

# Preparing to Use Administrative Data in Your Market Rate Survey

Lead Agencies can benefit from using administrative data rather than surveying providers if they prepare in advance to ensure the data meets the benchmark of being statistically valid and reliable. Administrative data can supplement — or entirely replace — data collected through a formal survey of providers. Collecting price and capacity data through administrative data is especially useful when a survey is not possible, or response rates are low.

For a variety of reasons, Lead Agencies preparing to evaluate their payment rates may find that relying solely on traditional child care market rate surveys are not entirely feasible. For example, during a natural disaster or pandemic, provider survey response rates are likely to be low and poorly reflect typical market prices across locations and settings, failing to meet the statistical benchmark for validity. As a result, Lead Agencies may need to rely more heavily on existing administrative data to supplement their market rate surveys.

*Using Administrative Data in Conducting Market Rate Surveys*<sup>1</sup> published in June 2020, presented considerations for using administrative data in market rate surveys. This companion resource offers strategies for Lead Agencies to strengthen the quality of their existing administrative data so that it can be used instead of surveying providers, regardless of the circumstance. These strategies are especially useful when faced with disruptions to normal operations caused by an emergency such as the Flint water crisis or COVID-19. Developing processes that ensure administrative data is valid and reliable positions Lead Agencies to use existing data to support market rate surveys now and in the future.

## Getting Started

A first step in considering a study of prices is to define the study goals and determine what information is needed and whether information exists in a current administrative dataset. Complete and current data needed for all market rate surveys includes:

- Unique provider identification information (i.e., name, address, contact information) for the full universe of providers that offer child care services to the public for an established price.
- Provider type.
- Current data on actual prices charged for infants, toddlers, preschoolers, and school-age children for all provider types in each geographic area within the state or territory.
- Providers' additional fees.
- Providers' definitions of full-time and part-time care.
- Providers' average or desired enrollment levels by age group.

---

<sup>1</sup> [https://childcareta.acf.hhs.gov/sites/default/files/public/using\\_administrative\\_data\\_in\\_mrs\\_june\\_2020.pdf](https://childcareta.acf.hhs.gov/sites/default/files/public/using_administrative_data_in_mrs_june_2020.pdf)

- Whether the provider participates in the CCDF subsidy program and any barriers to participation.
- The date the information was collected.

## Considerations

Lead Agencies may wish to start by engaging state leadership, including the required consultation — state advisory council and IT staff — to evaluate existing administrative data that aligns with information typically collected through market rate surveys.

- Examples of databases that contain information typically collected through market rate surveys are CCDF eligibility systems, licensing databases, and child care resource and referral (CCR&R) databases.
- If multiple databases contain information relevant to the market rate survey, it will be important to evaluate whether the databases are compatible and, if not, whether they can be made compatible.
- Moving to a system in which data are stored in a single location and shared across applications can eliminate consistency errors across databases and save time because data are only entered once.
- Additionally, the need for partnership agreements to obtain the data should be considered.

When states use administrative data in lieu of a market rate survey, CCR&R data is most frequently used. CCR&R databases can be accurate and reliable sources of market data.<sup>2</sup> Prior to the next data collection period, it may be prudent for Lead Agencies to evaluate their contracts and enter into agreements with CCR&Rs or other identified entities that define data needs and recommended data collection practices to allow the efficient use of administrative data for current and future market price evaluations.

## Recommended Practices

The recommended practices listed below are a starting place for Lead Agencies to ensure they have access to high-quality administrative data to support their market rate surveys. Lead Agencies will have to consider how to support their own unique IT systems and needs. Lead Agencies need to evaluate whether they have access to the data that can accurately reflect information that would otherwise be collected in a market rate survey and, if not, how close they can come with the resources available to them.

## Recommended Practices

- Establish a routine price data collection period during the school year within a window of no more than three consecutive months when the majority of child care providers are open.
- If phone interviews will be used to gather, update, and/or validate administrative data, train interviewers to uniformly survey providers.
- Evaluate questions and data fields for clarity and ease of use. Modify if needed.
- Train staff on data entry to ensure accuracy and consistency.
- If providers are required to routinely enter their own information online (e.g., through NACCRRAware), train providers on how to accurately enter their program data.
- Establish data review and handling protocols to:
  - Check for accuracy and identify outliers. If data is missing or there appears to be erroneous entries, develop protocols for either verifying or removing the data.
  - Ensure duplicate entries are removed.
  - Archive or delete old, outdated information.
- Establish a data validation protocol to ensure data is correct. This may involve cross-checking data between databases or reaching out to providers to validate.
- If applicable, consider modifying databases to allow providers to report their prices in the pricing units they use to charge families (e.g., daily, weekly, monthly).
- Consider adding relevant data fields to existing databases so that all the information needed for market rate studies is collected and updated regularly (see list on Page 1).
- Develop and monitor data standards to ensure consistency, reliability, and validity.

## Resource Section

1. **National Association for the Education of Young Children. (2020). A State-by-state look at child care in crisis: Understanding the early effects of the coronavirus pandemic.** [https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/state by state child care crisis coronavirus surveydata.pdf](https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/state%20by%20state%20child%20care%20crisis%20coronavirus%20surveydata.pdf)
2. **Grobe, D., Weber, R. B., Pratt, C. C., & Emlen. (2003). Market rate study guidebook: A guide to implementing a child care market rate study using child care resource & referral data.** <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/sbhs/pdf/2003-ChildCare-Market-Rate-Study-Guidebook.pdf>

*The National Center on Subsidy Innovation and Accountability helps states, territories, and tribes streamline the delivery of their child care subsidy services and is funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care.*

**National Center on Subsidy Innovation and  
Accountability, A Service of the Office of Child Care**

12300 Twinbrook Parkway, Ste. 310  
Rockville, MD 20852

Phone: 301.881.2590 x273  
Email: [ncsia@ecetta.info](mailto:ncsia@ecetta.info)

ADMINISTRATION FOR  
**CHILDREN & FAMILIES**