



Child Care Market Rate Study

State of Michigan, Office of Great Start

May 2015

ACKNOWLEDGEMENTS

Public Consulting Group, Inc. (PCG) would like to thank the many providers and individuals that contributed to this year's Market Rate Survey and final report. In particular, we greatly appreciate the time and effort of the providers that completed the survey, Michigan Office of Great Start (OGS) staff, and all of OGS's outreach partners invested in this project. In addition, we'd like to recognize the Leadership Team members for their guidance on this project:

LaTonya Beauregard	Family Home Provider
Lisa Brewer Walraven	Office of Great Start
Sheri Butters	Early Childhood Investment Corporation
Tonya Clevenger	Kent Regional 4C
Trina Coolman	Office of Great Start
Renee DeMars Johnson	Office of Great Start
Mark Dillingham	Office of Great Start
Shulawn Doxie	Office of Great Start
Kaitlin Ferrick	Head Start State Collaboration Office
Kimberly Hoeppner	Group Home Provider
Mina Hong	Michigan's Children
Susie Hyatt	Montessori Provider
Kathy Kundra	Head Start Provider
Bobby Ludwick	School Age Provider
Sandra McCloud	Child Care Center Provider
Corrie Mervyn	Great Start Readiness Program
Fidelia Notman	Office of Great Start
Evelyn Oliver	Office of Great Start
Ella Ryder	Great Start to Quality Resource Center
Pat Sorenson	Michigan League for Public Policy
Anne Suggitt	Tribal Provider

TABLE OF CONTENTS

I. Executive Summary	3
II. Introduction	5
III. Methodology.....	7
IV. Findings & Analysis.....	10
V. Recommendations	35
VI. Appendix	36

I. EXECUTIVE SUMMARY

The Child Care and Development Fund (CCDF) focuses on providing child care subsidies to ensure equal access and parental choice to child care. To ensure state child care payment rates are high enough to enable families receiving child care assistance to participate in the child care market in a competitive position to find and afford care, the law requires that states conduct a child care market rate survey within two years of the effective date of their currently approved CCDF State Plan. In November of 2014, the reauthorization of the Child Care and Development Block Grant (CCDBG) funding reiterated the importance of equal access to high quality child care services by modifying and strengthening some of the requirements surrounding the market rate survey mandate. Key changes include:

- Focus on the importance of high quality child care and associated cost
- Emphasis on examining variations of prices within geographic regions
- Focus on cost of care for special needs populations including infant / toddler care

The results of this survey are very timely for the State of Michigan's families. The CCDF state plan submission was extended to March 1, 2016. The extension provides the Office of Great Start (OGS) with additional time to analyze survey findings and make key policy decisions to improve access to high quality child care in the state before the submission of the three year state plan. It also comes at a time in which MI is rolling out new Child Development and Care (CDC) subsidy rates (June 2015). The new CDC subsidy rates, approved by the Michigan legislature in April 2015, follow the previously implemented tiered reimbursement rate structure that incentivize high quality programs. The CDC rates were adjusted based on 2013 Child Care Market Rate results to come closer in line with the recommended 75th percentile of the market rate. This report compares changes from the market rate in 2013 to 2015. It provides the data analysis and key findings for OGS and interested stakeholders on whether CDC subsidy rates are adequately ensuring equal access to high quality child care.

Findings from the 2015 Child Care Market Rate Survey indicate that the child care market rates (at the 75th percentile) have shifted since the 2013 survey. Although the 5 star tiered reimbursement rate meets the market rate of some provider types and age groups, MI should consider updating CDC Subsidy rates so that all rates meet the market rate. Key findings include:

Child Care Market Rates

- The new 2015, 5 Star CDC Subsidy rates cover 100% of the market rate (75th percentile) for all provider types in all age groups except for center-based providers in which only 66-90% of the rate is covered
- In addition, the 5 Star subsidy rate only covers 90% of the family home school-age provider's market rate
- The new 2015, base rate (empty or 1 star) only covers about 70% of the market rate for all provider types and age groups with the exception of center-based pre-k providers which only cover about half 56% of the market rate

Market Rate Variations

- Majority of responding providers do not charge more in addition to their regular rates to provide services outside of the non-traditional hours of care
- Respondents that serve children with special needs (including Homeless children, Migrant children and Dual language learners) do not charge a significant difference compared to the market rate (75th percentile) (\$0.10 or less for majority of provider types and ages served)
- In the most populous (top 5) counties Infant/Toddler CDC subsidy rates cover 55-178% of the market rate (75th percentile)
- In Genesee county, ranked number five in population, the subsidy rate surpasses the county's 75% percentile by the greatest ratio of the top five counties, for each provider type and child age range (except for one instance)

Child Care Quality

- Respondents with a 5 Star rating typically reported the highest rate, but the progression of rates from Empty Star rating to 5 Star is not a linear increase
- OGS's proposed rate increase (implemented June 2015) for tiered reimbursement gets CDC rates closer to Great Start to Quality programs' rates, but they will still not be sufficient in most cases

II. INTRODUCTION

The passage of the Child Care and Development Fund (CCDF) in 1996, as part of federal welfare reform, focused on providing child care subsidies to ensure equal access to child care and parental choice. To ensure state child care payment rates are high enough to enable families receiving child care assistance to participate in the child care market in a competitive position to find and afford care, the law requires that states conduct a child care market rate survey within two years of the effective date of their currently approved CCDF State Plan. In November 2014, the reauthorization of the Child Care and Development Block Grant (CCDBG) reiterated its original emphasis on parental choice and equal access to high quality child care services by modifying and strengthening some of the requirements surrounding the market rate survey mandate. Key changes include:

- Focus on the importance of high quality child care and associated cost
- Emphasis on examining variations of prices within geographic regions
- Focus on cost of care for special needs populations including infant toddler care

In Michigan, the federal child care subsidy funds are disbursed through the Office of Great Start (OGS) Child Development and Care (CDC) program. To address the new requirements, OGS contracted with Public Consulting Group, Inc. (PCG) to conduct the survey and analysis for the 2015 Market Rate Survey (MRS). The survey's purpose was to evaluate the adequacy of CDC rates (state child care subsidy rates) in ensuring equal access to high quality child care for low-income families and inform OGS in state reimbursement rate-setting for the future. Rate information was collected by provider type, as established by MI's child care licensing standards: licensed and registered center based providers, family child care homes, and group homes. In addition, data was collected by age groups served, also in line with MI licensing standards: birth to 1 year, 1 to 2 ½ years or 30 months, 2 ½ to 5 years (not yet enrolled in kindergarten), and 5 to 12 years (in kindergarten or beyond during the regular school year). Data was not collected from unlicensed providers for this year's survey.

To provide guidance and support for the survey, the OGS and PCG convened a Project Leadership Team for this year's MRS. Membership on the Project Leadership Team provided representation from across a number of Michigan child care stakeholder groups, including child care providers, industry advocates, OGS staff, and policy experts. The Leadership Team played a key role in the 2015 MRS, by providing feedback on the survey questions; helping to inform and encourage participation among child care providers about the survey and answer questions about its purpose and goals; and providing feedback on the survey results and the direction for analysis and review of final report.

In light of the recent reauthorization of CCDBG, PCG worked closely with OGS and the Leadership Team to cross walk all new changes to the proposed CCDF State Plan to ensure compliance. At the time of writing, the federal Administration for Children and Families, Office of Child Care has not yet issued a final rule on the CCDF State Plan requirements, therefore, the methodology and analysis was conducted using reauthorization language¹. The results of this survey are prepared for the Michigan's FFY 2016-2018 CCDF state plan now due March 1, 2016.²

The results of this survey are very timely for Michigan's families. The extension on the CCDF state plan provides OGS with additional time to analyze findings and make policy decisions or changes before submission of the three year state plan. It also comes at a time in which the state is rolling out new CDC subsidy rates (June 2015). The new CDC subsidy rates, approved by the Michigan legislature in April 2015, follow the previously implemented tiered reimbursement rate structure that incentivize high quality programs. The CDC rates were adjusted based on 2013 Child Care Market Rate results to come closer in line with the recommended 75th percentile of the market rate. For family and group homes: The 5 star rate will be only \$0.10 less than the 75th percentile of the 2013 market rate. For centers: The 5 star rate will be \$0.25 less than the 75th percentile of the 2013 market rate for infants and toddlers and \$1.25 less than the 75th percentile of the market rate for children 2

¹ https://www.acf.hhs.gov/sites/default/files/occ/fy2016_2018_ccdf_plan_preprint_public_comment.pdf

² <http://www.acf.hhs.gov/programs/occ/resource/guidance-on-extension-and-submission-requirements-for-the-fy-20162018-ccdf-plans-for-states-and-territories>

½ and older. This report compares changes from the market rate in 2013 to 2015. It provides the data analysis and key findings for OGS and interested stakeholders on whether CDC subsidy rates are adequately ensuring equal access to high quality child care in the state.

III. METHODOLOGY

Survey Design

For this survey, the research team utilized a census survey, thereby inviting all members of the licensed or registered child care provider population to participate. As of the first quarter of Calendar Year 2015, there were 9,392 licensed or registered providers operating in the state of Michigan. Of this total population, 3,810 were licensed child care centers (center), 1,826 were group child care homes (group child care), and 3,756 were family child care homes (family child care).

Unlicensed child care providers (about 9,000 providers) were not included in the survey's targeted population. This decision was made by OGS based on feedback provided by the Project Leadership Team. The key rationale for exclusion was that prices charged by unlicensed providers are already known to the OGS--unlicensed providers charge the rate for state-subsidized child care, reimbursed by the state. In addition, PCG in collaboration with OGS and the Leadership team discussed that:

- In the majority of states' Market Rate Surveys, unlicensed providers (as they are categorized in Michigan) are not included in the target population
- During the 2013 Market Rate Survey, unlicensed providers had a response rate of less than 5%, compared to a higher than 15% response rate for licensed/registered providers
- Exclusion of unlicensed providers would allow for a focused analysis of licensed and registered providers
- Allow for a focused study/review of unlicensed providers for future policy decisions

The research team closely collaborated with OGS and the Leadership Team for review and approval of all questions included in the survey. The general outline and basic questions were based on the state's previous market rate survey from 2013. After consulting with the Leadership Team and a review of the new CCDF state plan requirements, several new types of questions were introduced and included in the survey. These questions/topics included:

- Quality Ratings (QRIS)
- Other Quality Measures including Accreditation
- Geographic Questions (by county)
- Serving Children with Special Needs, Children of Homeless
- Provider policies regarding charging parents the difference between the full-fee and the CDC subsidy
- Rate information on type of care provided by school-age providers: school-year, year-round, or summer only services

In addition to the abovementioned questions, the PCG team used previous market rate survey experience and understanding of the language and technology barrier of providers to revise survey questions to clarify the questions' intent and reduce response errors. A full copy of the survey questionnaire may be found in Appendix A. Survey Questions.

Once developed, the survey questionnaire was imported into an online tool for administration and data collection. For providers who needed assistance with the survey, both a toll-free helpline and general email inbox were provided by PCG for any providers who had questions or technical difficulties accessing or taking the survey. This online questionnaire was designed so that providers would only be presented with questions that were relevant to their program type, age of children, and types of rates charged (weekly, daily, hourly, or monthly). The survey logic also guided providers who were not part of the target population (unlicensed and no longer providing care) to be screened out so as to not affect the final survey dataset. During the data analysis phase, the research team removed data entry errors and converted all rates into a usable format.

Data Collection

OGS and the data collection team worked together on multiple strategies to pursue a successful outreach campaign to raise awareness among the provider population about the survey. The survey collection period was March 9 until April 10, 2015. OGS and the research team relied heavily on email outreach. OGS and the Leadership Team engaged child care partners through a number of means, including:

- Statewide Great Start to Quality Regional Resource Centers
- Project Leadership Team and their networks
- Michigan Association for the Education of Young Children (MiAEOYC)
- Early Childhood Investment Corporation (Great Start Network)
- LARA (formerly DHS) Bureau of Child and Adult Licensing
- Michigan Head Start Collaboration Office
- Great Start Readiness Programs through listserv
- 21st century programs through listserv

Additionally, informational notifications were posted on OGS's Facebook and other social media accounts as well as on the MDHHS i-Billing portal's front page. Official email invitations drafted by PCG and OGS were distributed through the main provider listserv maintained by OGS, as well as through lists maintained by OGS partners.

PCG and OGS also hosted three live informational webinars for all interested providers to attend. The purpose of the webinars were to inform providers of the purpose of the survey and provide instructions and a timeline for collection. These webinars took place just before the official launch of the survey: two on April 2, 2015 and one on April 3, 2015. The webinar held on April 2, from 9:00-10:00 am was recorded and posted for easy access on the OGS and Michigan Department of Health and Human Services (MDHHS) respective webpages.

Finally, the research team utilized an auto-calling tool called BLAZE in order to reach out to providers who had not yet taken the survey on three occasions—occurring on March 30, April 3, and April 7. After reviewing and cleaning a comprehensive list of provider telephone numbers provided by OGS, which included 8,788 entries, the PCG team recorded an automated message that was dialed throughout the day to the numbers provided on the list throughout the scheduled days.

Throughout the survey collection period, the research team provided weekly dashboard reports to OGS staff that detailed cumulative survey response data up to the close of the survey on April 10, 2015. The research team also maintained a tracking tool of all correspondence held with providers through the email inbox and helpline operated by the research team throughout the collection period.

Best practice research shows financial incentives can be a helpful way to increase response rates; to bolster provider participation, OGS and PCG offered a raffle for two \$100 Visa gift cards. All providers who completed the survey had the chance to enter and win. Two providers were selected at random to receive the incentive.

Survey Data Set

As described above, this census survey was open to the 9,392 licensed or registered providers operating in the state of Michigan. There were 1,078 responses collected, after a data cleaning process, 1,055 completed survey responses were maintained for the analysis; 382 responses were from family child care homes, 199 were from group child care homes, 460 were from center-based child care providers, and 14 were unable to be categorized by program type. As percentages, the total completed surveys represented 11.2% of the entire provider population; by provider type, 10.2% of the family child care population were represented, 12.1% of center-based providers were represented, and 10.8% of group child care were represented. Programs that no longer provided care in addition to unlicensed providers were excluded from the survey analysis.

Once the data collection phase was completed, the research team conducted a series of data cleaning processes to prepare the data for analysis. Non-numerical responses were converted to a numerical format, rate outliers (data that were more than two standard deviations from the mean) were excluded, and responses that gave a range of rates rather than a single response were converted to the respective range's average, which were

notated. Partial/incomplete responses were reviewed individually to determine whether they should be included in the analysis.

All prices quoted in the survey were converted to an hourly rate for appropriate comparison to CDC reimbursement rates, since CDC rates are based on an hourly rate. The price conversion methodology is listed below in Table 1:

Table 1: Rate Conversion Methodology

Reported Rate Units	Conversion Methodology
Hourly	None
Daily	(Daily Rate) ÷ (9 hours open a day)
Weekly	(Weekly Rate) ÷ (45 hours open a week)
Monthly	(Monthly Rate) ÷ (180 hours open a month)

Accuracy of Results

Similar to the 2011 and 2013 surveys, the 2015 Market Rate Survey was designed to be a census survey with all providers invited to participate. Of the 9,392 licensed or registered providers in Michigan, 1,055 surveys from separate providers were completed, representing 11.2% of all providers able to participate. Responses from this survey represented all regions of Michigan; Tables 9-11 in Appendix C details responses by county, and compares the 75th percentile of their particular market rates to CDC's reimbursement rate.

IV. FINDINGS & ANALYSIS

The section that follows provides key findings and analysis of the 2015 Market Rate Study. Results are broken out into four sections: survey respondents, child care market rates, market rate variations, and child care quality. Each section includes in a call out box, the CCDF State Plan requirements for which the research questions and key findings correspond. For the full data tables of findings please see Appendix B-E.

Survey Respondents

Section 4. The CCDBG Act of 2014 revises the requirement for a market rate survey (MRS) so that: (1) it must be statistically valid and reliable; and (2) it must reflect variations in the cost of child care services by geographic area, type of provider, and age of child.

1. Which providers participated in the 2015 MRS and what populations do they serve?

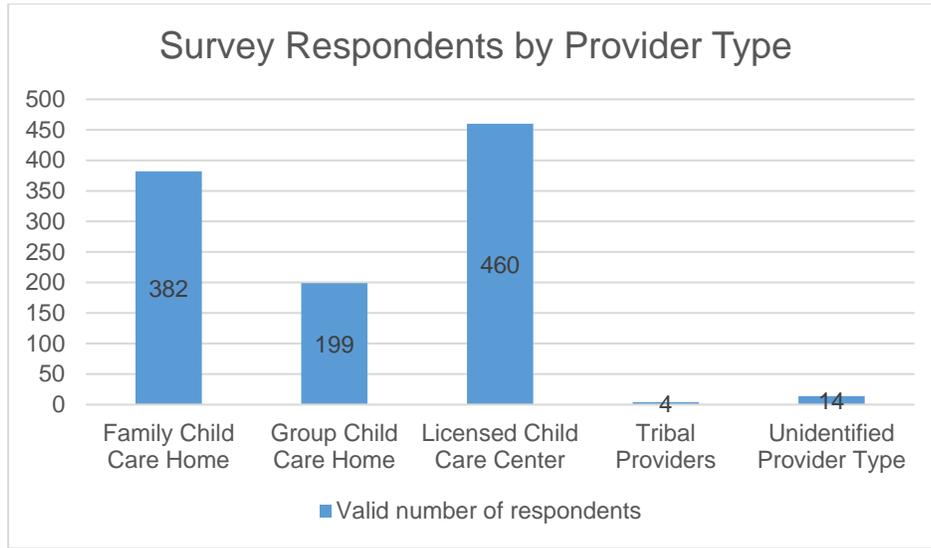
This section conveys the providers who participated in the 2015 MRS and the populations that they serve, as well time of day they provide care along with if they accept subsidized children. We also display the counts of the number of providers that participated in the Child and Adult Care Food Program. Due to the low response rate related to Head Start, Great Start Readiness Programs, and scholarships/grants, the project team did not analyze the data related to respondents. These numbers can be found in Appendix B. Table 1 In addition, this section describes how the MRS reflects variations in child care services by provider type, child age, as well as the needs and non-traditional hours of care. It also examines providers' willingness to participate in subsidized child care and reviews the policies related to co-payments required from families.

To answer these questions, the research team relied on the 2015 MRS. We received a wealth of data on the child care supply; we summarize key highlights below and present detailed tables in Appendix B.

2. How Many Providers Participated in the Survey?

As of the first quarter of Calendar Year 2015, there were 9,392 licensed or registered providers operating in the state of Michigan. Of this total population, 3,810 were licensed center child care, 1,826 were group child care, and 3,756 were family child care homes. Out of those 9,392 providers, 1,055 chose to participate in the MRS, which is 11%. There were three program types who participated in the survey: Family Child Care Homes (family child care), Group Child Care Home (group child care), and Licensed Child Care Center (center child care), plus Tribal providers were also encouraged to participate. Fourteen providers chose not to identify which group they belonged with. This information is represented in the following chart.

Chart 1: Survey Respondents by Provider Type



Center child care was the largest provider group to participate in the survey, with 44% of the total respondents, family child care close behind them at 36%, group child care represented 19% of the respondents, and only four Tribal providers responded.

CACFP Providers

There were 655 respondents out of the 1,055 that participate in the Child and Adult Care Food Program (CACFP), which is 62% of the respondents. The following table represents the number of respondents by provider type as well as the percentage of the total respondent surveys by provider type. This reflects that family and group child care rely on CACFP funds to subsidize their programs more than center child care.

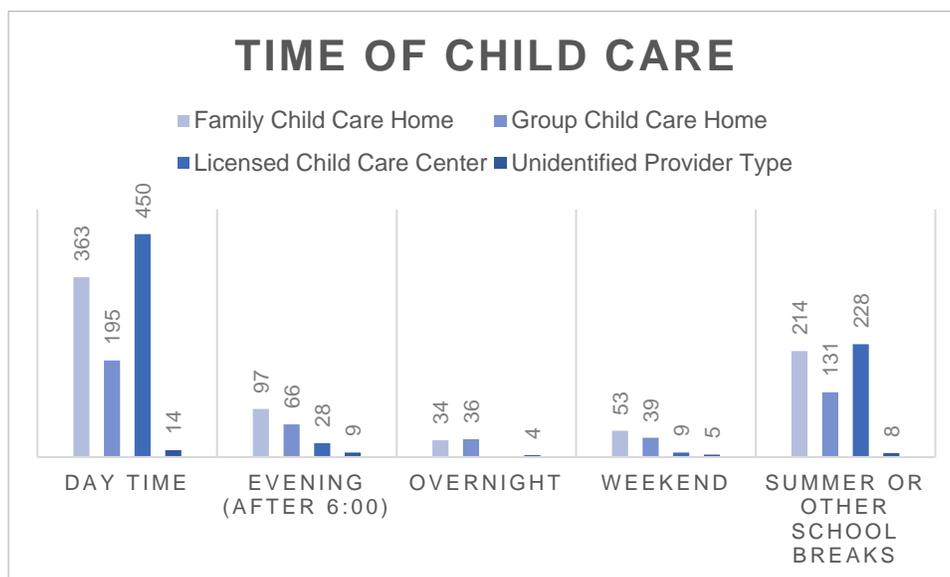
Table 1: Participation in CACFP

Provider Type	# in CACFP	As % of Total Respondents
Licensed Child Care Center	180	39%
Group Child Care Home	172	87%
Family Child Care Home	303	79%

Time of Child Care

Next, we analyzed the time for which child care is provided in Michigan. Respondents answered if they provide child care during the day, evening hours, overnight, weekends, or during summer or other school breaks. This helped us to better understand what type of providers offer extended care. Out of the 1,055 respondents, 28 chose none of the options. The following chart displays the times of child care, the provider types and the number of provider types who provide the various times.

Chart 2: Time of Child Care



One can see, that Family Child Care and Group Child Care are the providers that provide the majority of evening, overnight, and weekend care. Out of the 200 respondents who provide evening child care, 82% of those are Family or Group Child Care, and those provider types also provide 95% of overnight care. For weekend care, 87% of that care is additionally provided from Family or Group Child Care. Summer or other school break care is provided by all provider types with no significant difference. Please see Appendix B. Table 2 for data which includes percentages of each time by provider type.

3. How Many Providers Accept Subsidized Children?

This section provides information on the number of child care providers by type who accept subsidies and their policy related to if they accept subsidy payment in full or if the family is required to pay the remaining fee. One purpose of this analysis is to develop the information needed to determine the burden that lies on the parent for payment. One can also get a broad sense of which types of child care providers are more likely to accept subsidy payments. The following table displays the information from the MRS related to the number of providers who accept subsidized children.

Table 2: Provider Subsidy Acceptance

	Acceptance Count	% that Accepts Subsidy	Accepts in Full	Charges Remainder	No policy	Other	No response
Licensed Child Care Center	369	80%	26	299	9	34	1
Family child care	269	70%	33	182	22	14	18
Group Child Care Home	169	85%	22	118	13	9	7
Totals	807		81	599	44	57	26

Out of the 1,055 respondents, 807 accept subsidized children, which is 76% overall. The Family child care provider is the lowest percentage accepting subsidies at 70%, and the Group Child Care Home is the highest percentage at 85%. Only 81 of the 807 providers who accept subsidies accept the subsidy payment as payment in full.

The following common reasons were selected by respondents that selected “other,” the most common response was that providers account for the needs of the family.

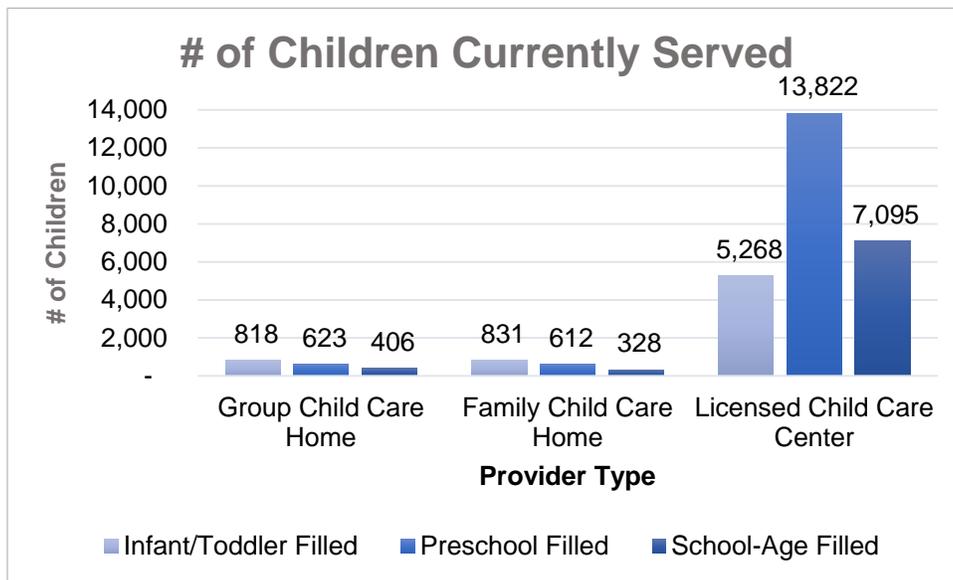
Table 3. Provider Subsidy Acceptance “Other”

Common Reasons	Count
Depends on if subsidy % reaches a certain provider-determined threshold	10
Charge a standard copay/flat rate in addition to subsidy	9
Depends on needs of family	30
Have not yet had subsidy clients yet/to low amount of subsidy children to set a policy	8

4. What is the total number of children that are served by participating provider?

To facilitate the total number of children served by participating providers the respondents entered into the survey the number of slots for each age group along with the number of slots filled for those age groups. Overall, there were 29,803 children currently being served by the 1,055 providers who participated in the MRS. The following chart breaks down that data by provider type and the number of children represented by each age group.

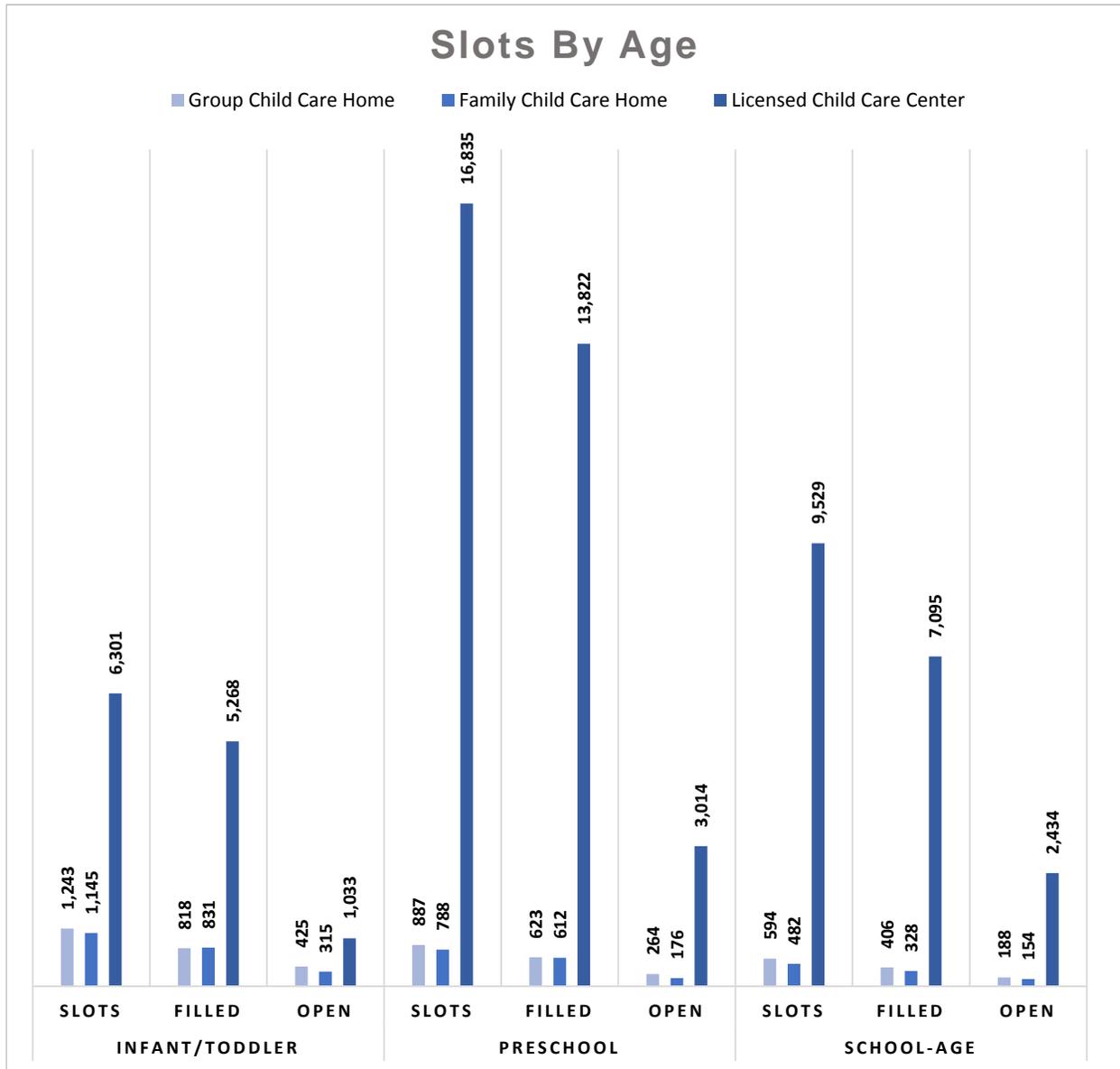
Chart 3: Number of Children Currently Served



As one can see from the data in appendix B. Table 5, center child care serves the majority (88%) of the children in all age groups represented in the survey. The Group Child Care Home and the Family child care each serve 6% of the total amount of children currently being served.

The next chart displays by age group, the total number of slots, number of slots filled and the number of open slots by each of the provider types. Overall, there are 8,001 slots open among the respondents. Once again, the data shows that Licensed Child Care Providers have the most number of open slots at 81%. The Group child care have 11% of their slots open and Family Child Care Home only have 8% of their slots open.

Chart 4: Child Care Slots, by Age



On average, each Licensed Child Care Center would have 14 slots open across all age groups. Group child care would have an average of four slots open per provider and family child care would have an average of 1.69 slots open.

Child Care Needs

Out of the 29,803 children currently being served by the programs who responded, 6,205 of those children fall into the exceptional child care needs categories. This data shows that approximately 21% of the children served by respondents have exceptional child care needs. The following tables display this data by each provider type.

Table 4: Special Needs Children in Family Child Care

Family Child Care Homes				
Category	Infant	Toddler	Preschool Age (2 1/2 to 5 years not yet enrolled in kindergarten)	School Age (5 through 12 years who are in kindergarten or beyond)
Children with special needs	144	145	148	130
Homeless children	23	25	25	25
Migrant children	15	15	16	15
Dual language learners	33	36	35	24
State subsidized children	238	255	260	221

Table 5: Special Needs Children in Group Child Care

Group Child Care Homes				
Category	Infant	Toddler	Preschool Age (2 1/2 to 5 years not yet enrolled in kindergarten)	School Age (5 through 12 years who are in kindergarten or beyond)
Children with special needs	127	133	132	127
Homeless children	34	36	36	35
Migrant children	17	19	18	17
Dual language learners	34	37	37	36
State subsidized children	154	162	165	154

Table 6: Special Needs Children in Center Child Care

Licensed Child Care Centers				
Category	Infant	Toddler	Preschool Age (2 1/2 to 5 years not yet enrolled in kindergarten)	School Age (5 through 12 years who are in kindergarten or beyond)
Children with special needs	190	210	313	240
Homeless children	46	53	108	80
Migrant children	20	25	40	25
Dual language learners	93	106	160	92
State subsidized children	220	240	332	274

Child Care Market Rates

- 4.3.2 Provide the payment rates and percentiles for specific categories.
- 4.4.1 What facts did the State use to determine equal access?
- 4.4.2 Does the State certify that payment rates are sufficient to ensure equal access either based on the current MRS?
- 4.3.1 Describe how the State set payment rates for child care services in accordance with the results of the MRS. (Data on the proportion of children being served over time).

1. How does the 75th percentile compare to state subsidy rates? How does the 75th percentile compare to newly established rates?

In April of 2015, the Michigan state legislature approved an increase in CDC subsidy rates. The new rates will be implemented in June, of 2015. The subsidy rate increases were based on 2013 Child Care Market Rate data. Since the new rates were based on past data, PCG compared past market rates to current market rates to see if fluctuations have occurred. The table below presents the 2015 market rate (75th percentile) findings in comparison to 2013 findings, the current CDC rate and the proposed CDC rate to be implemented June 2015. Note, as described in the methodology section, the 2015 infant/toddler and pre-k market rates were calculated by taking an average of all rate data after conversion to an hourly rate (while 2013 market rates included only those respondents with an hourly rate). The difference in methodology may account for some of the variations between 2013 and 2015 results.

Table 7. A.: Statewide Hourly Rates (75th Percentile; in dollars) by Provider Type Compared to CDC Subsidy Rates (current and proposed) (table 3, Appendix C)

Provider Type	Infant/Toddler (Birth to 2 ½)				Pre-K (2 ½ years to 5 years not yet enrolled in kindergarten)			
	Market Rate 2013	Market Rate 2015	Current CDC Rate	Proposed CDC Rate	Market Rate 2013	Market Rate 2015	Current CDC Rate	Proposed CDC Rate
Centers	\$5.00	\$5.33	\$3.75-\$4.50	\$3.75-4.75	\$5.00	\$4.47	\$2.50-\$3.25	\$2.50-\$3.50
Group Homes	\$3.50	\$3.50	\$2.90-\$3.65	\$2.90-\$3.90	\$3.25	\$3.33	\$2.40-\$3.15	\$2.40-\$3.40
Family Homes	\$4.00	\$3.50	\$2.90-\$3.65	\$2.90-\$3.90	\$3.50	\$3.33	\$2.40-\$3.15	\$2.40-\$3.40

Table 7. B.: School Age

School-Age (5 years to 12 years kindergarten or higher)			
Market Rate 2013	Market Rate 2015	Current CDC Rate	Proposed CDC Rate
\$4.58	\$ 4.85	\$2.50-\$3.25	\$2.50-\$3.50
\$3.50	\$ 3.13	\$2.40-\$3.15	\$2.40-\$3.40
\$3.50	\$ 3.50	\$2.40-\$3.15	\$2.40-\$3.40

- Since 2013 current market rates at the 75th percentile have not changed significantly, with a 0%-13% change from 2013 rates to 2015. Changes in rates in the 2015 responses were not clustered by a provider type or age group

- In comparison to 2013 rates **the infant/toddler and school-age market rate for center based providers have the largest percentage change with an increase of \$0.27 or 6% increase and \$0.33 or 7% increase (respectively)**
- **A few market rates, infant/toddler family, pre-k center and family homes, and school-age group homes have actually decreased since the 2013 findings by as much as 13%**, while infant/toddler group home and school-age hourly rates for family child care providers have stayed the same.

Table 8: Changes in Market Rate (75th percentile) from 2013 to 2015 Child Care Market Rate Survey

Provider Type	Infant/Toddler		Pre-K		School-Age	
	Difference \$	% Change	Difference \$	% Change	Difference \$	% Change
Centers	\$ 0.33	7%	\$ (0.53)	-11%	\$ 0.27	6%
Group Homes	\$ -	0%	\$ 0.08	3%	\$ (0.38)	-11%
Family Homes	\$ (0.50)	-13%	\$ (0.17)	-5%	\$ -	0%

Given the changes from 2013 to 2015 market rates, the Market Rate Leadership team was interested in how close the new CDC subsidy rates come to meeting the actual current market rates by type of care and ages served. The table below (also Appendix C. Table 3) provides a more detailed look into the statewide hourly rates (75th percentile; in dollars) by provider type with comparisons to the newly established CDC subsidy rates by looking at the bottom and top range of CDC subsidy rates (base rate and 5 star rate respectively). For a more in-depth analysis on the differences in rates by each star level, see the *Child Care Quality* subsection of this section.

Table 9: Proposed CDC Subsidy Rate (5 Star) as a Percent of the Market Rate (75th percentile) (table 4 appendix C)

Provider Type	Market Rate 2015	Proposed CDC Rate (Base Rate)	CDC as a percent of MRS	Proposed CDC Rate (5 Star)	CDC as a percent of MRS
Infant/Toddler					
Centers	\$ 5.27	\$ 3.75	71%	\$ 4.75	90%
Group Homes	\$ 3.50	\$ 2.90	71%	\$ 3.90	100%
Family Homes	\$ 3.50	\$ 2.90	71%	\$ 3.90	100%
Preschool					
Centers	\$ 4.44	\$ 2.50	56%	\$ 3.50	79%
Group Homes	\$ 3.33	\$ 2.40	72%	\$ 3.40	102%
Family Homes	\$ 3.33	\$ 2.40	72%	\$ 3.40	102%
School Age					
Centers	\$ 4.89	\$ 2.50	51%	\$ 3.50	66%
Group Homes	\$ 3.13	\$ 2.40	77%	\$ 3.40	101%
Family Homes	\$ 3.50	\$ 2.40	69%	\$ 3.40	90%

- The new 2015, 5 Star CDC Subsidy rates cover 100% of the market rate (75th percentile) for almost all provider types in all age groups with the exception of center-based providers in which only 66-90% of the rate is covered. In addition, the 5 Star subsidy rate only covers 90% of the family home school-age provider's market rate

- The new 2015 base rate (empty or 1 star) only covers about 70% of the market rate for all provider types and age groups with the exception of center-based pre-k providers which only cover about half 56% of the market rate.

2. How does the subsidy rate coverage (of the market rate) vary by geography? In which counties or regions of the state does the subsidy rate actually meet or come close to the 75th percentile?

The series of maps below provide a visual representation of the percentage of the market rate the CDC subsidy rate covers based on data collected for this study for each county in the state. For the purpose of this illustration, the base or empty star CDC subsidy rate to go into effect June 28, 2015 is used. Note that rate information for each rate unit, type of care and age group were not included in the data (there was not a respondent from each county for each type of care and age group) and thus are represented in gray. See Appendix C. Tables 9-11 for the full table of data by county, provider type and age group.

Center-based Providers

Figure 1. Center-Based Infant/Toddler Hourly: Subsidy Rate Coverage of Market Rate (%)

**Center-Based Infant/Toddler Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**

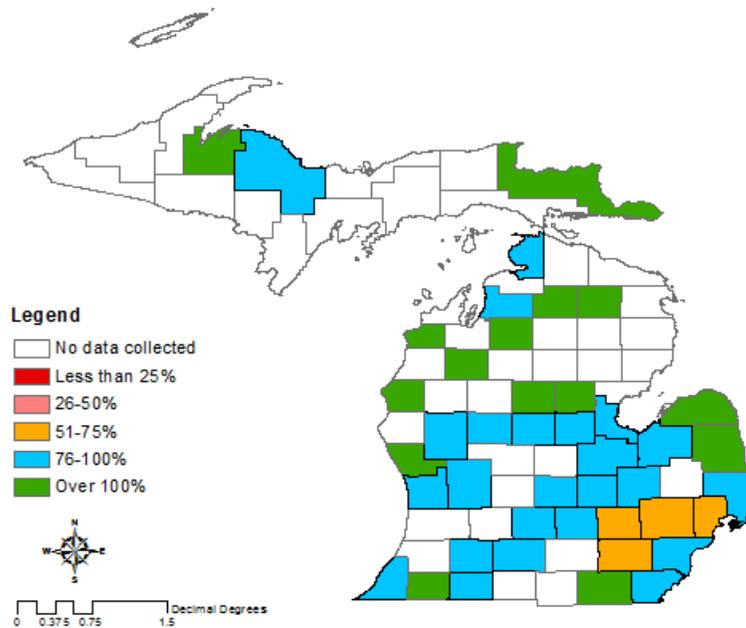


Figure 2. Center-Based Preschool Hourly: Subsidy Rate Coverage of Market Rate (%)

**Center-Based Preschool Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**

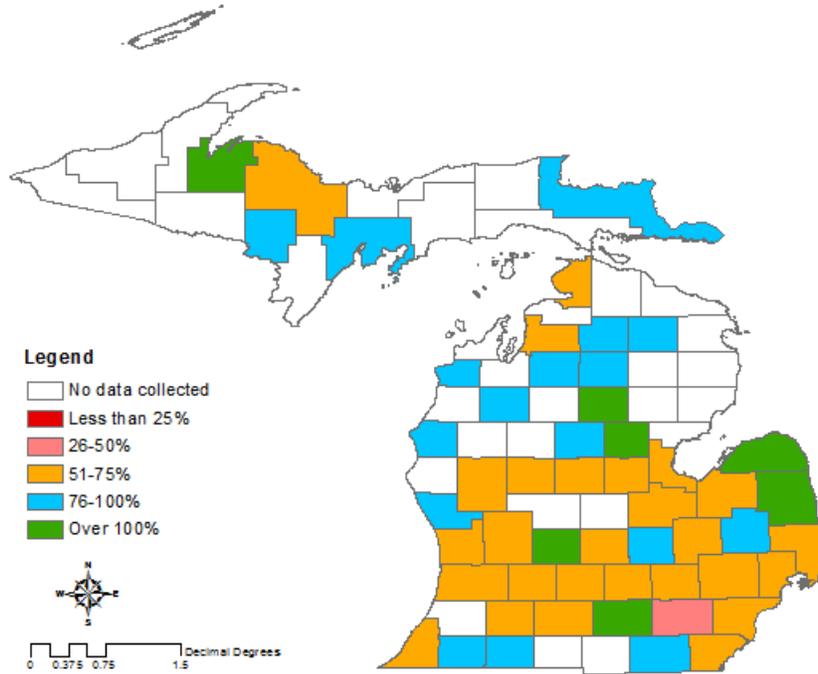
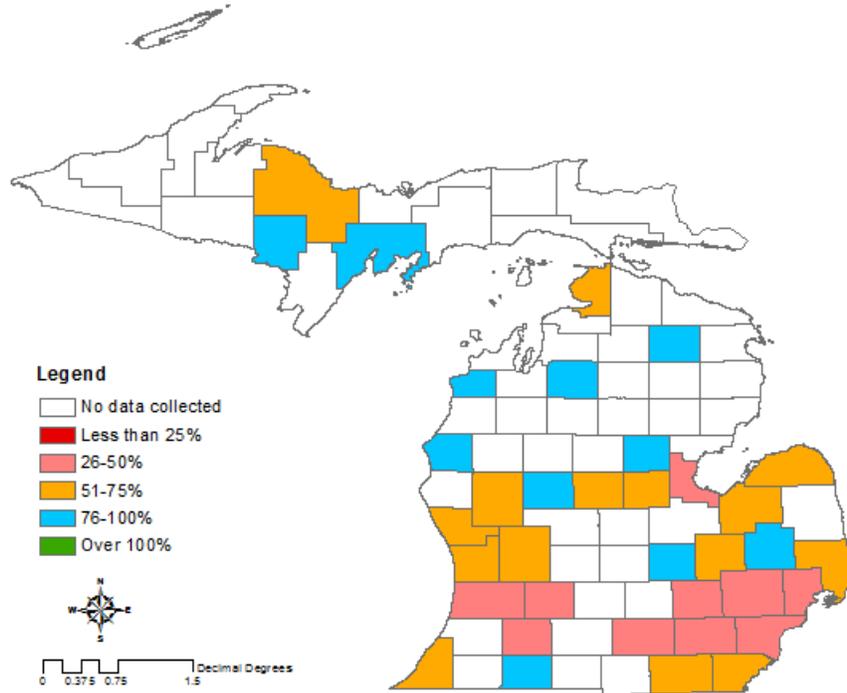


Figure 3. Center-Based School-Age Hourly: Subsidy Rate Coverage of Market Rate (%)

**Center-Based School-Age Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**



Family Home Providers

Figure 4. Family Home Infant/Toddler Hourly: Subsidy Rate Coverage of Market Rate (%)

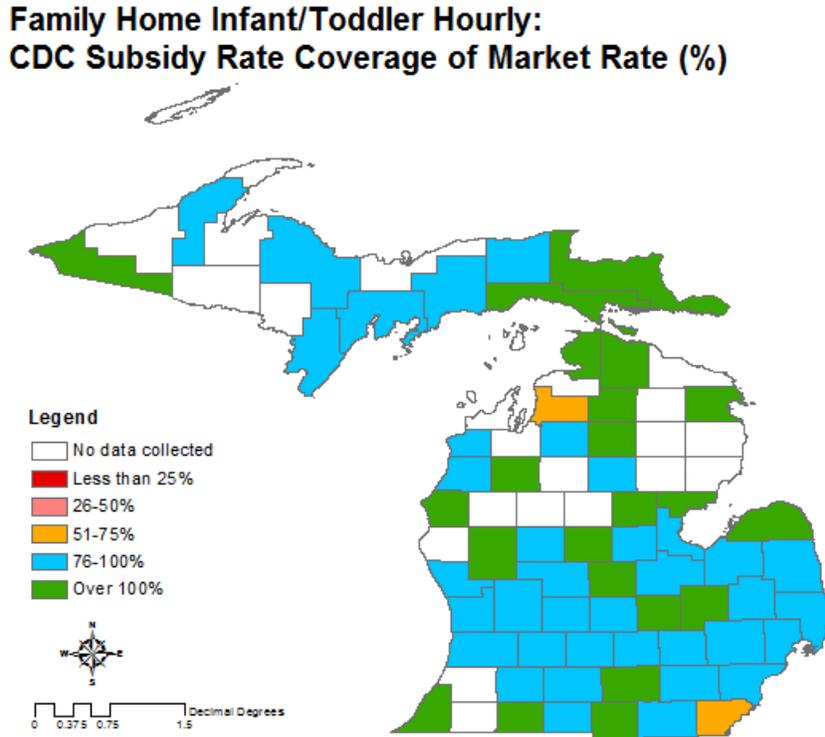


Figure 5. Family Home Preschool Hourly: Subsidy Rate Coverage of Market Rate (%)

**Family Home Preschool Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**

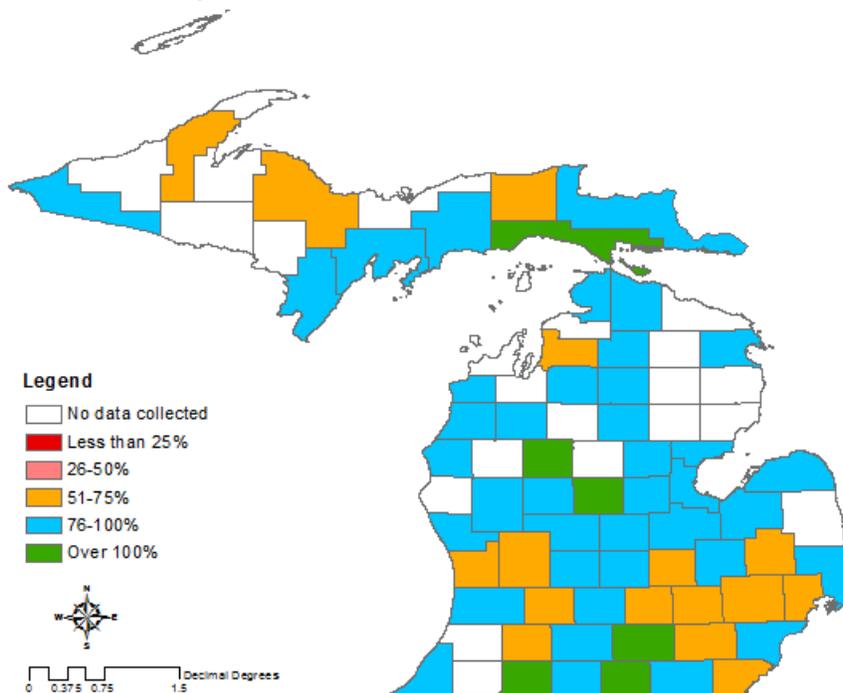
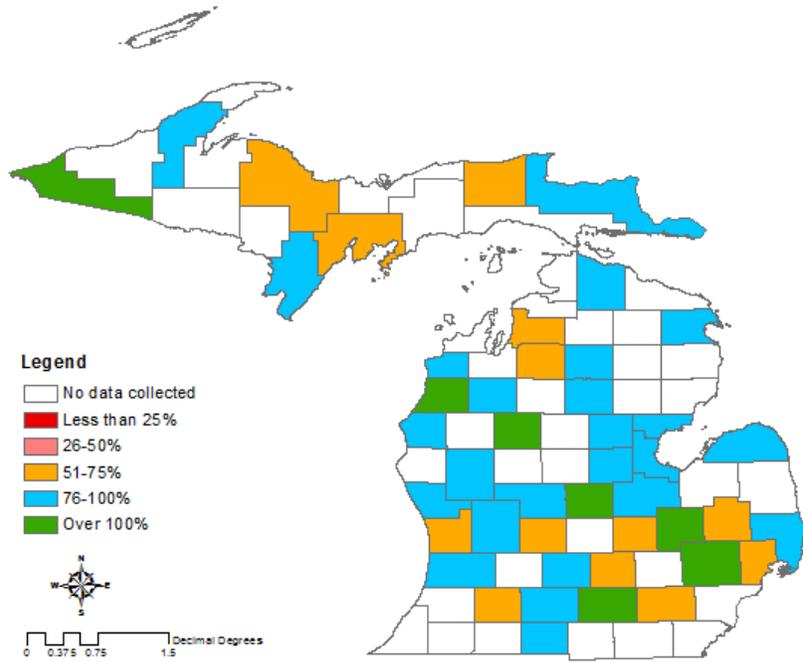


Figure 6. Family Home School-Age Hourly: Subsidy Rate Coverage of Market Rate (%)

**Family Home School-Age Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**



Group Home Providers

Figure 7. Group Home Infant/Toddler Hourly: Subsidy Rate Coverage of Market Rate (%)

**Group Home Infant/Toddler Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**

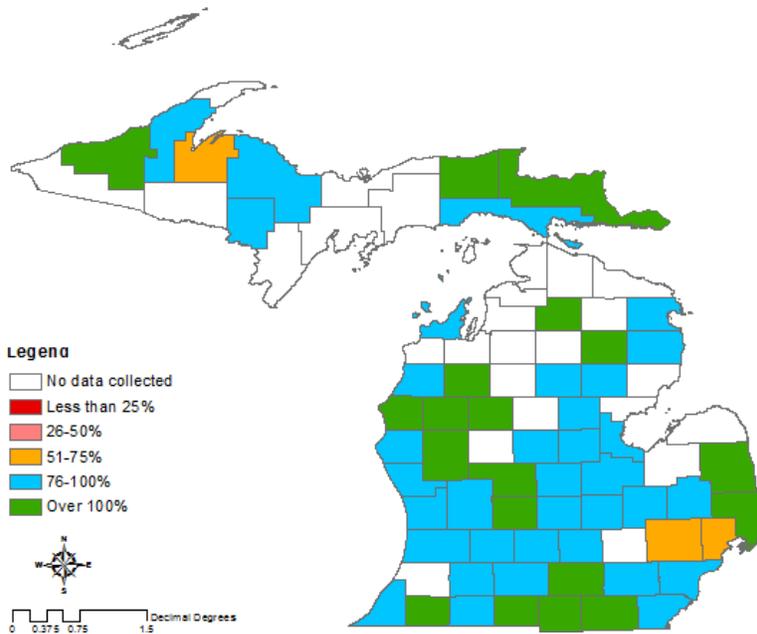


Figure 8. Group Home Preschool Hourly: Subsidy Rate Coverage of Market Rate (%)

**Group Home Preschool Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**

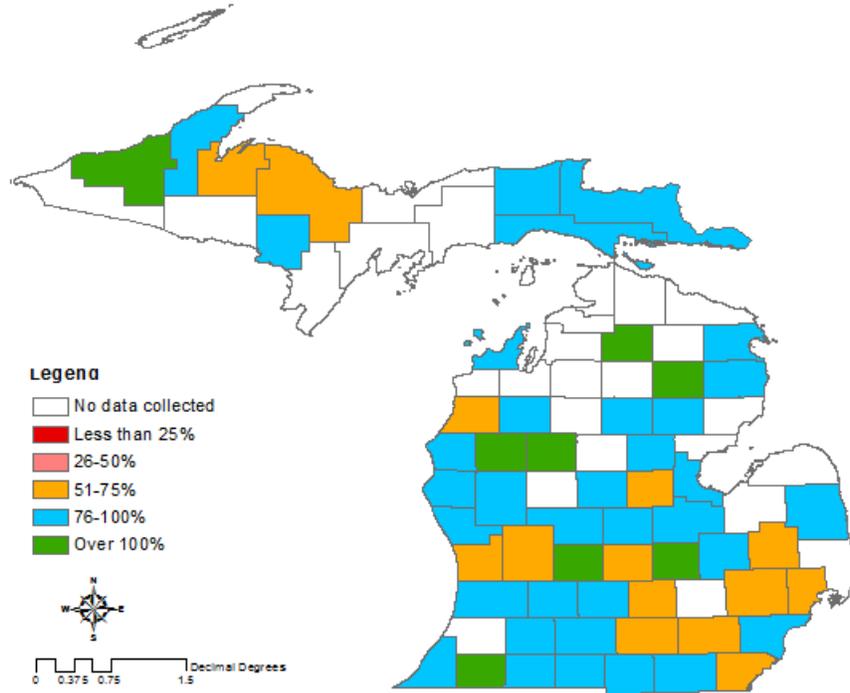
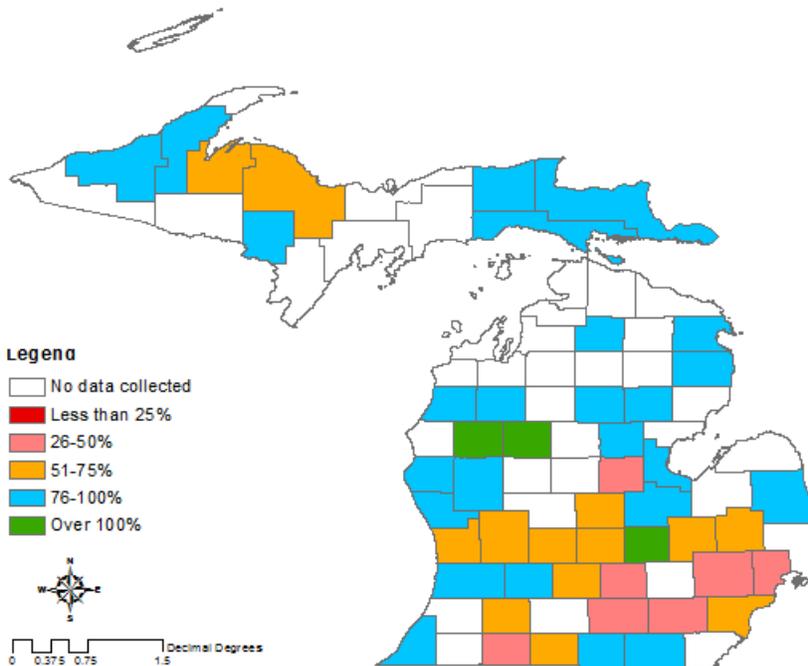


Figure 9. Group Home School-Age Hourly: Subsidy Rate Coverage of Market Rate (%)

**Group Home School Age Hourly:
CDC Subsidy Rate Coverage of Market Rate (%)**



See Appendix C. Tables 9-11 for the full table of the market rate by county, provider type and age group for all counties statewide.

3. How much do providers charge to make up the difference between State subsidy rates and their privately determined rates? How does this vary between provider type and age groups?

The majority (over 70% for each provider type accepts CDC subsidy) see Appendix C. Table 1.A. Of those providers, OGS was interested this year in understanding if providers accept the CDC rate as full payment or if in cases where the subsidy rate is below the rate charged to private pay families, they charge the difference. The results indicate that:

- 74.2% of respondents charge the difference, center-based respondents are more likely to charge the difference (81.0% center-based providers charge the difference vs. less than 70% of family and group home providers) (see appendix C. Table 1.B.).
- Of those that answered, 7.1% selected “other” regarding their policies for charging families the difference between subsidy and the full-fee rate and 57 included a comment when asked to “please specify.” Provider comments that were relevant to the question indicated that:
 - Most providers will work with the parent(s) to determine a fee for the difference depending on their ability to pay,
 - A few providers will determine whether or not parents will need to pay based on the percentage of the full-fee that the CDC subsidy covers; if the subsidy covers less than 80-90% the provider will charge the family,
 - A few providers provided scholarships for the difference, and
 - One indicated that migrant children were excluded from paying the difference.

Market Rate Variations

4.2.4: Describe how the market rate survey reflects variations in the price of child care services by geography, provider type, and child age.

1. Do providers that serve high-needs children charge higher rates?

The 2015 survey posed the question to providers whether if they served children with special needs, but did not provide them a space to present an additional rate. Instead, their total average hourly rate was examined to determine if they charge higher rates to serve special needs populations. For the survey, the special needs populations that were options were:

- Children with special needs
- Homeless children
- Migrant children
- Dual language learners

Based on the surveys received from respondents, although there is generally a slightly higher rate if a particular provider specialized in special needs children, that higher rate (when comparing the 75th percentile of the market rate) is statistically insignificant when compared to providers who stated that they do not serve special needs populations. Table 10 below illustrates the difference in prices for providers that do serve special needs populations, compared to the rates collected from providers who indicated they do not serve special needs populations.

Table 10: 75th Percentile of Providers that do and do not Serve Special Needs Populations

Providers that <u>Do</u> Serve Special Needs Populations				Providers that <u>Do Not</u> Serve Special Needs Populations			
FAMILY 75TH PERCENTILE HOURLY RATE				FAMILY 75TH PERCENTILE HOURLY RATE			
Population Type	Infant / Toddler	Preschool Age	School Age		Infant / Toddler	Preschool Age	School Age
Children with special needs	3.56	3.33	3.00	Children with special needs	3.56	3.33	3.00
Homeless children	3.71	3.44	3.33	Homeless children	3.50	3.33	3.00
Migrant children	3.45	3.08	3.27	Migrant children	3.50	3.33	3.00
Dual language learners	3.89	3.44	3.11	Dual language learners	3.42	3.33	3.00
GROUP 75TH PERCENTILE HOURLY RATE				GROUP 75TH PERCENTILE HOURLY RATE			
Population Type	Infant / Toddler	Preschool Age	School Age		Infant / Toddler	Preschool Age	School Age
Children with special needs	3.56	3.33	3.14	Children with special needs	3.50	3.33	3.00
Homeless children	3.36	3.17	3.12	Homeless children	3.51	3.33	3.07

Providers that Do Serve Special Needs Populations				Providers that Do Not Serve Special Needs Populations			
Migrant children	3.22	3.00	3.06	Migrant children	3.56	3.33	3.09
Dual language learners	3.55	3.25	3.14	Dual language learners	3.50	3.33	3.04
Center 75 th Percentile Hourly Rate				Center 75 th Percentile Hourly Rate			
Population Type	Infant / Toddler	Preschool Age	School Age		Infant / Toddler	Preschool Age	School Age
Children with special needs	5.16	4.06	3.13	Children with special needs	5.16	4.42	3.13
Homeless children	4.85	3.75	2.83	Homeless children	5.50	4.22	3.22
Migrant children	4.71	3.72	2.83	Migrant children	5.36	4.22	3.17
Dual language learners	5.22	4.22	2.99	Dual language learners	5.33	4.00	3.24

2. Do providers with non-traditional hours of care charge higher rates?

The 2015 Market Rate Survey posed a series of questions regarding whether providers charged higher rates for non-traditional hours of care. Non-traditional hours of care were defined as:

- Providing Evening Care (After 6:00 p.m.)
- Overnight Care
- Weekend Care (Saturday and Sunday)
- Summer Break and/or Other School breaks

Based on the results received, the vast majority of responding providers *do not* charge more in addition to their regular rates to provide services outside of the non-traditional hours of care. In all but one category, less than 10% of responding providers per category state that they do charge an additional rate for services provided outside of the non-traditional hours; in center child care, 14.78% of respondents stated that they charge a higher weekly rate for services provided outside of the non-traditional hours.

Table 11: Providers that do and do not Charge an Additional Rate for Non-Traditional Hours of Care

	Yes	% of Respondents	No + Left Question Blank	% of Respondents
Family Child Care Homes (n=382)				
Higher Hourly Rates	21	5.50%	361	94.50%
Higher Daily Rates	16	4.19%	366	95.81%
Higher Weekly Rates	21	5.50%	361	94.50%
Group Child Care Homes (n=198)				
Higher Hourly Rates	16	8.08%	182	91.92%
Higher Daily Rates	14	7.07%	184	92.93%
Higher Weekly Rates	18	9.09%	180	90.91%

	Yes	% of Respondents	No + Left Question Blank	% of Respondents
Child Care Centers (n=460)				
Higher Hourly Rates	9	1.96%	451	98.04%
Higher Daily Rates	42	9.13%	418	90.87%
Higher Weekly Rates	68	14.78%	392	85.22%

The survey provided the opportunity for providers to also define the rates related to a specific age group if they did provide care outside of the non-traditional hours of care (Infant, Toddler, Preschool, and School-Age). These responses are detailed in the Appendix D, Table 1 and Table 2.

3. What are provider rates based in the most populous regions of the state (by county)?

4.3.3 Differential payment rate data (location, age, needs, non-traditional hours of care, quality).
Provide the payment rates and percentiles (based on current MRS): “most populous region”

Michigan’s most populous county is Wayne County, housing Detroit, followed in order by Oakland, Macomb, Kent, and Genesee Counties. Major points to note for the data are:

- Infant/Toddler subsidy rates match closest to the 75th percentile of the counties’ market rates, some surpassing it; school age subsidy rates are significantly lower than the 75th percentile for particular counties
- In Genesee county, ranked number five in population, the subsidy rate surpasses the county’s 75% percentile by the greatest ratio of the top five counties, for each provider type and child age range (except for one instance)
- Conversely, the subsidy rate will stretch much less further than in the other counties in most circumstances

The following tables detail, by provider type, the market rate for these top five counties and what percent CDC subsidy covers of that market rate.

Table 12: County Market Rates, Center-Based Providers

Rank	County	Population	I/T Market Rate	I/T % Subsidy Market Rate	Pre-K Market Rate	Pre-K % Market Rate	School Age Market Rate	School Age % Market Rate
1	Wayne	1,764,804	\$ 4.70	80%	\$ 3.73	67%	\$ 4.57	55%
2	Oakland	1,237,868	\$ 5.43	69%	\$ 4.58	55%	\$ 7.20	35%
3	Macomb	860,112	\$ 5.29	71%	\$ 4.45	56%	\$ 4.97	50%
4	Kent	629,237	\$ 4.77	79%	\$ 3.65	69%	\$ 4.00	63%
5	Genesee	412,895	\$ 4.02	93%	\$ 3.50	72%	\$ 4.00	63%

Table 13: County Market Rates, Family Child Care Providers

Rank	County	Population	I/T Market Rate	I/T % Subsidy Market Rate	Pre-K Market Rate	Pre-K % Market Rate	School Age Market Rate	School Age % Market Rate
1	Wayne	1,764,804	\$ 3.45	72%	\$ 3.17	76%	NO DATA	NO DATA
2	Oakland	1,237,868	\$ 3.62	69%	\$ 3.52	68%	\$ 1.35	178%
3	Macomb	860,112	\$ 3.67	68%	\$ 3.61	67%	\$ 3.25	74%
4	Kent	629,237	\$ 3.36	74%	\$ 3.22	74%	\$ 2.97	81%

Rank	County	Population	I/T Market Rate	I/T % Subsidy Market Rate	Pre-K Market Rate	Pre-K % Market Rate	School Age Market Rate	School Age % Market Rate
5	Genesee	412,895	\$ 2.78	90%	\$ 2.45	98%	\$ 2.37	101%

Table 14: County Market Rates, Group Child Care Providers

Rank	County	Population	I/T Market Rate	I/T % Subsidy Market Rate	Pre-K Market Rate	Pre-K % Market Rate	School Age Market Rate	School Age % Market Rate
1	Wayne	1,764,804	\$ 3.30	76%	\$ 3.16	76%	\$ 4.28	56%
2	Oakland	1,237,868	\$ 4.35	57%	\$ 4.13	58%	\$ 5.17	46%
3	Macomb	860,112	\$ 3.97	63%	\$ 4.20	57%	\$ 5.00	48%
4	Kent	629,237	\$ 3.77	66%	\$ 3.61	66%	\$ 3.50	69%
5	Genesee	412,895	\$ 3.11	80%	\$ 2.99	80%	\$ 3.33	72%

4. What do providers charge for wraparound services? How does this vary between types of wraparound services?

Of the responding providers who participate in Head Start, Early Head Start, and the Great Start Readiness Program (GSRP), almost all were Child Care Centers. One Group Child Care Home participated in Early Head Start. For the below analysis and profile of Head Start, GSRP, and wraparound programs, only center child care were included due to their overwhelming majority in the total response rate.

Thirty-three (33) programs (or 7% of responding center child care programs) participate in Head Start and 137 (or 30%) participate in GSRP. It was found that 76% of the Head Start programs provided wraparound services and 59% of GSRPs participated in wraparound as well. The following table provides a more detailed picture of the responding centers and their participation in these programs.

Table 15: Head Start and GSRP Data Profile

Data Profile (Center Child Care)	Head Start	GSRP
Number of respondents (n=460)	33	137
Respondents (as a percent of responding center child care providers)	7%	30%
Percentage offering wraparound (WA) child care	76%	59%
Percent participating in CACFP	79%	63%
Program Operation: Head Start/Early Head Start		
Percentage operating part day (AM) Head Start	36%	N/A
Percentage operating part day (PM) Head Start	36%	N/A
Percentage operating full day Head Start	58%	N/A
Percentage operating part day (AM) early head start	9%	N/A
Percentage operating part day (PM) early head start	12%	N/A
Percentage operating full day Early Head Start	33%	N/A
Percentage operating home-based early head start	9%	N/A
Program Operation: GSRP		
Percentage operating school day GSRP	N/A	82%
Percentage operating part day (AM) GSRP	N/A	31%
Percentage operating part day (PM) GSRP	N/A	23%

In relation to rates charged for wraparound services, all of the rates listed below have been converted to hourly rates. Note that three Head Start providers do not charge fees for wraparound services, and seven GSRPs do not charge fees for wraparound services. Relating to Head Start programs, providers could list wraparound rates in three child age categories: Infant/Toddler, Preschool, and Other. The average of services for Preschool children were \$1.27 per hour less than Infant/Toddler. One Head Start provider did not specify the age range for wraparound services provided. Great Start Readiness programs were only able to list the rates charged in general for their wraparound services.

Table 16: Hourly Wraparound Rates for Responding Head Start Programs

Converted Rates	Infant/Toddler	Preschool	Other
Mean	\$ 4.91	\$ 3.64	\$ 2.67
Median	\$ 4.22	\$ 3.42	\$ 2.67
Respondents (n=)	8	20	1
Min	\$ 1.94	\$ 0.33	\$ 2.67
Max	\$ 10.00	\$ 7.00	\$ 2.67

Table 17: Hourly Wraparound Rates for Great Start Readiness Programs

Converted	Rates	Other
Mean	\$ 2.45	N/A
Median	\$ 1.67	N/A
Respondents (n=)	71	0
Min	\$ 0.33	N/A
Max	\$ 7.00	N/A

5. Do providers have discounts? If so, what are the discounts and how are they distributed among provider type?

In general, most respondents provide some kind of discount, among all provider types. More than family or group child care, center child care provides discounts 69% to 31%. Table 18 below details the distribution of whether providers give discounts or not.

Table 18: Rate of Discounts Provided, by Provider Type

	Family Child Care	% Family Child Care	Group Child Care	% Group Child Care	Center Child Care	% Center Child Care
Provides Discounts	218	58%	121	62%	315	69%
Does Not Provide Discounts	156	42%	73	38%	139	31%
n=	374		194		454	

The vast majority of all discounts given by respondents are related to sibling/multiple child discounts. There are few other major trends relating to discounts provided. Of the results received, in addition to sibling/multi-child discounts, other types of discounts included:

- One provider gives discounts to police, firefighters, and other civil servants
- Six providers noted that they give discounts based on the amount of time the child is present at the program

- Five providers state they provide a discount if parents pay on weekly or monthly schedules

Table 19: Count of Sibling Discounts Provided, by Provider Type

	Sibling/Multiple Children	Other
Family	166	52
Group	90	31
Center	264	51

Child Care Quality

- 4.3.1 Describe how the State set payment rates for child care services in accordance with the results of the MRS.
- 4.3.3 Differential payment rate data (location, age, needs, non-traditional hours of care, quality)
- 4.4.1 What facts did the State use to determine equal access?
- 4.4.2 Does the State certify that payment rates are sufficient to ensure equal access either based on the current MRS?

1. What quality initiatives do providers participate in?

To address the new CCDF State Plan requirements added emphasis on the role of quality in child care prices, the Project Leadership Team, as consulted by PCG, asked respondents about Quality Rating Improvement System (QRIS) participation and ranking and program accreditations. While these factors will not reveal everything about a program’s quality, these were determined to be the most appropriate benchmarks of child care program quality for the purpose of the survey. Findings are outlined in Table 20 below, with a summary of conclusions as well:

- The majority of all respondents, across all program types, reported participation in Michigan’s Great Start to Quality program, including over half of Family and Group Child Care Home respondents and two-thirds of Licensed Child Care Center respondents.
 - Licensed Child Care Center respondents reported the highest average QRIS star rating, with a 3.4 average
 - Family and Group Child Care Home respondents both had an average of a 2 star rating

Very few respondents reported being accredited. Out of the accreditation options available for selection in the survey, the following accreditations had the highest reported numbers:

- National Association for the Education of Young Children (NAEYC), with 13% of Licensed Child Care Center respondents
- National Association for Family Child Care (NAFCC), with 7% of Group Child Care Home and 3% of Family Child Care Home respondents

Table 20: Respondent Participation in QRIS and Accreditations

	Family Child Care	Group Child Care	Center Child Care	Unidentified Provider Type
QRIS Participation				
Participation in QRIS (n count)	382	199	460	14
Participation in QRIS (% of respondent group)	54%	60%	67%	50%
Average reported current star rating level	2.0	2.3	3.4	1.8
Accreditations				
National Association for the Education of Young Children (NAEYC)	0%	0%	13%	7%
Michigan Montessori Society (MMS)	0%	0%	2%	0%
American Montessori Society (AMS)	0%	0%	1%	0%

	Family Child Care	Group Child Care	Center Child Care	Unidentified Provider Type
Association Montessori International (AMI)	0%	0%	0%	0%
National Association for Family Child Care (NAFCC)	3%	7%	0%	0%
National Accreditation Commission for Early Care and Education Programs	1%	1%	2%	0%
National Early Childhood Program Accreditation (NECPA)	1%	0%	1%	0%
National After School Association	0%	0%	1%	0%

2. How does participation in quality initiatives relate to rates charged?

3. Do providers with a higher star rating or accreditation charge a higher rate?

4. Do CDC's tiered reimbursement rates allow equal access to high quality child care?

- Respondents with a 5 Star rating typically reported the highest rate, but the progression of rates from Empty Star rating to 5 Star is not a linear increase.
 - However, it must be noted that there tended to be fewer respondents with a 4 or 5 Star Rate, therefore the results for the highest Star Rates are not as well-informed as the lower Star Rates from respondents.

To determine whether CDC's rates are sufficient in ensuring access to high quality care, e.g. programs of higher Great Start to Quality star ratings, the rate data was broken down by Great Start to Quality star rating, program type, and age group to enable an apples-to-apples comparison to CDC tiered reimbursement rates. While Michigan OGS only just implemented a tiered reimbursement structure in FY14, it is valuable to compare these recently established rates with the rates reported by respondents in the 2015 Market Rate Survey.

- According to the rate data collected, none of the current tiered reimbursement rates for Center child care for Infant / Toddler or Preschool Age would allow for full payment of a provider participating in Great Start to Quality. For example:
 - The highest current CDC reimbursement rate is \$4.50 an hour for Center child care for Infant/Toddler, while the lowest rate for Infant/Toddler reported by Licensed Center child care participating in Great Start to Quality in the 2015 Market Rate Survey was \$4.75 an hour.
 - The highest current CDC reimbursement rate is \$3.25 an hour for Center child care for Preschool Age, while the lowest rate for Preschool Age reported by Licensed Center child care participating in Great Start to Quality in the 2015 Market Rate Survey was \$3.89 an hour.
- For Family & Group child care, the current CDC reimbursement rates enable greater access to quality care for families with child care assistance.
 - According to the data collected, the top two Star Rate CDC reimbursement rates for Infant/Toddler would afford a family access to programs with 2 or 3 Star Rates for family child care and programs with a 2 Star Rate for Group child care.

OGS's proposed rate increase for tiered reimbursement gets CDC rates closer to Great Start to Quality programs' rates, but they will still not be sufficient in most cases. For example:

- The highest proposed CDC reimbursement rate is \$3.25 an hour for Center child care for Infant/Toddler, while the lowest rate for Preschool Age reported by a Licensed Child Care Center in the 2015 Market Rate Survey was \$3.89 an hour.
- Presumably much of the misalignment between CDC reimbursement rates and Great Start to Quality program rates can be attributed to the newness of the tiered reimbursement rate.

Furthermore, comparing the 75th percentile rates by Great Start to Quality star rating to the overall corresponding 75th percentile market rate illustrates the variance of market rates by Great Start to Quality, which is important when using the market rate information to inform future rate-setting. Please see Tables 21 through 23 below.

- Across all program types and age groups, the 75th percentile market rate is generally aligned with all the Great Start to Quality Star rates. This is particularly true for Center, where the range of Great Start to Quality Star rates is smaller and overall 75th percentile rates are very similar.
 - However, for Family child care respondents, the 75th percentile hourly rates reported for 4 and 5 Star rates are higher than the overall market rates for Family child care -- over 25% higher for the reported 5 Star Rate.

Table 21: 75th Percentile Converted Hourly Rates for Family Child Care Respondents

Great Start to Quality Star Rating	Infant / Toddler	GSQ Rate as a percent of overall Infant / Toddler MR	Preschool Age	GSQ Rate as a percent of overall Preschool Age MR	School Age*	GSQ Rate as a percent of overall School Age MR
Corresponding 2015 75 th Percentile Market Rate	\$ 3.50	-	\$ 3.33	-	\$ 3.50	-
Blank Star and 1 Star Rate	\$ 3.50	100%	\$ 3.33	100%	\$ 3.19	91%
2 Star Rate	\$ 3.38	97%	\$ 3.33	100%	\$ 3.00	86%
3 Star Rate	\$ 3.39	97%	\$ 3.33	100%	\$ 2.19	63%
4 Star Rate	\$ 3.70	106%	\$ 3.64	109%	\$ 2.21	63%
5 Star Rate	\$ 4.49	128%	\$ 4.19	126%	\$ 3.33	95%

*Only true hourly rates reported were used for school-age; no conversion was done.

Table 22: 75th Percentile Converted Hourly Rates for Group Child Care Respondents

Great Start to Quality Star Rating	Infant / Toddler	GSQ Rate as a percent of overall Infant / Toddler MR	Preschool Age	GSQ Rate as a percent of overall Preschool Age MR	School Age*	GSQ Rate as a percent of overall School Age MR
Corresponding 2015 75 th Percentile Market Rate	\$ 3.50	-	\$ 3.33	-	\$ 3.13	-
Blank Star and 1 Star Rate	\$ 3.50	100%	\$ 3.33	100%	\$ 3.75	120%
2 Star Rate	\$ 3.33	95%	\$ 3.28	98%	\$ 2.45	78%
3 Star Rate	\$ 3.55	101%	\$ 3.22	97%	\$ 3.00	96%
4 Star Rate	\$ 3.58	102%	\$ 3.72	112%	\$ 3.17	101%
5 Star Rate	\$ 4.37	125%	\$ 3.22	97%	\$ 3.47	111%

*Only true hourly rates reported were used for school-age; no conversion was done.

Table 23: 75th Percentile Converted Hourly Rates for Licensed Child Care Center Respondents

Great Start to Quality Star Rating	Infant / Toddler	GSQ Rate as a percent of overall Infant / Toddler MR	Preschool Age	GSQ Rate as a percent of overall Preschool Age MR	School Age*	GSQ Rate as a percent of overall School Age MR
<i>Corresponding 2015 75th Percentile Market Rate</i>	\$ 5.27	-	\$ 4.44	-	\$4.89	-
Blank Star and 1 Star Rate	\$ 5.31	101%	\$ 4.44	100%	\$ 4.81	98%
2 Star Rate	\$ 4.75	90%	\$ 3.96	89%	\$ 1.50	31%
3 Star Rate	\$ 5.32	101%	\$ 4.64	105%	\$ 3.38	69%
4 Star Rate	\$ 5.18	98%	\$ 4.08	92%	\$ 4.78	98%
5 Star Rate	\$ 5.29	100%	\$ 3.89	88%	\$ -	-

*Only true hourly rates reported were used for school-age; no conversion was done.

For full rate information by Great Start to Quality Star Rate, program type, and age group, see Table 1. in Appendix E. Child Care Quality.

V. RECOMMENDATIONS

PCG submits the following recommendations for consideration by OGS:

Survey Findings

- Submit a proposal and advocate for an additional increase for CDC Subsidy rates to meet the 75th percentile for the current market rates.

Future Child Care Market Rate Methodology

- Collect data on number of hours the provider considers “full-time” for each rate unit to allow for conversion from daily, weekly, monthly rates into hourly rates for each respondent; this will allow for the most accurate representation of the hourly rate for each respondent
- If a census survey methodology is used conduct blast phone-based automated messages to all current providers as a method to increase response rates; this year, the call team saw up to 5% increases in daily response rates for days following phone calls
- Consider an alternative methodology for reaching the ACF requirement of a “statistically reliable and valid” sample of provider including:
 - A random sample of providers representative of providers by type, age group served and geography (Great Start to Quality Resource Center regions)
 - Consider using a cost model which now an option is presented by ACF through CCDBG reauthorization.

VI. APPENDIX

Appendix A. Survey Questions

Appendix B. Survey Respondents

Appendix C. Child Care Market Rates

Appendix D. Market Rate Variations

Appendix E. Child Care Quality

APPENDIX A. SURVEY QUESTIONS

2015 Michigan Child Care Market Rate Survey

Licensed/Registered Child Care Providers - 2015 Market Rate Survey

1) Please enter your license or registration number. *Note if you are a tribal child care center, please enter TribalC1234567.*

2) Please enter your name or the name of your provider agency, whichever is applicable.

Validation: Max character count = 5 Min character count = 5

3) Please enter your zip code for which you provide child care/early education (enter a 5-digit zip code in the comment box).

4) Please select the county from the list below for where you provide child care/early education.

- Alcona
- Alger
- Allegan
- Alpena
- Antrim
- Arenac
- Baraga
- Barry
- Bay
- Benzie
- Berrien
- Branch
- Calhoun
- Cass
- Charlevoix
- Cheboygan
- Chippewa
- Clare
- Clinton

- Crawford
- Delta
- Dickinson
- Eaton
- Emmet
- Genesee
- Gladwin
- Gogebic
- Grand Traverse
- Gratiot
- Hillsdale
- Houghton
- Huron
- Ingham
- Ionia
- Losco
- Iron
- Isabella
- Jackson
- Kalamazoo
- Kalkaska
- Kent
- Keweenaw
- Lake
- Lapeer
- Leelanau
- Lenawee
- Livingston
- Luce
- Mackinac
- Macomb
- Manistee
- Marquette
- Mason

- Mecosta
- Menominee
- Midland
- Missaukee
- Monroe
- Montcalm
- Montmorency
- Muskegon
- Newaygo
- Oakland
- Oceana
- Ogemaw
- Ontonagon
- Osceola
- Oscoda
- Otsego
- Ottawa
- Presque Isle
- Roscommon
- Saginaw
- St. Clair
- St. Joseph
- Sanilac
- Schoolcraft
- Shiawassee
- Tuscola
- Van Buren
- Washtenaw
- Wayne
- Wexford

5) Which of the following best describes your program?

- Licensed Child Care Center
- Family Child Care Home
- Group Child Care Home
- No Longer Providing Care

Unlicensed Provider

6) Which age groups do you serve?

Infant (birth until 1 year of age)

Toddler (1 year of age until 30 months of age)

Preschool (30 months of age until eligible to attend a grade of kindergarten or higher)

School-Aged (a child who is eligible to attend a grade of kindergarten or higher, but less than 13 years of age. A child is considered school-age on the first day of the school year in which he or she is eligible).

7) Do you provide care for any of the following?

Children with special needs

Homeless children

Migrant children

Dual language learners

Page entry logic: This page will show when: Question "Which of the following best describes your program?" #5 is one of the following answers ("No Longer Providing Care", "Unlicensed Provider")

Thank you for your time!

Program Participation

8) Do you participate in the Child and Adult Care Food Program (CACFP)?

Yes

No

Logic: Show/hidden trigger exists.

9) Do you participate in Michigan's Great Start to Quality Program (QRIS)?

Yes

No

Logic: Hidden unless: Question "Do you participate in Michigan's Great Start to Quality Program (QRIS)?" #9 is one of the following answers ("Yes")

10) What is your current star rating level?

Empty Star

One

Two

Three

Four

Five

11) Are you accredited with any of the following?

- National Association for the Education of Young Children (NAEYC)
- Michigan Montessori Society (MMS)
- American Montessori Society (AMS)
- Association Montessori International (AMI)
- National Association for Family Child Care (NAFCC)
- National Accreditation Commission for Early Care and Education Programs
- National Early Childhood Program Accreditation (NECPA)
- National After School Association
- Other (Please Identify): _____*

Additional Funding and Offerings

Logic: Show/hidden trigger exists.

12) Do you receive funding for or do you offer any of the following? (Check all that apply)

- Head Start
- Early Head Start
- Great Start Readiness Program (GSRP)
- Child Care Scholarships

Logic: Hidden unless: Question "Do you receive funding for or do you offer any of the following? (Check all that apply)" #12 is one of the following answers ("Head Start", "Early Head Start")

13) What type of Head Start/Early Head Start Program do you operate?

- Part Day - AM Early Head Start
- Part Day - PM Early Head Start
- Full Day Early Head Start
- Home-Based Early Head Start
- Part Day - AM Head Start
- Part Day - PM Head Start
- Full Day Head Start

Logic: Show/hidden trigger exists. Hidden unless: Question "Do you receive funding for or do you offer any of the following? (Check all that apply)" #12 is one of the following answers ("Head Start", "Early Head Start")

- 14) Do you offer wraparound child care for families enrolled in your Head Start/Early Head Start Program
- Yes
- No

Logic: Hidden unless: Question "Do you offer wraparound child care for families enrolled in your Head Start/Early Head Start Program" #14 is one of the following answers ("Yes")

- 15) What type of rate do you primarily charge for Head Start/Early Head Start wraparound child care?
- No fees for wraparound child care
- Hourly
- Daily
- Weekly
- Monthly

Logic: Hidden unless: Question "Do you offer wraparound child care for families enrolled in your Head Start/Early Head Start Program" #14 is one of the following answers ("Yes")

- 16) Please provide your rate for Head Start/Early Head Start wraparound care. If you do not serve an age group shown, please leave that box blank.
- Birth to 1/2 (30 Months): _____
- 2 1/2 to 5 years (not yet enrolled in kindergarten): _____
- Other: _____

Logic: Hidden unless: Question "Do you receive funding for or do you offer any of the following? (Check all that apply)" #12 is one of the following answers ("Great Start Readiness Program (GSRP)")

- 17) What type(s) of GSRP program do you operate?
- Part Day - AM
- Part Day - PM
- School Day/Full Day

Logic: Show/hide trigger exists. Hidden unless: Question "Do you receive funding for or do you offer any of the following? (Check all that apply)" #12 is one of the following answers ("Great Start Readiness Program (GSRP)")

- 18) Do you offer wraparound child care for families enrolled in your GSRP program?
- Yes
- No

Logic: Hidden unless: Question "Do you offer wraparound child care for families enrolled in your GSRP program?" #18 is one of the following answers ("Yes")

- 19) What type of rate do you primarily charge for GSRP wraparound child care?
- No fees for wraparound child care
- Hourly

- Daily
- Weekly
- Monthly

Logic: Hidden unless: Question "Do you offer wraparound child care for families enrolled in your GSRP program?" #18 is one of the following answers ("Yes")

20) Please provide your rate for GSRP wraparound care.

Logic: Hidden unless: Question "Do you receive funding for or do you offer any of the following? (Check all that apply)" #12 is one of the following answers ("Child Care Scholarships")

21) Please provide which types of child care scholarships that you offer or receive funding for. (Check all that apply)

Early Learning Enhancement Grants

Local Scholarships

Other (Please Specify): _____*

Child Care (not including Head Start or GSRP)

Logic: Show/hide trigger exists.

22) Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)

Infant (Birth to 1 year)

Toddler (1 year to 2 1/2 or 30 months)

Preschool Age (2 1/2 to 5 years not yet enrolled in kindergarten)

School Age (5 through 12 years who are in kindergarten or beyond)

23) When does your child care program operate?

Day Time

Evening (after 6:00)

Overnight

Weekend

Summer or other school breaks

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("Infant (Birth to 1 year)")

24) How many infant slots do you have?

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("Infant (Birth to 1 year)")

25) Of the infant slots identified above, how many are currently filled?

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("Toddler (1 year to 2 1/2 or 30 months)")

26) How many toddler slots do you have?

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("Toddler (1 year to 2 1/2 or 30 months)")

27) Of the toddler slots identified above, how many are currently filled?

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("Preschool Age (2 1/2 to 5 years not yet enrolled in kindergarten)")

28) How many slots do you have for children that are preschool age (2 1/2 to 5 years) not yet enrolled in kindergarten?

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("Preschool Age (2 1/2 to 5 years not yet enrolled in kindergarten)")

29) Of the preschool slots identified above, how many are currently filled?

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("School Age (5 through 12 years who are in kindergarten or beyond)")

30) How many slots do you have for school age children (5 through 12 years) who are in kindergarten or beyond?

Logic: Hidden unless: Question "Please select the types of fee or tuition-based child care that your program provides from below. (Check all that apply)" #22 is one of the following answers ("School Age (5 through 12 years who are in kindergarten or beyond)")

31) Of the school age slots identified above, how many are currently filled?

Hourly Rates

Logic: Show/hide trigger exists.

32) Do you charge an hourly rate?

Yes

No

Logic: Hidden unless: Question "Do you charge an hourly rate?" #32 is one of the following answers ("Yes")

33) Please provide your standard hourly rate. If you do not charge an hourly rate for an age group shown, please leave that box blank.

Infant (Birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school year):

Logic: Show/hide trigger exists. Hidden unless: Question "Do you charge an hourly rate?" #32 is one of the following answers ("Yes")

34) Do you ever charge a higher hourly rate for any of the following times: evening, overnight, weekend, summer or school breaks?

Yes

No

Logic: Hidden unless: Question "Do you ever charge a higher hourly rate for any of the following times: evening, overnight, weekend, summer or school breaks? " #34 is one of the following answers ("Yes")

35) If you charge a higher hourly rate for evening (after 6:00pm) care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher hourly rate for any of the following times: evening, overnight, weekend, summer or school breaks? " #34 is one of the following answers ("Yes")

36) If you charge a higher hourly rate for overnight care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher hourly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #34 is one of the following answers ("Yes")

37) If you charge a higher hourly rate for weekend care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher hourly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #34 is one of the following answers ("Yes")

38) If you charge a higher hourly rate for summer/other school break care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Daily Rates

Logic: Show/hide trigger exists.

39) Do you charge a daily rate?

Yes

No

Logic: Hidden unless: Question "Do you charge a daily rate?" #39 is one of the following answers ("Yes")

40) Please provide your standard (full-time) daily rate. If you do not charge a daily rate for an age group shown, please leave that box blank.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Show/hide trigger exists. Hidden unless: Question "Do you charge a daily rate?" #39 is one of the following answers ("Yes")

41) Do you ever charge a higher daily rate for any of the following times: evening, overnight, weekend, summer or school breaks?

Yes

No

Logic: Hidden unless: Question "Do you ever charge a higher daily rate for any of the following times: evening, overnight, weekend, summer or school breaks? " #41 is one of the following answers ("Yes")

42) If you charge a higher daily rate for evening (after 6:00pm) care, please provide the rate you charge

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher daily rate for any of the following times: evening, overnight, weekend, summer or school breaks? " #41 is one of the following answers ("Yes")

43) If you charge a higher daily rate for overnight care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher daily rate for any of the following times: evening, overnight, weekend, summer or school breaks? " #41 is one of the following answers ("Yes")

44) If you charge a higher daily rate for weekend care, please provide the rate you charge

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher daily rate for any of the following times: evening, overnight, weekend, summer or school breaks? " #41 is one of the following answers ("Yes")

45) If you charge a higher daily rate for summer/other school break care, please provide the rate you charge

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Weekly Rates

Logic: Show/hide trigger exists.

46) Do you charge a weekly rate?

Yes

No

Logic: Hidden unless: Question "Do you charge a weekly rate?" #46 is one of the following answers ("Yes")

47) Please provide your standard (full-time) weekly rate. If you do not charge a weekly rate for an age group shown, please leave that box blank.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Show/hide trigger exists. Hidden unless: Question "Do you charge a weekly rate?" #46 is one of the following answers ("Yes")

48) Do you ever charge a higher weekly rate for any of the following times: evening, overnight, weekend, summer or school breaks?

Yes

No

Logic: Hidden unless: Question "Do you ever charge a higher weekly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #48 is one of the following answers ("Yes")

49) If you charge a higher weekly rate for evening (after 6:00pm) care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher weekly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #48 is one of the following answers ("Yes")

50) If you charge a higher weekly rate for overnight care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher weekly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #48 is one of the following answers ("Yes")

51) If you charge a higher weekly rate for weekend care, please provide the rate you charge

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher weekly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #48 is one of the following answers ("Yes")

52) If you charge a higher weekly rate for summer/other school break care, please provide the rate you charge

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Monthly Rates

Logic: Show/hide trigger exists.

53) Do you charge a monthly rate?

Yes

No

Logic: Hidden unless: Question "Do you charge a monthly rate?" #53 is one of the following answers ("Yes")

54) Please provide your standard (full-time) Monthly rate. If you do not charge a monthly rate for an age group shown, please leave that box blank.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Show/hide trigger exists. Hidden unless: Question "Do you charge a monthly rate?" #53 is one of the following answers ("Yes")

55) Do you ever charge a higher monthly rate for any of the following times: evening, overnight, weekend, summer or school breaks?

Yes

No

Logic: Hidden unless: Question "Do you ever charge a higher monthly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #55 is one of the following answers ("Yes")

56) If you charge a higher monthly rate for evening (after 6:00pm) care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher monthly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #55 is one of the following answers ("Yes")

57) If you charge a higher monthly rate for overnight care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher monthly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #55 is one of the following answers ("Yes")

58) If you charge a higher monthly rate for weekend care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Logic: Hidden unless: Question "Do you ever charge a higher monthly rate for any of the following times: evening, overnight, weekend, summer or school breaks?" #55 is one of the following answers ("Yes")

59) If you charge a higher monthly rate for summer/other school break care, please provide the rate you charge.

Infant (birth to 1 year): _____

Toddler (1 to 2 1/2 years or 30 months): _____

2 1/2 to 5 years not yet enrolled in kindergarten: _____

5 to 12 years (in kindergarten or beyond during the regular school-year):

Additional Rate/Payment Information

Logic: Show/hide trigger exists.

60) Do you offer a discount on your rates to families who enroll more than one child in your program?

Yes

No

Logic: Hidden unless: Question "Do you offer a discount on your rates to families who enroll more than one child in your program?" #60 is one of the following answers ("Yes")

61) Please describe the discount(s) you offer.

Logic: Show/hide trigger exists.

62) Do you accept Child Development and Care (CDC) subsidized children in your program?

Yes

No

Logic: Hidden unless: Question "Do you accept Child Development and Care (CDC) subsidized children in your program?" #62 is one of the following answers ("Yes")

63) For families receiving Child Development and Care (CDC) subsidy, do you accept the subsidy payment as the full rate of payment or does your program require parents to pay the difference, if any, between the subsidy payment and the full rate your program charges for private pay parents? (*select one*)

For families using subsidy payments, my program accepts the subsidy rate as full payment. No other fees are charged

For families using subsidy payments, my program charges the remainder (i.e. my full fee minus the subsidy payment amount)

Our program does not have a set policy regarding this.

() Other, please specify (required): _____*

Other Comments

64) In the box below please provide any additional comments regarding the child care market rates that your program charges.

Gift Card Raffle (optional)

65) If you would like to participate in the raffle for the drawing for a \$100 Visa gift card, please enter your contact information below. *Note your contact information will only be used for the raffle.*

Name: _____

email: _____

Phone: _____

Mailing address: _____

Survey Completed

APPENDIX B. SURVEY RESPONDENTS

Table 1. Survey Respondents by Provider Type and Other Programs

	Family Child Care	Group Child Care	Center Child Care	Unidentified Provider Type
Data Profile				
Valid number of respondents	382	199	460	14
Respondents (as a percent of overall respondents)	36%	19%	44%	1%
Operating Head Start Programs	n/a	n/a	7%	0%
Operating Early Head Start Programs	n/a	n/a	2%	0%
Operating Great Start Readiness Programs	1%	1%	30%	0%
Participating in Child and Adult Care Food Program	79%	87%	39%	36%

Table 2. Time of Child Care

Program Type	Day Time	Evening (after 6:00)	Overnight	Weekend	Summer or other school breaks	Day Time percent	Evening (after 6:00) percent	Overnight percent	Weekend percent	Summer or other school breaks percent
Family Child Care	363	97	34	53	214	36%	49%	46%	50%	37%
Group Child Care	195	66	36	39	131	19%	33%	49%	37%	23%
Center Child Care	450	28		9	228	44%	14%	0%	8%	39%
Unidentified Provider Type	14	9	4	5	8	1%	5%	5%	5%	1%
Totals	1022	200	74	106	581					

Table 3. Number of Children Currently Served by Participating Providers

	Infant/Toddler			Preschool			School-Age			Total Filled	Percentage
	Slots	Filled	Open	Slots	Filled	Open	Slots	Filled	Open		
Group Child Care	1243	818	425	887	623	264	594	406	188	1847	6%
Family Child Care	1145	831	314	788	612	176	482	328	154	1771	6%
Center Child Care	6301	5268	1033	16835	13822	3013	9529	7095	2434	26185	88%
Total	8689	6917	1772	18510	15057	3453	10605	7829	2776	29803	

VII. APPENDIX C. CHILD CARE MARKET RATES

Table 1. Statewide Hourly Rates (75th Percentile; in dollars) by Provider Type

Provider type	Infant/toddler		Pre-K		School-Age (Hourly ONLY- no conversion)*	
	75th percentile	n	75th percentile	n	75th percentile	n
Center Child Care	\$ 5.27	212	\$ 4.44	315	\$ 4.89	76
Family Child Care	\$ 3.50	327	\$ 3.33	353	\$ 3.13	119
Group Child Care	\$ 3.50	199	\$ 3.33	189	\$ 3.50	83

*Note: all rate data from the survey was converted into hourly rates using the established methodology of 9 hours/day, 45 hours/week, 180 hours/month with the exception of School-Age data

Table 2. School Age Provider Rates (75th Percentile; in dollars) by Rate Unit

Provider type	Hourly		Daily		Weekly		Monthly	
	75th percentile	n	75th percentile	n	75th percentile	n	75th percentile	n
Center Child Care	\$ 4.89	76	\$ 35.00	121	\$ 149.00	163	\$ 845.83	16
Family Child Care	\$ 3.13	119	\$ 30.00	141	\$ 140.00	134	\$ 510.00	5
Group Child Care	\$ 3.50	30	\$ 30.00	80	\$ 130.00	107	\$ 560.00	1

Table 3. A. Statewide Hourly Rates (75th Percentile; in dollars) by Provider Type Compared to CDC Subsidy Rates (current and proposed) – Infant/toddler and Pre-K

Provider Type	Infant/Toddler (Birth to 2 ½)				Pre-K (2 ½ years to 5 years not yet enrolled in kindergarten)			
	Market Rate 2013	Market Rate 2015	Current CDC Rate	Proposed CDC Rate	Market Rate 2013	Market Rate 2015	Current CDC Rate	Proposed CDC Rate
Center Child Care	\$5.00	\$5.27	\$3.75-\$4.50	\$3.75-4.75	\$5.00	\$4.44	\$2.50-\$3.25	\$2.50-\$3.50
Group Child Care	\$3.50	\$3.50	\$2.90-\$3.65	\$2.90-\$3.90	\$3.25	\$3.33	\$2.40-\$3.15	\$2.40-\$3.40
Family Child Care	\$4.00	\$3.50	\$2.90-\$3.65	\$2.90-\$3.90	\$3.50	\$3.33	\$2.40-\$3.15	\$2.40-\$3.40

Table 3. B. School Age

Provider Type	School-Age (5 years to 12 years kindergarten or higher)			
	Market Rate 2013	Market Rate 2015	Current CDC Rate	Proposed CDC Rate
Center Child Care	\$4.58	\$4.89	\$2.50-\$3.25	\$2.50-\$3.50
Group Child Care	\$3.50	\$3.13	\$2.40-\$3.15	\$2.40-\$3.40
Family Child Care	\$3.50	\$3.50	\$2.40-\$3.15	\$2.40-\$3.40

Table 4. Proposed CDC Subsidy Rate (5 Star) as a Percent of the Market Rate (75th percentile)

Provider Type	Market Rate 2015	Proposed CDC Rate (Base Rate)	CDC as a percent of MRS	Proposed CDC Rate (5 Star)	CDC as a percent of MRS
Infant/Toddler					
Centers	\$ 5.27	\$ 3.75	71%	\$ 4.75	90%
Group Homes	\$ 3.50	\$ 2.90	71%	\$ 3.90	100%
Family Homes	\$ 3.50	\$ 2.90	71%	\$ 3.90	100%
Preschool					
Centers	\$ 4.44	\$ 2.50	56%	\$ 3.50	79%
Group Homes	\$ 3.33	\$ 2.40	72%	\$ 3.40	102%
Family Homes	\$ 3.33	\$ 2.40	72%	\$ 3.40	102%
School Age					
Centers	\$ 4.89	\$ 2.50	51%	\$ 3.50	66%
Group Homes	\$ 3.13	\$ 2.40	77%	\$ 3.40	101%
Family Homes	\$ 3.50	\$ 2.40	69%	\$ 3.40	90%

Table 5. Changes in Market Rate (75th percentile) from 2013 to 2015 Child Care Market Rate Survey

Provider Type	Infant/Toddler		Pre-K		School-Age	
	Difference \$	% Change	Difference \$	% Change	Difference \$	% Change
Centers	\$ 0.33	7%	\$ (0.53)	-11%	\$ 0.27	6%
Group Homes	\$ -	0%	\$ 0.08	3%	\$ (0.38)	-11%
Family Homes	\$ (0.50)	-13%	\$ (0.17)	-5%	\$ -	0%

Table 6. A. Survey Respondents that Accept MI Child Development and Care (CDC) Subsidy

Provider Type	Accepts CDC Subsidy	% of Respondents that Accept CDC Subsidy
Center Child Care	369	80.0%

Provider Type	Accepts CDC Subsidy	% of Respondents that Accept CDC Subsidy
Group Child Care	269	70.0%
Family Child Care	169	85.0%
Totals	807	

Table 7. B. Provider Policies on Charges Outside of CDC Subsidy

Survey question “For families receiving Child Development and Care (CDC) subsidy, do you accept the subsidy payment as the full rate of payment or does your program require parents to pay the difference, if any, between the subsidy payment and the full rate your program charges for private pay parents?”

Provider Type	Accepts Subsidy as Full Payment	% that Accept as Full Payment	Charges Parent's Difference between Fee and Subsidy Rate	% that charges the difference	Other	% Other Policy
Center Child Care	26	7.0%	299	81.0%	34	9.2%
Family Child Care	33	12.3%	182	67.7%	14	5.2%
Group Child Care	22	13.0%	118	69.8%	9	5.3%
Totals	81	10.0%	599	74.2%	57	7.1%

Table 8. A. Survey Respondents that Accept MI Child Development and Care (CDC) Subsidy

Provider Type	Accepts CDC Subsidy	% of Respondents that Accept CDC Subsidy
Center Child Care	369	80.0%
Family Child Care	269	70.0%
Group Child Care	169	85.0%
Totals	807	

Table 8. B. Provider Policies on Charges Outside of CDC Subsidy

Survey question “For families receiving Child Development and Care (CDC) subsidy, do you accept the subsidy payment as the full rate of payment or does your program require parents to pay the difference, if any, between the subsidy payment and the full rate your program charges for private pay parents?”

Provider Type		Accepts Subsidy as Full Payment	% that Accept as Full Payment	Charges Parent's Difference between Fee and Subsidy Rate	% that charges the difference	Other	% Other Policy
Center Care	Child	26	7.0%	299	81.0%	34	9.2%
Family Care	Child	33	12.3%	182	67.7%	14	5.2%
Group Care	Child	22	13.0%	118	69.8%	9	5.3%
Totals		81	10.0%	599	74.2%	57	7.1%

Table 9: 75th Percentile Market Rates and % Subsidy Coverage of Market Rate, by County, Center Child Care

County	# of Licensed Providers	# of Respondents	Population	Infant/Toddler MR	Infant/Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Alcona	3	0	10,454						
Alger	6	0	9,459						
Allegan	60	3	113,847			\$ 3.47	72%	\$ 6.00	42%
Alpena	12	0	28,988						
Antrim	11	2	23,267	\$ 4.63	81%	\$ 3.65	68%	\$ 4.00	
Arenac	8	0	15,353						
Baraga	4	0	8,654	\$ 2.50	150%	\$ 2.25	111%		
Barry	18	1	59,281			\$ 4.17	60%	\$ 5.00	50%
Bay	54	3	106,179	\$ 4.76	79%	\$ 4.17	60%	\$ 5.00	50%
Benzie	9	4	17,519	\$ 3.25	115%	\$ 3.00	83%	\$ 2.75	91%
Berrien	56	5	155,233	\$ 3.96	95%	\$ 3.54	71%	\$ 4.29	58%
Branch	19	0	43,545						
Calhoun	64	4	134,878	\$ 4.09	92%	\$ 3.39	74%		
Cass	9	1	51,608	\$ 3.44	109%	\$ 2.78	90%		
Charlevoix	15	0	26,121						
Cheboygan	11	0	25,675						
Chippewa	18	4	38,321	\$ 3.51	107%	\$ 3.02	83%		
Clare	16	1	30,652	\$ 3.33	113%	\$ 3.22	78%		
Clinton	33	2	77,297	\$ 4.00	94%	\$ 3.67	68%		
Crawford	4	1	13,745			\$ 2.78	90%		
Delta	22	1	36,559			\$ 3.16	79%	\$ 3.16	79%
Dickinson	14	1	25,957			\$ 3.00	83%	\$ 3.00	83%
Eaton	51	5	108,579	\$ 4.06	92%	\$ 3.40	74%		
Emmet	23	4	33,204	\$ 4.28	88%	\$ 3.85	65%	\$ 3.95	63%
Genesee	176	18	412,895	\$ 4.02	93%	\$ 3.50	72%	\$ 4.00	63%
Gladwin	10	0	25,411	\$ 2.99	126%	\$ 2.36	106%	\$ 2.50	100%

County	# of Licensed Providers	# of Respondents	Population	Infant/Toddler MR	Infant/Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Gogebic	7	0	15,737						
Grand	54	0	90,782						
Gratiot	13	0	41,665						
Hillsdale	19	0	45,830						
Houghton	16	0	36,495						
Huron	21	2	32,065	\$ 3.06	123%	\$ 1.44	173%	\$ 3.50	71%
Ingham	137	25	284,582	\$ 4.94	76%	\$ 4.01	62%		
Ionia	29	3	64,294			\$ 1.69	148%	\$ 2.95	
Iosco	13	0	25,420						
Iron	4	0	11,387						
Isabella	30	5	70,616	\$ 4.53	83%	\$ 3.90	64%	\$ 4.50	56%
Jackson	54	1	159,741			\$ 1.89	132%	\$ 5.00	50%
Kalamazoo	148	21	258,818	\$ 4.70	80%	\$ 3.94	64%	\$ 6.75	37%
Kalkaska	7	1	17,394	\$ 3.50	107%	\$ 2.75	91%	\$ 2.50	100%
Kent	295	17	629,237	\$ 4.58	82%	\$ 3.67	68%	\$ 4.00	63%
Keweenaw	0	0	2,217						
Lake	2	0	11,341						
Lapeer	28	2	88,153			\$ 2.89	87%	\$ 3.00	83%
Leelanau	13	1	21,915	\$ 5.33		\$ 5.00			
Lenawee	55	2	99,047	\$ 3.57	105%	\$ 2.67	94%	\$ 4.00	63%
Livingston	85	5	185,596	\$ 5.45	69%	\$ 4.70	53%	\$ 5.00	50%
Luce	3	0	6,426						
Mackinac	7	0	11,042						
Macomb	280	23	860,112	\$ 5.48	68%	\$ 4.45	56%	\$ 4.97	50%
Manistee	13	0	24,420						
Marquette	32	17	67,676	\$ 4.13	91%	\$ 3.32	75%	\$ 3.50	71%
Mason	11	0	28,824	\$ 2.75	136%	\$ 2.75	91%	\$ 2.75	91%
Mecosta	20	1	43,186	\$ 3.87	97%	\$ 3.34	75%	\$ 3.05	82%
Menominee	10	0	23,714						

County	# of Licensed Providers	# of Respondents	Population	Infant/Toddler MR	Infant/Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Midland	45	2	83,427	\$ 3.75	100%	\$ 3.76	66%	\$ 3.75	67%
Missaukee	6	0	15,037						
Monroe	63	6	149,824	\$ 3.95	95%	\$ 3.53	71%	\$ 4.50	56%
Montcalm	23	0	62,893						
Montmorency	6	0	9,300	\$ 2.75	136%	\$ 2.75	91%	\$ 2.75	91%
Muskegon	65	2	172,344	\$ 3.55	106%	\$ 3.15	79%	\$ 3.67	68%
Newaygo	26	1	47,900	\$ 3.81	99%	\$ 3.41	73%	\$ 4.00	63%
Oakland	579	45	1,237,868	\$ 5.32	70%	\$ 4.61	54%	\$ 7.20	35%
Oceana	17	0	26,221						
Ogemaw	5	0	21,039						
Ontonagon	2	0	6,172						
Osceola	13	0	23,169						
Oscoda	3	0	8,371						
Otsego	10	0	24,158	\$ 3.06	123%	\$ 2.56	98%		
Ottawa	110	6	276,292	\$ 4.46	84%	\$ 3.74	67%	\$ 3.75	67%
Presque	7	0	13,004						
Roscommon	11	1	23,955			\$ 1.78	141%		
Saginaw	98	6	195,012	\$ 4.40	85%	\$ 3.77	66%		
Sanilac	17	1	41,587	\$ 3.19	118%	\$ 1.83	136%		
Schoolcraft	3	0	8,171						
Shiawassee	22	4	68,933	\$ 4.21	89%	\$ 3.26	77%	\$ 3.25	77%
St. Clair	71	2	160,078	\$ 4.11	91%	\$ 4.75	53%	\$ 4.75	53%
St. Joseph	25	4	60,946	\$ 3.81	98%	\$ 3.17	79%	\$ 2.50	100%
Tuscola	22	4	54,000	\$ 4.16	90%	\$ 3.73	67%	\$ 3.40	74%
Van	41	0	75,199						
Washtenaw	183	11	356,874	\$ 6.40	59%	\$ 5.14	49%	\$ 6.00	42%
Wayne	790	28	1,764,804	\$ 4.82	78%	\$ 3.85	65%	\$ 5.15	49%
Wexford	18	1	32,886	\$ 3.00	125%	\$ 2.86	87%		

Table 10: 75th Percentile Market Rates and % Subsidy Coverage of Market Rate, by County, Family Child Care

County	# of Licensed Providers	# of Respondents	Population	Infant/ Toddler MR	Infant/ Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Alcona	3	0	10,454						
Alger	2	0	9,459						
Allegan	79	8	113,847	\$ 2.90	100%	\$ 2.87	84%	\$ 3.01	80%
Alpena	23	3	28,988	\$ 2.60	111%	\$ 2.60	92%	\$ 2.63	91%
Antrim	12	2	23,267	\$ 4.00	73%	\$ 4.00	60%	\$ 4.00	60%
Arenac	3	1	15,353	\$ 2.70	107%	\$ 2.50	96%	\$ 2.50	96%
Baraga	0	0	8,654						
Barry	26	1	59,281	\$ 3.70	78%	\$ 3.70	65%		
Bay	32	6	106,179	\$ 3.30	88%	\$ 3.04	79%	\$ 3.10	77%
Benzie	7	1	17,519	\$ 3.50	83%	\$ 3.00	80%	\$ 3.00	80%
Berrien	53	4	155,233	\$ 2.75	105%	\$ 2.61	92%		
Branch	40	5	43,545	\$ 3.01	96%	\$ 2.93	82%	\$ 3.00	80%
Calhoun	64	6	134,878	\$ 3.01	96%	\$ 2.79	86%	\$ 2.70	89%
Cass	20	0	51,608						
Charlevoix	14	0	26,121						
Cheboygan	15	3	25,675	\$ 2.83	102%	\$ 2.50	96%	\$ 2.50	96%
Chippewa	22	3	38,321	\$ 2.54	114%	\$ 2.54	95%	\$ 2.58	93%
Clare	6	0	30,652						
Clinton	47	2	77,297	\$ 3.03	96%	\$ 2.89	83%		
Crawford	8	4	13,745	\$ 2.63	110%	\$ 2.49	97%	\$ 2.75	87%
Delta	21	3	36,559	\$ 3.03	96%	\$ 2.94	82%	\$ 3.19	75%
Dickinson	9	0	25,957						
Eaton	88	12	108,579	\$ 2.97	98%	\$ 2.84	84%	\$ 2.50	96%
Emmet	13	1	33,204	\$ 2.78	104%	\$ 2.78	86%		
Genesee	86	10	412,895	\$ 2.60	112%	\$ 2.45	98%	\$ 2.37	101%
Gladwin	7	3	25,411	\$ 2.75	105%	\$ 2.75	87%	\$ 2.75	87%
Gogebic	8	3	15,737	\$ 2.78	104%	\$ 2.78	86%	\$ 2.25	107%
Grand	84	0	90,782						

County	# of Licensed Providers	# of Respondents	Population	Infant/Toddler MR	Infant/Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Gratiot	42	5	41,665	\$ 2.57	113%	\$ 2.52	95%	\$ 2.38	101%
Hillsdale	20	3	45,830	\$ 1.93	151%	\$ 1.93	125%		
Houghton	20	6	36,495	\$ 3.57	81%	\$ 3.27	73%	\$ 3.00	80%
Huron	20	1	32,065	\$ 2.73	106%	\$ 2.75	87%	\$ 2.75	87%
Ingham	121	7	284,582	\$ 3.11	93%	\$ 3.19	75%	\$ 4.00	60%
Ionia	42	2	64,294	\$ 3.03	96%	\$ 3.03	79%	\$ 3.50	69%
Iosco	4	0	25,420						
Iron	4	0	11,387						
Isabella	34	1	70,616	\$ 2.50	116%	\$ 2.22	108%		
Jackson	63	5	159,741	\$ 2.36	123%	\$ 2.24	107%	\$ 1.80	133%
Kalamazoo	149	10	258,818	\$ 3.54	82%	\$ 3.43	70%	\$ 3.70	65%
Kalkaska	6	0	17,394	\$ 2.96	98%	\$ 2.96	81%	\$ 4.00	60%
Kent	473	54	629,237	\$ 3.36	86%	\$ 3.22	74%	\$ 2.97	81%
Keweenaw	2	0	2,217						
Lake	3	0	11,341						
Lapeer	20	3	88,153	\$ 3.32	87%	\$ 3.32	72%	\$ 4.00	60%
Leelanau	11	0	21,915						
Lenawee	33	3	99,047	\$ 3.09	94%	\$ 3.04	79%		
Livingston	52	5	185,596	\$ 3.47	84%	\$ 3.23	74%		
Luce	2	0	6,426	\$ 3.83	76%	\$ 3.74	64%	\$ 3.50	69%
Mackinac	10	2	11,042	\$ 2.50	116%	\$ 1.89	127%		
Macomb	210	19	860,112	\$ 3.71	78%	\$ 3.61	67%	\$ 3.25	74%
Manistee	10	1	24,420	\$ 3.17	92%	\$ 2.64	91%	\$ 2.00	120%
Marquette	30	2	67,676	\$ 3.40	85%	\$ 3.25	74%	\$ 3.25	74%
Mason	28	3	28,824	\$ 2.59	112%	\$ 2.41	100%	\$ 2.50	96%
Mecosta	12	2	43,186	\$ 3.13	93%	\$ 2.83	85%		
Menominee	9	1	23,714	\$ 3.06	95%	\$ 2.66	90%	\$ 2.75	87%
Midland	47	4	83,427	\$ 3.21	90%	\$ 3.14	76%	\$ 3.00	80%

County	# of Licensed Providers	# of Respondents	Population	Infant/ Toddler MR	Infant/ Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Missaukee	9	0	15,037						
Monroe	36	2	149,824	\$ 3.93	74%	\$ 3.64	66%		
Montcalm	31	4	62,893	\$ 3.08	94%	\$ 2.76	87%	\$ 2.80	86%
Montmorency	1	0	9,300						
Muskegon	107	8	172,344	\$ 3.00	97%	\$ 2.84	85%	\$ 2.79	86%
Newaygo	19	1	47,900	\$ 2.50	116%	\$ 2.50	96%	\$ 2.50	96%
Oakland	240	11	1,237,868	\$ 3.59	81%	\$ 3.52	68%	\$ 1.35	178%
Oceana	13	0	26,221						
Ogemaw	5	0	21,039						
Ontonagon	0	0	6,172						
Osceola	5	3	23,169	\$ 1.49	195%	\$ 1.49	161%	\$ 2.00	120%
Oscoda	2	0	8,371						
Otsego	16	3	24,158	\$ 2.41	120%	\$ 2.85	84%		
Ottawa	262	16	276,292	\$ 3.32	87%	\$ 3.28	73%	\$ 3.33	72%
Presque	9	0	13,004						
Roscommon	4	1	23,955	\$ 3.13	93%	\$ 2.88	83%	\$ 2.88	83%
Saginaw	113	10	195,012	\$ 3.28	88%	\$ 3.12	77%	\$ 2.90	83%
Sanilac	14	0	41,587						
Schoolcraft	4	1	8,171			\$ 2.78	86%		
Shiawassee	29	2	68,933	\$ 3.13	93%	\$ 3.42	70%	\$ 3.50	69%
St. Clair	35	1	160,078	\$ 3.17	92%	\$ 3.17	76%	\$ 3.00	80%
St. Joseph	34	1	60,946	\$ 2.22	131%	\$ 2.22	108%		
Tuscola	19	2	54,000	\$ 3.33	87%	\$ 2.78	86%		
Van	41	0	75,199						
Washtenaw	119	5	356,874	\$ 3.81	76%	\$ 3.65	66%	\$ 3.50	69%
Wayne	259	21	1,764,804	\$ 3.45	84%	\$ 3.17	76%		
Wexford	21	4	32,886	\$ 2.67	109%	\$ 2.67	90%	\$ 2.45	98%

Table 11: 75th Percentile Market Rates and % Subsidy Coverage of Market Rate, by County, Group Child Care

County	# of Licensed Providers	# of Respondents	Population	Infant/Toddler MR	Infant/Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Alcona	4	1	10,454	\$ 3.00	97%	\$ 3.00	80%	\$ 3.00	80%
Alger	1	0	9,459						
Allegan	26	6	113,847	\$ 3.08	94%	\$ 2.93	82%	\$ 2.75	87%
Alpena	8	2	28,988	\$ 3.15	92%	\$ 3.15	76%	\$ 3.15	76%
Antrim	6	0	23,267						
Arenac	4	0	15,353						
Baraga	2	1	8,654	\$ 4.00	73%	\$ 3.50	69%	\$ 3.50	69%
Barry	18	1	59,281	\$ 3.00	97%	\$ 2.50	96%	\$ 2.50	96%
Bay	35	5	106,179	\$ 3.28	88%	\$ 3.10	77%	\$ 2.75	87%
Benzie	1	0	17,519						
Berrien	39	4	155,233	\$ 3.06	95%	\$ 2.78	86%	\$ 3.13	77%
Branch	13	2	43,545	\$ 2.86	101%	\$ 2.74	88%	\$ 3.25	74%
Calhoun	24	2	134,878	\$ 3.01	96%	\$ 3.01	80%		
Cass	14	2	51,608	\$ 2.39	121%	\$ 2.33	103%		
Charlevoix	16	0	26,121						
Cheboygan	9	0	25,675						
Chippewa	11	1	38,321	\$ 2.75	105%	\$ 2.75	87%	\$ 2.75	87%
Clare	10	0	30,652						
Clinton	29	5	77,297	\$ 3.63	80%	\$ 3.38	71%	\$ 3.50	69%
Crawford	3	0	13,745						
Delta	3	0	36,559						
Dickinson	6	2	25,957	\$ 3.00	97%	\$ 3.00	80%	\$ 3.00	80%
Eaton	35	5	108,579	\$ 3.17	92%	\$ 2.97	81%	\$ 4.16	58%
Emmet	10	0	33,204						
Genesee	77	5	412,895	\$ 3.11	93%	\$ 2.99	80%	\$ 3.33	72%
Gladwin	7	2	25,411	\$ 2.92	99%	\$ 2.90	83%	\$ 3.00	80%
Gogebic	2	0	15,737						

County	# of Licensed Providers	# of Respondents	Population	Infant/ Toddler MR	Infant/ Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Grand	23	0	90,782						
Gratiot	31	3	41,665	\$ 2.93	99%	\$ 2.90	83%	\$ 3.50	69%
Hillsdale	16	0	45,830	\$ 2.50	116%	\$ 2.50	96%	\$ 2.50	96%
Houghton	7	2	36,495	\$ 3.11	93%	\$ 3.11	77%	\$ 3.00	80%
Huron	7	0	32,065						
Ingham	74	13	284,582	\$ 3.50	83%	\$ 3.25	74%	\$ 5.00	48%
Ionia	20	1	64,294	\$ 2.19	133%	\$ 1.96	122%	\$ 4.00	60%
Iosco	11	0	25,420						
Iron	1	0	11,387						
Isabella	30	2	70,616	\$ 2.94	98%	\$ 2.89	83%		
Jackson	49	1	159,741	\$ 2.56	113%	\$ 3.48	69%	\$ 8.75	27%
Kalamazoo	65	4	258,818	\$ 3.26	89%	\$ 3.10	77%	\$ 3.20	75%
Kalkaska	4	0	17,394						
Kent	99	6	629,237	\$ 3.77	77%	\$ 3.61	66%	\$ 3.50	69%
Keweenaw	0	0	2,217						
Lake	2	0	11,341	\$ 2.25	129%	\$ 2.25	107%	\$ 2.25	107%
Lapeer	19	3	88,153	\$ 3.73	78%	\$ 3.40	71%	\$ 3.50	69%
Leelanau	5	1	21,915	\$ 3.33	87%	\$ 2.78	86%		
Lenawee	38	1	99,047	\$ 2.67	109%	\$ 2.67	90%	\$ 3.00	80%
Livingston	13	0	185,596						
Luce	2	0	6,426	\$ 2.75	105%	\$ 2.50	96%	\$ 2.50	96%
Mackinac	3	2	11,042	\$ 2.89	100%	\$ 2.69	89%	\$ 2.75	87%
Macomb	78	2	860,112	\$ 3.97	73%	\$ 4.20	57%	\$ 5.00	48%
Manistee	10	2	24,420	\$ 3.33	87%	\$ 3.20	75%	\$ 3.08	78%
Marquette	12	2	67,676	\$ 3.40	85%	\$ 3.26	74%	\$ 3.50	69%
Mason	17	0	28,824	\$ 2.44	119%	\$ 2.44	98%		
Mecosta	12	0	43,186						
Menominee	5	0	23,714						
Midland	37	3	83,427	\$ 3.79	77%	\$ 3.57	67%	\$ 6.00	40%
Missaukee	6	0	15,037						

County	# of Licensed Providers	# of Respondents	Population	Infant/Toddler MR	Infant/Toddler % subsidy of MR	Pre-k MR	Pre-k % subsidy of MR	School Age MR	School Age % subsidy of MR
Monroe	24	1	149,824	\$ 3.22	90%	\$ 3.22	74%		
Montcalm	18	0	62,893	\$ 2.78	104%	\$ 2.78	86%		
Montmorency	4	0	9,300						
Muskegon	62	3	172,344	\$ 3.05	95%	\$ 2.72	88%	\$ 2.72	88%
Newaygo	12	1	47,900	\$ 2.67	109%	\$ 2.70	89%	\$ 2.65	91%
Oakland	176	8	1,237,868	\$ 4.35	67%	\$ 4.13	58%	\$ 5.17	46%
Oceana	10	2	26,221	\$ 3.04	95%	\$ 2.75	87%	\$ 2.67	90%
Ogemaw	7	1	21,039	\$ 3.01	96%	\$ 2.70	89%	\$ 2.45	98%
Ontonagon	4	0	6,172	\$ 2.28	127%	\$ 2.28	105%	\$ 2.50	96%
Osceola	13	0	23,169	\$ 2.41	120%	\$ 2.17	111%	\$ 2.20	109%
Oscoda	1	0	8,371	\$ 2.22	131%	\$ 2.22	108%		
Otsego	20	1	24,158	\$ 2.61	111%	\$ 2.36	102%	\$ 2.63	91%
Ottawa	30	2	276,292	\$ 3.82	76%	\$ 3.76	64%	\$ 4.25	56%
Presque	2	0	13,004						
Roscommon	4	1	23,955	\$ 3.08	94%	\$ 2.72	88%	\$ 3.00	80%
Saginaw	50	5	195,012	\$ 3.07	94%	\$ 2.92	82%	\$ 2.75	87%
Sanilac	14	0	41,587	\$ 2.63	110%	\$ 2.50	96%	\$ 2.50	96%
Schoolcraft	1	0	8,171						
Shiawassee	10	0	68,933	\$ 2.24	130%	\$ 2.24	107%	\$ 2.25	107%
St. Clair	22	0	160,078						
St. Joseph	35	4	60,946	\$ 3.20	91%	\$ 2.89	83%	\$ 5.00	48%
Tuscola	13	0	54,000						
Van	22	0	75,199						
Washtenaw	71	4	356,874	\$ 3.72	78%	\$ 3.65	66%	\$ 5.00	48%
Wayne	141	14	1,764,804	\$ 3.30	88%	\$ 3.16	76%	\$ 4.28	56%
Wexford	18	1	32,886	\$ 2.61	111%	\$ 2.57	93%	\$ 2.90	83%

APPENDIX D. MARKET RATE VARIATIONS

Table 1: Non-Traditional Rates for Infant/Toddler and Preschool (Hourly Conversion)

Non-traditional Hourly Rates (Daily, Weekly Converted)	Infant/Toddler	Preschool
Family Child Care Homes: Evening		
Number of Respondents (n)	23.00	23.00
Mean (\$)	4.36	3.93
Median (\$)	3.89	3.33
Minimum (\$)	1.11	0.89
Maximum (\$)	10.00	10.00
Family Child Care Homes: Overnight		
Number of Respondents (n)	5.00	5.00
Mean (\$)	4.78	3.93
Median (\$)	3.89	3.25
Minimum (\$)	1.50	1.50
Maximum (\$)	9.00	6.11
Family Child Care Rates: Weekend		
Number of Respondents (n)	10.00	11.00
Mean (\$)	4.81	4.23
Median (\$)	4.20	4.00
Minimum (\$)	3.67	1.78
Maximum (\$)	9.00	7.00
Family Child Care Homes: Summer/Break		
Number of Respondents (n)	4.00	4.00
Mean (\$)	3.55	3.38
Median (\$)	3.48	3.14
Minimum (\$)	2.22	2.22
Maximum (\$)	5.00	5.00
Group Child Care Homes: Evening		
Number of Respondents (n)	24.00	30.00
Mean (\$)	5.42	4.95
Median (\$)	4.40	3.83
Minimum (\$)	2.00	2.00
Maximum (\$)	25.00	25.00
Group Child Care Homes: Overnight		
Number of Respondents (n)	7.00	10.00
Mean (\$)	4.80	4.62
Median (\$)	4.72	4.44
Minimum (\$)	3.33	3.33
Maximum (\$)	6.67	7.22
Group Child Care Homes: Weekend		

Non-traditional Hourly Rates (Daily, Weekly Converted)	Infant/Toddler	Preschool
Number of Respondents (n)	9.00	12.00
Mean (\$)	5.33	5.07
Median (\$)	5.80	4.62
Minimum (\$)	1.11	1.11
Maximum (\$)	8.44	8.89
Group Child Care Homes: Summer/Break		
Number of Respondents (n)	7.00	12.00
Mean (\$)	6.11	4.51
Median (\$)	4.00	3.28
Minimum (\$)	2.90	2.22
Maximum (\$)	20.00	15.00
Child Care Centers: Evening		
Number of Respondents (n)	7.00	15.00
Mean (\$)	11.82	10.23
Median (\$)	11.11	10.00
Minimum (\$)	5.00	2.22
Maximum (\$)	21.67	19.44
Child Care Centers: Overnight		
Number of Respondents (n)	0	1.00
Mean (\$)	N/A	19.44
Median (\$)	N/A	19.44
Minimum (\$)	N/A	19.44
Maximum (\$)	N/A	19.44
Child Care Centers: Summer/Break		
Number of Respondents (n)	1.00	1.00
Mean (\$)	21.11	17.33
Median (\$)	21.11	17.33
Minimum (\$)	21.11	17.33
Maximum (\$)	21.11	17.33
Child Care Centers: Summer/Break		
Number of Respondents (n)	0	13.00
Mean (\$)	N/A	7.07
Median (\$)	N/A	3.56
Minimum (\$)	N/A	0.00
Maximum (\$)	N/A	19.44

Table 2: Non-Traditional Rates for School Age Children

Non-Traditional Rates for School-Age	Family Child Care Homes	Group Child Care Homes	Child Care
Hourly Rates: Evening			

Non-Traditional Rates for School-Age Children	Family Child Care Homes	Group Child Care Homes	Child Care Centers
Number of Respondents (n)	12.00	11.00	4.00
Mean (\$)	4.00	7.01	11.50
Median (\$)	4.50	4.75	10.00
Minimum (\$)	1.50	2.50	6.00
Maximum (\$)	6.00	25.00	20.00
Daily Rates: Evening			
Number of Respondents (n)	5.00	9.00	6.00
Mean (\$)	19.00	35.00	32.50
Median (\$)	20.00	30.00	37.50
Minimum (\$)	10.00	25.00	20.00
Maximum (\$)	30.00	50.00	40.00
Weekly Rates: Evening			
Number of Respondents (n)	2.00	7.00	7.00
Mean (\$)	175.00	139.29	141.43
Median (\$)	175.00	135.00	135.00
Minimum (\$)	100.00	90.00	80.00
Maximum (\$)	250.00	180.00	175.00
Hourly Rates: Overnight			
Number of Respondents (n)	2.00	2.00	None
Mean (\$)	2.38	4.30	N/A
Median (\$)	2.38	4.30	N/A
Minimum (\$)	1.50	3.60	N/A
Maximum (\$)	3.25	5.00	N/A
Daily Rates: Overnight			
Number of Respondents (n)	1.00	3.00	None
Mean (\$)	20.00	45.00	N/A
Median (\$)	20.00	40.00	N/A
Minimum (\$)	20.00	30.00	N/A
Maximum (\$)	20.00	65.00	N/A
Weekly Rates: Overnight			
Number of Respondents (n)	1.00	4.00	1.00
Mean (\$)	275.00	165.00	80.00
Median (\$)	275.00	155.00	80.00
Minimum (\$)	275.00	150.00	80.00
Maximum (\$)	275.00	200.00	80.00
Hourly Rates: Weekend			
Number of Respondents (n)	4.00	3.00	None
Mean (\$)	4.88	6.27	N/A
Median (\$)	4.50	6.00	N/A
Minimum (\$)	3.50	4.80	N/A
Maximum (\$)	7.00	8.00	N/A
Daily Rates: Weekend			

Non-Traditional Rates for School-Age Children	Family Child Care Homes	Group Child Care Homes	Child Care Centers
Number of Respondents (n)	3.00	5.00	None
Mean (\$)	30.00	53.00	N/A
Median (\$)	30.00	40.00	N/A
Minimum (\$)	20.00	35.00	N/A
Maximum (\$)	40.00	80.00	N/A
Weekly Rates: Weekend			
Number of Respondents (n)	2.00	4.00	1.00
Mean (\$)	117.50	108.75	150.00
Median (\$)	117.50	117.50	150.00
Minimum (\$)	80.00	50.00	150.00
Maximum (\$)	155.00	150.00	150.00
Hourly Rates: Summer/Break			
Number of Respondents (n)	1.00	4.00	None
Mean (\$)	3.50	8.10	N/A
Median (\$)	3.50	7.50	N/A
Minimum (\$)	3.50	2.40	N/A
Maximum (\$)	3.50	15.00	N/A
Daily Rates: Summer/Break			
Number of Respondents (n)	5.00	8.00	36.00
Mean (\$)	27.40	32.13	30.16
Median (\$)	25.00	30.00	30.00
Minimum (\$)	25.00	20.00	7.50
Maximum (\$)	32.00	50.00	48.00
Weekly Rates: Summer/Break			
Number of Respondents (n)	11.00	10.00	63.00
Mean (\$)	129.73	127.00	170.17
Median (\$)	125.00	127.50	168.00
Minimum (\$)	75.00	100.00	45.00
Maximum (\$)	232.00	150.00	252.00

APPENDIX E. CHILD CARE QUALITY

Table 1: Rates by Program Type, Age Group, and Great Start to Quality Rating

QRIS Star Rate Hourly Rates (Daily, Weekly, Monthly Converted)	Infant/Toddler	Preschool	School-Age (Only True Hourly)
Family Child Care Homes: Great Start to Quality Empty Star and 1 Star Rate			
Number of Respondents (n)	142	77	63
Mean (\$)	3.17	3.04	2.90
Median (\$)	3.11	3.00	3.00
Minimum (\$)	0.56	0.56	1.35
Maximum (\$)	6.39	5.78	4.10
75 th Percentile (\$)	3.50	3.33	3.06
Family Child Care Homes: Great Start to Quality 2 Star Rate			
Number of Respondents (n)	49	26	20
Mean (\$)	3.20	3.14	3.12
Median (\$)	3.15	3.00	3.00
Minimum (\$)	2.50	1.11	1.35
Maximum (\$)	3.97	4.00	4.00
75 th Percentile (\$)	3.38	3.33	3.00
Family Child Care Rates: Great Start to Quality 3 Star Rate			
Number of Respondents (n)	125	65	55
Mean (\$)	3.15	3.00	3.03
Median (\$)	3.15	2.93	3.00
Minimum (\$)	1.56	1.56	2.00
Maximum (\$)	4.44	4.00	4.00
75 th Percentile (\$)	3.39	3.33	3.50
Family Child Care Homes: Great Start to Quality 4 Star Rate			
Number of Respondents (n)	18	9	1
Mean (\$)	3.44	3.36	4.00
Median (\$)	3.33	3.33	4.00
Minimum (\$)	2.33	2.33	4.00
Maximum (\$)	4.49	4.43	4.00
75 th Percentile (\$)	3.70	3.64	4.00
Family Child Care Homes: Great Start to Quality 5 Star Rate			
Number of Respondents (n)	19	10	1
Mean (\$)	3.77	3.51	1.80
Median (\$)	3.50	3.00	1.80
Minimum (\$)	2.38	2.00	1.80
Maximum (\$)	5.56	5.56	1.80
75 th Percentile (\$)	4.49	4.19	1.80
Group Child Care Homes: Great Start to Quality Empty Star and 1 Star Rate			
Number of Respondents (n)	61	32	12
Mean (\$)	3.19	3.04	3.44

QRIS Star Rate Hourly Rates (Daily, Weekly, Monthly Converted)	Infant/Toddler	Preschool	School-Age (Only True Hourly)
Median (\$)	3.13	3.00	3.00
Minimum (\$)	1.11	1.11	2.00
Maximum (\$)	5.50	6.63	15.00
75 th Percentile (\$)	3.50	3.33	3.50
Group Child Care Homes: Great Start to Quality 2 Star Rate			
Number of Respondents (n)	34	19	2
Mean (\$)	3.10	2.94	3.46
Median (\$)	3.11	2.78	2.75
Minimum (\$)	2.22	1.11	2.40
Maximum (\$)	3.75	3.75	8.00
75 th Percentile (\$)	3.33	3.28	2.45
Group Child Care Homes: Great Start to Quality 3 Star Rate			
Number of Respondents (n)	95	49	47
Mean (\$)	3.18	3.04	3.67
Median (\$)	3.15	3.00	3.00
Minimum (\$)	1.11	1.11	2.00
Maximum (\$)	5.00	6.63	15.00
75 th Percentile (\$)	3.55	3.22	3.50
Group Child Care Homes: Great Start to Quality 4 Star Rate			
Number of Respondents (n)	22	11	3
Mean (\$)	3.23	3.19	4.17
Median (\$)	3.22	3.11	5.00
Minimum (\$)	2.00	2.00	2.50
Maximum (\$)	5.00	5.00	5.00
75 th Percentile (\$)	3.58	3.72	5.00
Group Child Care Homes: Great Start to Quality 5 Star Rate			
Number of Respondents (n)	8	3	3
Mean (\$)	3.70	3.17	3.80
Median (\$)	3.56	2.64	2.70
Minimum (\$)	2.89	2.40	2.40
Maximum (\$)	4.81	4.22	6.00
75 th Percentile (\$)	4.37	3.56	4.50
Licensed Child Care Centers: Great Start to Quality Empty Star and 1 Star Rate			
Number of Respondents (n)	11	18	12
Mean (\$)	4.57	3.61	4.23
Median (\$)	4.36	3.61	4.00
Minimum (\$)	0.78	0.11	2.50
Maximum (\$)	10.24	7.75	8.00
75 th Percentile (\$)	5.31	4.44	4.85
Licensed Child Care Centers: Great Start to Quality 2 Star Rate			
Number of Respondents (n)	3	3	2

QRIS Star Rate Hourly Rates (Daily, Weekly, Monthly Converted)	Infant/Toddler	Preschool	School-Age (Only True Hourly)
Mean (\$)	4.16	3.64	2.28
Median (\$)	4.11	3.44	2.28
Minimum (\$)	3.00	3.00	1.56
Maximum (\$)	5.38	4.48	3.00
75 th Percentile (\$)	4.75	3.96	2.64
Licensed Child Care Centers: Great Start to Quality 3 Star Rate			
Number of Respondents (n)	111	133	29
Mean (\$)	4.47	3.68	3.05
Median (\$)	4.35	3.58	2.59
Minimum (\$)	2.02	0.50	2.50
Maximum (\$)	7.11	6.31	5.89
75 th Percentile (\$)	5.32	4.64	3.38
Licensed Child Care Centers: Great Start to Quality 4 Star Rate			
Number of Respondents (n)	112	105	19
Mean (\$)	4.66	3.69	3.94
Median (\$)	4.61	3.28	3.75
Minimum (\$)	0.78	0.58	2.75
Maximum (\$)	8.08	7.00	6.75
75 th Percentile (\$)	5.18	4.08	4.78
Licensed Child Care Centers: Great Start to Quality 5 Star Rate			
Number of Respondents (n)	39	24	0
Mean (\$)	5.33	3.51	-
Median (\$)	4.97	2.33	-
Minimum (\$)	3.56	0.11	-
Maximum (\$)	10.24	6.92	-
75 th Percentile (\$)	5.29	3.89	-



www.publicconsultinggroup.com