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Results of the 2012 Child Care Market Rate Survey:

Minnesota Child Care Provider Business Update



Minnesota Department of **Human Services**

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Executive summary

The Minnesota Department of Human Services (department), consistent with federal requirements,^{1,2} conducts a statewide survey of rates charged by licensed family child care and licensed center child care providers. The market rate survey is a component of the Minnesota Child Care Provider Business Update. The 50th percentiles (medians) and 75th percentiles of provider charges, based on the 2012 survey, are reported.

Although results are used to inform setting of maximum rates paid for care under the Child Care Assistance Program (CCAP), results in this document are distinct from CCAP maximum rates. Current CCAP maximum rates were set by the Minnesota Department of Human Services, based on legislative direction and effective on Nov. 28, 2011. These maximums are based on 75th or 100th percentiles calculated from data collected in 2001, 2002 and 2005, and applicable percent increases and decreases. In February 2014, new maximum rates will be implemented based on the greater of the 25th percentile of the 2011 results, or the Nov. 28, 2011, maximum rates.

The department implemented changes to data collection and analysis in 2009 based on recommendations from the study, “Alternate Methods for Minnesota’s Market Rate Study of Child Care Prices,” DHS-5540-ENG 1-09. For a summary of those changes see “Results of the 2009 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update,” DHS-6226 ENG 8-10.

Results of the 2012 Minnesota Child Care Provider Business Update

Table 1: 2012 Minnesota Child Care Provider Business Update:
Child Care Center 50th and 75th Percentiles

Table 2: 2012 Minnesota Child Care Provider Business Update:
Family Child Care (FCC) 50th and 75th Percentiles

Table 3: 2012 Minnesota Child Care Provider Business Update:
Price Cluster Assignments for Center and Family Child Care (FCC)

Figure 1: 2012 Minnesota Price Clusters: Child Care Centers

Figure 2: 2012 Minnesota Price Clusters: Family Child Care (FCC)

¹ States are instructed by the federal Department of Health and Human Services, Administration for Children and Families, to provide evidence of access based on a local market rate survey. The 75th percentile of the market has been established as a benchmark for providing equal access.

² Department of Health and Human Services, Administration for Children and Families, (July 24, 1998), 45 CFR, Parts 98 and 99. Child Care and Development Fund, Final Rule, Section 98.43. Federal Register, Vol. 69. http://www.access.gpo.gov/su_docss/fedreg/a980724c.html.

**Table 1: 2012 Minnesota Child Care Provider Business Update:
 Child Care Center 50th and 75th Percentiles**

Center Price Cluster ¹	Age Group	Hourly Rate 50th ² Percentile	Hourly Rate 75th Percentile	Daily Rate 50th ² Percentile	Daily Rate 75th Percentile	Weekly Rate 50th ² Percentile	Weekly Rate 75th Percentile
1	Infant	\$3.15	\$3.55	\$31.00	\$36.00	\$145.00	\$159.00
	Toddler	\$3.05	\$3.50	\$27.00	\$30.50	\$135.00	\$140.00
	Preschool	\$3.00	\$3.25	\$25.00	\$27.00	\$125.00	\$135.00
	School-age	\$2.85	\$3.20	\$25.00	\$27.00	\$112.00	\$125.00
2	Infant	\$3.95	\$5.30	\$39.00	\$42.00	\$170.00	\$184.50
	Toddler	3.75	\$4.80	\$35.00	\$37.50	\$160.00	\$166.50
	Preschool	\$3.55	\$4.20	\$33.00	\$35.00	\$145.00	\$153.00
	School-age	\$3.25	\$4.20	\$30.00	\$32.00	\$125.00	\$141.00
3	Infant	\$10.00	\$13.00	\$52.00	\$74.00	\$197.00	\$220.00
	Toddler	\$9.00	\$12.00	\$48.00	\$66.00	\$180.00	\$198.00
	Preschool	\$8.00	\$11.00	\$43.00	\$62.00	\$167.50	\$187.00
	School-age	\$5.75	\$9.00	\$34.00	\$41.00	\$140.00	\$155.00
4	Infant	\$14.00	\$14.00	\$97.00	\$113.00	\$312.00	\$338.00
	Toddler	\$12.00	\$12.00	\$79.00	\$88.00	\$265.00	\$290.00
	Preschool	\$11.00	\$11.00	\$70.00	\$77.00	\$235.00	\$255.00
	School-age	\$8.00	\$11.00	\$60.00	\$70.00	\$200.00	\$223.00

¹ Minnesota counties were grouped into clusters based on child care prices. A list of counties included in each price cluster is found in Table 3.

² The 50th percentile is equivalent to the median.

**Table 2: 2012 Minnesota Child Care Provider Business Update:
Family Child Care 50th and 75th Percentiles**

FCC Price Cluster¹	Age Group	Hourly Rate 50th² Percentile	Hourly Rate 75th Percentile	Daily Rate 50th² Percentile	Daily Rate 75th Percentile	Weekly Rate 50th² Percentile	Weekly Rate 75th Percentile
1	Infant	\$2.35	\$2.50	\$24.00	\$25.00	\$110.00	\$120.00
	Toddler	\$2.25	\$2.50	\$22.00	\$25.00	\$105.00	\$115.00
	Preschool	\$2.25	\$2.50	\$22.00	\$25.00	\$101.25	\$110.00
	School-age	\$2.25	\$2.50	\$21.57	\$24.00	\$100.00	\$110.00
2	Infant	\$2.75	\$3.00	\$25.00	\$30.00	\$125.00	\$130.00
	Toddler	\$2.50	\$3.00	\$25.00	\$27.00	\$120.00	\$125.00
	Preschool	\$2.50	\$3.00	\$25.00	\$26.00	\$115.00	\$125.00
	School-age	\$2.50	\$3.00	\$25.00	\$25.00	\$110.00	\$125.00
3	Infant	\$3.77	\$5.00	\$30.00	\$35.00	\$145.00	\$155.00
	Toddler	\$3.75	\$5.00	\$30.00	\$32.00	\$135.00	\$150.00
	Preschool	\$3.50	\$4.50	\$28.00	\$30.00	\$130.00	\$140.00
	School-age	\$3.50	\$4.00	\$25.00	\$30.00	\$120.00	\$130.00
4	Infant	\$5.75	\$7.00	\$38.75	\$45.00	\$167.17	\$185.00
	Toddler	\$5.40	\$7.00	\$35.00	\$40.00	\$160.00	\$175.00
	Preschool	\$5.00	\$6.00	\$35.00	\$40.00	\$150.00	\$165.00
	School-age	\$5.00	\$6.00	\$30.00	\$35.00	\$133.00	\$150.00

¹ Minnesota counties were grouped into clusters based on child care prices. A list of counties included in each price cluster is found in Table 3

² The 50th percentile is equivalent to the median.

Table 3: 2012 Price Cluster Assignments for Family Child Care (FCC) and Centers

County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment	County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment
Aitkin	1	2	Lake	1	2
Anoka	4	4	Lake of the Woods	Unassigned ¹	1
Becker	Unassigned ¹	2	Le Sueur	Unassigned ¹	2
Beltrami	1	2	Lincoln	1	1
Benton	2	2	Lyon	1	2
Big Stone	Unassigned ¹	1	Mahnomen	2	2
Blue Earth	2	2	Marshall	1	2
Brown	1	1	Martin	1	1
Carlton	2	2	McLeod	1	1
Carver	4	4	Meeker	2	1
Cass	1	2	Mille Lacs	2	2
Chippewa	1	1	Morrison	1	1
Chisago	3	3	Mower	2	2
Clay	2	2	Murray	1	1
Clearwater	2	1	Nicollet	2	2
Cook	1	4	Nobles	1	1
Cottonwood	1	1	Norman	1	1
Crow Wing	2	2	Olmsted	4	3
Dakota	4	4	Otter Tail	1	1
Dodge	2	2	Pennington	1	1
Douglas	1	1	Pine	1	2
Faribault	1	1	Pipestone	1	1
Fillmore	1	2	Polk	1	1
Freeborn	2	1	Pope	1	1
Goodhue	2	3	Ramsey	4	4
Grant	Unassigned ¹	2	Red Lake	1	1
Hennepin	4	4	Redwood	Unassigned ¹	1
Houston	1	2	Renville	2	1
Hubbard	2	1	Rice	2	3
Isanti	3	3	Rock	Unassigned ¹	1
Itasca	1	2	Roseau	Unassigned ¹	1
Jackson	1	1	St. Louis	2	2
Kanabec	2	1	Scott	4	4
Kandiyohi	2	1	Sherburne	3	3
Kittson	Unassigned ¹	1	Sibley	Unassigned ¹	2
Koochiching	2	2	Stearns	3	2
Lac qui Parle	Unassigned ¹	1	Steele	2	2

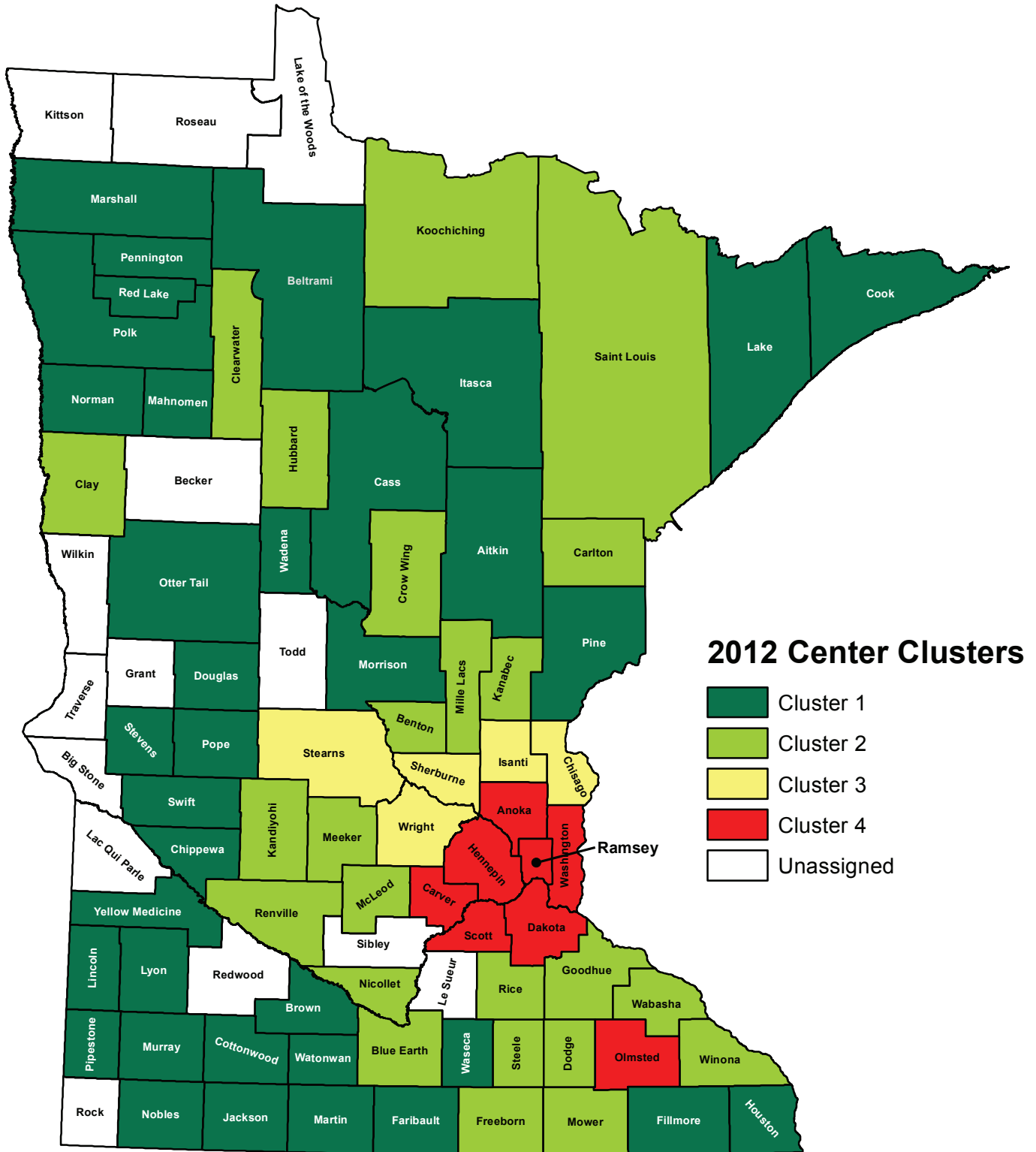
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Table 3: 2012 Price Cluster Assignments for Family Child Care (FCC) and Centers, *continued*

County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment	County Name	Center Price Cluster Assignment	Family Child Care Price Cluster Assignment
Stevens	1	1	Washington	4	4
Swift	1	1	Watonwan	1	1
Todd	Unassigned ¹	1	Wilkin	Unassigned ¹	1
Traverse	Unassigned ¹	2	Winona	2	2
Wabasha	2	2	Wright	3	3
Wadena	1	1	Yellow Medicine	1	1
Waseca	1	1			

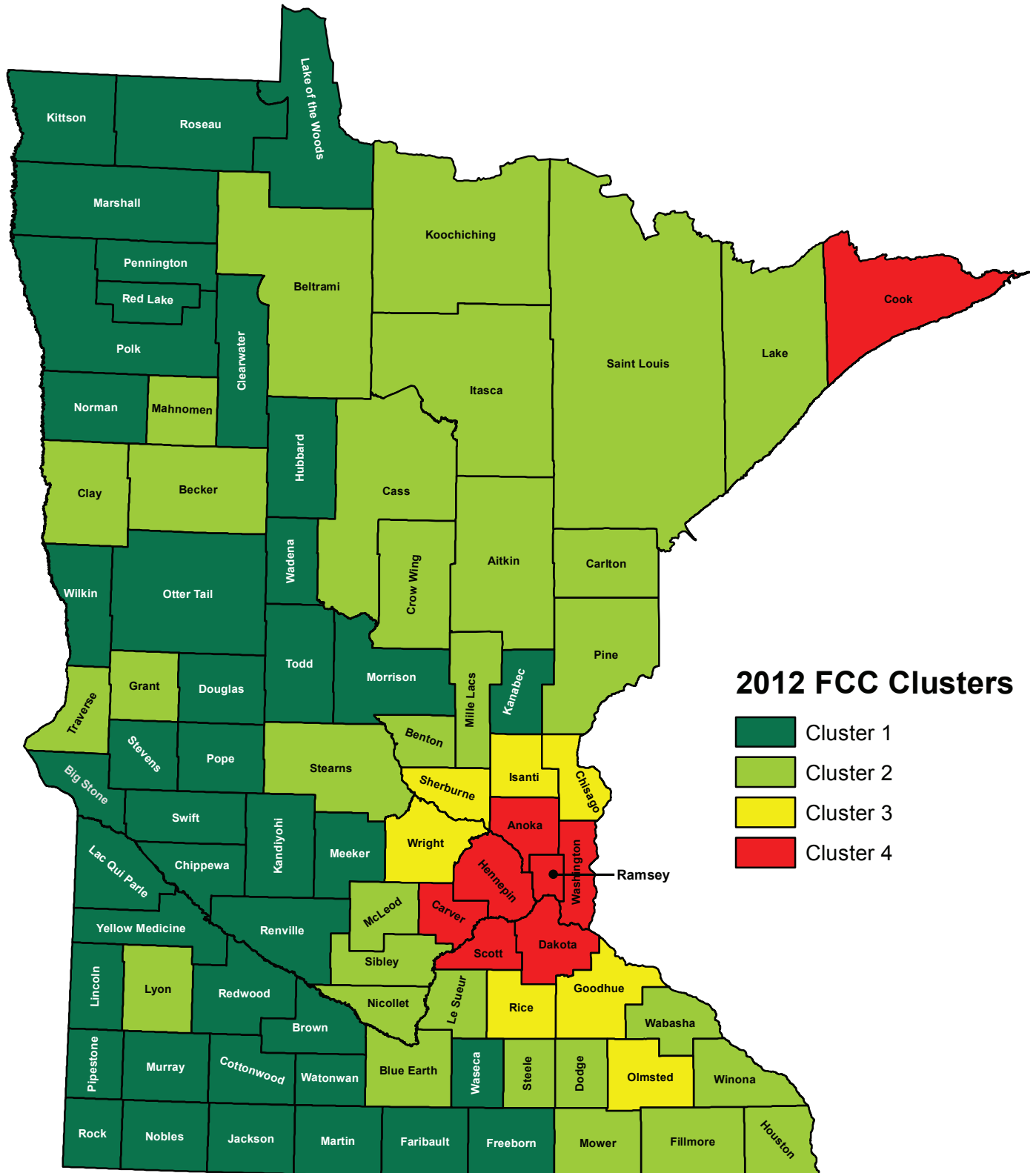
¹ Counties with no reported center rates in 2012 are not assigned to a price cluster.

Figure 1: 2012 Minnesota Price Cluster: Centers



¹ Counties with no reported Center rates in 2012 are not assigned to a price cluster

Figure 2: 2012 Minnesota Price Clusters: Family Child Care (FCC)





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