

The Market Rate Survey for the Child Care Works Subsidized Child Care Program

2014

**The Office of Child Development and Early Learning
The Bureau of Subsidized Child Care Services**

The Child Care and Development Block Grant (CCDBG) is the primary federal funding source for Pennsylvania’s subsidized child care program, Child Care Works (CCW). The CCDBG requires that states periodically conduct surveys to obtain information about the rates the child care market charges the general public. These surveys, known as “Market Rate Surveys”, are used to determine how the rates the CCW program pays compare to the rates paid by private-paying families. Under the CCDBG, states are encouraged to ensure payment rates for the subsidized child care program are at or near the 75th percentile of the market rate to ensure that children participating in the program have access to child care options equal to those available to children from private-paying families.

In May 2014, the Office of Child Development and Early Learning (OCDEL), through its Bureau of Subsidized Child Care Services conducted a Market Rate Survey (MRS) of all regulated child care providers in Pennsylvania. Providers participating in the survey could complete if using SurveyMonkey or by submitting hard copies of the survey (see a sample survey at Attachment 1).

OCDEL received responses from 3,390 providers of the 5,500 providers. Using that information, OCDEL performed an analysis to determine variation in child care costs by care level (age of the child), provider type (child care center, group child care facility, or family child care home), and number of hours of care (full-time care at five or more hours per day; part-time at less than five hours per day). Mean (average) and median (middle) weekly child care rates are given in Table 1.

Table 1: Mean and Median Weekly Child Care Rates

	Full Time Care			Part Time Care		
Child Care Centers						
Care Level	N	Mean	Median	N	Mean	Median
Infant	1604	\$208.22	\$200.00	1343	\$165.84	\$165.00
Young Toddler	1724	\$197.89	\$190.00	1471	\$155.83	\$153.10
Older Toddler	1793	\$189.71	\$180.00	1547	\$148.59	\$148.00
Preschool	1919	\$175.14	\$170.00	1702	\$136.28	\$133.00
School Age	1893	\$155.93	\$150.00	1938	\$115.08	\$110.00
Family Child Care Homes						
Care Level	N	Mean	Median	N	Mean	Median
Infant	732	\$154.04	\$150.00	675	\$120.18	\$120.00
Young Toddler	753	\$147.19	\$140.00	684	\$115.56	\$110.00
Older Toddler	754	\$142.74	\$135.00	688	\$112.17	\$109.00
Preschool	755	\$138.48	\$130.00	691	\$109.19	\$100.00
School Age	696	\$131.13	\$125.00	670	\$102.05	\$100.00
Group Child Care Homes						
Care Level	N	Mean	Median	N	Mean	Median
Infant	263	\$157.64	\$150.00	249	\$122.32	\$120.00
Young Toddler	279	\$149.33	\$140.00	265	\$117.66	\$110.00
Older Toddler	287	\$145.30	\$140.00	274	\$114.91	\$110.00
Preschool	293	\$140.01	\$135.00	280	\$110.88	\$102.50
School Age	284	\$134.22	\$130.00	280	\$102.78	\$100.00

A generalized linear model was applied to analyze relationships and variations within the MRS data. Variables in the model included care level, full-time versus part-time care, provider type, rural and urban locations, as well as several interaction variables. The model produced the following key findings:

- Infant costs are higher than costs at other care levels. In general, the younger the age of the child, the higher the cost of child care.
- Child care center costs are higher than costs for family or group child care.
- The highest costs of child care are found in the Southeast Region, while the lowest costs are found in the Northwest Region.
- Child care costs in urban areas are higher than in rural areas.

It should be noted that payment rates for providers participating in Pennsylvania's Quality Rating Improvement System (QRIS) Keystone STARS include "quality add-ons" that correlate to the provider type and the STAR level. When factoring in the quality add-ons, the majority of payment rates for providers operating at STAR 4 are at or near the 75th percentile of the market rate.

Questions about this report may be submitted in writing to the Office of Child Development and Early Learning, the Bureau of Subsidized Child Care Services at 333 Market Street, 6th Floor Harrisburg, Pennsylvania 17126 or by calling 717-346-9320.

ATTACHMENT 1

1. What is your legal entity name?

LEGAL ENTITY NAME:

2. What is your location name and address?

LOCATION NAME:

Address 1:

Address 2:

City/Town:

3. What is the location 5 digit ZIP Code? (Enter a 5 digit ZIP Code. Example: 19055)

4. What is the location telephone number? (Example: 2155553333)

5. What is your Provider/PELICAN ID? (See your Enrollment Summary or Provider Agreement for this number. Example: 1234567890-1)

(9 or 10 digits)

(1 to 3 digits)

6. What is the location county?

COUNTY:

7. What is your provider type? (Please check one.)

PROVIDER TYPE:

Center

Group

Family

PRIVATE PAY RATES

Enter your **CURRENT WEEKLY PRIVATE PAY RATES** below. Do not enter the "\$" sign.

Calculation Instructions to convert rates to weekly:

Yearly rate to weekly = yearly rate ÷ 52

Monthly rate to weekly rate = monthly rate ÷ 4.33

Part Time hourly rate to weekly = 5 x hourly rate x 4.5

Full Time hourly rate to weekly = 5 x hourly rate x 9

All boxes must be completed. If you do not offer a care level, enter "0"

8. FULL DAY FULL TIME (5 or more hours of care 5 days per week)

0 to 12 Months \$. per week

13 to 24 Months \$. per week

25 to 36 Months \$. per week

37 Months to Date Child Enters Kindergarten \$. per week

Kindergarten up to 13th Birthday \$. per week

9. PART DAY FULL TIME (less than 5 hours of care 5 days per week)

0 to 12 Months \$. per week

13 to 24 Months \$. per week

25 to 36 Months \$. per week

37 Months to Date Child Enters Kindergarten \$. per week

Kindergarten up to 13th Birthday \$. per week