

# Rate Analysis for Child Care Provider Prices 2017 Market Rate Survey

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## Introduction

Every year or two DCF conducts a market rate survey to determine the prices of regulated child care in the private market. This information can inform the Department as to how the Wisconsin Shares maximum subsidy rates compare to the private market. The Department can use this information to adjust those rates.

One way to measure how well the Department's rates reflect the private market is to look at the buying power of the state's rates. The state has rates according to the following groupings:

1. For each tribe and county
2. For different settings of care: licensed group, licensed family, regular certified, and provisionally certified
3. For ages of children: under 2 years, 2-3 year-olds, 4-5 year-olds, and 6+ year-olds

The state's buying power can be measured by the percentage of child care slots that can be purchased with the state's maximum subsidy rates. This analysis also gives the accessibility of child care slots to families participating in Wisconsin Shares. The higher the maximum subsidy rate, the more slots available to families, and hence the greater the families' access to affordable child care. Wisconsin Shares does not limit families to providers who charge less than the maximum subsidy rate. Families who enroll in more expensive providers must pay the additional cost beyond any calculated copayment amount (set at 7% to 12% of family income). The Child Care and Development Block Grant (CCDBG) recommends that states set their rates at the 75<sup>th</sup> percentile of the private pay market, giving families with subsidy access to 75% of the slots in their geographic areas.

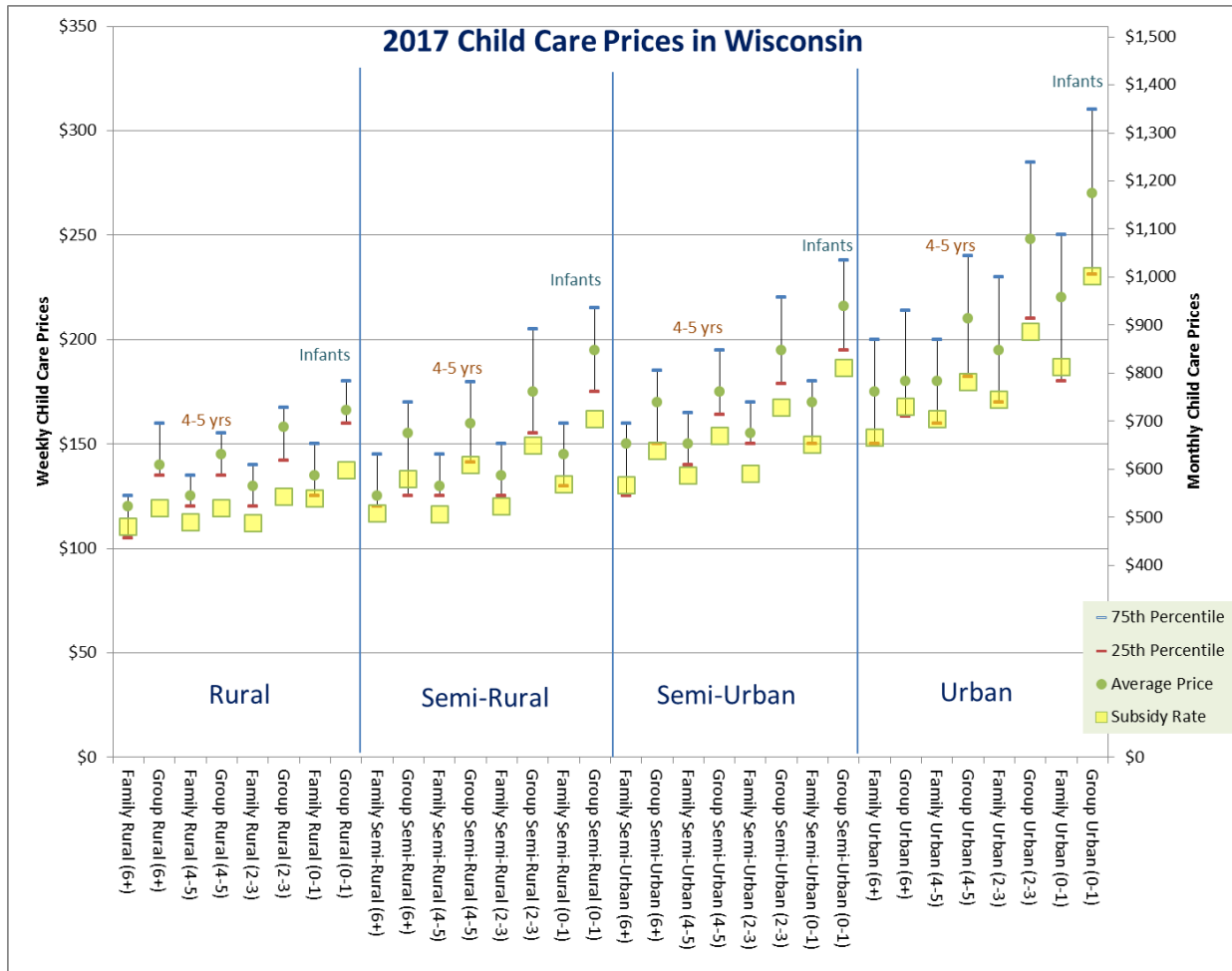
## Summary of Results

This report summarizes the results of the 2017 market rate survey administered by the University of Wisconsin (UW) Survey Center for DCF. Survey response rates and information on data collection and analysis procedures can be found in Appendices A and B respectively. The results of the survey indicate that the state maximum reimbursement rate is at the 15<sup>th</sup> percentile (i.e., 15% of slots are affordable), which is far below the recommended 75<sup>th</sup> percentile. It should be noted that many rates are excluded during the analysis of the survey results in order to ensure that a fair comparison between rates is made and that true private, full time care is analyzed.

Providers Used for Results	1,765
Regulated Providers	4,913
Affordable Slots	9,683
Available Slots	65,287
Percentage Affordable	15%

## Provider Price Ranges

Provider prices vary substantially across Wisconsin. In rural settings, child care costs are less than in urban settings. Infant care is more costly than school-age care. In the chart below, survey results were tallied for groupings of counties in rural to urban areas, by setting, and by age group. The average subsidy rate is also displayed. Full results of the rate analysis are contained on our website.



Child care prices for the whole state are summarized in the following table:

Geography	Regulation Type	Age Group	25th	50th	75th
WI	Family	0-1	\$150	\$175	\$225
WI	Family	2-3	\$140	\$160	\$200
WI	Family	4-5	\$130	\$150	\$180
WI	Family	6+	\$125	\$150	\$179
WI	Group	0-1	\$205	\$243	\$290
WI	Group	2-3	\$185	\$220	\$265
WI	Group	4-5	\$167	\$192	\$225
WI	Group	6+	\$157	\$179	\$200

## Appendices

### Appendix A: Survey Response Rates

#### Overall Response Rate

Surveys Offered = 4,861

Surveys Completed = 3,271

**Overall Response Rate (3,271/4,861) = 67.3%**

#### Response Rates by Provider Type

Provider Type	Total Surveys Offered	Total Surveys Completed	Response Rate
Licensed Group	2499	1701	68.1%
Licensed Family	1663	1239	74.5%
Certified	699	331	47.4%

#### Response Rates by Driver County

County	Total Surveys Offered	Total Surveys Completed	Response Rate
Brown	162	126	78%
Dane	608	434	71%
Kenosha	106	62	58%
Milwaukee	1239	575	46%
Racine	133	91	68%
Waukesha	217	144	66%

## Appendix B: Data Collection and Analysis Procedures

### Data Collection Procedures

<b>FORMAT</b>	Paper survey
<b>DEVELOPER</b>	DECE and UW Survey Center
<b>ADMINISTRATOR</b>	UW Survey Center staff
<b>ADMINISTRATION METHOD</b>	Mail
<b>METHODS TO ENSURE ADEQUATE RESPONSE RATE</b>	Postcard reminder, phone call reminder, second mailing
<b>ADMINISTRATION TIMEFRAME</b>	3 months (October-December 2017)

### Data Analysis Procedures

<b>PRICES USED</b>	Weekly, monthly, and daily rates
<b>CHILD CARE PROVIDERS USED</b>	Licensed group, licensed family providers, public school programs, and certified providers
<b>SLOT CALCULATION</b>	Child enrollment
<b>USE OF PROVIDERS WITH SUBSIDY</b>	No exclusions
<b>AGE GROUP</b>	Uses prices as reported