

# Early Ed 101 Fact Sheet

## COMMONWEALTH CARES FOR CHILDREN (C3)

### Overview of the Commonwealth Cares for Children Grant Program

The Commonwealth Cares for Children (C3) program is the state's **operational grant program** to support child care providers in the Commonwealth. Out of the 9,151 early education programs across the state, almost 8,000 participate in C3.

C3 was launched in July 2021. The program was originally created to distribute federal child care stabilization funds from the American Rescue Plan Act (ARPA) and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) to address financial burdens faced by providers during the pandemic and to prevent a further reduction in the supply of child care.

As federal funding expired, the state supplemented that lost funding starting in FY 2023, and in FY 2024 began to fully fund C3 solely with state resources. Massachusetts is the only state in the country to continue to fully fund their COVID-era stabilization program after federal funding was depleted. Many states thus experienced a child care fiscal cliff which Massachusetts did not.

#### Providers can use C3 grants for:

- Workforce investments including salaries, benefits, stipends, and professional development.
- Program quality investments such as supplies, curriculum, screening tools.
- Other operational needs or capital improvements like rent or mortgage payments, utilities, and classroom or facilities maintenance and improvements.

**C3 Goals:** Enable providers to better recruit and retain staff, increase educator compensation, and invest in high-quality initiatives so that providers are able to cover their foundational operating costs rather than pass high costs onto families in the form of tuition increases.

### Impacts on Program Stability, Sector Growth, & Workforce Support

#### Expanding System Capacity & Access:

Statewide capacity in our early education system has **grown by about 30,000 seats** between July 2022 and July 2025 system-wide, increasing from the capacity for 236,264 to capacity for 260,993 children.

#### Growing Programs:

The number of licensed providers statewide has rebounded from a low of 6,716 during the pandemic to over 9,000 at the end of 2025. Even compared to before the pandemic, the number of programs has grown by **more than 10%**.

FCC programs have seen the largest growth in the sector since the pandemic, **growing by 18%** between January 2023 and January 2025.

#### Lowering Educator Turnover Rates:

Statewide educator turnover **decreased from 32% to 26%** between the 2022 the 2024 Fall C3 surveys.

Between 2024 and 2025, **20%** of center-based teachers and **33%** of center-based assistant teachers left their roles at programs. This down from 28% and 53% respectively between 2021 and 2022.

#### Increasing Educator Wages:

The average annual salary for a center-based teacher **increased from \$39,700 to \$47,560** (assuming annual hours of 2,000) between November 2021 and November 2024. For assistant teachers, average salary grew from \$31,800 to \$38,260 during this time. This represents a **20%** increase in hourly wages since the start of C3.

### Mechanics of C3

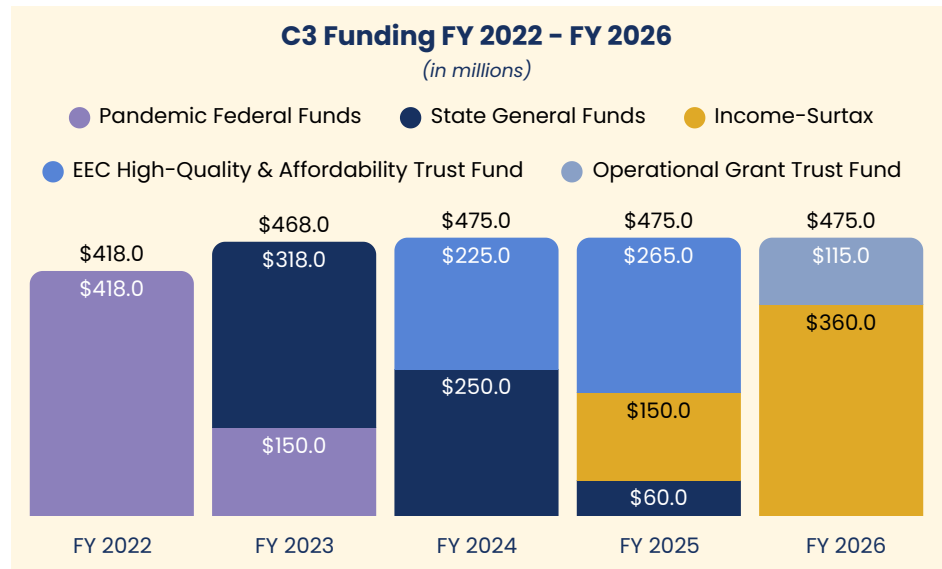
The Department of Early Education and Care (EEC) manages C3. Participating providers receive monthly grant amounts based upon a formula set by EEC consistent with state law. Through monthly applications and bi-annual surveys, EEC is able to collect important data from providers that shape the evolution of C3 and other policy going forward.

#### C3 Formula Inputs:

- Licensed **capacity**
- **Base rate** per child which takes into account the cost of serving different age groups and staffing at programs
- **Equity adjustment** to direct additional funds to Head Start programs, programs with higher levels of children receiving CCFA (or private subsidies), and programs with very low Child Opportunity Index scores.

### C3 Funding Over Time

C3 funding has remained at \$475 million since the state began funding the program entirely with state resources in FY 2024. The chart below shows the history of C3 funding into FY 2026. Notably, you can see a **shift of program funding off of state general funds and onto other sources like the Income-Surtax and state trust funds.**



In FY 2025, policymakers approved the creation of a new **online lottery program**. Revenue from the new iLottery is slated to be deposited into the Operational Grant Trust Fund for C3 starting in FY 2027. The Treasurer's office estimates that revenue from iLottery will total over **\$70 million** in the first year, **\$180 million** in year three, and **\$230 million** in year five. Though the online lottery program is not yet operational at the time of this report, it represents a potential new ongoing source of revenue for C3.

### Examining Growing Operating Costs for Programs

C3 has demonstrated clear success at increasing staff compensation and helping child care programs stabilize and grow since the pandemic. **Educator wages at center-based programs have grown between 18% and 21% since the start of the program in 2021.** However, C3 funding has stayed level at \$475 million, while the number of participating programs has increased and program costs in addition to compensation have continued to rise. This creates potential for the **power of C3 to erode over time.**

In early 2025, EEC, in partnership with the American Institutes for Research (AIR), published a cost report detailing how program costs have grown between 2022 and 2024. The report showed that:

**For center-based programs, the estimated per-child cost increased between 14% and 25%.**

**For FCC programs, the estimated per-child cost increased between 12% and 19%.**



**Facilities costs:**  
**increased between 28% and 29%,**  
depending on region.



**Food costs:**  
**increased by approximately \$1,000**  
per child annually across regions.

Though not broken out specifically in the AIR cost report, **liability insurance** is also an area of high cost for providers that should be explored more closely. A survey published by the National Association for the Education of Young Children (NAEYC) found that between 2023 and 2024, program liability insurance costs for many respondents **increased by more than \$2,000.**

### Main Takeaways:

C3 has been instrumental to the sustainability and growth of Massachusetts' early education system since its implementation. Due to C3, more child care programs have opened and are able to provide care to families and existing programs have been able to grow, expanding access and capacity to the system. Educators have also seen increases to compensation and providers have been able to invest in program quality.

In order to build on the success of C3, the state should continue to invest in the program as essential infrastructure to sector. Level-funding for five years, coupled with increasing costs, growing programs, and increasing participation, put an increasing strain on C3 and the program's ability to impact the sector.