

Market Rate Survey Terms: Equal Access and Valid and Reliable

Introduction

The Child Care and Development Fund (CCDF) Final Rule at 45 CFR 98.45 requires Lead Agencies to certify in their CCDF Plan that their subsidy rates are sufficient to ensure equal access to eligible children.

This means that children receiving a child care subsidy can access comparable child care services as those children not eligible to receive a CCDF subsidy, or child care assistance under any other federal, state or tribal programs.

To promote equal access, CCDF Lead Agencies set their child care subsidy rates and payment practices to encourage a range of child care providers to accept children receiving child care subsidies.

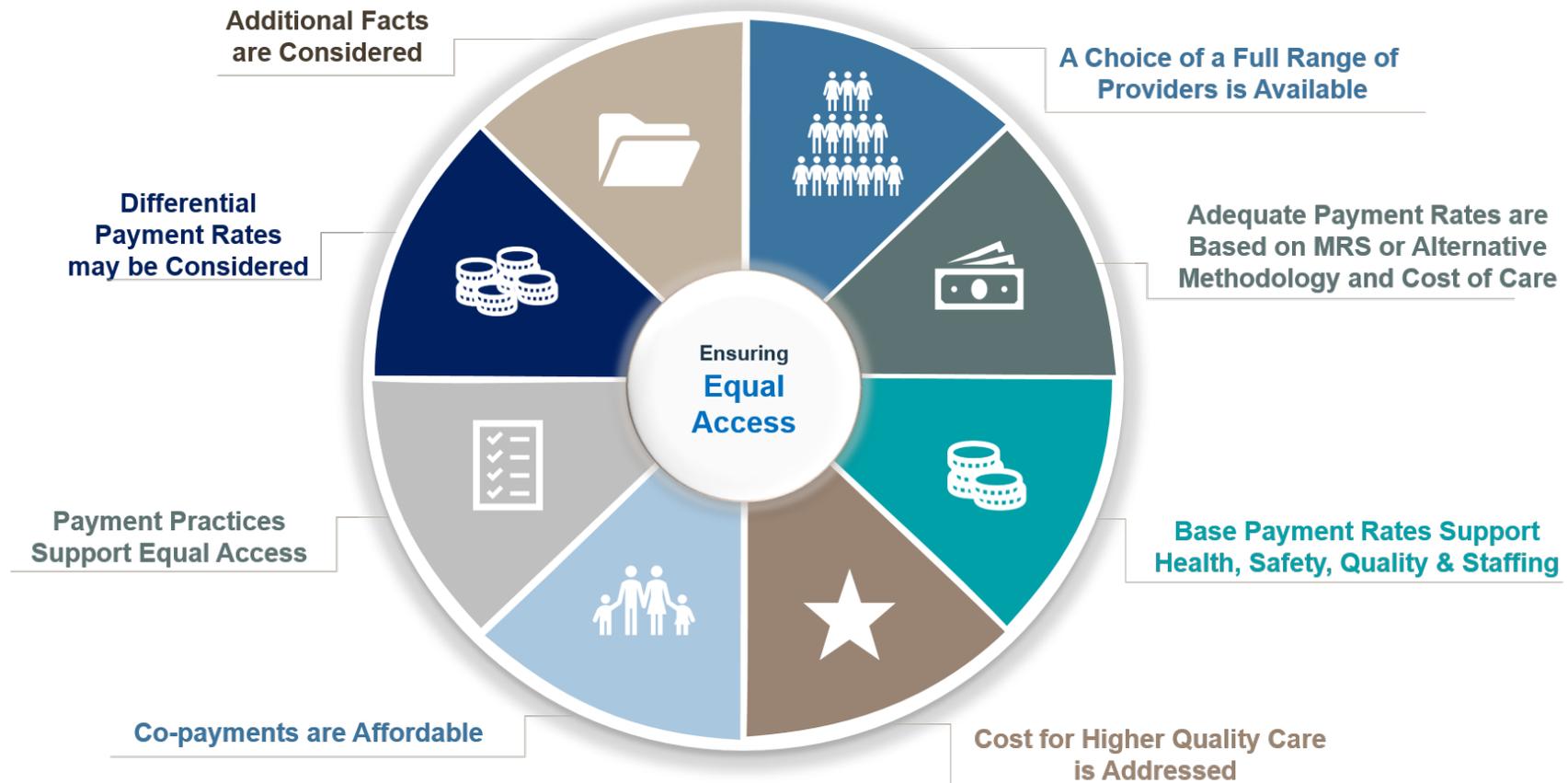
Major Terms

This module covers two major terms that you need to understand fully to conduct a market rate survey successfully: [equal access](#) and [valid and reliable market rate survey](#). For more resources related to equal access and market rate survey, [see the Learn More section of this document](#).

Equal Access

Equal access refers to the assurance that Lead Agencies must provide in the CCDF plan that CCDF subsidies are sufficient to ensure eligible children have the same access to child care services that are comparable to services provided to children whose parents are not eligible to receive CCDF assistance.

The following summary of facts constitute the components that ensure equal access. These facts must be addressed by the Lead Agency in its CCDF plan.



Definition of alternate methodology: A method, such as a cost estimation model or other approach that provides a sound basis for setting payment rates, promotes equal access, and supports a basic level of health, safety, quality, and staffing.

An alternative methodology pre-approved by the Office of Child Care may be used in lieu of or in addition to a market rate survey to set provider payment rates.

In the following, decide if the scenario supports equal access, is a barrier, or is unrelated to equal access.

Scenario 1 of 3

A state's subsidy rates allow parents to purchase child care at the 75th percentile of the market rate across all regions and age groups in the state. This means that parents receiving a subsidy should be able to afford child care from three out of every four providers offering care.

What does this indicate: barrier, supports access, or not related?

Answer

This supports equal access because the 75th percentile is the federal benchmark for gauging equal access.

Scenario 2 of 3

Providers report that state subsidy payments are often late and lag significantly behind payments they receive from parents who do not receive subsidies. Many have said they don't want to be part of the subsidy system.

What does this indicate: barrier, supports access, or not related?

Answer

This is a barrier to equal access. Lead Agencies should adopt payment practices that reflect those that providers set for families who are not eligible for a child care subsidy. These practices include paying providers before services are delivered, paying for reasonable registration and other fees, paying on either part or full-time basis, not by hourly, and, paying providers based on a child's enrollment rather than attendance.

Scenario 3 of 3

A large number of licensed providers across all quality rating levels report that many parents are not able to pay their full share of the co-payment amounts listed on the child care certificates.

What does this indicate: barrier, supports access, or not related?

Answer

This indicates a barrier to equal access. It may be due to low payment rates, or co-payments that are too high or both. Further analysis is needed to determine the cause of the problem.

Valid and Reliable Market Rate Survey

The Office of Child Care has not defined “statistically valid and reliable” in its regulatory language; however, the OCC has accepted these benchmarks as indicating a valid and reliable survey if the survey: 1) includes the priced child care market; 2) provides complete and current data; 3) represents geographic variations; 4) uses rigorous data collection procedures, including adequate participation from all types of providers; and, 5) analyzes data in a manner that captures local market differences.

In the scenarios that follow, see if you can determine if the benchmarks for statistically valid and reliable market rate surveys are included.

Scenario 1 of 4

To ensure the market survey is valid and reliable, which child care providers should the Lead Agency plan to survey?

- a) All licensed child care providers, including Head Start or Early Head Start.
- b) Only child care providers who accept a subsidy.
- c) All licensed child care providers and license-exempt providers that care for children not related to them who provide care to full-fee paying parents.
- d) All licensed providers and public Pre-K programs.

Answer

The correct answer is c: “All licensed child care providers and license-exempt providers that care for children not related to them who provide care to full-fee paying parents.” The Lead Agency should determine what parents pay in the “priced market.” The priced market does not include programs that don’t charge a fee, such as Head Start/Early Head Start, or Public Pre-K programs or providers caring for family, friend or neighbor for less than what the public might be charged.

Scenario 2 of 4

The Child Care Resource and Referral (CCR&R) programs that the Lead Agency contracts with conducted a study of child care prices over the past 12 months. How can this administrative data be used in the market rate survey?

- a) It cannot be used at all because it’s not a survey;
- b) It could be used for comparative purposes;
- c) It can be used instead of surveying providers.

Answer

The correct answer is b: “It could be used for comparative purposes.” This information may be useful when the survey information is analyzed to see how it compares to data this has been reported.

“It cannot be used at all because it’s not a survey” is incorrect because it is not necessary to survey providers if valid and reliable administrative data, such as that gathered by the CCR&R is available. However, in this case, the data is not considered valid and reliable because it was collected over a long period of time during which providers may have changed their rates. If you decide to use administrative data, you need to ensure that all methods of gathering the data would meet the criteria for a valid and reliable survey.

“It can be used instead of surveying providers” is incorrect because prices were gathered over a period of 12 months, and prices might change over this time. This data would not be considered reliable or necessarily current. Price comparisons should be made within a three-month window.

Scenario 3 of 4

You’ve been presented with two different ways of asking a question about prices. Which is preferred?

- a) A question that asks providers to report their full and part-time prices and the number of hours considered full or part time.
- b) A question that asks providers to list their charge and allows them to indicate if their prices are by the hour, week or month.

Answer

Both questions can work with each having a caveat.

“A question that asks providers to report their full and part-time prices and the number of hours considered full or part time” could be the preferred question if you include additional questions that ask providers to describe how they define part and full-time care. Lead Agencies are required to pay providers on part and full-time care basis rather than paying for hours of service or smaller increments of time, unless smaller increments reflect how the majority of providers normally charge parents. While states define what is considered full and part time care, it is important to understand how providers define these terms in the context of their standard business practices.

“A question that asks providers to list their charge and allows them to indicate if their prices are by the hour, week or month” can also be acceptable because it is important to understand how providers define these terms. However, you will need to convert the reported rates to a common rate unit based on an assumption of what the provider’s rate would be if charged on either a part or full-time basis. Rate unit conversions can have a significant impact on the accuracy of the survey.

One way to reduce the number of conversions is to frame the questions in the context of the rate structure your program plans to use. For example, if your payment rate structure is part and full-time, and full-time begins at 25 hours per week, the question could ask the provider to list the price charged for a child in care up to 25 hours per week, and for 25 or more hours per week.

Scenario 4 of 4

Review response rates from a map showing different geographic regions in the state. Response rates range around 65 percent or higher statewide and across local market area. However, two regions show rates below 25 percent.

Do these response rates impact whether this survey is valid and reliable? (Yes or no.)

Answer

Although these response rates are not ideal, if you have made every attempt to increase your response rate, it would not render your entire survey invalid or unreliable.

Here are some things you could do to improve your response rate:

- If you surveyed a sample of providers, a best practice is to draw an oversample in the event you have a low response rate. You could draw upon the oversample to improve your return rate.
- If you surveyed all providers in that region and are still within the recommended survey window (three months), try to increase your response rates by calling providers.
- Lead Agencies can also compare the results to other local market areas with similar characteristics. This will help to determine if the reported prices are in the ballpark.
- You may also use CCR&R data to supplement the survey data, if the CCR&R survey questions are comparable to those contained in the market rate survey instrument.
- During the survey window, it is best to continually monitor the response rate so you can be proactive and act to increase responses.

Learn More

The following resources offer more information about Equal Access and Market Rate Surveys:

[Common Terms and Definitions: Equal Access](#)

This glossary provides terms and definitions related to equal access.

[Market Rate Surveys and Alternative Methods of Data Collection and Analysis to Inform Subsidy Payment Rates](#)

This brief provides information on key issues and criteria for choosing whether to conduct a market rate survey, use an alternative methodology such as a cost model, or both.

Defining and Measuring Access to High-Quality Early Care and Education (ECE): A Guidebook for Policymakers and Researchers

This guidebook addresses the development of a common understanding and approach to measuring access to early care and education. It provides information for:

1. Clarifying and Defining Access;
2. Describing the Indicators of Access;
3. Measuring the Indicators of Access; and
4. Identifying ECE Access Datasets and Sources.

Access to Early Care and Education for Disadvantaged Families document on the Child Trends website [↗](#)

This Child Trends study used data gathered from early childhood education centers and households with children under age 13 to evaluate four aspects of access:

1. Can parents use reasonable efforts to access care?
2. Do parents perceive care as affordable?
3. Does care support the child's development?
4. Does the care type meet the parents' preferences?

The Early Childhood Training and Technical Assistance System (ECTTAS) website

The ECCTAS website includes many resources addressing equal access and market rate surveys.