

Glossary of Terms

Accuracy: The ability of a measurement to match the actual value of the quantity being measured (Insights Association, 2019).

Administrative Data: Information routinely collected and organized that can be easily accessed, managed and updated. Examples include child care resource and referral and licensing data (Child Care and Development Fund, Fed. Reg. 67509, (30 Sept 2016)).

Alternative 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 (Child Care and Development Fund Final Rule, 81, 2016).

Arm's Length Transaction: A situation where a parent and provider do not have a prior relationship that is likely to affect the price charged, such as providers who are relatives or friends of the child's family that are generally not considered part of the priced child care market (Child Care and Development Fund Final Rule, 81, 2016).

Base Payment Rates: The lowest foundational subsidy payment levels established by the Lead Agency before any differentials are added (e.g. for higher quality or other purposes. Base payment rates must be based on the most recent market rate survey, alternative methodology or combination of both and enable child care providers to meet the minimum health, safety, quality, and staffing requirements described in the CCDF Final Rule (45 CFR § 98.45(f)(2)).

Child Care Slot: The space for one child in a child care facility or program.

Confidence Interval: A range of values centered on the sample estimate that is known to contain the true value with a given degree of confidence, usually 95% (Insights Association, 2019).

Confidence Level: A percentage (usually 95%) that reflects the degree of certainty that the true value lies within the confidence interval (Insights Association, 2019).

Co-payment: The portion of child care subsidy that families pay based on the sliding fee scale established by the Lead Agency that takes into account family income and size.

Cost Estimation Model: A cost estimation model is one alternative approach in which a Lead Agency can estimate the cost of providing care at varying levels of quality based on resources a provider needs to remain financially solvent (Child Care and Development Fund Final Rule, 81, 2016).

Cost of Care: The value of all resources required to deliver child care services, including, salaries, rent, utilities, equipment, insurance, supplies and other personnel and non-personnel expenses. (National Center on Early Childhood Quality Assurance & National Center on Subsidy Innovation and Accountability, 2018.)

Cost Survey: A study, typically based on a sample of providers in a given State or Territory, that collects data at the facility or program level to measure the total costs across all inputs required to deliver child care services (ACF Office of Child Care, 2013).

Detailed Report: An in-depth report containing the results of a market rate survey or alternative methodology as defined in § 98.45(f) of the CCDF Final Rule.

Equal Access: The assurance that states and territories must provide in their CCDF plans that their subsidy payments are sufficient to ensure equal access for eligible children to child care services that are comparable to those provided to families not eligible to receive CCDF assistance or child care assistance under any other Federal, State, or tribal programs pursuant to 45 CFR § 98.45(a)).

Full Range of Providers: All types of child care options available to parents in the priced child care market.

Geographic Region: An area defined formally by state government, such as cities, counties or other functional subdivisions or grouping of contiguous or non-contiguous areas within the jurisdiction of a state.

High-Quality Child Care: Child care programs that have characteristics of quality indicators or benchmarks (ACF Office of Child Care, 2013).

Licensed Capacity: The maximum number of children allowed by a state child care licensing or regulatory agency to be enrolled in licensed child care premises at any one time.

Local Market: Geographic areas within a state jurisdiction generally defined by demographic and economic characteristics such as population density, ethnic background, income, employment rates, education, household size and the supply of child care.

Mandatory Fees: Required fees that the provider charges to private-paying parents; the Lead Agency must pay for reasonable mandatory registration fees (unless it provides evidence that it is not a generally-accepted payment practice) pursuant to § 98.45(l)(3)(ii) of the CCDF Final Rule.

Market Rate Survey: An examination of prices child care providers typically charge parents for a given type of care setting, by age group and per unit of care. A market rate survey may include the use data collection methodologies other than a survey, such as administrative data from resource and referral agencies or other sources) so long as the approach is statistically valid and reliable (Child Care and Development Fund Final Rule, 81, 2016).

Mean: An average found by summing all observations then dividing the sum by the number of observations (Insights Association, 2019).

Most Recent Market Rate Survey: A market rate survey developed and conducted not earlier than two years before the date of the submission of the CCDF Plan pursuant to 45 CFR § 98.45(c).

Narrow Cost Analysis: An analysis of the estimated cost of care (including any relevant variation by geographic location, category of provider, or age of child), in two areas: 1) the cost of child care providers' implementation of health, safety, quality, and staffing requirements (*i.e.*, applicable licensing and regulatory requirements, health and safety standards, training and professional development standards, and appropriate child to staff ratio, group size limits, and caregiver qualification requirements; and, 2) the cost of higher-quality care, as defined by the Lead Agency using a quality rating and improvement system or other system of quality indicators, at each level of quality (CCDF-ACF-PI-2018-01, February 2018).

Oversampling: The practice of selecting respondents so that some groups make up a larger share of the survey sample than they do in the population (Pew Research Center, 2016).

Payment Rates: The amount paid for child care services as determined by the CCDF Lead Agency.

Percentile: The number where a certain percentage of prices charged by providers fall below that number. For example, the 75th percentile is the number that splits the range of prices in the market such that 75 percent of prices are lower, and 25 percent are higher than it (OPRE Report 17-115, Market Rate Surveys and Alternative Methods of Data Collection and Analysis to Inform Subsidy Payment Rates, December 2017).

Price: The amount child care providers in the priced market typically charge parents for the care of children who do not receive federal or state government child care subsidies. (Weber, Grobe, Davis, Kreader, & Pratt, 2017.)

Priced Market: Child care providers who charge parents a price established through an arm's length transaction ((Child Care and Development Fund Final Rule, 81, 2016).

Private-pay: Families whose children do not receive federal or state government subsidies or scholarships and who pay the full price providers charge for child care services ((Child Care and Development Fund Final Rule, 81, 2016).

Provider: The entity providing child care services pursuant to 45 CFR § 98.2.

Provider Cost of Quality Calculator (PCQC): The web-based tool funded by the Office of Child Care that calculates the costs to providers of delivering child care (Provider Cost of Quality Calculator).

Provider Payment Practices: Practices for paying CCDF subsidies to child care providers, which must include (1) timely payments, (2) payments for occasional absences, and, (3) unless the Lead Agency provides evidence that such practices are not generally accepted in the state or service area, (a) paying on a part-time or full-time basis (rather than paying for hours of service

or smaller increments of time), and (b) paying for reasonable mandatory registration fees that the provider charges to private-paying parents pursuant to 45 CFR 98.45(l).

Random Sampling: A sample chosen that allows all subjects an equal probability of being selected (Insights Association, 2019).

Reliable: The overall consistency of a measure.

Response Rate: The proportion of those originally drawn at random from the population who participate in a survey. This indicates whether the data collected accurately reflects the views of the population interviewed. Response rate can also assess whether weighting or other methods might improve the quality of the data (Insights Association, 2019).

Rigorous Data Collection Procedures: The survey uses good data collection procedures, regardless of the method (mail, telephone, or web-based survey; administrative data). This includes a response from a high percentage of providers. Generally, 65 percent or higher is desirable and below 50 percent is suspect (Child Care and Development Fund Final Rule, 81, 2016.)

Sampling Error: The error caused by a particular sample not being representative of the population of interest due to random variation (Insights Association, 2019).

Sliding Fee Scale: A system of cost-sharing for the subsidy payment rate by a family, based on countable income and size of the family pursuant to 45 CFR § 98.2 and § 98.45(k).

Slot Weighting: Multiplying the prices providers report charging for child care by the number of slots each provider has for the same age group before calculating a single average value for all the reported prices. This method accounts for size (weight) that determines the relative importance each provider has in the priced market (Child Care and Development Fund Final Rule, 81, 2016).

Stratified Sampling: A more specific representative sample that first divides the population into strata (sub-groups) per certain characteristics, then a particular number of participants are randomly selected from each strata determined by percentages in the actual population (Insights Association, 2019).

Statistically Valid and Reliable Market Rate Survey: A market rate survey that meets the following CCDF benchmarks : includes the priced child care market, provides complete and current data, represents geographic variation, uses rigorous data collection procedures, and analyzes data in a manner that captures other relevant differences (Child Care and Development Fund Final Rule, 81, 2016.)

References

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