December 2024

Honorable Aaron Michlewitz
Chairman, House Committee on Ways and Means
State House, Room 343
Boston, MA 02133

Honorable Michael Rodrigues
Chairman, Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Honorable Jason Lewis
Chair, Joint Committee on Education
State House, Room 511-B
Boston, MA 02133

Honorable Denise Garlick
Chair, Joint Committee on Education
State House, Room 473G
Boston, MA 02133

Dear, Chairman Michlewitz, and Chairman Rodrigues, Chairman Lewis, and Chairwoman Garlick

The following report aims to satisfy the reporting requirements included in line item 1596-2429 of Section 2E of Chapter 28 of the Acts of 2023.

The Healey-Driscoll Administration is committed to advancing affordability and access in early education and child care. A key tool in this work is capital investments, which provide early education and care programs with the financial resources they need to create modern, accessible, safe and inclusive environments for children of all backgrounds and abilities to learn, play and grow. By investing in developmentally appropriate spaces for children, we are helping make Massachusetts a better place to live, go to school, work, raise a family, and build a better future.

Pursuant to line item language, the Department will distribute $15 million for capital improvements necessary to build capacity and ensure the ability to safely accommodate additional early education and care slots. The Department of Early Education and Care (EEC) is utilizing $7.5 million for the Early Education and Care Provider Capital Grant (EECPCG). This program mirrors the long-standing Early Education and Out of School Time (EEOST) capital grant but extends eligibility to small, community-based for-profit child care centers serving a high proportion of children receiving EEC Child Care Financial Assistance. The remaining $7.5 million is being used to develop and launch a family child care capital investment program focused on supporting the unique capital needs of Family Child Care programs.

Early Education and Care Provider Capital Grant (EECPCG)

The EECPCG will provide grants to community-based for-profit centers, which will use grant funds to develop and/or rehabilitate eligible facilities in which at least 50% of the seats in the facility serve low-income families who are eligible for public subsidy. Through EECPCG, EEC will award grants between $200,000 and $500,000 to early education and out-of-school time center-based programs to offset expenses for critical capital improvements. These uses include, but are not limited to, improvements to outdoor play spaces; improvements to heating, ventilation, and air conditioning (HVAC) systems; reconfiguration of indoor spaces; emergency repairs and system upgrades; physical environment modifications; and security enhancements. As part of the Administration's whole-of-government approach to addressing the climate crisis, EEC will prioritize projects that focus on clean energy and decarbonization. Projects that include security enhancements to prevent and respond to potential threats, such as active shooters and installation of security cameras and access control systems, will also be prioritized.

FY24 EECPCG awardees and amounts are as follows:

Applicant Organization	**EECPCG Awarded Amount**	**Project City**
Angela's Preschool and Daycare, LLC (Winter St)	$500,000	Peabody
Children's Express Child Care, Inc (& St. Mary's)	$500,000	Dorchester
L.P. College - Acushnet Ave	$500,000	New Bedford
L.P. College - Dartmouth Street	$370,000	New Bedford
The Learning Tree Daycare and Preschool LLC.	$500,000	Medway

All available funds have been transferred to the Community Economic Development and Assistance Corporation (CEDAC) to offer capital grant opportunities for for-profit Childcare Centers. The remaining funds will be allocated to support a second round of the Early Education and Care Provider Capital Grant (EECPCG) for the fiscal year 2025 (FY25). This was the first grant opportunity EEC has provided for for-profits, and, in the first round of applications, EEC identified ways in which the for-profit applicants need additional, tailored technical assistance to help ensure applicants are meeting EEC's expectations. This additional funding round will provide an opportunity for more for-profit childcare centers the time, and allow EEC to provide the support, needed to refine their proposals. By reinvesting the remaining funds in this manner, we aim to maximize the impact of the grant program, ensuring that funded projects have the necessary components to ensure program fidelity.

Family Child Care Capital Program (FCCCP)

The Family Child Care Capital Program presents an exciting opportunity to support a large volume of individual applications, while also ensuring robust technical assistance is available to applicants. Recognizing the complexity of managing such a program, EEC has proactively assessed its capacity and identified the need for additional support to ensure successful execution. Through a Request for Information (RFI), EEC explored potential partnerships to administer the program. While the initial RFI did not yield a suitable partner, this process has provided valuable insights that informed the next steps in identifying the right collaborator to help launch this important statewide initiative.

In alignment with the spirit of Executive Order #625, which calls for a "whole of government approach to increasing access to affordable high-quality childcare," EEC entered into a partnership with MassDevelopment in June 2024 to assist in collaborative program design and program administration support. This partnership is similar to EEC's current relationship with the Community Economic Development Assistance Corporation (CEDAC), who helps to administer capital fund grants for center-based child care programs through EEOST.

MassDevelopment is strategically positioned to support family child care programs given their commitment to stimulating business development and helping communities thrive across the state. MassDevelopment has over a decade of experience in developing cross-sector partnerships to engage community members in actionable planning, implementing local economic development initiatives, and financing of capital projects. MassDevelopment currently administers a capital investment program in collaboration with the Massachusetts Cultural Council (MCC). The MCC sets the programmatic and policy priorities while MassDevelopment oversees the payment and monitoring of capital grant awards. EEC and MassDevelopment are looking to this collaboration as a model for a similar family child care provider capital grant program.

On June 28, 2024, the Healey-Driscoll Administration announced the partnership between the Department and MassDevelopment. Applications for the grant program will be accepted through September 13, 2024.