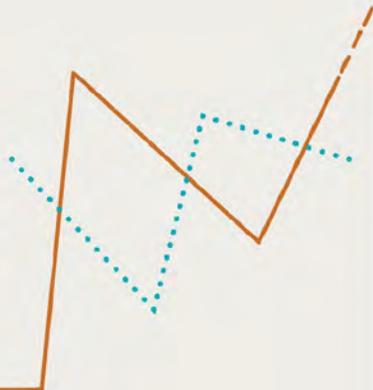


2022

**TEXAS
CHILD CARE
MARKET RATE
SURVEY**



Final Report



2022 Texas Child Care Market Rate Survey

Final Report

Conducted for the Texas Workforce Commission by:



Daniel Schroeder, Ray Marshall Center for the Study of Human Resources

Laura Marra, Texas Institute for Child & Family Wellbeing

Monica Faulkner, Texas Institute for Child & Family Wellbeing

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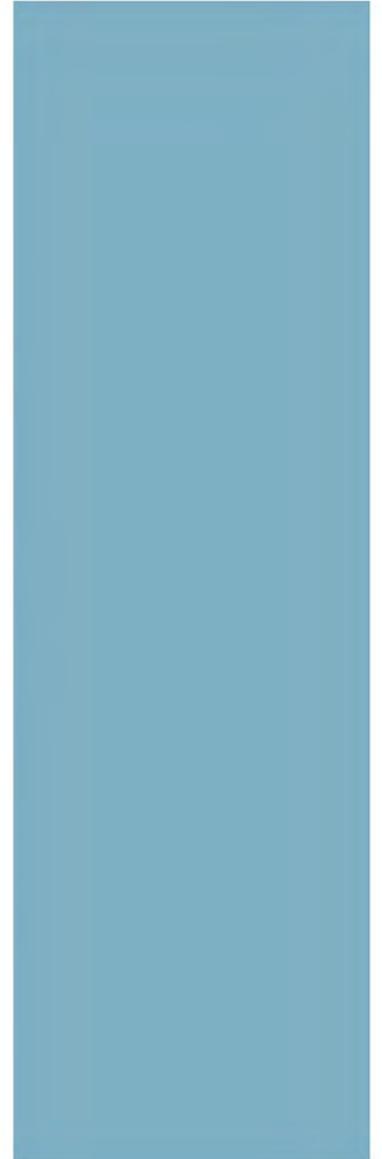
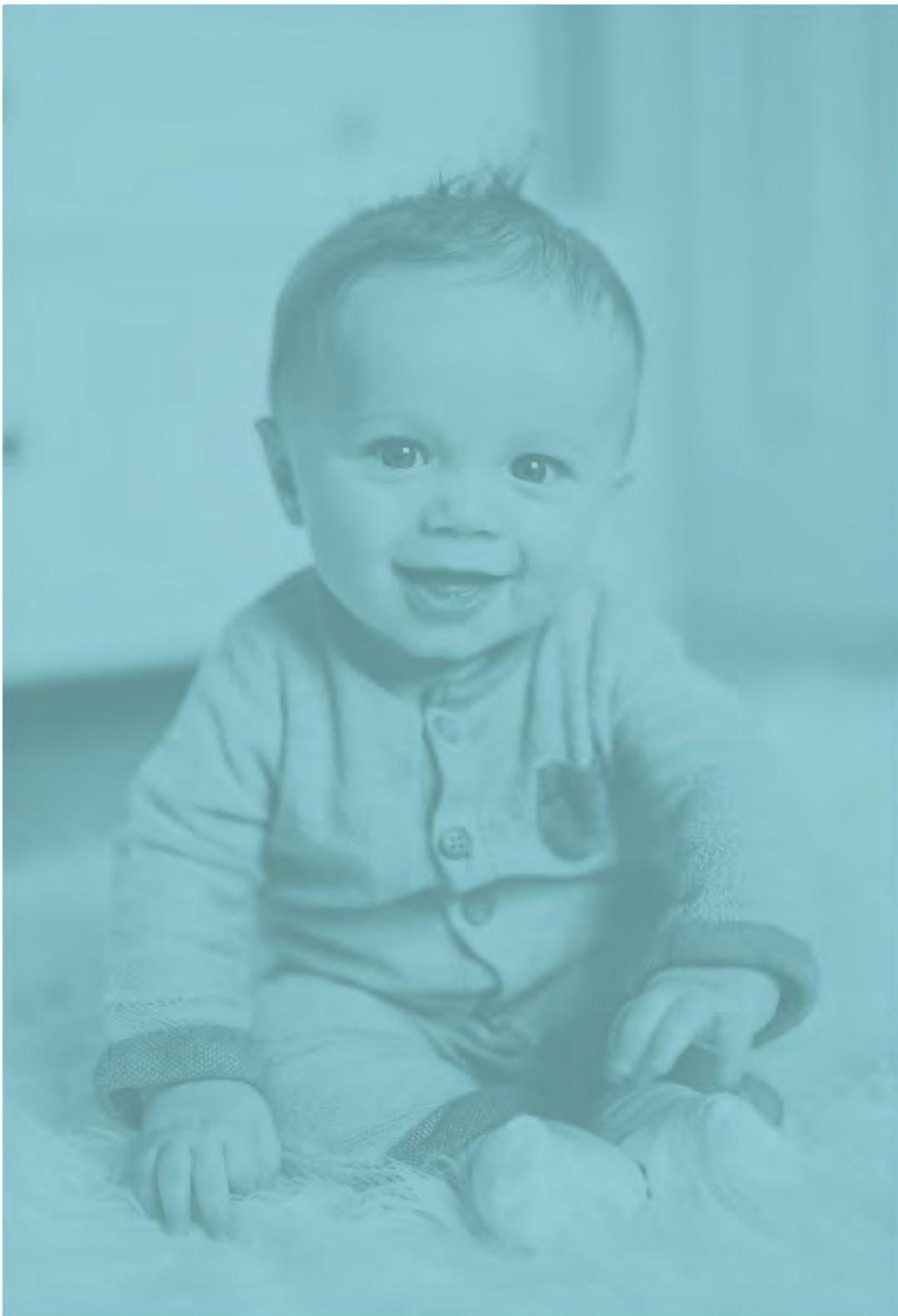


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Introduction & Overview

INTRODUCTION

The Texas Institute for Child and Family Wellbeing (TXICFW) and Ray Marshall Center for the Study of Human Resources (RMC), have undertaken the 2022 Texas Child Care Market Rate Survey as contracted by the Texas Workforce Commission (TWC) via PO 22-0000498.

This report summarizes child care market rate data for the entire state of Texas and for each of its 28 local workforce development areas (LWDAs). A major new feature of this 2022 report, in comparison to prior years, is the adoption of a new child age scheme, more detailed than the traditional Infant, Toddler, Preschool, and School-age scheme used previously. The new scheme utilizes eight age groups, as mandated by recent legislation¹, to characterize rates charged for child care. In some limited areas of the report, it was necessary to characterize rates using the old scheme.

In this 2022 report, as was done in recent years, market rates for child care are estimated using a combination of survey data and TWC administrative records data on published rates of providers who accept subsidies. Three types of child care facilities were surveyed between September 2021 and April 2022: licensed child care centers, registered homes and licensed homes. In the survey, licensed and registered homes are grouped together, but separated for analysis. Table 1 below details the sample for the survey.

Table 1. Overview of Sample and Response Rate by Child Care Facility Type

Facility Type	Total Sampled	Total Eligible	Total Respondents	Response Rate*
Licensed Child Care Centers	2,125	1,949	1,320	67.7%
Licensed and Registered Homes	1,613	1,458	639	43.8%
Total	3,738	3,407	1,959	57.5%

*Response rate is calculated by taking the number of respondents who completed the survey and dividing it by the number of facilities determined to be eligible to take the survey.

The 2022 Texas Child Care Market Rate Survey report is broken out into two reports. The main report, this document, contains all narrative descriptions of the survey and methods, statewide estimates of all findings, and the technical appendices. The second, supplemental report, contains hundreds of pages of tables that include all findings broken out by local board, and is also available in spreadsheet form.

¹ This change is required by SB 1655, 87th legislative session, signed by the Governor on 5/18/2021.

REPORT STRUCTURE

The main report includes four sections, followed by several technical appendices. The first section, this introduction, briefly describes the research methods used for this survey and provides an analytic overview of key findings. It also includes in-depth analysis of select topics that may vary from one year's report to the next.

The second section of the main report consists of statistics describing the distributions of statewide daily market rates for child care. In addition to the mean daily rates, the following percentiles are provided: 30th, 40th, 50th (median), 60th, 70th, and 75th.² More detailed market rate tables are included in the supplemental report. These include 1) daily market rates for child care presented for each LWDA by: type of facility, age group, and full-day vs. part-day status; 2) tables for each LWDA including a summary of rate data by age group (collapsed across facility types); and 3) tables for each LWDA summarizing rate data by facility type (collapsed across age groups).

The third section of the main report consists of a percentile analysis that compares data on local areas' maximum allowable reimbursement rates with actual market rate distributions. This analysis is intended to measure the degree of 'access' to the local market that a hypothetical customer would have with a maximum reimbursement rate subsidy in hand. Because of current limitations of the reimbursement system, this section characterizes child age using the old 4-age group scheme. General trends and patterns in the statewide level of access are included in the main report, as well as one table summarizing global access at the local level. These percentile analyses are presented in two groups: one for regular maximum reimbursement rates, and another for maximum 'enhanced' reimbursement rates that may be available to certain providers, depending on local rules. More detailed percentile analysis is included in the supplemental report, including a presentation of maximum allowable reimbursement rates by LWDA by type of facility, age group, and part- or full-day care, followed by an analysis of the percentiles at which such rates will allow reimbursement.

The fourth section of the main report contains two statewide tables describing facilities that responded to the survey, but not including those subsidized facilities that only contributed data on published rates via administrative records. One table reports the percentages of respondents offering care at non-traditional hours, transportation services offered, percentages of facilities with national accreditation and Texas Rising Star status, and two similar but distinct measures of the percentage of facilities serving any subsidized children, and the proportion of the enrolled children receiving a child care subsidy. The second table includes percentages of non-sectarian providers (non-profit and for-profit), sectarian providers (non-profit and for-profit), and community-based organizations (non-profit and for-profit). Detailed versions of these tables presenting the same measures by LWDA are included in the supplemental report.

² Additional percentiles are available in the electronic version of the Supplemental Report.

STUDY DESIGN

This discussion of the study design briefly describes the sampling technique, the data collection process, and the analysis for the 2022 Child Care Market Rate Survey. A more detailed technical description of the analytic approach, including methods for incorporating administrative records data on published rates of subsidized facilities, is supplied in Appendix A. This section concludes with a brief analysis of trends by comparing results of this market rate survey to those of the 2021 survey, which was based on 2020-2021 data and completed in late summer of 2021.

Sample of Child Care Facilities

The population of interest in this study is the priced child care market in Texas. Licensed and registered facilities that charge families directly and do not discount rates based on prior relationships with families are included in a survey to determine child care market rates. Published rates of subsidized facilities are also included by incorporating administrative records data, with weighting schemes to ensure that subsidized facilities carry as much weight in the final analysis as the share of child care they represent. The 2022 study survey sample was drawn from a list of all 13,299 licensed and registered child care facilities provided by provided by the Texas Health and Human Services Commission Child Care Regulation department (HHSC CCR) on September 1st, 2021. The list included three types of child care facilities in each of the 28 local workforce development areas (LWDAs):

- Licensed Child Care Centers (LCCCs)
- Licensed Child Care Homes (LCCHs)
- Registered Child Care Homes (RCCHs)

Head Start facilities were removed from the list prior to sampling because they do not charge families directly. Next, a small statewide representative sample of 1,000 facilities was randomly selected to 1) provide greater statistical power for estimating statewide rates and trends and 2) increase the precision of rate estimates for the largest local boards that provide the bulk of care in the state. A second random sample was drawn from the remaining facilities to estimate rates at the LWDA level. For this latter sample, we chose a target number of centers and a separate target for homes from every LWDA based on projections of the number needed to yield an average of 55 independent rate observations in center and home full-day rate categories.

Projections based on detailed response rates to the last three annual surveys indicated that, on average, 128 LCCCs, 28 LCCHs, and 92 RCCHs per LWDA were needed to reach this goal. These target numbers were then increased by between 6 percent and 18 percent for LWDA and facility type combinations that showed low response rates in recent surveys. The target number of facilities was then randomly selected from each LWDA, or if fewer providers were available in any given combination of LWDA and facility type, the entire population was selected (a complete census). Implementation of this sampling scheme resulted in all facilities of any type being selected from fifteen LWDAs: 1, 2, 3, 7, 9, 11, 12, 13, 16, 17, 18, 19, 21, 25, and 27. In addition to these fifteen, a complete census of LCCCs was necessary in one LWDA, a complete census of LCCHs was necessary in two more LWDAs, and a complete census of RCCHs was necessary in eight more LWDAs.

Before the survey sample was finalized, a match was performed between the list of sampled facilities and a database indicating which facilities were serving subsidized children, whose published rates were already available through administrative records. These partially subsidized facilities were randomly split into two groups, with one half being retained in the sample and the other half set aside to be excluded from further study. This sampling plan can be described as an under-sample of subsidized facilities, whose rate data are largely redundant with existing data sources, and a corresponding over-sample of non-subsidized facilities, whose rates constitute the bulk of the paid market and are not otherwise available without surveying.

Before final rates were estimated, data from the statewide sample were added to that from the local samples in their respective areas, as well as the published rate data, and weighting schemes were applied as appropriate (see Appendix A). The number of rate observations collected by this design was more than adequate to provide stable rate estimates for all LWDA, without needing to rely on other estimates or approximations.

Data Collection

Detailed training and supervision were provided to research staff members on survey methodology, interviewing protocols, data collection, data entry and tracking procedures by the project manager and more tenured research staff.

Prior to interviews, the research team mailed introductory postcards and/or emails to all facilities in the sample explaining the survey purpose, goals and objectives, confidentiality policies, and the voluntary nature of participation. Information was presented in both English and Spanish unless providers' surnames suggested they were of Vietnamese origin, in which case information was presented in both English and Vietnamese. A website was also available for providers to obtain further information about the survey.

The research team included an incentive drawing for child care providers participating in the survey to increase overall response rates. Child care providers were notified that their facility would be entered into a weekly drawing for a \$25 gift card upon completion of the survey. Each week, four survey participants were randomly selected to receive a gift card. At the end of the month, the research team notified all providers selected that month.

To prevent a delay in data collection, bilingual research staff members (English/Spanish or English/Vietnamese) were hired to conduct interviews with centers and homes. Additional research staff members were hired to conduct interviews with all multi-site centers (centers with multiple locations). Approximately 9-10 research staff members worked each semester. Each team included a mix of research staff who had previously conducted interviews for the market rate survey and new research staff members.

Data collection began in September 2021 and ended in April 2022. Due to COVID-19, all research staff worked remotely. TXICFW continued to operate Monday through Friday between 7:00AM and 7:00PM. Research staff members maintained a tracking database containing basic provider information (facility name, LWDA, phone number, facility identification number) and call history (number of attempts, date and time of attempt, preferred calling times, appointments, call results, final status). A minimum of two morning and two afternoon/evening calls were made to contact each

provider. The research staff administered calls at least one week apart unless an appointment or preferred calling time was established with a provider. In these cases, the staff made up to three additional attempts to complete the survey. A toll-free number was also available for providers to return missed calls, return a message, or ask further questions about the survey.

If research staff were unable to complete the survey after all attempts had been made to reach a provider, the facility was marked as ‘overdialed’ and no more attempts to contact that facility were made. In cases where the phone number provided was disconnected or no longer in service, the research staff attempted to contact the facility three times at least one week apart. If the number was still not working and no additional information was available online, the staff determined the facility to be ineligible.

During the interview, research staff members screened out facilities that did not represent the true price market for child care in Texas. These facilities include those that only offered drop-in care, part-day care with no after-school care, summer camps, care provided to specific populations only (i.e. children with special needs, children of teen moms, children of staff at a company, etc.), and free/family-discounted child care services. School and kindergarten programs that did not offer regular afterschool care and Head Start programs were also excluded. Finally, facilities that had closed or no longer had children enrolled were determined to be ineligible.

Survey Participation

A total of 3,738 child care facilities (2,125 centers and 1,613 homes) were included in the survey sample this year. Of these facilities, 176 centers and 155 homes (8.9%) did not meet study eligibility criteria and were dropped from the response rate calculations. For centers, the top reasons for not meeting eligibility criteria included: 1) being a head start program, 2) only serving a specific population / were not open to the public, and 3) not offering full-day, part-day, or after-school care at least five days a week. See Table 2 for more details.

Table 2. Reasons Centers Were Not Eligible

Reason not eligible	Number	Percent
Not open to the public or only care to specific population	36	20.8
No regular full day, part day, or after school care	36	20.8
Head Start Program	30	17.3
Number disconnected, fax machine, or not working	18	10.4
Free child care service	16	9.2
Facility closed	12	6.9
Kindergarten or school with no regular/after-school care	8	4.6
Wrong number, no new number available	4	2.3
Drop-in center not offering regular/after-school care	3	1.7
Summer camp only	3	1.7
No children enrolled	1	0.6
Does not speak English, Spanish, or Vietnamese	1	0.6
Other	5	2.9

For homes, the top reasons for not meeting eligibility criteria included: 1) being closed, 2) having a disconnected or non-working number, 3) only offering free or discounted child care, and 4) having no children enrolled. See Table 3 for more details.

Table 3. Reasons Homes Were Not Eligible

Reason not eligible	Number	Percent
Facility closed	38	24.5
Number disconnected, fax machine, or not working	37	23.9
Free/discounted child care service	29	18.7
No children enrolled	29	18.7
Wrong number, no new number available	10	6.5
Not a LCCH or RCCH	6	3.9
Other	3	1.9
Does not speak English, Spanish or Vietnamese	3	1.9

The number of eligible providers is used to calculate the overall response rate. Of the 3,407 eligible child care providers, 1,959 (57.2%) completed the survey. The overall response rate for homes was 43.8%, and the overall response rate for centers was 67.7%. This response rate reflects the same pattern seen in previous years in which homes have lower response rates than centers; however, the overall response rates Table 4 below details the final call disposition of all eligible child care facilities.

Table 4. Final Call Disposition of Eligible Child Care Facilities

	Homes		Centers		Total	
Completed	639	43.8%	1,320	67.7%	1,959	57.2%
Refused	56	3.8%	51	2.6%	107	3.1%
Overdialed	758	52.0%	571	29.3%	1,329	39.3%
Withdrew	0	0.0%	3	0.2%	3	0.1%
Partial	5	0.3%	4	0.2%	9	0.3%
Total	1,458		1,949		3,407	

Response rates were slightly higher than those attained in recent years despite the fact that subsidized facilities continue to be under-sampled, and such providers consistently respond at higher rates (see Appendix A, response bias analysis). The added incentive drawing may have contributed to this increase in response rates, particularly for homes .

Homes: Licensed and registered homes were combined into a single sample of 1,613 homes. Of these homes, 1,458 were determined to be eligible. A total of 639 (43.8%) providers completed interviews, 56 (3.8%) refused to complete interviews, and five (0.3%) completed a portion of the interview. Finally, 758 (52.0%) providers were overdialed.

Centers: A total of 2,125 centers were sampled. Of these centers, 1,949 were determined to be eligible. A total 1,320 (67.7%) providers completed interviews, 51 (2.6%) refused to complete interviews, three (0.2%) withdrew and four (0.2%) completed a portion of the interview. Finally, 571 (29.3%) providers were overdialed.

Measures

The Market Rate Surveys for home-based and center-based facilities covered similar topics. The major difference was that home-based facilities provided detailed information concerning each child under their care (age, exact schedule of care, and rate charged), whereas center-based facilities provided rates by age group and by whether care was full-day or part-day (less than six hours per day). Collection of age data was unaffected by the new age groupings introduced for 2022, since the survey utilizes the age groups actually reported by centers. See Table 5 for a summary of information collected on home-based and center-based surveys.

Table 5. Summary of Survey Data Collected by Facility Type

Topics	Home-Based Survey	Center-Based Survey
Hours of Operation	Yes	Yes
Vacation Schedules	Yes	Yes
Child Age and Enrollment	Individual age and schedule for each child in care	*Facility-determined age groups and enrollment by age group
Rates	Rate Type (CCS/Non-CCS) and individual rate charged per child	Full-day and part-day rates by age group
Additional Fees		
Registration	Yes	Yes
Enrollment		
Activity		
Administrative Categories		
Non-profit/for-profit	Yes	Yes
Associations		
Transportation		
National Accreditations	Yes	Yes
Texas Rising Star Program	Yes	Yes

*Center rate data were gathered for children in various age groups, using the facility-determined age group cutoffs to set rates. These data were then collapsed into the following age groups for reporting: Infants (0-11 months and 12-17 months); toddlers (18-23 months and 2 years); preschoolers (3 years, 4 years and 5 years); and school-age children (6-13 years). The standard age groups were expanded from four groups to eight groups in 2022.

The 2022 surveys included the two survey items about CCS that were added in 2018. The first item followed up with providers who did not accept CCS children to better understand their reasons for this decision, and the second question followed up with providers who did accept CCS children to determine if facilities charged families an additional amount when their total CCS subsidy plus parent copay was less than the facility's established rate. The 2022 survey also asked an additional follow-up question (added in 2021) for providers who accepted CCS but did not participate in Texas Rising Star (TRS) to understand their reasoning for not participating in Texas Rising Star.

The 2022 survey also maintained a modification that was made in 2021 to the way in which waitlist data was collected. Instead of collecting this information within each age group by full and part-day care, a question was added to the end of the section to ask the provider if they had waitlists for any of their age groups, and if so, which ones.

Analytic Approach

The technical appendix provides a detailed account of the analytic approach taken in producing the rates in this report, including the addition of published rates from administrative records. All of the daily market rate percentiles and other statistics presented in this report are based on large and statistically reliable sample sizes. Even in the scarcest categories of care, such as part-day infant and toddler care in homes, the numbers of rates gathered were sufficient for estimating stable rates.

Because different types of facilities tend to set their rates differently, analysis of center rates was based on the rates for a category of care (for example, full-day care for toddlers), while the rates for home-based care (LCCH and RCCH) were determined by the amounts charged for individual children. That is, as mentioned earlier, in interviews with centers the researchers asked for the rates charged for a particular age group following a particular schedule. In contrast, researchers asked home-based facilities for the age and rate charged for each individual child.

After the survey data were collected, all rates that appeared extremely high or low (known as outliers) were identified, and researchers individually checked each rate report and corrected any errors they found. Subsequent to these corrections, a small portion of the most extreme outliers remaining in the sample were corrected to remove their excessive influence on statistical measures of the rates distributions. In addition, similar procedures were implemented to detect instances in which the number of slots reported for a given rate was too extreme, whether too high or too low, and to correct these extremes to more reasonable values. In general, as one might expect in a large and diverse state, extreme rates, whether at the low or high end of the scale, were typically the result of unusual services provided by an individual facility and/or variations in subsidies and financing rather than research error.

ANALYSIS AND TRENDS

The basic outcomes for this report are presented in two sections: the first provides the child care rates; the second describes the prevalence of services and financial and organizational arrangements among child care facilities. Several interesting trends emerge from this analysis, as described in this section.

The data and analysis in this main report and the supplemental report are voluminous. It is likely that in such a massive report, some anomalies will emerge in the numbers. A systematic analysis was done of all possible comparisons looking for common rate anomalies, such as when an older child rate significantly exceeds the corresponding rate for a younger child, or a part-day rate exceeds the corresponding full-day rate. None of these types of anomalies were found to be present in the data.

Market Rates and Other Statistical Descriptions

A direct comparison of the daily market rates reported in this 2022 survey to those observed in 2021 reveals interesting trends that are evident on a statewide level. Overall, estimated median daily rates were found to increase by about 0.2 percent, or essentially no change when compared to 2021 median daily rates. We also examined changes at the 75th percentile of rates, which could provide an indication whether different segments of the market have experienced differential price inflation. Overall, rates at the 75th percentile were found to decrease by 4.8 percent, suggesting that some higher-priced care may have dropped out of the market. The patterns above were based on four-age groups, but similar findings were found when comparing rates under the new eight-age group scheme: a 2.6 percent per year increase in median rates, and 1.0 percent per year decrease in the 75th percentile.³ This indicates that market rates for child care in Texas, after increasing almost eight percent in the first year of the pandemic, well above the two to five percent per year typical child care inflation rate, seem to have leveled off. We have little historical guidance for what can be expected to happen to child care rates in the second year of a pandemic that has caused dramatic upheaval in the child care market.

Generally, rates tended to increase in Licensed Child Care Homes but less so in Registered Child Care Homes and not at all in Licensed Child Care Centers. Rates also tended to increase for older children but remain steady or decline for younger children. Part-time rates increased slightly but full-time rates tended to decline.

Finally, comparing rates across regions, the Austin region (including Capital Area, LWDA 14; and Rural Capital, LWDA 15) continues to have the most expensive child care in the state. Not far behind are the DFW area (led by Tarrant County, LWDA 5, and including Dallas, LWDA 6, and North Central Texas, LWDA 4) as well as local boards covering most of the remaining large metro areas of the state, including the Gulf Coast (LWDA 28) and Alamo (LWDA 20). The least expensive care in the state is now in Concho Valley (LWDA 12), but lower-priced care is common in boards bordering Mexico as well as mostly rural boards from across the state.

Non-Traditional Hours Care Availability

An examination of the availability of non-traditional hours of care was first reported in the 2021 report. Anecdotally, it can be quite difficult to find child care provided at non-traditional hours. Illustrating trends in this area over recent years, the following figures show percentages of facilities that offer non-traditional hours of care in three time ranges: care offered before 6am, care offered after 8pm, and care offered on both Saturdays and Sundays. These are shown for centers and homes for each of the last five annual market rate surveys.

³ The eight-age group rate comparison is over a two-year interval: from 2022 to 2020, so changes are expressed in per year terms.

Figure 1. Share of Licensed Centers Offering Non-Traditional Hours Care by Year

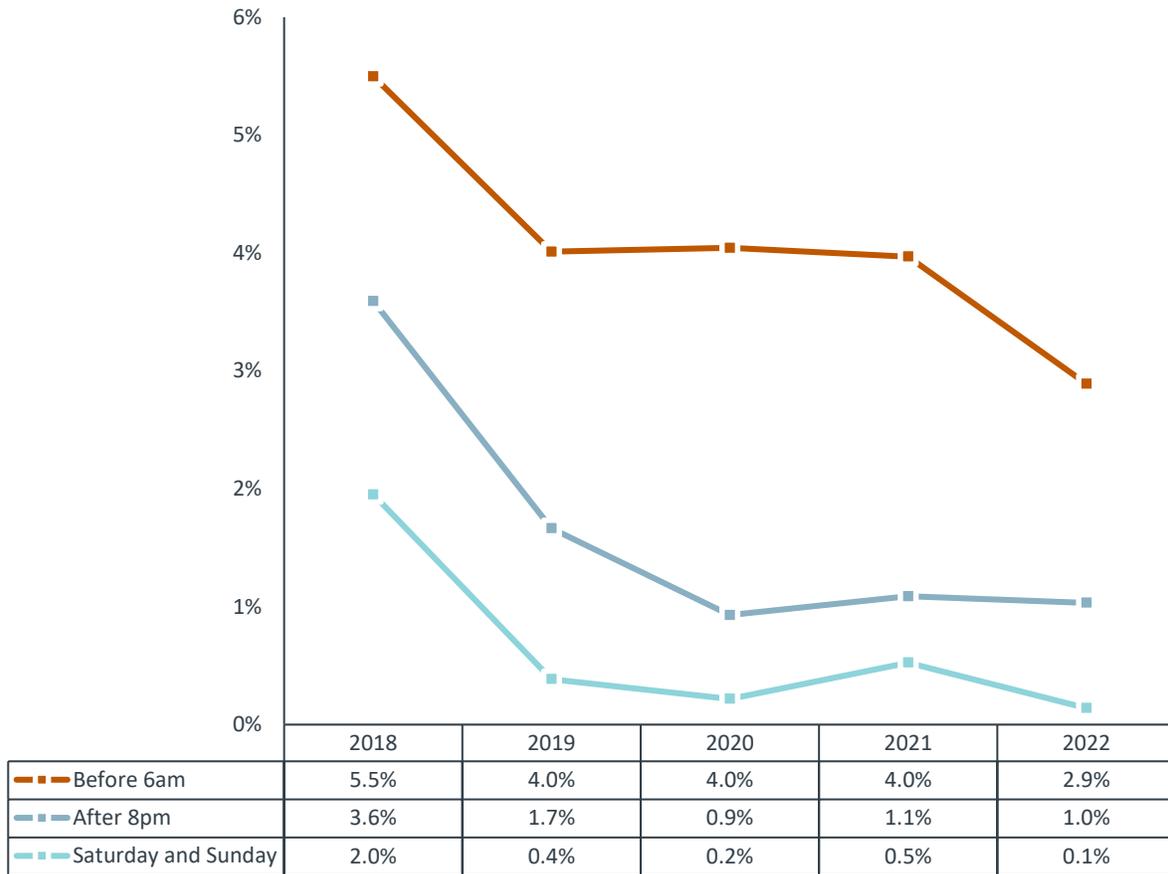
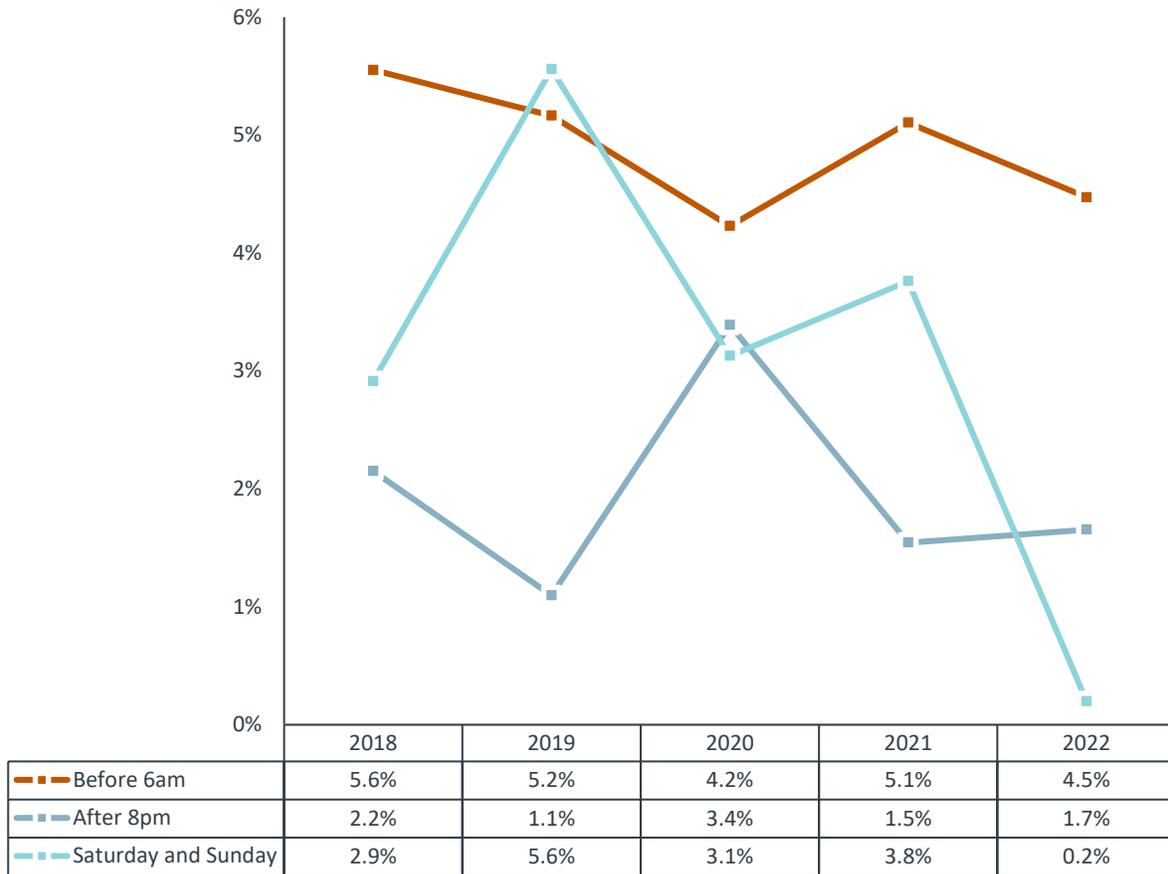


Figure 1 illustrates availability of non-traditional hours care for Licensed Centers. According to this figure, only a small percentage of centers offer care at non-traditional hours, and this availability has continued to decline in recent years.

Figure 2 shows availability of non-traditional hours care over time for Licensed and Registered Homes combined. As with centers, such availability is quite low. Unlike centers, there is no clear trend over time in the availability of non-traditional hours care. And for both centers and homes, early morning care, before 6am, is slightly more available than evening or weekend care.

Figure 2. Share of Homes Offering Non-Traditional Hours Care by Year



Quality Care Availability

As a check on the extent to which Texas families have and maintain access to quality child care, the following charts show trends over time in two measures that address quality through accreditation or certification. Providers who responded to the market rate survey were asked two questions related to their accreditation or certification status. They were first asked if they had any national accreditations or certifications. They were then asked if they were certified as a Texas Rising Star provider. Those who indicated that they were a Rising Star provider were further asked how many stars they had.

Figure 3 illustrates trends in responses to these items among Licensed Centers. The line that starts at the bottom shows the share of centers reporting Rising Star certification. The line that starts in the middle shows the percentage of centers reporting national accreditation or certifications. These two lines cross each other, indicating that Texas Rising Star certification has become the more common quality signifier in the last couple of years. The top line shows the share of providers reporting either of these quality indicators. All indicators continue to show an increase in the availability of quality care over the last few years, with Rising Star certifications accounting for most of the increase.

Figure 3. Share of Centers Reporting Accreditation Over Time

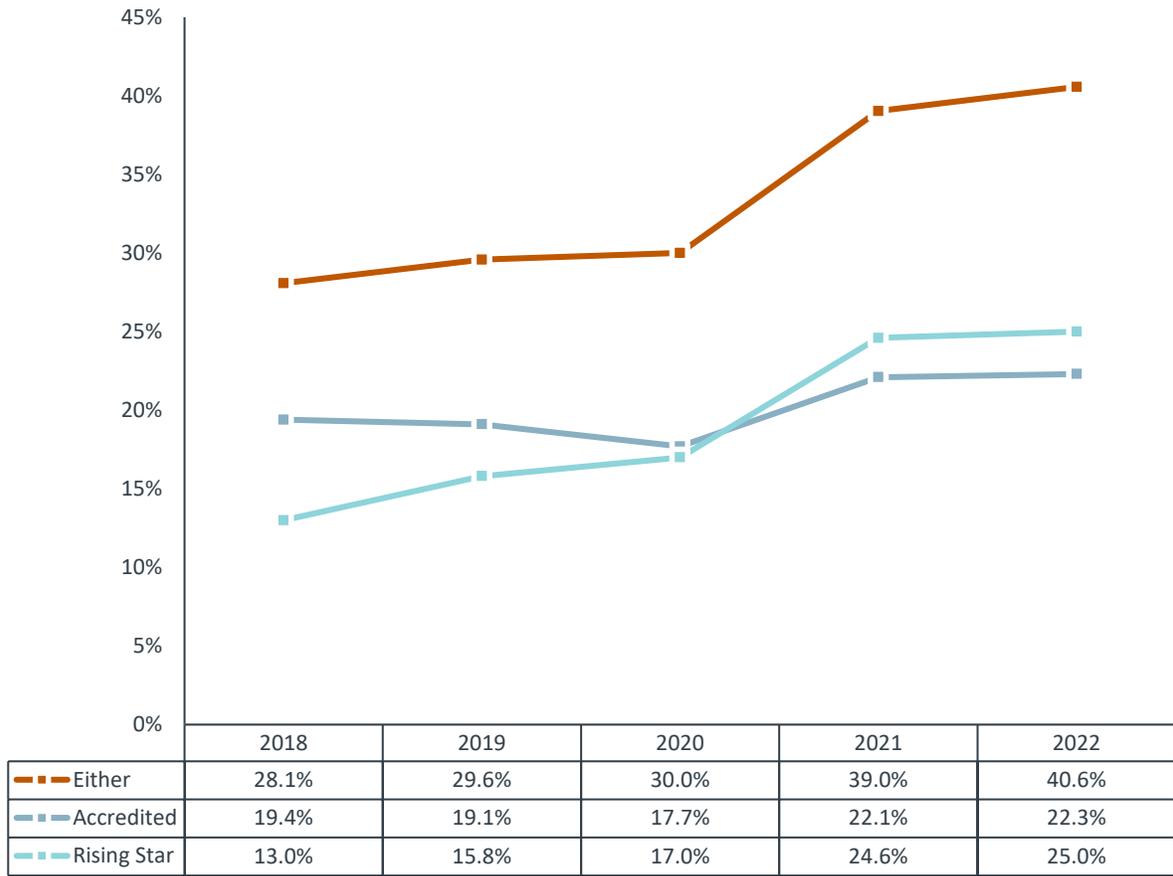
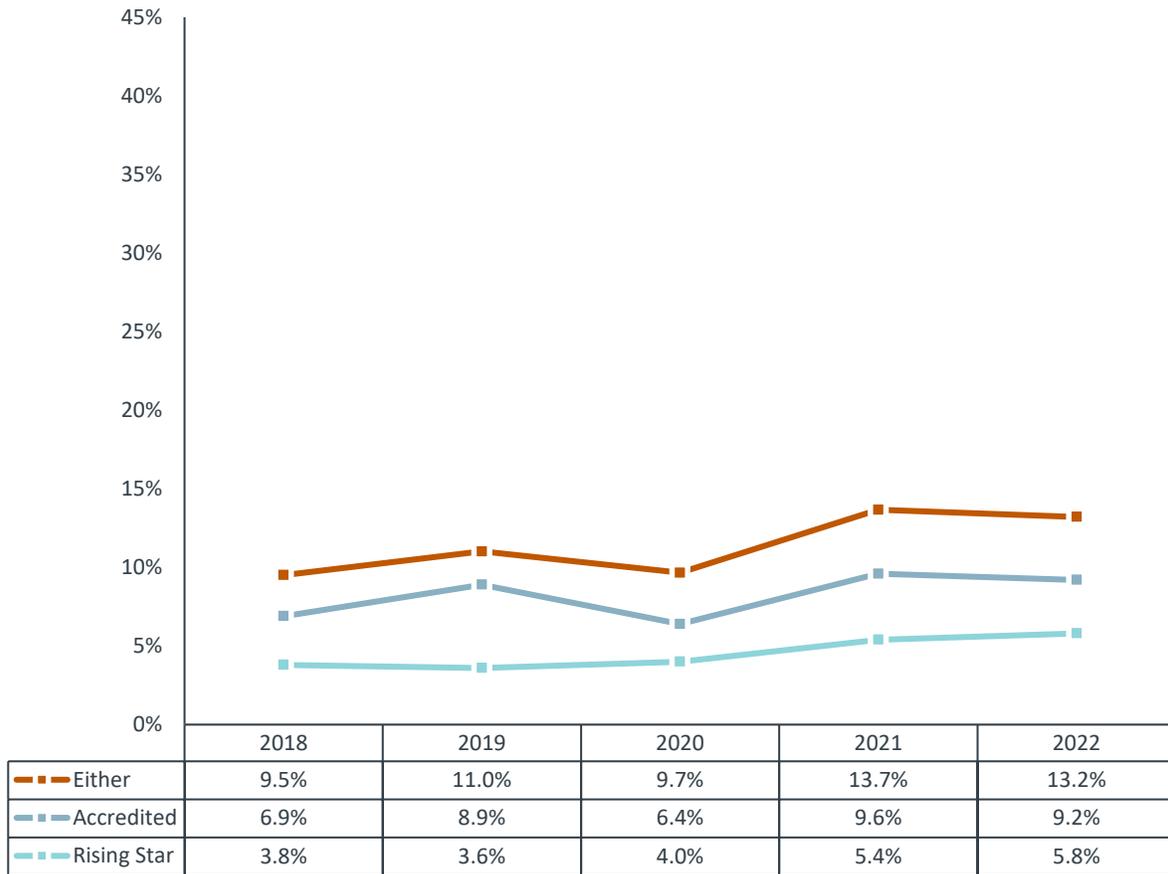


Figure 4 illustrates trends in responses to these accreditation items among Licensed and Registered Homes. The general increase in quality seen among homes over the last several years seems to have leveled off somewhat over the last year.

Figure 4. Share of Homes Reporting Accreditation Over Time



Texas Rising Star Non-Participation Reasons

As in the 2021 survey, child care providers who accepted subsidized children but did not participate in Texas Rising Star were further asked why they did not participate in the program. As shown in Table 6, just over a third of both home and center providers did not provide a reason for not participating. About 42 percent of centers indicated other reasons, not listed here, whereas about 27 percent of home providers selected other. Too much paperwork or administrative burden accounted for approximately 15 percent of center responses and 7 percent of home responses. About 6 percent of center providers and 30 percent of home providers indicated they did not know enough about Texas Rising Star, a figure that has roughly doubled among homes in the past year.

Table 6. Reasons for Not Participating in TRS

Categorized Response	Centers	Homes
Too much paperwork / administrative burden	15.0%	7.1%
Enhanced reimbursement rates do not cover high costs to participate	0.8%	1.0%
Don't know enough about Texas Rising Star	6.2%	30.3%
Staff would not support / participate	2.7%	.
Other*	41.9%	27.3%
No reason provided	37.1%	35.6%

Subsidy Acceptance and Pricing

In order to gain insight into the dynamics of which facilities accept subsidized children and how it affects their pricing for such children, two questions were added to the survey starting in 2018 and continuing this year. The first question, addressed to those who serve subsidized children, asks whether they charge more to families of subsidized children if their established rates are greater than the reimbursement they would receive (which includes the subsidy plus copayment). As shown in Table 7, 4.7 percent of centers and 6.4 percent of homes indicate that they charge such families an additional amount. Since these questions were introduced in the 2018 version of this survey, the proportion of centers responding yes has been fairly steady, while the share of homes indicating they charge the additional amount has fallen.

Table 7. Pricing for CCS Children

Do you charge families an additional amount if their total CCS subsidy plus parent copay is less than your established rate?	Centers	Homes
Yes	4.7%	6.4%

A detailed analysis of rate data among centers that claimed they do charge this additional amount indicates that about 46 percent of their reported rates were higher than the maximum reimbursement rates in effect for their LWDA and TRS status. Of those rates that exceeded the maximum, the shortfall charged to parents averaged \$5.93 per day, which represented about 20 percent of their maximum reimbursement rate. Similarly, among homes that charged parents this additional amount, 51 percent of their reported rates were higher than the maximum reimbursement rate in effect for their area and TRS status plus copay. Among those home rates exceeding the maximum, the shortfall averaged \$4.40 per day, or about 20 percent of the maximum plus copay.

The next question addressed to facilities that do not report serving subsidized children asked them whether they had a reason for not accepting subsidized children. Table 8 summarizes responses to this question as categorized by interviewers. The most common reason reported by homes is that that they do accept subsidized children but do not currently provide care for any subsidized children at the time of their interview. Also commonly reported by homes is families have not requested or needed

subsidized care. No reasons were provided by about 29% of homes who did not accept subsidized children. Among center respondents, the most common answers are that families have not requested or needed subsidized care, that no reason was provided, or that there was another reason. All patterns are similar to those seen in recent years, except that the proportion of centers reporting that paperwork/reporting requirements are too much has declined somewhat.

Interestingly, 6 percent of centers and 8 percent of homes not serving subsidized children indicated they did not do so because reimbursement rates were too low. Around five percent of centers and almost 10 percent of homes felt they needed more information or training in order to accept subsidized children.

Table 8. Provider Reasons for not Accepting CCS Children

Categorized Response	Centers	Homes
Accept CCS, but do not have CCS families	3.8%	21.3%
In process of setting up	2.8%	1.9%
Families have not requested or needed	17.0%	17.2%
Paperwork/reporting requirements	7.4%	6.6%
Reimbursement rates too low	6.1%	8.5%
Not receiving/receiving late parent co-payments	1.5%	1.2%
Not receiving/receiving late CCS payments	1.5%	1.1%
Facility is full/fills too quickly	3.5%	1.7%
Facility is new/too small	1.4%	0.7%
Need more information/training	5.2%	9.7%
No reason provided	39.4%	28.6%
Other	19.1%	10.7%



Child Care Daily Market Rates

State of Texas

Table 9. Texas Child Care Daily Market Rates - State of Texas - Licensed Child Care Centers

			Mean	30th percentile	40th percentile	Median	60th percentile	70th percentile	75th percentile
Licensed Child Care Centers									
Infant	0 - 11 months	Full-day	\$35.60	\$31.80	\$33.40	\$35.20	\$36.80	\$38.80	\$39.80
		Part-day	\$31.20	\$27.60	\$29.20	\$30.80	\$32.40	\$34.20	\$35.20
	12 - 17 months	Full-day	\$35.20	\$31.40	\$33.20	\$34.80	\$36.40	\$38.40	\$39.40
		Part-day	\$31.20	\$27.40	\$29.20	\$30.60	\$32.20	\$34.00	\$35.00
Toddler	18 - 23 months	Full-day	\$33.80	\$30.00	\$31.80	\$33.40	\$35.00	\$36.80	\$37.80
		Part-day	\$29.80	\$26.20	\$27.80	\$29.40	\$31.00	\$32.60	\$33.60
	2 years	Full-day	\$33.00	\$29.40	\$31.00	\$32.60	\$34.20	\$36.00	\$37.00
		Part-day	\$29.20	\$25.60	\$27.20	\$28.60	\$30.20	\$32.00	\$32.80
Preschooler	3 years	Full-day	\$32.00	\$28.40	\$30.00	\$31.60	\$33.20	\$35.00	\$36.00
		Part-day	\$26.00	\$22.80	\$24.20	\$25.60	\$27.00	\$28.60	\$29.60
	4 years	Full-day	\$31.40	\$27.80	\$29.40	\$31.00	\$32.60	\$34.40	\$35.40
		Part-day	\$25.40	\$22.20	\$23.60	\$25.00	\$26.40	\$28.00	\$28.80
	5 years	Full-day	\$30.60	\$27.00	\$28.60	\$30.20	\$31.80	\$33.40	\$34.40
		Part-day	\$24.40	\$21.20	\$22.60	\$24.00	\$25.40	\$27.00	\$27.80
School-age	6 - 13 years	Full-day	\$30.00	\$26.40	\$28.00	\$29.60	\$31.20	\$33.00	\$33.80
		Part-day	\$23.60	\$20.40	\$21.80	\$23.00	\$24.40	\$26.00	\$26.80

Table 10. Texas Child Care Daily Market Rates - State of Texas - Licensed Child Care Homes

 Licensed Child Care Homes			Mean	30th percentile	40th percentile	Median	60th percentile	70th percentile	75th percentile
Infant	0 - 11 months	Full-day	\$31.40	\$27.80	\$29.40	\$31.00	\$32.60	\$34.40	\$35.40
		Part-day	\$29.40	\$25.80	\$27.40	\$28.80	\$30.40	\$32.20	\$33.20
	12 - 17 months	Full-day	\$31.20	\$27.60	\$29.20	\$30.80	\$32.40	\$34.00	\$35.00
		Part-day	\$28.80	\$25.20	\$26.80	\$28.40	\$29.80	\$31.60	\$32.60
Toddler	18 - 23 months	Full-day	\$29.80	\$26.40	\$28.00	\$29.40	\$31.00	\$32.80	\$33.60
		Part-day	\$28.00	\$24.60	\$26.00	\$27.60	\$29.00	\$30.80	\$31.60
	2 years	Full-day	\$29.80	\$26.40	\$28.00	\$29.40	\$31.00	\$32.80	\$33.60
		Part-day	\$27.80	\$24.40	\$25.80	\$27.40	\$28.80	\$30.40	\$31.40
Preschooler	3 years	Full-day	\$29.40	\$26.00	\$27.40	\$29.00	\$30.60	\$32.20	\$33.20
		Part-day	\$25.80	\$22.40	\$24.00	\$25.40	\$26.80	\$28.40	\$29.40
	4 years	Full-day	\$29.00	\$25.40	\$27.00	\$28.60	\$30.20	\$31.80	\$32.80
		Part-day	\$25.20	\$22.00	\$23.40	\$24.80	\$26.40	\$27.80	\$28.80
	5 years	Full-day	\$28.20	\$24.80	\$26.20	\$27.80	\$29.20	\$31.00	\$31.80
		Part-day	\$25.20	\$21.80	\$23.20	\$24.60	\$26.20	\$27.80	\$28.60
School-age	6 - 13 years	Full-day	\$27.80	\$24.40	\$25.80	\$27.40	\$28.80	\$30.40	\$31.40
		Part-day	\$23.80	\$20.60	\$22.00	\$23.40	\$24.80	\$26.40	\$27.20

Table 11. Texas Child Care Daily Market Rates - State of Texas - Registered Child Care Homes



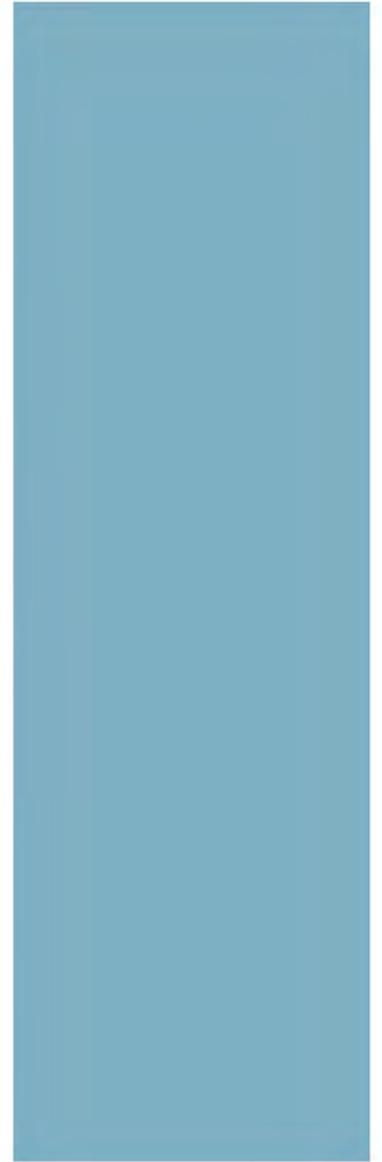
Registered Child Care Homes			Mean	30th percentile	40th percentile	Median	60th percentile	70th percentile	75th percentile
Infant	0 - 11 months	Full-day	\$30.00	\$26.40	\$28.00	\$29.60	\$31.00	\$32.80	\$33.80
		Part-day	\$27.40	\$24.00	\$25.40	\$26.80	\$28.40	\$30.00	\$31.00
	12 - 17 months	Full-day	\$29.00	\$25.60	\$27.20	\$28.60	\$30.20	\$32.00	\$32.80
		Part-day	\$26.80	\$23.40	\$25.00	\$26.40	\$27.80	\$29.40	\$30.40
Toddler	18 - 23 months	Full-day	\$28.60	\$25.00	\$26.60	\$28.00	\$29.60	\$31.20	\$32.20
		Part-day	\$26.00	\$22.60	\$24.20	\$25.60	\$27.00	\$28.60	\$29.60
	2 years	Full-day	\$28.00	\$24.60	\$26.00	\$27.60	\$29.00	\$30.80	\$31.60
		Part-day	\$25.60	\$22.40	\$23.80	\$25.20	\$26.80	\$28.40	\$29.20
Preschooler	3 years	Full-day	\$27.40	\$24.00	\$25.40	\$27.00	\$28.40	\$30.00	\$31.00
		Part-day	\$24.00	\$20.80	\$22.20	\$23.60	\$25.00	\$26.40	\$27.40
	4 years	Full-day	\$26.40	\$23.00	\$24.40	\$25.80	\$27.40	\$29.00	\$29.80
		Part-day	\$22.00	\$19.00	\$20.40	\$21.60	\$23.00	\$24.40	\$25.20
	5 years	Full-day	\$25.80	\$22.40	\$23.80	\$25.20	\$26.80	\$28.40	\$29.20
		Part-day	\$22.00	\$19.00	\$20.20	\$21.60	\$22.80	\$24.40	\$25.20
School-age	6 - 13 years	Full-day	\$22.20	\$19.20	\$20.40	\$21.80	\$23.20	\$24.60	\$25.40
		Part-day	\$21.20	\$18.20	\$19.40	\$20.80	\$22.00	\$23.40	\$24.40

Table 12. Texas Child Care Daily Market Rates - State of Texas

			Mean	30th percentile	40th percentile	Median	60th percentile	70th percentile	75th percentile
Infant	0 - 11 months	Full-day	\$33.80	\$30.20	\$31.80	\$33.40	\$35.20	\$37.00	\$38.00
		Part-day	\$30.80	\$27.20	\$28.80	\$30.40	\$32.00	\$33.80	\$34.80
	12 - 17 months	Full-day	\$33.60	\$29.80	\$31.40	\$33.00	\$34.80	\$36.60	\$37.60
		Part-day	\$30.60	\$27.00	\$28.60	\$30.20	\$31.80	\$33.40	\$34.40
Toddler	18 - 23 months	Full-day	\$32.20	\$28.60	\$30.20	\$31.80	\$33.40	\$35.20	\$36.20
		Part-day	\$29.20	\$25.80	\$27.40	\$28.80	\$30.40	\$32.20	\$33.00
	2 years	Full-day	\$31.20	\$27.60	\$29.20	\$30.80	\$32.40	\$34.20	\$35.20
		Part-day	\$28.60	\$25.20	\$26.80	\$28.20	\$29.80	\$31.40	\$32.40
Preschooler	3 years	Full-day	\$30.60	\$27.00	\$28.60	\$30.20	\$31.80	\$33.40	\$34.40
		Part-day	\$25.60	\$22.20	\$23.80	\$25.20	\$26.60	\$28.20	\$29.00
	4 years	Full-day	\$30.00	\$26.40	\$28.00	\$29.60	\$31.20	\$32.80	\$33.80
		Part-day	\$24.80	\$21.60	\$23.00	\$24.40	\$25.80	\$27.40	\$28.40
	5 years	Full-day	\$29.40	\$25.80	\$27.40	\$29.00	\$30.40	\$32.20	\$33.20
		Part-day	\$24.20	\$21.00	\$22.40	\$23.80	\$25.20	\$26.80	\$27.60
School-age	6 - 13 years	Full-day	\$28.80	\$25.40	\$26.80	\$28.40	\$30.00	\$31.60	\$32.60
		Part-day	\$23.20	\$20.20	\$21.40	\$22.80	\$24.20	\$25.80	\$26.60

Table 13. Child Care Daily Market Rates by Facility Type - State of Texas

		Mean	30th percentile	40th percentile	Median	60th percentile	70th percentile	75th percentile
Licensed Child Care Centers	Full-day	\$31.80	\$28.20	\$29.80	\$31.40	\$33.00	\$34.60	\$35.60
	Part-day	\$26.40	\$23.00	\$24.40	\$26.00	\$27.40	\$29.00	\$30.00
Licensed Child Care Homes	Full-day	\$29.40	\$25.80	\$27.40	\$29.00	\$30.40	\$32.20	\$33.20
	Part-day	\$26.20	\$23.00	\$24.40	\$25.80	\$27.20	\$29.00	\$29.80
Registered Child Care Homes	Full-day	\$28.00	\$24.60	\$26.00	\$27.60	\$29.00	\$30.60	\$31.60
	Part-day	\$24.00	\$20.80	\$22.20	\$23.60	\$25.00	\$26.60	\$27.40



**Child Care Daily Market
Rates and LWDA Established
Rates**
Percentile Analysis

PERCENTILE ANALYSIS

Maximum reimbursement rates in effect for Local Workforce Development Areas (LWDAs) in April 2022 for the various categories of child care were compared to the distributions of daily market rates gathered in this 2022 survey to determine at what percentile of the market such maximum rates would provide access. Similar comparisons were made for *maximum enhanced rates*, or the highest rate a local board will reimburse for care in facilities that, for example, have more stars on the Texas Rising Star scale, or whatever criteria are used locally to assign enhanced rates. Estimated percentiles at which access is provided, whether for regular reimbursement or maximum enhanced rates, are listed for all categories of care in the tables below, as well as the more detailed tables in the supplemental report. Note, however, that these percentiles at which access to care is potentially available should not be confused with percentiles at which care is reimbursed.⁴

General trends in the level of access *potentially* provided are presented below. Overall, across care types, facility types, age groups, and local boards, maximum reimbursement rates were found to provide access to the 52nd percentile of market rates, while maximum enhanced rates provide access to the 84th percentile. In recent years, maximum enhanced rates have increased dramatically, reflecting an emphasis on adequately reimbursing higher quality care. This year, regular maximum rates have also been making up ground. This same approximate pattern is repeated below.

As shown in Table 14, access to facilities allowed by regular maximum rates is similar for homes and centers, falling between the 49th and 52nd percentiles. For maximum enhanced rates, access is also fairly uniform across facility types, ranging from the 82nd to the 84th percentiles.

Table 14. Percentile Analyses by Facility Type

Facility Type	Average maximum rate	Percentile of maximum rate	Average maximum enhanced rate	Percentile of maximum enhanced rate
Licensed Child Care Centers	\$31.31	52	\$37.62	84
Licensed Child Care Homes	\$28.94	49	\$35.03	82
Registered Child Care Homes	\$26.47	51	\$32.30	82

Looking at regular and enhanced maximum rates, part-day care is potentially reimbursed at slightly lower percentiles, as compared to full-day care in Table 15. It should be noted, however, that there is significant uncertainty surrounding market rates for part-day care. Many facilities do not offer part-day care, especially for infants and toddlers, and in most areas it can be difficult to find.

Table 15. Percentile Analyses by Rate Type

⁴ To estimate the percentile at which care is reimbursed, corrections would need to be made for reimbursement below the maximum, as well as differential weighting of more and less common forms of care.

Rate Type	Average maximum rate	Percentile of maximum rate	Average maximum enhanced rate	Percentile of maximum enhanced rate
Full-day	\$33.75	56	\$40.31	86
Part-day	\$27.19	48	\$33.09	81

Percentiles of the market to which maximum reimbursement rates potentially provide access also vary by age groups of the children served. In terms of percentiles at which reimbursement is possible, the greatest market access is seen for infants and toddlers. As noted previously, regardless of these patterns, infant care can be difficult to find.

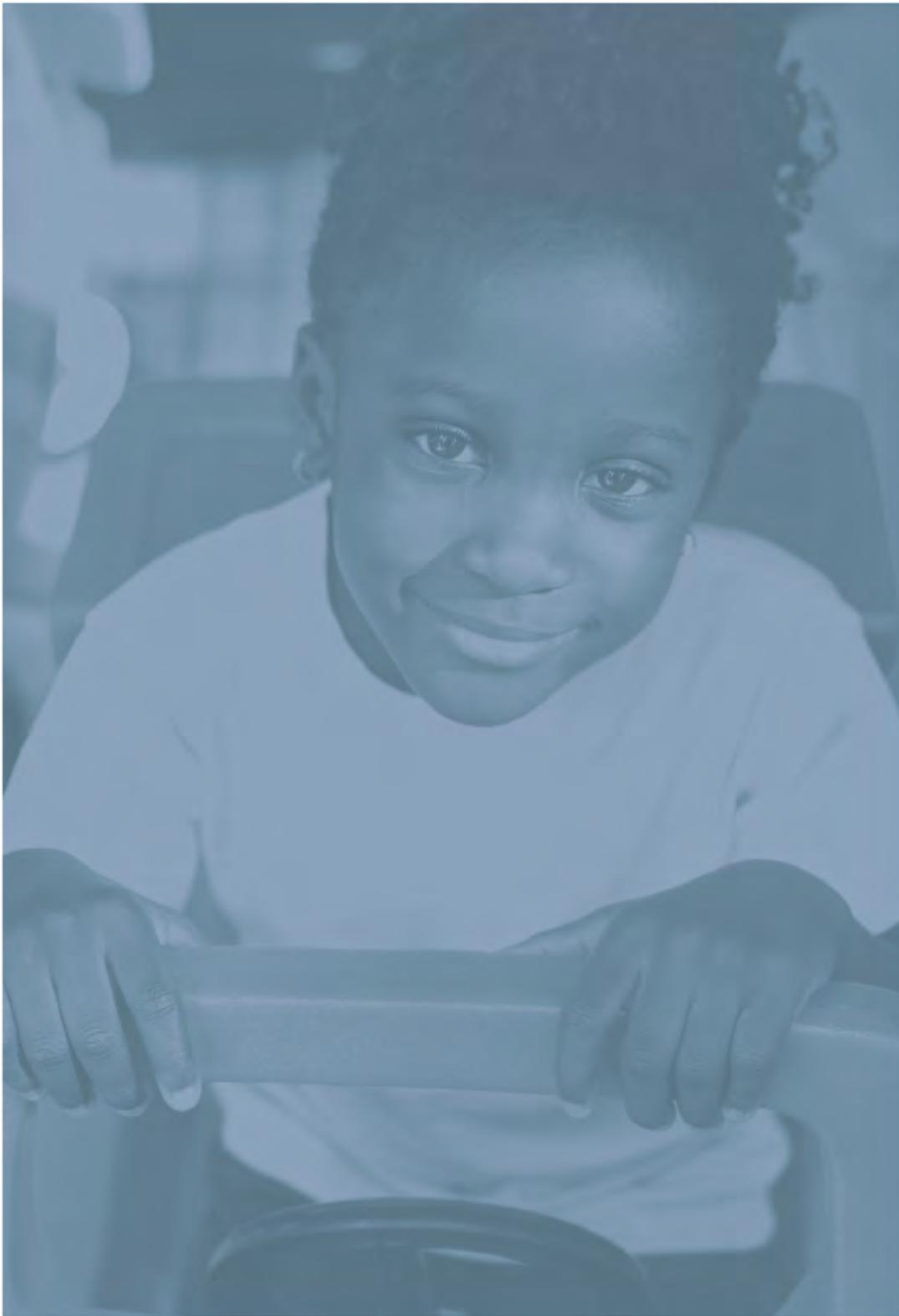
Table 16. Percentile Analyses by Age Group

Rate Type	Average maximum rate	Percentile of maximum rate	Average maximum enhanced rate	Percentile of maximum enhanced rate
Infant	\$38.66	73	\$46.53	95
Toddler	\$34.51	61	\$41.32	90
Preschooler	\$29.75	49	\$35.69	82
School-age	\$27.61	43	\$33.36	78

Finally, reimbursement percentiles varied by LWDA. Table 17 lists the percentiles of the market to which maximum reimbursement rates potentially provide access by LWDA. In the supplemental report, detailed tables list maximum reimbursement rates and market rate access by facility type, age of child, and LWDA, for both regular rates and maximum enhanced rates.

Table 17. Percentile Analyses by LWDA

LWDA	Average maximum rate	Percentile of maximum rate	Average maximum enhanced rate	Percentile of maximum enhanced rate
1 Panhandle	\$26.64	52	\$31.88	87
2 South Plains	\$25.69	47	\$30.08	81
3 North Texas	\$23.66	59	\$28.49	89
4 North Central Texas	\$32.99	53	\$39.95	83
5 Tarrant County	\$35.21	57	\$41.94	86
6 Dallas	\$32.14	44	\$39.47	79
7 North East Texas	\$22.23	53	\$26.52	87
8 East Texas	\$23.04	52	\$26.79	85
9 West Central Texas	\$21.84	48	\$27.52	87
10 Borderplex	\$22.76	52	\$27.28	87
11 Permian Basin	\$27.36	53	\$32.96	85
12 Concho Valley	\$22.56	71	\$25.53	88
13 Heart of Texas	\$23.68	47	\$27.88	81
14 Capital Area	\$39.92	49	\$47.56	83
15 Rural Capital	\$33.85	44	\$40.93	78
16 Brazos Valley	\$28.54	60	\$34.23	90
17 Deep East Texas	\$23.68	53	\$28.59	87
18 South East Texas	\$24.96	56	\$29.26	88
19 Golden Crescent	\$24.09	61	\$28.14	90
20 Alamo	\$31.29	57	\$36.81	86
21 South Texas	\$24.10	59	\$28.92	90
22 Coastal Bend	\$27.94	54	\$33.29	86
23 Lower Rio Grande Valley	\$24.86	41	\$29.70	78
24 Cameron County	\$25.04	26	\$30.17	66
25 Texoma	\$23.98	43	\$28.37	79
26 Central Texas	\$23.57	51	\$27.74	84
27 Middle Rio Grande	\$22.56	33	\$25.99	72
28 Gulf Coast	\$32.43	56	\$39.29	85



Special Analyses

SERVICES AND ENROLLMENT

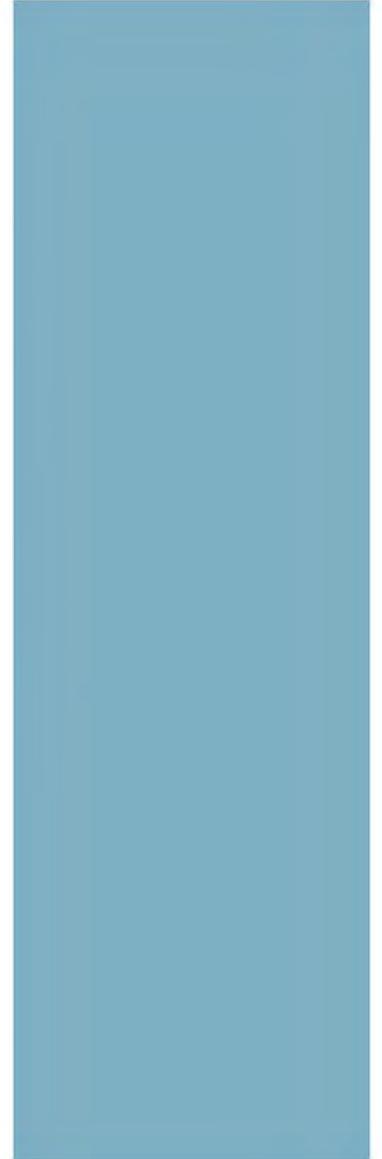
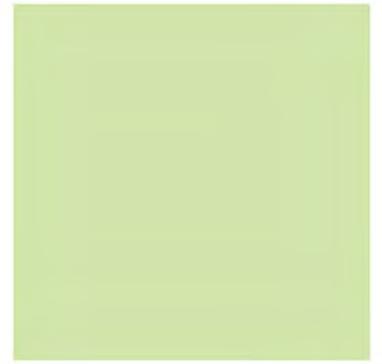
Table 18. Special Analyses: Texas Services and Enrollment

Facility Type	Non-traditional hours	Offers transportation	Accreditation	Texas Rising Star	Percent serving any subsidized children	Percent of enrollment that is subsidized	Number of children enrolled	Number of facilities
Licensed Child Care Centers	3.9%	42.4%	18.1%	25.0%	54.1%	16.0%	133,481	1,316
Licensed Child Care Homes	5.2%	11.8%	11.2%	11.5%	27.1%	13.3%	1,876	233
Registered Child Care Homes	6.4%	15.8%	6.3%	2.8%	11.8%	6.7%	2,378	411
All Facility Types	4.6%	33.5%	14.7%	18.6%	42.3%	15.8%	137,735	1,960

ADMINISTRATIVE CATEGORIES

Table 19. Special Analyses: Texas Administrative Categories

	Non-Profit		For-Profit		Community-based		Number of Facilities
	Sectarian	Non-sectarian	Sectarian	Non-sectarian	Non-profit	For-profit	
Licensed Child Care Centers	13.6%	23.1%	3.1%	54.0%	1.0%	0.5%	1,316
Licensed Child Care Homes	0.0%	1.9%	0.0%	96.7%	0.0%	1.4%	233
Registered Child Care Homes	0.0%	6.6%	0.3%	81.8%	0.0%	0.8%	411
All Facility Types	9.2%	17.3%	2.1%	64.5%	0.7%	0.7%	1,960



Apendices

APPENDIX A. DATA ANALYSIS

It is important to note that *all* of the daily market rates and percentiles presented in this report are based on large and statistically reliable sample sizes. Even in categories of care that are difficult to find, such as part-day infant and toddler care in Homes, the numbers of rates gathered were sufficient for estimating highly stable rates.

LEVELS OF ANALYSIS

Project researchers summarized the survey data and conducted analysis at several distinct levels. The most basic analyses were done at the level of individual providers. These results, which appear in the Special Analyses section of the report, document the proportion of providers responding to the survey that offer various services (e.g., non-traditional hours, transportation), or that fall into different administrative categories (e.g., sectarian, community-based, and for-profit). The exception to this rule is the one item that measures the “percent of enrollment that is subsidized,” which is analyzed at the level of the individual child. A similar item concerns the percent of *facilities* that serve any subsidized children. When this number is higher than the “percent of enrollment” number, it indicates that the subsidized children in an area are widely dispersed among facilities, and when it is lower, it indicates that the subsidized children are relatively concentrated among a smaller number of facilities in the area.

The remaining analyses were conducted at either the rate observation level or at the level of the child care slot, as described below. Each center or home-based facility can contribute more than one rate observation to the analysis, and each rate observation can represent more than one slot. However, the nature of this relationship depends on the type of facility, as described below. The estimation of market rates includes a combination of rates from this survey and administrative records regarding published rates of subsidized providers, so different procedures were also followed for administrative records, as described later.

Among survey data gathered, daily market rates for licensed centers were captured for all categories of care offered, regardless of whether any children were currently being served in such categories. The categories consisted of all possible combinations of age group (gathered for actual age categories in which each center offered rates, but aggregated to the four standard categories for reporting) by Full-day status (part-day or full-day). Thus, one center could contribute as many as eight independent rate observations, each representing any number of children (including zero). These rate observations were then weighted by the number of child care slots they represent (described below) when calculating market rate distributions.

In contrast, market rates for surveyed home-based facilities, including registered homes and licensed homes, were gathered at the level of the individual child currently being served. Each child's age, detailed weekly schedule, and rates charged were gathered for purposes of calculating daily market rates. In this case, the individual children were treated as independent rate observations, and each facility could contribute as many as nine observations (or fewer depending on the facility type and number of children enrolled). Because of this, there was no need to differentially weight the rate observations when calculating the local market rate percentiles for surveyed home-based facilities: each child (or rate) started with a weight equal to one (but see weighting discussion below).

For the analysis of surveyed center rates, the number of child care slots for each rate category was determined in one of two ways. First, for categories of care in which children were currently being served, the number of children in each category served as a proxy for the number of slots. Second, rate categories in which no children were currently being served were also included in the analysis, since they were also theoretically part of the market. This was done by estimating the number of slots for each of these rate categories with a formula that multiplies the number of children served at each facility by the average proportion of children, across all licensed centers, served in each rate category. Thus, for example, a facility that served 100 children and had an existing part-day infant rate schedule, but did not currently serve any part-day infants, would have its number of slots for this category of care estimated at two (100 child capacity X 2 percent of children served in the part-day infant category across all licensed centers). If the same facility served no part-day preschoolers, its number of slots would be estimated at seven (100 child capacity X 7 percent served in this category across all licensed centers). This method allows fuller use of the rate information gathered from surveyed centers, especially for rare forms of care in which rate observations are otherwise scarce.

STATEWIDE ESTIMATION

For statistics conducted at various levels of analysis, special procedures were necessary in order to compute statewide versions of the tables. Due to the fact that smaller, less populous areas were over-sampled for this survey (meaning that facilities in these areas were more likely to be selected for the survey), a correction was applied to estimate statewide rates without over-representing facilities in these smaller areas. Finally, starting with the 2018 survey and continuing unchanged for this year, subsidized facilities were under-sampled in order to concentrate survey resources on non-subsidized facilities whose data are more difficult to gather, while amending data on subsidized facilities by introducing administrative records data. The correction for both these factors involves computing weights that, when applied to the statewide analysis, equalize the probability that any given facility or rate might have been selected at random.

The calculation of weights for statewide estimation varies slightly depending on the level of analysis: facility level or rate level (see preceding discussion). For facility-level analyses (as in the Services and Enrollment and Administrative Categories sections), the weight is the inverse of the probability of selecting the facility at random. Thus, for small areas in which all facilities were selected, the weight would equal one. For larger areas in which, for example, 20 percent of facilities were selected, the weight would equal five (1 divided by 0.20). When these weights are applied to any given statistical analysis, the facility with a weight of five would count five times as much as the facility with a weight of one, and the result would be representative of the state as a whole. Calculation of statewide rates is similar to estimation of local rates in that each rate is weighted according to its share child care slots.

ADDITION OF RATES FROM ADMINISTRATIVE RECORDS

As has been done since the 2018 report, the child care daily market rates in this report were estimated by including both data from the survey and data from administrative records maintained by TWC known as published rates. These published rates were subjected to several screens, then special weights were calculated (described next) so that their share of care provided would not be overstated.

A database of published rates was provided by TWC in July 2021, from which published rates of subsidized facilities were drawn. Rates from facility types other than Licensed Centers, Licensed Homes, or Registered Homes were excluded from further analysis. Only rates that were indicated as active rates as of February 15, 2021⁵ were included, which had the effect of eliminating redundant rates from the same provider. Also excluded were rates for anything other than “regular day care,” which eliminated night and weekend rates. At this stage there were 46,250 published rates contributed by 7254 facilities that accept subsidies.

Before these published rates could be combined with those from survey data, it was necessary to remove 7445 rates from facilities that had been surveyed. These facilities contributed their rates through the survey, so removing them at this step prevented double-counting of their rates. Finally, after removing a small number of rates from facilities who could not be linked to the survey frame⁶ or whose capacity was unknown, 33,538 rates remained. For these rates, the number of slots attributed to each rate was estimated by a statistical model utilizing the facility’s reported capacity, the typical share of slots allocated to each age group and full or part day status, and the estimated share of slots dedicated to subsidized children in facilities of this type.

WEIGHTING ADJUSTMENT TO ACCOUNT FOR ADMINISTRATIVE RECORDS

When incorporating published rates from administrative records, it was necessary to calculate and adjust weights so that any estimation of rates, whether local or statewide, would reflect the typical balance of care provided by subsidized and non-subsidized facilities. Generally speaking, since so much more data on published rates are now available, weights for these rates need to be smaller to prevent

⁵ This date is the approximate midpoint of the survey field operation.

⁶ Some of the facilities removed in this step likely opened after the sample was drawn.

their contribution to the market rate from being overstated. Table A-1 summarizes the results of this weighting adjustment, with each row representing a further step in the adjustment. The last row indicates the final weight, indicating that subsidized rates determine 40 percent of the final statewide rate estimates. Below the table is a fuller explanation of the steps used to arrive at this percentage.

Table A-1. Weighting Summary

	Surveyed		Not Surveyed	
	Not Subsidized	Subsidized	Subsidized	Subsidy percent
Number of Rates	4,975	9,442	75,598	
Number of Facilities	732	1,113	5,890	
Sum of Rate Weights	10,973	2,650	20,921	
Sum of Slot Weights	82,031	18,445	36,241	40.0%

The first two rows of Table A-1 show the number of rates and number of facilities contributed in each of three categories of facilities describing whether the rates came from survey data, administrative records data (published rates from subsidized facilities), or both. For rates that came from both data sources (shaded darker gray), a separate analysis showed general agreement between the sources, but only the surveyed rate was allowed to contribute to the final analysis. There is no column for non-surveyed non-subsidized rates because we have no way of observing these rates. The weight assigned to any given rate depends on which column it appears in.

Rates that were drawn from subsidized facilities (two columns) were assigned lower weights by the formulas described above regardless of whether they originated from surveyed or administrative records data. Thus, although a total of 10,136 rates was contributed by the survey (first two columns), compared to over three times as many (33,538) rates from published subsidy rate data, this imbalance is corrected through the calculation of rate-level weights and numbers of slots. In the end, after all calculation of weights and adjustments (bottom row), care from subsidized facilities (second and third columns) was found to carry 40 percent of the total weight in the analysis of rates. This is well within the range of estimates of the statewide share of facilities serving subsidized children provided by this survey over the years, which have ranged from 32 to 43 percent in the 2014 through 2020 surveys.

Table A-2 repeats this analysis separately for each local board but only shows only the final row, sum of slot weights, including the subsidy percent measure in the last column.

Table A-2. Weighting Summary, Slot Weights by LWDA

Local Workforce Board	Surveyed		Not Surveyed	
	Not Subsidized	Subsidized	Subsidized	Subsidy percent
1 Panhandle	719	485	394	55%
2 South Plains	1018	740	439	54%
3 North Texas	253	506	210	74%

4 North Central Texas	16,546	990	3833	23%
5 Tarrant County	7765	959	2582	31%
6 Dallas	6418	547	3284	37%
7 North East Texas	585	501	253	56%
8 East Texas	1352	924	904	58%
9 West Central Texas	315	535	241	71%
10 Borderplex	510	819	913	77%
11 Permian Basin	801	686	422	58%
12 Concho Valley	374	375	138	58%
13 Heart Of Texas	737	583	297	54%
14 Capital Area	5792	889	1559	30%
15 Rural Capital	4182	564	1807	36%
16 Brazos Valley	669	487	329	55%
17 Deep East Texas	211	669	299	82%
18 Southeast Texas	539	720	444	68%
19 Golden Crescent	335	612	123	69%
20 Alamo	6294	1028	3057	39%
21 South Texas	198	556	293	81%
22 Coastal Bend	895	609	519	56%
23 Lower Rio Grande Valley	2228	685	1600	51%
24 Cameron County	417	518	551	72%
25 Texoma	225	409	170	72%
26 Central Texas	1029	601	707	56%
27 Middle Rio Grande	84	198	139	80%
28 Gulf Coast	21,540	1251	10,733	36%

As in the prior table, the subsidy percent gives an indication of the extent to which the estimated rates in any given area are dominated by subsidized providers. Generally speaking, estimated rates in the large urban boards (LWDAs 5, 6, 14, 20, and 28) tend to be least dominated by subsidized rates, with subsidy percent estimates ranging from 30 to 39 percent. On the other hand, the subsidy percent estimates for less populated boards tend to vary more widely.

SMALL-AREA ESTIMATION

In many smaller LWDAs and for some exceptionally rare rate categories (particularly part-day infant and toddler care in homes) the number of rate observations would have been too small to estimate stable rates using traditional methods, even for the many areas in which the entire universe of facilities had been sampled. For this reason, an estimation methodology first developed for the 2010

survey was used. Using this approach, parameters are estimated that fully characterize the distribution of rates in each category of care. These parameters are then applied, using an assumption of normality of the rate distributions, to estimate each rate percentile of interest. The primary advantage of this solution is that a medium to large sample of rates is utilized to estimate each parameter, thus the estimates based on this methodology are more stable over time, and they fall into the expected patterns more frequently.

Prior to any estimation of parameters, the daily rates themselves are first transformed to make them assume a more normal distribution. This transformation is done by taking the positive square root of the daily rate. The effect of this is to minimize the influence of high-end outliers on estimates of the parameters of distributions⁷. This transformation is reversed later, following all estimation, by squaring the rates. The next step in the estimation of parameters involves estimating area effects, the average rate for each LWDA, while statistically controlling for all other features of the rates involved in the estimation (including facility type, age group, and rate type). The average rates for all 28 LWDAs are listed in Table A-3. Note that, similar to prior years, Capital Area (LWDA 14) has the highest rates, while West Central Texas (LWDA 9) has the lowest rates in the state.

Levels of variation among rates in each area, as indicated by the standard deviation measure, are also listed for LWDAs in the last column of Table A-3. Note that those areas with the highest average rates also tended to have greater spread among rates. Note also that the average level and spread of rates in each LWDA was estimated with 240 or more independent rate observations. Thus, these parameters are estimated with a high level of precision.

The next step involves estimating the typical patterns among rates of varying facility type, age group, and rate type, in the context of the area effects measured above. This estimation was done using one model for licensed centers that included independent predictor variables for the four age groups and full-day vs. part-day care. A second model was used to estimate these parameters for all homes combined, but an additional variable was included that coded for Licensed or Registered Home.

⁷ High rates have greater influence on estimates of the distribution of daily rates due to the simple fact that rates cannot go below zero, but there is no effective upper limit. Square root transformation mutes this influence.

Table A-3. Area Effects, Untransformed Rates

LWDA	Observations	Average*	St. Dev.
1 Panhandle	1,538	\$25.54	3.95
2 South Plains	1,531	\$25.48	4.08
3 North Texas	1,017	\$22.27	4.32
4 North Central Texas	6,070	\$31.88	7.10
5 Tarrant County	6,072	\$33.89	6.55
6 Dallas	7,892	\$32.60	6.85
7 North East Texas	8,00	\$21.05	3.48
8 East Texas	2,497	\$21.68	3.54
9 West Central Texas	925	\$21.46	3.73
10 Borderplex	3,743	\$21.32	3.61
11 Permian Basin	1,245	\$26.09	5.84
12 Concho Valley	498	\$19.92	2.95
13 Heart of Texas	1,143	\$23.45	3.94
14 Capital Area	3,727	\$39.74	6.84
15 Rural Capital	3,459	\$34.90	6.47
16 Brazos Valley	1,361	\$26.95	4.42
17 Deep East Texas	1,004	\$22.08	4.12
18 South East Texas	1,376	\$23.62	3.75
19 Golden Crescent	799	\$21.70	3.55
20 Alamo	6,477	\$29.77	4.91
21 South Texas	1,555	\$21.96	3.59
22 Coastal Bend	1,738	\$26.42	4.28
23 Lower Rio Grande Valley	5,918	\$24.90	4.16
24 Cameron County	2,276	\$26.88	4.07
25 Texoma	776	\$23.78	4.09
26 Central Texas	2,472	\$23.13	3.95
27 Middle Rio Grande	633	\$23.00	3.13
28 Gulf Coast	21,473	\$31.21	6.35

*For ease of illustration, figures in this table represent the average and standard deviations of untransformed rates, though transformed rates were used in actual calculations.

A final model included the 28 area effects shown in Table A-3 combined with rate type effects to estimate the parameters (mean and standard deviation) of the distributions of all 672 categories of care in the full report. Using these parameters together with known properties of normal distributions, one can then estimate percentiles of the rate distributions for all categories of care. As described above, these figures are then squared to undo the transformation described above. Overall, the resulting percentile estimates have consistently been found to be quite stable over time.

RESPONSE BIAS ADJUSTMENT

In order to adjust for any bias due to what types of facilities responded to the survey, a response model was developed using logistic regression. Predictors for this regression primarily included measures derived from registry data maintained by the Texas Health and Human Services Commission Child Care Regulation department (HHSC CCR), as well as county-level measures from another study. The CCR measures included indicators for self-reported features of care provided including accreditation, offers transportation, accepts subsidies, serves infants, toddlers, preschoolers, school age, special needs children, special skills, field trips, get well care, as well as after school, drop in, part time, or weekend care. Additional measures included the facility age in years, based on the initial license issue date, as well as age-squared to account for potential quadratic effects. The dependent or response variable for this regression was an indicator showing whether the facility completed the survey, in whole or in part. Facilities determined to be ineligible for the survey were excluded from the regression.

The results of this response model indicated a very small overall response bias (model R-squared = .029 in centers, .011 in homes). Weights were computed by inverting the estimated probability of response for individual facilities, and were included in analyses to allow adjustment for this minimal bias at either the facility or rate level. These weights were combined with the other weights described earlier.

APPENDIX B. 2022 QUESTIONNAIRES

LICENSED CHILD CARE CENTERS SURVEY

1. Hi. Can I please speak to the director of (CENTER NAME)? Hi, my name is _____ and I'm calling from The University of Texas at Austin on behalf of the Texas Workforce Commission. We are conducting the annual child care market rate study. Do you have about 5-10 minutes to answer questions about your center?

- Accept - Continue with survey
- Refusal
- Overdial
- Not eligible
- Wrong number - New number is available _____
- Withdrew

2. Does your facility offer full time child care at least 6 hours per day and five days a week?

3. If no, does your facility offer school care or part day child care (<6 hours) five days a week?

4. Is your facility any of the following?

- Only a drop-in care center (no regular rates; i.e., gym, hospital, mall)
- A Head Start program
- A free child care service
- A facility not open to the public/only serves specific groups
- A facility offering only summer camps
- A kindergarten or school not offering regular child care or after-school care
- None of the above- Continue Survey

5. What are your hours of operation (M-F)?

Weekday	Open	Close
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		

6. What are your hours of operation on Saturday and Sunday, if any?

Weekday	Open	Close
Saturday		
Sunday		

7. How many days out of the year do you close for national, state, or religious holidays?

8. Outside of weekends and holidays, how many days out of the year do you close for personal vacation, summer, or any other reasons?

9. Do you regularly offer drop-in care?

- Yes
- No
- Don't know

10. Altogether, how many children are enrolled at your center?

Number of Children Enrolled: _____

Number of Age Groups: _____

11. What are the age groups on which your rate structure is based?

Group	Age Range in Months		Total Enrolled		Comments about age group
	Min	Max	Full-day 5 days, 6+hrs	Part-day 5 days, <6 hrs	
1					
2					
3					
4					
5					
6					
7					
8					

12. Full Time Rates: Ask about each age group

- a. What are your standard full-time rates (6+hrs per day/5 days per week) for children in Age Group__?
- b. Is that rate per hour, day, week, month, or year?
- c. How many days of care per week does this rate cover?

13. Part Day Rates: Ask about each age group

- a. What are your standard part day rates (Less than 6 hrs per day/5 days per week) for children in Age Group__?
- b. Is that rate per hour, day, week, month, or year?
- c. How many days of care per week does this rate cover?

14. Additional Weekend Rates

- a. What are your standard Additional weekend rates for children in Age Group ___?
- b. Is that rate per hour, day, week, month, or year?

15. Rate Comments

16. Do you typically have a waitlist for any of your age groups?

17. Fees: Do you charge a _____ (in addition to the regular rate)?

	Amount
One-time registration fee	
Yearly or semester enrollment fee	
Additional activity or supply fee	

18. If enrollment fee is Yes: Is your enrollment fee per _____?

- Semester
- Academic Year
- Calendar Year

19. If activity fee is Yes: Is your activity fee per _____?

- Month
- Trimester
- Semester
- Academic Year
- Calendar Year

20. Comments about additional rates

21. Do you provide any discounts in the form of a sliding scale? (Note: If offer scholarships to some children, count as sliding scale)

- Yes
- No
- Don't know

22. Do you accept CCS children (children receiving subsidies)? How many slots do you allocate for CCS children?

- Do not accept CCS children
- Accept CCS children, do NOT allocate a specific number of slots
- Accept CCS children, allocate specific number or percent of slots: ____
- Don't Know

If no-> Is there a reason you do not accept CCS children?

- Not currently caring for CCS children but do accept
- In process of setting up
- Families have not requested or needed
- Paperwork/reporting requirements
- Reimbursement rates too low
- Not receiving/receiving late parent co-pays
- Not receiving/receiving late CCS payments
- Facility is full/fills too quickly
- Facility is new/too small
- Need more information/training
- No reason provided
- Other_____

If yes-> Do you charge families an additional amount if their total CCS subsidy plus parent co-pay is less than your established rate?

- Yes
- No
- Don't know
- Does not apply

23. Does your center offer regular transportation? (Excludes field trips)

- Yes
- No
- Don't know

24. Is your child care center a for-profit or non-profit facility (501.C3 status)?

- Non-Profit
- For-Profit
- Don't Know

25. Is your child care facility _____?

- Part of a local or regional chain
- Part of a national chain
- Independently owned
- Other _____
- None of the above
- Don't know

26. Is your child care associated with any of the following?

- Church or religious organization
- Community-based organization
- YMCA/ YWCA
- Public school
- Private or parochial school
- Military institution
- Other _____
- No associations
- Don't know

27. Does your facility receive any of the following services for free or at a reduced cost?

- Building use
- Utilities
- Volunteer work
- Furniture or equipment
- Supplies
- Other _____
- None
- Don't know

28. Does your facility receive any donations?

- Federal Child Care Food Program
- CCMS (other than subsidies)
- United Way
- Religious institutions
- Local, state or federal government funding
- Private or individual donations
- YMCA / YWCA
- School district
- Foundations
- Other _____
- No donations
- Don't know

29. Is your service certified as a Texas Rising Star provider?

- Yes, number of stars: _____
- No
- Don't know

30. *If do not participate:* Is there a reason your program does not participate in Texas Rising Star?

- Too much paperwork / administrative burden
- Enhanced reimbursement rates do not cover high costs to participate
- Don't know enough about Texas Rising Star
- Staff would not support / participate
- Other
- No reason provided

31. In addition to your state operating license, does your center have any of the following national accreditation or certifications?

- NAEYC - National Association for the Education of Young Children
- NAFCC - National Association for Family Child Care
- NACC - National Association of Child Care Professionals
- Montessori Accreditation
- Other: _____
- No accreditations
- Don't Know

32. General comments

LICENSED/REGISTERED CHILD CARE HOMES SURVEY

1. Hi. Can I please speak to (NAME)? Hi, my name is _____ and I'm calling from The University of Texas at Austin on behalf of the Texas Workforce Commission. We are conducting the annual child care market rate study. Do you have about 5-10 minutes to answer questions about your home?

- Accept - Continue with survey
- Refusal
- Overdial
- Not eligible
- Wrong number - New number is available _____
- Withdrew

2. Are you a registered or licensed home child care provider?

- Registered Child Care Home (RCCH)
- Licensed Child Care Home (LCCH)
- Neither- Not Eligible

3. What are your hours of operation (M-F)?

Weekday	Open	Close
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		

4. What are your hours of operation on Saturday and Sunday, if any?

Weekday	Open	Close
Saturday		
Sunday		

5. Do you regularly offer drop-in care?

- Yes
- No
- Don't know

6. How many days out of the year do you close for national, state, or religious holidays?

7. Outside of weekends and holidays, how many days out of the year do you close for personal vacation, summer, or any other reasons?

8. Altogether, how many children including your own are you currently caring for at your home?

Number of all children: _____

9. How many of these children are either not paying or paying at discounted rates because they are friends or family?

Number of Discounted Children: _____

Total Eligible Children: _____

For Interviewer purpose only, I am only going to ask about the children not receiving friend or family discounting rates.

10. How many of these children receive subsidized care through CCS? _____

If 0-> Is there a reason you do not accept CCS children?

- Not currently caring for CCS children but do accept
- In process of setting up
- Families have not requested or needed
- Paperwork/reporting requirements
- Reimbursement rates too low
- Not receiving/receiving late parent co-pays
- Not receiving/receiving late CCS payments
- Facility is full/fills too quickly
- Facility is new/too small
- Need more information/training
- No reason provided
- Other _____

If >0 -> Do you charge families an additional amount if their total CCS subsidy plus parent co-pay is less than your established rate?

- Yes
- No
- Don't know
- Does not apply

For these next questions, I will ask about each child's age and schedule. If you care for siblings, please list them together by family. We will start with your families who are subsidized.

11. How old is the youngest child in the first family?"

12. What time does this child arrive on ___? (M-Su)

13. What time do they leave on ____? (M-Su)

Child	Family ID		Age	Mon		Tues		Wed		Thurs		Fri		Sat		Sun	
	Family	Child	Months	*A	*L	*A	*L	*A	*L	*A	*L	*A	*L	*A	*L	*A	*L
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	

*A=Arrive/*L=Leave

14. Does child __ receive subsidized care through CCS? (Ask about all children)

Rates

15. NON-CCS: What is the rate or cost of childcare for this child?

CCS/Copay: Can you tell me the amount you receive from CCS? / What is the parent copay?

CSS Total: How much money do you receive in total for the care of this child?

- a. Is that rate per hour, day, week, month, or year?
- b. Does this child receive a multiple child discount?
- c. How many children are covered under this rate?

16. Rate Comments

17. Fees: Do you charge a _____ in addition to the regular rate?

	Amount
One-time registration fee	
Yearly or semester enrollment fee	
Additional activity or supply fee	

If enrollment fee is Yes: Is your enrollment fee per _____?

- Semester
- Academic Year
- Calendar Year

If activity fee is Yes: Is your activity fee per _____?

- Month
- Trimester
- Semester
- Academic Year
- Calendar Year

18. Comments about additional rates

19. Do you offer regular transportation as defined by using your own personal vehicle to transport children (excludes field trips)?

- Yes
- No
- Don't know

20. Do you typically have a waitlist for any age groups? If so, which ones?

- Infants (0-17 months)
- Toddlers (18-35 months)
- Preschool (36-71 months)
- School Age (72+ months)
- No Waitlist
- Don't know

21. Is your child care home a for-profit or non-profit child care home (501.C3 status)?

- Non-Profit
- For-Profit
- Don't Know

22. Is your child care associated with any of the following?

- Church or religious organization
- Community-based organization
- Other _____
- No associations
- Don't know

23. In addition to your state operating license, does your home have any of the following national accreditation or certifications?

- NAEYC - National Association for the Education of Young Children
- NAFCC - National Association for Family Child Care
- NACC - National Association of Child Care Professionals
- Montessori Accreditation
- Other: _____
- No accreditations
- Don't Know

24. Is your service certified as a Texas Rising Star provider?

- Yes, number of stars: _____
- No
- Don't know

25. *If do not participate:* Is there a reason your program does not participate in Texas Rising Star?

- Too much paperwork / administrative burden
- Enhanced reimbursement rates do not cover high costs to participate
- Don't know enough about Texas Rising Star
- Other
- No reason provided

26. General comments

Thank you for your time



The University of Texas at Austin
**Texas Institute for
Child & Family Wellbeing**
School of Social Work



The University of Texas at Austin
Ray Marshall Center
for the Study of Human Resources
Lyndon B. Johnson School of Public Affairs