

Rate Analysis for Child Care Provider Price Market Rate 2018 Survey

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Introduction

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

One measure of how well the department’s rates reflect the private market is by looking 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, 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 WI Shares. The higher the maximum subsidy rate, the more slots available to families, and hence the greater the families’ access to affordable child care. WI 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 Development and Block Grant (CCDBG) recommends that states set their rates at the 75th percentile of the private pay market, giving families with subsidy access to 75% of the slots in their geographic areas.

Originally, the state contracted with counties and tribes to conduct the market rate survey. In the last several years, the state has used data from the network of Child Care Resource and Referral (CCR&R) agencies, known as Supporting Families Together Association (SFTA).

Summary of Results

The 2018 Market Rate survey reports that the state maximum reimbursement rate is far below the recommended 75th percentile, calculated instead at the 15th percentile. 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. Overall, 26% of regulated provider’s rates were analyzed in the 2018 Market Rate survey.

	Market Rate Survey 2018
Providers Used for Results	1,255
Regulated Providers	4,750
Affordable Slots	14,832
Available Slots	101,315
Subsidy County Ceiling Percentile	15th
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. Group care settings are more expensive than family child care settings. Market Rate survey results were tallied for groupings of urban zone, age group, and setting (see Appendix A).

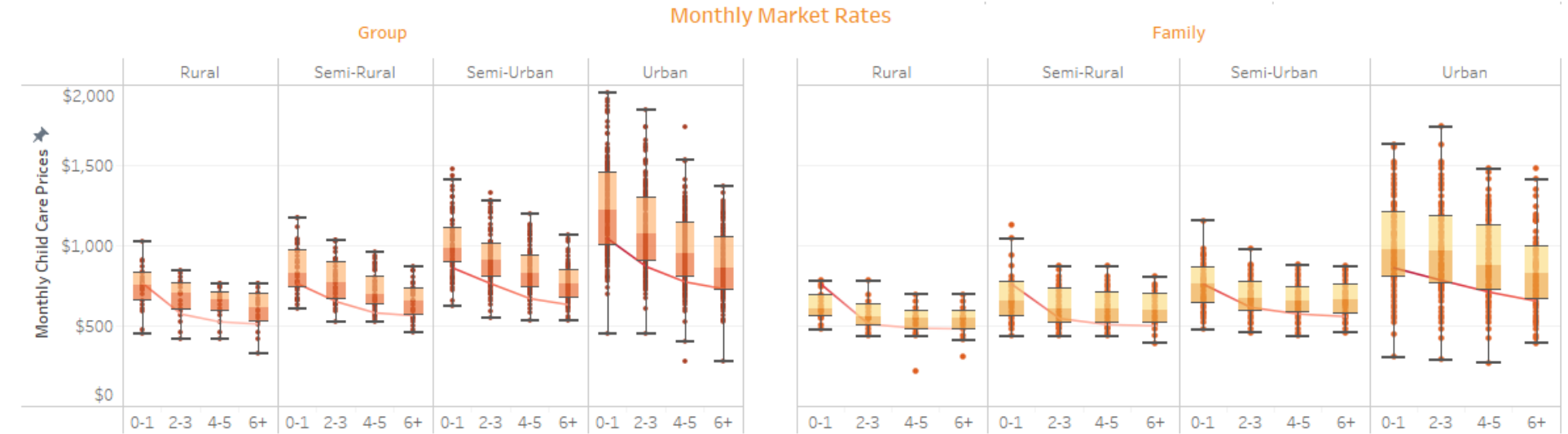
In the table below, statewide family and group rates were calculated for the 25th, 50th, and 75th percentile for family and group providers for four age group ranges i.e., (0-1 years, 2-3 years, 4-5 years, over 6 years).

Geography	Regulation Type	Age Group	25th	50th	75th
WI	Family	0-1	\$150.00	\$175.00	\$220.00
WI	Family	2-3	\$140.00	\$165.00	\$200.00
WI	Family	4-5	\$140.00	\$160.00	\$190.00
WI	Family	6+	\$135.00	\$153.00	\$180.00
WI	Group	0-1	\$215.00	\$249.00	\$293.00
WI	Group	2-3	\$190.00	\$220.00	\$255.00
WI	Group	4-5	\$175.00	\$200.00	\$230.00
WI	Group	6+	\$161.00	\$184.00	\$215.00

Appendices

Appendix A: Market Rate Results by Urban Zone

The graphs below plot the monthly market rates by category type, urban zone, and age group. The red line represent the average maximum reimbursement rate (ceiling) weighted by slots. A legend is shown below.



Legend

