2018 Ohio Child Care Market Rate Survey

Strategic Research Group

April 2019

SRG Team

❖ MRS Project Team:

➢ Dr. Tina Kassebaum – Project Director

    ➢ Mr. Darby Schaaf – Project Manager

    ➢ Mr. Ryan Hill – Data Analyst

    ➢ Mr. Kevin Hamlin – Programmer and Data Manager

➢ Mr. Preston Eberlyn – Survey Unit Manager

    ➢ Ms. Kaitlyn Bregman – Research Aide

    ➢ Research Aides

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Purpose

❖ ODJFS Office of Family Assistance ensures that the administration of child care programs provides for the health, safety, and well-being of children while in care.

❖ Important component: to ensure all Ohioans with young children have access to high quality child care.

❖ For many low-income families, equal access is assured in the form of child care tuition subsidies.

❖ Since the enactment of the Child Care and Development Block Grant Act, ODJFS has utilized a child care market rate survey to establish the current market rates for child care programs across Ohio by provider type, child age group, and region.

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Survey Development

❖ Used past MRS as a starting point

❖ Revised with discussion with ODJFS project team

❖ Draft questions and proposed survey language were reviewed by:

➢ The ODJFS Child Care Advisory Council and

➢ Representatives of the Early Childhood Advisory Council

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Sampling Frame

❖ Providers in Contact Effort (7,142)

    ❖ Child Care Center – 4,064

    ❖ Type A FCC Home – 240

    ❖ Type B FCC Home – 2,571

    ❖ Approved Day Camp – 52

    ❖ ODE Licensed Preschool – 92

    ❖ ODE Licensed School Age Child Care – 123

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Methodology

❖ Online survey programmed by SRG and tested by SRG and ODJFS project teams

❖ Email contacts, with letters mailed to those with no valid email addresses

❖ FAQ webpage and toll-free number

❖ Contact efforts occurred from November 8, 2018 – January 11, 2019

Contact Effort

Contact	Date
Prenotification letter	11/8/2018
Invitation Email & Invitation Letter	11/14/2018
Reminder Email #1 & Partial Complete Email	11/20/2018
Reminder Email #2 & Reminder Letter #1	11/27/2018
Reminder Postcard	12/3/2018
Reminder Email #3	12/7/2018
Reminder Email #4 and Reminder Letter #2	12/11/2018
Reminder Email #5 (Type A & B) & Reminder Letter #3	1/3/2019
Reminder Email #5 (Centers)	1/4/2019
Reminder Email #6	1/8/2019

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Nonresponse Prompting

❖ Two waves of nonresponse prompting calls to encourage response and answer questions

  ➢ November 26, 2018 to December 7, 2018 (all nonresponding providers)

  ➢ January 3, 2019 to January 11, 2019 (Type A and Type B Home providers)

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Response Rates

❖ 2018 Overall MRS response rate: 52.5% (3,752)

   ❖ Child Care Center – 62.5%

   ❖ Type A FCC Home – 45.4%

   ❖ Type B FCC Home – 38.0%

   ❖ Approved Day Camp – 51.9%

   ❖ ODE Preschool – 55.4%

   ❖ ODE School Age Child Care – 40.7%

Rate Sheets

❖ SRG requested rate sheets from every 3rd provider responding to the survey

➢ Rates sheets used for quality assurance

➢ Some providers selected did not charge rates (e.g., Head Start programs)

➢ Some printed their ODJFS portal information (calls made to confirm these rates)

❖ SRG requested 1,240 rate sheets and received 673 (response rate of 54.3%)

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Quality Assurance

❖ 2018 MRS rate data compared to rate sheet rates and ODJFS portal rates

❖ Data was converted to match (e.g., weekly to weekly and daily to daily)

❖ Error rates calculated for each age cohort and service period (PT, FT, HR)

> ❖ $Error\ Rate\ \% = 100 \times \left(\frac{rate\ entered\ on\ survey}{rate\ from\ (rate\ sheet\ or\ ODJFS\ portal)} - 1 \right)$

❖ Error rate < 5% was considered a match

Quality Assurance Results

Compared with Submitted Rate Sheets

Program Type	Rate Sheet Rates used for Comparison	Rate Sheet Rates Matching Survey Rates	Survey Rates Lower than Rate Sheet	Survey Rates Higher than Rate Sheet	Mean Error Rate (%)
Type A	138	126	1	11	4.68
Type B	908	806	43	59	8.65
Centers	1,939	1,361	418	160	11.81
Total	3,037	2,330	472	235	10.58

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Market Rate Structure Analysis

❖ Goal of MRS is to define the various rate settings, based on:

- Child care service categories
  - Age categories (infant, toddler, preschool, school-age, school-age during summer)
  - Service period categories:
    - Full-time (25 to 60 hours per week)
    - Part-time (7 to less than 25 hours per week)
    - Hourly (less than 7 hours per week)
- Location
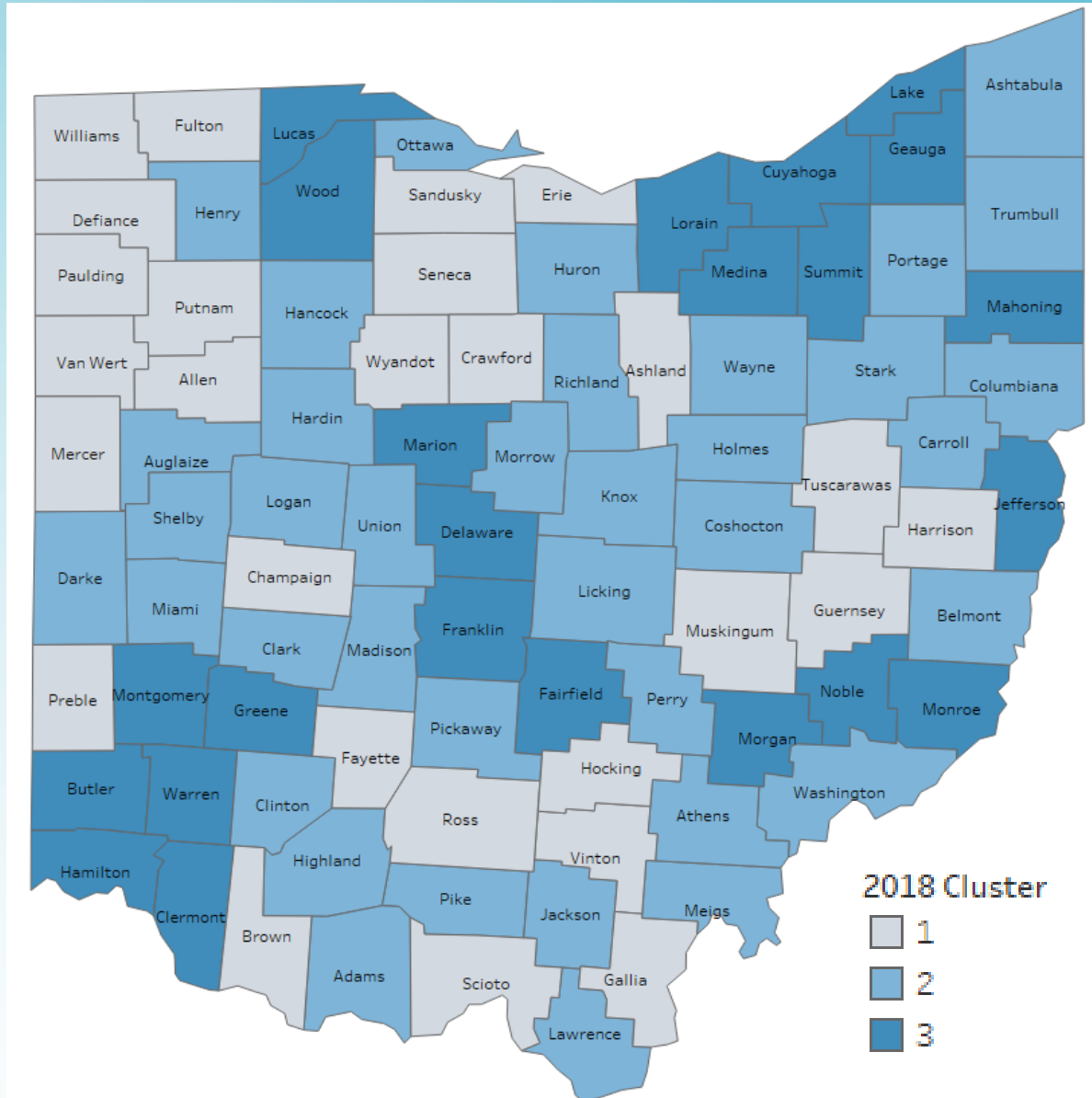 - County-based grouping (clusters)

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Determining County Clusters

❖ Mathematical technique for grouping cases

❖ Establishing components to use for clusters (what explains the most variance in provider rates in different counties)

➤ Goal: reduce 10 rate categories (full-time and part-time for all five age categories) into smaller set of factors

➤ Principal component analysis

➤ Two components identified:

➤ Average of all rates: explained 77% of variance

➤ Age groups (infant/toddlers and school-age): explained 10%

➤ Only first component used in cluster analysis

Cluster Analysis

❖ Four counties excluded from the cluster analysis:

  ➢ Monroe and Morgan (no MRS data)

  ➢ Van Wert and Delaware (outliers)

❖ Cluster algorithms

  ➢ Hierarchical - Produced ineffective results (2 clusters)

  ➢ K-means cluster – smallest number of clusters for which variability in factor (overall average rate) is explained by cluster membership: **3 clusters**

2018 Market Rate Survey Cluster Map

Rate Distributions

❖ 180 sets of rate percentiles were created

➢ 45 state-wide (3 provider types × 15 child care service categories)

➢ 135 cluster-level (3 provider types × 15 child care service categories × 3 county clusters)

❖ Rates were weighted by the enrollment capacity for each subgroup

❖ Percentiles: 10th, 15th, 20th, 25th, 30th, 35th, 40th, 45th, 50th, 55th, 60th, 65th, 70th, 75th, 80th, 85th, 90th, and 95th

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Rate Distributions

❖ Weekly rates had very little skewness – no correction needed

❖ Past rate distributions were **calculated** from weighted **means** and **standard deviations** to create distributions on a normal curve

❖ 2018 distributions were **actual** weighted **rates** at each percentile

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Report Rates versus Calculated Rates

Percentile	Statewide - Centers							Statewide - Type A					
	Infant							Infant					
	FT		PT		HR			FT		PT		HR	
	Rates	Calc	Rates	Calc	Rates	Calc		Rates	Calc	Rates	Calc	Rates	Calc
10	151.61	152.57	95.00	93.58	5.70	4.13		143.31	134.17	94.48	81.28	5.00	4.29
15	170.00	167.41	105.00	105.75	6.00	5.29		149.44	147.22	99.44	93.47	6.06	5.28
20	180.00	179.20	115.00	115.42	6.44	6.20		150.83	157.59	100.00	103.16	6.56	6.06
25	195.00	189.32	121.02	123.72	6.99	6.99		161.25	166.48	108.16	111.47	6.77	6.73
30	200.00	198.40	126.68	131.17	7.00	7.70		171.76	174.47	114.01	118.93	7.00	7.34
35	205.26	206.82	132.50	138.08	7.81	8.35		179.71	181.88	120.00	125.85	7.60	7.90
40	215.00	214.81	140.22	144.63	8.12	8.97		190.00	188.90	125.00	132.41	7.99	8.43
45	223.13	222.54	150.00	150.97	8.76	9.57		197.43	195.70	130.00	138.76	8.00	8.94
50	225.00	230.14	155.00	157.21	9.00	10.17		200.00	202.39	135.42	145.01	8.14	9.45
55	235.00	237.75	160.00	163.45	10.00	10.76		201.34	209.08	144.08	151.26	9.00	9.95
60	245.00	245.48	169.00	169.79	10.00	11.36		208.09	215.87	150.00	157.61	9.41	10.46
65	255.00	253.47	175.00	176.34	10.00	11.98		216.97	222.90	154.20	164.18	10.00	11.00
70	265.00	261.89	180.00	183.24	11.00	12.63		225.00	230.30	162.28	171.09	10.00	11.55
75	276.00	270.97	190.24	190.70	12.47	13.34		240.00	238.29	175.00	178.56	11.10	12.16
80	284.69	281.09	200.00	198.99	14.22	14.13		250.00	247.19	182.91	186.87	12.00	12.83
85	292.15	292.88	210.00	208.66	15.00	15.04		250.00	257.56	200.00	196.56	13.81	13.61
90	305.00	307.72	225.00	220.83	16.51	16.20		260.00	270.61	200.00	208.75	15.00	14.60
95	323.73	329.71	245.00	238.87	20.00	17.91		275.00	289.95	257.17	226.81	18.46	16.06
N	1195		782		320			101		91		75	

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18

Registration Fees

Do you charge families a registration fee that is not part of their regular tuition?

	Child Care Center (N=2,530)	FCC - Type A Home (N=109)	FCC - Type B Home (N=971)	Day Camp (N=26)	Preschool (N=50)	School Age Child Care (N=50)	Total (N=3,736)
No	27.1%	62.4%	80.2%	50.0%	32.0%	44.0%	42.4%
Yes - per family	29.3%	15.6%	11.6%	15.4%	28.0%	18.0%	24.1%
Yes - per child	43.5%	22.0%	8.0%	34.6%	40.0%	38.0%	33.5%
No Response	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Questions?

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