



## FAQ

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<b>Policy Title:</b>	Family Child Care Financial Assistance Reimbursement Rates for Fiscal Year 2025
<b>Policy Number:</b>	CCFA-25-04
<b>Release Date:</b>	5/7/2025
<b>Effective Date:</b>	7/1/2024

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### 1. What guiding principles informed the Fiscal Year 2025 rate calculations?

- Use a **cost-based** methodology to inform adjustments to child care financial assistance rates. Continue to **prioritize** child care financial assistance **rates** that are **furthest from** the **cost of care**.
- Acknowledge **increased costs** for all programs. Use proportion of funds for cost-of-living adjustments (COLA).
- **Distribute resources proportionally** to where CCFA children are receiving care by program type.
- Recognize **difference between** the compensation assumptions in the **center-based** (based on current salaries) **and FCC cost model** (based on more aspirational salaries).

### 2. What is a cost model and why was a cost-based methodology used to inform Fiscal Year 2025 rates?

Cost models estimate the per-child cost to operate a child care program. Cost models look at different program types, regions, and ages of the children served. The cost models help inform state-level funding and policy decisions. The models help inform changes to the child care financial assistance rates. EEC works with researchers to continue to improve the cost model.

EEC received approval from the federal Office of Child Care to use the cost work to inform child care financial assistance rates. Before, reimbursement rates changed based on the prices programs charge for care (tuition). Now, changes to child care

financial assistance rates will be based on making progress toward covering the cost of care.

**3. What is the effective date of the rate increases? Will there be retroactive payment?**

EEC will implement the family child care rate increases in May 2025. Programs will receive the increase with April 2025 billing (paid in May) with the retroactive payment going back to either July 2024 or October 2024. Increases will be retroactive to July 1, 2024, for voucher-only family child care providers who enter into voucher agreements directly with a CCRR. Increases will be retroactive to October 2024 for providers who are part of a Family Child Care System. The retroactive payment for services from July 2024 through September 2024 for providers who are part of a System will be paid at a later date.

**Please note:** The billing process, including generating ledgers and approving pending invoices, will be processed as soon as possible. Please provide extra time before you submit HelpDesk tickets. We appreciate your patience as EEC implements these rate increases.

**4. If I am a provider with a Contracted Family Child Care System (System), why is my retroactive payment only going back to October 2024?**

The CCFA system does not allow EEC to implement more than one rate at a time for providers who are part of a Family Child Care system with both vouchers and contracts. When a Family Child Care system has both vouchers and contracts, the contract date (October 1, 2024) supersedes the date of the retro. Therefore, the payment for the rate increase to the FCC Provider from the System will only be applied back to October 2024 at this time. Your retroactive payment for services during July 2024 through September 2024 will be a separate payment and paid to the System (for their providers) at a later date.

**5. What happened to add-on rates?**

Through the implementation of the Priority Populations contracts on October 1, 2024, Contract Providers and FCC Systems who were awarded DCF, Families Experiencing Homelessness, and Parent Under 24 contract slots were issued a Support Services cost reimbursement contract. This support services contract replaces the former “add-on” support services daily reimbursement rate. The new Priority Populations contracts allow

Contract Providers and FCC Systems to plan their budgets for family services, staffing models, and administrative expectations to fulfill the contract needs.

In addition to the Support Services Cost Reimbursement contract, EEC also implemented the Family Child Care System Administrative Management Cost Reimbursement contract, thus removing the FCC System Admin rate from the daily reimbursement rate. The FCC System Administrative Management Cost Reimbursement contract allows FCC Systems to budget for required services, staffing models, and administrative expectations of the contract.

**6. How do FCC Systems ensure that all FCC Providers who were a part of their System at any time during FY25 receive their retroactive payment?**

FCC Systems must review the Sub Organization section of the Provider Details screen in the CCFA System to confirm the FCC Providers that had an agreement and provided child care services during the time period of 7/1/2024-3/1/2025.

To ensure a retroactive payment is applied to all FCC Providers during this time period, ledgers for all FCC providers who provided child care services during the specified time period must be generated.

**7. Are there requirements for how programs must spend the rate increase?**

As required by the Fiscal Year 2025 state budget line-item language (line-item 1596-2434), providers/educators must use the funds to increase salaries, benefits, and stipends for the professional development of early educators.

**8. What documentation do I need to show how I spent the funding?**

Programs will maintain documentation showing that the funds received through the Fiscal Year 2025 rate increase have been distributed in accordance with their own fair and equitable standards. All documentation must detail the following:

- The amount each staff person received in salary, benefit, or stipend;
- The effective date of any salary, benefit, or stipend increase;
- The reason for the amount given; and
- The date the increase, benefit, or stipend was made.

**9. Do programs need to make retroactive salary increases?**

The effective date of these rate increases is July 1, 2024. Programs should make their own decisions on how they execute salary, benefit, or stipend increases using this funding.

**10. Are programs that accept child care financial assistance allowed to charge private pay families a tuition rate that is lower than the comparable EEC child care financial assistance reimbursement rate?**

Yes. Governor Healey's Fiscal Year 2023 budget included a rule that permanently exempts early education and care programs from the state's price limitation law. This law prevented child care programs from offering lower tuition, discounts, or scholarships than the state's child care financial assistance rates to families, teachers, and staff who paid privately. Now, child care programs do not have to follow the state's price limitation law and are exempt.

**11. Will union dues be deducted from the retroactive rate increase?**

Yes. Retroactive rate increase amounts will be subject to dues deduction. If a provider was in the Union for only a portion of Fiscal Year 2025 (which began on 7/1/24), only the retroactive rates for dates of service the provider was a union member during will have dues withheld. For instance, if a provider was in the union from 7/1/2024 and left the union in 10/31/24, only the retro payment from 7/1/2024-10/31/24 would be subject to dues.

If you or your staff have questions or need additional support, please contact [eeccsubsidymanagement@mass.gov](mailto:eeccsubsidymanagement@mass.gov).