



# Montana Early Childhood Account Board Proposal

## Option 1: Piloted Child Care Worker

### Summary

Establish a Child Care Worker Program modeled after the previously implemented pilot to improve recruitment and retention in the child care workforce by increasing child care affordability for eligible child care workers and their families. The program would expand child care subsidy eligibility and cap family co-pays for workers employed in licensed and registered child care settings, allowing providers to offer reduced-cost care to employees without revenue loss.

### Eligible Participants

- Child care workers employed in eligible roles working directly with children
- Workers employed at licensed and registered child care facilities
- Families with incomes up to a defined federal poverty level threshold, consistent with the pilot model

### Eligible Providers

- Licensed child care centers
- Licensed and registered group

Participants must:

- Be actively employed in a qualifying child care role
- Enroll eligible children in approved child care settings
- Meet income eligibility criteria established by the program

### Funding Structure Options

The program would operate as a child care assistance model layered onto existing subsidy infrastructure. The Board would need to determine one of the following approaches:

#### Option A: Income-Based Eligibility Expansion

- Expand subsidy eligibility above the traditional threshold for child care workers
- Cap family co-pays at a defined maximum amount

#### Option B: Tiered Co-Pay Structure

- Maintain income eligibility limits



- Introduce graduated co-pays to allow participation across a broader income range

### **Purpose and Intended Impact**

- Increase recruitment and retention of child care workers
- Reduce turnover in the early childhood workforce
- Improve affordability of care for child care worker families
- Increase utilization of available child care slots
- Support provider stability by offsetting the cost of employee child care

### **Administrative Considerations**

This model requires:

- Coordination with existing child care subsidy systems
- Income verification and employment verification
- Ongoing eligibility monitoring
- Data tracking for workforce retention outcomes
- Periodic reporting to assess effectiveness

### **Operational Implications**

- Increased administrative oversight to manage eligibility and funding streams
- Ongoing coordination between subsidy administrators and providers
- Need for system updates if eligibility thresholds or co-pay structures are modified, which will impact implementation timelines
- Staff capacity considerations if the program is expanded beyond pilot scale

## **Option 2: Direct Employee Child Care Offset**

### **Summary**

Provide a direct financial offset to eligible Center and Group childcare programs to reduce the cost of care for employees' children enrolled in their own program.

This model is designed to support workforce retention by reducing childcare costs for employees working in early childhood settings.

### **Who Is Eligible**

- Licensed Center providers (293)
- Licensed Group providers (307)

### **Not eligible:**

- Family providers (175)
- Family and Friend (37)
- Relative Care Exempt (77)



Programs must:

- Have employees with children enrolled in their program
- Provide employee and child information for verification of approved provider status

### **Funding Structure Options**

Funds would be tied directly to the number of eligible children enrolled. The Board would need to determine one of the following:

#### **Option A: Flat Monthly Amount**

- Set dollar amount per eligible child per month

#### **Option B: Percentage-Based Model**

- Percentage of monthly tuition cost
- Paid per child

### **Purpose and Intended Impact**

- Improve recruitment and retention
- Reduce financial burden for ECE employees
- Strengthen workforce stability
- Encourage providers to view child care as an employee benefit

### **Administrative Considerations**

This model requires:

- Manual reporting by programs
- Ongoing updates if staffing changes
- Verification of employee and child enrollment
- Potential recoupment of funds if changes are not reported

### **Operational Implications**

- Risk of delayed notifications from providers, requiring more oversight and follow-up.
- Manual reconciliation process, adding to workload and necessitating extra resources.

## **OPTION #3 Flexible Workforce Support Grant Program**

### **Summary**

Establish a competitive or formula-based grant program allowing providers to apply for funds to support workforce stabilization strategies. The Board would determine the total funding pool available. Providers would submit a plan describing how funds would be used within approved categories.

### **Eligible Provider Types**

To be determined by the Board (could include):



- Centers
- Groups
- Family providers

(Board direction needed on eligibility scope.)

### **Allowable Use Categories**

Providers could select one or more of the following:

1. Offset cost of employees' children enrolled in care
2. Offset cost of employee insurance and/or benefits
3. Implement progressive pay scales tied to education and experience
4. Support employees continuing education

### **Purpose and Intended Impact**

- Increase workforce retention
- Improve compensation structures
- Support professional advancement
- Allow provider-level flexibility

### **Administrative Considerations**

- Providers submit an application/plan
- Funds awarded based on board-approved criteria
- Reporting required on use of funds
- Potential performance or outcome tracking

### **Operational Implications**

Compared to Option #2:

- Less monthly manual tracking
- More front-end review
- Grant monitoring rather than enrollment tracking
- Potentially lower risk of recoupment issues

### **Board Considerations**

- Total budget allocation
- One-time vs. recurring
- Competitive vs. formula distribution
- Accountability expectations
- Whether to prioritize high-need areas or deserts