

TO: Yi-An Huang, Cambridge City Manager

FROM: Cheryl Ohlson, Executive Director Cambridge Office of Early Childhood

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RE: The Cambridge Preschool Program

CPP Status Update:

CPP is in its second academic year of implementation. There are currently 858 children enrolled in CPP programs across the City. Two-hundred-and-sixty-six of those children are three-year-olds, and 592 are four-year-olds. Forty-one percent of the enrolled children have Priority status. (Children qualify for Priority status if their family income is below 65% AMI, or if they are experiencing homelessness, or if they are in the foster care system.) CPP is a mixed-delivery system, with students distributed across three preschool sectors – Cambridge Public Schools (CPS), DHSP preschools, and preschools operated by community-based organizations (CBOs).

- CPS – 302 students enrolled (*This does not include children with IEPs who enroll in preschool through Special Start.*)
- DHSP – 217 students enrolled
- CBOs – 339 students enrolled

Demand for CPP seats has remained relatively steady since the first CPP application in 2024, although applications decreased somewhat in the CPP match that was conducted this winter to enroll students for the 26-27 school year.

	Students Matched for SY24-25	Students Matched for SY25-26	Students Matched for SY26-27
TOTAL	725	789	768
CPS	319	278	254
DHSP	142	210	214
CBOs	264	301	300

The numbers above reflect the number of students who received CPP “match” offers during the annual winter CPP match. Note that students who move to Cambridge after the CPP application deadline and students whose families otherwise missed the CPP application deadline continue to

enroll post-match. As such, the match numbers shown above slightly underestimate the actual enrollment numbers for each school year.

The CPP system includes a wide range of high-quality preschool options and is designed to ensure that families can select preschool programs that best meet their family's and child's needs. The CPP system includes full-day and school-day program options; a variety of programmatic models including language immersion programs, Montessori programs, and Reggio programs; and programs that use various curricular models. Through the CPP application, families are asked to select six to ten preschools, and to rank those preschools to reflect the family's order of preference. In the most recent CPP match, 97% of families with Priority status received a match offer from one of their top three ranked preschool choices, and 94% of General (non-Priority) families matched with one of their top three choices.

All age-eligible four-year-olds and Priority three-year-olds who are Cambridge residents are guaranteed a CPP seat. In the most recent CPP match for SY26-27, a total of 198 three-year-olds received a match offer, and 93 non-Priority three-year-olds were placed on a waitlist.

Exploring the Means Testing of CPP:

In launching CPP the City acted on its longstanding commitment to provide universal high-quality preschool to all Cambridge families regardless of income. The implementation of a universal preschool program had long been a goal of the Cambridge City Council, and for nearly two decades, the City administration, City Council, School Committee, and Cambridge Public Schools administration, along with a broad coalition of stakeholders, worked to make this goal a reality.

Per the request of Council, OEC, in conjunction with the City Manager's strategy team, has explored the means-testing of CPP as a way to potentially offset budget pressures and to possibly fund some form of CPP expansion. OEC explored three potential models for means-testing:

- 1) Implement a CPP sliding fee scale that mirrors DHSP preschool's sliding fee scale.
- 2) Implement a slightly modified version of the DHSP sliding fee scale that does not charge any fees of families with incomes below 100% AMI.
- 3) Implement CPP as a program that is free for all families with incomes below 200% AMI, but not available to families with higher incomes.

The table below shows estimated cost savings for the City based on these means-testing models. The actual cost savings would depend on 1) annual fluctuations in CPP enrollment; 2) the income brackets that the City selects to use for a sliding fee scale; and 3) the extent to which CPS would participate in any fee-charging structure.

(Note that the second column in the table below reflects potential cost savings if all CPP families, including those enrolled in CPS, are charged fees through the sliding fee scale. The third column reflects potential cost savings if the City does not charge fees for CPS students.)

Means-Testing Model	Potential Cost Savings	Potential Cost Savings w/o CPS
Implement a CPP sliding fee scale that mirrors DHSP preschool's sliding fee scale.	~\$5.9M	~\$4M
Implement a slightly modified version of the DHSP sliding fee scale that does not charge any fees for families with incomes below 100% AMI.	~\$5.4M	~\$3.6M
Implement CPP as a program that is free for all families with incomes below 200% AMI.	~\$1M	

Each of the models depicted above would provide some cost savings for the City, which would allow for modest expansion of services for lower-income families. However, each model also presents specific disadvantages and challenges, not least of which is the rolling back of the City's longstanding commitment to free universal preschool at a time when other cities and states are expanding universal preschool and childcare. Additional advantages and challenges are reflected below:

Model #1: Implement a CPP sliding fee scale that mirrors DHSP preschool's sliding fee scale.	Advantages: • Cost savings that could be used to fund other priorities.
	Disadvantages: This model: • Is a significant departure from the City's longstanding commitment to free universal preschool. • Is more complicated for families to understand. • Carries a not-insignificant implementation burden, requiring additional infrastructure (for billing, income determinations, etc.). • Could place a greater administrative burden on community-based providers. This model would result in new fees for families with incomes between 65%-100% AMI, many of whom are already facing significant financial challenges. The City would need to decide whether CPS, as a public school system, would also operate on a sliding fee scale, and if so, additional infrastructure within CPS may be required.
Model #2: Implement a slightly modified version of the DHSP sliding fee scale that does not charge any fees for families with incomes below 100% AMI.	Advantages: • Cost savings that could be used to fund other priorities. • This model does not result in any additional fees for families with incomes below 100%.
	Disadvantages: This model: • Is a significant departure from the City's longstanding commitment to free universal preschool. • Is more complicated for families to understand. • Carries a not-insignificant implementation burden, requiring additional infrastructure.

	• Could place a greater administrative burden on community-based providers. The City would need to decide whether CPS, as a public school system, would also operate on a sliding fee scale, and if so, additional infrastructure within CPS may be required.
Model #3: Implement CPP as a program that is free for all families with incomes below 200% AMI (or any AMI level determined by the City).	Advantages: • Modest cost savings that could be used to fund other priorities. • Maintains universal access for families who might otherwise not be able to afford high-quality preschool. • Simpler (less costly) to implement for the and for providers; Simpler for families to understand.
	Disadvantages: • This binary approach would mean that some families will be denied access to CPP (and therefore pay full market value for preschool) while other families with similar incomes will benefit from free preschool. (For example, families with incomes of 201% AMI would not have access to CPP, while families with incomes of 198% AMI would have full access.) • It would be very difficult for CPS and DHSP programs to be required to deny access to families based on income. As such, OEC may only be able to apply this approach to the CBO programs, or to implement a market-value fee structure for DHSP and CPS preschools.

CPP Expansion:

Recognizing the significant impact of high-quality preschool on children's subsequent learning and development, and the significant impact of childcare access on workforce participation, especially for women, Cambridge has long been interested in expanding its support for young

families to eliminate or reduce income-related barriers to high-quality early care and education. Expansion could include the following:

- Expanding Priority Access for CPP Families – While CPP currently provides access to free, high-quality preschool for all four-year-olds, some families that do not meet CPP’s Priority criteria, but are below 85-100% AMI, face challenges in affording extended day and summer care for their preschoolers. CPP covers the full cost of school-day (6.5 hours), school-year (10 month) preschool, but it only covers the cost of extended day and summer care for families with Priority status (below 65% AMI). The cost of extended day care can be significant in many CPP preschools. Based on current enrollment numbers, extending Priority status to families below 100% AMI would cost the City approximately \$800K per year.
- Expanding CPP Preschool Access for Three-Year-Olds - CPP currently provides access to free high-quality preschool for all four-year-olds and for all Priority (and some general) three-year-olds. As such, any expansion of CPP preschool among three-year olds would involve non-Priority families. Expanding CPP Priority access to families earning between 65%-100% AMI, as described above, would mean that families of three-year-olds in those income brackets would become eligible for a guaranteed CPP seat and for extended day, extended year care. OEC does not recommend expanding CPP to upper-income families (families above 100% AMI) of three-year-olds.
- Providing Childcare Support for Infants/Toddlers - CPP does not provide any assistance for infant/toddler care, and there is currently a significant gap between the number of affordable, high-quality infant/toddler childcare seats in the City and the number of families who are seeking such care. Recent increases in federal work requirements for families receiving SNAP and/or TANF will likely exacerbate the need for affordable infant/toddler care for many families. Based on census data, an estimated 2,700 infants / toddlers under 33 months reside in the City, and there are approximately 1,500 licensed childcare seats for these children. The majority of those seats have high tuition costs and are inaccessible to many low-income families.

Recommendations:

- 1) Maintain universal access to free high-quality preschool, while exploring and implementing strategies for controlling costs to the City. Such strategies may include ensuring that there is a sufficient supply of the somewhat less-costly DHSP preschool seats.

- 2) Increasing the income threshold for Priority status. This would reduce the financial burden of extended day, extended year care for current CPP families, and would expand the number of families of three-year-olds who are served by CPP to those with incomes up to 100% AMI.
- 3) Explore policy strategies that would provide support to the infant/toddler care sector, focusing on access to high-quality infant/toddler care for lower-income families. Such policy strategies may include:
 - Indirectly impacting the childcare market through the provision of stabilization funds designed to make the provision of infant/toddler care more sustainable for childcare providers. This approach has been implemented by numerous cities, counties, and states (DC, North Carolina, Minnesota, Rhode Island, Multnomah County OR) and can include educator wage subsidies, “incentive grants” or stabilization funds, rent subsidies or waivers, or expanded free professional development opportunities.
 - Providing direct childcare tuition support through:
 - A CPP-like model that provides childcare tuition subsidies directly to childcare providers, or:
 - Providing childcare vouchers directly to families (similar to guaranteed income models).
 - Explore the expansion or creation of partnerships to expand infant-toddler care.

OEC is currently partnering with researchers at the Harvard Kennedy School and with a City-wide Infant-Toddler Working group to conduct a landscape analysis of the infant-toddler sector, and will draft a set of policy recommendations based on the findings of this landscape analysis.