

The 2014 Alabama Child Care Market Rate Survey



AUBURN

MONTGOMERY

OUTREACH

Submitted to:

Office of Child Care Subsidy
Child Care Services Division
Alabama Department of Human Resources

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Executive Summary

This report presents the findings of an examination conducted by Auburn Montgomery Outreach of the data collected from the 2014 Child Care Market Rate Survey in Alabama. This survey was conducted under the auspices of the Office of Child Care Subsidy (located within the Child Care Services Division, Alabama Department of Human Resources) from July through August, 2014. The survey consisted of a questionnaire that was disseminated to all known providers of child care services in Alabama. Of the 3,022 providers contacted, 1,966 (65%) responded to the survey. After discarding returned questionnaires with incomplete and/or inconsistent information, 1,753 responses were found to be usable for market rate analysis. The final sample represented responses received from child care providers in 66 of the 67 Alabama counties and from all nine of the Child Care Management Regions that are administered by the Office of Child Care Subsidy.

The following were the key findings from the analysis of the final sample data.

- Of the 1,753 respondents in the final sample, 75.2% were classified as day care centers, 16.4% as family day care homes, and 8.3% as group day care homes.
- Of the 1,753 respondents in the final sample, 59.6% represented licensed facilities, with the remaining 40.4% constituting exempt providers.
- Approximately 86% of the sample respondents indicated that they offered services to children under 2½ years of age. The proportion of facilities providing services to children aged 2½-5 years was 90%, while 87.5% providers offered services to school-age children.
- Average weekly full time child care rates varied from \$112 for children under 2½ years of age, to \$104 for children aged 2½-5 years, to \$94 for children of school age.

- Exempt facilities charged a lower rate on average than licensed facilities for all age categories.
- For children under five years of age, day care centers were found to charge the highest average weekly fees, followed by family day care homes, and group day care homes. Family day care homes charged the highest rate on average for school age children.
- Average weekly child care rates were found to be higher in the Huntsville, Mobile, Birmingham, Montgomery, and Opelika Child Care Management Regions than the other four regions (Dothan, Fort Payne, Tuscaloosa, and Talladega), for all age categories of children.
- DHR subsidies for child care costs were within \$31 or less of the average market rate for all age groups of children and for all categories of providers (day care centers, family day care homes, and group day care homes) in all nine Child Care Management Regions.

The 2014 Alabama Child Care Market Rate Survey

Introduction

Providing for the care of children has become one of the major issues in our modern society. As recently as the 1960's, it was considered to be customary for mothers to stay at home following the birth of a child, and women were expected to continue this nurturing process until that time when the child left home as an adult. In an earlier era, extended family networks served to help mothers with their child care obligations. Grandmothers, aunts and other female relatives could step in to relieve the mother when the need arose. While extended family networks still exist today, particularly among certain cultural groups, their impact on child care is more limited than it was in the past. Moreover, economic pressures have impinged upon family units to the degree that most mothers no longer feel they can remain in the home and completely devote their lives to the rearing of children. The “stay-at-home” mother is no longer the norm, and most women participate in the labor force out of economic necessity. In 2013, 72% of the mothers with children under six in Alabama were members of the labor force, a percentage that is likely to continue to increase over time.¹

As mothers have increasingly entered the workforce over the last half-century, the number and variety of child care settings has grown accordingly. Although the growth of two-income households has pushed family incomes higher, the high cost-of-living in American society causes most parents to carefully consider the options when contemplating child care providers. In many Alabama communities, child care choices are limited and the problem of obtaining good care at an affordable price remains a vexing concern. In 2014, the cost of full-time child care for an infant is about 7% of

¹ Data were collected from the 2013 American Community Survey 1-Year Estimates.

median income for married couples and about 30% of median income for single mothers in Alabama.¹

Finding quality, affordable child care is an especially great challenge for Alabama's low-income families, which constitute a significant percentage of the Alabama population. Most of these low-income families would not be able to afford child care outside the home without the subsidies that are provided through the Alabama Department of Human Resources (ADHR), Office of Child Care Subsidy (OCCS). OCCS is responsible for directing and approving the development, implementation and administration of all services authorized under the Child Care Subsidy Program in Alabama. Funding for the program is provided through the federal Child Care and Development Fund and state general fund. The mission of the program is to provide Alabama's low-income families with equal access to affordable and quality child care services as they participate in work, education, and/or training activities.

The Child Care Subsidy Program is administered by three Child Care Management Agencies operating in nine Alabama regions. Each region serves from 5 to 12 counties. During fiscal year 2014, the program provided assistance with child care to 28,348 children on average per month. The total unduplicated count for children served during the year was 40,118. While the resources available through OCCS are limited, its goal is to provide as much support as possible to the state's economically disadvantaged families. Without this support, many parents (including a substantial number of single mothers) would not be able to work, to support their families, and to make quality contributions to the state's economy.

In an effort to ensure that quality care remains within the reach of families receiving child-care subsidies, the Child Care Bureau within the Administration for Children and Families, United States Department of Health and Human Services, periodically requires OCCS to conduct market rate surveys of child care costs across the state. The results of the 2014 survey will be used by OCCS to assess the need for adjustments in the state's child care support payments and as a planning tool for other programs and

¹ Child Care Aware® of America. 2014. Child Care in America: 2014 State Fact Sheets. Child Care Aware® of America, Arlington, VA.

offices within ADHR. It will also provide information to the public concerning child care costs throughout the state, allowing the comparison of rates in different geographic locations, across various categories of child care providers, and for different age groups of children.

The next section of this report presents information on the research methodology used for the 2014 Child Care Market Rate Survey. The following section provides a description of the survey participants and a detailed analysis of the market rates for child care in Alabama. This report ends with a brief conclusion section.

Survey Design and Methodology

A questionnaire was developed by OCCS in collaboration with Auburn Montgomery Outreach (Outreach) for use in collecting 2014 market rate data from the state's 3,022 child care providers. Only minor modifications were made to the questionnaire from the one used in the last market rate survey conducted in 2011. Consequently, pretesting of the data collection instrument was limited to internal review by the survey consultants, as previous assessments had confirmed the validity of the questionnaire. The questionnaire was designed to supply all information that was critical to evaluating the current cost of child care across the state for various categories of providers, but at the same time, it needed to be concise enough so that it would not seriously impact the time constraints or patience of those completing the questionnaires.

OCCS maintains a database that includes information on family and group daycare homes, licensed centers and exempt from licensure facilities. A mailing list of all 3,022 facilities appearing on this database was prepared and a paper copy of the questionnaire (a copy is given in Appendix) was mailed to each facility. The first wave of the survey was sent out on July 9, 2014. The questionnaire was accompanied by a return envelope that was self-addressed and stamped, along with a message from the Commissioner of ADHR urging providers to complete the survey and stressing the importance of a timely response. Potential respondents were also given an option to

complete the market rate survey online by visiting ADHR's website. OCCS sent informational notices about the survey to all Child Care Management Agencies and Quality Enhancement Agencies to improve the survey response rate.

A second wave of the survey was sent out on August 7, 2014 to all facilities irrespective of whether or not they had responded to the first wave. However, the questionnaire clearly stated that it was the second notice and that facilities which had already completed the survey would not need to respond again (a copy of the second notice is given in Appendix). The second wave of questionnaires was also accompanied by a self-addressed and stamped return envelope, along with a message from the Commissioner of ADHR. The multiple wave research design was intended to maximize the number of providers completing the questionnaire.

Data from the questionnaires received by mail were entered into an online system similar to the one that was used for online surveys. The data were then downloaded into an excel spreadsheet for cleaning and appropriate coding. The final data were analyzed using the SAS software.¹

Survey respondents were asked to indicate the type of child care facility that they operated (day care center, family day care home, group day care home, etc.) and the weekly and monthly charges for their child care services. Types of child care facilities were further classified into licensed and exempt facilities. For ADHR purposes, a day care center is defined as a facility licensed by ADHR, or otherwise legally authorized, which receives more than 12 children during the day or night. A family day care home, on the other hand, is an individual who is licensed by the Department to provide care as the sole caregiver in a private residence, other than the eligible child's residence, for no more than six children during the day or night. Finally, the Department defines a group day care home as an individual licensed by the County Department to provide care in a private residence, other than the eligible child's residence, for at least seven, but not more than 12, children during the day or night.

¹ The data analysis for this report was generated using SAS software. Copyright, SAS Institute Inc. SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc., Cary, NC, USA.

Providers were asked to supply child care charges according to age groups served (i.e., under 1 year of age, 1 year olds; 2 year olds, 3 year olds, 4 year olds, and those 5 or more years of age). For providers who reported monthly rates, the reported monthly rates were converted to weekly rates using 4.333 as the dividing factor. Additionally, where weekly or monthly charges were reported in the form of a range (e.g., from \$100-\$125 per week), the higher value in the range was entered as the weekly or monthly rate. In addition to identifying information (such as the name of the facility and address), respondents were also asked to supply the name of the Alabama county in which the facility was located.

Results

Description of the Survey Participants

The total number of responses to the 2014 Child Care Market Rate Survey was 1,966 (a response rate of 65%); 1,794 completed questionnaires were sent back to OCCS by mail and 172 questionnaires were completed online. After data cleaning, 1,753 responses were found usable for child care market rate analysis. Because of the limited number of child care facilities in many Alabama counties, the number of responses from some of the counties was very low. No response to the survey was received from Greene County. For the rest of the counties, survey responses ranged from one response from both Coosa and Wilcox Counties to 297 responses from Jefferson County.

Of the 1,753 usable survey responses, the majority (75.2%) were classified as day care centers. Within the day care center category, 46.2% were licensed day care centers and 53.8% were exempt. Of the exempt grouping, more than half (69.1%) were church-affiliated centers and 17.3% were educational facilities. Approximately 16% of all facilities responding were family day care homes, with group day care homes comprising slightly more than 8 percent of the respondents. Of the 1,753 child care facilities represented in this report, 86.1% indicated that they offered services for

children below 2½ years of age. Comparatively, the percentage of facilities providing services for children aged 2½-5 years was 90%, and those providing services for school-age children was 87.5%. For all facilities, approximately 74.2% offered child care services to all age categories.

The county-level data were collapsed into OCCS’s nine Child Care Management Regions each of which includes 5 to 12 counties (Table 1). The Birmingham region (at

Table 1. Alabama Child Care Management Regions

Region 1	Counties	Region 2	Counties	Region 3	Counties
Huntsville	Colbert Cullman Franklin Lauderdale Lawrence Limestone Madison Morgan Winston	Mobile	Baldwin Clarke Conecuh Escambia Mobile Monroe Washington	Birmingham	Blount Jefferson Shelby St. Clair Walker
Region 4	Counties	Region 5	Counties	Region 6	Counties
Montgomery	Autauga Bullock Butler Chilton Covington Dallas Elmore Lowndes Montgomery Wilcox	Opelika	Chambers Lee Macon Russell Tallapoosa	Tuscaloosa	Bibb Choctaw Fayette Hale Lamar Marengo Marion Perry Pickens Sumter Tuscaloosa
Region 7	Counties	Region 8	Counties	Region 9	Counties
Fort Payne	Cherokee DeKalb Etowah Jackson Marshall	Talladega	Calhoun Clay Cleburne Coosa Randolph Talladega	Dothan	Barbour Coffee Crenshaw Dale Geneva Henry Houston Pike

23% of all facilities responding) was most highly represented, followed by Mobile (16.8%), Montgomery (14%), and Huntsville (13.8%). Responses from facilities in the other regions were in the 5-8% range in terms of representation in the survey.

Licensed providers (59.6% of those responding) are much more highly represented in the study sample than exempt providers (40.4%). However, there are over twice as many licensed facilities in the state as exempt facilities. Additionally, facilities licensed by ADHR may have treated the receipt of a survey from the department more seriously than their exempt counterparts. Sixty-two percent of the responding facilities stated that they received either full or partial reimbursement for child care costs through the ADHR Child Care Subsidy Program. Of the respondents whose clients were receiving subsidies, 30.4% reported that at least half of the children they served were receiving a child care subsidy.

In summary, the number of usable responses (1,753) was large enough to provide relatively extensive analysis of the data, including cross-tabulations and the examination of data for regions within the state. Only one county was not represented in the sample. All Child Care Management Regions were represented well in the study sample, with no significant bias detected relative to those who chose to respond to the survey.

Statewide Child Care Rates

All Child Care Facilities Combined

Analysis of the survey data suggested that average full-time child care rates for all facilities combined in Alabama (i.e., day care centers, family day care homes, and group day care homes, whether licensed or exempt) was \$112 per week for children under 2½ years of age, \$104 per week for children aged 2½-5 years, and \$94 per week for children of school age (Figure 1). Thus, child care costs decline with the age of the child, with average full-time weekly costs for school age children only about 84% of those for children under 2½ years of age. The weekly child care rate at the 75th percentile for children under 2½ years of age was \$125. This means that 75% of the state's child care facilities charged \$125 or less per week for child care for children

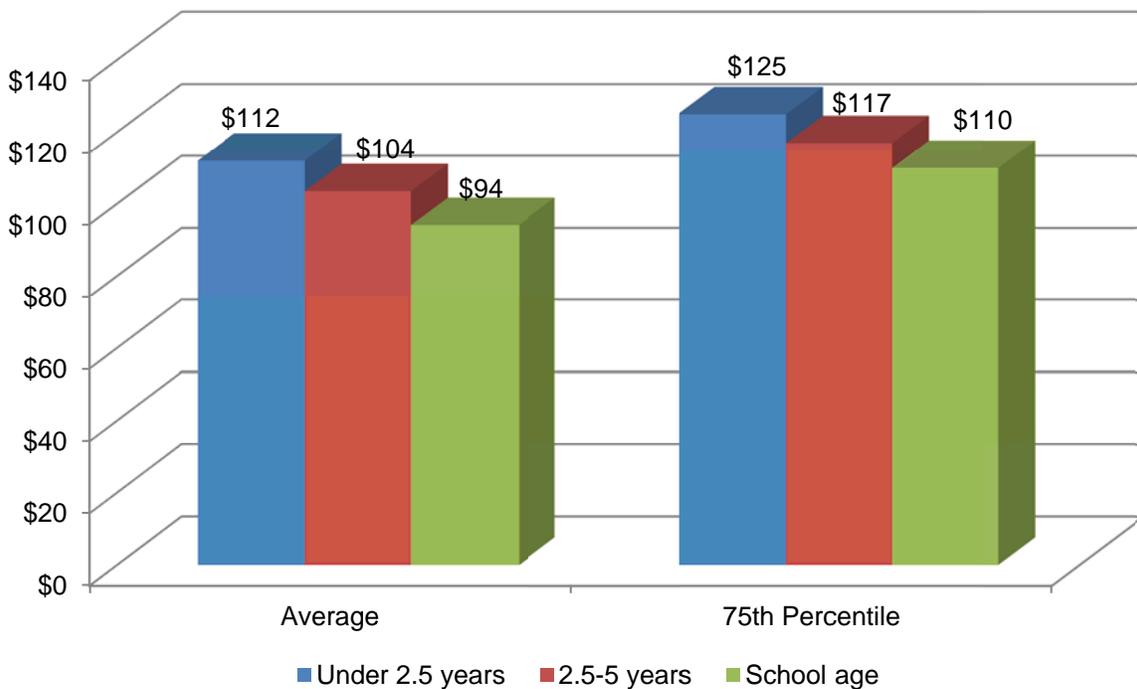


Figure 1. Average and 75th percentile weekly full-time child care rates by age of child.

under 2½ years, while 25% of the facilities charged more. The 75th percentile rate value was \$117 for children aged 2½-5 years and \$110 for children of school age.

There was wide variation in the weekly child care rates for licensed versus exempt facilities (Figure 2). On average, exempt facilities charged a lower rate than licensed facilities for child care across all age categories. The 75th percentile rates for exempt facilities were also lower for all age categories, except for the under 2½ years category where those rates were the same for exempt and licensed facilities.

Types of Child Care Facilities

The examination of aggregated data for different child care facility types can reveal important differences that may exist in child care rates from one facility type to another. Certainly, the structure of child care facilities varies widely in Alabama. Some facilities are designed more formally as stand-alone, for-profit businesses. Others are much less formal, with many of these operated out of homes (varying in size by the number of

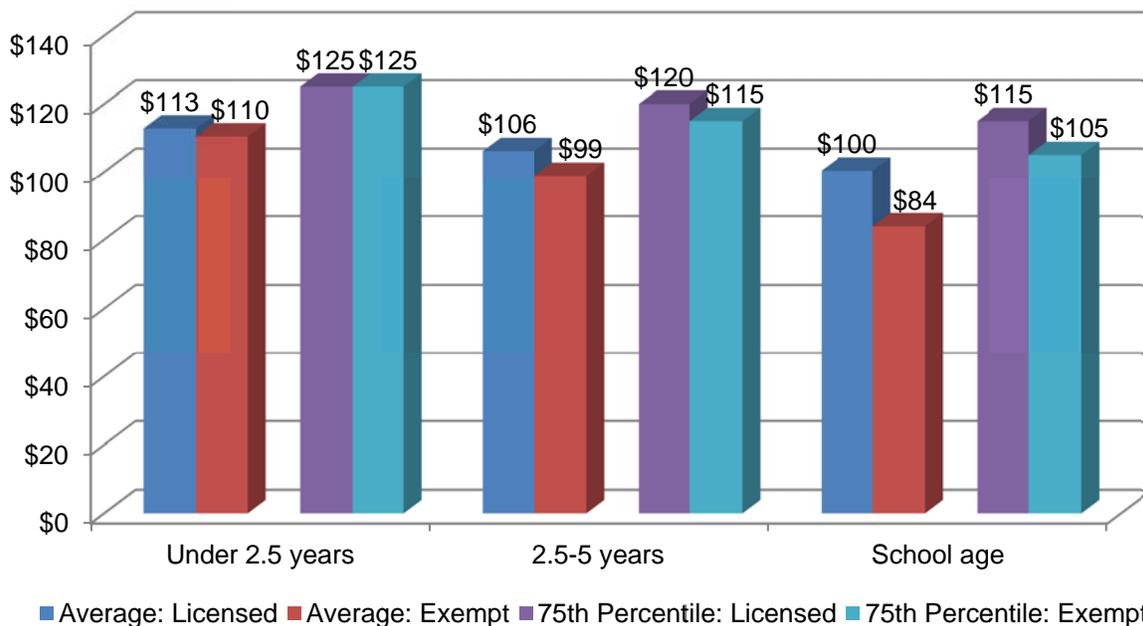


Figure 2. Average weekly full-time child care costs and 75th percentile child care rates by age of child and license or exempt status of facility.

children served). Still others are affiliated with churches and/or other non-profit agencies.

Child care facilities participating in the 2014 Child Care Market Rate Survey were subdivided into the three major categories: day care centers (facilities serving more than 12 children, including for-profit centers, churches, non-profit agencies, educational facilities, etc.); family day care homes (serving 6 children or fewer), and group day care homes (serving from 7 to 12 children). The data presented in Table 2 and Figure 3 indicate that child care rates vary significantly among these three categories. The average weekly full-time rate for children 2 ½ years of age and younger was highest in day care centers and lowest in group day care homes. This pattern was similar for children aged 2½-5 years. However, for school age children, family day care homes had the highest average weekly rate. Group day care homes charged the lowest average rate overall, although their average rate was the same as that of day care centers for school age children.

Table 2. Average and 75th percentile weekly full-time child care rates by age of child and type of facility

	Under 2.5 Years		2.5 to 5 Years		School Age	
	Average	75 th percentile	Average	75 th percentile	Average	75 th percentile
Day Care Centers	\$116	\$127	\$105	\$120	\$93	\$110
Family Day Care Homes	\$103	\$120	\$100	\$118	\$99	\$115
Group Day Care Homes	\$98	\$120	\$95	\$110	\$93	\$105

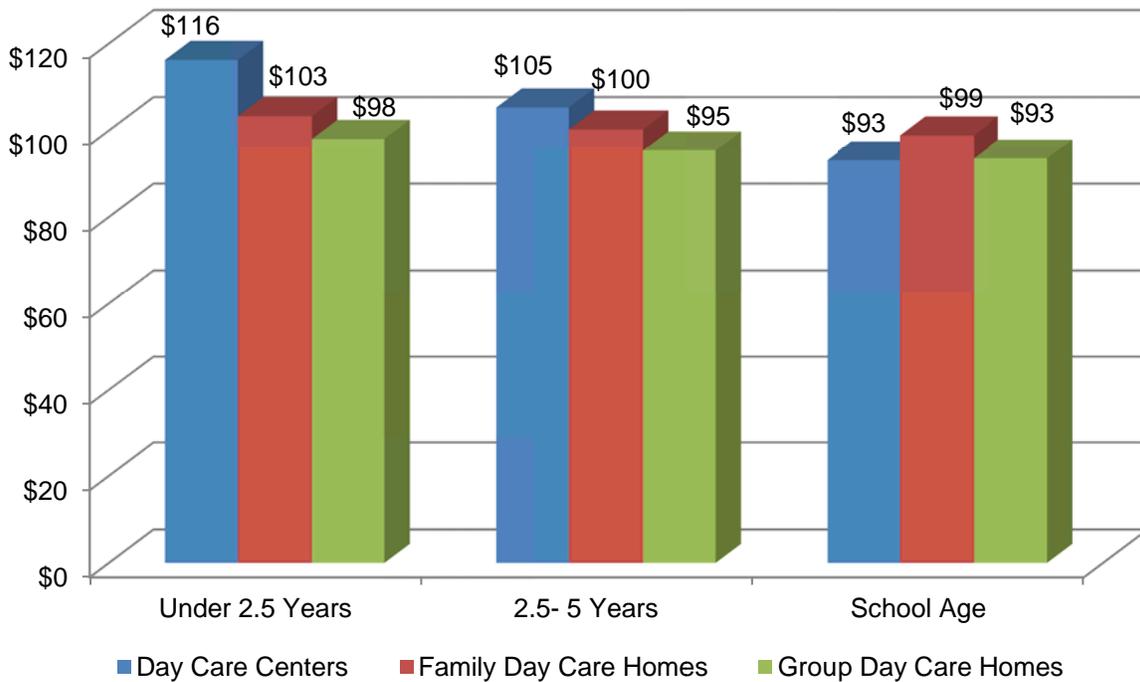


Figure 3. Average weekly full-time child care rates by age of child and type of facility.

Regional Child Care Rates

All Child Care Facilities Combined

Just as child care costs vary by facility type, one can also expect to encounter regional variations in the rates that are charged. These variations reflect differences in the

socioeconomic status of the state’s population, competitive forces within the market place, and various other factors (such as the mix of facility types within a given region). Table 3 and Figure 4 present average and 75th percentile child care market rate data for OCCS’s nine Child Care Management Regions. As in other sections of the report, data are disaggregated into three different age groups.

The survey data indicate that child care rates were higher in the Huntsville, Mobile, Birmingham, Montgomery, and Opelika regions than in the other regions of the state (Table 3). Of the other four management regions, rates were generally lowest in the Fort Payne region. The regions with the highest rates contained the state’s largest cities, while those with lower rates reflect smaller cities and a more rural orientation.

Regional variations in child care rates can be readily observed when the range of costs is examined. For example, the average market rate for children under 2½ years of age in the Birmingham region was \$39 higher (or 43.3% higher) than the average rate for that age group in the Fort Payne region. The difference in child care market rate between the same two regions was \$33 for children aged 2½-5 years and \$19 for school age children.

Table 3. Average and 75th percentile weekly full-time child care rates by age of child and Child Care Management Region

	Under 2.5 Years		2.5 to 5 Years		School Age	
	Average	75 th percentile	Average	75 th percentile	Average	75 th percentile
Region 1: Huntsville	\$121	\$135	\$112	\$125	\$99	\$120
Region 2: Mobile	\$111	\$125	\$103	\$120	\$98	\$113
Region 3: Birmingham	\$129	\$147	\$115	\$131	\$96	\$115
Region 4: Montgomery	\$112	\$125	\$105	\$120	\$100	\$115
Region 5: Opelika	\$112	\$125	\$104	\$110	\$94	\$100
Region 6: Tuscaloosa	\$102	\$115	\$97	\$110	\$91	\$105
Region 7: Fort Payne	\$90	\$100	\$82	\$99	\$77	\$92
Region 8: Talladega	\$92	\$105	\$89	\$100	\$83	\$100
Region 9: Dothan	\$95	\$105	\$91	\$105	\$85	\$95

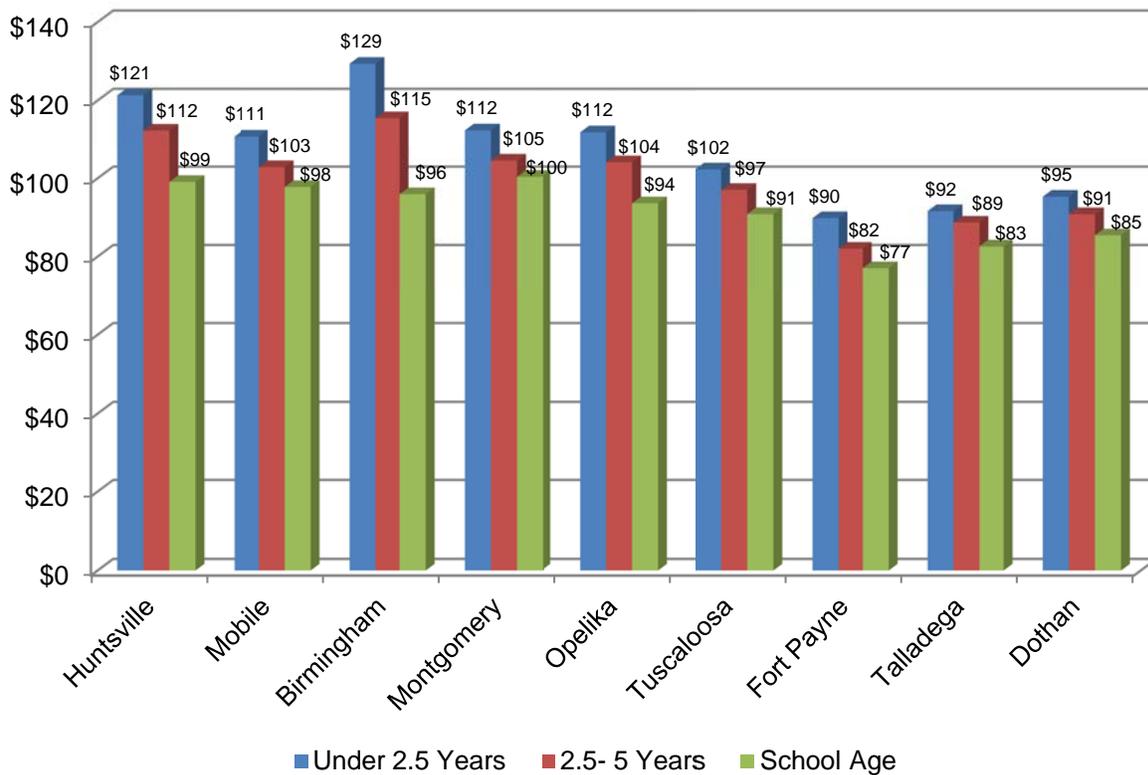


Figure 4. Average weekly full-time child care rates by age of child and Child Care Management Region.

Types of Child Care Facilities

Table 4 provides detailed market rate data for all nine child care management regions by facility type (day care centers, family day care homes, and group day care homes). This Table is presented for reference and informational purposes for those who desire more in-depth information concerning child care rate data and current market rates at the regional level. Generally, these data suggested that regional variations in child care costs persisted irrespective of the age of the child and the types of facilities in which children are enrolled.

Day care centers appeared to account for much of the large discrepancies in child care rates found across regions. For example, Birmingham had an average rate for day care centers that is \$40 higher than the rate for Fort Payne for children under 2 ½ years of

age. The Birmingham region also had an average day care center rate that is \$36 higher for children between 2 ½ and 5 years of age and \$34 higher for school age children than the Fort Payne region. This pattern was similar for the other more populous regions as well. Comparatively, the discrepancy between the Birmingham and Fort Payne region rates was slightly smaller for group day care homes and family day care centers. However, the differences in child care rates presented in Table 4 should be used with caution as the number of observations varied significantly by region and facility type combinations.

ADHR reimbursement rates for weekly full-time child care by Child Care Management Regions and facility types are presented in Table 5. Table 6 presents the differences between average weekly full-time child care rates and ADHR reimbursement rates by Child Care Management Regions and for the three different facility types. It should be noted here that ADHR reimbursement rate for school age children in the Birmingham region was actually \$0.41 higher than the average child care rate for that age group of children. Other than that particular case, ADHR reimbursement rate was within \$31 or less of the market rate average in all nine child care management regions for all age groups of children and all facility types. About 77% of the differences presented in Table 6 are more than \$15. The highest difference between average weekly full-time child care rate and ADHR reimbursement rate, \$30.38, was found for school age children in the Huntsville region. While, in most instances, qualifying parents will be called upon to finance at least part of their child care costs because of the differential that exists between current ADHR reimbursement levels and the rates charged by providers, the information presented here would help OCCS make adjustments in the child care support payments if necessary.

Table 4. Average and 75th percentile weekly full-time child care rates by Child Care Management Regions and facility types

Day Care Centers						
	Under 2.5 Years		2.5-5 Years		School Age	
	Average	75 th percentile	Average	75 th percentile	Average	75 th percentile
Region 1: Huntsville	\$125	\$142	\$114	\$130	\$98	\$120
Region 2: Mobile	\$112	\$127	\$103	\$120	\$96	\$110
Region 3: Birmingham	\$134	\$152	\$117	\$135	\$94	\$115
Region 4: Montgomery	\$115	\$127	\$104	\$115	\$99	\$115
Region 5: Opelika	\$118	\$128	\$107	\$110	\$94	\$100
Region 6: Tuscaloosa	\$111	\$123	\$103	\$115	\$95	\$114
Region 7: Fort Payne	\$94	\$106	\$83	\$100	\$77	\$92
Region 8: Talladega	\$93	\$108	\$89	\$100	\$82	\$100
Region 9: Dothan	\$100	\$110	\$93	\$106	\$86	\$95
Family Day Care Homes						
	Under 2.5 Years		2.5-5 Years		School Age	
	Average	75 th percentile	Average	75 th percentile	Average	75 th percentile
Region 1: Huntsville	\$115	\$128	\$112	\$125	\$109	\$125
Region 2: Mobile	\$109	\$122	\$104	\$120	\$103	\$120
Region 3: Birmingham	\$110	\$121	\$105	\$110	\$103	\$110
Region 4: Montgomery	\$110	\$125	\$107	\$125	\$104	\$125
Region 5: Opelika	\$105	\$115	\$104	\$115	\$104	\$120
Region 6: Tuscaloosa	\$86	\$95	\$85	\$95	\$84	\$95
Region 7: Fort Payne	\$74	\$78	\$73	\$75	\$70	\$75
Region 8: Talladega	\$86	\$95	\$87	\$100	\$89	\$98
Region 9: Dothan	\$84	\$90	\$83	\$90	\$83	\$90
Group Day Care Homes						
	Under 2.5 Years		2.5-5 Years		School Age	
	Average	75 th percentile	Average	75 th percentile	Average	75 th percentile
Region 1: Huntsville	\$104	\$125	\$99	\$120	\$96	\$110
Region 2: Mobile	\$105	\$120	\$99	\$110	\$100	\$105
Region 3: Birmingham	\$115	\$125	\$111	\$125	\$110	\$125
Region 4: Montgomery	\$91	\$90	\$91	\$90	\$91	\$90
Region 5: Opelika	\$84	\$85	\$76	\$80	\$74	\$80
Region 6: Tuscaloosa	\$84	\$85	\$82	\$85	\$82	\$85
Region 7: Fort Payne	\$84	\$93	\$82	\$88	\$82	\$88
Region 8: Talladega	\$85	\$96	\$88	\$97	\$79	\$95
Region 9: Dothan	\$86	\$90	\$87	\$90	\$83	\$90

Table 5. ADHR reimbursement rates for weekly full-time child care by Child Care Management Regions and facility types

Day Care Centers			
	Under 2.5 Years	2.5-5 Years	School Age
Region 1: Huntsville	\$101	\$92	\$87
Region 2: Mobile	\$101	\$91	\$85
Region 3: Birmingham	\$111	\$102	\$94
Region 4: Montgomery	\$95	\$83	\$79
Region 5: Opelika	\$91	\$87	\$80
Region 6: Tuscaloosa	\$86	\$82	\$79
Region 7: Fort Payne	\$74	\$70	\$68
Region 8: Talladega	\$73	\$70	\$70
Region 9: Dothan	\$75	\$73	\$69
Family Day Care Homes			
	Under 2.5 Years	2.5-5 Years	School Age
Region 1: Huntsville	\$91	\$86	\$79
Region 2: Mobile	\$88	\$84	\$84
Region 3: Birmingham	\$89	\$83	\$84
Region 4: Montgomery	\$81	\$79	\$78
Region 5: Opelika	\$81	\$80	\$80
Region 6: Tuscaloosa	\$69	\$67	\$67
Region 7: Fort Payne	\$63	\$60	\$60
Region 8: Talladega	\$64	\$62	\$60
Region 9: Dothan	\$66	\$64	\$63
Group Day Care Homes			
	Under 2.5 Years	2.5-5 Years	School Age
Region 1: Huntsville	\$93	\$86	\$75
Region 2: Mobile	\$82	\$78	\$74
Region 3: Birmingham	\$94	\$90	\$86
Region 4: Montgomery	\$77	\$74	\$66
Region 5: Opelika	\$68	\$67	\$65
Region 6: Tuscaloosa	\$64	\$63	\$63
Region 7: Fort Payne	\$67	\$65	\$64
Region 8: Talladega	\$81	\$66	\$66
Region 9: Dothan	\$64	\$64	\$65

Source: Alabama Department of Human Resources. 2009. State of Alabama Provider Rate Chart. Internet site: http://dhr.alabama.gov/documents/2009Provider_Rates.pdf (accesses December 4, 2014).

Table 6. Difference between average weekly full-time child care rates and ADHR reimbursement rates by Child Care Management Regions and facility types

Day Care Centers			
	Under 2.5 Years	2.5-5 Years	School Age
Region 1: Huntsville	\$24.35	\$22.45	\$11.02
Region 2: Mobile	\$11.29	\$11.94	\$10.86
Region 3: Birmingham	\$22.95	\$15.36	(\$0.41)
Region 4: Montgomery	\$19.64	\$21.16	\$20.32
Region 5: Opelika	\$26.65	\$19.80	\$13.57
Region 6: Tuscaloosa	\$24.87	\$21.47	\$15.68
Region 7: Fort Payne	\$19.71	\$13.36	\$9.07
Region 8: Talladega	\$20.45	\$19.03	\$12.00
Region 9: Dothan	\$24.69	\$20.37	\$17.35
Family Day Care Homes			
	Under 2.5 Years	2.5-5 Years	School Age
Region 1: Huntsville	\$24.35	\$25.86	\$30.38
Region 2: Mobile	\$20.63	\$20.21	\$19.00
Region 3: Birmingham	\$21.25	\$22.28	\$18.91
Region 4: Montgomery	\$29.09	\$27.73	\$26.01
Region 5: Opelika	\$24.37	\$24.09	\$23.54
Region 6: Tuscaloosa	\$17.11	\$17.58	\$17.13
Region 7: Fort Payne	\$10.67	\$12.83	\$9.89
Region 8: Talladega	\$22.25	\$25.00	\$28.67
Region 9: Dothan	\$17.89	\$18.60	\$19.89
Group Day Care Homes			
	Under 2.5 Years	2.5-5 Years	School Age
Region 1: Huntsville	\$10.73	\$13.24	\$21.05
Region 2: Mobile	\$22.75	\$20.74	\$26.33
Region 3: Birmingham	\$21.50	\$21.38	\$24.08
Region 4: Montgomery	\$13.71	\$16.71	\$24.71
Region 5: Opelika	\$15.75	\$8.83	\$9.29
Region 6: Tuscaloosa	\$19.53	\$19.06	\$19.06
Region 7: Fort Payne	\$16.89	\$17.08	\$18.08
Region 8: Talladega	\$4.24	\$21.82	\$13.00
Region 9: Dothan	\$21.95	\$23.31	\$18.08

Note: Numbers in this table represent average child care rates (from Table 4) minus ADHR reimbursement rates (from Table 5). Decimal points were suppressed in Tables 4 and 5. Negative values are presented in red and in parentheses.

Summary and Conclusions

This report presented the findings of the analysis of the data collected from the 2014 market rate survey of child care providers conducted by the Office of Child Care Subsidy (OCCS), Alabama Department of Human Resources in collaboration with Auburn Montgomery Outreach. The survey questionnaire was designed to determine the child care rates charged by various providers throughout Alabama. All known child care providers across the state were contacted for the survey, including both licensed and exempt facilities, day care centers, family day care homes, and group day care homes.

Usable survey responses (1,753) were received from 66 of the state's 67 counties and from all nine of the Child Care Management regions that are administered by OCCS. Of the 1,753 responses, 75.2% were classified as day care centers, 16.4% as family day care homes, and 8.3% as group day care homes. Approximately 86% of the sample respondents indicated that they offered services to children under 2½ years of age. The proportion of facilities providing services to children aged 2½-5 years was 90%, while 87.5% providers offered services to school-age children. Licensed providers totaled 59.6% of all usable responses, with exempt facilities comprising 40.4% of the sample. An examination of the survey response patterns did not indicate any identifiable areas of bias regarding those who returned questionnaires as opposed to those who did not.

The survey results indicated that the average full-time weekly child care rate (all facilities combined) for children under 2½ years of age in Alabama was \$112. The average weekly rate is slightly lower for children aged 2½-5 years (\$104) and lower still (\$94) for school-age children. Differences were found in the weekly child care rates charged by licensed and exempt facilities across all age categories. Exempt facilities charged a lower rate on average than licensed facilities for all age categories.

Child care rates varied by the type of provider. For children under five years of age, day care centers were characterized by the highest average weekly fees, followed by family day care homes, and group day care homes. Family day care homes charged the highest rate on average for school age children. Additional analysis also revealed that

average weekly costs are lower for all day care homes combined (i.e., family day care homes and group day care homes together) than for all other licensed facilities.

Child care rates also varied by region of the state. Results indicated that average weekly fees were higher in the Huntsville, Mobile, Birmingham, Montgomery, and Opelika Child Care Management Regions than the other four regions (Dothan, Fort Payne, Tuscaloosa, and Talladega), for all age categories of children. The average weekly rate for children under 2½ years in Birmingham, for example, was 43.3% (or \$39) higher than the average weekly rate in the Fort Payne region.

In examining ADHR reimbursement rates for qualifying, low-income families vis-à-vis prevailing market rates, the data revealed that DHR rates were within \$31 or less of the market rate average in all nine of the state's Child Care Management Regions for all age categories of children and for all types of providers. The results of the 2014 Child Care Market Rate Survey will be used by OCCS in assessing child care subsidy rates and for policy review and program planning activities within OCCS. Likewise, it will be utilized by other offices within ADHR, as well as other public and private entities across the state, to evaluate the status of child care delivery policy for the low-income families. This report will also be made available to child care consumers to provide them with information regarding expected payments for child care in the current market context and variations in the cost of child care by location and type of facility. The goal of OCCS is to provide financial support to qualifying low-income families who wish to work but who cannot afford the full cost of child care. The results of the 2014 Child Care Market Rate Survey will provide direction in achieving that goal.

Appendix

2014 Child Care Market Rate Survey: First Notice



Alabama Department of Human Resources
2014 CHILD CARE MARKET RATE SURVEY

*A Message from the Commissioner of the
Department of Human Resources*

Alabama’s children are our most valuable resource, and we appreciate all that you do to improve their lives. In order to ensure that Alabama’s children continue to get quality child care, it is necessary for us to conduct a survey to determine the rate charged per child in all child care settings throughout the state. We are contacting providers in all child care settings asking them to give input to help us make our determination.

This information is vital to determining the reimbursement rate for providers who participate in Alabama’s Child Care Subsidy Program. The Child Care Subsidy Program assists low to moderate income families with the cost of child care so that the families can maintain employment or receive education and training needed to gain employment. This information will also be used to help DHR determine incentives for providers participating in **Alabama Quality STARS**, Quality Rating and Improvement System (QRIS) and to set the allowable amount for child-care expenses in child support guidelines.

We need your input, even if you do not participate in the Child Care Subsidy Program. Please assist us by completing the survey on our website at www.dhr.alabama.gov. You can also complete the survey printed on this notice and mail it in the enclosed stamped envelope. **Complete the survey no later than July 18, 2014.**

If you have any questions or need help completing the survey, please contact the Child Care Services Division at (334) 242-1425 or (866) 528-1964. We thank you for your participation in this survey and all that you do for Alabama’s children.

Sincerely,

Nancy T. Buckner, Commissioner

Please submit this survey no later than July 18, 2014. Complete a separate survey for each facility you operate.

1. Please complete the following information about your Child Care Center/Home.

Facility Name: _____
 Facility Address: _____ City: _____ Zip: _____
 County: _____ Phone: _____ Email: _____

2. Indicate (X) the type of child care program operated in this Center/Home.

Facility	
<input type="checkbox"/>	Licensed- Day Care Center
<input type="checkbox"/>	Exempt- Church Affiliated Day Care Center
<input type="checkbox"/>	Licensed- Family Day Care Home
<input type="checkbox"/>	Licensed- Group Day Care Home
<input type="checkbox"/>	Licensed – Tribally-licensed Center
<input type="checkbox"/>	Exempt – Church Affiliated Day Care Center
<input type="checkbox"/>	Exempt- Mother’s Day Out Program
<input type="checkbox"/>	Exempt- YWCA/YMCA
<input type="checkbox"/>	Exempt- Boys and Girls Club
<input type="checkbox"/>	Exempt- Government Facility (Military)
<input type="checkbox"/>	Exempt- Educational Facility (Public or Private School)
<input type="checkbox"/>	Other: Please Describe (Example: Licensed-... or Exempt-...)

CONTINUES ON BACK

3. Indicate (X) the type of rate you **publish and charge** the general public for child care.

Weekly: ___ Monthly: ___

4. If you indicated that you charge a weekly rate, please enter the weekly full-time rate you publish and charge the general public for child care as a number (Example: 120 for a weekly charge of \$120.00) for each of the following age groups. If you charge a monthly rate, skip to the next question. NOTE: The full time rate for 5 years + refers to the rate charged for full week care provided during the summer and school holidays. Full-time is defined as more than 25 hours per week.

Age Group	Full-Time Weekly Rate
Up to 1 year of age	\$
1 year old	\$
2 years old	\$
3 years old	\$
4 years old	\$
5 years +	\$

5. If you indicated that you charge a monthly rate, please enter the monthly full-time rate you publish and charge the general public for child care as a number (Example: 480 for a monthly charge of \$480.00) for each of the following age groups. NOTE: The full time rate for 5 years + refers to the rate charged for full week care provided during the summer and school holidays. Full-time is defined as more than 25 hours per week.

Age Group	Full-Time Monthly Rate
Up to 1 year of age	\$
1 year old	\$
2 years old	\$
3 years old	\$
4 years old	\$
5 years +	\$

6. If you have any further explanation about your rates, please give that explanation in the text box below.

7. Indicate (X) how many of the children you currently serve that have their child care fees **fully or partially** subsidized through the Child Care Subsidy Program?

None: ___ Less than half: ___ Half or more: ___

8. Please provide the name and title of the person completing the survey

Name: _____ Title: _____

Thank you for completing this survey!

For questions regarding the survey, contact the Alabama Department of Human Resources, Child Care Services Division at (334) 242-1425 or 1 (866) 528-1694

2014 Child Care Market Rate Survey: Second Notice



Alabama Department of Human Resources
2014 CHILD CARE MARKET RATE SURVEY

*A Message from the Commissioner of the
Department of Human Resources*

2ND NOTICE

If you have already completed the 2014 Child Care Market Rate Survey, thank you for your timely response!!

If you have not completed a survey, there is an additional opportunity to complete the survey so that your input is counted. We need your input, even if you do not participate in the Child Care Subsidy Program. Please assist us by completing the survey below and return it in the enclosed envelope or complete the survey online at <https://www.surveymonkey.com/s/childmarketsurvey14>. Complete the survey no later than August 20, 2014.

The Market Rate Survey information is vital to determining the reimbursement rate for providers who participate in Alabama's Child Care Subsidy Program. The Child Care Subsidy Program assists low to moderate income families with the cost of child care so that the families can maintain employment or receive education and training needed to gain employment. This information will also be used to help DHR determine incentives for providers participating in **Alabama Quality STARS**, Quality Rating and Improvement System (QRIS) and to set the allowable amount for child-care expenses in child support guidelines.

If you have any questions or need help completing the survey, please contact the Child Care Services Division at (334) 242-1425 or (866) 528-1964. Thank you for your participation in this survey and all that you do for Alabama's children.

Sincerely,

Nancy T. Buckner, Commissioner

Please submit this survey no later than August 20, 2014. Complete a separate survey for each facility you operate.

1. Please complete the following information about your Child Care Center/Home.

Facility Name: _____
 Facility Address: _____ City: _____ Zip: _____
 County: _____ Phone: _____ Email: _____

2. Indicate (X) the type of child care program operated in this Center/Home.

Facility	
<input type="checkbox"/>	Licensed- Day Care Center
<input type="checkbox"/>	Exempt- Church Affiliated Day Care Center
<input type="checkbox"/>	Licensed- Family Day Care Home
<input type="checkbox"/>	Licensed- Group Day Care Home
<input type="checkbox"/>	Licensed – Tribally-licensed Center
<input type="checkbox"/>	Exempt – Church Affiliated Day Care Center
<input type="checkbox"/>	Exempt- Mother's Day Out Program
<input type="checkbox"/>	Exempt- YWCA/YMCA
<input type="checkbox"/>	Exempt- Boys and Girls Club
<input type="checkbox"/>	Exempt- Government Facility (Military)
<input type="checkbox"/>	Exempt- Educational Facility (Public or Private School)
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None: ___ Less than half: ___ Half or more: ___

8. Please provide the name and title of the person completing the survey

Name: _____ Title: _____

Thank you for completing this survey!

Return the Survey to: Alabama Department of Human Resources, Child Care Services Division, P. O. Box 304000, Montgomery, AL 36130.

Contact us at (334) 242-1425 or 1 (866) 528-1694

Auburn Montgomery Outreach

Auburn Montgomery Outreach is the community liaison for Auburn University at Montgomery. For more than 30 years, its professional and personal services have enabled businesses and individuals to be competitive in their industry.

Auburn Montgomery Outreach offers a diverse portfolio of services to help organizations and individuals work more efficiently and effectively. No two organizations are exactly alike; therefore, Outreach customizes its approach with services and products tailored to clients' organizational and personal goals.

Organizational Consulting professionals provide clients with solutions designed to promote organizational effectiveness. They also offer client guidance on complex issues such as talent management, strategic planning and economic analysis.

Technology Solutions experts provide clients with a wealth of information technology resources including application development, managed services and project support services, as well as IT project management and procurement.

Training Solutions specialists produce customized education and training. These seasoned professionals develop computer training, professional development and executive leadership programs for individuals, businesses and nonprofit agencies.

Community Engagement connects Auburn Montgomery Outreach to the community through a variety of initiatives. Community Engagement programs include the Business Breakfast Series, K-12 Youth Programs and the Lifelong Learning Institute, along with several professional conferences throughout the year.



AUBURN

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