

# 2015 Utah Child Care Market Rate Study

Utah Department of Workforce Services  
Office of Child Care  
&  
Workforce Information Services

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## I. INTRODUCTION

States administering the Child Care and Development Fund (CCDF) are required to conduct a market rate study or cost analysis, no earlier than two years prior to the upcoming State Plan submission (45 CFR 98.43). The data is used to establish the child care subsidy payment rates for the Child Care Assistance Program. The purpose of this requirement is to “ensure equal access...to the child care services comparable” to families not receiving child care assistance. (Id.)

The Child Care Assistance Program provides funding for child care to parents who are employed or employed and attending school or training. The program serves single parent and two-parent families. Parents must meet minimum work requirements and be within income limits. For more information about the Child Care Assistance Program, visit [jobs.utah.gov](http://jobs.utah.gov).

This study is intended to ensure that the child care subsidy reflects current market conditions. The child care subsidy is based on many factors and is not intended to cover the entire cost of care.

**II. METHODOLOGY**

The following explains the methodology utilized by the Department of Workforce Services (DWS) to develop the rates it will utilize in establishing child care subsidy rates.

Only regulated or licensed child care provider rate data was studied. Department of Health, Child Care Licensing, is charged with regulating child care providers in Utah. Licensing rules and regulations are available at [www.ccl.utah.gov](http://www.ccl.utah.gov).

During the study period, Child Care Licensing identified 1,154 regulated providers delivering care throughout Utah. While some license-exempt provider data is available, license-exempt child care providers were not included in this study.

DWS contracts with six Care About Child Care Agencies (CAC) throughout the state. The CACs are contracted by DWS to provide community-based care information and child care referral services throughout Utah. See Table 1.

**TABLE 1**

**Care About Child Care Agencies Serving Utah**

<b>Agency</b>	<b>Contract Agent</b>	<b>Counties Served</b>
<b>CAC - USU</b>	Utah State University	Box Elder, Cache, Rich
<b>CAC - USU Eastern</b>	College of Eastern Utah	Carbon, Daggett, Duchesne, Emery, Grand, San Juan, Uintah
<b>CAC - CSS</b>	Children’s Services Society of Utah	Salt Lake, Tooele
<b>CAC - UVU</b>	Utah Valley State College	Summit, Utah, Wasatch, Juab
<b>CAC - Weber</b>	Weber State University	Davis, Morgan, Weber
<b>CAC - 5 County</b>	Five County Association of Governments	Beaver, Garfield, Iron, Kane, Millard, Piute, Sanpete, Sevier, Washington, Wayne

Source: Department of Workforce Services, Office of Child Care

A critical component of the CACs work is their contact with child care providers. The CACs track regulated child care providers serving their geographical areas. Child care providers on the CAC databases voluntarily report their child care rates, slots and vacancies.

Table 2 identifies the reporting rate among child care providers by three license types: Center, Family, and Residential Certificate. After accounting for providers who have chosen not to report their rates to the CACs, 97 percent of regulated providers were studied.

**TABLE 2**

**Child Care Providers Studied**

License Type	All child care providers reported by Child Care Licensing	Child care providers on CAC database (study group)	% of child care providers studied
Center	285	278	98%
Family	763	741	97%
Residential Certificate	106	98	93%
<b>TOTAL</b>	<b>1,154</b>	<b>1,117</b>	<b>97%</b>

### **III. DATA**

Beginning in September, each CAC is contractually required to update child care provider information annually. The CACs update vacancy, enrollment, rates, and other information. Provider updates are done by phone, web, e-mail or mail. The outreach for this study began in September 2014 and went through February 2015. Most rate updates were reported in December 2014 and January 2015.

A uniform database has been constructed to store and compile the data for each of the six CACs. The Care About Childcare Agency at Utah State University analyzed the compiled data. The child care rate data was provided to DWS, for additional analysis of the market rate percentiles and statewide trends.

The data is analyzed by evaluating the following factors: (1) provider license type; (2) reported provider rates; and (3) child care service, by age of child.

#### **A. Provider License Type**

At the time the study was conducted, the CACs had 1,154 licensed or regulated child care providers on their databases. The following describes the maximum number of children allowed by type of care:

- Licensed Center Care-depends on the children's ages and the ratio of children to caregivers
- Licensed Family Group-up to 16 children, depending on the age of the children
- Licensed Family-up to eight children, depending on the age of the children
- Residential Certificate (RC)-up to eight children, depending on the age of the children

#### **B. Provider Rates**

The CACs collect child care provider rate data by month. Only monthly rates were analyzed. Provider rate data was excluded when the rate was zero or blank.

#### **C. Service by Age of Child**

Rates were categorized by the age range of the children served. The following describes the age ranges studied:

- Infants/Toddler 0 through 23 months
- Preschool 2 year olds  
3 year olds  
4 year olds  
5 year olds
- School-age 6-12 year olds

**IV. KEY FINDINGS**

The key findings identify changes in the number of licensed providers, the percent the median rates have increased statewide by care type and age, and a comparison of median rate increases between rural and urban counties.

**1. Providers included in the study**

In 2015, 92 fewer child care providers were reported by Child Care Licensing compared to the 2013 Market Rate Study. Losses occurred in the Residential Certificate (17) and Family (100) categories. There are 24 additional Family Group providers and one additional center.

**TABLE 3  
2011, 2013 and 2015 Child Care Provider Comparison**

	Center	*Family	*Family Group	Residential Certificate	Total
<b>2011</b>	277	544	323	172	<b>1316</b>
<b>2013</b>	284	453	385	124	<b>1246</b>
<b>2015</b>	285	353	409	107	<b>1154</b>

\*Beginning in 2011, "Family" and "Family Group" providers were classified together as "Family" by Child Care Licensing but are still separated by the CACs.

A notable change to 2015 Market Rate Study is the percent of child care providers studied. In the 2013 Market Rate Study, rates from 62 percent of child care providers were collected. In the 2015 Market Rate Study, 97 percent of child care providers responded. The higher response rate can be attributed to the recent automation of the collection of rates. Child care providers may now update their rates online through CAC. This has made it easier and more convenient for them.

**2. Provider Rates Change**

Provider rates typically increase from one Market Rate Study to the next. This year's study rates are higher than those of the 2013 study. On average, Center rates increased by eight percent; Family increased by ten percent; and Residential Certificate providers increased by 14 percent.

**TABLE 4-A  
Percent of median rate increase from 2013 to 2015 for all providers**

Care Type	0-24 months	2 year olds	3 year olds	4 year olds	5 year olds	6-13 year olds
Center	8%	5%	6%	6%	6%	15%
Family	9%	16%	11%	7%	2%	16%
RC	16%	13%	11%	14%	11%	16%

**3. Rural and Urban Rates Variation**

In 2015, for the first time, the survey evaluates rural and urban providers for comparison purposes. A comparison of the rates from the 2013 Market Rate Study among providers in rural areas shows that rates have increased. For purposes of analyses, 2015 rural provider rates were compared to all provider rates for 2013.

The 2015 analysis reveals the following: rural Centers increased four percent; rural Family increased nine percent and Residential Certificate providers increased 15 percent.

**TABLE 4-B  
Percent of median rate increase from 2013 to 2015 for rural providers\***

Care Type	0-24 months	2 year olds	3 year olds	4 year olds	5 year olds	6-13 year olds
Center	0%	3%	2%	5%	6%	10%
Family	3%	12%	12%	12%	5%	11%
RC	16%	25%	25%	3%	3%	16%

*\*Rural areas include the following counties: Beaver, Daguer, Duchesne, Emery, Garfield, Grand, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, and Wayne.*

Similarly, rates among providers in urban areas increased between 2013 and 2015 studies. 2015 urban provider rates were compared to all provider rates for 2013. On average, the urban Centers increased nine percent, urban Family increased 11 percent, and urban Residential Certificate providers increased 14 percent.

**TABLE 4-C  
Percent of median rate increase from 2013 to 2015 for urban providers\***

Care Type	0-24 months	2 year olds	3 year olds	4 year olds	5 year olds	6-13 year olds
Center	11%	7%	6%	6%	6%	15%
Family	9%	16%	12%	8%	7%	16%
RC	16%	13%	11%	14%	11%	16%

*\*Urban areas include the following counties: Box Elder, Cache, Carbon, Davis, Iron, Juab, Morgan, Salt Lake, Summit, Tooele, Uintah, Utah, Washington, and Weber.*

## V. UTAH CHILD CARE MARKET RATES

The following tables categorize the 2015 Utah Child Care Market Rates by percentiles based on the monthly rates providers reported. Each table includes statewide, rural and urban rates by age group, provider type and specified percentile rates (10<sup>th</sup>, Median, 65<sup>th</sup>, 70<sup>th</sup>, 75<sup>th</sup>, and 90<sup>th</sup> percentiles).

**Table 5**  
**2015 Utah Child Care Monthly Market Rate Study**  
**Monthly Percentile Rates by Age and**  
**License Group-Ages 0-23 Months**

Infants/Toddlers - Under Age 2		Number of Rate Units	Percentiles					
Provider Type			10th	Median	65th	70th	75th	90th
<b>Statewide</b>	Center	232	\$560	\$675	\$736	\$758	\$780	\$916
	Family	728	\$420	\$525	\$552	\$575	\$600	\$690
	RC	94	\$390	\$500	\$550	\$552	\$594	\$690
	<b>Total</b>	<b>1,054</b>						
<b>Rural</b>	Center	8	\$560	\$675	\$736	\$758	\$780	\$916
	Family	49	\$350	\$500	\$550	\$550	\$550	\$600
	RC	3	\$400	\$500	\$500	\$500	\$646	\$646
	<b>Total</b>	<b>60</b>						
<b>Urban</b>	Center	224	\$560	\$693	\$750	\$760	\$780	\$930
	Family	679	\$425	\$525	\$560	\$576	\$600	\$650
	RC	91	\$390	\$500	\$541	\$550	\$578	\$690
	<b>Total</b>	<b>994</b>						

Source: Utah Department of Workforce Services, Child Care Market Rate Study, February 2015

**Table 6**  
**2015 Utah Child Care Monthly Market Rate Study**  
**Monthly Percentile Rates by Age and**  
**License Group-2 Year Olds**

Preschool- Age 2		Number of Rate Units	Percentiles					
Provider Type			10th	Median	65th	70th	75th	90th
<b>Statewide</b>	Center	269	\$460	\$555	\$600	\$638	\$670	\$770
	Family	736	\$400	\$500	\$520	\$540	\$550	\$630
	RC	97	\$350	\$450	\$500	\$547	\$550	\$625
	<b>Total</b>	<b>1,102</b>						
<b>Rural</b>	Center	10	\$286	\$540	\$550	\$550	\$550	\$553
	Family	49	\$350	\$480	\$500	\$520	\$540	\$560
	RC	3	\$400	\$500	\$500	\$500	\$547	\$547
	<b>Total</b>	<b>62</b>						
<b>Urban</b>	Center	259	\$460	\$560	\$605	\$645	\$680	\$780
	Family	687	\$400	\$500	\$520	\$540	\$550	\$644
	RC	94	\$350	\$450	\$500	\$550	\$550	\$640
	<b>Total</b>	<b>1,040</b>						

Source: Utah Department of Workforce Services, Child Care Market Rate Study, February 2015

**Table 7**  
**2015 Utah Child Care Monthly Market Rate Study**  
**Monthly Percentile Rates by Age and**  
**License-Group 3 Year Olds**

		Preschool – Age 3	Number of Rate Units	Percentiles					
		Provider Type		10th	Median	65th	70th	75th	90th
<b>Statewide</b>	Center		277	\$432	\$529	\$568	\$587	\$610	\$720
	Family		739	\$400	\$480	\$500	\$516	\$540	\$600
	RC		100	\$325	\$445	\$500	\$500	\$525	\$575
	<b>Total</b>		<b>1,116</b>						
<b>Rural</b>	Center		10	\$286	\$510	\$540	\$540	\$544	\$553
	Family		49	\$350	\$480	\$500	\$500	\$520	\$560
	RC		3	\$400	\$500	\$500	\$500	\$547	\$547
	<b>Total</b>		<b>62</b>						
<b>Urban</b>	Center		267	\$435	\$530	\$570	\$594	\$620	\$725
	Family		690	\$400	\$480	\$500	\$516	\$542	\$600
	RC		97	\$325	\$445	\$498	\$500	\$525	\$600
	<b>Total</b>		<b>1,054</b>						

Source: Utah Department of Workforce Services, Child Care Market Rate Study, February 2015

**Table 8**  
**2015 Utah Child Care Monthly Market Rate Study**  
**Monthly Percentile Rates by Age and**  
**License Group-4 Year Olds**

	Preschool – Age 4	Number of Rate Units	Percentiles					
	Provider Type		10th	Median	65th	70th	75th	90th
<b>Statewide</b>	Center	278	\$420	\$510	\$550	\$568	\$598	\$720
	Family	740	\$380	\$462	\$500	\$500	\$525	\$600
	RC	100	\$325	\$440	\$484	\$500	\$525	\$600
	<b>Total</b>	<b>1,118</b>						
<b>Rural</b>	Center	10	\$286	\$505	\$520	\$520	\$528	\$541
	Family	49	\$350	\$480	\$500	\$500	\$520	\$560
	RC	3	\$400	\$400	\$400	\$400	\$547	\$547
	<b>Total</b>	<b>62</b>						
<b>Urban</b>	Center	268	\$420	\$510	\$551	\$575	\$600	\$725
	Family	691	\$399	\$465	\$500	\$500	\$525	\$600
	RC	97	\$325	\$440	\$484	\$500	\$525	\$600
	<b>Total</b>	<b>1,056</b>						

Source: Utah Department of Workforce Services, Child Care Market Rate Study, February 2015

**Table 9**  
**2015 Utah Child Care Monthly Market Rate Study**  
**Monthly Percentile Rates by Age and**  
**License Group-5 Year Olds**

		Preschool – Age 5	Percentiles					
		Number of Rate Units	10th	Median	65th	70th	75th	90th
	Provider Type							
<b>Statewide</b>	Center	274	\$400	\$500	\$550	\$560	\$587	\$725
	Family	734	\$375	\$460	\$500	\$500	\$525	\$600
	RC	98	\$330	\$430	\$500	\$500	\$525	\$600
	<b>Total</b>	<b>1,106</b>						
<b>Rural</b>	Center	10	\$286	\$500	\$520	\$520	\$528	\$540
	Family	48	\$350	\$450	\$500	\$500	\$515	\$550
	RC	3	\$400	\$400	\$400	\$400	\$547	\$547
	<b>Total</b>	<b>61</b>						
<b>Urban</b>	Center	264	\$400	\$503	\$550	\$564	\$598	\$732
	Family	686	\$380	\$460	\$500	\$500	\$525	\$600
	RC	95	\$330	\$430	\$500	\$500	\$525	\$600
	<b>Total</b>	<b>1,045</b>						

Source: Utah Department of Workforce Services, Child Care Market Rate Study, February 2015

**Table 10**  
**2015 Utah Child Care Monthly Market Rate Study**  
**Monthly Percentile Rates by Age and**  
**License Group-6-12 year olds**

	School Age - Ages 6 - 12	Number of Rate Units	Percentiles					
	Provider Type		10th	Median	65th	70th	75th	90th
<b>Statewide</b>	Center	244	\$378	\$460	\$500	\$525	\$550	\$680
	Family	680	\$323	\$440	\$480	\$500	\$500	\$612
	RC	95	\$300	\$400	\$450	\$460	\$500	\$600
	<b>Total</b>	<b>1,019</b>						
<b>Rural</b>	Center	9	\$286	\$440	\$450	\$450	\$480	\$525
	Family	47	\$350	\$420	\$475	\$480	\$500	\$550
	RC	3	\$400	\$400	\$400	\$400	\$527	\$527
	<b>Total</b>	<b>59</b>						
<b>Urban</b>	Center	235	\$380	\$460	\$500	\$525	\$560	\$680
	Family	633	\$320	\$440	\$480	\$500	\$500	\$600
	RC	92	\$300	\$400	\$450	\$460	\$500	\$600
	<b>Total</b>	<b>960</b>						

Source: Utah Department of Workforce Services, Child Care Market Rate Study, February 2015

## TERMS

Median: the middle value in a distribution, above and below which lie an equal number of values.

Percentile: a value on a scale of 100 that indicates whether a distribution is above or below it. For example, a monthly rate in the 75<sup>th</sup> percentile indicates that the rate a child care provider charges is higher than 75 percent of all the child care provider rates studied.