

**2024**

**Alabama Cost of Child Care Study**  
**Market Rate Survey & Narrow Cost Analysis**

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

# TABLE OF CONTENTS

<b>SECTION 1: INTRODUCTION .....</b>	<b>3</b>
<b>SECTION 2: METHODOLOGY .....</b>	<b>6</b>
MARKET RATE SURVEY .....	6
NARROW COST ANALYSIS .....	10
FOCUS GROUP FEEDBACK .....	11
<b>SECTION 3: MARKET RATE SURVEY .....</b>	<b>13</b>
<b>SECTION 4: NARROW COST ANALYSIS .....</b>	<b>22</b>
QUALITY RATING AND IMPROVEMENT SYSTEM (QRIS) INFORMATION .....	22
QRIS PROVIDERS IN THE STUDY .....	23
STAR LEVEL PROVIDER RATES -- MRS .....	25
COST MODELING .....	33
<b>SECTION 5: GAP ANALYSIS .....</b>	<b>35</b>
<b>SECTION 6: FOCUS GROUP FEEDBACK.....</b>	<b>50</b>
<b>SECTION 7: CONCLUSION .....</b>	<b>53</b>
<b>SECTION 8: APPENDICES.....</b>	<b>54</b>
APPENDIX A: DEFINITION OF TERMS.....	54
APPENDIX B: MARKET RATE SURVEY .....	56
APPENDIX C: COST ANALYSIS SURVEY .....	58
APPENDIX D: FOCUS GROUP QUESTIONS .....	64
APPENDIX E: AVERAGE WEEKLY CHILD CARE RATES BY COUNTY, PROVIDER TYPE, AND AGE.....	65
APPENDIX F: 2021 AND 2024 COMPARISON OF AVERAGE AND 75 <sup>th</sup> PERCENTILE CHILD CARE RATES BY AGE, PROVIDER TYPE, AND REGION .....	74

## SECTION 1: INTRODUCTION

The Child Care Market Rate Study and Narrow Cost Analysis Report for the year 2024 serves as a comprehensive analysis conducted by the Alabama Department of Human Resources (ALDHR), specifically the Child Care Services Division (CCSD), in collaboration with Alabama State University (ASU). This report fulfills the federal requirement mandated by the Child Care Development Fund (CCDF), aiming to assess the current market rates of child care services in Alabama and to establish subsidy payment rates that ensure equitable access for program-eligible families.

The CCSD oversees the compliance and licensing of child care and home facilities, ensuring they meet minimum requirements. It is also the lead agency for implementing the Child Care Development Fund (CCDF) and is responsible for developing, implementing, and administering all services authorized under the Child Care Subsidy Program (CCSP). The mission of the CCSP is to provide low-income families with equal access to affordable, quality child care services so that parents can pursue work, obtain education, and participate in training opportunities without the barriers of affordability to quality care for their children.

The CCDF requires lead agencies to conduct a market rate survey (MRS) and narrow cost analysis (NCA) every three years to assess current child care market rates and set child care subsidy payment rates at levels that provide program-eligible families with congruent access to child care services as families who pay for child care services without assistance<sup>1</sup>. The Office of Child Care Subsidy is responsible for ensuring a MRS and NCA are completed to assess current child care rates and costs to inform adjustments to the subsidy amounts. The purpose of this analysis, which fulfills the CCDF requirement, is to gather data from providers in the state to (a) inform subsidy rate prices that provide subsidy-eligible households with child care in Alabama and (b) provide information on the child care market relevant to the Child Care Subsidy Program. Additionally, the results of the 2024 survey will be used by CCSD to assess the need for changes to the state's child care payments and as a planning tool for other ADHR programs and offices.

ALDHR will utilize the results to provide the public with information regarding child care costs across the state, enabling comparisons of prices across various categories of child care providers and geographical locations. This report, organized in sections, meets all federal requirements and best practices in conducting an analysis. The sections included within this report are intended to provide a comprehensive introduction, explanation of data collection methods, review of data, and presentation of new cost analysis.

A partnership was formed between CCSD and ASU to conduct the MRS and Cost Analysis. The ASU research team conducted a three-part study to collect information regarding child care rates, costs, and the subsidy gap across different provider types, geographic locations, age groups, and engagement in the Alabama Quality Rating and Improvement System. The contracted researchers were responsible for completing the following deliverables:

---

<sup>1</sup> Child Care Development Fund Final Rule,” Federal Register 81, no. 90 (September 30, 2016): 73, accessed March 2021, <https://www.govinfo.gov/content/pkg/FR-2016-09-30/pdf/2016-22986.pdf>.

- Conduct a Market Rate Survey for all child care providers in the State of Alabama to obtain child care rates for children in various age categories and provider types;
- Conduct a Narrow Cost Analysis (NCA) at the 75<sup>th</sup> percentile of child care rates by provider type in the nine (9) Alabama regions
- Collect and report on several categories: geographic location, type of care, age group of children, and the level the provider participates in the Alabama Quality Rating and Improvement System;
- Facilitate focus groups to gather provider feedback regarding the provision of child care in Alabama
- Create a final report for public review, including detailed results and recommendations.

## **Section 2: Methodology**

In the methodology section, the data collection and analysis processes are described. This section includes details that demonstrate compliance with the CCDF's methodology provisions. They include the following:

1. Conduct a Market Rate Study that includes the entire population of licensed and exempt day care centers, family child care homes, and group child care homes in the state. The MRS collects information about the fees providers charge for child care for various ages.
2. Conduct a Narrow Cost Analysis that estimates the cost of operating child care facilities across the state for various ages and quality levels.
3. Complete a gap analysis to determine the difference between the fees charges, the cost of care, and the child care subsidy levels.
4. Facilitate focus groups with providers to understand their perspectives regarding the successes and barriers to providing quality child care in Alabama.

## **Section 3: Market Rate Survey**

The results of the Market Rate Survey are presented in this section. Rates are reported by geographic location, provider, and age of the child. This section of the report reveals (a) the price of child care rates by percentiles; (b) delineates an analysis of data to capture market rate differences based on age group, provider type, and geographical location in Alabama; and (c) analysis for Alabama Quality STARS, Alabama's Quality Rating and Improvement System (QRIS).

## **Section 4: Narrow Cost Analysis**

The Narrow Cost Analysis was completed in two steps. First, a Child Care Cost Survey was administered to providers who completed the MRS. The data from the Cost Survey was incorporated into the Provider Cost of Quality Calculator (PCQC) to estimate the costs of quality care in Alabama for various regions, ages, and provider types. The costs were also disaggregated by STAR level to determine the cost of higher-quality care (per 45 CFR 98.45)<sup>2</sup>.

---

<sup>2</sup> Department of Health and Human Resources, Equal access. Retrieved from <https://www.govinfo.gov/content/pkg/CFR-2018-title45-vol1/pdf/CFR-2018-title45-vol1-sec98-45.pdf>.

## **Section 5: Gap Analysis**

The Gap Analysis provides data about the gap between the ALDHR subsidy amounts and the fees and estimated costs for quality child care in Alabama. The gap analysis is provided for different ages, regions, and provider types.

## **Section 6: Focus Group Feedback**

Focus groups were conducted to collect feedback from providers regarding successes and barriers to providing quality child care in Alabama.

The final sections (i.e., **Section 7: Conclusion, Section 8: Appendices**) provide a recap, associated terms, and supporting details to finalize this document.

## **Key Findings**

Based on the analysis, key findings emerged to provide Alabama stakeholders with information on child care markets:

- The high inflation experienced across the country has impacted child care market rates in Alabama. Rates. Across all regions, providers types, and age groups, the child care rates have increased since the previous Market Rate Survey was administered in January 2021.
- Data from this study confirm previous analyses that day care centers almost always charge higher prices for child care compared to family and group child care homes.
- Child care rates are higher for regions of the state that are predominately urban, and lower for more rural regions. The regions that includes Birmingham and Huntsville consistently had the highest rate, and the largest differences between the 75<sup>th</sup> percentiles and the reimbursement rates.
- In calculating the rate differences between the 75<sup>th</sup> percentile weekly child care rates by region, provider type, and age group and the ALDHR reimbursement rates, almost all child care rates were higher than the reimbursement rate.
- In most regions of Alabama, subsidy rates are below the 75<sup>th</sup> percentile.
- Participating Day Care Centers in the Alabama Quality STARS program had significantly higher weekly child care rates at the 75<sup>th</sup> percentile than those not participating. In addition, the weekly average day care cost was higher than the reimbursement rate for Alabama Quality Stars Levels.

The next section, Section 2: Methodology, describes the data collection and analysis processes.

## SECTION 2: METHODOLOGY

All analyses in this report were conducted by the Alabama State University (ASU) team in collaboration with the Alabama Department of Human Resources' Child Care Services Division (CCSD). This section explains the research design and data analysis used and complies with the CCDF's methodology provisions. The CCDF final rule on methodology, which focuses on a Narrow Cost Analysis, was used. According to this rule, an analysis should include relevant variation by geographic location, category of providers, and age of children; quality rating and improvement system of quality indicators for providers in the state; and identification of gaps between costs incurred by child care providers.

A survey research design methodology was utilized. The survey design is suitable for gathering information from a sample to inform about the attributes of the population. Participants responded to survey questions, and the survey utilized in this study includes the following:

- child care market prices,
- child care costs,
- complete and current data,
- represents geographic variation,
- uses rigorous data collection procedures, and
- analyzes data to capture market differences (CCDF, 2016)<sup>3</sup>.

### *MARKET RATE SURVEY*

#### *Survey Development and Design*

ASU's research team and DHR's CCSD staff reviewed the 2021 Market Rate Survey (MRS) administered to providers and made a few adjustments, such as removing questions about the COVID-19 pandemic. The survey was developed to comply with the CCDF criteria for validity and reliability. The research team ensured the questions were clear, free of typographical errors, and included no redundancy. The final survey was pretested using DHR CCSD staff, which helped establish the survey's continued validity. The survey was formatted for both paper and online administration to make it easier for providers to complete it. The final MRS survey can be found in Appendix A.

#### *Survey Population*

Alabama has 67 counties within nine (9) regions of the state. Table 1 provides a list of the counties and regions. Figure 1 illustrates the counties and regions of the geographical locations of day care centers, family child care homes, and group child care homes that responded to the MRS. In September of 2023, the lead agency provided the researchers with a list of providers in Alabama. The Head Start Centers were removed from the list of providers since they do not charge a fee. All

---

<sup>3</sup> Guidance on Alternative Methodologies and Cost Analyses for Purposes of Establishing Subsidy Payment Rates (2018). Retrieved from <https://www.acf.hhs.gov/occ/policy-guidance/ccdf-acf-pi-2018-01>.

remaining 2,201 providers were included in the survey population and received a survey. In the response rates section of the methodology, the percentage of responses by provider types is further discussed.

**Table 1. Alabama Regions and Counties**

Region	Counties	# of Counties
1-Huntsville	Colbert, Cullman, Franklin, Lauderdale, Lawrence, Limestone, Madison, Morgan, and Winston	9
2-Mobile	Baldwin, Clarke, Conecuh, Escambia, Mobile, Monroe and Washington	7
3-Birmingham	Blount, Jefferson, Shelby, St. Clair, and Walker	5
4-Montgomery	Autauga, Bullock, Butler, Chilton, Covington, Dallas, Elmore, Lowndes, Montgomery, and Wilcox	10
5-Opelika	Chambers, Lee, Macon, Russell, and Tallapoosa	5
6-Tuscaloosa	Bibb, Choctaw, Fayette, Greene, Hale, Lamar, Marengo, Marion, Perry, Pickens, Sumter, and Tuscaloosa	12
7-Ft. Payne	Cherokee, DeKalb, Etowah, Jackson, and Marshall	5
8-Talladega	Calhoun, Clay, Cleburne, Coosa, Randolph, and Talladega	6
9-Dothan	Barbour, Coffee, Crenshaw, Dale, Geneva, Henry, Houston and Pike	8

### *Data Collection and Management*

Mail and online options for the survey were available to child care providers. Each of the 2,201 providers was mailed a packet of information that included (a) a letter from CCSD, (b) instructions from ASU researchers, and (c) a prepaid business envelope. A second administration of the survey was conducted four weeks after the first administration. The online survey was administered using Qualtrics survey software. In addition to sending out two mailings with a paper version of the survey, the researchers also sent the survey link to provider email addresses provided by CCSD. The first survey was mailed/emailed on October 17<sup>th</sup>, and the reminder survey was released on November 14<sup>th</sup>. The researchers assigned unique codes to each provider to ensure data control of providers completing the survey, to remove potential duplicate surveys, and to allow the researchers to keep track of providers for analysis.

The data entry was completed by a trained professional with prior experience under the supervision of the PI. The data management process involved three steps: entry, verification, and data scrubbing. As a first step, responses from the paper surveys were entered into the Qualtrics survey software. The complete dataset was then exported from Qualtrics and saved on a secure networked computer. Only the PI had access to the computer as a data security measure. Next, the data were verified to ensure only one entry was recorded for each provider. When duplicates were identified, the records were merged, and if the information differed, the more complete entry was utilized. During the last stage of the process, the survey results were reviewed and scrubbed (a) for internal consistency, (b) to remove incomplete responses, (c) to remove extraneous information, and (d) to convert all rate information to weekly rates.



Figure 1: State of Alabama Child Care Regions





### Response Rates

The researchers ended the collection of data on December 30, 2023, to calculate the response rate and analyze the data. As shown in Table 2, notifications were received from one (1) provider that their facility was closed. Additionally, 15 surveys were returned with no forwarding address. These 16 providers were removed from the provider list, and the total population was reduced to 2,185. After removing duplicate entries, the number of surveys returned for the study was 1,523, with a response rate of 69%. Of the returned surveys, 273 did not provide monthly or weekly child care rates and, as a result, could not be included in the analysis. After removing all incomplete surveys, the final sample number of valid surveys completed was 1,250 (57%) for this study.

**Table 2. Total Population Response Rate**

Total Providers from DHR	2201
# Closed	-1
# No Forwarding Address	-15
<b>TOTAL POPULATION</b>	<b>2185</b>
Total Surveys (includes incomplete, minus duplicate entries)	1523
Response Rate	<b>69%</b>
Total Valid (minus incomplete)	1250
<b>VALID RESPONSE RATE</b>	<b>57%</b>

Of the 2,201 child care providers, 76% were day care centers, 14% were family child care homes, and 10% were group child care homes. A comparison of the distribution of surveys completed by day care centers, family homes, and group homes in Alabama is shown below in Table 3. Additionally, Table 3 outlines the response rates for each provider type. For day care centers, 937 of 1667 (56%) providers gave a valid response. For family homes, 174 of 314 (55%) gave valid responses, and for group homes, 139 of 220 (63%) gave valid responses.

**Table 3. Response Rates by Provider Type**

Provider Type*	Final Population	Valid Responses	Response Rate
Day Care Centers	1667	937	56%
Family Child Care Homes	314	174	55%
Group Child Care Homes	220	139	63%
<b>TOTALS</b>	<b>2201</b>	<b>1250</b>	<b>57%</b>

The difference in response rates between licensed and exempt child care providers can be seen in Table 4. Table 4 also shows the total number of valid responses and the final sample sizes of the population.

**Table 4. Response Rates of Licensed and Exempt Providers**

Status	Final Population	Valid Responses	Response Rate
Licensed	1733	1060	61%
Exempt	468	190	41%
<b>TOTALS</b>	2201	1250	56%

## *NARROW COST ANALYSIS*

### *Narrow Cost Analysis Approach*

According to U.S. Department of Health and Human Services regulations<sup>4</sup>, the NCA must estimate the cost of child care in two areas: 1. the cost to meet basic health, safety, quality, and staffing requirements; and 2. the cost to deliver higher-quality care. In addition, the NCA should account for any variations by geographic location, category of provider, or age of child.

Since the Market Rate Survey was administered to the entire population of child care providers in Alabama, the Narrow Cost Analysis was completed using a cost model informed by a limit cost survey, as described in the guidelines<sup>5</sup>. The questions on the cost survey were informed by the Provider Cost of Quality Calculator (PCQC) and cost surveys utilized in other states, particularly the Minnesota survey<sup>6</sup>. The PCQC is a tool developed through support from the U.S. Department of Health and Human Services Office – Child Care division that allows users to calculate the cost of quality care and create scenarios utilizing providers' data.

The Child Care Cost Survey collected information from providers about the costs of operating a child care facility, such as personnel salaries, facility maintenance, utilities, supplies, licensing fees, insurance, and other operational expenses. The survey also asked about the estimated costs of benefits offered. The information from the Child Care Cost Survey was cleaned and used to complete the required questions for the PCQC. With the PCQC, scenarios were created for child care facilities operating at three different levels: basic, higher quality, and highest quality.

### *Survey Population*

Due to the time-intensive nature of the Cost Survey, a sample of providers was selected to participate, and an incentive was offered to complete the survey. A sample of 270 providers was pulled from those who completed the MRS. Participants were recruited through purposive sampling, targeting licensed child care facilities across different regions of the state, provider types, and ages served.

---

<sup>4</sup> Guidance on Alternative Methodologies and Cost Analyses for Purposes of Establishing Subsidy Payment Rates: Program Instruction CCDF-ACF-PI-2018-04, US Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Child Care (OCC), memorandum to the State and Territory Lead Agencies administering child care programs under the Child Care and Development Block Grant (CCDBG) Act of 2014 and other interested parties, February 26, 2018, [https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdf\\_acf\\_pi\\_2018\\_01.pdf](https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdf_acf_pi_2018_01.pdf).

<sup>5</sup> Issacs et al. *Defining Narrow Cost Analysis: A Brief for CCDF Lead Agencies*. The Urban Institute. (October 2022). <https://www.urban.org/sites/default/files/2022-11/Defining%20Narrow%20Cost%20Analysis.pdf>

<sup>6</sup> Minnesota Cost Modeling Report. Minnesota Department of Human Services. (August 31, 2020). <https://edocs.dhs.state.mn.us/lfsrserver/Public/DHS-7180-ENG>

### *Data Collection and Analysis*

Invitations to the 270 providers requesting their participation in the survey were sent via email, providing detailed instructions on how to access and complete the survey. The survey was emailed to the providers through Qualtrics on January 31<sup>st</sup>, 2024, and remained open until February 15<sup>th</sup>, 2024. To incentivize participation, providers were offered a \$100 Visa Gift Card upon completion of the Cost Survey. This incentive was provided as compensation for participants' time and effort in completing the survey and was intended to enhance response rates and data quality.

The data were cleaned to remove incomplete responses and erroneous data. The data were reviewed and categorized by the principal researcher to calculate descriptive statistics, averages, and totals for different cost categories. This analysis involved tabulating and summarizing the data to identify trends, patterns, and key findings related to the expenses associated with operating child care facilities in Alabama. Comparisons were also made between cost data across different types of child care facilities and geographic regions.

### *Response Rate*

Of the 270 providers who received the Cost Survey, 170 (63%) completed the survey. Some providers completed the salary portion of the Cost Survey, but not the operational expenses. In these cases, the data were included in the analysis for salary, but excluded from other analyses.

While efforts were made to recruit a diverse sample of child care providers, the findings may not be fully generalizable to all child care facilities in Alabama. Additionally, the reliance on self-reported data and the potential for recall bias may introduce limitations in the accuracy and reliability of the cost analysis survey results.

### *FOCUS GROUP FEEDBACK*

The final part of the study involved conducting focus groups with providers to better understand the opportunities and barriers they encounter in providing quality child care to children in Alabama.

### *Survey Population*

All of the providers who completed the Cost Survey were invited to participate in a focus group discussion. This sampling approach targeted participants who had already engaged with the Cost Survey, ensuring a level of familiarity with the study's objectives and topics. While efforts were made to recruit a diverse range of participants, it's important to acknowledge that the sample may not fully represent all child care providers in Alabama.

The focus groups were separated by provider type, with two focus groups devoted to day care center directors and an additional two focus groups devoted to family or group home owners/directors. The focus groups were held on February 23 and 28th, 2024.

Providers were offered a \$50 Visa gift card as compensation for their time and participation in the focus group discussions. This incentive was provided to acknowledge participants' contributions and encourage their active involvement in the study. The value and nature of the incentive were disclosed to participants

prior to their participation, and no additional incentives were offered beyond what was initially communicated.

### *Data Collection and Analysis*

Focus group sessions were conducted virtually. Each session lasted approximately 60 to 70 minutes and was moderated by a facilitator experienced in qualitative research methods. Sessions were audio-recorded with participant consent, and detailed field notes were taken to capture non-verbal cues and contextual information.

Focus group participants were provided with information about the study, including its purpose, procedures, and the intended use of their information. Confidentiality and anonymity of participants' responses were maintained and no identifying information was disclosed in any reports or publications resulting from the study. Any questions or concerns raised by participants were addressed promptly and transparently by the research team. The ethical principles of respect, beneficence, and justice were upheld in accordance with established guidelines for research involving human subjects.

Audio recordings of focus group discussions were transcribed verbatim and analyzed using thematic analysis. The data were coded and categorized to identify recurring themes, patterns, and insights related to the research questions. After the analysis was completed, the recordings were deleted.

While efforts were made to recruit a diverse sample of child care providers, the study's findings may not be generalizable to all child care settings in Alabama. Additionally, participants' responses may be subject to social desirability bias, potentially influencing the accuracy and candor of their responses.

### *Participation*

The two focus groups for day centers had a total of 10 directors participate. The two focus groups for family or group homes had a total of 12 owners/directors participate. The focus group participants, comprising both center providers and home-based child care providers, represented various regions of Alabama, each bringing a unique perspective shaped by their geographic location and years of experience in the child care industry. These discussions offered a comprehensive understanding of the challenges and opportunities faced by child care providers across Alabama's diverse geographical landscape. The counties represented in the focus groups were: Baldwin, Coffee, Elmore, Henry, Houston, Lee, Madison, Mobile, Montgomery, Pike, St. Clair, Talladega, Tallapoosa, and Tuscaloosa.

In the next section, Section 3: Market Rate Survey, the child care rates are reported for all regions within Alabama. Rates are reported by geographic location, provider, and age of child. This section of the report reveals (a) the price of child care rates by percentiles and (b) delineates an analysis of data to capture market rate differences based on age group, provider type, and geographical location in Alabama.

## SECTION 3: MARKET RATE SURVEY

The U.S. Department of Health and Human Services (HHS) requires child care lead agencies to submit information every three years on payment rates to ensure compliance as outlined in the Child Care and Development Block Grant (CCDBG) Act of 2014<sup>7</sup>. Moreover, when submitting the Market Rate Analysis, the HHS requires the lead agency to submit sufficient information on the estimated cost of care by age span of children, geographical location, and provider type. The HHS recommends doing so by either utilizing market rate survey results or an alternative methodological approach. In this study, the lead agency uses the MRS as the primary method, along with a cost analysis.

A Market Rate Survey (MRS) was administered to providers to determine the fees providers charge for full-time child care. This section documents the distribution of prices in Alabama’s child care markets, which helps maintain equal access and affordability for parents who are Child Care and Development Fund eligible compared to those who are not. The data from the MRS analysis informs the Narrow Cost Analysis (NCA), which guides the decision-making process to reevaluate agency child care reimbursement rates. The MRS data is disaggregated by provider type (day care centers, family child care homes, and group child care homes), geographic location, and age of the children. The report's analysis was based on replies from 1,250 day care centers, family child care homes, and group child care homes (i.e., providers).

Providers were asked to provide monthly or weekly rates for children in the following age categories: under 1 year, 1 year, 2 years, 3 years, 4 years, and school-aged. For providers selecting the monthly option, the monthly rates were divided by 4.3 to convert to weekly rates. The maximum amount per provider for rates for children under 1, 1 year, and 2 years old for each provider, as applicable, was used to determine the average weekly rates for children under 2.5 years old. For the average weekly rates for children 2.5-5 years old, the maximum amount for children 3 years and 4 years old for each provider was used, as applicable. For the average weekly rate for school-aged children, the weekly rates charged during the summer or holidays, as applicable, were used for the analysis. If a provider listed a range of weekly rates for a particular age group (e.g., \$110-\$120), the higher rate provided was used in the calculation.

The MRS revealed that weekly child care rates are the most common way providers charge for care. Providers charging a weekly fee accounted for 86% of the provider participants (see Table 5).

**Table 5. Rate Frequency from Market Rate Survey**

Frequency Type	# of Providers	% of Providers
Weekly	1078	86%
Monthly	172	14%
<b>Total</b>	<b>1250</b>	

### *PROVIDER WEEKLY RATES BY CHILD AGE GROUPS SERVED*

Table 6 shows details on the number of providers for each group of children based on the surveys received

---

<sup>7</sup> HHS. Administration for Children and Families. Guidance on alternative methodologies and cost analyses for purposes of establishing subsidy payment rates - CCDF-ACF-PI-2018-01 (PDF).

in this study. In addition, Table 6 provides the percentage of providers by the child age category. Overall, 95% of providers responding to the survey serve children aged 2.5 and under, 97% serve children between 2.5 and 5 years old, and 62% serve school-age children.

**Table 6. Number of Providers Who Serve Children by Age Group**

<b>CHILD AGE GROUPS</b>	<b># PROVIDERS</b>	<b>% PROVIDERS</b>
<b>Under 2.5 Years of Age</b>	1189	95%
<b>2.5 - 5 Years of Age</b>	1210	97%
<b>School Age</b>	771	62%

### *ANALYSIS OF CHILD CARE RATES*

Tables 7, 8, and 9 display the weekly child care rate means and 75th percentiles by region for the three child age groups: under 2.5, 2.5 to 5 years, and school-aged. For day care centers and family homes, all regions indicate higher weekly child care rates for the under 2.5 years old, followed by the 1.5- to-5-year age group and then the school-age group. While these patterns generally hold true for group homes, there are a few exceptions.

**Table 7. Mean and 75th Percentile Weekly Full-Time Child Care Rates for Children Under 2.5 Years by Region and Provider Type**

<b>Regions</b>	<b>Day Care Centers</b>		<b>Family Child Care Homes</b>		<b>Group Child Care Homes</b>	
	<b>Mean</b>	<b>75<sup>th</sup> Percentile</b>	<b>Mean</b>	<b>75<sup>th</sup> Percentile</b>	<b>Mean</b>	<b>75<sup>th</sup> Percentile</b>
1 – Huntsville	\$181	\$210	\$172	\$200	\$170	\$189
2 – Mobile	\$158	\$175	\$149	\$166	\$140	\$151
3 – Birmingham	\$195	\$225	\$162	\$160	\$160	\$172
4 – Montgomery	\$158	\$175	\$150	\$165	\$111	\$120
5 – Opelika	\$162	\$170	\$153	\$160	\$150	\$175
6 – Tuscaloosa	\$155	\$174	\$129	\$144	\$121	\$130
7 – Ft. Payne	\$130	\$145	\$95	\$100	\$90	\$110
8 – Talladega	\$129	\$150	\$123	\$129	\$137	\$150
9 – Dothan	\$138	\$150	\$121	\$140	\$109	\$115

**Table 8. Mean and 75th Percentile Weekly Full-Time Child Care Rates for Children 2.5 - 5 Years by Region and Provider Type**

<b>Regions</b>	<b>Day Care Centers</b>		<b>Family Child Care Homes</b>		<b>Group Child Care Homes</b>	
	<b>Mean</b>	<b>75<sup>th</sup> Percentile</b>	<b>Mean</b>	<b>75<sup>th</sup> Percentile</b>	<b>Mean</b>	<b>75<sup>th</sup> Percentile</b>
1 – Huntsville	\$169	\$195	\$166	\$185	\$165	\$185
2 – Mobile	\$146	\$160	\$144	\$153	\$135	\$150
3 – Birmingham	\$180	\$204	\$154	\$150	\$151	\$163
4 – Montgomery	\$144	\$159	\$146	\$160	\$108	\$118
5 – Opelika	\$155	\$160	\$151	\$158	\$146	\$170
6 – Tuscaloosa	\$143	\$161	\$128	\$144	\$123	\$135
7 – Ft. Payne	\$123	\$135	\$95	\$100	\$100	\$110

8 – Talladega	\$126	\$146	\$129	\$129	\$135	\$140
9 - Dothan	\$135	\$146	\$117	\$140	\$108	\$115

**Table 9. Mean and 75th Percentile Weekly Full-Time Child Care Rates for school-age children by Region and Provider Type**

Regions	DaCare Centers		Family Child Care Homes		Group Child Care Homes	
	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile
1 – Huntsville	\$142	\$170	\$149	\$171	\$145	\$180
2 – Mobile	\$128	\$145	\$130	\$150	\$127	\$146
3 – Birmingham	\$142	\$160	\$138	\$144	\$141	\$155
4 – Montgomery	\$129	\$150	\$132	\$150	\$107	\$115
5 – Opelika	\$140	\$151	\$143	\$170	\$140	\$168
6 – Tuscaloosa	\$140	\$179	\$109	\$102	\$124	\$135
7 – Ft. Payne	\$114	\$126	\$64	\$83	\$102	\$113
8 – Talladega	\$115	\$125	\$98	\$110	\$118	\$140
9 - Dothan	\$128	\$144	\$110	\$120	\$103	\$106

To provide a more detailed understanding of child care rates by child age, Tables 10 –13 provide rate information for five age groups: Infant (< 1-year old); Toddler 1 (1 year old); Toddler 2 ( 2 years old); Pre-school (3-4 years old); and School-age (> 4 years old).

Table 10 displays the mean and 75th percentile for the weekly rates of day care centers, family child care homes, and group child care homes for infants, young toddlers, older toddlers, preschoolers, and school-age children. Tables 11, 12, and 13 present the MRS full-time weekly child care rates by provider type, including comparing the weekly rates by the 25th, 50th, and 75th percentiles for each age group among regions.

**Table 10. 75<sup>th</sup> Percentile and Average Rates by Age and Provider Type**

Type of Facility	Age	Mean	75 <sup>th</sup> Percentile
Day Care Centers	Infant	\$166	\$195
	Toddler 1	\$164	\$195
	Toddler 2	\$160	\$185
	Pre-School	\$154	\$180
	School Age	\$134	\$153
Family Child Care Homes	Infant	\$146	\$170
	Toddler 1	\$145	\$165
	Toddler 2	\$144	\$165
	Pre-School	\$141	\$160
	School Age	\$128	\$150
Group Child Care Homes	Infant	\$149	\$172
	Toddler 1	\$146	\$166
	Toddler 2	\$144	\$165
	Pre-School	\$141	\$165
	School Age	\$133	\$155



**Table 11. Day Care Center Weekly Full-Time Rates by Region, Age, and Percentiles**

Age Group		Huntsville	Mobile	Birmingham	Montgomery	Opelika	Tuscaloosa	Fort Payne	Talladega	Dothan	Statewide
Infants	Minimum	\$80	\$95	\$83	\$80	\$105	\$90	\$80	\$80	\$80	\$80
	Maximum	\$354	\$300	\$376	\$325	\$161	\$274	\$225	\$175	\$250	\$354
	25 <sup>th</sup> Percentile	\$136	\$145	\$154	\$134	\$144	\$130	\$118	\$110	\$126	\$136
	50 <sup>th</sup> Percentile	\$171	\$154	\$199	\$153	\$150	\$150	\$130	\$130	\$140	\$171
	75 <sup>th</sup> Percentile	\$205	\$175	\$227	\$175	\$170	\$170	\$148	\$150	\$150	\$205
Toddler 1	Minimum	\$80	\$75	\$87	\$80	\$105	\$90	\$80	\$75	\$100	\$80
	Maximum	\$354	\$300	\$365	\$300	\$279	\$274	\$225	\$150	\$250	\$354
	25 <sup>th</sup> Percentile	\$135	\$140	\$153	\$133	\$145	\$126	\$114	\$118	\$130	\$135
	50 <sup>th</sup> Percentile	\$170	\$151	\$199	\$153	\$150	\$150	\$125	\$130	\$140	\$170
	75 <sup>th</sup> Percentile	\$206	\$175	\$221	\$175	\$170	\$173	\$143	\$148	\$150	\$206
Toddler 2	Minimum	\$80	\$75	\$87	\$80	\$105	\$90	\$80	\$75	\$95	\$80
	Maximum	\$328	\$255	\$353	\$280	\$279	\$274	\$225	\$150	\$250	\$328
	25 <sup>th</sup> Percentile	\$130	\$137	\$150	\$132	\$140	\$125	\$116	\$118	\$125	\$130
	50 <sup>th</sup> Percentile	\$170	\$149	\$199	\$153	\$150	\$150	\$124	\$130	\$137	\$170
	75 <sup>th</sup> Percentile	\$200	\$165	\$212	\$166	\$160	\$170	\$139	\$145	\$147	\$200
Preschool	Minimum	\$80	\$63	\$69	\$80	\$105	\$81	\$75	\$75	\$65	\$80
	Maximum	\$362	\$255	\$366	\$270	\$279	\$226	\$225	\$150	\$250	\$362
	25 <sup>th</sup> Percentile	\$126	\$131	\$140	\$125	\$138	\$116	\$110	\$118	\$125	\$126
	50 <sup>th</sup> Percentile	\$164	\$141	\$184	\$140	\$145	\$147	\$120	\$125	\$130	\$164
	75 <sup>th</sup> Percentile	\$195	\$160	\$204	\$159	\$160	\$161	\$135	\$146	\$146	\$195
School Age	Minimum	\$69	\$30	\$12	\$35	\$15	\$55	\$36	\$70	\$60	\$69
	Maximum	\$296	\$279	\$250	\$215	\$201	\$190	\$200	\$150	\$250	\$296
	25 <sup>th</sup> Percentile	\$110	\$110	\$120	\$110	\$125	\$115	\$100	\$100	\$115	\$110
	50 <sup>th</sup> Percentile	\$134	\$133	\$145	\$130	\$143	\$143	\$120	\$120	\$125	\$134
	75 <sup>th</sup> Percentile	\$170	\$145	\$160	\$150	\$151	\$179	\$126	\$125	\$144	\$170
All Ages	Minimum	\$80	\$95	\$83	\$80	\$105	\$90	\$80	\$80	\$80	\$80
	Maximum	\$354	\$300	\$376	\$325	\$161	\$274	\$225	\$175	\$250	\$354
	25 <sup>th</sup> Percentile	\$136	\$145	\$154	\$134	\$144	\$130	\$118	\$110	\$126	\$136
	50 <sup>th</sup> Percentile	\$171	\$154	\$199	\$153	\$150	\$150	\$130	\$130	\$140	\$171
	75 <sup>th</sup> Percentile	\$205	\$175	\$227	\$175	\$170	\$170	\$148	\$150	\$150	\$205

**Table 12. Family Home Weekly Full-Time Rates by Region, Age, and Percentiles**

Age Group		Huntsville	Mobile	Birmingham	Montgomery	Opelika	Tuscaloosa	Fort Payne	Talladega	Dothan	Statewide
Infants	Minimum	\$80	\$65	\$125	\$120	\$90	\$100	\$80	\$100	\$90	\$80
	Maximum	\$240	\$180	\$240	\$190	\$275	\$170	\$175	\$155	\$185	\$240
	25 <sup>th</sup> Percentile	\$156	\$134	\$150	\$135	\$137	\$115	\$90	\$115	\$100	\$156
	50 <sup>th</sup> Percentile	\$178	\$150	\$158	\$150	\$150	\$120	\$90	\$121	\$115	\$178
	75 <sup>th</sup> Percentile	\$200	\$163	\$158	\$160	\$170	\$141	\$100	\$129	\$140	\$200
Toddler 1	Minimum	\$80	\$65	\$125	\$120	\$90	\$100	\$65	\$80	\$90	\$80
	Maximum	\$240	\$200	\$240	\$190	\$275	\$175	\$175	\$155	\$185	\$240
	25 <sup>th</sup> Percentile	\$156	\$139	\$150	\$135	\$132	\$115	\$83	\$115	\$100	\$156
	50 <sup>th</sup> Percentile	\$173	\$150	\$155	\$150	\$150	\$123	\$90	\$121	\$120	\$173
	75 <sup>th</sup> Percentile	\$199	\$160	\$155	\$165	\$158	\$144	\$99	\$129	\$140	\$199
Toddler 2	Minimum	\$80	\$90	\$125	\$110	\$90	\$100	\$65	\$80	\$80	\$80
	Maximum	\$235	\$180	\$200	\$190	\$275	\$175	\$175	\$155	\$150	\$235
	25 <sup>th</sup> Percentile	\$154	\$139	\$150	\$130	\$134	\$115	\$80	\$115	\$100	\$154
	50 <sup>th</sup> Percentile	\$173	\$150	\$155	\$150	\$150	\$123	\$90	\$121	\$110	\$173
	75 <sup>th</sup> Percentile	\$196	\$160	\$155	\$163	\$155	\$144	\$98	\$129	\$133	\$196
Preschool	Minimum	\$80	\$65	\$125	\$110	\$90	\$100	\$65	\$80	\$80	\$80
	Maximum	\$235	\$180	\$200	\$190	\$275	\$175	\$175	\$155	\$150	\$235
	25 <sup>th</sup> Percentile	\$149	\$135	\$140	\$130	\$132	\$115	\$80	\$120	\$100	\$149
	50 <sup>th</sup> Percentile	\$168	\$150	\$150	\$145	\$150	\$123	\$90	\$124	\$110	\$168
	75 <sup>th</sup> Percentile	\$185	\$153	\$150	\$160	\$158	\$144	\$100	\$129	\$140	\$185
School Age	Minimum	\$100	\$55	\$75	\$75	\$90	\$100	\$20	\$75	\$90	\$100
	Maximum	\$225	\$180	\$180	\$190	\$190	\$145	\$90	\$140	\$130	\$225
	25 <sup>th</sup> Percentile	\$123	\$120	\$126	\$123	\$120	\$100	\$54	\$78	\$100	\$123
	50 <sup>th</sup> Percentile	\$145	\$140	\$144	\$130	\$150	\$100	\$73	\$80	\$110	\$145
	75 <sup>th</sup> Percentile	\$171	\$150	\$144	\$150	\$170	\$102	\$83	\$110	\$120	\$171
All Ages	Minimum	\$80	\$65	\$125	\$120	\$90	\$100	\$80	\$100	\$90	\$80
	Maximum	\$240	\$180	\$240	\$190	\$275	\$170	\$175	\$155	\$185	\$240
	25 <sup>th</sup> Percentile	\$156	\$134	\$150	\$135	\$137	\$115	\$90	\$115	\$100	\$156
	50 <sup>th</sup> Percentile	\$178	\$150	\$158	\$150	\$150	\$120	\$90	\$121	\$115	\$178
	75 <sup>th</sup> Percentile	\$200	\$163	\$158	\$160	\$170	\$141	\$100	\$129	\$140	\$200

**Table 13. Group Home Weekly Full-Time Rates by Region, Age, and Percentiles**

Age Group		Huntsville	Mobile	Birmingham	Montgomery	Opelika	Tuscaloosa	Fort Payne	Talladega	Dothan	Statewide
Infants	Minimum	\$80	\$65	\$100	\$90	\$100	\$65	\$80	\$120	\$93	\$80
	Maximum	\$300	\$200	\$275	\$130	\$190	\$165	\$125	\$175	\$135	\$300
	25 <sup>th</sup> Percentile	\$148	\$137	\$150	\$109	\$135	\$96	\$88	\$135	\$99	\$148
	50 <sup>th</sup> Percentile	\$170	\$140	\$150	\$118	\$150	\$123	\$100	\$140	\$103	\$170
	75 <sup>th</sup> Percentile	\$195	\$155	\$174	\$123	\$175	\$130	\$114	\$160	\$111	\$195
Toddler 1	Minimum	\$80	\$90	\$100	\$90	\$100	\$65	\$80	\$100	\$93	\$80
	Maximum	\$300	\$200	\$220	\$130	\$180	\$165	\$125	\$175	\$135	\$300
	25 <sup>th</sup> Percentile	\$148	\$131	\$150	\$100	\$136	\$101	\$83	\$120	\$95	\$148
	50 <sup>th</sup> Percentile	\$168	\$140	\$150	\$115	\$150	\$125	\$100	\$140	\$100	\$168
	75 <sup>th</sup> Percentile	\$198	\$150	\$169	\$120	\$175	\$130	\$110	\$150	\$115	\$198
Toddler 2	Minimum	\$69	\$65	\$100	\$90	\$100	\$65	\$80	\$100	\$93	\$69
	Maximum	\$285	\$200	\$220	\$130	\$180	\$165	\$125	\$175	\$135	\$285
	25 <sup>th</sup> Percentile	\$148	\$129	\$150	\$100	\$136	\$101	\$83	\$128	\$95	\$148
	50 <sup>th</sup> Percentile	\$165	\$139	\$150	\$100	\$150	\$125	\$100	\$140	\$100	\$165
	75 <sup>th</sup> Percentile	\$185	\$150	\$165	\$120	\$175	\$130	\$110	\$148	\$115	\$185
Preschool	Minimum	\$69	\$65	\$100	\$90	\$100	\$65	\$80	\$100	\$93	\$69
	Maximum	\$275	\$185	\$195	\$130	\$175	\$170	\$125	\$175	\$135	\$275
	25 <sup>th</sup> Percentile	\$140	\$125	\$149	\$100	\$135	\$108	\$85	\$120	\$95	\$140
	50 <sup>th</sup> Percentile	\$165	\$137	\$150	\$105	\$150	\$125	\$102	\$140	\$100	\$165
	75 <sup>th</sup> Percentile	\$185	\$150	\$163	\$118	\$170	\$135	\$110	\$140	\$115	\$185
School Age	Minimum	\$30	\$65	\$90	\$90	\$75	\$90	\$80	\$40	\$95	\$30
	Maximum	\$220	\$175	\$175	\$130	\$175	\$165	\$125	\$170	\$110	\$220
	25 <sup>th</sup> Percentile	\$120	\$121	\$132	\$95	\$120	\$108	\$90	\$100	\$99	\$120
	50 <sup>th</sup> Percentile	\$148	\$139	\$150	\$100	\$150	\$125	\$100	\$140	\$103	\$148
	75 <sup>th</sup> Percentile	\$180	\$146	\$155	\$115	\$168	\$135	\$113	\$140	\$106	\$180
All Ages	Minimum	\$80	\$65	\$100	\$90	\$100	\$65	\$80	\$120	\$93	\$80
	Maximum	\$300	\$200	\$275	\$130	\$190	\$165	\$125	\$175	\$135	\$300
	25 <sup>th</sup> Percentile	\$148	\$137	\$150	\$109	\$135	\$96	\$88	\$135	\$99	\$148
	50 <sup>th</sup> Percentile	\$170	\$140	\$150	\$118	\$150	\$123	\$100	\$140	\$103	\$170
	75 <sup>th</sup> Percentile	\$195	\$155	\$174	\$123	\$175	\$130	\$114	\$160	\$111	\$195

The appendix includes tables for the average weekly rates of child care by region, provider type, #of providers from each county included in the analysis of the study, and age of children (< 1- year old); Toddler 1 (1 year old); Toddler 2 (2 years old); Pre-school (3-4 years old); and School- age (> 4 years old).

### *SUBSIDY PROGRAM PARTICIPATION*

The Market Rate Survey included questions pertaining to provider participation in the subsidy program. Providers were asked if they accepted subsidy payments for child care services. In total, 821 providers (61%) self-reported that they are currently serving children who receive fully or partially subsidized payments.

Table 14 presents the total number of day care center, family child care homes and group child care home providers that receive the subsidy payment by region. Overall, Region 2 (Mobile) and Region 3 (Birmingham) have the highest number of providers that receive subsidy payments for child care services as a Day Care Center, Family Child Care Home, and Group Child Care Home.

**Table 14. Provider Types by Region Receiving Subsidy Payments**

Region	Day Care Centers	Family Child Care Homes	Group Child Care Homes
Huntsville-1	106	12	24
Mobile-2	115	24	13
Birmingham-3	144	14	16
Montgomery-4	91	17	6
Opelika-5	51	1	11
Tuscaloosa-6	39	4	8
Ft. Payne-7	29	1	2
Talladega-8	28	3	7
Dothan-9	45	7	3
<b>TOTALS</b>	<b>648</b>	<b>83</b>	<b>90</b>

If they serve students using a subsidy, the providers were then asked to give the approximate percentage of children they currently serve and have their child care fees fully or partially subsidized through the Child Care Subsidy Program. Overall, 236 providers have 1-25% of children on subsidy, 166 have 26-50% on subsidy, 155 have 51-76 on subsidy, and 265 have 76-100% on subsidy.

Tables 15, 16, and 17 disaggregate the total number of providers for each subsidy range by region and provider type (i.e., Day Care Centers, Family Child Care Homes, and Group Child Care Homes).

**Table 15. Number of Providers for Each Subsidy Range by Region for Day Care Centers**

DAY CARE CENTERS					
Region	0%	1-25%	25-50%	51-75%	76-100%
Huntsville-1	44	43	32	19	13
Mobile-2	57	17	13	27	58
Birmingham-3	54	37	36	22	49
Montgomery-4	38	20	18	16	39
Opelika-5	10	13	10	12	16
Tuscaloosa-6	21	15	10	8	7
Ft. Payne-7	19	15	5	7	3
Talladega-8	20	5	10	9	4
Dothan-9	25	10	6	14	15
<b>TOTALS</b>	<b>288</b>	<b>175</b>	<b>140</b>	<b>134</b>	<b>204</b>

**Table 16. Number of Providers for Each Subsidy Range by Region for Family Child Care Homes**

FAMILY DAY CARE HOMES					
Region	0%	1-25%	25-50%	51-75%	76-100%
Huntsville-1	13	5	2	3	2
Mobile-2	9	5	5	2	12
Birmingham-3	12	6	2	2	4
Montgomery-4	15	7	2	0	8
Opelika-5	10	0	0	1	0
Tuscaloosa-6	10	2	0	1	1
Ft. Payne-7	11	0	1	0	0
Talladega-8	5	1	0	1	1
Dothan-9	7	3	2	0	2
<b>TOTALS</b>	<b>92</b>	<b>29</b>	<b>14</b>	<b>10</b>	<b>30</b>

**Table 17. Number of Providers for Each Subsidy Range by Region for Group Child Care Homes**

GROUP DAY CARE HOMES					
Region	0%	1-25%	25-50%	51-75%	76-100%
Huntsville-1	10	12	2	3	7
Mobile-2	8	2	1	4	6
Birmingham-3	12	6	4	0	6
Montgomery-4	4	1	1	0	0
Opelika-5	3	3	1	2	5
Tuscaloosa-6	3	3	0	1	4
Ft. Payne-7	5	1	1	0	0
Talladega-8	2	3	2	0	2

Dothan-9	6	1	0	1	1
<b>TOTALS</b>	53	32	12	11	31

Of the Market Rate Survey respondents, 643 indicated they do not participate in the subsidy program. These providers were asked to indicate their reasons for not participating. As seen in Table 18, the most frequent response was other, followed by the administrative burden, and not many families qualifying. Of the providers who selected other, the most common responses are that the subsidy not needed since the facility is always full, and the provider does not qualify since they church-affiliated/ exempt.

**Table 18. Provider Reasons for Not Participating in Subsidy Program**

<b>REASON FOR NOT PARTICIPATING IN SUBSIDY</b>	<b># RESPONSES</b>
Administrative burden (too much paperwork)	101
Don't understand how the subsidy works	27
Due to the DHR payment system (reimbursement)	62
Not many families qualify	98
Reimbursement rate is too low	31
Other	178

In the next section, Section 4: Narrow Cost Analysis, data from the child care cost survey were gathered from a sample of licensed and exempt day care centers, family child care homes, and group child care homes. The section also reveals analysis for the Alabama Quality STARS program.

## SECTION 4: NARROW COST ANALYSIS

The methodology for conducting the Narrow Cost Analysis (NCA) includes an analysis to address the cost of higher quality care, as defined by the Lead Agency, using a quality rating and improvement system at each level of quality. It also involves determining the gaps between the costs incurred by child care providers and the Lead Agency's payment rates (see Section 5). Child care rates differ by region in Alabama, the age of the children served, and the provider type. This section of the report offers an analysis of data collected from providers to gain a comprehensive understanding of the costs associated with providing child care in Alabama.

This study utilized a limited cost survey for the narrow cost analysis to understand the cost factors impacting day care centers and family/group homes operating at different quality levels for multiple age groups across the state (ACF-PI-2018)<sup>8</sup>. The Narrow Cost Analysis provided in this report approximates the cost of operating a child care facility based on the responses from the sample of providers surveyed.

### *QUALITY RATING AND IMPROVEMENT SYSTEM (QRIS) INFORMATION*

Under the CCDF, the methodology in this study includes the cost of different quality care levels, as defined by the Alabama Department of Human Resources (98.45 (f)(ii)(B))<sup>8</sup>. The Alabama Quality STARS program is a part of a national systematic approach to assess and improve center, family and group home child care standards. Providers receive a star rating, signifying the quality care standards they meet. The program provides Technical Assistance services to participating child care centers and homes<sup>9</sup>. The Alabama Child Care Development Fund (CCDF) is designed to minimize child care costs for low and moderate-income families and provide opportunities for equal access, affordability, and quality services.

It is imperative that quality service be provided as it benefits parents receiving subsidy reimbursements. The Alabama Department of Human Resources, Office of Child Care Subsidy disperse reimbursement payments for all levels of child care throughout the State. Higher reimbursements are given to providers who participate in the Alabama Quality Rating Improvement System (QRIS). The improvement system supports child care centers and homes that provide higher-quality care. Full implementation of the QRIS was launched in the Fall of 2019<sup>10</sup>.

Similar to other rating systems, the QRIS has a set of standards that exemplifies excellence in Child Care Quality far exceeding Alabama's minimum standards. Utilizing a five-star building block rating, with one star representing minimum licensure requirements and a five star demonstrating superior quality child care services. The five stars are constructed and evaluated using the following quality indicator categories:(a) staff qualifications, (b) environment, (c) health and safety, (d) professional development, (e) family involvement and community partnerships. For each of the five STAR levels, there are Alabama Quality STARS standards to be met in each component area.<sup>11</sup>

---

<sup>8</sup> 45 CFR 98.45 – Equal Access. Retrieved from <https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-A/part-98>.

<sup>9</sup> Alabama Department of Human Resources, Office of Child Care, <https://dhr.alabama.gov/child-care/>. Alabama Quality STARS Excellence Child Care, <https://alabamaqualitystars.org/star-rating-criteria/>

<sup>10</sup> Quality Compendium Website: Alabama State Profile, Retrieved from <https://qualitycompendium.org/view-state-profiles>

<sup>11</sup> Alabama Quality STARS Quality Rating and Improvement Center Guidelines, <https://alabamaqualitystars.org/wp-content/uploads/2020/04/Center-Guidelines-with-covers.pdf>.



## QRIS PROVIDERS IN THE STUDY

The Alabama Department of Human Resources Office of Child Care Subsidy reported a total of 2,201 day care centers, family child care homes, and group child care homes that charge for services (i.e., not Head Start Centers). This section provides the number of star-rated providers in the 2,201 total population who completed the MRS survey and who completed the Child Care Cost Survey.

Tables 19 through 21 outline information about the Alabama Quality STARS providers across all Alabama regions and STAR levels. Table 14 indicates that 1,733 centers and homes (79%) are participating in the STARS program across the nine regions of the state. Region 3 (i.e., Birmingham) has the most STARS providers, and Region 7 (i.e., Fort Payne) has the least. Table 15 shows the number of MRS respondents by region and STARS level. Of the 1,733 child care providers who participate in the STARS program, 1,060 (61%) completed the Market Rate Survey. Table 16 indicates the number of providers by region and STAR level who completed the Child Care Cost Survey, with 158 completing the survey. For all three tables, the majority of STAR providers have a 1 Star since this is the level achieved with licensure.

**Table 19. Number of Child Care Providers at Each Star Level by Region**

Region	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Total
Huntsville-1	281	7	1	8	2	299
Mobile-2	276	7	2	6	8	299
Birmingham-3	358	15	9	8	2	392
Montgomery-4	237	7	1	3	3	251
Opelika-5	116		1	2	3	122
Tuscaloosa-6	99	4	4	4	2	113
Ft. Payne-7	66	1		1		68
Talladega-8	67	1	1	4	1	74
Dothan-9	111	1	2		1	115
<b>TOTALS</b>	<b>1611</b>	<b>43</b>	<b>21</b>	<b>36</b>	<b>22</b>	<b>1733</b>

**Table 20. Number of Child Care Providers with Valid MRS Survey Response at Each Star Level, by Region**

Region	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Total
Huntsville-1	173	6	1	6	1	187
Mobile-2	172	5	2	3	3	185
Birmingham-3	198	7	6	6	1	218
Montgomery-4	135	5	1	1	2	144
Opelika-5	79		1	1	2	83
Tuscaloosa-6	60	4	3	3	2	72
Ft. Payne-7	47	1		1		49
Talladega-8	42	1	1	3	1	48
Dothan-9	72		2			74
<b>TOTALS</b>	<b>978</b>	<b>29</b>	<b>17</b>	<b>24</b>	<b>12</b>	<b>1060</b>

**Table 21. Number of Child Care Providers with Valid Child Care Cost Survey Response at Each Star Level by Region**

Region	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Total
Huntsville-1	12	2	1	4	1	20
Mobile-2	15	2		1	2	20
Birmingham-3	16	6	4	2	2	30
Montgomery-4	11	2	1	1	1	16
Opelika-5	12			1	1	14
Tuscaloosa-6	10	2	2	2		16
Ft. Payne-7	11			1		12
Talladega-8	12		1	3	1	17
Dothan-9	12		1			13
<b>TOTALS</b>	<b>111</b>	<b>14</b>	<b>10</b>	<b>15</b>	<b>8</b>	<b>158</b>

Information about STAR providers by facility type is detailed in Tables 22 through 24. Table 22 shows that 1,199 (72%) day care centers, 314 (100%) family child care homes, and 220 (100%) group child care homes participate in the STARS program. For day care centers, 747 (62%) centers participating in the STARS program completed the MRS. For home care, 174 (55%) family home providers and 139 (63%) group home providers completed the MRS. The Cost Survey was sent to a sample of providers who completed the MRS. Of the 747 day centers completing the MRS, 82 completed the Cost Survey. For the 174 family homes, 39 completed the survey. Lastly, 37 of the 139 group homes completed the survey.

**Table 22. Number of Child Care Providers at Each Star Level, by Facility Type**

Region	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Total
Day Care Center	1134	28	15	18	4	1199
Family Home	288	6	4	7	9	314
Group Home	189	9	2	11	9	220
<b>TOTALS</b>	<b>1611</b>	<b>43</b>	<b>21</b>	<b>36</b>	<b>22</b>	<b>1733</b>

**Table 23. Number of Child Care Providers with Valid MRS Survey Response at Each Star Level, by Facility Type**

Region	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Total
Day Care Center	699	19	14	13	2	747
Family Home	160	3	2	4	5	174
Group Home	119	7	1	7	5	139
<b>TOTALS</b>	<b>978</b>	<b>29</b>	<b>17</b>	<b>24</b>	<b>12</b>	<b>1060</b>

**Table 24. Number of Child Care Providers with Valid Child Care Cost Survey Response at Each Star Level, by Facility Type**

Region	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Total
Day Care Center	7	4	8	7		82
Family Home	27	5	2	3	2	39
Group Home	21	5		5	6	37
<b>TOTALS</b>	<b>111</b>	<b>14</b>	<b>10</b>	<b>15</b>	<b>8</b>	<b>158</b>

**STAR LEVEL PROVIDER RATES -- MRS**

STAR level providers have been determined to meet specific child care quality standards, as defined by the ALDHR. Table 25 below indicates the number of Star Level providers completing the Market Rate Survey by provider type, region, and star level. Given the low number of providers having a Star Level from two through 5, the market rate data for these Star Levels are aggregated into one group.

**Table 25: Providers by Provider Type, STAR Level, and Region**

DAY CARE CENTERS: UNDER 2.5 YEARS									
Star Level	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
<b>Child Care Center</b>									
1 Star	120	125	153	102	57	36	28	29	49
2 Star	4	3	3	4		3	1	1	
3 Star	1	2	5	1		3			2
4 Star	3	1	3		1	3	1	1	
5 Star						2			
2, 3, 4, & 5 Star	8	6	11	5	1	11	2	2	2
<b>Family Home</b>									
1 Star	23	29	23	27	11	14	12	7	14
2 Star	1	1		1					
3 Star			1					1	
4 Star	1	1	1	1					
5 Star		2	1	2					
2, 3, 4, & 5 Star	2	4	3	4	0	0	0	1	0
<b>Group Home</b>									
1 Star	30	18	22	6	11	10	7	6	9
2 Star	1	1	4			1			
3 Star					1				
4 Star	2	1	2					2	
5 Star	1	1			2			1	
2, 3, 4, & 5 Star	4	3	6	0	3	1	0	3	0

The statewide child care rate means, and 75<sup>th</sup> percentiles for each Star Level by provider type and age are displayed in Table 26. Given the low number of providers and respondents with a Star Level two through five, the table also includes an aggregate representing the means and 75<sup>th</sup> percentiles for child care rates for providers in this group. For all provider types, Star Level child care rates are highest for children under 2.5 years and lowest for school-aged children. Star Level Day Care Centers have higher rates than Star Level Family and Group Homes. In general, the rates increase the higher the Star Level; however, there are some exceptions, which could be due to provider location and a small number of providers presenting that Star Level.

**Table 26: Statewide STAR Level Provider Rates (Mean and 75th Percentile) by Provider Type and Child Age**

Statewide Child Care Rates							
Provider Type	STAR Level	Under 2.5 Years		2.5 – 5 Years		School-aged	
		Mean	75th	Mean	75th	Mean	75th
Day Care Center	1	\$168	\$199	\$156	\$184	\$135	\$153
	2	\$185	\$234	\$162	\$194	\$143	\$150
	3	\$190	\$224	\$172	\$196	\$131	\$133
	4	\$206	\$272	\$206	\$243	\$153	\$177
	5	\$153	\$153	\$153	\$153		
	2,3,4,5	\$190	\$250	\$174	\$209	\$143	\$163
Family Home	1	\$144	\$165	\$140	\$160	\$129	\$150
	2	\$158	\$170	\$135	\$135	\$73	\$76
	3	\$165	\$170	\$165	\$170		
	4	\$182	\$185	\$173	\$185	\$140	\$140
	5	\$156	\$161	\$154	\$161	\$122	\$145
	2,3,4,5	\$167	\$179	\$159	\$171	\$108	\$138
Group Homes	1	\$143	\$164	\$139	\$162	\$128	\$150
	2	\$165	\$178	\$154	\$178	\$164	\$175
	3	\$168	\$173	\$168	\$173	\$168	\$171
	4	\$157	\$170	\$146	\$168	\$144	\$166
	5	\$167	\$178	\$138	\$141	\$135	\$140
	2,3,4,5	\$164	\$175	\$152	\$173	\$155	\$174

The following tables (27-44) show the child care rates for Star Level providers by region, provider type, and age group. For each provider type and age group, two tables are included: Star Level 1 child care rates and Star Level 2-5 child care rates.

*Day Care Centers*

**Table 27: STAR Level 1 Day Care Centers by Region for Children Under 2.5 Years of Age**

DAY CARE CENTERS: UNDER 2.5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$180	\$161	\$195	\$164	\$161	\$168	\$133	\$130	\$141
25 <sup>th</sup> Percentile	\$138	\$145	\$154	\$150	\$140	\$150	\$120	\$120	\$125
50 <sup>th</sup> Percentile	\$175	\$154	\$199	\$157	\$150	\$170	\$130	\$130	\$140
75 <sup>th</sup> Percentile	\$210	\$175	\$220	\$176	\$169	\$195	\$150	\$148	\$150
90 <sup>th</sup> Percentile	\$250	\$210	\$263	\$200	\$215	\$200	\$162	\$150	\$166

**Table 28: STAR Level 2-5 Day Care Centers by Region for Children Under 2.5 Years of Age**

DAY CARE CENTERS: UNDER 2.5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$227	\$175	\$237	\$128	\$279	\$171	\$120	\$135	\$131
25 <sup>th</sup> Percentile	\$165	\$153	\$205	\$123	\$279	\$151	\$120	\$128	\$114
50 <sup>th</sup> Percentile	\$213	\$155	\$235	\$130	\$279	\$157	\$120	\$135	\$131
75 <sup>th</sup> Percentile	\$291	\$170	\$274	\$136	\$279	\$161	\$120	\$143	\$148
90 <sup>th</sup> Percentile	\$321	\$226	\$291	\$146	\$279	\$234	\$120	\$147	\$158

**Table 29: STAR Level 1 Day Care Centers by Region for Children 2.5—5 Years of Age**

DAY CARE CENTERS: 2.5—5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$168	\$148	\$180	\$148	\$153	\$160	\$126	\$127	\$138
25 <sup>th</sup> Percentile	\$125	\$135	\$142	\$129	\$138	\$146	\$110	\$120	\$125
50 <sup>th</sup> Percentile	\$160	\$145	\$184	\$144	\$145	\$160	\$120	\$125	\$133
75 <sup>th</sup> Percentile	\$190	\$165	\$200	\$160	\$155	\$181	\$140	\$145	\$150
90 <sup>th</sup> Percentile	\$240	\$185	\$239	\$185	\$198	\$185	\$148	\$150	\$166

**Table 30: STAR Level 2-5 Day Care Centers by Region for Children 2.5—5 Years of Age**

DAY CARE CENTERS: 2.5—5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$207	\$163	\$227	\$113	\$279	\$156	\$98	\$135	\$131
25 <sup>th</sup> Percentile	\$161	\$142	\$189	\$100	\$279	\$148	\$86	\$128	\$114
50 <sup>th</sup> Percentile	\$203	\$144	\$200	\$100	\$279	\$157	\$98	\$135	\$131
75 <sup>th</sup> Percentile	\$246	\$160	\$271	\$135	\$279	\$160	\$109	\$143	\$148
90 <sup>th</sup> Percentile	\$288	\$210	\$311	\$135	\$279	\$172	\$116	\$147	\$158

**Table 31: STAR Level 1 Day Care Centers by Region for School-Aged Children**

DAY CARE CENTERS: SCHOOL-AGED									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$140	\$130	\$143	\$130	\$140	\$163	\$120	\$114	\$128
25 <sup>th</sup> Percentile	\$109	\$110	\$120	\$115	\$125	\$150	\$108	\$96	\$113
50 <sup>th</sup> Percentile	\$136	\$133	\$150	\$130	\$143	\$170	\$120	\$120	\$120
75 <sup>th</sup> Percentile	\$170	\$143	\$160	\$150	\$151	\$184	\$130	\$125	\$145
90 <sup>th</sup> Percentile	\$195	\$162	\$198	\$165	\$185	\$185	\$140	\$148	\$160

**Table 32: STAR Level 2-5 Day Care Centers by Region for School Age Children**

DAY CARE CENTERS: SCHOOL-AGED									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$188	\$144	\$173	\$115		\$120	\$120	\$125	\$125
25 <sup>th</sup> Percentile	\$135	\$133	\$130	\$95		\$120	\$120	\$113	\$125
50 <sup>th</sup> Percentile	\$165	\$153	\$187	\$115		\$120	\$120	\$125	\$125
75 <sup>th</sup> Percentile	\$248	\$164	\$200	\$135		\$120	\$120	\$138	\$125
90 <sup>th</sup> Percentile	\$286	\$179	\$218	\$135		\$120	\$120	\$145	\$125

*Family Homes*

**Table 33: STAR Level 1 Family Homes by Region for Children Under 2.5 Years of Age**

FAMILY HOMES: UNDER 2.5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$170	\$148	\$162	\$148	\$153	\$140	\$95	\$118	\$121
25 <sup>th</sup> Percentile	\$148	\$136	\$150	\$133	\$134	\$124	\$80	\$110	\$100
50 <sup>th</sup> Percentile	\$170	\$150	\$158	\$150	\$150	\$135	\$90	\$120	\$115
75 <sup>th</sup> Percentile	\$200	\$163	\$179	\$163	\$160	\$154	\$100	\$124	\$140
90 <sup>th</sup> Percentile	\$208	\$177	\$199	\$175	\$200	\$168	\$100	\$131	\$145

**Table 34: STAR Level 2-5 Family Homes by Region for Children Under 2.5 Years of Age**

FAMILY HOMES: UNDER 2.5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean		\$160	\$165	\$163				\$155	
25 <sup>th</sup> Percentile		\$155	\$160	\$146				\$155	
50 <sup>th</sup> Percentile		\$163	\$170	\$165				\$155	
75 <sup>th</sup> Percentile		\$168	\$172	\$181				\$155	
90 <sup>th</sup> Percentile		\$172	\$174	\$184				\$155	

**Table 35: STAR Level 1 Family Homes by Region for Children 2.5—5 Years of Age**

FAMILY HOMES: 2.5—5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$166	\$143	\$152	\$144	\$151	\$140	\$95	\$119	\$117
25 <sup>th</sup> Percentile	\$148	\$134	\$140	\$130	\$132	\$123	\$80	\$120	\$100
50 <sup>th</sup> Percentile	\$165	\$150	\$150	\$140	\$150	\$135	\$90	\$122	\$110
75 <sup>th</sup> Percentile	\$185	\$150	\$163	\$160	\$158	\$154	\$100	\$125	\$140
90 <sup>th</sup> Percentile	\$208	\$168	\$180	\$165	\$190	\$168	\$100	\$131	\$145



**Table 36: STAR Level 2-5 Family Homes by Region for Children 2.5—5 Years of Age**

FAMILY HOMES: 2.5—5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean		\$153	\$161	\$157				\$155	
25 <sup>th</sup> Percentile		\$146	\$155	\$143				\$155	
50 <sup>th</sup> Percentile		\$155	\$170	\$150				\$155	
75 <sup>th</sup> Percentile		\$161	\$172	\$168				\$155	
90 <sup>th</sup> Percentile		\$164	\$174	\$178				\$155	

**Table 37: STAR Level 1 Family Homes by Region for School Age Children**

FAMILY HOMES: SCHOOL-AGED									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$149	\$131	\$139	\$140	\$143	\$101	\$64	\$98	\$110
25 <sup>th</sup> Percentile	\$123	\$125	\$125	\$128	\$120	\$101	\$54	\$78	\$100
50 <sup>th</sup> Percentile	\$145	\$145	\$148	\$135	\$150	\$101	\$73	\$80	\$110
75 <sup>th</sup> Percentile	\$171	\$150	\$155	\$150	\$170	\$102	\$83	\$110	\$120
90 <sup>th</sup> Percentile	\$190	\$168	\$164	\$165	\$182	\$102	\$87	\$128	\$126

**Table 38: STAR Level 2-5 Family Homes by Region for School Age Children**

FAMILY HOMES: SCHOOL-AGED									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean		\$122	\$130	\$78					
25 <sup>th</sup> Percentile		\$103	\$130	\$76					
50 <sup>th</sup> Percentile		\$140	\$130	\$78					
75 <sup>th</sup> Percentile		\$150	\$130	\$79					
90 <sup>th</sup> Percentile		\$156	\$130	\$80					

*Group Homes*

**Table 39: STAR Level 1 Group Homes by Region for Children Under 2.5 Years of Age**

GROUP HOMES: UNDER 2.5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$199	\$141	\$155	\$111	\$143	\$116	\$101	\$136	\$109
25 <sup>th</sup> Percentile	\$148	\$130	\$150	\$100	\$133	\$95	\$90	\$123	\$100
50 <sup>th</sup> Percentile	\$150	\$140	\$150	\$115	\$140	\$125	\$100	\$135	\$105
75 <sup>th</sup> Percentile	\$250	\$155	\$169	\$120	\$150	\$130	\$110	\$140	\$115
90 <sup>th</sup> Percentile	\$280	\$188	\$180	\$126	\$175	\$136	\$118	\$158	\$127

**Table 40: STAR Level 2-5 Group Homes by Region for Children Under 2.5 Years of Age**

GROUP HOMES: UNDER 2.5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$175	\$134	\$181		\$175	\$165		\$140	
25 <sup>th</sup> Percentile	\$173	\$129	\$150		\$175	\$165		\$125	
50 <sup>th</sup> Percentile	\$175	\$132	\$160		\$175	\$165		\$150	
75 <sup>th</sup> Percentile	\$178	\$139	\$175		\$175	\$165		\$160	
90 <sup>th</sup> Percentile	\$179	\$142	\$235		\$175	\$165		\$166	

**Table 41: STAR Level 1 Group Homes by Region for Children 2.5—5 Years of Age**

GROUP HOMES: 2.5—5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$184	\$135	\$150	\$108	\$141	\$119	\$100	\$134	\$108
25 <sup>th</sup> Percentile	\$148	\$119	\$150	\$100	\$133	\$101	\$85	\$123	\$95
50 <sup>th</sup> Percentile	\$148	\$139	\$150	\$105	\$140	\$125	\$102	\$135	\$100
75 <sup>th</sup> Percentile	\$215	\$150	\$160	\$118	\$150	\$130	\$110	\$140	\$115
90 <sup>th</sup> Percentile	\$251	\$177	\$174	\$125	\$170	\$143	\$116	\$158	\$127

**Table 42: STAR Level 2-5 Group Homes by Region for Children 2.5—5 Years of Age**

GROUP HOMES: 2.5—5 YEARS									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$150	\$134	\$153		\$175	\$165		\$137	
25 <sup>th</sup> Percentile	\$140	\$129	\$143		\$175	\$165		\$120	
50 <sup>th</sup> Percentile	\$150	\$132	\$155		\$175	\$165		\$140	
75 <sup>th</sup> Percentile	\$160	\$139	\$171		\$175	\$165		\$155	
90 <sup>th</sup> Percentile	\$166	\$142	\$185		\$175	\$165		\$164	

**Table 43: STAR Level 1 Group Homes by Region for School Age Children**

GROUP HOMES: SCHOOL-AGED									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$138	\$125	\$135	\$107	\$133	\$117	\$102	\$93	\$103
25 <sup>th</sup> Percentile	\$119	\$108	\$131	\$95	\$110	\$101	\$90	\$70	\$99
50 <sup>th</sup> Percentile	\$142	\$139	\$148	\$100	\$135	\$123	\$100	\$100	\$103
75 <sup>th</sup> Percentile	\$161	\$147	\$150	\$115	\$160	\$129	\$113	\$120	\$106
90 <sup>th</sup> Percentile	\$184	\$158	\$150	\$124	\$171	\$135	\$120	\$132	\$109

**Table 44: STAR Level 2-5 Group Homes by Region for School Age Children**

GROUP HOMES: SCHOOL-AGED									
REGION	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$125	\$135	\$154		\$170	\$165		\$155	
25 <sup>th</sup> Percentile	\$125	\$130	\$160		\$168	\$165		\$148	
50 <sup>th</sup> Percentile	\$125	\$135	\$160		\$170	\$165		\$155	
75 <sup>th</sup> Percentile	\$125	\$140	\$175		\$173	\$165		\$163	
90 <sup>th</sup> Percentile	\$125	\$143	\$175		\$174	\$165		\$167	

## COST MODELING

The cost modeling involves two sources of information. First, a Child Care Cost Survey was administered to a sample of providers to understand cost factors from their perspective, and how these factors might differ based on quality level, region, and age of children. Second, the Provider Cost of Quality Calculator (PCQC)<sup>12</sup> was used to generate a weekly cost-per-child estimate for Day Care Centers.

The data used for the PCQC came from PCQC-provided sources and the Cost Survey. The Cost Survey collected information about the number of children served, number of employees, salaries for employees, benefits offered, and cost of operating a child care facility, including costs for the building, utilities, transportation, food, educational programs, professional development, etc. The results showed a wide variation in costs across providers due to differing circumstances and missing information. For example, facilities affiliated with a religious institution may have their building costs covered by the larger organization. Some providers may not tabulate expenses in alignment with the survey, thereby leaving fields unanswered. With the data limitation, it was still clear that for Day Care Centers, the largest expenditures are for personnel and building mortgage/rental.

To inform the PCQC, Cost Survey responses for Day Care Centers in Region 3 (Birmingham) were utilized to generate a composite based on averages from multiple responses with similar characteristics (size, location, and quality level). The data for the Region 3 Day Care Centers was disaggregated by age group served and quality level (exempt, Star Level 1, and Star Level 2-5). The PCQC provided a weekly cost-per-child estimate for each quality level and each age group. Note that the Star Level 2-5 estimate represents Star Levels 2 through 5 due to the low number of Day Care Centers having these quality ratings.

Table 45 below shows the PCQC-generated estimates for weekly costs-per-child by age group and quality level. Overall, the PCQC-generated estimates are similar to the means but usually less than the 75<sup>th</sup> percentile. The PCQC provides a useful tool for calculating estimations; however, some costs of operating a child care center are hard to incorporate into the PCQC, such as actual costs of all benefits, insurance rates, and operational costs unique to particular facilities.

**Table 45. Region 3 PCQC Generated Weekly Costs-Per-Child and Mean/75<sup>th</sup> Percentile Rates for Day Care Centers by Age Group and Quality Level**

Age Group	Under 2.5 Years	2.5 – 5 Years	School-Aged
<b>Day Care Center: Exempt</b>			
Mean	\$180	\$165	\$112
75 <sup>th</sup> Percentile	\$233	\$220	\$132
PCQC Inferred Rate (Exempt)	\$180	\$145	\$117
<b>Day Care Center: Star Level 1</b>			
Mean	\$195	\$180	\$143
75 <sup>th</sup> Percentile	\$220	\$200	\$160
PCQC Inferred Rate (Star Level 1)	\$230	\$178	\$147

<sup>12</sup> Provider Cost of Quality Calculator Retrieved from <https://childcareta.acf.hhs.gov/pcqc>.

Day Care Center: Star Level 2-5			
Mean	\$237	\$227	\$173
75 <sup>th</sup> Percentile	\$274	\$271	\$200
PCQC Inferred Rate (Star Level 2-5)	\$236	\$183	\$152

The PCQC is able to generate inferred rates for Family Child Care Homes; however, the result was not comparable to estimates calculated from the Cost Survey or the Market Rate Survey. The PCQC does not provide inferred rates for Group Child care Homes. Estimates from the Child Care Cost Survey were used to calculate costs-per-child instead of the PCQC. All Family Homes and Group Homes are, at minimum, a Star Level 1; therefore, an estimate for exempt facilities is excluded from the analysis. The Star Level providers were divided into two groups: Star Level 1 and Star Level 2-5. Providers who earned 2 to 5 stars had to be aggregated into one group due to the low number of providers with these levels. Since Family and Group Home providers usually have mixed-age classrooms, the cost-per-child estimate from the Cost Survey does not disaggregate by age group. For the mean and 75<sup>th</sup> percentile comparisons in Table 46, the rates for under 2.5, 2.5-5, and school-aged are averaged together. Additionally, the mean and 75<sup>th</sup> percentile represent Region 3, but the cost survey calculated rate is a composite representing average costs for all providers reporting cost information. The Cost Survey responses are insufficient to provide detailed disaggregation by region; however, it is important to note that Star Level 1 data reflect costs for regions that are both urban and rural, whereas Star Level 2-5 costs reflect costs for regions with predominately urban counties.

**Table 46. Weekly Region 3 Cost Survey Costs-Per-Child, with Mean/75<sup>th</sup> Percentile Rates, for Family Homes and Group Homes by Quality Level**

	Family Homes	Group Home,s
<b>Star Level 1</b>		
Mean	\$151	\$147
75 <sup>th</sup> Percentile	\$163	\$160
Cost Survey Calculated Rate (Star Level 1)	\$134	\$185
<b>Star Level 2-5</b>		
Mean	\$152	\$163
75 <sup>th</sup> Percentile	\$158	\$174
Cost Survey Calculated Rate (Star Level 2-5)	\$168	\$206

## SECTION 5: GAP ANALYSIS

The Child Care and Development Fund (CCDF) payment rates for child care services are set by each state. Payment rates for child care providers may vary within a state depending on reasons such as: geographical area; provider type, quality, and the needs of the child. Several factors are expected to be taken into account in the determination of a payment rate, including ensuring that children on the subsidy program have equitable access to child care services, which is comparable to services provided for children whose parents would not be eligible for assistance. In terms of equal access, the U.S. Department of Health and Human Services sets the benchmark at the 75th percentile, which is important for gauging equal access. As a result, one of the key goals of this study is to determine to what extent families have access to care in the nine regions of the state.

The subsidy program from the Alabama Department of Human Resources (ADHR), Office of Child Care Subsidy (OCCS), provides assistance to low-income families who cannot afford quality child care outside the home. Funding for the program is provided through the federal Child Care and Development Fund and the state general fund. Child Care Management Agencies administer the subsidy program in the nine regions throughout Alabama. Each region is comprised of approximately 5 to 12 counties, which it serves. Participants who enroll in the program must be employed or enrolled in a school or a training program, must meet income limits, and must reside in Alabama.

Child care market rates described in this section of the report are crucial to understanding household access to child care and understanding the quality of child care in Alabama. Therefore, the examination of subsidy rates, access and affordability of child care services builds on the variations in the child care market fees by provider type, geographic region, and age of child. An estimation to analyze the gap between costs and payments is examined, and cost information is applied to the narrow cost difference between child care costs and subsidy rates.

This study also seeks to ensure that child care rates by each of the providers (day care centers, family child care homes, and group child care homes) that receive partial or full reimbursement/subsidy payments are not set too low, reducing the access for children because providers can't afford to provide quality care when receiving fees below the market value. Furthermore, the study also aims to ensure that the reimbursement rates are not set too high since this could lead to private pay parents being priced out of the market, making it more difficult for them to have access to affordable child care in Alabama. Either situation could pose a significant hardship on low-income families or potentially prevent them from accessing child care even with assistance. Additionally, the out-of-pocket expenses for child care to cover the gap between the provider's price and the subsidy amount may result in a reduction in the percentage of children having access to affordable, quality care throughout the state. Therefore, the analysis of this study will provide pertinent information to determine access and affordability.

### *GAP ANALYSIS BETWEEN CHILD CARE PROVIDERS AND AGENCY RATES*

The Market Rate Survey and Narrow Cost Analysis were used to determine the gap between current child care rates and agency reimbursement rates, by age group, provider type, region, and quality. The 75th percentile for weekly child care rates is commonly used for cost estimation purposes to account for equal

access to child care needs, and it is commonly used in MRS and NCA across the United States<sup>13</sup> since the Federal Government has yet to set a benchmark for the cost of child care<sup>14</sup>. The reimbursement rates included in this analysis took effect April 11, 2022. Overall, in almost every disaggregation, the current child care rates are higher than the reimbursement rates. The tables in this section provide the child care mean rates, rates for the 25<sup>th</sup>, 50<sup>th</sup>, 75<sup>th</sup>, and 90<sup>th</sup> percentiles, the agency base reimbursement rates, and the gap between the 75<sup>th</sup> percentile and the agency reimbursement rate. The tables are grouped by provider type with day care providers presented first, then family homes, and then group homes. Thereafter, information is shared about the difference in rates for different quality levels.

### Day Care Center Gap Analysis

Tables 47 through 55 present the child care provider rates, the agency reimbursement rates, and the gap between the two for exempt, Star Level 1, and Star Level 2-5 Day Care Centers. As previously explained, Star Levels 2-5 are grouped together due to the low number of providers submitting rate information for each of the Star Levels separately. The tables are disaggregated by region, with rates for the mean and various percentiles. The gap represents the difference between the 75<sup>th</sup> percentile rate and the reimbursement rate.

For children under 2.5 years old, the 75<sup>th</sup> percentile rate is higher than the agency reimbursement rate for all nine regions for exempt and Star Level 1 providers and most Star Level 2-5 providers. Region 3 (Birmingham) and Region 1 (Huntsville) have the highest rates at the 75<sup>th</sup> percentile, and Region 7 (Fort Payne), Region 8 (Talledega), and Region 9 (Dothan) have the lowest rates.

**Table 47: Exempt Day Care Center Rates by Region for Children Under 2.5 Years**

DAY CARE CENTERS: UNDER 2.5 YEARS									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$156	\$146	\$180	\$140	\$151	\$141	\$125	\$129	\$133
25 <sup>th</sup> Percentile	\$130	\$131	\$140	\$118	\$123	\$125	\$114	\$110	\$130
50 <sup>th</sup> Percentile	\$164	\$148	\$170	\$135	\$140	\$148	\$122	\$135	\$135
75 <sup>th</sup> Percentile	\$178	\$160	\$233	\$163	\$174	\$157	\$137	\$148	\$140
90 <sup>th</sup> Percentile	\$210	\$175	\$261	\$169	\$194	\$160	\$156	\$150	\$146
EXEMPT REIMBURSEMENT									
Reimbursement	\$165	\$145	\$195	\$150	\$147	\$146	\$118	\$120	\$125

<sup>13</sup> OPRE Report 2017-115 Market Rate Surveys and Alternative Methods of Data Collection and Analysis to Inform Subsidy Payment Rates (PDF).

<sup>14</sup> HHS. Administration for Children and Families. Guidance on alternative methodologies and cost analyses for purposes of establishing subsidy payment rates - CCDF-ACF-PI-2018-01 (PDF).



Difference (75th - reimbursement)	\$13	\$15	\$38	\$13	\$27	\$11	\$19	\$28	\$15
--------------------------------------	------	------	------	------	------	------	------	------	------

**Table 48: Star Level 1 Day Care Center Rates by Region for Children Under 2.5 Years**

DAY CARE CENTERS: UNDER 2.5 YEARS									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$180	\$161	\$195	\$164	\$161	\$168	\$133	\$130	\$141
25th Percentile	\$138	\$145	\$154	\$150	\$140	\$150	\$120	\$120	\$125
50th Percentile	\$175	\$154	\$199	\$157	\$150	\$170	\$130	\$130	\$140
75th Percentile	\$210	\$175	\$220	\$176	\$169	\$195	\$150	\$148	\$150
90th Percentile	\$250	\$210	\$263	\$200	\$215	\$200	\$162	\$150	\$166
STARS 1 REIMBURSEMENT									
Reimbursement	\$168	\$148	\$199	\$153	\$150	\$149	\$120	\$122	\$128
Difference (75th - reimbursement)	\$42	\$27	\$21	\$23	\$19	\$46	\$30	\$26	\$22

**Table 49: Star Level 2-5 Day Care Center Rates by Region for Children Under 2.5 Years\***

DAY CARE CENTERS: Under 2.5 YEARS									
Region (# providers)	1-Huntsville (8)	2-Mobile (6)	3-Birmingham (11)	4-Montgomery (4)	5-Opelika (1)	6-Tuscaloosa (8)	7-Ft. Payne (1)	8-Talladega (2)	9-Dothan (2)
Mean	\$227	\$175	\$237	\$128	\$279	\$171	\$120	\$135	\$131
25th Percentile	\$165	\$153	\$205	\$123	\$279	\$151	\$120	\$128	\$114
50th Percentile	\$213	\$155	\$235	\$130	\$279	\$157	\$120	\$135	\$131
75th Percentile	\$291	\$170	\$274	\$136	\$279	\$161	\$120	\$143	\$148
90th Percentile	\$321	\$226	\$291	\$146	\$279	\$234	\$120	\$147	\$158
STARS 2 REIMBURSEMENT									
STARS 2 Reimbursement	\$172	\$151	\$203	\$156	\$153	\$152	\$123	\$125	\$130
Difference (75th - reimbursement)	\$119	\$19	\$71	(\$20)	\$126	\$9	(\$3)	\$18	\$18
STARS 3 REIMBURSEMENT									
STARS 3 Reimbursement	\$175	\$154	\$207	\$159	\$156	\$155	\$125	\$127	\$133

Difference (75th - reimbursement)	\$116	\$16	\$67	(\$23)	\$123	\$6	(\$5)	\$16	\$15
--------------------------------------	-------	------	------	--------	-------	-----	-------	------	------

\*Note: the low number of responses could be impacting the rates for some regions, particularly those who have a Star Level 2-5 rate that is below the Star Level 1 or Exempt rate (e.g., Regions 4 and 7).

Child care rates for children 2.5-5 years old attending Day Care Center follow the same trends as for children under 2.5. The 75th percentile rates are higher than the agency reimbursement rates for all nine regions for all of the exempt and Star Level 1 providers and most of the Star Level 2-5 providers. Regions 3 and 1 have the highest rates, while Regions 7, 8, and 9 have the lowest rates.

**Table 50: Exempt Day Care Center Rates by Region for Children 2.5 - 5 Years**

DAY CARE CENTERS: 2.5-5 YEARS									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$158	\$136	\$165	\$135	\$145	\$130	\$120	\$123	\$129
25th Percentile	\$130	\$122	\$121	\$115	\$123	\$113	\$106	\$100	\$126
50th Percentile	\$161	\$133	\$160	\$135	\$140	\$126	\$122	\$130	\$130
75th Percentile	\$189	\$150	\$220	\$150	\$166	\$157	\$130	\$145	\$140
90th Percentile	\$203	\$163	\$232	\$165	\$181	\$159	\$142	\$150	\$145
EXEMPT REIMBURSEMENT									
Reimbursement	\$153	\$135	\$180	\$135	\$140	\$136	\$115	\$120	\$120
Difference (75th - reimbursement)	\$36	\$15	\$40	\$15	\$26	\$21	\$15	\$25	\$20

**Table 51: Star Level 1 Day Care Center Rates by Region for Children 2.5 - 5 Years**

DAY CARE CENTERS: 2.5-5 YEARS									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$168	\$148	\$180	\$148	\$153	\$160	\$126	\$127	\$138
25th Percentile	\$125	\$135	\$142	\$129	\$138	\$146	\$110	\$120	\$125
50th Percentile	\$160	\$145	\$184	\$144	\$145	\$160	\$120	\$125	\$133
75th Percentile	\$190	\$165	\$200	\$160	\$155	\$181	\$140	\$145	\$150

90th Percentile	\$240	\$185	\$239	\$185	\$198	\$185	\$148	\$150	\$166
<b>STARS 1 REIMBURSEMENT</b>									
Reimbursement	\$156	\$138	\$184	\$138	\$143	\$139	\$117	\$122	\$122
Difference (75th - reimbursement)	\$34	\$27	\$16	\$22	\$12	\$42	\$23	\$23	\$28

**Table 52: Star Level 2-5 Day Care Center Rates by Region for Children 2.5 - 5 Years**

<b>DAY CARE CENTERS: 2.5 - 5 YEARS</b>									
Region (# providers)	1-Huntsville (8)	2-Mobile (6)	3-Birmingham (11)	4-Montgomery (5)	5-Opelika (1)	6-Tuscaloosa (9)	7-Ft. Payne (2)	8-Talladega (2)	9-Dothan (2)
Mean	\$207	\$163	\$227	\$113	\$279	\$156	\$98	\$135	\$131
25th Percentile	\$161	\$142	\$189	\$100	\$279	\$148	\$86	\$128	\$114
50th Percentile	\$203	\$144	\$200	\$100	\$279	\$157	\$98	\$135	\$131
75th Percentile	\$246	\$160	\$271	\$135	\$279	\$160	\$109	\$143	\$148
90th Percentile	\$288	\$210	\$311	\$135	\$279	\$172	\$116	\$147	\$158
<b>STARS 2 REIMBURSEMENT</b>									
STARS 2 Reimbursement	\$159	\$140	\$187	\$140	\$146	\$141	\$120	\$125	\$125
Difference (75th - reimbursement)	\$87	\$20	\$84	(\$5)	\$133	\$19	(\$11)	\$18	\$23
<b>STARS 3 REIMBURSEMENT</b>									
STARS 3 Reimbursement	\$162	\$143	\$191	\$143	\$149	\$144	\$122	\$127	\$127
Difference (75th - reimbursement)	\$84	\$17	\$80	(\$8)	\$130	\$16	(\$13)	\$16	\$21

\*Note: the low number of responses could be impacting the rates for some regions, particularly those who have a Star Level 2-5 rate that is below the Star Level 1 or Exempt rate (e.g., Regions 4 and 7).

For school-aged children attending day care centers, the weekly provider rate at the 75<sup>th</sup> percentile is higher than the agency reimbursement rate for all nine regions for Star Level 1 providers; however, for Exempt and Star Level 2-5 providers, there are some exceptions. The rates across regions are more similar, not following the patterns from the other age groups.

**Table 53: Exempt Day Care Center Rates by Region for School-Age Children**

DAY CARE CENTERS: SCHOOL-AGED									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$139	\$113	\$112	\$123		\$90	\$93	\$115	\$132
25th Percentile	\$108	\$90	\$93	\$101		\$85	\$85	\$100	\$120
50th Percentile	\$125	\$125	\$120	\$123		\$90	\$101	\$120	\$135
75th Percentile	\$164	\$127	\$132	\$155		\$95	\$115	\$125	\$140
90th Percentile	\$216	\$159	\$140	\$176		\$98	\$126	\$130	\$152
EXEMPT REIMBURSEMENT									
Reimbursement	\$135	\$130	\$150	\$125	\$140	\$125	\$110	\$119	\$115
Difference (75th - reimbursement)	\$29	(\$3)	(\$18)	\$30		(\$30)	\$5	\$6	\$25

**Table 54: Star Level 1 Day Care Center Rates by Region for School-Age Children**

DAY CARE CENTERS: SCHOOL-AGED									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$140	\$130	\$143	\$130	\$140	\$163	\$120	\$114	\$128
25th Percentile	\$109	\$110	\$120	\$115	\$125	\$150	\$108	\$96	\$113
50th Percentile	\$136	\$133	\$150	\$130	\$143	\$170	\$120	\$120	\$120
75th Percentile	\$170	\$143	\$160	\$150	\$151	\$184	\$130	\$125	\$145
90th Percentile	\$195	\$162	\$198	\$165	\$185	\$185	\$140	\$148	\$160
STARS 1 REIMBURSEMENT									
Reimbursement	\$138	\$133	\$153	\$128	\$143	\$128	\$112	\$121	\$117
Difference (75th - reimbursement)	\$32	\$10	\$7	\$22	\$8	\$56	\$18	\$4	\$28

**Table 55: Star Level 2-5 Day Care Center Rates by Region for School-Age Children**

<b>DAY CARE CENTERS: SCHOOL-AGED</b>									
<b>Region (# providers)</b>	<b>1-Huntsville (5)</b>	<b>2-Mobile (4)</b>	<b>3-Birmingham (5)</b>	<b>4-Montgomery (4)</b>	<b>5-Opelika</b>	<b>6-Tuscaloosa (4)</b>	<b>7-Ft. Payne (1)</b>	<b>8-Talladega (2)</b>	<b>9-Dothan (1)</b>
Mean	\$188	\$144	\$173	\$115		\$120	\$120	\$125	\$125
25th Percentile	\$135	\$133	\$130	\$95		\$120	\$120	\$113	\$125
50th Percentile	\$165	\$153	\$187	\$115		\$120	\$120	\$125	\$125
75th Percentile	\$248	\$164	\$200	\$135		\$120	\$120	\$138	\$125
90th Percentile	\$286	\$179	\$218	\$135		\$120	\$120	\$145	\$125
<b>STARS 2 REIMBURSEMENT</b>									
STARS 2 Reimbursement	\$140	\$135	\$156	\$130	\$146	\$130	\$114	\$124	\$120
Difference (75th - reimbursement)	\$108	\$29	\$44	\$5		(\$10)	\$6	\$14	\$5
<b>STARS 3 REIMBURSEMENT</b>									
STARS 3 Reimbursement	\$143	\$138	\$159	\$133	\$149	\$133	\$117	\$126	\$122
Difference (75th - reimbursement)	\$105	\$26	\$41	\$2		(\$13)	\$3	\$12	\$3

\*Note: the low number of responses could be impacting the rates for some regions, particularly those who have a Star Level 2-5 rate that is below the Star Level 1 or Exempt rate (e.g. Region 6).

### Family Child Care Homes Gap Analysis

Tables 56 through 61 present child care rates for Family Child Care Home, including the weekly mean rate and various percentiles, regions, and age groups. All Family Child Care Home providers have at least a Star Level 1 rating; therefore, only the Star Level 1 and Star Level 2-5 tables are included in this section. The child care rates for Star Level 2-5 providers is limited due to the low number of responses from some regions, and the lack of responses from other regions. As a result, the child care rates for Star Level 2-5 by region should be used with caution. Table 26 provides statewide child care rates for Star Level 2-5, which can supplement missing or limited data by region.

For children under 2.5 years old, the 75<sup>th</sup> percentile rate for Star Level 1 Family Child Care Homes is higher than the reimbursement rate for all regions. Region 1 (Huntsville) and Region 3 (Birmingham) have the highest rates, and Region 7 (Fort Payne) has the lowest rate. For Star Level 2-5 Family Child Care Homes, only four of the nine regions have child care rate data for the analysis.

**Table 56: Star Level 1 Family Child Care Home Rates by Region for Children Under 2.5 Years**

FAMILY HOMES: UNDER 2.5 YEARS									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$170	\$148	\$162	\$148	\$153	\$140	\$95	\$118	\$121
25 <sup>th</sup> Percentile	\$148	\$136	\$150	\$133	\$134	\$124	\$80	\$110	\$100
50 <sup>th</sup> Percentile	\$170	\$150	\$158	\$150	\$150	\$135	\$90	\$120	\$115
75 <sup>th</sup> Percentile	\$200	\$163	\$179	\$163	\$160	\$154	\$100	\$124	\$140
90 <sup>th</sup> Percentile	\$208	\$177	\$199	\$175	\$200	\$168	\$100	\$131	\$145
STARS 1 REIMBURSEMENT									
Reimbursement	\$153	\$137	\$153	\$138	\$143	\$120	\$92	\$122	\$105
Difference (75 <sup>th</sup> - reimbursement)	\$47	\$26	\$26	\$25	\$17	\$34	\$8	\$2	\$35

**Table 57: Star Level 2-5 Family Child Care Home Rates by Region for Children Under 2.5 Years**

FAMILY HOMES: UNDER 2.5 YEARS									
Region (# providers)	1-Huntsville	2-Mobile (4)	3-Birmingham (3)	4-Montgomery (3)	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega (1)	9-Dothan
Mean		\$160	\$165	\$163				\$155	
25 <sup>th</sup> Percentile		\$155	\$160	\$146				\$155	

50th Percentile		\$163	\$170	\$165				\$155	
75th Percentile		\$168	\$172	\$181				\$155	
90th Percentile		\$172	\$174	\$184				\$155	
<b>STARS 2 REIMBURSEMENT</b>									
STARS 2 Reimbursement	\$156	\$139	\$156	\$140	\$146	\$123	\$94	\$125	\$107
Difference (75th - reimbursement)		\$29	\$16	\$41				\$30	
<b>STARS 3 REIMBURSEMENT</b>									
STARS 3 Reimbursement	\$159	\$142	\$159	\$143	\$149	\$125	\$96	\$127	\$109
Difference (75th - reimbursement)		\$26	\$13	\$38				\$28	

For children 2.5 – 5 years old, the 75<sup>th</sup> percentile rate for Star Level 1 Family Child Care Homes is higher than the reimbursement rate for all regions. Region 1 (Huntsville) and Region 3 (Birmingham) have the highest rates, and Region 7 (Fort Payne) has the lowest rate. For Star Level 2-5 Family Child Care Homes, only four of the nine regions have child care rate data for the analysis.

**Table 58: Star Level 1 Family Child Care Home Rates by Region for Children 2.5 - 5 Years**

<b>FAMILY HOMES: 2.5-5 YEARS</b>									
<b>Region</b>	<b>1-Huntsville</b>	<b>2-Mobile</b>	<b>3-Birmingham</b>	<b>4-Montgomery</b>	<b>5-Opelika</b>	<b>6-Tuscaloosa</b>	<b>7-Ft. Payne</b>	<b>8-Talladega</b>	<b>9-Dothan</b>
Mean	\$166	\$143	\$152	\$144	\$151	\$140	\$95	\$119	\$117
25th Percentile	\$148	\$134	\$140	\$130	\$132	\$123	\$80	\$120	\$100
50th Percentile	\$165	\$150	\$150	\$140	\$150	\$135	\$90	\$122	\$110
75th Percentile	\$185	\$150	\$163	\$160	\$158	\$154	\$100	\$125	\$140
90th Percentile	\$208	\$168	\$180	\$165	\$190	\$168	\$100	\$131	\$145
<b>STARS 1 REIMBURSEMENT</b>									
Reimbursement	\$153	\$133	\$148	\$138	\$141	\$117	\$92	\$122	\$105
Difference (75th - reimbursement)	\$32	\$17	\$15	\$22	\$17	\$37	\$8	\$3	\$35

**Table 59: Star Level 2-5 Family Child Care Home Rates by Region for Children 2.5 - 5 Years**

FAMILY HOMES: 2.5-5 YEARS									
Region (# providers)	1-Huntsville	2-Mobile (4)	3-Birmingham (3)	4-Montgomery (3)	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega (1)	9-Dothan
Mean		\$153	\$161	\$157				\$155	
25th Percentile		\$146	\$155	\$143				\$155	
50th Percentile		\$155	\$170	\$150				\$155	
75th Percentile		\$161	\$172	\$168				\$155	
90th Percentile		\$164	\$174	\$178				\$155	
STARS 2 REIMBURSEMENT									
STARS 2 Reimbursement	\$156	\$135	\$151	\$140	\$144	\$120	\$94	\$125	\$107
Difference (75th - reimbursement)		\$26	\$21	\$28				\$30	
STARS 3 REIMBURSEMENT									
STARS 3 Reimbursement	\$159	\$138	\$154	\$143	\$146	\$122	\$96	\$127	\$109
Difference (75th - reimbursement)		\$23	\$18	\$25				\$28	

For school-aged children, the 75<sup>th</sup> percentile rate for Star Level 1 Family Child Care Homes is higher than the reimbursement rate for seven of the nine regions. Regions 7 and 8 have child care rates lower than the reimbursement rate. Region 1 (Huntsville) and Region 5 (Opelika) have the highest rates, and Region 7 (Fort Payne) has the lowest rate. For Star Level 2-5 Family Child Care Homes, only three of the nine regions have child care rate data for the analysis.

**Table 60: Star Level 1 Family Child Care Home Rates by Region for School-Age Children**

FAMILY HOMES: SCHOOL-AGED									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$149	\$131	\$139	\$140	\$143	\$101	\$64	\$98	\$110
25th Percentile	\$123	\$125	\$125	\$128	\$120	\$101	\$54	\$78	\$100
50th Percentile	\$145	\$145	\$148	\$135	\$150	\$101	\$73	\$80	\$110
75th Percentile	\$171	\$150	\$155	\$150	\$170	\$102	\$83	\$110	\$120
90th Percentile	\$190	\$168	\$164	\$165	\$182	\$102	\$87	\$128	\$126



STARS 1 REIMBURSEMENT									
Reimbursement	\$153	\$128	\$136	\$131	\$133	\$102	\$92	\$131	\$90
Difference (75th - reimbursement)	\$18	\$22	\$19	\$19	\$37	\$0	(\$9)	(\$21)	\$30

**Table 61: Star Level 2-5 Family Child Care Home Rates by Region for School-Age Children**

FAMILY HOMES: SCHOOL-AGED									
Region (# providers)	1-Huntsville	2-Mobile (3)	3-Birmingham (1)	4-Montgomery (2)	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega (1)	9-Dothan
Mean		\$122	\$130	\$78					
25th Percentile		\$103	\$130	\$76					
50th Percentile		\$140	\$130	\$78					
75th Percentile		\$150	\$130	\$79					
90th Percentile		\$156	\$130	\$80					
STARS 2 REIMBURSEMENT									
STARS 2 Reimbursement	\$156	\$130	\$138	\$133	\$135	\$104	\$94	\$133	\$92
Difference (75th - reimbursement)		\$20	(\$8)	(\$54)					
STARS 3 REIMBURSEMENT									
STARS 3 Reimbursement	\$159	\$133	\$141	\$136	\$138	\$106	\$96	\$136	\$93
Difference (75th - reimbursement)		\$17	(\$11)	(\$57)					

### Group Child Care Homes Gap Analysis

Tables 62 through 67 present child care rates for Group Child Care Homes, including the weekly mean rate and various percentiles, regions, and age groups. All Group Child Care Home providers have at least a Star Level 1 rating; therefore, only the Star Level 1 and Star Level 2-5 tables are included in this section. The child care rates for Star Level 2-5 providers are limited due to the low number of responses from some regions, and the lack of responses from other regions. As a result, the child care rates for Star Level 2-5 by region should be used with caution. Table 26 provides statewide child care rates for Star Level 2-5, which can supplement missing or limited data by region.

For children under 2.5 years old, the 75<sup>th</sup> percentile rate for Star Level 1 Family Child Care Homes is higher than the reimbursement rate for seven of the nine regions. Region 1 (Huntsville) has the highest rate, and Region 7 (Fort Payne) has the lowest rate. For Star Level 2-5 Family Child Care Homes, six of the nine regions have child care rate data for the analysis, but other regions have a low number of providers comprising the rates.

**Table 62: Star Level 1 Group Child Care Home Rates by Region for Children Under 2.5 Years**

GROUP HOMES: UNDER 2.5 YEARS									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$199	\$141	\$155	\$111	\$143	\$116	\$101	\$136	\$109
25 <sup>th</sup> Percentile	\$148	\$130	\$150	\$100	\$133	\$95	\$90	\$123	\$100
50 <sup>th</sup> Percentile	\$150	\$140	\$150	\$115	\$140	\$125	\$100	\$135	\$105
75 <sup>th</sup> Percentile	\$250	\$155	\$169	\$120	\$150	\$130	\$110	\$140	\$115
90 <sup>th</sup> Percentile	\$280	\$188	\$180	\$126	\$175	\$136	\$118	\$158	\$127
STARS 1 REIMBURSEMENT									
Reimbursement	\$148	\$137	\$147	\$102	\$151	\$128	\$112	\$117	\$102
Difference (75 <sup>th</sup> - reimbursement)	\$102	\$18	\$22	\$18	(\$1)	\$2	(\$2)	\$23	\$13

**Table 63: Star Level 2-5 Group Child Care Home Rates by Region for Children Under 2.5 Years**

GROUP HOMES: UNDER 2.5 YEARS									
Region (# providers)	1-Huntsville (4)	2-Mobile (3)	3-Birmingham (5)	4-Montgomery	5-Opelika (2)	6-Tuscaloosa (1)	7-Ft. Payne	8-Talladega (3)	9-Dothan
Mean	\$175	\$134	\$181		\$175	\$165		\$140	

25 <sup>th</sup> Percentile	\$173	\$129	\$150		\$175	\$165		\$125	
50 <sup>th</sup> Percentile	\$175	\$132	\$160		\$175	\$165		\$150	
75 <sup>th</sup> Percentile	\$178	\$139	\$175		\$175	\$165		\$160	
90 <sup>th</sup> Percentile	\$179	\$142	\$235		\$175	\$165		\$166	
<b>STARS 2 REIMBURSEMENT</b>									
STARS 2 Reimbursement	\$151	\$139	\$150	\$104	\$154	\$130	\$114	\$120	\$104
Difference (75 <sup>th</sup> - reimbursement)	\$27	\$0	\$25		\$21	\$35		\$40	
<b>STARS 3 REIMBURSEMENT</b>									
STARS 3 Reimbursement	\$154	\$142	\$153	\$106	\$157	\$133	\$117	\$122	\$106
Difference (75 <sup>th</sup> - reimbursement)	\$24	(\$3)	\$22		\$18	\$32		\$38	

For children 2.5 - 5 years old, the 75<sup>th</sup> percentile rate for Star Level 1 Family Child Care Homes is higher than the reimbursement rate for all regions. Region 1 (Huntsville) has the highest rate, and Region 7 (Fort Payne) has the lowest rate. For Star Level 2-5 Family Child Care Homes, six of the nine regions have child care rate data for the analysis, and others have a low number of providers comprising the rate data.

**Table 64: Star Level 1 Group Child Care Home Rates by Region for Children 2.5 - 5 Years**

<b>GROUP HOMES: 2.5-5 YEARS</b>									
<b>Region</b>	<b>1-Huntsville</b>	<b>2-Mobile</b>	<b>3-Birmingham</b>	<b>4-Montgomery</b>	<b>5-Opelika</b>	<b>6-Tuscaloosa</b>	<b>7-Ft. Payne</b>	<b>8-Talladega</b>	<b>9-Dothan</b>
Mean	\$184	\$135	\$150	\$108	\$141	\$119	\$100	\$134	\$108
25 <sup>th</sup> Percentile	\$148	\$119	\$150	\$100	\$133	\$101	\$85	\$123	\$95
50 <sup>th</sup> Percentile	\$148	\$139	\$150	\$105	\$140	\$125	\$102	\$135	\$100
75 <sup>th</sup> Percentile	\$215	\$150	\$160	\$118	\$150	\$130	\$110	\$140	\$115
90 <sup>th</sup> Percentile	\$251	\$177	\$174	\$125	\$170	\$143	\$116	\$158	\$127
<b>STARS 1 REIMBURSEMENT</b>									
Reimbursement	\$148	\$132	\$144	\$102	\$148	\$128	\$102	\$121	\$112
Difference (75 <sup>th</sup> - reimbursement)	\$67	\$18	\$16	\$16	\$2	\$2	\$8	\$19	\$3

**Table 65: Star Level 2-5 Group Child Care Home Rates by Region for Children 2.5 - 5 Years**

GROUP HOMES: 2.5-5 YEARS									
Region (# providers)	1-Huntsville (4)	2-Mobile (3)	3-Birmingham (6)	4-Montgomery	5-Opelika (2)	6-Tuscaloosa (1)	7-Ft. Payne	8-Talladega (3)	9-Dothan
Mean	\$150	\$134	\$153		\$175	\$165		\$137	
25th Percentile	\$140	\$129	\$143		\$175	\$165		\$120	
50th Percentile	\$150	\$132	\$155		\$175	\$165		\$140	
75th Percentile	\$160	\$139	\$171		\$175	\$165		\$155	
90th Percentile	\$166	\$142	\$185		\$175	\$165		\$164	
STARS 2 REIMBURSEMENT									
STARS 2 Reimbursement	\$151	\$134	\$147	\$104	\$151	\$130	\$104	\$124	\$114
Difference (75th - reimbursement)	\$9	\$5	\$24		\$24	\$35		\$31	
STARS 3 REIMBURSEMENT									
STARS 3 Reimbursement	\$154	\$137	\$150	\$106	\$154	\$133	\$106	\$126	\$117
Difference (75th - reimbursement)	\$6	\$2	\$21		\$21	\$32		\$29	

For school-aged children, the 75<sup>th</sup> percentile rate for Star Level 1 Family Child Care Homes is higher than the reimbursement rate for all regions. Region 1 (Huntsville) and Region 5 (Opelika) have the highest rates, and Region 4, 7, and 8 have the lowest rates. For Star Level 2-5 Family Child Care Homes, six of the nine regions have child care rate data for the analysis.

**Table 66: Star Level 1 Group Child Care Home Rates by Region for School-Age Children**

GROUP HOMES: SCHOOL-AGED									
Region	1-Huntsville	2-Mobile	3-Birmingham	4-Montgomery	5-Opelika	6-Tuscaloosa	7-Ft. Payne	8-Talladega	9-Dothan
Mean	\$138	\$125	\$135	\$107	\$133	\$117	\$102	\$93	\$103
25th Percentile	\$119	\$108	\$131	\$95	\$110	\$101	\$90	\$70	\$99
50th Percentile	\$142	\$139	\$148	\$100	\$135	\$123	\$100	\$100	\$103
75th Percentile	\$161	\$147	\$150	\$115	\$160	\$129	\$113	\$120	\$106
90th Percentile	\$184	\$158	\$150	\$124	\$171	\$135	\$120	\$132	\$109

STARS 1 REIMBURSEMENT									
Reimbursement	\$140	\$128	\$134	\$100	\$141	\$128	\$92	\$117	\$102
Difference (75th - reimbursement)	\$21	\$19	\$16	\$15	\$19	\$1	\$21	\$3	\$4

**Table 67: Star Level 2-5 Group Child Care Home Rates by Region for School-Age Children**

GROUP HOMES: SCHOOL-AGED									
Region (# providers)	1-Huntsville (2)	2-Mobile (2)	3-Birmingham (5)	4-Montgomery	5-Opelika (2)	6-Tuscaloosa (1)	7-Ft. Payne	8-Talladega (2)	9-Dothan
Mean	\$125	\$135	\$154		\$170	\$165		\$155	
25th Percentile	\$125	\$130	\$160		\$168	\$165		\$148	
50th Percentile	\$125	\$135	\$160		\$170	\$165		\$155	
75th Percentile	\$125	\$140	\$175		\$173	\$165		\$163	
90th Percentile	\$125	\$143	\$175		\$174	\$165		\$167	
STARS 2 REIMBURSEMENT									
STARS 2 Reimbursement	\$143	\$130	\$136	\$102	\$144	\$130	\$94	\$120	\$104
Difference (75th - reimbursement)	(\$18)	\$10	\$39		\$29	\$35		\$43	
STARS 3 REIMBURSEMENT									
STARS 3 Reimbursement	\$145	\$133	\$139	\$104	\$146	\$133	\$96	\$122	\$106
Difference (75th - reimbursement)	(\$20)	\$7	\$36		\$27	\$32		\$41	

The next section, Section 6: Focus Group Feedback, presents the themes identified from the focus groups with day care centers and family/group home providers.

## **SECTION 6: FOCUS GROUP FEEDBACK**

The insights garnered from focus group sessions provide a basis for understanding the multifaceted landscape of the child care industry. This section delves into the narratives and perspectives shared by participants across four one-hour focus group discussions. Split between family/group child care and center-based settings, these sessions offered a platform for child care providers to articulate their motivations, reflect on industry changes, discuss program evaluations such as the Quality STARS initiative, identify operational challenges, and voice their needs for support and resources.

These candid exchanges provide firsthand insights into the intricacies of operating child care facilities in Alabama. By exploring the experiences and challenges encountered by providers, the focus groups endeavored to uncover actionable strategies and recommendations to enhance the quality and accessibility of child care services in the state. The following narrative encapsulates the rich dialogue and invaluable contributions from the focus group participants, shedding light on the realities and aspirations of those at the forefront of the child care sector.

### **Themes**

#### **Motivation for Being in the Child Care Industry**

Understanding the motivations driving child care providers is vital for comprehending their dedication to nurturing children and supporting families. This theme delves into the intrinsic and personal factors that inspire individuals to pursue careers in child care, shedding light on their passion, commitment, and desire to make a positive impact on young lives.

Across both center and family/group home providers, a common thread emerged regarding their motivations for entering the child care industry. Many expressed a deep-seated desire to positively impact the lives of children and provide essential support for parents. For several providers, their journey into child care stemmed from personal experiences navigating the challenges of finding reliable child care for their own families. Moreover, a significant proportion of participants possessed backgrounds in teaching, fueling their aspiration to actively engage in child care.

#### **STARS Quality Initiative**

Providers' decisions to participate in quality initiatives like the STARS program are influenced by a myriad of factors, including perceptions of program benefits, concerns about competitiveness, and financial considerations. This theme explores the motivations and considerations guiding providers' decisions to opt-in to quality improvement programs, offering insights into their aspirations for enhancing the quality of child care services.

#### **Decision to Opt-in:**

Participants in the STARS Quality initiative, whether from family/group home or center settings, shared a collective sentiment associating the program with quality and professional excellence. The allure of achieving high star ratings was perceived as a badge of honor, signifying a commitment to excellence in child care services. However, nuances in perspectives emerged between the two groups. While family/group home providers saw participation in the program as a means to enhance reputation and affirm quality, center providers were more driven by competitive considerations. Concerns prevailed among center providers regarding public perception and the potential impact of low star ratings on their reputation.

The financial incentives offered by the initiative garnered praise from both groups. However, some providers

expressed reservations, citing the substantial investments required to meet the program's standards, which offset some of the financial benefits.

Most providers in the focus groups were part of the STARS initiative: however, some well-established centers questioned the necessity of participation, relying instead on their longstanding reputation and word-of-mouth referrals. Others were faced with indecision and a lack of information as roadblocks to becoming part of the initiative.

### **Implementation Support**

Navigating the intricacies of quality initiatives requires comprehensive support and guidance for providers. This theme examines the challenges and opportunities associated with program implementation, highlighting the need for streamlined processes, accessible resources, and effective support mechanisms to facilitate providers' success in meeting program requirements.

Participants highlighted disparities in the implementation process, particularly in documentation requirements, assessment procedures, and administrative aspects. While some providers found the process relatively straightforward, others encountered challenges navigating the program's intricacies. Issues with communication with assessors and the absence of formal training for required assessments were commonly cited, underscoring the need for streamlined implementation support mechanisms.

### **Child Care Industry Challenges**

Providers confront various challenges in delivering high-quality child care, ranging from staffing shortages and training constraints to financial pressures and competitive dynamics. This theme explores the multifaceted challenges faced by child care providers, underscoring the need for targeted interventions and collaborative efforts to address systemic issues and foster a more supportive environment for providers.

#### **Staffing:**

While both home and center providers faced staffing challenges, discussions among center providers revealed more widespread and persistent issues. Difficulties in offering competitive wages and the extensive training required for staff recruitment contributed to staffing shortages. The allure of higher-paying positions in sectors like retail and food service posed a significant challenge, exacerbating recruitment woes. The aftermath of COVID-19 further compounded staffing challenges, with an increasing preference for part-time work and directors resorting to unconventional scheduling practices to manage staffing shortages.

#### **Staff Training:**

Providers voiced concerns regarding the logistical challenges of staff training, particularly in accommodating training hours within already demanding work schedules. Suggestions for alternative training methods, such as recorded sessions, were proposed to address these challenges.

#### **Perceived Inequality with Subsidy Payments:**

Providers expressed a collective desire for equitable compensation, irrespective of their service area, emphasizing the importance of fair remuneration for their role in supporting families and nurturing future generations. This sentiment underscored a broader aspiration among providers to earn a sustainable livelihood while upholding high standards of child care.

### Rising Cost of Liability Insurance:

Participants noted the escalating cost of liability insurance as a significant challenge facing child care providers. The increasing premiums for insurance coverage have added to the financial strain on providers, further impacting their ability to sustain operations and invest in quality improvements.

### Competition with Faith-Based Organizations:

Providers highlighted the competitive landscape posed by centers aligned with faith-based organizations. Many of these centers can offer child care services at a lower rate due to their exemption from certain overhead expenses. Providers expressed concerns about the economic disparity created by this competitive advantage, which can undermine the financial viability of non-faith-based child care facilities.

## **Recommendations**

Based on the themes identified in the focus group discussions, here are recommendations that the Department can consider implementing to address the concerns raised by child care providers:

### **Streamlined Implementation Support for Quality Initiatives**

- Develop standardized guidelines and resources to facilitate the implementation process of quality initiatives such as the STARS program.
- Offer training sessions and workshops to providers on program requirements, documentation procedures, and assessment protocols.
- Assign dedicated support staff or mentors to assist providers throughout the implementation journey, offering guidance and troubleshooting assistance as needed.

### **Enhanced Communication and Training for Quality Assessments**

- Establish clear channels of communication between providers and assessors, ensuring timely and effective exchange of information and feedback.
- Ensure assessors provide consistent guidance and resources to minimize confusion with differing information among assessors.
- Offer comprehensive training programs for providers on quality assessment criteria and evaluation processes, including opportunities for hands-on practice and skill-building.

### **Financial Support Initiatives**

- Explore sustaining/adding financial incentives and grants to help offset the costs associated with meeting quality standards, such as providing subsidies for training programs or equipment upgrades.
- Introduce performance-based incentives that reward providers for achieving and maintaining high-quality standards beyond just star ratings.

### **Addressing Staffing Challenges**

- Implement initiatives to increase the attractiveness of careers in child care, such as offering professional development opportunities and tuition subsidies.
- Collaborate with educational institutions to develop streamlined pathways for individuals interested in pursuing careers in child care, including apprenticeship programs or scholarship opportunities.

### **Flexible Training Options**

- Offer a variety of training formats to accommodate the diverse needs and schedules of child care providers, including online courses, recorded sessions, and evening or weekend workshops.
- Provide resources and support for providers to access ongoing training and professional development



opportunities, ensuring that they have the skills and knowledge needed to deliver high-quality care.

### **Support for Business Operations**

- Offer technical assistance and resources to help providers navigate business operations, including assistance with tax planning, financial management, and marketing strategies.
- Facilitate peer networking and support groups to enable providers to share best practices, troubleshoot common challenges, and access mentorship opportunities.

## **SECTION 7: CONCLUSION**

The State of Alabama is dedicated to providing quality child care to low-income families through its subsidy program for child care as well as utilizing its Alabama Quality STARS, Alabama’s Quality Ratings Improvement System (QRIS) for providers to access resources and support that will increase high quality child care based on established standards. This market rate study and narrow cost analysis provide evidence of the increasing cost of child care throughout the state.

Although the subsidy program structure has made it possible for families to receive care based on the 75<sup>th</sup> percentile weekly full-time child care rates, the study revealed most regions have weekly child care rates significantly higher than the agency reimbursement rates. For almost every region, provider type, and age group, the subsidy rates are below the 75th percentile. The impact of this difference results in families being responsible for a weekly out-of-pocket amount, which may be difficult for them to afford.

Participating Day Care Centers in the Alabama Quality STARS program had significantly higher weekly child care rates at the 75th percentile than those not participating. In addition, the weekly average day care cost was higher than the reimbursement rate for Alabama Quality STARS 1 and STARS 2. Therefore, the gap between provider cost and agency reimbursement, particularly for higher quality child care at each level of the Alabama STARS QRIS program, should be examined.

## SECTION 8: APPENDICES

### APPENDIX A: DEFINITION OF TERMS

The definitions of associated terms are provided to clarify the meaning of terminology associated with this document and presented herein. The terms are listed in alphabetical order.

**Alabama Quality STARS, Alabama’s Quality Rating Improvement System (QRIS) programs** – is part of a national systematic approach to assess, improve, and communicate the level of quality in early care and education programs.

**Child Care Center** – a child care facility licensed by the Department or otherwise legally authorized, which receives more than 12 children during the day or night, as applicable.

**Cost** – the value of all resources required to deliver child care services, including salaries, rent, utilities, equipment, insurance, supplies, and other personnel and non-personnel expenses.

**Current Market Rates** - the maximum subsidy payment rates that were effective November 1, 2019.

**Family Child Care (FDC)** – an individual 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 (6) children during the day or night, as applicable.

**Full-time Rates** – reflect the maximum full-time rates for child care services averaging more than 25 hours per week.

**Group Family Child Care (GFDC)** – an individual licensed by the Department to provide care in a private residence other than the eligible child’s residence for at least seven (7), but not more than twelve (12), children during the day or night, as applicable.

**Infant/Toddler** – In the Market Rate Survey, “infant/toddler children” are those from zero to 36 months.

**Preschool Children** – In the Market Rate Survey, “preschool children” are those 37 months to five years.

**Price** – the amount of child care providers in the priced market typically charge parents for the child care of children who do not receive federal or state government child care subsidies.

**School-Age Children** - In the Market Rate Survey, “school-age children” are children five through twelve years old (or through age 18 if the child has a physical or mental disability documented by a licensed physician, psychologist, or psychiatrist).

**Seventy-fifth (75<sup>th</sup>) Percentile** – refers to the subsidy payment level that allows a parent to expend 75

percent of privately purchased child care in a certain area. The private pay rates for all children served within a category of care are determined by examining child care from lowest to highest to determine the 75th percentile. Rates are counted three-quarters of the way up from the bottom (lowest rate) to determine the rate that represents the 75th percentile.

## APPENDIX B: MARKET RATE SURVEY



Kay Ivey  
Governor

### State of Alabama Department of Human Resources

S. Gordon Persons Building  
50 Ripley Street  
Post Office Box 304000  
Montgomery, Alabama 36130-4000  
(334) 242-1310  
<http://dhr.alabama.gov>



Nancy T. Buckner  
Comptroller

October 1, 2023

Dear Provider,

The time has come again for the state of Alabama to reach out to each child care provider to conduct a market rate survey. The Department of Human Resources conducts a market rate study every three years to determine the rate charged per child for reimbursement for care for those that participate in the Child Care Subsidy Program. The Alabama Department of Human Resources, in partnership with a local University, conducts the survey to assist in this determination. We recognize each provider offers a special type of quality care that is different and therefore rates are adjusted accordingly. Because of this, we contact each provider in all child care settings in making our determination. In order to do this, we need your input, even if you do not participate in the Child Care Subsidy Program.

As stated in a previous correspondence, we invite you to complete the survey included, created in partnership with Alabama State University for the Department of Human Resources. Instructions are included on how to complete the survey online as well as submitting the survey via the United States Postal Service. We encourage each provider to complete the survey online. We are looking forward to your responses and assistance in this endeavor.

Thank you for your continued commitment to serving the families and children of Alabama.

Bernard Houston, Director  
Child Care Services Division

---

### CHILD CARE MARKET RATE SURVEY INSTRUCTIONS

Dear <<FacilityName>>,

The Alabama Department of Human Resources is asking each child care provider in the state of Alabama to provide information about their current rates. DHR will use this information to determine future rates for the Child Care Subsidy Program.

There are two ways for you to complete the Child Care Market Rate Survey for the Alabama Department of Human Resources.

- 1.** Online – the quickest way to complete the survey is to enter your information into the online survey by using the link or QR Code below. If DHR has your email address, then you should have received an email with this link as well. Please use the following Survey Code when completing the online survey:  
**<<Survey Code>>**
- 2.** Paper – if it is difficult for you to complete the survey online, you can fill out the survey below and mail it back to Alabama State University using the enclosed addressed postage paid envelope.

<https://tinyurl.com/AlabamaMRS2023> OR



**PAPER SURVEYS SHOULD BE MAILED TO:**  
Alabama State University  
Attn: Bryn Bakoyema  
Division of Institutional Effectiveness, Strategic Initiative, & Transformation  
P.O. Box 271  
Montgomery, AL 36101-0271

Each provider should only complete the survey one time. If you have any questions about the Market Rate Survey, please contact Alabama State University by emailing [pie@alasu.edu](mailto:pie@alasu.edu) or calling 334-229-6859. Thank you for your participation!

Alabama State University Research Team

# MARKET RATE SURVEY

Survey Code: <<Survey Code>>

## 1. Please complete the following information about your facility.

Facility Name		
Street Address		
City	Zip	County
Phone	Email	

2. How many children in the following age groups do you currently have enrolled at your facility?

Less than 1\_\_\_\_ 1 yr\_\_\_\_ 2 yrs\_\_\_\_ 3 yrs\_\_\_\_ 4 yrs\_\_\_\_ school aged\_\_\_\_

3. What type of rate do you publish and charge the general public for child care?  Weekly  Monthly

4. Weekly Rate: If you charge a weekly rate, please enter the full-time weekly rate you publish and charge the general public for child care for the following age groups. If you charge a monthly rate, skip to the next question. *NOTE: Full-time means more than 25 hours per week.*

Less than 1 year old	\$_____/week	4 years old	\$_____/week
1 year old	\$_____/week	School aged children before school care	\$_____/week
2 years old	\$_____/week	School aged children after school care	\$_____/week
3 years old	\$_____/week	School aged children summer/holiday care	\$_____/week

5. Monthly Rate: If you charge a monthly rate, please enter the full-time monthly rate you publish and charge the general public for child care for the following age groups. *NOTE: Full-time means more than 25 hours per week.*

Less than 1 year old	\$_____/month	4 years old	\$_____/month
1 year old	\$_____/month	School aged children before school care	\$_____/month
2 years old	\$_____/month	School aged children after school care	\$_____/month
3 years old	\$_____/month	School aged children summer/holiday care	\$_____/month

6. What registration fee do you charge the general public for a new child?\_\_\_\_\_

7. What rate do you charge for special care children (ex: children with particular needs)?\_\_\_\_\_

8. Please provide any further explanation that you may have about your rates (ex: sibling discount, employee discount, etc.)

9. Approximately what percentage of the children you currently serve have their child care fees fully or partially subsidized through the Child Care Subsidy Program? (circle only one)

0%                      1-25%                      26-50%                      51-75%                      76-100%

10. For children using a subsidy, do you charge any fees to parents beyond co-payments? *If yes, please complete the following information about the fee(s).*

a. Purpose of fee: \_\_\_\_\_  
b. Fee Amount: \$\_\_\_\_\_ c. How often (check one):  Weekly  Monthly  Annually

11. Do you use the subsidy amount to set your rates for the general public? Yes\_\_\_\_ No\_\_\_\_

12. If you do NOT currently participate in the Child Care Subsidy Program, why do you not participate? (Select all that apply):

- Due to the DHR payment system (reimbursement)                       Administrative burden (too much paperwork)  
 Don't understand how the subsidy works                                       Not many families qualify  
 Reimbursement rate is too low    Other: \_\_\_\_\_

13. If you do NOT currently participate in the Child Care Subsidy Program, are you interested in receiving information about joining the subsidy program? Yes\_\_\_\_ No\_\_\_\_

14. Please share any questions or concerns you have about the Child Care community.

## APPENDIX C: COST ANALYSIS SURVEY

Q1

### Child Care Cost Analysis Survey

In order to receive child care subsidies, all states are required to complete an analysis of the costs of providing child care. The first step was asking child care providers for the tuition and fees they charge. Thank you for providing that information by completing the Market Rate Survey in the fall.

The second step is more detailed and requires understanding the costs of operating a child care facility. Your facility has been randomly selected for this second step -- which requires completing the survey below. We know this survey will take more time, so to thank you for your time, we will send you a \$100 Visa gift card once you complete the survey.

Please complete the survey by Friday, February 9th.

If you have any questions about this survey, please email [ois@alasu.edu](mailto:ois@alasu.edu) or call 334-604-8005.

Thank you for your assistance.

Alabama State University Research Team

Note: the information collected in this survey will only be used for the child care cost analysis, which aggregates all of the information received. Only the research team will see your cost information - it will

---

not be shared with DHR nor any other entity.

Q2

### General Information

Q3 Name of child care facility and mailing address (for mailing Visa gift card)

Q4 Name, title, email address, and phone number for person completing this survey.

Q5 When do you operate:

- School year (1)
- Summer (4)
- Both school year and summer (5)

Q6 What time do you open and close?

- Time open in the morning (1) \_\_\_\_\_
- Time close in the evening (2) \_\_\_\_\_

Q7 Which status applies:

- for profit (1)
- non-profit (2)

Q8 How are your rooms set-up?

- Rooms separated by age groups (includes most child care centers) (1)
- Multiple age groups in the same room (including most family child care providers) (2)

Q9

Staffing & Personnel Costs

Display This Question:

*If How are your rooms set-up? = Rooms separated by age groups (includes most child care centers)*

Q10 Please provide the following information for each age group:

	Infant (0-18 yrs) (1)	Toddler 1 (18mo - 2.5 yrs) (3)	Toddler 2 (2.5 - 4 yrs) (4)	4-5 yrs (Preschool) (5)	5+ yrs (School Age) (6)
Maximum children you can serve (1)					
Average number children enrolled (2)					
Average number teachers (3)					
Number of additional staff for this age group, if applicable (4)					
About how many hours/week do additional staff work with this age group (5)					

Display This Question:

*If How are your rooms set-up? = Rooms separated by age groups (includes most child care centers)*

Q11 This question asks about number of employees and salaries. The questions will help us better understand the true cost of providing care. Please complete the information for the positions you have. All information will remain confidential and will only be used for cost modeling purposes.

	Number of people in this position (1)	Lowest annual salary/wage (2)	Highest annual salary/wage (3)
Director (Full-time only) (1)			
Assistant Director (Full-time only) (2)			
Administrative Assistant (Full-time only) (3)			
Classroom Teachers (Full-time only) (4)			
Teacher Assistants (Full-time only) (5)			
Consultants/Trainers (6)			
Other Full-time Staff (7)			
All Part-time Staff (8)			



Display This Question:

If How are your rooms set-up? = Multiple age groups in the same room (including most family child care providers)

Q12 What is the maximum number of children you are allowed to care for?

Display This Question:

If How are your rooms set-up? = Multiple age groups in the same room (including most family child care providers)

Q13 On average, how many children do you have in each age group?

- Infant (0-18mo), (1) \_\_\_\_\_
- Toddler 1 (18mo - 2.5 yrs), (2) \_\_\_\_\_
- Toddler 2 (2.5 - 4 yrs), (3) \_\_\_\_\_
- Preschool (4 - 5 yrs), (4) \_\_\_\_\_
- School ages (5+ yrs), (5) \_\_\_\_\_

Display This Question:

If How are your rooms set-up? = Multiple age groups in the same room (including most family child care providers)

Q14 On average, how many teachers/staff do you have (do not include yourself as the owner)?

- Full-time staff, (1) \_\_\_\_\_
- Part-time staff, (2) \_\_\_\_\_
- Average number hours per week for part-time staff, (4) \_\_\_\_\_

Display This Question:

If How are your rooms set-up? = Multiple age groups in the same room (including most family child care providers)

Q15 This question asks about staffing and salaries. The questions will help us better understand the true cost of providing care. All information will remain confidential and will only be used for cost modeling purposes.

	Lowest annual salary/wage (2)	Highest annual salary/wage (3)
Owner's salary (4)		
Full-time staff positions (1)		
Part-time staff positions (2)		

Q16

Benefits

Q17 Do you offer paid leave or benefits to your employees?

- Yes, (1)
- No, (2)



Display This Question:

If Do you offer paid leave or benefits to your employees? = Yes

Q18 Indicate the days of leave you offer to full-time employees, if any?

- Paid holidays (1) \_\_\_\_\_
- Paid vacation leave (3) \_\_\_\_\_
- Paid sick/personal leave (4) \_\_\_\_\_
- Paid professional development days (5) \_\_\_\_\_
- Other paid leave (6) \_\_\_\_\_

Display This Question:

If Do you offer paid leave or benefits to your employees? = Yes

Q19 Which of the following benefits do you offer to full-time employees? (Select all that apply)

- Health insurance (1)
- Dental insurance (2)
- Vision insurance (3)
- Retirement plan (4)
- Other benefits (5)

Display This Question:

If Which of the following benefits do you offer to full-time employees? (Select all that apply) = Health insurance

Q20 Provide cost information for health insurance benefits.

- Total monthly premium for individual plan one employee (1) \_\_\_\_\_
- Amount of monthly premium paid by employer (2) \_\_\_\_\_
- Total monthly premium for family plan for one employee (3) \_\_\_\_\_
- Amount of monthly premium for family plan paid by employer (4) \_\_\_\_\_

Display This Question:

If Which of the following benefits do you offer to full-time employees? (Select all that apply) = Retirement plan

Q21 Do you (the employer) contribute towards the employee retirement plan? Provide information for scenario 1, 2, or 3 below.

- 1. Fixed monthly amount employer contributes for each employee (2) \_\_\_\_\_
- 2. Maximum monthly amount employer will match for each employee (3) \_\_\_\_\_
- 3. Employer does not contribute to retirement plan (type NA) (4)

Display This Question:

If Do you offer paid leave or benefits to your employees? = Yes

Q22 Provide any notes/explanations about paid leave and benefits. Include any cost information that has not already been provided above.

Q23 How much do you budget annually for training/ professional development for your employees? Fill out one of the scenarios below.

- Annual budget for all staff combined (1) \_\_\_\_\_
- Annual budget for each staff member (2) \_\_\_\_\_
- Do not pay for this (type NA) (4) \_\_\_\_\_

Q24 Do you pay for substitutes when employees are attending training/ professional development?

- Yes (1)
- No (2)

Q25

Non-Personnel Costs

Q26 Provide the estimated costs for non-personnel items needed to operate your child care program. You can provide either monthly or annual costs, whichever is easier for you.

	Estimated monthly cost (1)	Estimated annual cost (2)	Notes (3)
Rent/ Lease/ Mortgage (14)			
Utilities (15)			
Building insurance (16)			
Repairs & maintenance (17)			
Food & food preparation (1)			
Kitchen supplies (2)			
Educational programs/ activities (23)			
Educational supplies (3)			
Educational equipment (4)			
Vehicles + gas (27)			
Office supplies (6)			
Office equipment (7)			
Health & safety supplies (24)			
Insurance (liability, accident, etc.) (8)			
Postage (9)			

Advertising (10)			
Miscellaneous administrative costs (11)			
Credit card processing fees (12)			
Payroll processing fees (13)			
Professional development fees (18)			
Telephone (19)			
License, permit, & fees (20)			
Government taxes (25)			
Debt service (26)			
Audit (21)			
Miscellaneous costs (22)			

Q27 Use the space below to provide any additional notes about non-personnel costs.

Q28

Other Questions

Q29 Aside from tuition/fees and state vouchers, do you have any other sources of revenue? If yes, enter the estimated annual amount you receive from each, if applicable.

- Fundraising (1) \_\_\_\_\_
- Donations (2) \_\_\_\_\_
- Grants (3) \_\_\_\_\_
- External scholarships (4) \_\_\_\_\_
- Other (please specify) (5) \_\_\_\_\_

Q30 What percent of children have an unpaid balance that you cannot collect in a typical year?

\_\_\_\_\_

Q31 Please provide any comments you have about the cost of operating a child care facility in the space below.

## **APPENDIX D: FOCUS GROUP QUESTIONS**

1. How long have you been providing child care at your facility?
2. What motivates you to operate a child care facility?
3. What have been the biggest changes with child care between when you started and now?
4. Are you star rated with the AL DHR?
  - a. If yes,
    - i. why did you decide to pursue a star rating?
    - ii. what was the biggest challenge to earning the star rating?
    - iii. was there anything that helped you in earning this rating (resources, people, business practices)?
  - b. If no,
    - iii. why did you decide not to pursue a star rating?
    - iv. what do you see as the biggest barriers to a star rating?
5. During the past year, what has been your biggest challenge in operating a child care facility?
6. How are you working through this challenge?
7. What support or resources do you feel are lacking for child care providers in Alabama?

**APPENDIX E: AVERAGE WEEKLY CHILD CARE RATES BY COUNTY, PROVIDER TYPE, AND AGE**

**Table E-1. Region 1 (Huntsville) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
<b>REGION 1</b>	<b>COLBERT</b>	Center	10	\$135	\$138	\$137	\$133	\$122
		Family	1		\$110	\$110	\$110	
		Group	2	\$144	\$144	\$144	\$105	\$105
	<b>CULLMAN</b>	Center	13	\$123	\$121	\$119	\$115	\$113
		Group	1	\$185	\$185	\$185	\$185	\$185
	<b>FRANKLIN</b>	Center	6	\$138	\$138	\$137	\$137	\$117
		Group	2	\$143	\$143	\$143	\$143	
	<b>LAUDERDALE</b>	Center	14	\$161	\$159	\$152	\$153	\$145
		Family	1	\$140			\$140	
		Group	4	\$130	\$130	\$130	\$130	\$128
	<b>LAWRENCE</b>	Center	1	\$120	\$120	\$120	\$115	\$115
		Group	1	\$120	\$120	\$120	\$115	\$115
	<b>LIMESTONE</b>	Center	6	\$175	\$164	\$164	\$171	\$150
		Family	5	\$178	\$178	\$178	\$176	\$138
		Group	1	\$185	\$185	\$185	\$185	
	<b>MADISON</b>	Center	76	\$215	\$216	\$209	\$198	\$164
		Family	13	\$187	\$185	\$183	\$180	\$185
		Group	20	\$194	\$196	\$189	\$183	\$162
	<b>MORGAN</b>	Center	20	\$156	\$156	\$153	\$141	\$115
		Family	3	\$173	\$165	\$157	\$157	\$120
		Group	2	\$163	\$163	\$163	\$155	\$155
<b>WINSTON</b>	Center	3	\$127	\$127	\$125	\$125	\$125	
	Family	2	\$118	\$118	\$118	\$118		
	Group	1			\$69	\$69		

**Table E-2. Region 2 (Mobile) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
<b>REGION 2</b>	<b>BALDWIN</b>	Center	59	\$184	\$176	\$167	\$162	\$129
		Family	9	\$142	\$144	\$144	\$143	\$137
		Group	6	\$166	\$155	\$153	\$151	\$140
	<b>CLARKE</b>	Center	7	\$130	\$139	\$139	\$131	\$125
		Family	1	\$65	\$65		\$65	\$65
		Group	2	\$90	\$90	\$90	\$95	
	<b>CONECUH</b>	Center	2	\$110	\$110	\$110	\$101	\$125
		Family	1	\$90	\$90	\$90	\$90	
		Group	2	\$65	\$132	\$99	\$99	
	<b>ESCAMBIA</b>	Center	10	\$123	\$120	\$120	\$114	\$106
		Group	2	\$137	\$119	\$119	\$116	\$68
	<b>MOBILE</b>	Center	86	\$155	\$155	\$151	\$144	\$131
		Family	22	\$155	\$157	\$153	\$151	\$133
		Group	9	\$147	\$145	\$145	\$145	\$143
	<b>MONROE</b>	Center	5	\$130	\$126	\$123	\$117	\$100
<b>WASHINGTON</b>	Center	9	\$142	\$144	\$144	\$143	\$137	

**Table E-3. Region 3 (Birmingham) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
<b>REGION 3</b>	<b>BLOUNT</b>	Center	8	\$133	\$133	\$131	\$128	\$124
	<b>JEFFERSON</b>	Center	147	\$201	\$199	\$193	\$182	\$143
		Family	19	\$164	\$162	\$159	\$152	\$135
		Group	17	\$170	\$162	\$159	\$151	\$142
	<b>SHELBY</b>	Center	30	\$228	\$222	\$216	\$206	\$153
		Family	5	\$166	\$166	\$166	\$166	\$160
		Group	9	\$161	\$161	\$161	\$161	\$153
	<b>ST. CLAIR</b>	Center	6	\$146	\$144	\$144	\$139	\$134
		Family	2	\$140	\$140	\$140	\$140	\$130
	<b>WALKER</b>	Center	7	\$121	\$125	\$126	\$126	\$110
Group		2	\$100	\$100	\$100	\$100	\$100	

**Table E-4. Region 4 (Montgomery) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
REGION 4	AUTAUGA	10	169	165	157	146	127	10
		4	\$158	\$153	\$160	\$152		4
	BULLOCK	2	\$132	\$129	\$129	\$122	\$128	2
	BUTLER	3	\$146	\$146	\$142	\$136	\$105	3
		2	\$150	\$150	\$150	\$150	\$150	2
		1				\$110		1
	CHILTON	4	\$148	\$148	\$148	\$140	\$110	4
	COVINGTON	10	\$125	\$123	\$121	\$120	\$104	10
		4	\$113	\$110	\$110	\$110	\$107	4
	DALLAS	7	\$112	\$111	\$109	\$108	\$120	7
	ELMORE	16	\$161	\$158	\$150	\$142	\$121	16
		5	\$142	\$142	\$136	\$136	\$111	5
		1	\$115	\$115	\$100	\$100		1
	LOWNDES	1	\$153	\$153	\$153	\$138	\$128	1
	MONTGOMERY	74	\$169	\$169	\$163	\$153	\$135	74
		20	\$151	\$153	\$149	\$147	\$134	20
WILCOX	3	\$107	\$107	\$102	\$102		3	



**Table E-5. Region 5 (Opelika) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
<b>REGION 5</b>	<b>CHAMBERS</b>	Center	8	\$138	\$144	\$144	\$143	\$146
		Family	1	\$90	\$90	\$90	\$90	
		Group	3	\$137	\$137	\$137	\$137	\$112
	<b>LEE</b>	Center	30	\$178	\$174	\$172	\$169	\$154
		Family	7	\$173	\$172	\$170	\$169	\$190
		Group	6	\$166	\$160	\$160	\$158	\$168
	<b>MACON</b>	Center	2	\$150	\$150	\$150	\$143	\$107
		Family	1	\$150	\$150	\$150	\$150	\$150
	<b>RUSSELL</b>	Center	15	\$144	\$143	\$141	\$137	\$127
		Family	1			\$140		
	<b>TALLAPOOSA</b>	Center	6	\$148	\$159	\$158	\$151	\$113
		Family	1	\$90	\$90	\$90	\$90	\$90
Group		5	\$143	\$143	\$143	\$135	\$133	

**Table E-6. Region 6 (Tuscaloosa) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
<b>REGION 6</b>	<b>BIBB</b>	Center	3	\$118	\$118	\$118	\$118	
	<b>CHOCTAW</b>	Center	2	\$95	\$95	\$95	\$93	
		Family	1	\$100	\$100	\$100	\$100	
	<b>FAYETTE</b>	Center	3	\$137	\$132	\$132	\$128	\$100
		Family	1	\$120	\$120	\$120	\$120	
	<b>GREENE</b>	Group	1				\$170	
	<b>HALE</b>	Center	1				\$100	
		Group	1	\$165	\$165	\$165	\$165	\$165
	<b>LAMAR</b>	Center	3	\$115	\$108	\$108	\$105	\$103
		Group	1	\$125	\$125	\$125	\$125	\$125
	<b>MARENGO</b>	Center	3	\$138	\$138	\$138	\$138	\$128
		Group	3	\$98	\$107	\$107	\$107	\$130
	<b>MARION</b>	Center	3	\$132	\$125	\$112	\$108	\$90
		Family	1	\$115	\$115	\$115	\$115	
		Group	1	\$120	\$120	\$120	\$120	\$120
	<b>PERRY</b>	Family	1	\$125	\$145	\$145	\$145	\$145
	<b>PICKENS</b>	Center	3	\$138	\$138	\$133	\$115	\$113
		Family	2	\$100	\$100	\$100	\$100	\$100
		Group	1	\$95	\$95	\$95	\$95	\$95
	<b>SUMTER</b>	Group	2	\$110	\$110	\$110	\$110	\$90
<b>TUSCALOOSA</b>	Center	40	\$169	\$167	\$165	\$159	\$161	
	Family	8	\$141	\$140	\$140	\$140	\$101	
	Group	1	\$160	\$140	\$140	\$140	\$140	

**Table E-7. Region 7 (Ft. Payne) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
REGION 7	CHEROKEE	Center	3	\$105	\$110	\$107	\$107	\$103
		Family	2	\$80	\$73	\$73	\$73	\$80
		Group	1	\$90	\$80	\$80	\$80	
	DEKALB	Center	6	\$114	\$114	\$112	\$104	\$108
		Family	2	\$85	\$85	\$85	\$85	
		Group	1	\$80	\$80	\$80	\$80	\$80
	ETOWAH	Center	18	\$144	\$143	\$142	\$138	\$125
		Family	3	\$100	\$100	\$88	\$92	\$20
		Group	2	\$125	\$125	\$125	\$114	\$125
	JACKSON	Center	6	\$127	\$122	\$125	\$121	\$95
		Family	3	\$97	\$95	\$95	\$95	\$65
		Group	1		\$110	\$110	\$110	\$100
	MARSHALL	Center	16	\$126	\$122	\$120	\$117	\$112
		Family	2	\$133	\$133	\$133	\$133	\$90
		Group	2	\$110	\$100	\$100	\$100	

**Table E-8. Region 8 (Talladega) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
<b>REGION 8</b>	<b>CALHOUN</b>	Center	21	\$136	\$137	\$136	\$137	\$124
		Family	4	\$135	\$135	\$135	\$135	\$108
		Group	5	\$141	\$141	\$141	\$141	\$93
	<b>CLAY</b>	Center	2	\$93	\$93	\$93	\$88	\$88
		Group	1		\$110		\$100	
	<b>CLEBURNE</b>	Center	2	\$119	\$117	\$112	\$112	\$115
		Family	1	\$120	\$120	\$120	\$120	
	<b>COOSA</b>	Group	1	\$170	\$170	\$170	\$170	\$170
	<b>RANDOLPH</b>	Center	4	\$121	\$115	\$113	\$110	\$102
		Family	2	\$100	\$90	\$90	\$103	\$80
	<b>TALLADEGA</b>	Center	19	\$128	\$125	\$123	\$122	\$112
		Family	1	\$122	\$122	\$122	\$122	
		Group	2	\$150	\$125	\$120	\$120	\$140

**Table E-9. Region 9 (Dothan) Average Weekly Child Care Rates by County and Age of Children**

Region	County	Provider Type	# Providers w/ Rate Data	Infant (< 1 yr)	Young Toddler (1 yr)	Old Toddler (2 yrs)	Pre-School (3-4 yrs)	School-Age (5+ yrs)
<b>REGION 9</b>	<b>BARBOUR</b>	Center	5	\$112	\$112	\$104	\$96	\$115
		Family	1	\$100	\$100	\$100	\$100	
		Group	3	\$96	\$96	\$96	\$96	
	<b>COFFEE</b>	Center	10	\$144	\$144	\$144	\$140	\$128
		Group	2	\$123	\$123	\$123	\$123	\$110
	<b>CRENSHAW</b>	Center	1	\$100	\$100	\$100	\$100	\$100
		Family	2	\$110	\$110	\$105	\$105	\$130
		Group	1	\$105	\$95	\$95	\$95	\$95
	<b>DALE</b>	Center	4	\$136	\$136	\$131	\$129	\$120
		Family	2	\$138	\$138	\$150	\$120	
	<b>GENEVA</b>	Center	3	\$133	\$133	\$133	\$130	\$130
		Group	1	\$100	\$100	\$100	\$100	
	<b>HENRY</b>	Center	4	\$141	\$141	\$141	\$141	\$136
		Family	1	\$95	\$95	\$95	\$95	
	<b>HOUSTON</b>	Center	39	\$144	\$144	\$143	\$140	\$131
		Family	5	\$138	\$134	\$129	\$131	\$90
	<b>PIKE</b>	Center	4	\$130	\$130	\$130	\$130	\$103
		Family	3	\$105	\$108	\$105	\$108	
Group		2	\$115	\$120	\$120	\$120		

**APPENDIX F: 2021 AND 2024 COMPARISON OF AVERAGE AND 75<sup>th</sup> PERCENTILE CHILD CARE RATES BY AGE, PROVIDER TYPE, AND REGION**

**Table F-1. 2021 and 2024 Comparison of Average and 75<sup>th</sup> Percentile Child Care Rates by Provider Type for Children Under 2.5 Years**

<b>CHILDREN UNDER 2.5 YRS</b>												
<b>Region</b>	<b>DAY CARE CENTERS</b>				<b>FAMILY DAY CARE HOMES</b>				<b>GROUP DAY CARE HOMES</b>			
	2021		2024		2021		2024		2021		2024	
	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile
1	\$141	\$165	\$181	\$210	\$138	\$150	\$172	\$200	\$133	\$145	\$170	\$189
2	\$128	\$145	\$158	\$175	\$123	\$134	\$149	\$166	\$115	\$134	\$140	\$151
3	\$159	\$195	\$195	\$225	\$139	\$150	\$162	\$160	\$128	\$144	\$160	\$172
4	\$135	\$150	\$158	\$175	\$127	\$135	\$150	\$165	\$101	\$100	\$111	\$120
5	\$133	\$147	\$162	\$170	\$125	\$140	\$153	\$160	\$130	\$148	\$150	\$175
6	\$127	\$146	\$155	\$174	\$105	\$118	\$129	\$144	\$101	\$125	\$121	\$130
7	\$105	\$118	\$130	\$145	\$86	\$90	\$95	\$100	\$99	\$110	\$101	\$110
8	\$109	\$120	\$129	\$150	\$107	\$120	\$123	\$129	\$107	\$115	\$137	\$150
9	\$114	\$125	\$138	\$150	\$98	\$103	\$121	\$140	\$97	\$100	\$109	\$115

**Table F-2. 2021 and 2024 Comparison of Average and 75<sup>th</sup> Percentile Child Care Rates by Provider Type for Children 2.5—5 Years**

CHILDREN 2.5 - 5 YRS												
Region	DAY CARE CENTERS				FAMILY DAY CARE HOMES				GROUP DAY CARE HOMES			
	2021		2024		2021		2024		2021		2024	
	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile
1	\$129	\$153	\$169	\$195	\$137	\$150	\$166	\$185	\$127	\$145	\$165	\$185
2	\$119	\$135	\$146	\$160	\$119	\$130	\$144	\$153	\$114	\$129	\$135	\$150
3	\$146	\$180	\$180	\$204	\$128	\$145	\$154	\$150	\$127	\$141	\$151	\$163
4	\$121	\$135	\$144	\$159	\$124	\$135	\$146	\$160	\$100	\$100	\$108	\$118
5	\$125	\$140	\$155	\$160	\$122	\$138	\$151	\$158	\$127	\$145	\$146	\$170
6	\$121	\$136	\$143	\$161	\$104	\$115	\$128	\$144	\$104	\$125	\$123	\$135
7	\$99	\$115	\$123	\$135	\$86	\$90	\$95	\$100	\$97	\$100	\$100	\$110
8	\$105	\$120	\$126	\$146	\$106	\$120	\$123	\$129	\$110	\$119	\$135	\$140
9	\$108	\$120	\$135	\$146	\$97	\$103	\$117	\$140	\$97	\$100	\$108	\$115

**Table F-3. 2021 and 2024 Comparison of Average and 75<sup>th</sup> Percentile Child Care Rates by Provider Type for School Age Children**

<b>SCHOOL-AGED CHILDREN</b>												
<b>Region</b>	<b>DAY CARE CENTERS</b>				<b>FAMILY DAY CARE HOMES</b>				<b>GROUP DAY CARE HOMES</b>			
	2021		2024		2021		2024		2021		2024	
	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile	Mean	75 <sup>th</sup> Percentile
1	\$118	\$135	\$142	\$170	\$133	\$150	\$149	\$171	\$114	\$137	\$145	\$180
2	\$115	\$130	\$128	\$145	\$100	\$125	\$130	\$150	\$116	\$125	\$127	\$146
3	\$128	\$150	\$142	\$160	\$108	\$133	\$138	\$144	\$118	\$131	\$141	\$155
4	\$108	\$125	\$129	\$150	\$111	\$128	\$132	\$150	\$95	\$98	\$107	\$115
5	\$120	\$140	\$140	\$151	\$117	\$130	\$143	\$170	\$120	\$138	\$140	\$168
6	\$118	\$126	\$140	\$179	\$96	\$100	\$109	\$102	\$105	\$125	\$124	\$135
7	\$97	\$110	\$114	\$126	\$96	\$90	\$64	\$83	\$91	\$90	\$102	\$113
8	\$103	\$119	\$115	\$125	\$108	\$128	\$98	\$110	\$108	\$115	\$118	\$140
9	\$101	\$115	\$128	\$144	\$82	\$88	\$110	\$120	\$93	\$100	\$103	\$106