

Attachment 2.7.4
Market Rate Survey and Summary of Results

2010 MARKET RATE SURVEY and FISCAL YEAR 2010-11 PROVIDER AGREEMENT APPENDIX C-1

Legal Entity	Keystone STARS
Location	Telephone:
Address	County
	Provider Type

Only enter WEEKLY rates for the age ranges listed below.

Do not change the age range listed in the table.

Provide your rates effective July 1, 2010.

Enter N/A if the service is not provided.

FULL DAY	0 - 12 MONTHS	13 - 24 MONTHS	25 - 36 MONTHS	37 MONTHS - DATE CHILD ENTERS KINDERGARTEN
The information currently on file shows that the majority of your private pay families pay the following rates per child for FULL DAY weekly care (five days per week, Monday through Friday).	\$ _____ per week	\$ _____ per week	\$ _____ per week	\$ _____ per week
As of July 1, 2010, what will the majority of your private fee families pay per child for FULL DAY weekly care? I understand these will be my private pay rates effective July 1, 2010. PA	\$ _____ per week	\$ _____ per week	\$ _____ per week	\$ _____ per week
PART DAY	0 - 12 MONTHS	13 - 24 MONTHS	25 - 36 MONTHS	37 MONTHS - DATE CHILD ENTERS KINDERGARTEN
The information currently on file shows that the majority of your private fee families pay the following rates per child for PART DAY weekly care (five days per week, Monday through Friday).	\$ _____ per week	\$ _____ per week	\$ _____ per week	\$ _____ per week
As of July 1, 2010, what will the majority of your private fee families pay per child for PART DAY weekly care? I understand these will be my private pay rates effective July 1, 2010.	\$ _____ per week	\$ _____ per week	\$ _____ per week	\$ _____ per week

THE OFFICE OF CHILD DEVELOPMENT AND EARLY LEARNING WILL VALIDATE RATES TO ENSURE ACCURACY

2010 MARKET RATE SURVEY and FISCAL YEAR 2010-11 PROVIDER AGREEMENT APPENDIX C-1

Only enter WEEKLY rates for the age ranges listed below.

Do not change the age range listed in the table.

Enter N/A if the service is not provided.

SCHOOL AGE	KINDERGARTEN UP TO 13TH BIRTHDAY FULL DAY SUMMER	KINDERGARTEN UP TO 13TH BIRTHDAY PART DAY SCHOOL YEAR
The information currently on file shows the majority of your private pay families pay the following rates for a SCHOOL AGE child for FULL DAY weekly care during the summer and PART DAY weekly care during the school year (five days per week, Monday through Friday).	\$ _____ per week	\$ _____ per week
What will the majority of your private fee families pay for a SCHOOL AGE child for FULL DAY weekly care during the summer and PART DAY weekly care during the 2010-2011 school year? I understand these will be my private pay rates effective July 1, 2010.	\$ _____ per week	\$ _____ per week

THE OFFICE OF CHILD DEVELOPMENT AND EARLY LEARNING WILL VALIDATE RATES TO ENSURE ACCURACY

The subsidized child care program “blended rate” averages rates for 180 part days and 25 full days to create a standard school year rate. This creates one rate for the school year that incorporates days when a child attends child care full day.

The information currently on file shows that you **DO** **DO NOT accept a blended** school year rate for subsidized school-age children.

Check here if you want to **change** your blended rate option effective July 1, 2010:

 Provider Representative Signature Representative Printed Name Title Date

MAIL, FAX OR HAND-DELIVER YOUR COMPLETED MARKET RATE SURVEY/APPENDIX C-1 WITH A COPY OF YOUR DISCOUNT AND/OR SCHOLARSHIP POLICY AND YOUR JULY 1, 2010 PUBLISHED RATES BY FRIDAY, APRIL 9, 2010 TO YOUR CCIS AGENCY.

In March 2010, the Office of Child Development and Early Learning (OCDEL) distributed the Market Rate Survey (MRS) to all regulated child care providers in Pennsylvania. OCDEL received responses from 6,162 providers and performed an analysis to determine variation in child care costs by care level, provider type (center, family, group), length of care (full-time vs. part-time), and quality of care. In addition, OCDEL examined the change in child care costs over time. Mean and median daily child care rates are given in Table 1. Based on the closeness of the mean and median, the survey results followed a relatively normal distribution.

Table 1: Mean and Median Daily Childcare Rates

	Full Time Care			Part Time Care		
Centers						
Care Level	N	Mean	Median	N	Mean	Median
Infant	2315	\$39.16	\$38.50	2063	\$32.31	\$32.00
Young Toddler	2518	\$37.08	\$36.00	2304	\$30.28	\$30.00
Older Toddler	2647	\$35.36	\$35.00	2446	\$28.74	\$29.00
Preschool	3119	\$32.02	\$32.00	2967	\$25.40	\$25.00
School Age	3089	\$31.13	\$30.00	3165	\$21.56	\$20.00
Family Child Care Homes						
Care Level	N	Mean	Median	N	Mean	Median
Infant	1869	\$30.12	\$30.00	1792	\$24.15	\$24.00
Young Toddler	1903	\$28.84	\$28.00	1822	\$23.21	\$22.00
Older Toddler	1916	\$27.97	\$27.00	1836	\$22.52	\$21.00
Preschool	1919	\$27.09	\$26.00	1848	\$21.88	\$20.00
School Age	1814	\$26.10	\$25.00	1789	\$20.73	\$20.00
Group Child Care Homes						
Care Level	N	Mean	Median	N	Mean	Median
Infant	571	\$31.41	\$30.00	539	\$25.19	\$25.00
Young Toddler	601	\$29.87	\$29.00	571	\$24.07	\$24.50
Older Toddler	619	\$28.71	\$28.00	588	\$23.24	\$23.00
Preschool	631	\$27.55	\$26.85	604	\$22.35	\$21.85
School Age	604	\$25.19	\$25.00	603	\$20.60	\$20.00

A generalized linear model was applied to analyze relationships and variations within the MRS data. Variables in the model included care level, county, full/part time care, provider type, Keystone STARS level, as well as several interaction variables. The model produced an R^2 value of .58, meaning that 58% of the variation in childcare costs was explained by the generalized linear model. The model produced the following key findings:

- Infant costs are significantly higher than costs for other care levels. In general, the younger the age of the child, the higher the costs of child care.
- Center costs are significantly higher than costs for family and group child care.
- The highest costs of child care are found in the Southeast region, while the lowest costs are found in the Central region.
- Child care costs in urban areas are higher than in rural areas.
- Costs for Keystone STAR 3 and 4 providers are significantly higher than STAR 1 and 2 and non-Keystone STARS providers.

Looking at the MRS data over time, there was a statistically significant increase in overall child care costs between 2009 and 2010. However, this increase was smaller than in previous years. The model reported an average increase in daily child care rates of \$0.35 between 2009 and 2010, compared to an increase of \$1.10 from 2008 to 2009 and \$1.68 from 2007 to 2008. In fact, using the U.S. Department of Labor’s Consumer Price Index (CPI)¹ to adjust for inflation between 2009 and 2010, the change in childcare costs is no longer statistically significant.

¹ U.S. Department of Labor (2011, Apr 15). *Consumer Price Index*. Bureau of Labor Statistics. Retrieved Apr 22, 2011 from <http://www.bls.gov/cpi/>