All center-based programs are associated with an umbrella organization under which they operate; if there is only one site then the sole program is deemed their own umbrella organization. Additionally, to receive C3 funds, all programs must disclose whether they are a tax-exempt not-for-profit organized in Massachusetts. About half of all center-based programs that applied for C3 since November 2024 are not-for-profits. This report will further examine the remaining programs that are for-profit.

Table 2 further breaks down all for-profit center-based programs into the relative size of the umbrella organization – 1 site, 2-10 sites, or more than 10 sites. If an umbrella organization is for-profit and operates more than one location in the state of Massachusetts, then they are designated a multi-site for-profit organization for the purpose of this report; to date, there are 143 multi-site for-profit organizations participating in C3. In total, these 143 umbrella organizations operate 653 sites that serve approximately 48,000 children or 19% of the formal child care seats across the Commonwealth and have received a total of \$36,657,166 in C3 funds since November 2024, which represents 20% of total C3 funds disbursed in the same time frame.

Table 2: For-Profit Umbrella Organizations (Center-Based Programs) Receiving C3 Funds					
Number of Center-Based Sites Operated by an Umbrella Organization	Number of Umbrella Organizations (%)	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)	Avg Monthly C3 Funds per Seat
1 Site	751 (84%)	751 (53%)	45,307 (48%)	\$37,253,386 (50%)	\$170
2-10 Sites	135 (15%)	372 (27%)	23,811 (26%)	\$21,400,730 (29%)	\$187
>10 Sites	8 (1%)	281 (20%)	24,872 (26%)	\$15,256,436 (21%)	\$127
Total	894 (100%)	1,404 (100%)	93,990 (100%)	\$73,910,552 (100%)	\$162

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

Multi-site For-profit Umbrella Organizations and the C3 Formula

To ensure large, for-profit providers are not absorbing an inequitable proportion of the C3 funds and in order to be responsive to FY25 budget language, EEC has built two mechanisms into the C3 formula—a CEO to educator compensation ratio limit and a 1% annual cap on funding to for-profit organizations that operate more than 10 sites in Massachusetts. Additional details on both mechanisms are included below.

CEO to Educator Compensation Ratio

All center-based programs are required to report the total compensation of their umbrella organization’s highest paid employee as well as the compensation of the program’s lowest paid educator. Programs that meet or exceed a 30:1 CEO to educator compensation ratio are limited to the lowest tier, tier 3, of the equity adjustment of the C3 formula, regardless of program characteristics. Presently, there are two umbrella organizations – Bright Horizons Children’s Centers and KinderCare Education – whose sites all meet or exceed the 30:1 CEO to educator compensation ratio. Altogether, these two umbrella organizations have received close to \$9 million in C3 funds since November 2024 (Table 3).

Table 3: Summary of Umbrella Organizations Subject to the CEO to Educator Compensation Ratio

Number of Umbrella Organizations	Number of Sites (% All Sites)	Licensed Capacity (% Total Licensed Capacity)	C3 Funds: Nov 2024 to March 2025 (% Total C3 Funds)	Avg Monthly C3 Funds per Seat
2	168 (2.1%)	13,727 (5.8%)	\$8,988,461 (4.8%)	\$81

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

Cap on Annual Funding

The FY25 budget language relating to C3 (Outside Sections 36 and 189) institutes a cap on annual funding to for-profit providers that operate more than 10 center-based programs in the Commonwealth. These organizations are limited to receiving a maximum of 1% of annual program funds, or \$4.75 million, in FY25 and beyond. The language authorizes EEC’s Commissioner to grant a waiver of the 1% limit, if determined to be in the best interest of the Commonwealth. EEC has used this waiver to exempt individual program sites that are a part of a for-profit umbrella organization with more than 10 sites if they serve at least 25% children participating in CCFA. All other sites within the for-profit umbrella organization that do not meet the CCFA exemption have their C3 funding counted towards the 1% annual cap. Presently, eight umbrella organizations, which include 281 sites that serve approximately 24,000 children, are subject to this 1% funding cap review (Table 4).

Table 4: Summary of Umbrella Organizations Subject to the 1% Annual Cap of C3 Funding				
Number of For-Profit Umbrella Organizations with More than 10 Sites in MA	Number of Sites (% All Sites)	Licensed Capacity (% Total Licensed Capacity)	C3 Funds: Nov 2024 to March 2025 (% Total C3 Funds)	Avg Monthly C3 Funds per Seat
8	281 (3.6%)	24,872 (10.6%)	\$15,256,436 (8.2%)	\$127

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

An umbrella organization may be subject to the CEO to educator ratio limit as well as the 1% annual cap. There are two large multi-site for-profit organizations, Bright Horizons Children’s Center and KinderCare Education, that are subject to both. The programs under these umbrella organizations are ineligible for tier 1 and tier 2 equity adjustments and therefore only receive C3 base funding without any equity adjustment.

Out of the eight umbrella organizations that operate more than 10 center-based programs, five umbrella organizations – AlphaBest Education, Cadence Education, Inspire Early Education, KinderCare Education, and Little Sprouts – receive exemptions for 76 program sites that serve at least 25% of children with CCFA

(Table 5). Offering exemptions for these individual programs helps recognize the efforts of these large entities to serve children participating in CCFA.

Based on current projections, only one large for-profit umbrella organization, Cadence Education, will trigger the 1% annual cap rule in FY25; without the 1% annual cap, Cadence is projected to receive \$5.8 million in funds under the updated C3 formula. The remaining large for-profit umbrella organizations that are subject to the 1% cap rule do not approach the \$4.75 million cap in FY25, although the 1% cap may be reached in FY26, when the new formula is in place for 12 months.

Table 5: Program Attributes and Projected C3 Funding for Multi-site For-profit Organizations with More than 10 Sites					
Umbrella Organization	Number of Program Sites	Total Licensed Capacity Across Program Sites	# Sites Subject to 1% Annual Cap (Sites with <25% CCFA)	FY25 C3 Funding Projections Nov 2024 – June 2025 for Sites Subject to 1% Annual Cap (For Sites with <25% CCFA)	FY25 C3 Funding Projections July 2024 – June 2025 After 1% Annual Cap (For All Sites)
AlphaBest Education Inc	22	1,459	18	\$0.6M	\$0.9M
Bright Horizons Children’s Centers, LLC	59	5,127	44 ¹	\$2.7M	\$5.4M
Cadence Education, LLC	26	3,482	24	\$4.75M ²	\$6.5M
Four Rohwers, Inc.	18	1,495	18	\$1.4M	\$1.6M
Inspire Early Education LTD	12	1,018	10	\$1.5M	\$2.0M
KinderCare Education, LLC	109	8,600	55	\$2.3M	\$7.3M
Little Sprouts, LLC	22	2,277	8	\$1.4M	\$6.3M
MB Imagine ECE, LLC	13	1,145	13	\$1.9M	\$2.4M
Total	281	24,872	205	-	\$32.4M

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

¹ There are 16 sites under the Bright Horizons umbrella organization that are exempt from the 1% cap on annual funding due to their unique organizational structure. These programs are independent, similar to franchises, owned by third parties and only operated by Bright Horizons program. EEC has determined these programs are eligible to receive C3 funding without restrictions due to their independent structure and does not consider them to be affiliates of Bright Horizons for C3 purposes. EEC reserves the right to revoke or amend these designations at any time at its sole discretion.

² Without the 1% annual cap, Cadence would be projected to receive \$5.8M as an umbrella organization.

Multi-site For-profit Program Characteristics

As part of the application process, information is gathered about a variety of program characteristics that allow for a better understanding of who the multi-site for-profit programs serve.

Child Opportunity Index (COI)

The previous C3 formula considered a program’s Social Vulnerability Index (SVI), a place-based index designed to identify and quantify communities experiencing social vulnerability, to better understand the communities in which programs operate and inform funding decisions. Starting in November 2024, EEC switched from using SVI to the Child Opportunity Index (COI), a place-based metric that quantifies a family’s access to local resources such as education quality, playgrounds, healthy foods, and safe housing. Areas designated as “very low” COI indicate very limited access to resources, whereas a “very high” COI indicates greater access to resources. Table 6 shows that for all center-based programs, 34% of licensed capacity is located in areas of very low or low opportunity areas and that these programs have received 42% of all C3 funds disbursed since November 2024.

COI Category	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)
Very Low	408 (15%)	31,925 (16%)	\$31,246,203 (21%)
Low	508 (18%)	35,479 (18%)	\$30,669,461 (21%)
Moderate	585 (21%)	37,804 (19%)	\$30,611,062 (21%)
High	637 (23%)	43,929 (23%)	\$29,646,813 (19%)
Very High	630 (23%)	45,488 (23%)	\$26,720,337 (18%)
Total	2,768 (100%)	194,625 (100%)	\$148,893,876 (100%)

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

In comparison, Table 7 further examines the breakdown of COI by two subpopulations – all multi-site for-profit organizations and multi-site for-profit organizations with more than 10 sites, a subset of all multi-site for-profit organizations. Table 7 shows that more than half of the licensed capacity (57%) within multi-site for-profit organizations operate in a high or very high opportunity area, compared to 46% of center-based programs overall, and for those organizations with more than 10 sites, 67% of licensed capacity is clustered in high or very high opportunity areas. While the data shows that multi-site for-profit organizations tend to operate in high or very high opportunity areas, it is important to understand the families served by these organizations, and the next section explores the population of children enrolled in these programs who participate in EEC Child Care Financial Assistance (CCFA).

Table 7: Licensed Capacity and C3 Funds Disbursed For Multi-site For-Profit Organizations by COI Category						
	Multi-site For-profit Organizations			Multi-site For-profit Organizations with >10 Sites		
COI Category	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)
Very Low	64 (10%)	4,427 (9%)	\$4,252,565 (12%)	16 (6%)	1,344 (5%)	\$788,122 (5%)
Low	101 (15%)	6,756 (14%)	\$6,451,477 (18%)	30 (11%)	1,975 (8%)	\$1,054,411 (7%)
Moderate	140 (21%)	9,776 (20%)	\$7,467,148 (20%)	62 (22%)	4,818 (19%)	\$3,101,243 (20%)
High	177 (27%)	13,916 (29%)	\$9,404,482 (26%)	95 (34%)	8,529 (34%)	\$4,931,844 (32%)
Very High	171 (26%)	13,808 (28%)	\$9,081,494 (25%)	78 (28%)	8,206 (33%)	\$5,380,815 (35%)
Total	653 (100%)	48,683 (100%)	\$36,657,166 (100%)	281 (100%)	24,872 (100%)	\$15,256,436 (100%)

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

Child Care Financial Assistance (CCFA)

In the C3 formula, the percent of children that participate in EEC child care financial assistance (CCFA) is one metric that determines which tier and thus, what equity adjustment a program receives. For example, programs that enroll 25% or more children who are participating in CCFA may qualify for tier 1 and receive a 3x equity adjustment of their base rate. However, if a program has a CEO to educator compensation ratio that meets or exceeds 30:1, that program is only eligible for tier 3. Despite the limitations placed on the equity adjustment by the CEO to educator ratio, programs serving 25% or more of their licensed capacity with children who participate in CCFA are waived from the 1% annual cap.

Overall, more than one-third of all center-based programs (35%) who participate in C3 enrolled at least 25% of children participating in CCFA (Table 8).

Table 8: Percent of Children Served Participating in CCFA for All Center-Based Programs			
Percent of Children Participating in CCFA	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)
0%	952 (34%)	57,055 (29%)	\$23,670,330 (16%)
1-24%	842 (30%)	65,267 (34%)	\$54,672,449 (37%)
≥25%	974 (35%)	72,303 (37%)	\$70,551,096 (47%)
Total	2,768 (100%)	194,625 (100%)	\$148,893,876 (100%)

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

Similarly, 35% of multi-site for-profit organizations enroll at least 25% of children participating in CCFA, whereas if we examine only multi-site for-profit organizations that have ten or more sites, 27% of programs enroll at least one quarter of children participating in CCFA (Table 9).

Table 9: Percent of Children Participating in CCFA for Program Sites that Part of Multi-site For-profit Organization						
Percent of Children Participating in CCFA	Multi-site For-profit Organizations			Multi-site For-profit Organizations with >10 Sites		
	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)	Number of Programs (%)	Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)

0%	176 (27%)	11,801 (24%)	\$4,374,915 (12%)	57 (20%)	4,870 (20%)	\$1,744,685 (11%)
1-24%	252 (39%)	20,449 (42%)	\$16,064,027 (44%)	148 (53%)	13,606 (55%)	\$9,314,896 (61%)
≥25%	225 (35%)	16,433 (34%)	\$16,218,224 (44%)	76 (27%)	6,396 (26%)	\$4,196,854 (28%)
Total	653 (100%)	48,683 (100%)	\$36,657,166 (100%)	281 (100%)	24,872 (100%)	\$15,256,436 (100%)

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

Youngest Age Group Enrolled

Under the updated C3 formula, the age groups served by a center-based program play a central role in setting the base rate for a program’s monthly C3 funds; the base rate is determined by the youngest age group enrolled. Table 10 summarizes the number of programs, licensed capacity, and C3 funding distributed to programs by the youngest age group enrolled. It is important to note that in Table 10, a program is only counted once in the youngest age group that they enroll in, when they may in fact serve all groups from infants to school-age children and the licensed capacity figures reflect the total licensed capacity of the program as a whole, not for a specific age group, as programs can have mixed age classrooms. Overall, 41% of all center-based programs serve infants and these programs represent 47% of the total center-based licensed capacity.

Table 10: Total Program Licensed Capacity and C3 Funds for All Center-based Programs by Youngest Age Enrolled			
Youngest Age Group Enrolled	Number of Programs (%)	Total Program Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)
Infants	1,137 (41%)	92,072 (47%)	\$86,090,735 (58%)
Toddlers	368 (13%)	23,109 (12%)	\$16,493,698 (11%)
Preschoolers	611 (22%)	36,435 (18%)	\$23,585,697 (16%)
School Age	652 (24%)	43,009 (22%)	\$22,723,745 (15%)

Total	2,768 (100%)	194,625 (100%)	\$148,893,876 (100%)
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Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

As shown in Table 11, when we look specifically at programs that belong to a multi-site for-profit organization, we see that more of the larger for-profit programs serve infants, an age group for which there is more limited supply in the overall market, with 64% of all multi-site for-profit programs serving infants, compared to 41% of all programs.

Table 11: Total Program Licensed Capacity and C3 Funds for Center-based Programs that are Part of a Multi-site For-profit Organization						
	Multi-site For-profit Organizations			Multi-site For-profit Organizations with >10 Sites		
Youngest Age Served	Number of Programs (%)	Total Program Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)	Number of Programs (%)	Total Program Licensed Capacity (%)	C3 Funds: Nov 2024 to March 2025 (%)
Infants	417 (64%)	35,550 (73%)	\$30,620,858 (84%)	183 (65%)	18,716 (75%)	\$13,078,873 (86%)
Toddlers	46 (7%)	2,437 (5%)	\$1,506,648 (4%)	5 (2%)	404 (2%)	\$253,040 (2%)
Preschoolers	68 (10%)	3,750 (8%)	\$1,868,823 (5%)	12 (4%)	794 (3%)	\$263,310 (2%)
School Age	122 (19%)	6,946 (14%)	\$2,660,836 (7%)	81 (29%)	4,958 (20%)	\$1,661,212 (11%)
Total	653 (100%)	48,483 (100%)	\$36,657,166 (100%)	281 (100%)	24,872 (100%)	\$15,256,436 (100%)

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

Program Tuition

EEC collects private tuition rates as part of the C3 application process. Before applying for funds each month, a program must affirm that its tuition rates on record are current or else make updates. This analysis includes tuition rates for 2,029 out of the 2,807 center-based programs that applied for C3

funding between November 2024 and March 2025, after cleaning and adjusting for unique program schedules. Table 12 compares the average daily tuition rate for all center-based child care programs with those that belong to a for-profit organization that has 10 or more sites. A program is counted in more than one age group if it serves multiple age groups. Multi-site for-profit providers tend to have higher tuition rates, with the exception of school age rates, which tend to be lower. It is important to note that there may be variation in rates by organization.

Table 12: Average Daily Tuition Rates by Age Group and For All Centers compared to Multi-site For-profit Organizations						
	All Centers (n=2,029)		Multi-site For-profit Organizations (n=559)		Multi-site For-profit Organizations with >10 Sites (n=235)	
Age Group	Number of Programs	Avg Daily Tuition	Number of Programs	Avg Daily Tuition	Number of Programs	Avg Daily Tuition
Infants	965	\$105	367	\$114	168	\$130
Toddlers	1,229	\$94	398	\$104	164	\$122
Preschoolers	1,588	\$76	444	\$88	175	\$104
School-age	648	\$47	142	\$47	59	\$37

Source: LEAD Data as of January 2025. Data cleaned to eliminate extreme outliers, as well as those that have not been updated in more than a year. Does not include hourly rates, part time rates, or rates that are more than a year old.

Additional C3 survey findings show that 60% of all center-based providers reported they have raised tuition in the last 6 months or plan to raise tuition in the next 6 months compared to 49% of multi-site for-profit providers with greater than 10 sites.

Educator Wages

Twice per year, all programs are required to report the lowest and highest wage for different educator roles as part of the C3 application. As of November 2024, center-based early education programs reported an average hourly wage of \$24 for teachers/lead teachers and \$19 for assistant teachers (Table 13). Reported wages are similar to multi-site for-profit organizations, although the ranges vary and teacher average wages are slightly lower across the multi-site for profit organization. It is important to note that there may be variation in rates by organization.

Table 13: Average Hourly Wage for Teachers and Assistant Teachers in Center-Based Early Education Programs						
	All Centers		Multi-site For-profit Organizations		Multi-site For-profit Organizations with >10 sites	
Role	Number of Programs	Avg Hourly Wage [Avg Low – Avg High]	Number of Programs	Avg Hourly Wage [Avg Low – Avg High]	Number of Programs	Avg Hourly Wage [Avg Low – Avg High]
Teacher/Lead Teacher	2,094	\$24 [\$21 - \$27]	524	\$23 [\$21 - \$25]	194	\$23 [\$20 - \$26]
Assistant Teacher	1,849	\$19 [\$18 - \$21]	493	\$19 [\$18 - \$21]	188	\$19 [\$17 - \$22]

Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

For school-age programs, the average hourly wage reported is \$21 for group leaders and \$17 for assistant leaders (Table 14). While the average hourly wage for assistant leaders is the same across different program types, we see that the average hourly wage for group leaders as well as the average low and high wages for all roles is lower in programs that are part of a multi-site for-profit.

Table 14: Average Hourly Wage for Group Leader and Assistant Leader Wages in Center-Based School Age Programs						
	All Centers		Multi-site For-profit Organizations		Multi-site For-profit Organizations with >10 Sites	
Role	Number of Programs	Avg Hourly Wage [Avg Low – Avg High]	Number of Programs	Avg Hourly Wage [Avg Low – Avg High]	Number of Programs	Avg Hourly Wage [Avg Low – Avg High]
Group Leader	899	\$21 [\$19 - \$22]	164	\$19 [\$18 - \$20]	88	\$19 [\$18-\$20]

Assistant Leader	561	\$17 [\$17 - \$18]	120	\$17 [\$16 - \$18]	51	\$17 [\$16 - \$18]
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Source: C3 application data November 2024 – March 2025 as of March 24, 2025.

Utilization of C3 Funds

EEC administers a bi-annual C3 survey to gain deeper insight into how child care programs utilize C3 funds and how the Commonwealth of Massachusetts can continue to support educators, providers, and families moving forward. The fall 2024 C3 survey data included responses from 7,393 programs, which represents 90% of center-based programs and 86% of family child care programs¹. Programs were asked to report how they spent funds to support operating expenses, such as existing payroll, rent, facilities maintenance, as well as investments in the workforce, such as bonuses, salary/benefit increases, from July 1, 2023, through June 30, 2024.

Across all expenditure and investment categories, multi-site for-profit centers report spending over \$147 million or 82% of C3 funds on their workforce; included in that \$147 million is almost \$100 million or 67% on existing payroll and benefits and \$14 million on salary and benefit increases (Table 15). Comparatively, the subset of multi-site for-profit organizations with more than 10 sites report spending a greater proportion, 82%, of workforce-related expenditures on existing payroll and a smaller proportion, 4%, on salary and benefit increases.

Table 15: C3 Survey Data on Workforce-related Expenditures and Investments			
Spending Category	All Centers (n = 2,662)	Multi-site For-profit Organizations (n = 631)	Multi-site For-profit organizations >10 Sites (n = 259)
Existing Payroll and Benefits	\$333,866,945 (60%)	\$99,422,006 (67%)	\$37,426,031 (82%)
Facilities Costs (Mortgage and Rent)	\$70,249,809 (13%)	\$18,087,916 (12%)	\$4,294,388 (9%)
Past Costs	\$ 6,455,284 (1%)	\$1,438,217 (1%)	\$40,946 (0.1%)
Other Operational Expenses	\$ 12,597,508 (2%)	\$1,388,917 (1%)	\$46,247 (0.1%)

¹ C3 Data Brief, Department of Early Education and Care, April 2025 ([link](#))

Salary/Benefit Increases	\$57,958,265 (11%)	\$14,259,269 (10%)	\$1,908,065 (4%)
Bonuses	\$28,575,384 (5%)	\$5,545,172 (4%)	\$150,482 (0.3%)
Other New Investments	\$43,370,717 (8%)	\$7,554,29 (5%)	\$1,598,240 (4%)
Total	\$553,073,913 (100%)	\$147,695,796 (100%)	\$45,464,399 (100%)

Source: C3 August 2024 survey data as of September 30, 2024. Expenses reported for July 1, 2023, through June 30, 2024.

Additionally, the C3 survey asked programs to share what steps they have taken to adjust for changes in revenue after the C3 funding reductions that were implemented in May 2024. Of the 189 multi-site for-profit programs with more than 10 programs that experienced C3 funding reductions, 56% reacted by increasing tuition while only 43% of all 1,195 centers experiencing funding reductions responded this way.

Data on Operations in Other States

Aside from Massachusetts, we are aware of two other states that have implemented policies that limit or regulate public funding for multi-site, for-profit center-based child care providers, and we could not find much research to date that examines the impact of these decisions. States that have introduced policies specific to public funding for large, for-profit providers appear to have focused on maintaining child care affordability and supporting the educator workforce as follows:

- [Vermont](#): VT requires investor-backed, for-profit child care chains that participate in its subsidy system to limit tuition increases and tie any tuition increases to national compensation trends for educators. VT also requires providers that participate in its subsidy system to disclose program ownership details.
- [New Jersey](#): NJ allows investor-backed, for-profit child care chains to participate in its state-funded preschool system and imposes budgetary requirements around educator salaries and limits programs to a 2.5% profit margin.

Conclusion

Since the creation of C3 in July 2021, C3 funding has been available to all licensed and funded child care programs across the Commonwealth. While more than half of the licensed capacity (57%) that belongs to multi-site for-profit organizations operate in a high or very high opportunity area, compared to 46% of center-based programs overall, we also see that more than half of the programs that belong to multi-site for-profit organizations (74%) accept children participating in CCFA, exhibiting willingness to enroll children outside of private pay. Data also suggests that program tuition for all age groups, except for school age, can be up to 16% higher for programs that are part of a multi-site for-profit organization

compared to all center-based child care programs. In contrast, educator wages remain relatively consistent regardless of program size or for-profit status, with only minor differences observed. The percent of funds spent on increases to salaries and benefits is also lower (4%) for the subset of programs that are part of a multi-site for-profit organization with more than 10 sites compared to centers as a whole (11%). EEC will continue to collect data and monitor the distribution of C3 funds to multi-site for-profit center-based child care programs.