

Rate & Quality Reform Updates

- Compliance with Federal Requirements for States Conducting Alternative Methodologies
- Publication of the July 2025 Rate Reform Quarterly Update to the Legislature



FY 25-26 Budget

- Funding maintained for existing RMR and SRR base rates
- \$61.8 million COLA on Cost of Care Plus monthly payments
- \$21.8 million in federal funds for CDSS automation updates

FY 25-26 Budget

- Trailer bill language outlining the following goals and general components of Single Rate Structure:
 1. Reimbursing all child care and state preschool programs under a unified structure that takes into account a common set of rate elements;
 2. Establishing rates informed by costs associated with meeting health and safety requirements and program requirements;
 3. Administering per-child base rates;
 4. Allowing programs to claim reimbursement for services delivered consistent with enhanced rates, if any; and
 5. Establishing rates that vary by geography, type of child care setting, regulatory requirements applicable to each type of care setting, time categories, and age of a child.

Upcoming Focus Groups in Key Single Rate Structure Implementation Questions

- Proration of weekly rates as a replacement for hourly/daily rates
- Reconciliation of CSPP and Title 5 reimbursement differences and alignment in rate setting
- Child age group definitions
- Equity evaluation of rates under the Single Rate Structure
- Local provider/contractor automation impacts



Next Steps

- Continued work on implementation readiness activities
- Continued Joint Labor Management Committee (JLMC) between the State and Child Care Providers United (CCPU) (pending ratification)
- By September 1, 2025, CDSS will submit CCDF State Plan amendments to the federal government
- In October 2025, the next Rate Reform Quarterly Update to the Legislature will be published

A close-up photograph of a man with short dark hair and a light beard, wearing a white t-shirt, holding a young child with curly dark hair. The man is looking down at the child with a gentle expression. The child is looking towards the camera. The background is softly blurred, showing what appears to be a home interior.

Thank You!

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Please email us with any comments or
questions at:

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