December 2025

Early Ed 101 Fact Sheet

CHILD CARE FINANCIAL ASSISTANCE (PART 2) - Reimbursement Rates

Provider Reimbursement Rates & the Gap Between Rates and the True Cost of Care

Reimbursement rates are the amounts which providers are paid by EEC for serving children receiving Child Care Financial Assistance (CCFA). Rates are meant to offset some of the cost of providing care to children.

Though EEC has undergone a reform of their rate structure in recent years to bring the system more in line with the **true cost of providing care**, and several rate increases in recent years have led to more equitable rates across regions, **in most instances the daily cost per child still exceeds the daily reimbursement rate providers receive**.

- Rates are paid on a per-child basis and vary based on region and the age of the child served. FCC providers are reimbursed differently from center-based programs, see the charts below.
- Providers track attendance of children receiving CCFA and enter monthly attendance and billing into the CCFA system to be approved by EEC.
- CCR&Rs then administer reimbursement payments to providers each month.

Though reimbursement rates can impact child care access through increasing the incentive for providers to participate in CCFA, **funding for rates is not the same as funding for increasing access** and rate increases do not mean adding additional child care seats to the system.

FY 2025 Daily Reimbursement Rates vs. 2024 Cost of Care (CC)

The below charts show the base daily reimbursement rates for FY 2025 along with the estimated cost of care for center-based and family child care (FCC) programs. Programs who have DCF or other priority population contracts with EEC also receive additional reimbursement for providing support services, which is not reflected here.

Center-Based Programs

	Infant	Toddler	Preschool	School Age (before & after)	School Age (full day)
Western, Central, & Southeast	Rate = $105.00 CC = $134, $137, $140	Rate = $82.50 CC = $105, $107, $110	Rate = $58.09 CC = $57, $58, $59	Rate = $36.43 CC = $39, $40, $39	Rate = $49.69 CC = $44, $45, $45
Northeast	Rate = $110.25 CC = $147	Rate = $85.97 CC = $114	Rate = $59.09 CC = $64	Rate = $40.06 CC = $41	Rate = $51.38 CC = $47
Metro & Boston Metro	Rate = $121.31 CC = $154, $156	Rate = $110.09 CC = $120, $122	Rate = $81.33 CC = $64, $65	Rate = $41.12 CC = $43, $43	Rate = $52.81 CC = $49, $49

Notes: The largest gaps between the cost of care estimates and reimbursement rates are in the infant & toddler age groups. The Northeast sees the largest disparities. Only for full day school-age care do reimbursement rates exceed the cost of care across all regions.

Family Child Care Programs

	Under 2 of Age Years	2 Years of Age and Over
Western, Central, & Southeast	Rate = $59.03 CC = $67, $68, $69	Rate = $49.39 CC = $67, $68, $69
Northeast	Rate = $59.03 CC = $74	Rate = $49.15 CC = $74
Metro & Boston Metro	Rate= $88.54 CC = $80, $84	Rate = $56.16 CC = $80, $84

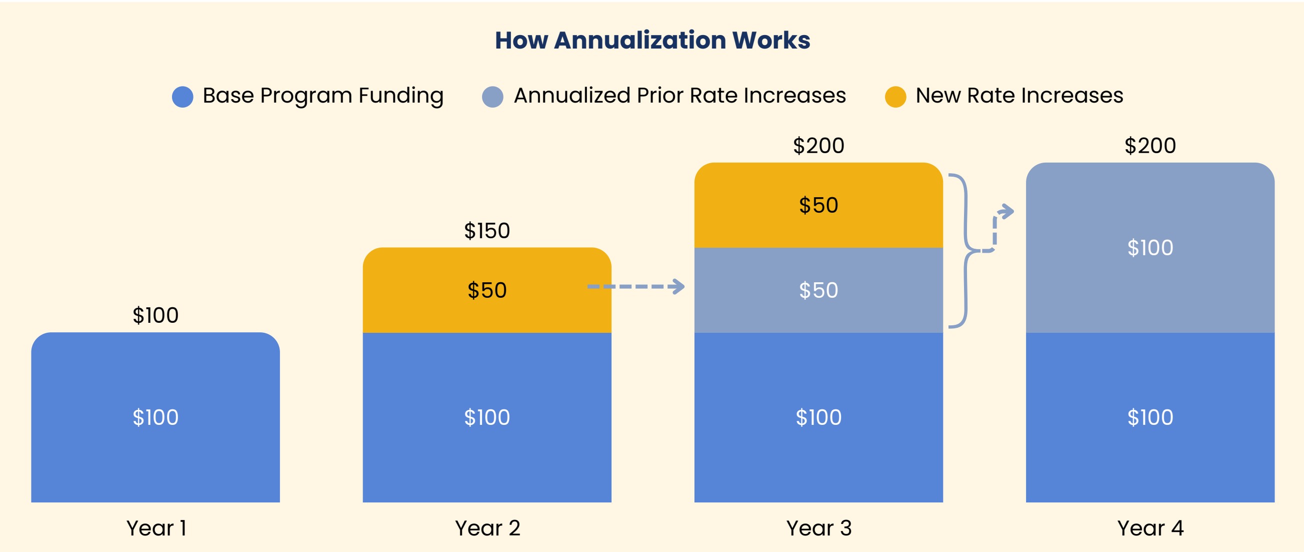
Notes: For FCCs, rates are lower for children once they reach 2 years old, however the cost of care does not vary by age at FCC programs like it does at centers. This creates pressure on program finances as children age up. Rates only exceed the cost of care for Metro & Boston Metro providers serving children under 2.

The Process of Funding Reimbursement Rates & Rate Annualization

The total CCFA funding appropriation in the state budget includes: funding for reimbursement rates, funding to maintain current access, and funding to expand access.

An important factor when we talk about reimbursement rates is **annualization** - the idea that a **rate increase in one year must be annualized, or built into the ongoing budget for CCFA in the future**. Initial rate increases are often funded through their own line-item in the state budget and then, in following years, annualized funding is usually built into the base funding line-items which makes tracking the funding more complex.

The need to continue funding the annualization of past rate increases naturally impacts other funding decisions in the budget for CCFA, like funding to expand access, which is why budget writers must think about this balance as they consider CCFA funding each year. The chart below illustrates how rate increases and annualization work.



In the example chart, this program's **total appropriation, or funding amount, doubled from $100 to $200** between Year 1 and Year 4. However, this increase is entirely **due to rate increases in Years 2 and 3 which were annualized** and built into the program budget in the following years.

The $50 rate increase in Year 2 has to be built into the program's base budget in Year 3. In Year 3 this program again received an additional $50 for a new rate increase. Therefore in Year 4, even though funding is not included for a third rate increase, the funding passed in the prior two years must be included and **half of the program's total funding is dedicated towards funding the annualization of rates**. In this example, though total funding has grown, there has been no increase in funding to expand access to the program.

The process of annualization is not unique to EEC and happens in many other areas of the state budget, especially when funding is tied to compensation. In higher education for instance, raises for college and university staff that are secured through collective bargaining agreements with the state are built into salaries and into funding for higher education the following year, and so on.

For EEC, when the Legislature includes funding in the state budget for rates, EEC then submits a proposal for new rates to be approved by the Board of Early Education & Care. In the case of rates for FCC providers, the new rates must also be agreed to through a collective bargaining process. In MTF's third CCFA fact sheet - **Funding & Access**, we will use this understanding of rate annualization to break down CCFA funding from the past several years, and unpack the **interplay between supporting providers through rates and expanding access for children** receiving CCFA, and what that has meant for total CCFA funding and capacity since the pandemic.