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FAQ

Policy Title:	Family Child Care Financial Assistance Reimbursement Rates for Fiscal Year 2026
Policy Number:	CCFA-26-03
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1. **What guiding principles informed the Fiscal Year 2026 rate calculations**?

   Rate increases were informed by EEC's commitment to:

   - Continuing to make data-driven decisions that focus on both the cost of care and tuition prices;
   - Recognizing that costs are increasing for all programs through an adjustment to all rates;
   - Focusing on geographic equity over time and the rates in regions furthest from the cost of care;
   - Supporting program operations and promoting family access and affordability; and
   - Continuing to make incremental progress toward covering the cost of care.

2. **What is a cost model and why was a cost-based methodology used to inform Fiscal Year 2026 rates?**

   Cost models estimate the per-child cost of providing early education. The cost models can estimate per-child costs based on different program types, regions, and ages of the children served. The cost models help inform state-level funding and policy decisions, including changes to the child care financial assistance rates. EEC works with researchers to continue to improve the cost model over time.

EEC received approval from the federal Office of Child Care to use the cost of care to inform child care financial assistance rates. Before, reimbursement rates changed solely based on the prices programs charge for care (tuition). Now, changes to child care financial assistance rates are based on making progress toward covering the cost of care while still also considering the market (tuition prices).

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 April 2026. Programs will receive the increase with March 2026 billing (paid in April) with the retroactive payment going back to July 1, 2025.

   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. **How do FCC Systems ensure that all FCC Providers who were a part of their System at any time during FY26 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 7/1/2025-4/1/2026.

   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.

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

   The state's Fiscal Year 2025 Fair Share Surplus Supplemental Budget, line-item language (line-item 1596-2511) does not outline specific requirements for how programs must spend money received through the rate increase. To remain consistent with requirements in prior years, providers/educators can use the funds to increase salaries, benefits, and stipends for the professional development of early educators.

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

   Programs should maintain documentation showing that the funds received through the Fiscal Year 2026 rate increase have been distributed in accordance with their own fair and equitable standards.

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

   The effective date of these rate increases is July 1, 2025. Programs should make their own decisions on how they execute salary, benefit, or stipend increases using this funding.

8. **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 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.

9. **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 2026 (which began on 7/1/25), dues will only be withheld from the retroactive payment for dates of service the provider was a union member. For instance, if a provider was in the union on 7/1/2025 and left the union on 10/31/2025, only the retroactive payment from 7/1/2025-10/31/2025 would be subject to dues.

If you or your staff have questions or need additional support, please contact eec.subsidymanagement@mass.gov.