

Massachusetts Senate sets new guardrails against child care profiteering: What you need to know ^[1]

Author: Elliot Haspel
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Excerpts

Last week, the Massachusetts Senate made significant strides in prioritizing the betterment of children and families by passing a major child care bill, S.2697. If enacted into law, this legislation would be another step in reshaping the state's child care landscape, setting a course for others to learn from. The bill also includes arguably the strongest guardrails against undue profit-seeking behavior by large corporate for-profit chains ever seen in the United States.

...
Commonwealth Cares for Children (C3): A Lifeline for Child Care Providers

At the heart of S.2697 lies the Commonwealth Cares for Children (C3) program, which seeks to provide operational grants to child care providers. These grants, currently totaling \$475 million annually, aim to support center-based and family child care programs, ensuring that they can continue to deliver quality care to children across Massachusetts.

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Guardrails Against Profit-Seeking Behavior

One of the most striking features of S.2697 is its robust measures to curb profit-seeking behavior by large corporate for-profit chains.

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The legislation imposes strict conditions on for-profit chains seeking C3 grants.

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1. Accepting Children in Need: For-profit chains must agree to enroll a reasonable number of children from low-to-moderate-income families who receive public subsidies
 2. Investing in Educator Compensation: A portion of the grant must be allocated to compensating educators, following a defined career ladder and minimum salary levels that would be established by the state.
 3. Financial Transparency: Chains must provide detailed financial information on how they use grants and other relevant data as requested.

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Guardrail Legislative Text

S.2697 lays out the parameters for C3 as a permanent program. It is important to note that when the legislation refers to “a provider that is not an ‘eligible organization’ as defined in section 18 of chapter 15D,” this essentially means a for-profit organization; non-profit providers are automatically eligible under that definition.

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