



Understanding Early Education and Care Funding in Massachusetts

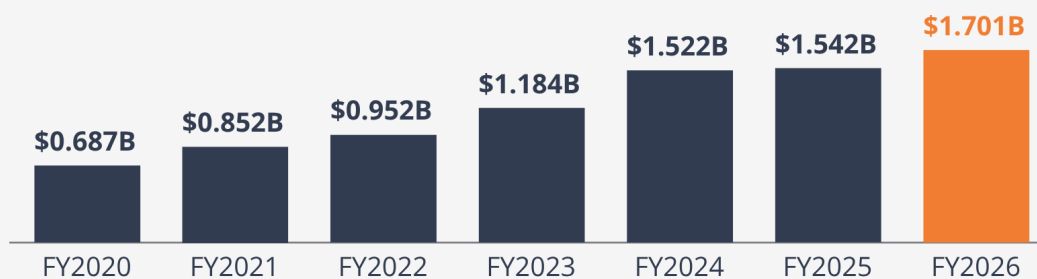
POLICY BRIEF

What Makes Early Education and Care Funding Unique

High-quality early education and care is widely recognized as one of the most effective public investments in children and families. It helps children build the foundation for lifelong learning, supports parents' ability to work, and contributes to stronger communities and a more competitive economy. Reflecting these benefits, Massachusetts has made historic investments in this sector over the past several years, expanding public support for children, families, educators, and communities.

Massachusetts Has Significantly Expanded Public Investment

Enacted Department of Early Education and Care budget appropriations, FY2020-FY2026



Funding has more than doubled since FY2020, driven first by pandemic-era federal relief and now sustained through state and Fair Share (income surtax) resources.

Unlike K-12 education, which is largely funded and delivered through the public school system, early education and care is not financed through a single funding formula or delivered through one type of provider. Instead, Massachusetts supports a mixed-delivery system, meaning children and families receive services through public schools, early education and care centers, family child care homes, Head Start centers, and other early childhood programs. Substantial funding for the system comes from family tuition payments, though public investments are notable and distributed through multiple funding streams that support different aims—from delivering services directly to children and families, to helping providers improve quality, to strengthening the workforce and system infrastructure.

KEY CONCEPT: A Different Funding Model

The early education and care system does not have a singular, predictable financing model that establishes the public cost of delivering high-quality services and how those costs should be shared. Some public investments directly support programs, while others reduce costs for eligible families. As a result, providers must often adopt a patchwork approach to financing, combining multiple public funding streams with family tuition to operate a single classroom or program.

As a result, early education and care financing is both broad and complex. Multiple funding streams are often combined to support a single classroom or provider, including various public investments that support children, families, and educators in different ways. The pages that follow provide a practical framework for understanding where public investments come from, what they support, and how the major funding streams work together to strengthen Massachusetts' early childhood system.

Where Public Investments Come From

Public investments in early education and care come from the federal government, the Commonwealth of Massachusetts, and municipal governments. These investments support different parts of the early childhood system and often overlap in serving children, families, providers, and communities.

Broadly speaking, federal investments primarily support national priorities and targeted populations with eligibility requirements, state investments play a central role in financing and administering Massachusetts' system infrastructure, and local investments allow communities to expand services and respond to local needs. This layered approach offers important advantages by offering flexibility across settings and provider types while preserving family choice. It also creates tradeoffs. Relying on multiple levels of government can make the financing system more complicated to navigate and can hinder the ability to track the overall level of public investment. Better alignment of funding streams could reduce administrative burden, enhance system transparency, and promote equity among communities while still preserving flexibility to address local needs. Further, better alignment could make clear where additional investment is needed to reach a funding level that adequately and sustainably supports a robust, high-quality early education and care sector.

Core Focus Areas by Level of Government

Federal Government	Commonwealth of Massachusetts	Municipal Governments
• Family support • Comprehensive services • Services for children with disabilities • Nutrition programs • Targeted grants and initiatives	• Family support • Program stability • Preschool expansion • Workforce development • Quality improvement • Facilities and capital improvements • Licensing, data, and administration	• Public preschool • Community partnerships • Facilities and capital improvements • Local affordability initiatives • Other locally determined priorities

Note: This guide focuses on public investments. Families, employers, philanthropic organizations, and other private entities also contribute resources to the early childhood system.

How Public Investments Support Early Education and Care

Most public investments in the Massachusetts early childhood system serve one of three broad purposes. Some pay directly for services children and families receive. Others help providers strengthen quality and practice. A third supports the workforce, administration, and infrastructure needed to operate the system. Together, these three categories provide a practical framework for

understanding how public investments support the early childhood system. Specific funding streams within each category are described in the next section.

Three Categories of Public Investment

Services for Children and Families	Supports for Providers	System Infrastructure
<i>Pays for services children and families receive or directly supports program operations.</i> • Child care financial assistance • Public preschool programs • Head Start and Early Head Start • Early Intervention • Preschool special education • Nutrition programs • Program operational support	<i>Helps providers address specific needs and improve program quality.</i> • Coaching and technical assistance • Professional development • Mental health consultation • Curriculum and quality improvement • Business and licensing assistance • Provider networks and partnerships	<i>Supports the workforce, administration, and infrastructure for the system to function.</i> • Workforce preparation • Licensing and monitoring • Family information and referral • Data and reporting systems • Program administration • Cross-agency coordination • Research and evaluation

Investing in Access and Quality

Expanding access to early education and care requires investment in classrooms, programs, and family affordability, but direct services are only part of the financing picture. Programs also rely on trained educators, intermediaries and support organizations, licensing and oversight, information systems, and other supports. These investments are sometimes less visible than direct care, but they shape the quality, safety, reach, and reliability of the system.

Major Public Investments at a Glance

The funding streams below present a snapshot of the major public investments supporting early education and care in Massachusetts. As public policy evolves, this landscape will continue to change.

Services for Children and Families

Child Care Financial Assistance (CCFA)

Public funding: Federal (through the Child Care and Development Fund and, within it, the Child Care and Development Block Grant) and state

- Helps eligible families afford early education and care.
- Funds portable vouchers and contracted provider slots.
- Serves children across the mixed-delivery system.

Commonwealth Cares for Children (C3)

Public funding: State; established with federal COVID-19 relief funding

- Provides operating support to licensed providers.
- Helps fund staffing, facilities, and other day-to-day costs.
- Builds workforce capacity; supports recruitment and retention.

Commonwealth Preschool Partnership Initiative (CPPI)

Public funding: *State*

- Helps communities expand preschool partnerships.
- Connects school districts, community-based providers, family child care, and Head Start.
- Aims to improve access, quality, and inclusive practice.

Head Start and Early Head Start

Public funding: *Federal, with limited state supplemental support*

- Provides early learning and comprehensive family services.
- Serves a set number of eligible children through local grantees.
- Combines education with health, nutrition, and family supports.

Preschool Special Education

Public funding: *Federal, state, and local education funding*

- Supports children with disabilities beginning at age three.
- Is delivered primarily through local education agencies.
- May coordinate with community-based early childhood providers.

Capital and Facilities Support

Public funding: *Primarily state and municipal, plus financing managed by the quasi-public Community Economic Development Assistance Corporation*

- Helps providers renovate or improve early education and care facilities.
- May support centers, nonprofit and for-profit programs, and family child care.
- Expands or preserves safe, usable program capacity.

Chapter 70 Preschool Funding

Public funding: *State and municipal*

- Provides per-pupil funding for children in district preschool.
- Supports part-day preschool within the public school system.
- Includes higher funding levels for certain student needs.

Early Intervention

Public funding: *Federal and state, including Medicaid-supported services*

- Supports infants and toddlers with developmental delays and/or disabilities.
- Provides services from birth until age three.
- Operates through the Massachusetts Department of Public Health.

Child and Adult Care Food Program

Public funding: *Federal, administered through the state*

- Reimburses participating providers for meals and snacks.
- Supports children in centers, family child care, Head Start, and other eligible settings.
- Links nutrition support to early education and care.

Municipal Preschool Initiatives

Public funding: *Municipal, sometimes supplemented by state funding*

- Expand preschool based on local priorities and resources.
- Operate typically through public schools, but may support preschool partnerships.
- Vary substantially across communities.

Supports for Providers

Professional Development and Coaching

Public funding: *Primarily state, sometimes federal or municipal*

- Provides training, coaching, and technical assistance.
- Supports program leaders and educators.
- Helps programs strengthen learning environments and operations.

Early Childhood Mental Health Consultation

Public funding: *Primarily state*

- Helps providers respond to children's behavioral and mental health needs.
- Offers consultation, staff training, and family supports.
- Builds provider capacity as a complement to clinical services.

Quality Improvement Supports

Public funding: *Primarily state, with some federal and local support*

- Supports curriculum, assessment, and coaching.
- Helps providers meet quality requirements and strengthen practice.
- May be delivered through intermediaries or partnerships.

Shared Services and Provider Networks

Public funding: *State, federal, and municipal sources may contribute*

- Help providers with licensing, business operations, training, and administration.
- May reduce burdens for small programs and family child care providers.
- Often depends on a combination of funding sources.

System Infrastructure

Workforce Preparation and Career Pathways

Public funding: *Federal, state, and sometimes municipal*

- Supports scholarships, apprenticeships, and education preparation.
- Helps educators gain credentials and advance professionally.
- Operates through partnerships among agencies, colleges, intermediaries, and providers.

Licensing and Monitoring

Public funding: *State*

- Establishes and enforces health, safety, staffing, and program requirements.
- Licenses eligible providers and monitors compliance.
- Supports statewide oversight of early education and care.

Family Information and Referral

Public funding: *Federal and state*

- Helps families locate programs and navigate financial assistance.
- Supports providers in accessing and administering subsidies.

Family and Community Engagement

Public funding: *Primarily state*

- Connects families with local early childhood resources.
- Supports school readiness, early literacy, and parent education.
- Encourages coordination among programs within communities.

Looking Ahead

Massachusetts has significantly increased public investment in early education and care—accelerating positive trends in seat availability, workforce compensation, and family affordability. At the same time, the financing system remains fragmented, with funding distributed through programs that have different purposes, eligibility rules, administrative requirements, and payment structures. This creates several challenges:

- **Fragmented funding.** Providers, families, and public agencies must navigate multiple funding streams that are not always well aligned.
- **Administrative complexity.** Combining funding from different streams can create additional application, reporting, and compliance requirements.
- **Continued affordability pressures.** Many families still bear a substantial share of the cost of early education and care. As of September 2026, there are over 32,000 children on the waitlist for financial assistance.
- **Uncertain long-term funding.** Annual appropriations and time-limited grants can make it difficult for providers and communities to plan, retain staff, and sustain services.

Closing Takeaway: Continuing to expand access to high-quality early education and care will require a more coordinated, stable, and sustainable public financing approach. Determining what that approach should look like is an important next question for Massachusetts policymakers.

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