POLICY ADVISORY

Policy Title: Center-Based Child Care Financial Assistance Reimbursement Rates for Fiscal Year 2025

Policy Number: CCFA-25-02

Release Date: 3/5/2025

Effective Date: 7/1/2024

OVERVIEW

Through the state's Fiscal Year 2025 state budget and another supplemental budget, $22.5 million was provided to increase the reimbursement rates for early education and care providers who care for children whose families receive state Child Care Financial Assistance (CCFA). The Board of Early Education and Care approved a rate increase plan that includes an across-the-board increase for all rates as well as additional targeted adjustments to specific rates by region and age group to make progress on inequities in rate amounts, based on the cost of providing care.

EEC updated CCFA rates for center-based early education and care providers on March 1, 2025. This rate increase is retroactive to July 1, 2024, which means the rate increase will be applied to services provided on or after July 1, 2024. Center-based providers will receive a one-time payment in March to account for retroactive rate increases.

Please note that the billing process may take longer than usual because of the retroactive payment calculations.

APPLICABILITY

This policy applies to all center-based early education and care providers who accept state Child Care Financial Assistance. Rates for family child care (FCC) providers will be finalized as soon as possible, following ratification of the proposed rates by SEIU Local 509. More information will be shared at that time.

KEY UPDATES

Key changes to EEC's center-based reimbursement rates include:

- A 1.5% cost-of-living adjustment to all center-based rates.
- Some center-based rates will increase further due to:
    - Targeted rate increases in regions where rates are farthest from the cost of care;
    - A targeted increase to the Northeast preschool rate to recognize the cost of care relative to other regions; and/or
    - Intentional efforts to move rates to at least 75% of the current cost of care as defined by recent cost research commissioned by EEC.

RESOURCES

For more information find answers to commonly asked questions here.

If you or your staff have questions about this policy or need additional support, please contact eecsubsidymanagement@mass.gov.

OBSOLETE

The Fiscal Year 2025 rate structure replaces the agency's rate structure from Fiscal Year 2024.