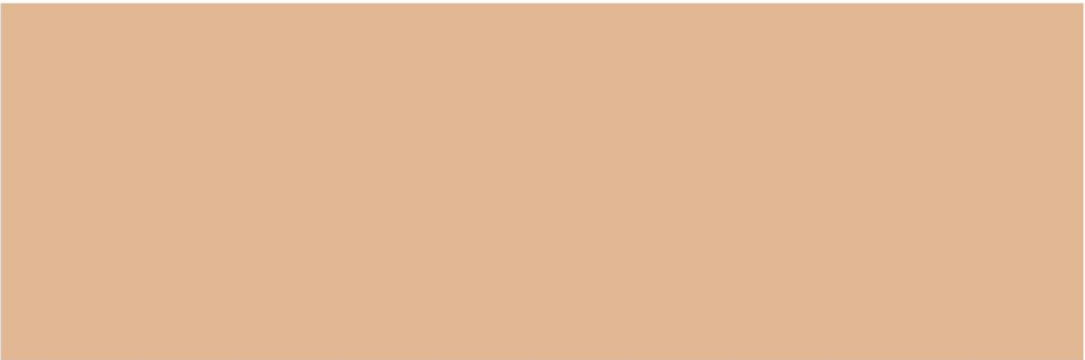


2023

**TEXAS
CHILD CARE
MARKET RATE
SURVEY**



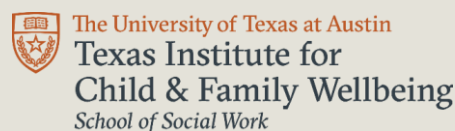
Final Report



2023 Texas Child Care Market Rate Survey

Final Report

Conducted for the Texas Workforce Commission by:



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Table of Contents

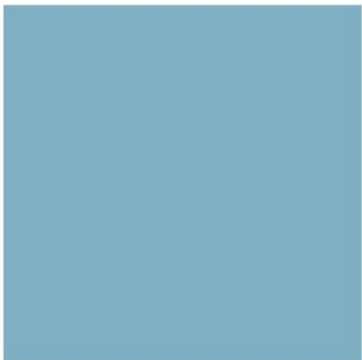
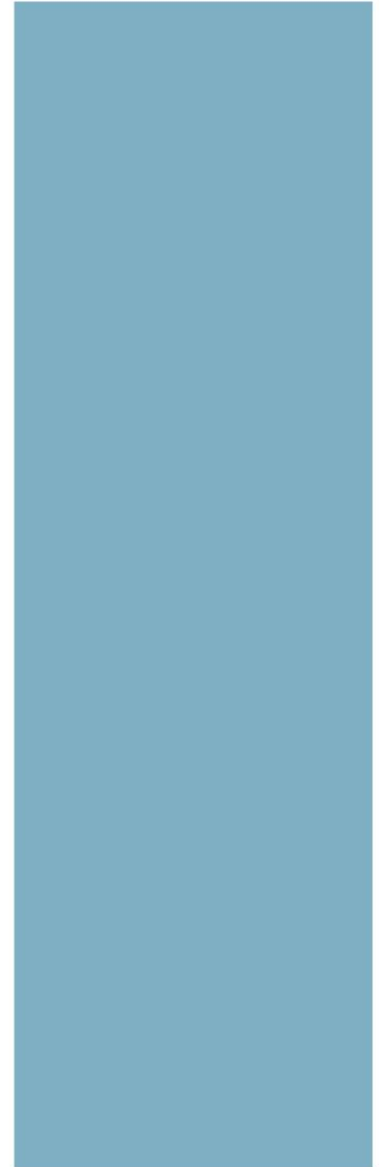
List of Tables	ii
List of Figures	iii
Introduction and Overview	1
Introduction.....	3
Report Structure.....	4
Study Design.....	5
Sample of Child Care Facilities	5
Data Collection	6
Survey Participation	8
Measures.....	10
Analytic Approach	10
Analysis and Trends	11
Market Rates and Other Statistical Descriptions	11
Non-Traditional Hours Care Availability.....	12
Quality Care Availability	14
Texas Rising Star Non-Participation Reasons	16
Subsidy Acceptance and Pricing	17
Child Care Daily Market Rates – State of Texas	19
Child Care Daily Market Rates and LWDA Established Rates	26
Percentile Analysis.....	27
Special Analyses	31
Services and Enrollment.....	33
Administrative Categories.....	33
Appendices	A-1
Appendix A. Data Analysis.....	A-3
Levels of Analysis.....	A-3
Statewide Estimation.....	A-4
Addition of Rates from Administrative Records	A-5
Weighting Adjustment to Account for Administrative Records	A-6
Small-Area Estimation.....	A-8
Response Bias Adjustment	A-10
Appendix B. 2023 Questionnaires.....	B-1
Licensed Child Care Centers Survey	B-3
Licensed/Registered Child Care Homes Survey.....	B-10

List of Tables

Table 1. Overview of Sample and Response Rate by Child Care Facility Type..... 3
Table 2. Reasons Centers Were Not Eligible 8
Table 3. Reasons Homes Were Not Eligible..... 8
Table 4. Final Call Disposition of Eligible Child Care Facilities 9
Table 5. Summary of Survey Data Collected by Facility Type..... 10
Table 6. Reasons for Not Participating in TRS 17
Table 7. Pricing for CCS Children..... 17
Table 8. Provider Reasons for not Accepting CCS Children..... 18
Table 9. Texas Child Care Daily Market Rates - State of Texas - Licensed Child Care Centers 21
Table 10. Texas Child Care Daily Market Rates - State of Texas - Licensed Child Care Homes 22
Table 11. Texas Child Care Daily Market Rates - State of Texas - Registered Child Care Homes... 23
Table 12. Texas Child Care Daily Market Rates - State of Texas 24
Table 13. Child Care Daily Market Rates by Facility Type - State of Texas 25
Table 14. Percentile Analyses by Facility Type..... 27
Table 15. Percentile Analyses by Rate Type 28
Table 16. Percentile Analyses by Age Group 28
Table 17. Percentile Analyses by LWDA 29
Table 18. Special Analyses: Texas Services and Enrollment 33
Table 19. Special Analyses: Texas Administrative Categories 33
Table A-1. Weighting Summary A-6
Table A-2. Weighting Summary, Slot Weights by LWDA A-7
Table A-3. Area Effects, Untransformed Rates A-9

List of Figures

Figure 1. Share of Licensed Centers Offering Non-Traditional Hours Care by Year.....	13
Figure 2. Share of Homes Offering Non-Traditional Hours Care by Year	14
Figure 3. Share of Centers Reporting Accreditation Over Time.....	15
Figure 4. Share of Homes Reporting Accreditation Over Time	16



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 2023 Texas Child Care Market Rate Survey as contracted by the Texas Workforce Commission (TWC) via PO 22-0005889.

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). The new child age scheme (added last year) was included for this report. This scheme is more detailed than the traditional Infant, Toddler, Preschool, and School-age scheme used prior to 2022. Instead, it 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 older scheme.

In this 2023 report, as has been 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 2022 and April 2023: 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	1,412	1,351	732	54.2%
Licensed and Registered Homes	1,333	1,250	560	44.8%
Total	2,745	2,601	1,292	49.7%

*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 2023 Texas Child Care Market Rate Survey report is broken out into three documents. The main report, this document, contains all narrative descriptions of the survey and methods, and statewide estimates of all findings. A second document contains the technical appendices. The third, 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 was required by SB 1655, 87th legislative session, signed by the Governor on 5/18/2021.

REPORT STRUCTURE

The main report includes four sections. 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) and sectarian providers (non-profit and for-profit). In a handful of cases, no survey responses were received from either licensed or registered homes in a given area, and thus its row is blank. 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 2023 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 2022 survey, which was based on 2021-2022 data and completed in the summer of 2022.

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 2023 study survey sample was drawn from a list of all 13,582 licensed and registered child care facilities provided by the Texas Health and Human Services Commission Child Care Regulation department (HHSC CCR) on August 30th, 2022. 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 200 independent rate observations across full-day rate categories.

Projections based on detailed response rates to the last three annual surveys indicated that, on average, 77 LCCCs, 27 LCCHs, and 77 RCCHs per LWDA were needed to reach this goal. These target numbers were then increased by between 5 percent and 17 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 five LWDAs: 1, 3, 7, 12, and 27. In addition to these five, a complete census of

LCCCs was necessary in two LWDAs, a complete census of LCCHs was necessary in seven more LWDAs, and a complete census of RCCHs was necessary in thirteen 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 LWDAs, 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). Seven research staff members worked each semester. Each semester, the 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 2022 and ended in April 2023. 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 2,745 child care facilities (1,412 centers and 1,333 homes) were included in the survey sample this year. Of these facilities, 61 centers (4.3%) and 83 homes (6.2%) 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) only serving a specific population / were not open to the public, 2) being a Head Start program, 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	18	29.5%
Head Start program	16	26.2%
No regular full-day, part-day, or after-school care	8	13.1%
Summer camp only	5	8.2%
Number disconnected, fax machine, or not working	5	8.2%
Free child care service	3	4.9%
Facility closed	2	3.3%
Kindergarten or school with no regular/after-school care	1	1.6%
Wrong number, no new number available	1	1.6%
Drop-in center not offering regular/after-school care	1	1.6%
Other	1	1.6%

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

Table 3. Reasons Homes Were Not Eligible

Reason not eligible	Number	Percent
Facility closed	24	28.9%
No children enrolled	22	26.5%
Number disconnected, fax machine, or not working	20	24.1%
Wrong number, no new number available	9	10.8%
Not a LCCH or RCCH	2	2.4%
Free/discounted child care service	2	2.4%
Does not speak English, Spanish or Vietnamese	1	1.2%
Other	3	3.6%

The number of eligible providers is used to calculate the overall response rate. Of the 2,601 eligible child care providers, 1,292 (49.7%) completed the survey. The overall response

rate for homes was 44.8%, and the overall response rate for centers was 54.2%. This response rate reflects the same pattern seen in previous years in which homes have lower response rates than centers. It is not clear, however, why center response rates have declined. 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	560	44.8%	732	54.2%	1292	49.7%
Refused	33	2.6%	41	3.0%	74	2.8%
Overdialed	645	51.6%	569	42.1%	1214	46.7%
Withdrew	2	0.2%	3	0.2%	5	0.2%
Partial	10	0.8%	6	0.4%	16	0.6%
Total	1250		1351		2601	

Homes: Licensed and registered homes were combined into a single sample of 1,333 homes. Of these homes, 1,250 were determined to be eligible. A total of 560 (44.8%) providers completed interviews, 33 (2.6%) refused to complete interviews, two (0.2%) withdrew and 10 (0.8%) completed a portion of the interview. Finally, 645 (51.6%) providers were overdialed.

Centers: A total of 1,412 centers were sampled. Of these centers, 1,351 were determined to be eligible. A total 732 (54.2%) providers completed interviews, 41 (3.0%) refused to complete interviews, three (0.2%) withdrew and six (0.4%) completed a portion of the interview. Finally, 569 (42.1%) 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). 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.

Several modifications to the surveys were made in 2023 based on feedback and data from previous surveys. These are discussed in detail in Appendix B.

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 2023 survey to those observed in 2022 reveals interesting trends that are evident on a statewide level. Overall, estimated median daily rates were found to increase by about 10.1 percent, a significant increase over 2022 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 increase by 9.6 percent, similar to the trend in median rates. 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 7.9 percent increase in median rates, and 7.8 percent increase in the 75th percentile. This

indicates that market rates for child care in Texas, after increasing almost eight percent in the first year of the pandemic, and leveling off in the second year of the pandemic, seem to have surged again.

Generally, rates increased fairly consistently across facility types, ranging from a 9.9 percent increase for centers to 10.7 percent for Registered Child Care Homes. Rates tended to increase most for toddlers, at 11.1 percent, and least for infants, at 8.6 percent. Part-day and full-day rates increased about the same, at about a 10 percent increase.

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 North Texas (LWDA 3), 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 six annual market rate surveys.

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

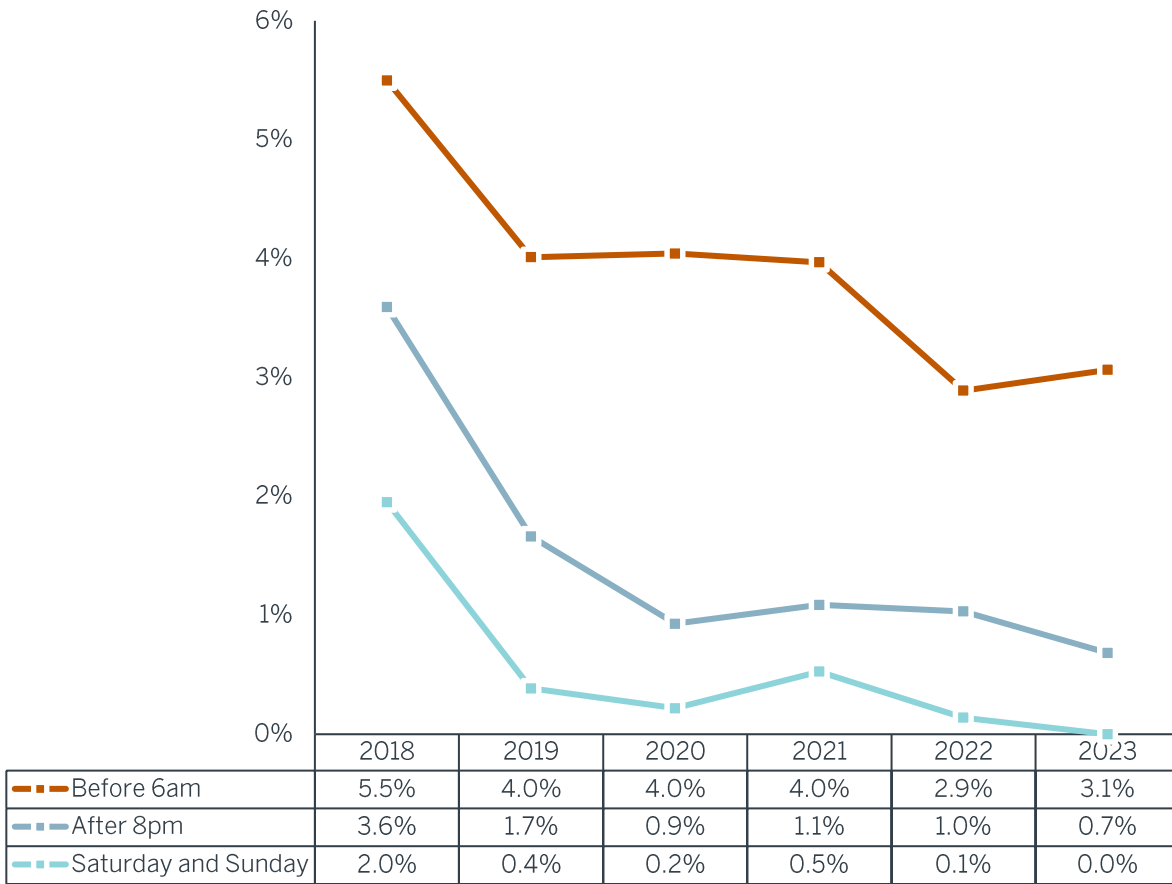
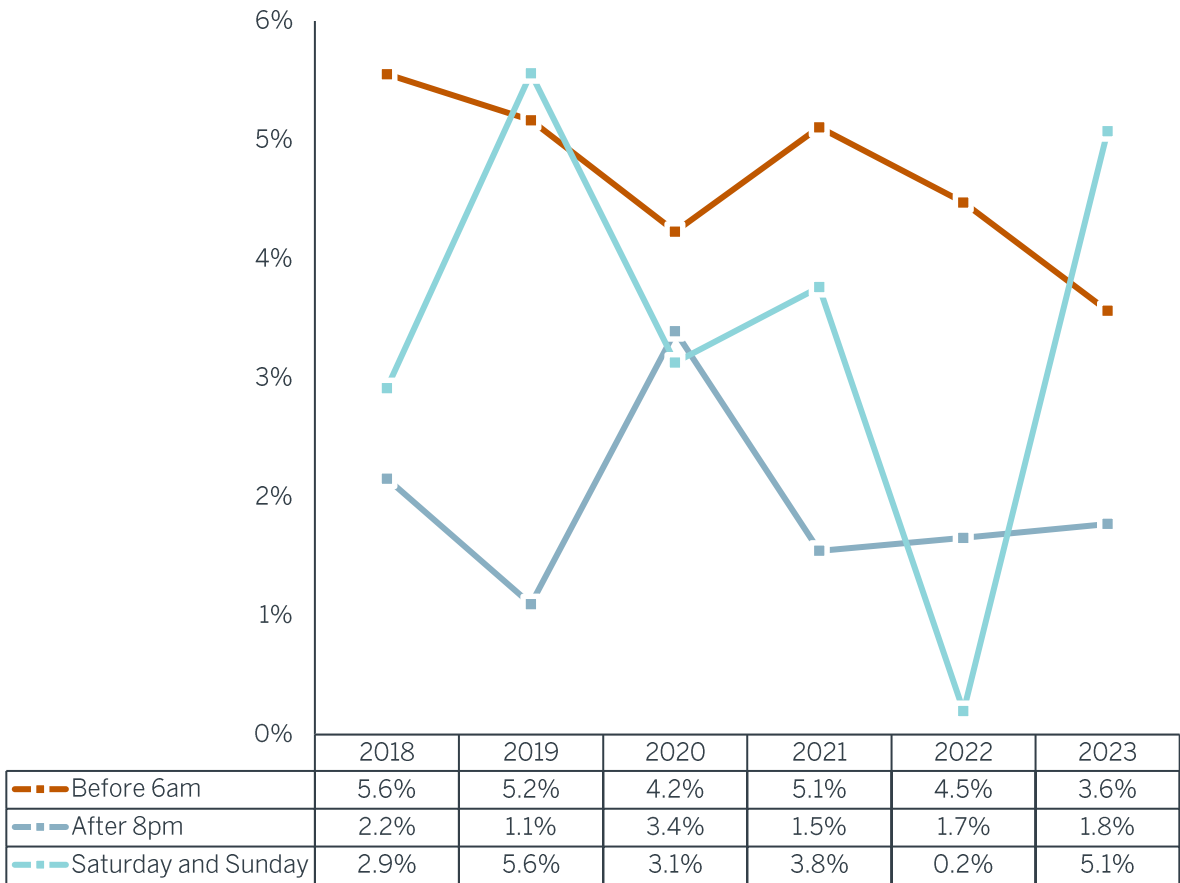


Figure 1 illustrates availability of non-traditional hours care for Licensed Centers. According to this figure, only a small percentage of centers offer care at non-traditional hours, and this availability has continued to decline in recent years.

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. This continues to show an increase in the availability of quality care among centers over the last few years, with Rising Star certifications accounting for most of the increase.

Figure 3. Share of Centers Reporting Accreditation Over Time

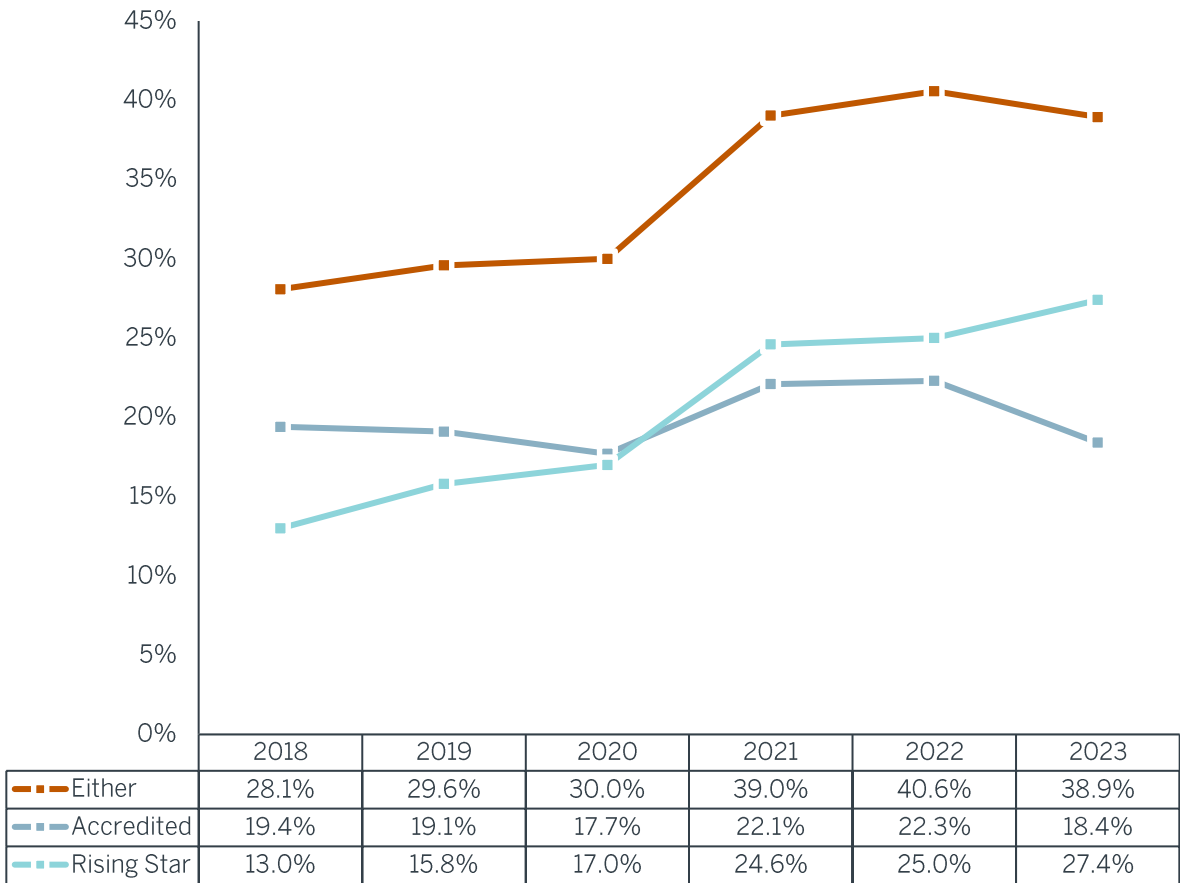
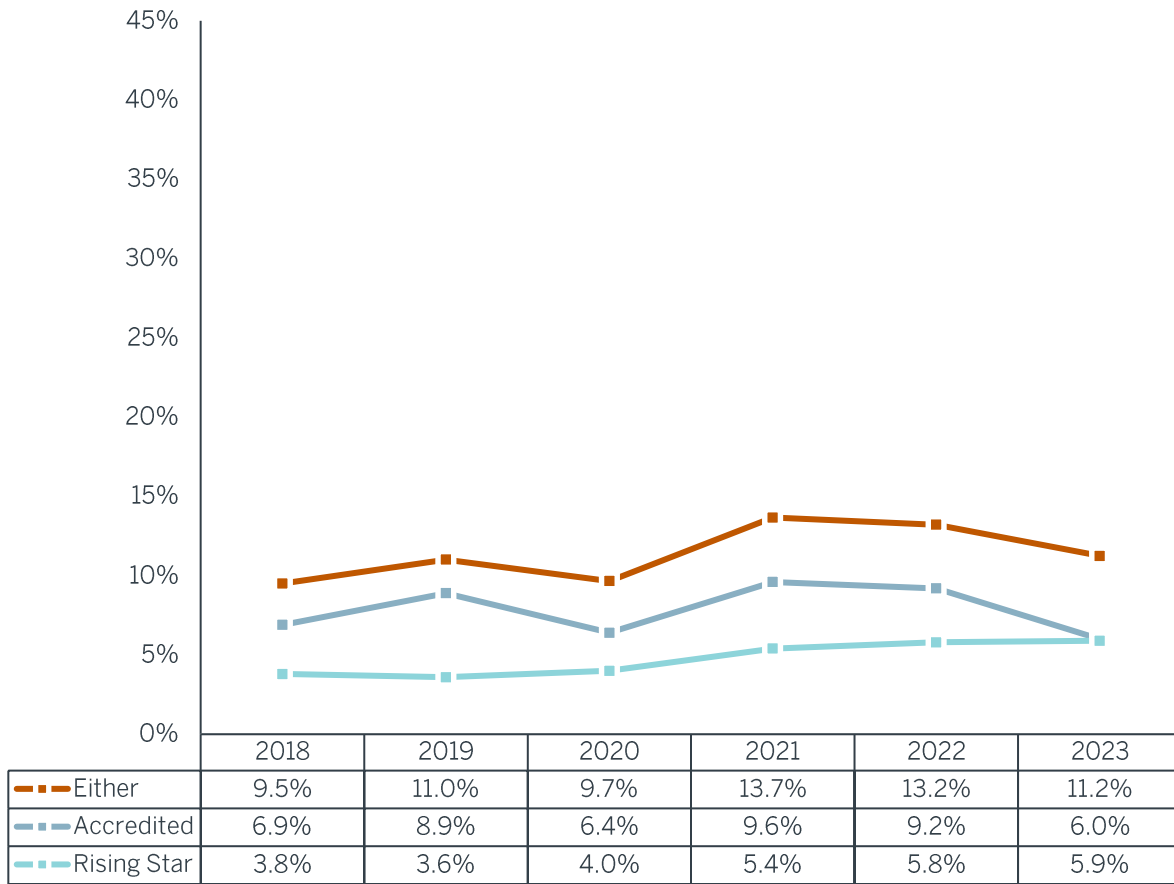


Figure 4 illustrates trends in responses to these quality items among Licensed and Registered Homes. The general increase in quality seen among homes over the last several years seems to have leveled off somewhat over the last couple of years, mostly accounted for by a reduction in national accreditation.

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, 15 percent or fewer of both home and center providers did not provide a reason for not participating. About 85 percent of centers indicated other reasons, not listed here, whereas about 45 percent of home providers selected other, both of which represent increases from last year. Too much paperwork or administrative burden accounted for 4 percent or less of center and home responses, which is lower than in previous years. Finally, 37 percent of home providers and almost no centers indicated they did not know enough about Texas Rising Star, with the figure among homes increasing for several years now.

Table 6. Reasons for Not Participating in TRS

Categorized Response	Centers	Homes
Too much paperwork / administrative burden	3.3%	4.1%
Enhanced reimbursement rates do not cover high costs to participate	0.0%	0.6%
Don't know enough about Texas Rising Star	0.7%	36.6%
Staff would not support / participate	0.0%	N/A
Other*	87.2%	45.7%
No reason provided	10.0%	14.7%

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, 6.9 percent of centers and 8.1 percent of homes indicate that they charge such families an additional amount. Both the proportion of centers and homes responding yes have risen slightly in the last year.

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	6.9%	8.1%

A detailed analysis of rate data among centers that claimed they do charge this additional amount indicates that about 55 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 \$7.79 per day, which represented about 23 percent of their maximum reimbursement rate. Similarly, among homes that charged parents this additional amount, 52 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 \$8.34 per day, or about 28 percent of the maximum plus copay.

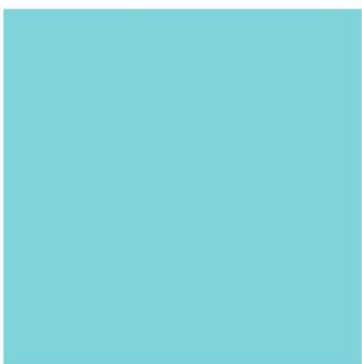
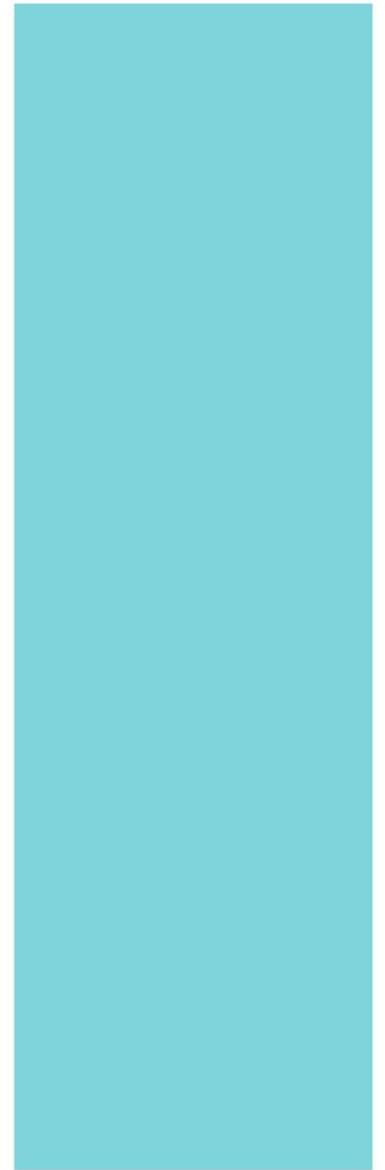
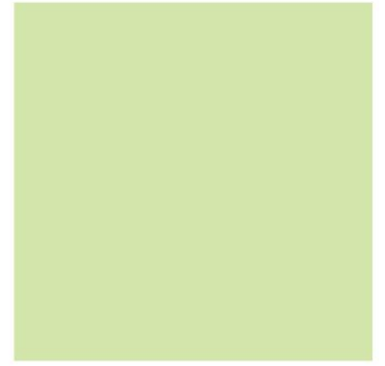
The next question addressed to facilities that do not report serving subsidized children asked them whether they had a reason for not accepting subsidized children. Table 8 summarizes responses to this question as categorized by interviewers. The most common reason reported by homes is that that they 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 18 percent 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, or that no reason was provided. All patterns are similar to those seen in recent years.

Interestingly, 6 to 7 percent of centers and homes not serving subsidized children indicated they did not do so because reimbursement rates were too low. Around three percent of centers and 8 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
Not currently caring for CCS children but do accept	2.3%	29.0%
In process of setting up	0.0%	1.0%
Families have not requested or needed	15.8%	23.7%
Paperwork/reporting requirements	8.7%	3.9%
Reimbursement rates too low	6.4%	6.6%
Not receiving/receiving late parent co-pays	1.6%	1.7%
Not receiving/receiving late CCS payments	1.6%	1.8%
Facility is full/fills too quickly	2.3%	1.0%
Facility is new/too small	3.5%	3.8%
Need more information/training	3.3%	8.5%
Not a Texas Rising Star provider	0.1%	0.1%
No reason provided	28.5%	18.2%



Child Care Daily Market Rates

State of Texas

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


 Licensed Child Care Centers			Mean	30th percentile	40th percentile	Median	60th percentile	70th percentile	75th percentile
			Infant	0 - 11 months	Full-day	\$38.00	\$33.80	\$35.80	\$37.40
Part-day	\$34.00	\$30.20			\$31.80	\$33.60	\$35.20	\$37.20	\$38.20
12 - 17 months	Full-day	\$37.60		\$33.60	\$35.40	\$37.20	\$39.00	\$41.00	\$42.00
	Part-day	\$33.80		\$30.00	\$31.60	\$33.40	\$35.00	\$37.00	\$38.00
Toddler	18 - 23 months	Full-day	\$36.40	\$32.40	\$34.20	\$36.00	\$37.80	\$39.60	\$40.80
		Part-day	\$32.60	\$28.80	\$30.60	\$32.20	\$33.80	\$35.80	\$36.80
	2 years	Full-day	\$35.80	\$31.80	\$33.60	\$35.40	\$37.00	\$39.00	\$40.20
		Part-day	\$32.40	\$28.60	\$30.20	\$32.00	\$33.60	\$35.40	\$36.40
Preschooler	3 years	Full-day	\$34.80	\$30.80	\$32.60	\$34.40	\$36.00	\$38.00	\$39.00
		Part-day	\$28.20	\$24.60	\$26.20	\$27.80	\$29.40	\$31.00	\$32.00
	4 years	Full-day	\$34.00	\$30.00	\$31.80	\$33.40	\$35.20	\$37.00	\$38.20
		Part-day	\$27.40	\$24.00	\$25.40	\$27.00	\$28.60	\$30.20	\$31.20
	5 years	Full-day	\$33.00	\$29.00	\$30.80	\$32.40	\$34.20	\$36.00	\$37.00
		Part-day	\$26.20	\$22.80	\$24.20	\$25.80	\$27.20	\$29.00	\$29.80
School-age	6 - 13 years	Full-day	\$32.40	\$28.60	\$30.40	\$32.00	\$33.60	\$35.60	\$36.60
		Part-day	\$25.60	\$22.20	\$23.60	\$25.20	\$26.60	\$28.20	\$29.20

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	\$33.40	\$29.40	\$31.20	\$32.80	\$34.60	\$36.40	\$37.40
		Part-day	\$30.80	\$27.00	\$28.80	\$30.40	\$32.00	\$33.80	\$34.80
	12 - 17 months	Full-day	\$33.40	\$29.60	\$31.20	\$33.00	\$34.60	\$36.60	\$37.60
		Part-day	\$30.20	\$26.60	\$28.20	\$29.80	\$31.40	\$33.20	\$34.20
Toddler	18 - 23 months	Full-day	\$33.20	\$29.20	\$31.00	\$32.60	\$34.40	\$36.20	\$37.20
		Part-day	\$29.80	\$26.00	\$27.80	\$29.20	\$31.00	\$32.60	\$33.60
	2 years	Full-day	\$31.60	\$27.80	\$29.40	\$31.00	\$32.80	\$34.60	\$35.60
		Part-day	\$30.40	\$26.60	\$28.20	\$29.80	\$31.60	\$33.20	\$34.20
Preschooler	3 years	Full-day	\$32.00	\$28.20	\$29.80	\$31.40	\$33.20	\$35.00	\$36.00
		Part-day	\$28.60	\$25.00	\$26.60	\$28.20	\$29.80	\$31.40	\$32.40
	4 years	Full-day	\$31.60	\$28.00	\$29.60	\$31.20	\$32.80	\$34.60	\$35.80
		Part-day	\$26.80	\$23.40	\$24.80	\$26.40	\$28.00	\$29.60	\$30.60
	5 years	Full-day	\$31.00	\$27.40	\$29.00	\$30.60	\$32.20	\$34.00	\$35.00
		Part-day	\$26.20	\$22.80	\$24.20	\$25.80	\$27.20	\$28.80	\$29.80
School-age	6 - 13 years	Full-day	\$30.20	\$26.40	\$28.20	\$29.60	\$31.40	\$33.00	\$34.00
		Part-day	\$25.60	\$22.20	\$23.80	\$25.20	\$26.60	\$28.40	\$29.20

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	\$33.00	\$29.20	\$31.00	\$32.60	\$34.20	\$36.20	\$37.20
		Part-day	\$29.20	\$25.60	\$27.20	\$28.80	\$30.40	\$32.20	\$33.00
	12 - 17 months	Full-day	\$31.20	\$27.60	\$29.20	\$30.80	\$32.40	\$34.20	\$35.20
		Part-day	\$27.80	\$24.20	\$25.80	\$27.40	\$29.00	\$30.60	\$31.60
Toddler	18 - 23 months	Full-day	\$31.60	\$27.80	\$29.60	\$31.20	\$32.80	\$34.60	\$35.60
		Part-day	\$27.20	\$23.60	\$25.20	\$26.80	\$28.20	\$30.00	\$30.80
	2 years	Full-day	\$31.20	\$27.40	\$29.00	\$30.80	\$32.40	\$34.20	\$35.20
		Part-day	\$27.20	\$23.60	\$25.20	\$26.80	\$28.20	\$30.00	\$30.80
Preschooler	3 years	Full-day	\$31.20	\$27.40	\$29.00	\$30.60	\$32.40	\$34.20	\$35.20
		Part-day	\$25.20	\$21.80	\$23.40	\$24.80	\$26.20	\$27.80	\$28.80
	4 years	Full-day	\$30.40	\$26.80	\$28.40	\$30.00	\$31.60	\$33.40	\$34.40
		Part-day	\$22.20	\$19.00	\$20.40	\$21.80	\$23.20	\$24.60	\$25.60
	5 years	Full-day	\$27.40	\$24.00	\$25.60	\$27.00	\$28.60	\$30.20	\$31.20
		Part-day	\$23.80	\$20.60	\$22.00	\$23.40	\$24.80	\$26.40	\$27.40
School-age	6 - 13 years	Full-day	\$26.80	\$23.40	\$24.80	\$26.40	\$28.00	\$29.60	\$30.60
		Part-day	\$21.80	\$18.60	\$20.00	\$21.20	\$22.60	\$24.20	\$25.00

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


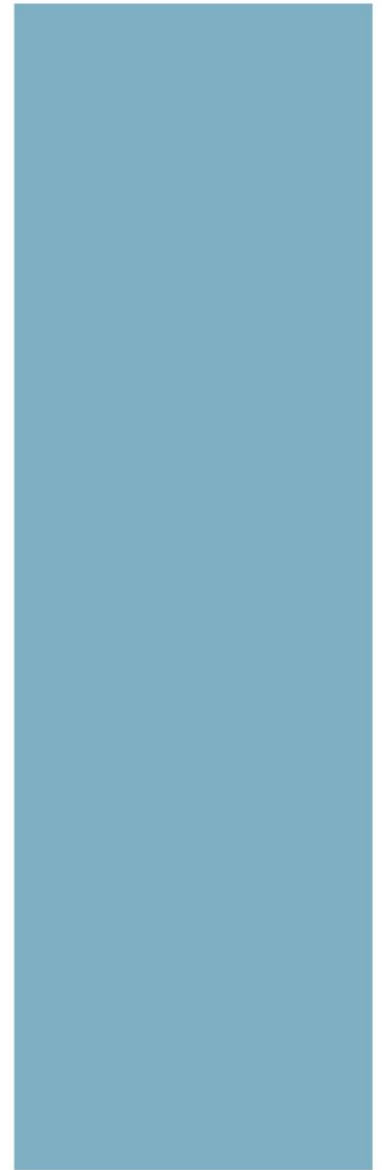
			Mean	30th percentile	40th percentile	Median	60th percentile	70th percentile	75th percentile
Infant	0 - 11 months	Full-day	\$36.60	\$32.60	\$34.40	\$36.00	\$37.80	\$39.80	\$40.80
		Part-day	\$32.80	\$29.00	\$30.80	\$32.40	\$34.00	\$36.00	\$37.00
	12 - 17 months	Full-day	\$36.00	\$32.00	\$33.80	\$35.60	\$37.40	\$39.20	\$40.40
		Part-day	\$32.40	\$28.60	\$30.40	\$32.00	\$33.60	\$35.60	\$36.60
Toddler	18 - 23 months	Full-day	\$34.80	\$30.80	\$32.60	\$34.40	\$36.20	\$38.00	\$39.00
		Part-day	\$31.40	\$27.60	\$29.20	\$31.00	\$32.60	\$34.40	\$35.40
	2 years	Full-day	\$34.20	\$30.20	\$32.00	\$33.60	\$35.40	\$37.20	\$38.40
		Part-day	\$31.00	\$27.20	\$28.80	\$30.40	\$32.20	\$33.80	\$35.00
Preschooler	3 years	Full-day	\$33.60	\$29.60	\$31.40	\$33.00	\$34.80	\$36.60	\$37.80
		Part-day	\$27.20	\$23.60	\$25.20	\$26.80	\$28.20	\$30.00	\$30.80
	4 years	Full-day	\$32.60	\$28.80	\$30.60	\$32.20	\$33.80	\$35.80	\$36.80
		Part-day	\$26.40	\$23.00	\$24.40	\$26.00	\$27.40	\$29.20	\$30.00
	5 years	Full-day	\$31.60	\$27.80	\$29.60	\$31.20	\$32.80	\$34.60	\$35.60
		Part-day	\$25.60	\$22.20	\$23.80	\$25.20	\$26.60	\$28.40	\$29.20
School-age	6 - 13 years	Full-day	\$31.40	\$27.60	\$29.20	\$30.80	\$32.60	\$34.40	\$35.40
		Part-day	\$25.20	\$21.80	\$23.40	\$24.80	\$26.20	\$28.00	\$28.80

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	\$34.20	\$30.40	\$32.20	\$33.80	\$35.60	\$37.40	\$38.40
	Part-day	\$27.80	\$24.40	\$26.00	\$27.40	\$29.00	\$30.80	\$31.60
Licensed Child Care Homes	Full-day	\$32.40	\$28.60	\$30.20	\$31.80	\$33.60	\$35.40	\$36.40
	Part-day	\$27.40	\$23.80	\$25.40	\$27.00	\$28.40	\$30.20	\$31.20
Registered Child Care Homes	Full-day	\$30.80	\$27.20	\$28.80	\$30.40	\$32.00	\$33.80	\$34.80
	Part-day	\$25.20	\$21.80	\$23.20	\$24.60	\$26.20	\$27.80	\$28.80



**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 March 2023 for the various categories of child care were compared to the distributions of daily market rates gathered in this 2023 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.³

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 57th percentile of market rates, while maximum enhanced rates provide access to the 77th percentile. In recent years, maximum enhanced rates have increased dramatically, reflecting an emphasis on adequately reimbursing higher quality care, while 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 54th and 58th percentiles. For maximum enhanced rates, access is also fairly uniform across facility types, ranging from the 74th to the 77th 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	\$35.81	58	\$39.78	77
Licensed Child Care Homes	\$33.59	58	\$37.26	77
Registered Child Care Homes	\$30.67	54	\$34.28	74

Looking at regular and enhanced maximum rates, part-day care and full-day care are potentially reimbursed at similar percentiles, as shown in Table 15. It should be noted, however, that there is significant uncertainty surrounding market rates for part-day care. Many facilities do

³ 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.

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

Rate Type	Average maximum rate	Percentile of maximum rate	Average maximum enhanced rate	Percentile of maximum enhanced rate
Full-day	\$37.49	57	\$41.62	77
Part-day	\$31.58	57	\$35.10	76

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. As noted previously, regardless of these patterns, infant care can be difficult to find.

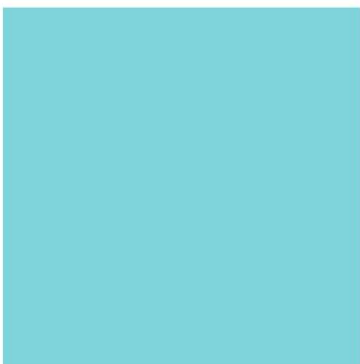
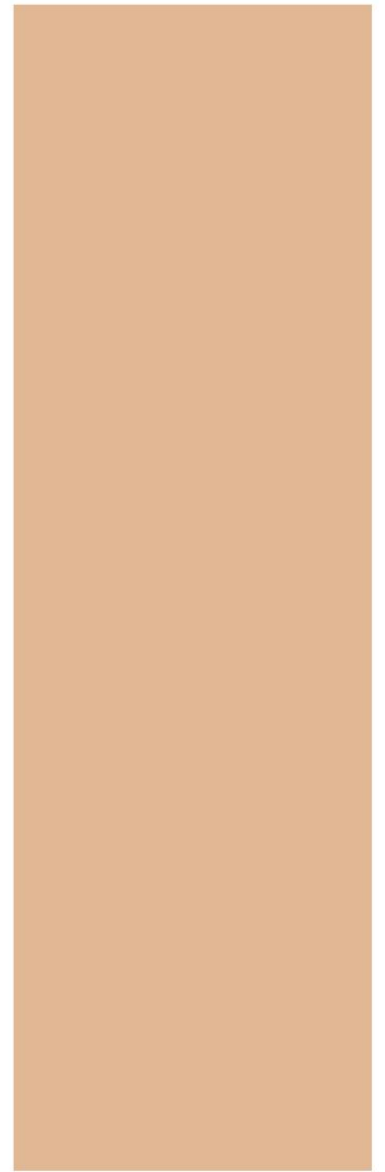
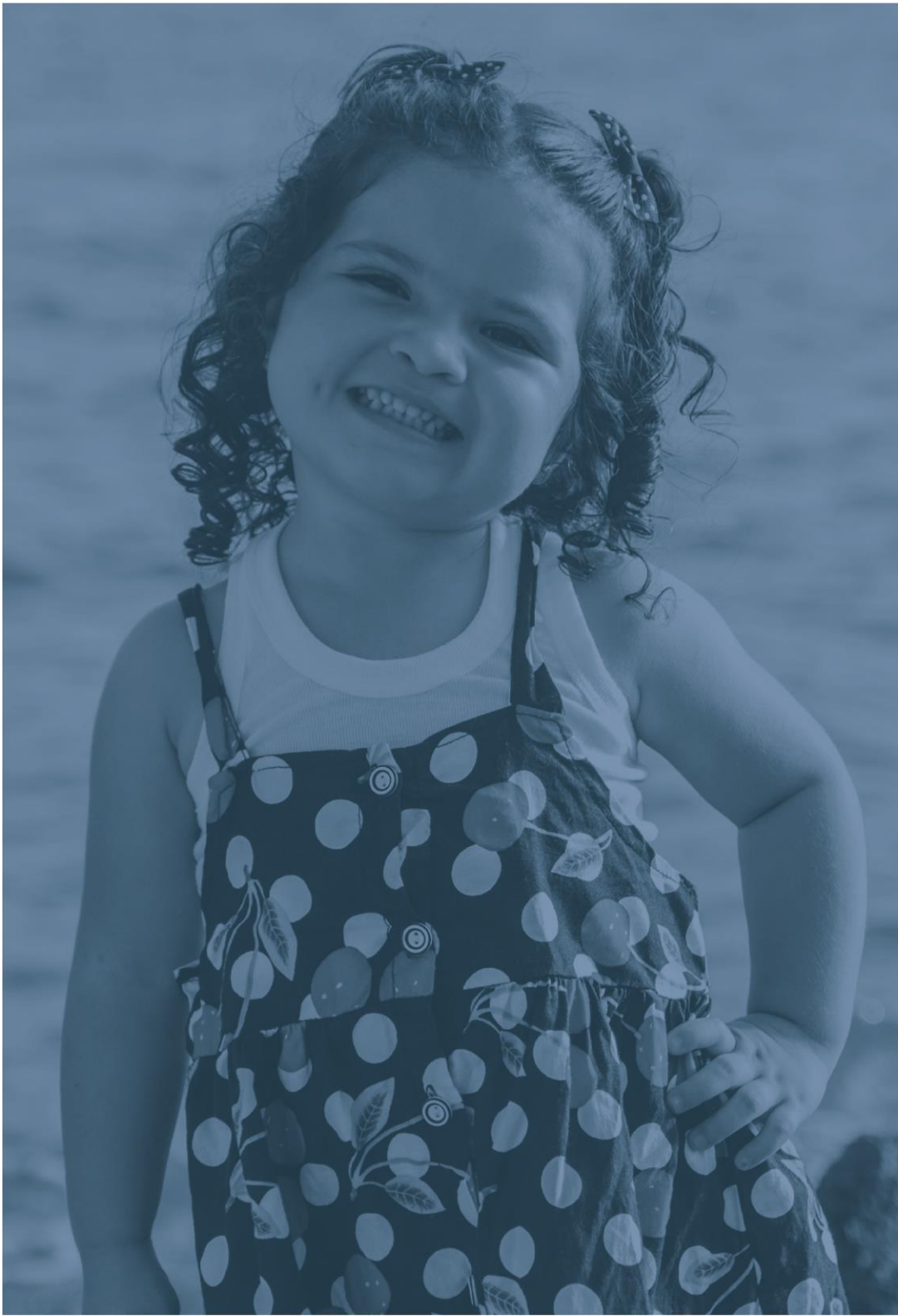
Table 16. Percentile Analyses by Age Group

Rate Type	Average maximum rate	Percentile of maximum rate	Average maximum enhanced rate	Percentile of maximum enhanced rate
Infant	\$39.90	60	\$47.19	88
Toddler	\$37.63	55	\$42.01	77
Preschooler	\$34.80	57	\$38.03	75
School-age	\$33.29	57	\$36.36	74

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	\$29.46	69	\$33.11	89
2 South Plains	\$29.09	70	\$31.95	88
3 North Texas	\$25.86	77	\$29.34	93
4 North Central Texas	\$37.93	49	\$41.95	66
5 Tarrant County	\$39.08	58	\$43.50	79
6 Greater Dallas	\$38.46	73	\$42.34	87
7 Northeast Texas	\$24.47	58	\$27.51	83
8 East Texas	\$25.31	58	\$28.04	84
9 West Central Texas	\$24.96	59	\$28.74	86
10 Borderplex	\$25.17	43	\$28.33	71
11 Permian Basin	\$30.85	70	\$34.44	89
12 Concho Valley	\$23.47	48	\$25.98	77
13 Heart of Texas	\$26.96	66	\$29.64	86
14 Capital Area	\$45.40	54	\$50.20	73
15 Rural Capital Area	\$40.10	58	\$44.15	77
16 Brazos Valley	\$30.87	51	\$35.26	80
17 Deep East Texas	\$26.29	70	\$29.64	90
18 Southeast Texas	\$27.04	67	\$30.28	89
19 Golden Crescent	\$25.76	65	\$28.89	89
20 Alamo	\$34.29	48	\$38.17	72
21 South Texas	\$26.07	51	\$29.85	81
22 Coastal Bend	\$31.04	72	\$34.70	90
23 Lower Rio Grande Valley	\$29.20	43	\$32.11	69
24 Cameron	\$31.09	27	\$34.11	53
25 Texoma	\$27.59	72	\$30.39	90
26 Central Texas	\$26.36	54	\$29.15	77
27 Middle Rio Grande	\$26.30	49	\$28.75	75
28 Gulf Coast	\$36.50	62	\$40.77	79



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	3.7%	46.6%	15.7%	27.4%	60.3%	21.6%	90457	719
Licensed Child Care Homes	3.1%	14.6%	7.2%	12.2%	29.7%	16.8%	1489	232
Registered Child Care Homes	13.4%	16.0%	2.8%	1.9%	15.0%	9.9%	1685	337
All Facility Types	5.7%	36.3%	11.9%	20.3%	46.9%	21.3%	93631	1288

ADMINISTRATIVE CATEGORIES

Table 19. Special Analyses: Texas Administrative Categories

	Non-Profit		For-Profit		Number of Facilities
	Sectarian	Non-sectarian	Sectarian	Non-sectarian	
Licensed Child Care Centers	11.2%	23.2%	0.8%	60.6%	719
Licensed Child Care Homes	0.0%	2.9%	0.9%	90.1%	232
Registered Child Care Homes	0.0%	5.4%	0.6%	88.5%	337
All Facility Types	7.4%	16.9%	0.8%	70.2%	1288