

State of Alaska
Department of Health and Social Services
Division of Public Assistance

Alaska Child Care Market Rate Survey Report For 2005



Sarah Palin, Governor
Karleen Jackson, Commissioner
Child Care Program Office
619 E. Ship Creek Avenue, Suite 230
Anchorage, Alaska 99501
907-269-4500
March 7, 2007

Table of Contents

Alaska Market Rate Survey Executive Summary3

 Purpose3

 Results3

 Rates.....3

 Access3

 Quality.....3

Background4

 Introduction.....4

 State Rates for Child Care Assistance4

 Provider Rates4

 Provider Types4

 Center4

 Group Home.....4

 Licensed Home4

 Child Age Groups4

 Geographic Regions.....5

 Enrollment and Attendance.....5

Rate Information.....6

 Rate Tables6

 Calculating Percentiles6

 Definitions of Column Headings for the Following Rate Tables7

 Children, Provider Rates and State Rates14

Distribution of Children16

 Distribution of Children by Geographic Region.....16

 Distribution of Children by Provider Rates as Percent of State Rates17

 Distribution of Children by Education Levels of Staff.....18

 Distribution of children by Staff Longevity.....19

Availability of Child Care20

 Availability of Night-Time Care.....21

 Availability of Weekend Care22

Provider Issues23

 Actual Attendance and Desired Attendance23

 Barriers to Increasing Enrollment.....24

 Expulsions.....25

 Wages.....26

 Staff Education Levels28

 Staff Retention32

 Challenges to Retaining Staff34

ALASKA
Market Rate Survey Executive Summary
Reference Month April 2005

Purposes

The primary purpose of conducting a market rate survey is to help ensure that families and children receiving child care assistance have comparable access to child care as those who do not receive child care assistance. The secondary purpose is to look at a number of factors that are typically associated with measuring the quality of child care.

This survey sampled licensed providers only. The 410 providers who participated in the survey represented over half of the licensed providers in the state. The sample was stratified by geographic region and provider type – center, group home, licensed home – in order to ensure statewide representation.

Results

Rates

- Statewide, 68% of children in centers and group homes were charged above the state rates for child care; 53% of children in licensed homes were charged above the state rate.
- Provider rates in centers/group homes exceeded the state rates more than provider rates in licensed homes.
- The Municipality of Anchorage, Juneau, and Fairbanks center rates indicate sufficient variability from their respective regions that consideration should be given to separating these community center rates from regional center rates.

Access

- Families with the least amount of income have limited child care choices because they cannot pay the child care rates charged above the state rate.
- Infant care, evening care, and weekend care were limited.
- Child Care Assistance (CCA) children were more likely to be enrolled in centers with the highest proportion of less educated workers, the highest capacity utilization, the least worker longevity, and the lowest wages.
- CCA children were typically receiving care in facilities with fewer indicators of quality; however, those same facilities reported the highest level of education for one of their staff.

Quality

- About half of the caregivers at centers had been employed at the same center for one year or more.
- Two-thirds of the child care workforce had slightly more than a high school education.
- Starting wages in the child care field were rarely more than \$10 per hour.

Background

Introduction

The primary purpose of conducting a market rate survey is to help ensure that families and children receiving child care assistance have comparable access to child care as those who do not receive child care assistance. The secondary purpose is to study the quality of child care provided. Market rate surveys are mandated by the Code of Federal Regulations 45 CFR Parts 98 and 99.

This survey sampled licensed providers only. The 410 providers who participated in the survey represented over half of the licensed providers in the state. The sample was stratified by geographic region and provider type – center, group home, licensed home – in order to ensure statewide representation. The survey was conducted telephonically based on the month of April 2005.

State Rates for Child Care Assistance (CCA)

The state rates for the Child Care Assistance Program are the amounts the state will pay a provider to care for a child based on geographic location, provider type, child age, the amount of time a child is authorized to receive care and whether the authorization is enrollment-based or attendance-based.

Provider Rates

Provider rates are the amounts child care providers charge parents for children of different ages and for differing units of care; in this report, the unit of care used is a full-time month.

Provider Types

There are three types of licensed providers in Alaska. The State of Alaska licenses child care providers in all areas of the state except the Municipality of Anchorage; the Municipality of Anchorage licenses child care providers within its boundaries.

- **Center**: A center is a child care facility licensed for 13 or more children.
- **Group Home**: A group home is a child care facility licensed for nine through twelve children and may be located in an occupied residence. The provider's children are counted in the ratio. The Municipality of Anchorage does not utilize this provider category.
- **Licensed Home**: A licensed home is a child care facility licensed for no more than eight children usually in an occupied residence. The provider's children are counted in the ratio.

Child Age Groups

The state rates for children are differentiated by age group, each with its own child-to-caregiver ratio. In general, the cost of labor associated with younger children is higher, since younger children require a lower child-to-caregiver ratio. The child-to-caregiver ratios are based on state regulations; the Municipality of Anchorage imposes a different set of ratios.

The following table defines child age groups, their child-to-caregiver ratios in centers, and the state rates for full-time care by provider type using the Mat-Su area rates as an example. Designating the infant state rate as 100%, the last column illustrates the percentage of each child age group rate relative to the infant rate.

State Rates by Child Age Group and Provider Type in Mat-Su

Child Age Group	Age Range	Child to Caregiver Ratio in Centers	State Rates for Centers and Group Homes	State Rates for Licensed Homes	State Rate as Percent of Infant Rate
Infant	0-18 Months	5:1	\$647	\$582	100%
Toddler	19-36 Months	6:1	\$615	\$553	95%
Preschooler A	3-4 Years	10:1	\$550	\$495	85%
Preschooler B	5-6 Years	14:1	\$550	\$495	85%
School-age	7-12 Years	18:1	\$537	\$483	83%

Geographic Regions

The following table lists nine (9) geographic regions specified in this report, the number of responses to the survey from each provider type in each region, and the total number of children *enrolled* in the facility types. The State of Alaska specifies six (6) regions for rate purposes; however, this report extracted the larger cities of Anchorage, Fairbanks, and Juneau to see if there was a difference between these cities and their regions. Therefore, the Interior Region does not include Fairbanks and the Southeast Region does not include Juneau.

Respondents and Children by Regions and Facility Type

Region	Centers	Number of Children	Group Homes	Number of Children	Homes	Number of Children	Total Facilities	Total Children
Anchorage (Anchorage, Chugiak, Eagle River, Girdwood)	54	4,863	0	0	84	520	138	5,383
Mat-Su (Big Lake, Palmer, Talkeetna, Wasilla)	12	710	14	172	19	92	45	974
Juneau (Douglas, Juneau)	8	723	4	52	17	91	29	866
Southeast (Craig, Haines, Ketchikan, Klawock, Metlakatla, Petersburg, Sitka, Skagway, Wrangell)	10	412	11	136	23	163	44	711
Fairbanks	9	979	9	110	40	277	58	1,366
Interior (Delta Junction, North Pole, Salcha, Tok)	6	231	7	69	3	17	16	317
Gulf Coast (Anchor Point, Cordova, Glennallen, Homer, Kasilof, Kenai, Kodiak, Nikiski, Seward, Soldotna, Valdez)	15	784	13	157	40	278	68	1,219
Northern (Kotzebue, Nome)	2	104	0	0	3	14	5	118
Southwest (Aniak, Bethel, Naknek, New Stuyahok, Unalaska)	2	48	2	19	3	12	7	79
Total	118	8,854	60	715	232	1,464	410	11,033

Enrollment and Attendance

For the purpose of the market rate survey, **enrollment** is defined as the total number of children a provider had scheduled to attend, whether they attended or not and **attendance** is defined as the average number of children a provider had in care on a daily basis during April 2005.

Rate Information

Rate Tables

The tables on the following pages contain rate data by region. There is a table for each child age group (infant, toddler, preschool, school-age) and for each provider type (center, group home, licensed home), for a total of 12 tables.

These tables display state rates in percentile terms relative to market rates, based on rate information from the Market Rate Survey. Only full-time monthly enrollment rates were used; when full-time rates were missing, a synthetic rate was created by multiplying the hourly rate by 9 (for hours in a day) and 22 (for days in a month).

To be counted in this data, a provider must have:

- provided a full-time monthly enrollment rate for the particular age group of child, or had a synthetic rate calculated, and
- reported a non-zero value as a response to their *full-time average daily attendance*.

Responses are weighted by the provider's reported full-time average daily attendance. The same weight was used for all reported age groups, since responses by child age were not solicited.

Calculating Percentiles

A percentile is a statistical measure; it is a value on a scale of one to one-hundred that indicates whether a distribution is above or below it. The following is an example of calculating percentiles:

One provider reports 20 as their average daily attendance, another 30, another 25, and another 50. The first provider charges a rate of \$500, the second \$550, the third \$575 and the fourth \$600. There are 125 child rates (20+30+25+50). If all the rates are listed from lowest to highest for each child, the rate that is the:

- 31st rate (25% of 125) is the 25th percentile = \$550
- 62nd rate (50% of 125) is the 50th percentile = \$575
- 94th rate (75% of 125) is the 75th percentile = \$600

The minimum rate is \$500 and the maximum rate is \$600.

If the state rate is \$550, 60% of the children would be reported as charged above the state rate, and the state rate would be at the 40th percentile.

Definitions of Column Headings for the Following Rate Tables

With a rate – indicates the number of providers of that type with a rate, reported or synthetic, for that age group of child in the region. This is the sample size for the region, the number of respondents prior to weighting by the number of children enrolled. This number is often lower than the *number of providers with a survey* because many providers do not provide care for all age groups and therefore do not report a rate for the age groups they don't serve.

With a survey – indicates the number of providers of that type in the region for whom a survey was completed.

Rate – the state rate for that type of provider and age group of child in the region.

Percentage above the state rate – the percentage of children by type of provider and age group of child in the region being charged above the state rate.

Min – the lowest rate reported by any provider, by type of provider and age group of child in the region.

25th Percentile – the rate at the 25th percentile, by type of provider and age group of child in the region. This is a weighted percentile, weighted by the average full-time daily attendance of children.

50th Percentile – the rate at the 50th percentile, by type of provider and age group of child in the region. This is a weighted percentile, weighted by average full-time daily attendance.

75th Percentile – the rate at the 75th percentile, by type of provider and age group of child in the region. This is a weighted percentile, weighted by average full-time daily attendance.

Max – the highest rate reported by any provider, by type of provider and age group of child in the region.

Infants - Centers

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	19	54	647	85.0%	647	655	692	700	900
Mat-Su	10	12	647	43.0%	575	647	647	650	700
Anch/Mat-Su	29	66	647	77.3%	575	650	680	700	900
Juneau	4	8	647	100.0%	685	685	695	742	825
Southeast	6	10	647	80.3%	647	650	727	730	732
Juneau/SE	10	18	647	92.5%	647	685	695	732	825
Fairbanks	6	9	580	91.0%	500	715	780	780	780
Interior	3	6	580	24.2%	575	575	575	580	590
Fair/Interior	9	15	580	84.9%	500	645	778	780	780
Gulf Coast	12	15	606	8.6%	500	606	606	606	750
Northern	1	2	730	0.0%	578	578	578	578	578
Southwest	1	2	715	0.0%	528	528	528	528	528
Statewide	62	118	NA	NA	500	647	685	715	900

Toddlers – Centers

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	30	54	615	82.0%	530	630	665	685	800
Mat-Su	10	12	615	43.0%	500	615	615	625	670
Anch/Mat-Su	40	66	615	76.2%	500	625	656	670	800
Juneau	5	8	615	73.1%	615	615	645	682	790
Southeast	7	10	615	83.6%	615	650	659	671	721
Juneau/SE	12	18	615	77.0%	615	645	659	671	790
Fairbanks	7	9	551	88.3%	475	680	680	680	717
Interior	4	6	551	56.6%	500	500	638	638	638
Fair/Interior	11	15	551	82.5%	475	638	680	680	717
Gulf Coast	13	15	576	13.0%	500	576	576	576	710
Northern	2	2	694	31.8%	549	549	549	810	810
Southwest	1	2	679	0.0%	528	528	528	528	528
Statewide	79	118	NA	NA	475	615	650	680	810

Preschoolers – Centers

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	34	54	550	84.2%	520	560	600	630	775
Mat-Su	10	12	550	22.6%	485	550	550	550	605
Anch/Mat-Su	44	66	550	76.3%	485	560	600	630	775
Juneau	6	8	550	100.0%	560	560	595	650	700
Southeast	8	10	550	78.5%	375	555	557	590	650
Juneau/SE	14	18	550	92.2%	375	560	588	616	700
Fairbanks	8	9	493	91.8%	410	615	640	645	645
Interior	6	6	493	60.4%	450	468	550	550	550
Fair/Interior	14	15	493	85.1%	410	550	639	645	645
Gulf Coast	14	15	515	29.7%	500	515	515	550	670
Northern	2	2	621	31.8%	491	491	491	720	720
Southwest	1	2	608	NA	NA	NA	NA	NA	NA
Statewide	89	118	NA	NA	375	550	595	630	775

School-age Children - Centers

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	26	54	537	84.7%	345	560	595	630	800
Mat-Su	7	12	537	47.6%	525	537	537	550	595
Anch/Mat-Su	33	66	537	79.3%	345	550	560	600	800
Juneau	4	8	537	54.2%	495	495	560	560	616
Southeast	9	10	537	61.7%	250	537	553	588	650
Juneau/SE	13	18	537	58.2%	250	495	560	575	650
Fairbanks	6	9	481	100.0%	535	569	600	600	600
Interior	6	6	481	60.4%	400	468	539	539	539
Fair/Interior	12	15	481	90.3%	400	539	600	600	600
Gulf Coast	13	15	503	41.8%	500	503	503	550	630
Northern	2	2	606	31.8%	347	347	347	720	720
Southwest	1	2	593	NA	NA	NA	NA	NA	NA
Statewide	74	118	NA	NA	250	537	560	600	800

Infants - Group Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	0	0	647	NA	NA	NA	NA	NA	NA
Mat-Su	11	14	647	6.7%	480	645	647	647	650
Anch/Mat-Su	11	14	647	6.7%	480	645	647	647	650
Juneau	4	4	647	55.6%	647	647	650	650	700
Southeast	11	11	647	27.6%	528	582	647	650	700
Juneau/SE	15	15	647	35.0%	528	647	647	650	700
Fairbanks	9	9	580	47.2%	500	580	580	650	660
Interior	5	7	580	86.5%	550	600	600	600	630
Fair/Interior	14	16	580	60.6%	500	580	600	650	660
Gulf Coast	11	13	606	15.3%	580	606	606	606	700
Northern	0	0	730	NA	NA	NA	NA	NA	NA
Southwest	2	2	715	0.0%	550	550	550	550	550
Statewide	53	60	NA	NA	480	600	640	647	700

Toddlers - Group Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	0	0	615	NA	NA	NA	NA	NA	NA
Mat-Su	12	14	615	6.3%	480	615	615	615	672
Anch/Mat-Su	12	14	615	6.3%	480	615	615	615	672
Juneau	4	4	615	33.3%	600	615	615	620	650
Southeast	11	11	615	14.5%	525	560	615	615	640
Juneau/SE	15	15	615	19.4%	525	575	615	615	650
Fairbanks	9	9	551	47.2%	500	551	551	600	600
Interior	5	7	551	75.7%	525	570	570	600	600
Fair/Interior	14	16	551	56.9%	500	551	552	600	600
Gulf Coast	11	13	576	15.3%	550	576	576	576	640
Northern	0	0	694	NA	NA	NA	NA	NA	NA
Southwest	2	2	679	0.0%	550	550	550	550	550
Statewide	54	60	NA	NA	480	551	600	615	672

Preschoolers - Group Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	0	0	550	NA	NA	NA	NA	NA	NA
Mat-Su	12	14	550	6.3%	420	550	550	550	672
Anch/Mat-Su	12	14	550	6.3%	420	550	550	550	672
Juneau	4	4	550	33.3%	550	550	550	575	600
Southeast	10	11	550	14.7%	475	528	550	550	590
Juneau/SE	14	15	550	19.6%	475	550	550	550	600
Fairbanks	9	9	493	62.5%	493	493	500	550	600
Interior	5	7	493	86.5%	425	500	550	600	600
Fair/Interior	14	16	493	70.6%	425	493	500	550	600
Gulf Coast	12	13	515	35.9%	493	515	515	550	600
Northern	0	0	621	NA	NA	NA	NA	NA	NA
Southwest	2	2	608	0.0%	550	550	550	550	550
Statewide	54	60	NA	NA	420	500	550	550	672

School-age Children - Group Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	0	0	537	NA	NA	NA	NA	NA	NA
Mat-Su	12	14	537	17.0%	200	537	537	537	672
Anch/Mat-Su	12	14	537	17.0%	200	537	537	537	672
Juneau	4	4	537	55.6%	537	537	540	550	600
Southeast	10	11	537	28.0%	300	470	500	550	590
Juneau/SE	14	15	537	35.3%	300	483	537	550	600
Fairbanks	7	9	481	73.2%	475	481	490	500	600
Interior	5	7	481	59.5%	325	481	500	600	600
Fair/Interior	12	16	481	67.7%	325	481	490	500	600
Gulf Coast	10	13	503	33.3%	481	503	503	515	600
Northern	0	0	606	NA	NA	NA	NA	NA	NA
Southwest	2	2	593	0.0%	550	550	550	550	550
Statewide	50	60	NA	NA	200	490	503	550	672

Infants - Licensed Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	81	84	582	44.2%	550	582	582	600	792
Mat-Su	15	19	582	38.5%	500	582	582	604	660
Anch/Mat-Su	96	103	582	43.6%	500	582	582	600	792
Juneau	14	17	582	86.7%	580	600	600	700	770
Southeast	20	23	582	40.7%	480	580	582	600	770
Juneau/SE	34	40	582	62.8%	480	582	600	675	770
Fairbanks	36	40	522	67.0%	480	522	550	600	840
Interior	3	3	522	16.7%	500	500	522	522	700
Fair/Interior	39	43	522	65.4%	480	522	550	600	840
Gulf Coast	31	40	545	40.8%	533	545	545	600	970
Northern	3	3	657	100.0%	800	800	900	900	900
Southwest	2	3	669	0.0%	660	660	660	660	660
Statewide	205	232	NA	NA	480	575	582	600	970

Toddlers - Licensed Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	81	84	553	43.9%	495	553	553	600	792
Mat-Su	16	19	553	52.5%	500	553	555	560	660
Anch/Mat-Su	97	103	553	44.8%	495	553	553	600	792
Juneau	15	17	553	75.9%	550	575	590	625	660
Southeast	20	23	553	29.6%	480	550	553	580	700
Juneau/SE	35	40	553	52.5%	480	550	575	600	700
Fairbanks	36	40	496	67.6%	440	496	500	551	720
Interior	3	3	496	16.7%	440	440	496	496	600
Fair/Interior	39	43	496	65.9%	440	496	500	551	720
Gulf Coast	32	40	518	44.1%	500	518	518	600	921
Northern	3	3	650	100.0%	800	800	800	800	810
Southwest	2	3	611	40.0%	550	550	550	660	660
Statewide	208	232	NA	0.0%	440	525	553	600	921

Preschoolers - Licensed Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	82	84	495	44.6%	450	495	495	553	700
Mat-Su	16	19	495	40.0%	485	495	495	500	660
Anch/Mat-Su	98	103	495	44.2%	450	495	495	550	700
Juneau	17	17	495	85.9%	495	500	525	575	610
Southeast	20	23	495	37.0%	300	495	495	503	660
Juneau/SE	37	40	495	62.0%	300	495	500	550	660
Fairbanks	36	40	444	71.0%	380	444	472	525	720
Interior	3	3	444	16.7%	360	360	444	444	550
Fair/Interior	39	43	444	69.2%	360	444	472	525	720
Gulf Coast	33	40	500	34.6%	495	500	500	560	850
Northern	3	3	558	100.0%	700	700	700	700	720
Southwest	2	3	575	0.0%	550	550	550	550	550
Statewide	212	232	NA	NA	300	495	500	550	850

School-age Children - Licensed Homes

Region	Number of Providers		State Rate	Percent of Children Charged Above the State Rate	Survey Rates				
	With a Rate	With a Survey			Min	25 th Percentile	50 th Percentile	75 th Percentile	Max
Anchorage	78	84	483	51.9%	290	483	485	550	720
Mat-Su	16	19	483	55.0%	483	483	485	500	660
Anch/Mat-Su	94	103	483	52.2%	290	483	485	550	720
Juneau	12	17	483	80.3%	450	500	500	525	583
Southeast	18	23	483	54.8%	460	483	495	500	660
Juneau/SE	30	40	483	66.4%	450	483	500	525	660
Fairbanks	34	40	433	86.8%	400	444	450	500	720
Interior	3	3	433	16.7%	320	320	433	433	500
Fair/Interior	37	43	433	84.4%	320	444	450	500	720
Gulf Coast	33	40	500	31.5%	483	500	500	548	850
Northern	3	3	545	100.0%	700	700	700	700	720
Southwest	2	3	575	0.0%	550	550	550	550	550
Statewide	199	232	NA	NA	290	483	500	540	850

Children, Provider Rates and State Rates

The following table shows the percentage of children in licensed care who are charged more than the state rate for full-time monthly care in each region by provider type. Percentages are weighted by the providers' average daily attendance.

Percentage of Children Charged Rates Greater than State Rates

Region	Centers and Group Homes	Licensed Homes
Anchorage	84%	46%
Mat-Su	32%	47%
Juneau	80%	82%
Southeast	56%	40%
Fairbanks	87%	73%
Interior	63%	17%
Gulf Coast	23%	38%
Northern	26%	100%
Southwest	0%	10%
Statewide	68%	53%

- In Fairbanks, Anchorage, and Juneau, at least 80% of children in centers and group homes were charged above the state rates.
- In Interior and Southeast, over 55% of children in centers and group homes were charged above the state rate.
- In the Northern Region, Juneau, and Fairbanks, the majority of children in homes were charged above the state rate.
- Provider rates in centers and group homes exceeded the state rates more than provider rates in homes. Statewide, 68% of children in centers and group homes were charged above the state rate; 53% of children in homes were charged above the state rate.

When provider rates exceed state rates, low-income families may experience a significant financial burden and as a result may choose child care based primarily on cost. The typical family receiving Child Care Assistance:

- had 1.7 children
- had a gross income of \$2,449 per month (approximately 150% of the federal poverty level)
- had a co-pay of \$105 per month or \$1,260 per year
- was a single-parent family

If this family chooses child care that costs more than the state rate and the average charge above the state rate is \$72 (as shown in the following table), the family will need to pay an additional \$122 per month (1.7 times \$72) or \$1,469 per year. Combined with the \$1,260 co-pay, the total is \$2,729 per year. This is more than a full month's pay for this family.

The following table shows the average amount that provider rates (only providers who charged more than state rates were included) were greater than state rates by child age group and provider type. It is based on full-time monthly enrollment rates.

Average Amount that Provider Rates Were Greater than State Rates

(Includes Only Providers Who Charged More than State Rates)

Child Type	Centers	Group Homes	Homes	All Provider Types
Infants	\$76	\$42	\$74	\$74
Toddlers	\$73	\$37	\$66	\$70
Preschoolers	\$74	\$49	\$79	\$74
School-age	\$70	\$45	\$73	\$69
All Ages	\$73	\$44	\$73	\$72

Percentage of Children Enrolled in Licensed Facilities Who Received CCA

Region	Centers	Group Homes	Licensed Homes	All Licensed Providers
Anchorage	29%	NA	44%	31%
Mat-Su	44%	44%	52%	45%
Juneau	25%	60%	54%	30%
Southeast	30%	52%	36%	36%
Fairbanks	30%	36%	46%	34%
Interior	19%	32%	18%	22%
Gulf Coast	36%	52%	54%	42%
Northern	10%	NA	7%	9%
Southwest	2%	0%	0%	1%
Statewide	30%	45%	46%	33%

- Mat-Su had the highest percentage of children enrolled in licensed care who received CCA in April 2005.
- In Mat-Su, 44% of the children enrolled in centers were receiving child care assistance compared to 25% in Juneau.
- About one-third of all children enrolled in licensed care were receiving child care assistance

Note: See table on page 5 for numbers of children reported enrolled in child care for each provider type by region in April 2005.

Distribution of Children

Distribution of Children by Geographic Region

The following table includes all licensed providers participating in the survey. It indicates which regions had the higher concentrations of CCA children in relation to the statewide distribution of CCA children.

Statewide Percentage of CCA and Non-CCA Children in Licensed Care

<p>Of all CCA children in licensed care statewide:</p> <ul style="list-style-type: none"> ▪ 45% were located in Anchorage ▪ 14% were located in Gulf Coast ▪ 13% were located in Fairbanks ▪ 12% were located in Mat-Su ▪ 7% were located in Juneau ▪ 7% were located in Southeast ▪ 2% were located in Interior ▪ Northern had a negligible number ▪ Southwest had a negligible number 	<p>Of all non-CCA children in licensed care statewide:</p> <ul style="list-style-type: none"> ▪ 50% were located in Anchorage ▪ 12% were located in Fairbanks ▪ 10% were located in Gulf Coast ▪ 8% were located in Juneau ▪ 7% were located in Mat-Su ▪ 6.5% were located in Southeast ▪ 3.5% were located in Interior ▪ 1.5% were located in Northern ▪ 1.5% were located in Southwest
--	---

- Mat-Su and Gulf Coast had a relatively higher percentage of the state’s CCA children than they did of the state’s non-CCA children.
- Anchorage had a relatively higher percentage of the state’s non-CCA children than they did of the state’s CCA children.
- The other regions did not have an appreciable difference between the two.

The following table indicates the percentage of CCA children statewide enrolled in centers and licensed homes in each region.

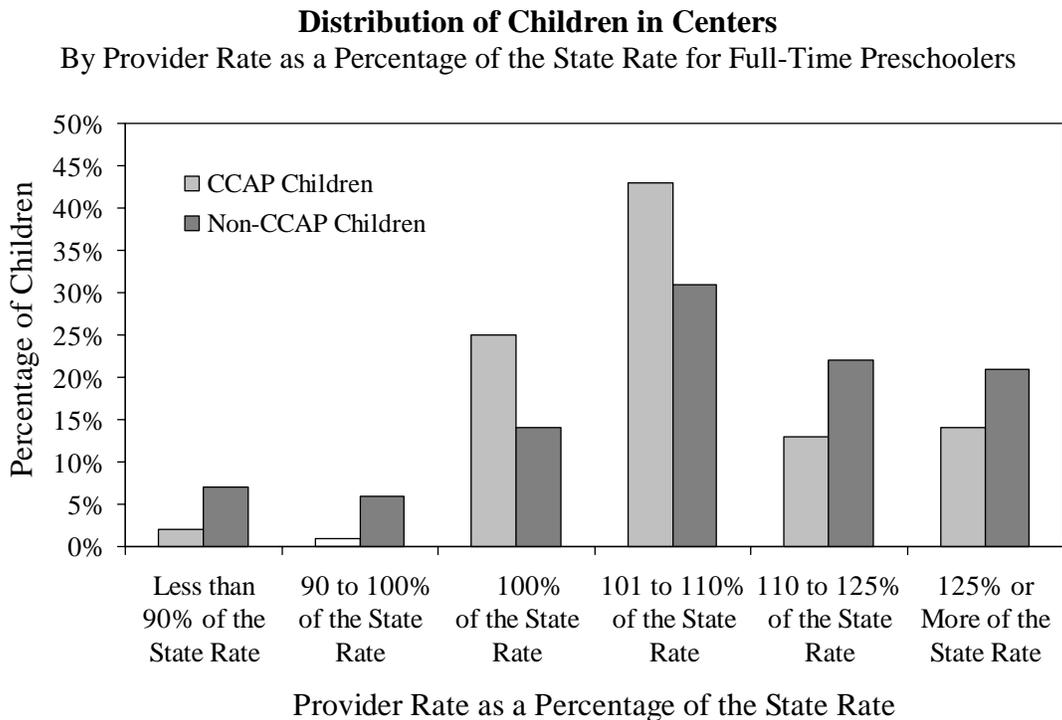
Statewide Percentage of CCA Children in Centers and Licensed Homes

<p>Of all CCA children in centers statewide:</p> <ul style="list-style-type: none"> ▪ Anchorage had 53% ▪ Mat-Su had 12% ▪ Fairbanks had 11% ▪ Gulf Coast had 10% ▪ Juneau had 7% ▪ Southeast had 5% ▪ Interior had 2% ▪ Northern had a negligible number ▪ Southwest had a negligible number 	<p>Of all CCA children in homes statewide:</p> <ul style="list-style-type: none"> ▪ Anchorage had 36% ▪ Gulf Coast had 23% ▪ Fairbanks had 19% ▪ Southeast had 9% ▪ Juneau had 7% ▪ Mat-Su had 6% ▪ Interior had a negligible number ▪ Northern had a negligible number ▪ Southwest had a negligible number
--	--

- Anchorage and Mat-Su had relatively higher percentages of the state’s CCA children in centers than in licensed homes.
- Southeast, Fairbanks, and Gulf Coast had relatively higher percentages of the state’s CCA children in licensed homes than in centers/group homes.
- Juneau has equal representation between the two.
- Northern, Southwest, and Interior homes had a negligible percentage of CCA children.

Distribution of Children by Provider Rates as Percentages of State Rates

The following graph shows the statewide percentage of CCA and non-CCA preschool aged children enrolled in centers who paid rates within the given percentages of the state rates.



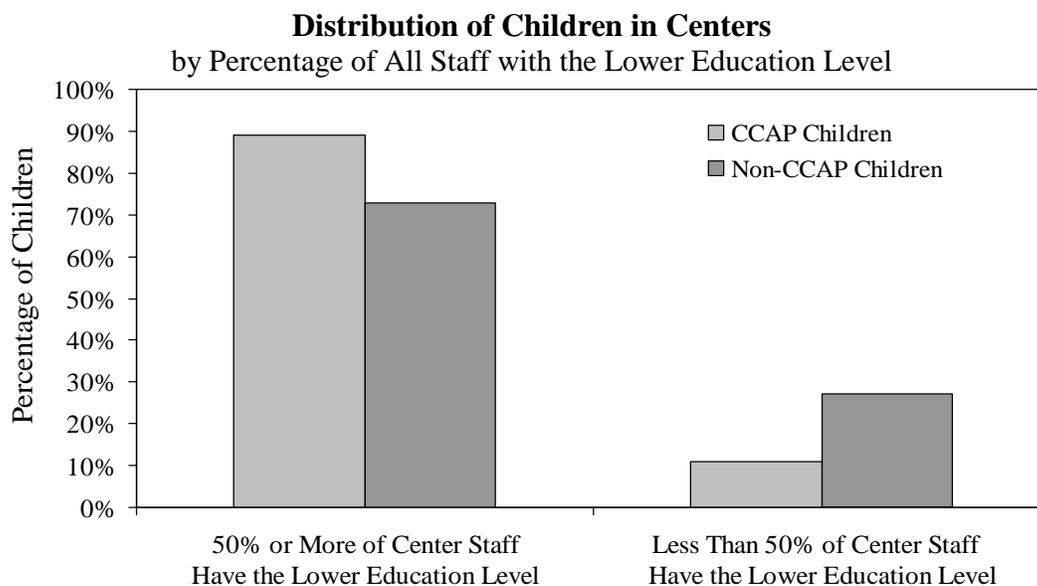
- Of the children enrolled in centers, 25% of CCA children and 14% of non-CCA children were enrolled in centers that charged 100% of the state rate, 43% of CCA children and 31% of non-CCA children were enrolled in centers that charged 101% to 110% of the state rate, 13% of CCA children and 22% of non-CCA children were enrolled in centers that charged 110% to 125%, and 14% of CCA children and 21% of non-CCA children were enrolled in centers that charged 125% or more.
- Of the children enrolled in centers, 27% of CCA children and 43% of non-CCA children were enrolled in centers that charged 110% or more of the state rate.

Distribution of Children by Education Levels of Staff

One of the indicators of quality is the education of the child care staff. For the purpose of this Market Rate Survey, education levels of staff were divided into the following categories:

Higher Level of Education	Graduate Degree
	Some Graduate Work
	Four-year ECE Degree
	Four-year Degree
Middle Level of Education	Two-year ECE Degree
	Two-year Degree
	One-year Degree
	CDA
Lower Level of Education	Some College
	High School/GED
	Some High School

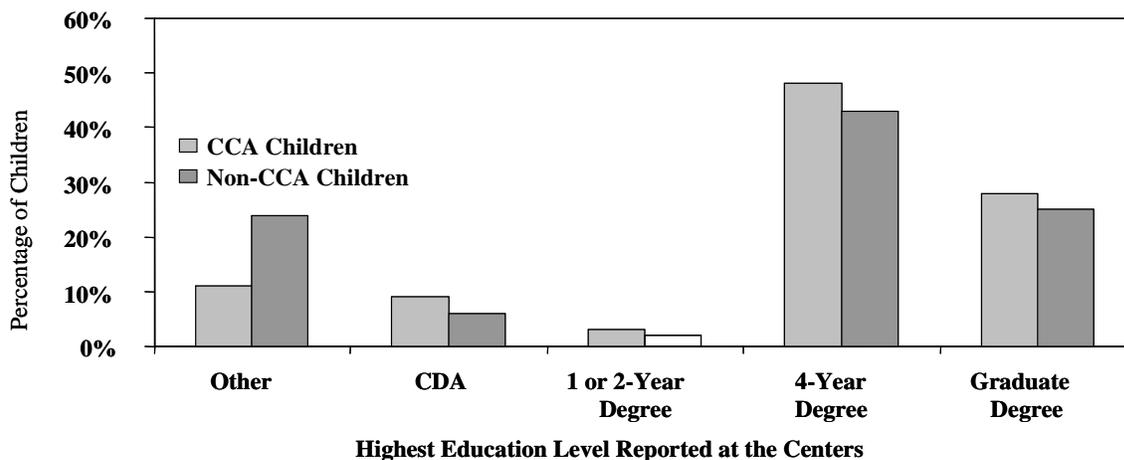
The graph below indicates the distribution of CCA children and non-CCA children in centers by the lower education level of staff .



- The percentage of CCA children enrolled in centers where 50% or more of the staff had the lower education level is 18% more than the percentage of non-CCA children.
- The majority of all children in centers are located in centers where 50% or more of the staff had the lower education level.

A question on the survey asked the highest level of education for staff members in each center. The following graph shows the distribution of children in centers in relation to the highest level of staff education reported. The previous graph considered all staff; this graph examines the highest education level reported for any one staff person.

Distribution of CCA and Non-CCA Children
By the Highest Education Level Reported at Centers

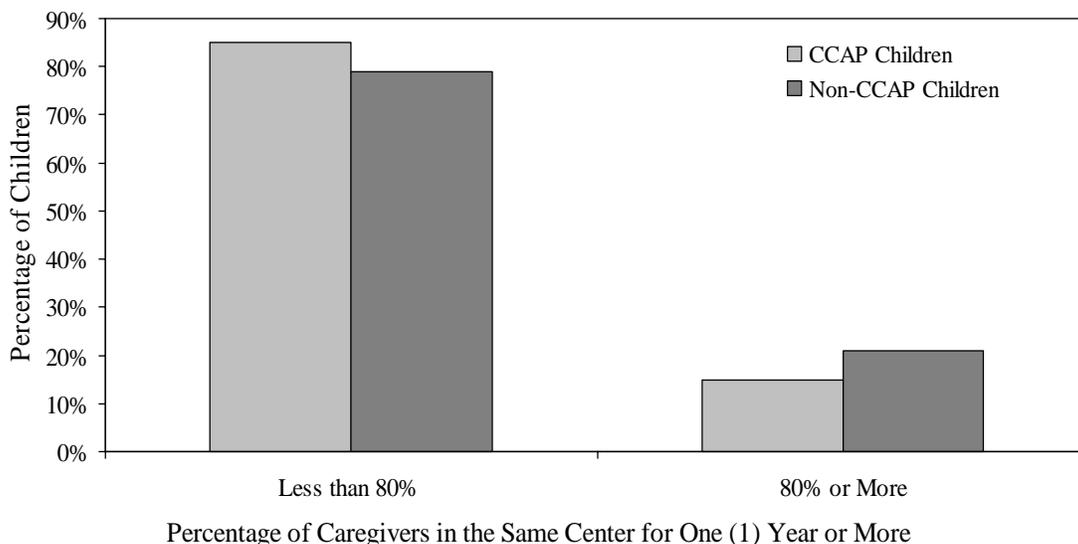


- This is one indicator where the relative distribution of CCA and non-CCA children is positive.

Distribution of Children by Staff Longevity

The following graph shows that there is a high turnover of staff who work with children in child care centers. An attempt was made to see the difference between the distribution of CCA children and non-CCA children in relation to caregiver staff longevity. The graph shows there is little difference.

Distribution of Children by Caregiver Longevity in Centers



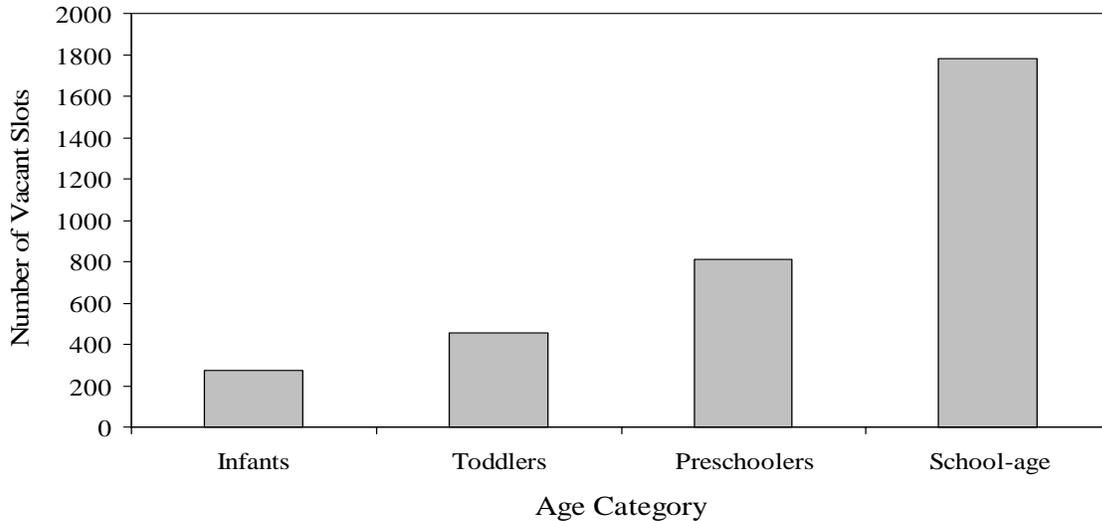
- Few children were in centers with 80% of caregivers employed for one year or more.

Availability of Child Care

Availability of child care is documented by the age groups of children: infants, toddlers, preschoolers, and school-age. Infant care is usually the least available; it is the most expensive and the least profitable for caregivers. Toddler care is also affected by these issues.

The following graph shows vacant slots by child age group as reported in the survey.

Vacant Slots by Age Category in April 2005



- Infant care is the least available.
- The vacancies increased as the age category of the child increased.

The following table indicates reported vacant slots by region and age group of children as a percentage of licensed capacity. It includes vacancies for all licensed provider types in April 2005.

Slots Available as a Percentage of Licensed Capacity

	Infants	Toddlers	Preschoolers	School-age	Total
Anchorage	0.8%	2.0%	4.0%	13.7%	20.6%
Mat-Su	7.0%	10.7%	13.2%	14.3%	45.3%
Juneau	0.3%	1.1%	2.8%	19.3%	23.5%
Southeast	3.3%	5.8%	6.9%	14.3%	30.3%
Fairbanks	2.0%	3.3%	6.4%	12.3%	24.0%
Interior	0.9%	2.5%	9.6%	3.4%	16.4%
Gulf Coast	6.4%	6.8%	14.2%	13.9%	41.4%
Northern	1.3%	7.8%	11.0%	11.0%	31.2%
Southwest	10.3%	9.2%	8.0%	13.8%	41.4%
Statewide	2.1%	3.6%	6.3%	13.8%	25.8%

- Mat-Su shows the largest percentage of vacant slots; Interior shows the smallest.
- Infant slots were least available while slots for school-age children were most available.
- Juneau shows the greatest difference in vacant slots from infants to school-age children, Interior the least.
- Southwest is the only region where the smallest percentage of vacant slots reported was for preschoolers; the smallest percentage of vacant slots for all other regions was infants.

Availability of Night-Time Care

Limited night-time care is an issue when parents work non-traditional shifts. Night-time care is defined as after 10:00 PM and before 6:00 AM. The *percent* and *numbers* of providers who indicated they provide night-time child care are summarized in the following two tables. All providers who reported providing night time care said that they were open twenty-four hours a day.

Percentage of Providers Reporting Night-Time Child Care

Region	Centers	Group Homes	Homes	All Licensed Providers
Anchorage	0%	NA	31%	19%
Mat-Su	0%	14%	26%	16%
Juneau	0%	25%	0%	3%
Southeast	0%	9%	0%	2%
Fairbanks	0%	22%	33%	26%
Interior	0%	14%	0%	6%
Gulf Coast	0%	54%	43%	35%
Northern	0%	NA	0%	0%
Southwest	0%	0%	0%	0%
Statewide	0%	23%	26%	18%

Number of Providers Reporting Night-Time Child Care

Region	Centers	Group Homes	Licensed Homes	All Licensed Providers
Anchorage	0	0	26	26
Mat-Su	0	2	5	7
Juneau	0	1	0	1
Southeast	0	1	0	1
Fairbanks	0	2	13	15
Interior	0	1	0	1
Gulf Coast	0	7	17	24
Northern	0	0	0	0
Southwest	0	0	0	0
Statewide	0	14	61	75

Availability of Weekend Care

Providers who reported being open at any time on the weekend were counted as providing weekend care. The *percent* and *numbers* of providers who indicated they provide weekend care are summarized in the following two tables.

Percentage of Providers Open on the Weekend

Region	Centers	Group Homes	Licensed Homes	All Licensed Providers
Anchorage	0%	NA	39%	24%
Mat-Su	17%	29%	58%	38%
Juneau	0%	25%	0%	3%
Southeast	30%	27%	9%	18%
Fairbanks	11%	11%	35%	28%
Interior	0%	29%	0%	13%
Gulf Coast	20%	54%	55%	47%
Northern	0%	NA	0%	0%
Southwest	0%	0%	0%	0%
Statewide	8%	30%	35%	27%

Number of Providers Open on the Weekend

Region	Centers	Group Homes	Homes	All Licensed Providers
Anchorage	0	0	33	33
Mat-Su	2	4	11	17
Juneau	0	1	0	1
Southeast	3	3	2	8
Fairbanks	1	1	14	16
Interior	0	2	0	2
Gulf Coast	3	7	22	32
Northern	0	0	0	0
Southwest	0	0	0	0
Statewide	9	18	82	109

- Weekend care, much like night time care, is limited.
- About a quarter of providers surveyed reported being open on the weekend.
- Of the 75 providers who reported being open at night, 67 also reported being open on the weekend.

Provider Issues

Actual Attendance and Desired Attendance

Providers were asked whether their actual attendance equaled their desired attendance. Many providers stated that they did not provide care for the number of children that they wished to each day in their facility. The first table shows the *percentage* of providers in which the actual attendance equaled their desired attendance and the following table indicates the same but shows it by the *number* of providers.

**Actual Attendance Equaled Desired Attendance
by Percentages of Providers**

Region	Centers	Group Homes	Licensed Homes	All Licensed Providers
Anchorage	11%	NA	46%	33%
Mat-Su	8%	36%	32%	27%
Juneau	25%	75%	35%	38%
Southeast	20%	45%	39%	36%
Fairbanks	22%	44%	55%	48%
Interior	50%	29%	33%	38%
Gulf Coast	20%	23%	45%	35%
Northern	50%	NA	100%	80%
Southwest	0%	0%	0%	0%
Statewide	17%	37%	45%	36%

**Actual Attendance Equaled Desired Attendance
by Numbers of Providers**

Region	Centers	Group Homes	Licensed Homes	All Licensed Providers
Anchorage	6	0	39	45
Mat-Su	1	5	6	12
Juneau	2	3	6	11
Southeast	2	5	9	16
Fairbanks	2	4	22	28
Interior	3	2	1	6
Gulf Coast	3	3	18	24
Northern	1	0	3	4
Southwest	0	0	0	0
Statewide	20	22	104	146

- Centers reported attaining their desired level of attendance the least and homes reported the most.

Barriers to Increasing Enrollment

Increasing enrollment is an issue for many providers. The following table is a summary of 213 responses from providers regarding their perception of the barriers to increasing enrollment.

Barriers to Increasing Enrollment

Challenge	Response Numbers	Main Geographic Regions Reporting	Main Provider Types Reporting
Lack of Attendance (Illness or other reasons parents do not utilize scheduled child care)	36	Anchorage, Gulf Coast, Interior, Juneau, Southwest	Centers
Lack of Demand (Bad economy, declining population, facility location)	31	Gulf Coast, Interior, Juneau, Southeast Southwest	Licensed Homes Centers
Lack of Advertising (Includes "just opened or increased capacity")	28	Fairbanks, Mat-Su, Southeast, Southwest	Licensed Homes Group Homes
Labor Shortage (Inability to hire more staff and/or qualified staff)	24	Fairbanks, Interior, Juneau, Mat-Su	Centers
Age Capacity Limits (Most frequently related to infant care)	22	Anchorage, Fairbanks Gulf Coast, Juneau Mat-Su	Licensed Homes Group Homes
Seasonal Fluctuations In Demand for Child Care	15	Fairbanks, Interior, Mat-Su, Northern, Southeast, Southwest	Group Homes
Other Providers (Competition)	14	Gulf Coast, Interior, Juneau, Southeast, Southwest	Group Homes
Provider's Own Children are Counted in Ratio	13	Anchorage, Juneau, Mat-Su	Licensed Homes
Competition from Other Activities (Typically: after school)	11	Anchorage, Juneau	Centers
Part-Time Attendance (Difficult to schedule with another child)	9	Gulf Coast Mat-Su Southeast	Group Homes
Licensing Regulations (Restrictions)	7	Anchorage Fairbanks	Centers Group Homes
Space Constraints	3	Anchorage, Southeast	Centers
Total Number of Responses	213		

Expulsions

There is growing concern about the increasing numbers of children with difficult behaviors in child care settings. The 2005 market rate survey attempted to determine the magnitude of the problem by asking the following question: “During the last year, have you asked one or more families to withdraw a child from your program because you were unable to handle the child’s social or emotional problems?”

The following table provides the responses received from the survey.

Expulsions from Child Care

	Center	Group Home	Home	All Licensed Providers
Facilities reporting at least one expulsion in past year	35%	18%	14%	20%
Number of children expelled in past year	88	14	44	146
Total number of children enrolled in child care by provider type in April 2005	8,854	715	1,464	11,033
Percentage of April 2005 enrollment	1%	2%	3%	1%

Percent of Expulsions by Child Type

Provider Type	Infant Toddler	Preschooler	School-age	Total
Centers	16%	63%	21%	100%
Group Homes	40%	27%	33%	100%
Licensed Homes	32%	38%	30%	100%
All Licensed Providers	24%	50%	26%	100%

- Thirty-five percent (35%) of centers reported expelling at least one child due to behavioral issues in the last year, as did 18% of group homes and 14% of licensed homes
- Comparing the number of expulsions in the year to the number of children enrolled in April 2005, licensed homes expelled 3%; group homes expelled 2%; and centers expelled 1%.
- Fifty percent (50%) of the children who were expelled were preschoolers.

Wages

All data in this section pertains to centers only. Licensed homes and group homes typically have few or no employees.

Child care workers are amongst the lowest paid workers in Alaska. Wages tend to be correlated with low education levels and low rates of employee retention. Wages, education levels and employee retention are frequently used as measures of child care quality.

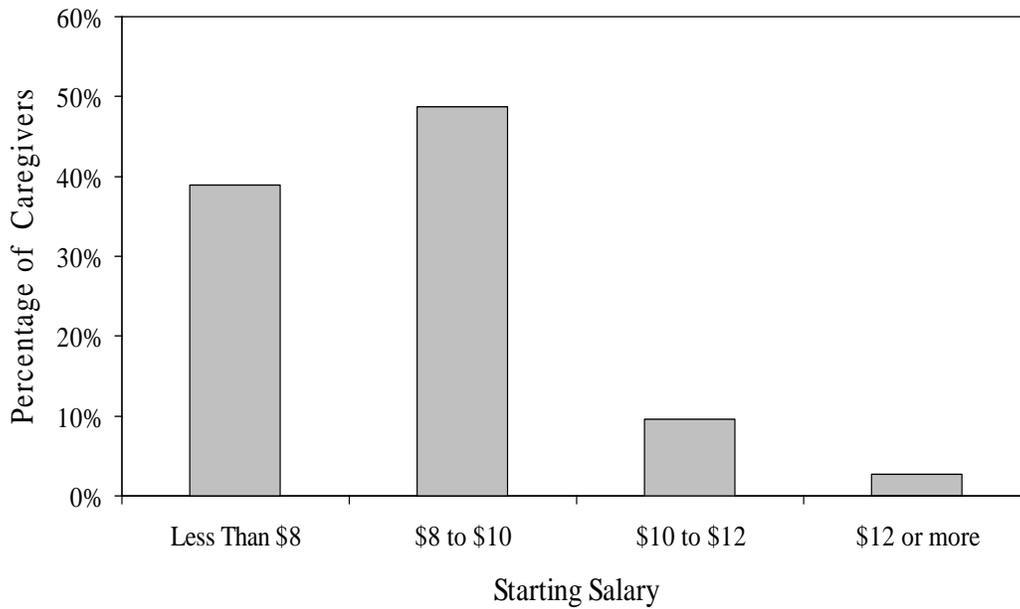
Caregivers Paid the Minimum Wage (\$7.15) in Centers

Region	Number of Caregivers	Number of Caregivers Paid Minimum Wage	Percent of Caregivers Paid Minimum Wage
Anchorage	817	20	2%
Mat-Su	87	16	18%
Juneau	108	0	0%
Southeast	75	0	0%
Fairbanks	139	0	0%
Interior	30	1	3%
Gulf Coast	86	9	10%
Northern	20	0	0%
Southwest	10	0	0%
Statewide	1372	46	3%

- The majority of caregivers were paid more than the minimum wage.
- The percentage of caregivers paid the minimum wage was highest in Mat-Su, followed by the Gulf Coast.

The following graph indicates the percentage of caregivers in centers paid within the indicated ranges. If a center had a range of starting salary, the lower end of the salary range was used.

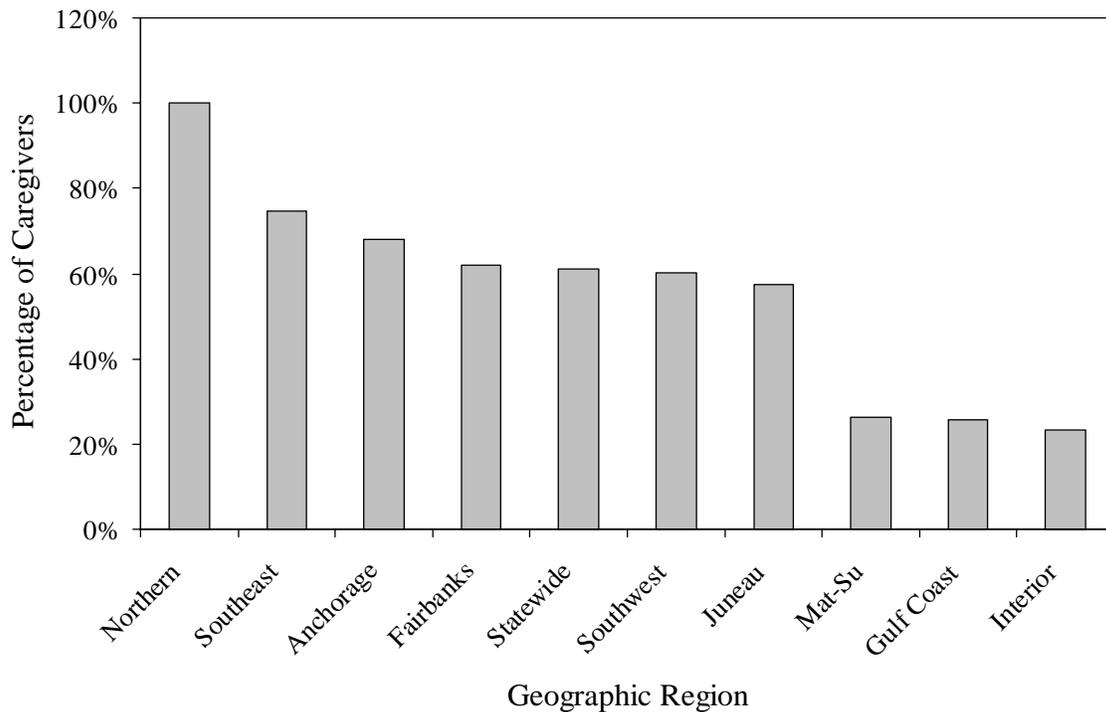
Distribution of Starting Salaries of Caregivers in Centers



- Starting salaries were usually in the \$8 to \$10 range; seven of eight caregivers were employed in centers that offered starting salaries of \$10 or less.

The following graph indicates the percentage of caregivers in centers whose starting salary was \$8.00 or more. If a center had a range of starting salary, the lower end of the salary range was used.

Percentage of Caregivers in Centers with Starting Salaries of \$8 or More



Staff Education Levels

The level of education in the child care workforce is one of the indicators used to measure the quality of care. The quality of child care tends to improve as the education of the child care workforce increases. The Child Development Associate (CDA) credential was established as a major national effort designed to improve the skills of caregivers and to increase their professional development. The CDA is recognized as a significant tool in improving the quality of child care. Once a CDA is earned, many caregivers enroll in college courses to seek further education.

The following table shows the highest education level reported for all staff (not just caregivers) of a facility. The owner/operator of a home usually provides all the care; however, group homes may have an additional staff person. It cannot be assumed that the person reported with the highest education level in centers was the center director, because the survey question did not ask specifically for the center director's education level.

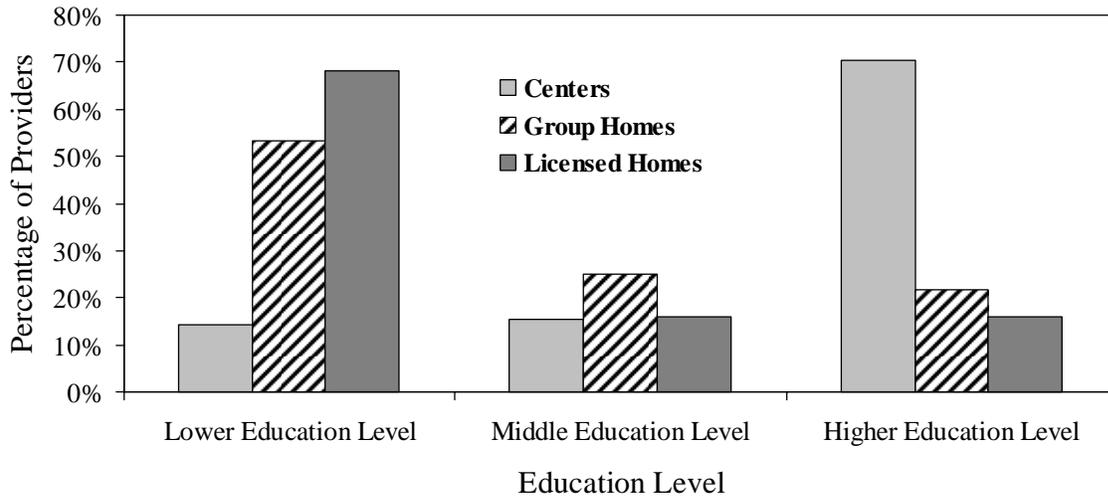
Highest Level of Education Attained

Level of Education	Centers	Group Homes	Homes
Graduate Degree	17.8%	5.0%	1.7%
Some Graduate Work	1.7%	0.0%	0.4%
Four-Year ECE Degree	16.1%	5.0%	4.3%
Four-Year Degree	34.7%	11.7%	9.5%
Two-Year ECE Degree	0.0%	3.3%	2.2%
Two-Year Degree	2.5%	13.3%	5.2%
One-Year Degree	0.8%	3.3%	1.3%
CDA	11.9%	5.0%	7.3%
Some College	11.9%	35.0%	31.9%
High School/GED	0.0%	1.7%	6.5%
Some High School	0.0%	16.7%	28.4%
Not Reported	2.5%	0.0%	1.3%

- Over 70% of centers reported four-year degrees or higher as their highest level of education.
- Over 50% of group homes and nearly 70% of licensed homes reported less than a CDA as their highest level of education.

The following graph is derived from the preceding table.

Percentage of Providers with the Highest Level of Education Indicated



The following table includes data for all workers (not just caregivers) in centers whose education levels were reported, rather than the highest education level reported for the center. The number of workers reported does not accurately reflect the total number of workers because not all workers had their education levels reported.

Distribution of Staff Education Levels in Centers Only

	Anchorage	Mat-Su	Juneau	SE	Fairbanks	Interior	Gulf	North	SW	State-wide
Graduate Degree	2%	2%	2%	0%	4%	0%	2%	0%	0%	2%
Some Graduate Work	0%	0%	2%	1%	0%	0%	2%	0%	0%	0%
Four-Year Degree	8%	5%	12%	5%	11%	0%	9%	4%	30%	8%
Four-Year ECE Degree	6%	9%	7%	5%	12%	3%	5%	4%	0%	7%
Two-Year Degree	1%	1%	1%	0%	0%	0%	3%	0%	0%	1%
Two-Year ECE Degree	4%	4%	2%	4%	4%	0%	2%	0%	10%	4%
One-Year Degree	0%	1%	0%	0%	1%	0%	1%	0%	0%	0%
CDA	10%	16%	19%	8%	7%	3%	12%	4%	0%	10%
Some College	34%	25%	10%	19%	23%	56%	33%	22%	20%	29%
High School/GED	35%	34%	41%	58%	39%	32%	25%	57%	40%	37%
Some High School	1%	3%	5%	0%	1%	6%	6%	9%	0%	2%
Number of Workers	796	102	108	78	171	34	100	23	10	1422
Number of Centers	52	11	8	10	9	6	15	2	2	115

- About one in six of the statewide child care workforce in centers possessed a four-year degree or higher
- About one in ten had earned a CDA
- Approximately one-third of the child care workforce had attained a minimum of a CDA.
- Approximately two-thirds of child care workers fell within the lower education level.
- Juneau had the highest percentage of caregivers with a CDA credential at 19 percent.
- Anchorage, Mat-Su and Gulf Coast had ten percent or more workers with a CDA.
- Staff with graduate degrees worked in the more populated areas.

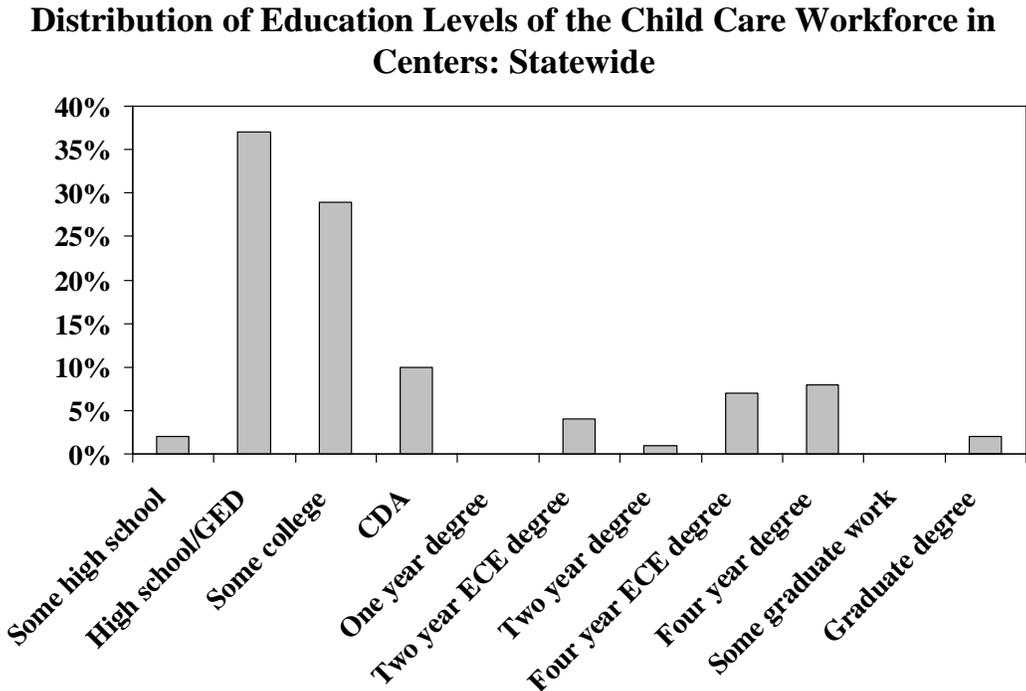
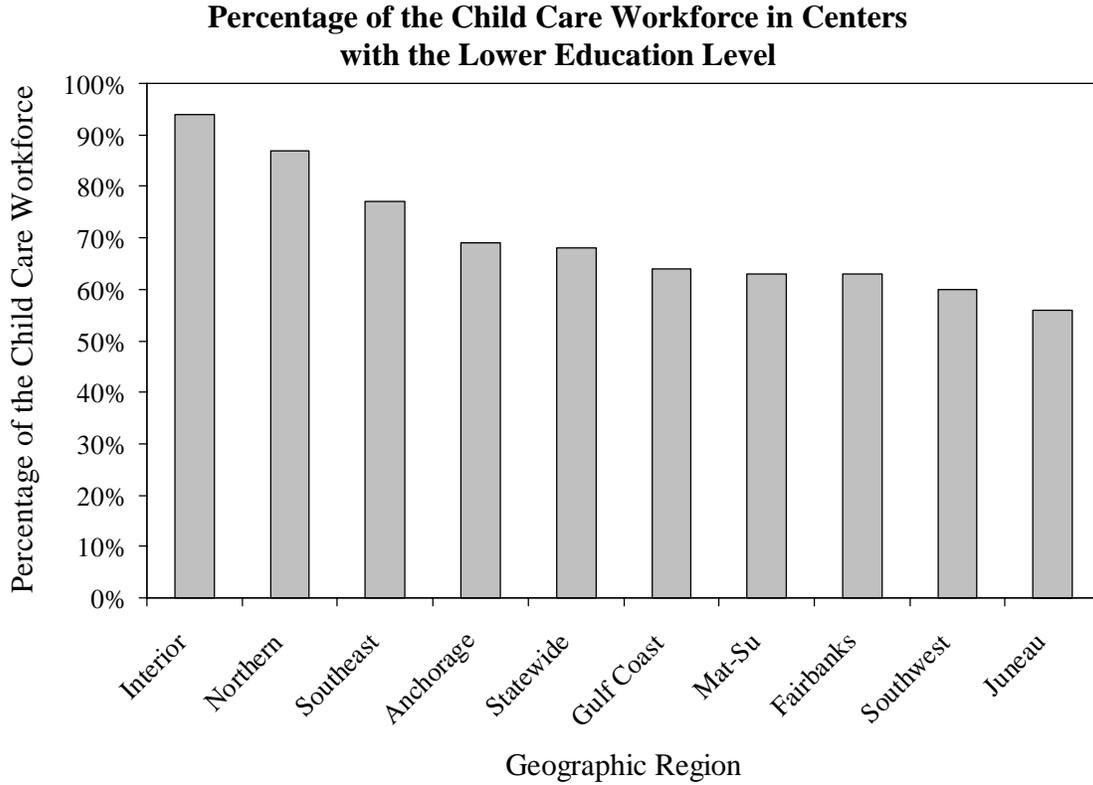
There were also regional differences in the education attainment levels of the child care workforce. The following chart illustrates the differences amongst provider types in each region and all licensed providers statewide.

Percentage of Staff with a CDA or Higher
(Middle and Higher Education Levels)
By Region

Region	Centers	Group Homes	Homes	All Licensed Providers
Anchorage	31%	NA	39%	32%
Mat-Su	37%	46%	25%	37%
Juneau	44%	75%	29%	44%
Southeast	23%	32%	30%	26%
Fairbanks	37%	30%	20%	34%
Interior	6%	7%	100%	12%
Gulf Coast	36%	35%	20%	32%
Northern	13%	NA	33%	15%
Southwest	40%	0%	0%	24%
Statewide	32%	34%	30%	32%

- Most of the workforce in child care was composed of staff within the lower educational level.
- In Juneau, the region that had the highest percentage of workers with at least a CDA, more than one-half of the workforce was comprised of staff within the lower education level.

The following graph illustrates the regions where caregivers in centers had the lower education level.



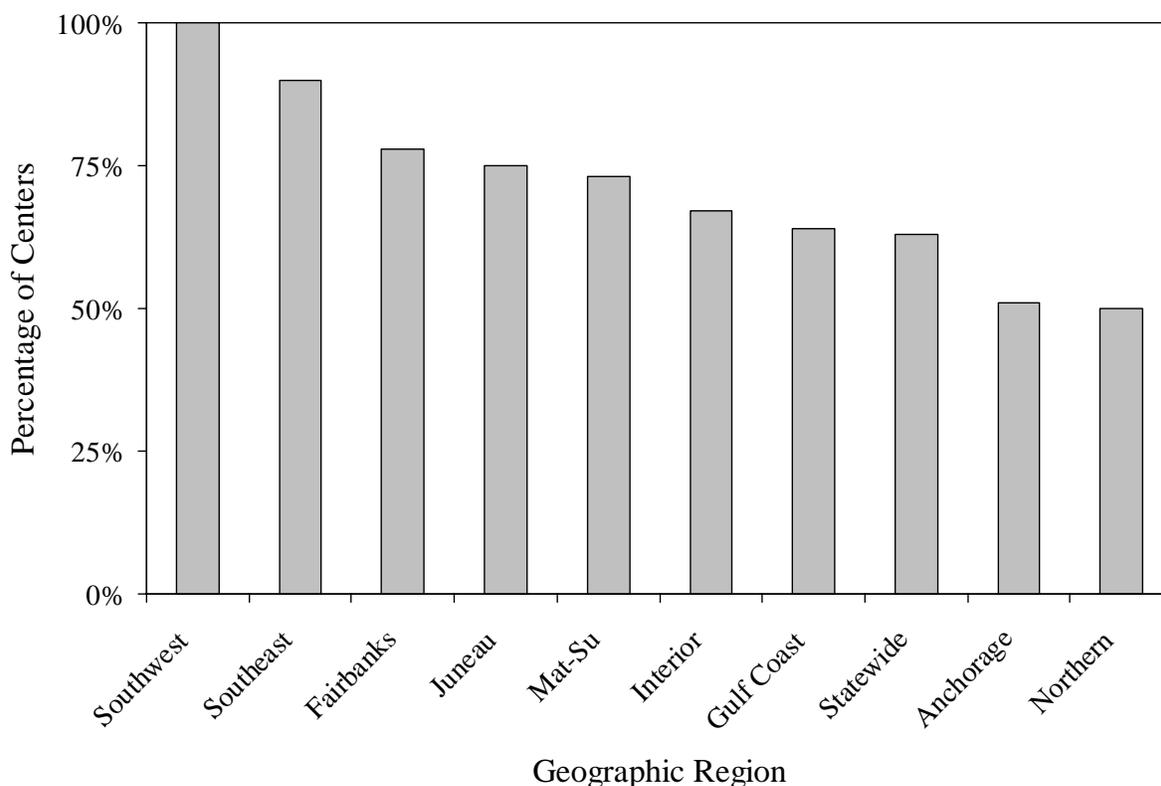
Staff Retention

The child care profession experiences high staff turnover rates. Recruiting and retaining staff is a crucial issue for providers, as well as children. Children develop more secure relationships and are able to focus on learning when they have consistent caregivers. High rates of turnover affect the quality of care as well as the efficiency of running a business. The table below shows the percentage of caregivers who have been employed in the same center, group home, or home for one year or longer. These percentages, subtracted from 100, are representative of turnover rates for positions. However, they do not account for the number of staff that may have passed through a position. If the number of staff passing through positions was accounted for, the turnover rate would be higher. Also, the percentage for homes is not really indicative of staff turnover, but rather indicates the number of home providers who have been in business for one year or longer.

Percentage of Caregivers Employed for One (1) Year or More

Region	Centers	Group Homes	Homes	All Licensed Providers
Anchorage	51%	NA	89%	55%
Mat-Su	63%	57%	95%	66%
Juneau	66%	63%	82%	68%
Southeast	67%	79%	91%	74%
Fairbanks	65%	48%	95%	69%
Interior	61%	33%	100%	53%
Gulf Coast	53%	77%	93%	68%
Northern	55%	NA	100%	61%
Southwest	50%	0%	67%	41%
Statewide	56%	58%	91%	61%

Caregiver Longevity in Centers
 Percentage of Centers Reporting 50% or More of Their Caregivers
 Employed at Their Center for One (1) Year or More



Note: The percentages for Caregiver Longevity in Centers are based on the number of centers reporting from each region:

Region	Centers Reporting
Anchorage	54
Mat-Su	12
Juneau	8
Southeast	10
Fairbanks	9
Interior	6
Gulf Coast	15
Northern	2
Southwest	2
Total	118

Challenges to Retaining Staff

The following chart summarizes comments received from providers regarding their identified challenges to retaining staff.

Over 80% of the responses were from centers and almost 20% from group homes. There were 178 center and group home respondents to the survey and 157 responses to this question; therefore, the volume of responses to this question is considered sizeable.

Challenges to Staff Retention

Challenge	Response Numbers	Main Geographic Regions Reporting	Main Provider Types Reporting
Wages (Inadequate, low salary/wages/pay scale)	68	Fairbanks, Interior, Juneau, Southeast, Southwest	Centers
Benefits (Lack of employer benefits such as health insurance, retirement contributions, etc.)	29	Juneau, Gulf Coast, Anchorage	Centers
Staff Qualifications (Lack of education, certification, or ability / temperament to work with children)	17	Gulf Coast Mat-Su Northern	Centers
Transience (Of the applicant pool, referring to college students in particular)	17	Anchorage Fairbanks	Group Homes
Just Opened (New facility, location, or expanded services)	14	Interior, Mat-Su, Southwest	Group Homes
Hours/Schedule (Not enough hours or convenient hours for staff)	12	Anchorage, Juneau, Northern	Centers
Total Number of Responses	157		