

Using Administrative Data in Conducting Market Rate Surveys

Child Care and Development Fund (CCDF) Lead Agencies have extensive flexibility in designing their market rate surveys. Also known as market price studies, market rate surveys often involve the use of non-survey methods, including analyzing existing administrative data. Most, if not all, Lead Agencies use some form(s) of administrative data when conducting their market rate surveys. Examples include:

- Using licensing databases to identify the universe of providers Lead Agencies need to survey
- Using CCDF subsidy eligibility systems to identify (1) the subset of providers that participate in the subsidy program and (2) child enrollment levels by the type of provider setting to help identify areas of the state¹ that warrant more extensive investigation of potential issues with supply or barriers to participation
- Using existing provider databases (such as child care resource and referral databases) that already contain information on providers' market prices and desired capacities as well as other critical information needed to complete a valid and reliable market rate survey

By leveraging existing administrative data, Lead Agencies can improve the validity and reliability of their market rate surveys with minimal added cost.

This brief discusses the use of administrative data in conducting market rate surveys with a focus on using administrative data to obtain information on market prices and capacity. The most common use of administrative data is to identify the universe of child care programs to be included in the market rate survey. These data can also inform sampling practices for states that need to evaluate both large and small local markets and underserved areas.

What are Administrative Data?

Administrative data are records about individual children, families, and service providers that are collected and maintained through normal program operations.² The primary administrative databases used for market rate surveys are CCDF eligibility systems, child care licensing databases, and child care resource and referral (CCR&R) databases, which may include profiles of individual child care providers, including their prices. These databases may be initially developed and updated through surveys but were created for other administrative purposes rather than for a market rate survey. Most Lead Agencies report calling or sending surveys to providers to update administrative data critical to producing valid and reliable surveys.

¹ In this brief, the term *state* is used inclusively to refer to states, territories, and tribes

² Lin, V., Shaw, S.H., & Maxwell, K. (2019). Administrative Data Sources to Address Early Care and Education Policy-Relevant Research Questions. OPRE Research Brief #2019-81. Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

Using administrative data in your market rate survey adds relatively little cost and maximizes the existing investment in databases of child care facilities.³ It can be a viable method for gathering the data to complete a valid and reliable market rate survey. It also can be used as a “Plan B” if an emergency is declared in your state or in local areas that could impact response rates of surveys to be implemented or that might be underway but with limited responses. However, these data must meet benchmarks for statistical validity and reliability outlined in more detail below.

No data source is perfect, but there are several principles that should be applied to administrative data to ensure the most valid results for a market rate survey. If used in lieu of, or as a supplement to a market rate survey, administrative data should be statistically valid and collected or updated within a three-month period proximate to conducting the market rate analysis.⁴ A small window for data collection minimizes rate adjustments over time, ensuring valid prices are reflected in the survey. In the case of CCR&Rs, this can often be done relatively inexpensively because the agencies may already be under contract by the Lead Agency. Another consideration is the timing of the three-month period, which should take place during a school year to minimize rate movements that typically occur from one school year to the next or over the summer.

In some states, different entities administer eligibility and CCR&R activities with approaches that vary across regions. In these cases, states need data standards that are monitored to ensure consistency, reliability, and validity. For example, standards may include protocols and training for interviewing providers and ensuring databases are reviewed, inaccurate data are removed, and data are validated and updated regularly within a specified timeframe.

While administrative data from any of the three primary sources can be useful for market rate surveys, there may be drawbacks if Lead Agencies aim to use this information exclusively.

Here are several examples:

- Most CCDF eligibility systems do not contain information on the full universe of providers that need to be surveyed. In addition, price data recorded at the time of a child’s enrollment may be

Considerations for Using Administrative Data

- Does the Lead Agency have a useable database?
- Is the Lead Agency able to easily access the data?
- Is the database compatible with other existing databases?
- Are all providers that need to be surveyed included in the database and does it fully represent state and local markets?
- Are the data current, i.e., updated within a reasonable period?
- Are all data fields complete?
- Is the database well-maintained and has it been validated?
- How easily can the database be updated with new or updated information?

³ Grobe, D., Weber, R. B., Davis, E. E., Kreader, J. L., & Pratt, C. C. (2008). *Study of market prices: Validating child care market rate surveys*. Retrieved from: <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/sbhs/pdf/Validity-Study-FINAL-1-27-09.pdf>

⁴ Grobe, D., Weber, R. B., Davis, E. E., Kreader, J. L., & Pratt, C. C. (2008). *Study of market prices: Validating child care market rate surveys*. Retrieved from: <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/sbhs/pdf/Validity-Study-FINAL-1-27-09.pdf>

inaccurate or outdated. Lead Agencies need to supplement these data to include all providers that serve the private market and ensure that price data represent what providers currently charge.

- Licensing databases may not contain information on license exempt programs such as public schools and summer camps that serve a significant number of the school-age child care market. Lead Agencies should consider supplementing their datasets of licensed providers by including child care programs that are eligible to receive CCDF subsidies, provide care to private-paying families and set their own prices.
- Licensed capacity figures can overstate providers’ actual or desired capacity. Lead Agencies need accurate capacity information to weight the prices providers charge by the size of the program.
- CCR&R agencies may not capture information on the full universe of providers and the prices recorded for referral purposes may not reflect the current or actual prices providers charge. It is important for Lead Agencies to crosscheck CCR&R databases with other provider lists to ensure a comprehensive universe of providers and ask the CCR&R agencies to update their price information on providers so that it meets the statistically valid and reliable benchmark of doing so within three months.
- For all databases, Lead Agencies need to determine how well the database is maintained to avoid problems with the accuracy of the data.

At the same time, these data may provide additional useful information. CCDF eligibility system databases contain enrollment information by the type of setting and age group. This information can be used to identify issues with access or supply that should be studied. CCR&R databases often contain information on accreditation status, price of care, and other variables Lead Agencies can use as initial indicators of higher quality. When states analyze existing administrative data in lieu of distributing a survey, price data is most often gathered from CCR&R databases. Finally, administrative data can be used to augment information provided by respondents to the survey questionnaire and may be used to compare the relative accuracy of price data reported in survey responses.

Considerations for Using Specific Administrative Data Sources

Below, we highlight some considerations in using three of the most widely used existing administrative data sources in market rate surveys: (1) CCDF eligibility systems, (2) licensing databases, and (3) CCR&R databases. Stakeholder engagement could be useful input as Lead Agencies weigh these considerations.

| Considerations | |
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| <p>CCDF Eligibility System</p> <p>The CCDF Eligibility database will include a listing of providers who are currently participating in the CCDF program. Some states may include all licensed providers</p> | <ul style="list-style-type: none"> ▪ Contains data on providers participating in CCDF ▪ Provides information on the distribution of children receiving a subsidy across child care settings ▪ May indicate lack of supply or barriers to subsidy participation in market areas ▪ Eligibility system identifiers such as license ID’s and site addresses may not match data in the licensing database |

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| <p>in this system whereas others may list all providers who have ever participated.</p> | <ul style="list-style-type: none"> ▪ May not identify contracted CCDF providers with negotiated fixed prices that should be surveyed because they also provide child care in the open market ▪ Data reflect price information at the time certificates are issued but may not reflect current prices the provider charges private clients ▪ Providers do not define how they report their price data, e.g., the system may require weekly prices whereas the provider works in monthly prices ▪ Reported prices may reflect CCDF payment rates or be inflated ▪ May not account for adjusted rates, such as discounts charged to families with multiple children in the care of the same provider |
| <p>Licensing Database The Licensing Database contains the full universe of licensed providers, their mailing addresses, locations, types of care, license number and licensed capacity.</p> | <ul style="list-style-type: none"> ▪ Could contain information on providers whose licenses have been revoked or suspended ▪ Licensing regulations contains information on licensed capacity which can be compared to the actual or desired capacity of providers ▪ May not contain information on school programs, summer camps, family homes and other programs eligible to receive CCDF subsidies, but that are not licensed ▪ Accreditation or other potential quality indicators may not be included |
| <p>CCR&R Database An CCR&R database is used to provide consumer information to parents about individual providers. Many CCR&Rs use and maintain a national data system known as NACCRRAware, which may be customized.⁵</p> | <ul style="list-style-type: none"> ▪ Should contain complete and up-to-date record of all licensed providers ▪ Routinely collects some of the information needed for the market rate survey including type of care, days and hours of care, numbers and ages of children served, and prices for ages served ▪ Published prices may be used in lieu of, or as a real-world comparison of, reported market rate survey prices ▪ Is based on continuous contact with provider community so can be customized based on state’s needs ▪ Database may only contain providers that are willing to report their prices ▪ Data collection process may not be uniform or uniformly administered ▪ Published prices may not reflect actual price data |

⁵ Child Care Aware of America. *National Data System powered by Worklife Systems*. Retrieved from: <https://www.childcareaware.org/child-care-resource-and-referral/data-services/>

No matter what administrative data Lead Agencies use, it is important to ensure the source contributes to the statistical validity and reliability of the market rate survey. The CCDF Final Rule does not define statistically valid and reliable within the regulatory language, but it does provide a list of benchmarks or indicators within the preamble. The ACF Office of Child Care considers a market rate survey to be statistically valid and reliable if it:

- Includes child care providers of all types that set their prices independently
- Provides complete and current data that fully capture the universe of providers that set prices set independently
- Represents geographic variation
- Uses rigorous data collection procedures
- Examines the price per child care slot, recognizing that all child care facilities should not be weighted equally

Administrative data may be used to address the benchmarks requiring require market rate surveys to include the child care market in which prices are set independently by providers, provide complete and current data, and represent geographic variation. By combining existing administrative data with data obtained through a market rate survey, Lead Agencies will be better able to develop a comprehensive understanding of what child care markets across their states look like.

Conclusion

Administrative data have applications for use both in augmenting and supplying the data needed to complete market rate surveys. They can offer a lower cost alternative to sending surveys, particularly if the needed information is already being collected for other purposes. Administrative data are especially useful when a survey is not possible, or response rates are low. It is important for Lead Agencies to know what administrative data options exist in their states and weigh the considerations in selecting administrative data sources to support their market rate surveys. Finally, it may be prudent for Lead Agencies to review existing administrative data collection and storage protocols to consider how administrative data can be optimized to support market rate surveys.

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