

**SF-83-1 SUPPORTING STATEMENT –  
PART B**

**NATIONAL DATABASE OF CHILDCARE COSTS**

## **B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

### **1. RESPONDENT UNIVERSE AND SAMPLING METHODS**

**Market Rate Surveys.** Over 1.4 million children receive childcare subsidies each month, provided through the Child Care and Development Fund (CCDF).<sup>1</sup> Subsidy payment rates are determined by states, but payment rates are required to be informed by market prices. States are encouraged, but not required, to set payment rates at the 75<sup>th</sup> percentile of the market price. To obtain market prices, states are required to conduct a Market Rate Survey (MRS) no more than two years prior to the submission of states' Child Care and Development Fund (CCDF) Plan. The CCDF Plan serves as the mandatory state application to receive Child Care and Development Block Grant (CCDBG) funds.<sup>2</sup>

MRS data used in the CCDF Plan must be current and complete, with data collection practices statistically valid and reliable.<sup>3</sup> MRS must be conducted at least every three years. States must include variation in prices based on provider type, child age, and geographic location. Market prices must reflect local prices so parents who receive a subsidy have access to the range of providers in their local community. The goal of MRS is to demonstrate that subsidy payment rates provide equal access to quality childcare to families receiving subsidies when compared with unsubsidized families, while factoring in the age of the enrolled children and their geographic location.

Market Rate Surveys are based on a universe or sample of providers in each state. Most states rely on existing administrative databases of providers to define the universe: regulatory agencies (licensing), child care resource and referral (R&R) agencies, and subsidy agencies.<sup>4</sup> States sample childcare centers and home-based providers that charge a price for childcare. MRS do not capture care provided by family members or providers operating illegally. The price of childcare is the fee that providers charge to parents for childcare services. Prices are differentiated by the age of the child (e.g., infants, toddlers, preschoolers, school-age children) and are expressed in terms of the hours of care per a particular period of time (e.g., hourly, weekly, monthly). HHS

---

<sup>1</sup> Davis, Elizabeth, Lynn A. Karoly, Bobbie Weber, Pia Caronongan, Kathryn Tout, Patti Banghart, Sara Shaw, and Anne Partika. 2017. "Market Rate Surveys and Alternative Methods of Data Collection and Analysis to Inform Subsidy Payment Rates." OPRE Report #2017-115. Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Available online: <https://www.acf.hhs.gov/opre/resource/market-rate-surveys-and-alternative-methods-of-data-collection-and-analysis-to-inform-subsidy-payment-rates>.

<sup>2</sup> <https://www.acf.hhs.gov/occ/plans>

<sup>3</sup> Davis, Elizabeth, Lynn A. Karoly, Bobbie Weber, Pia Caronongan, Kathryn Tout, Patti Banghart, Sara Shaw, and Anne Partika. 2017. "Market Rate Surveys and Alternative Methods of Data Collection and Analysis to Inform Subsidy Payment Rates." OPRE Report #2017-115. Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Available online: <https://www.acf.hhs.gov/opre/resource/market-rate-surveys-and-alternative-methods-of-data-collection-and-analysis-to-inform-subsidy-payment-rates>.

<sup>4</sup> Grobe, Deana, Roberta B. Weber, Elizabeth E. Davis, J. Lee Kreader, and Clara C. Pratt. 2008. "Study of Market Prices: Validating Child Care Market Rate Surveys." Technical Report. Oregon State University Family Policy Program, Oregon Child Care Research Partnership. Issued September.

reports that price data are provided accurately by providers and price information is tightly linked to what parents pay in the market.<sup>5</sup>

**Respondent Universe.** Market Rate Survey data will be requested from all 50 states and the District of Columbia. Data requests will be sent to each state’s childcare administrator responsible for filing CCDF Plans.

## 2. STATISTICAL PROCEDURES

The Women’s Bureau will request 10 MRS reports and tabulations (each typically covering 2 years) from all states and the District of Columbia, representing approximately 20 years of study data in total. The Women’s Bureau will request published and unpublished MRS reports, tabulations, and data that would allow for the creation of county-level estimates of childcare prices. We seek to publish county-level estimates because county-level data will more precisely reflect the prices parents pay in the market than state-level childcare price estimates. We are not requesting data below county level because smaller geographic areas would pose more significant disclosure risks, as smaller areas may have one or few providers. American Community Survey demographic and economic indicators are also more extensively and consistently available for counties on a yearly basis. The Women’s Bureau, at this time, only intends to collect the data once.

All states are required to make available their most recent MRS report online. The most recent MRS report includes complete county-level data from 10 states. To produce a complete county-level childcare database, we would require county-level data from all states. However, based on ICF’s scan of recent MRS studies, it is anticipated that up to 10 states may not have datasets that would be considered sufficient for developing county-level price estimates. ICF has developed an imputation model to account for missing county-level data.

**Imputation.** For states that refuse to provide county-level data or tabulations, or did not collect or do not have available county-level data, an imputation method using socio-economic variables and state-level estimates will be used to impute values for each county. ICF will develop a county-level imputation model using data from states with county-level estimates. ICF will extract data from the American Community Survey to use as model variables. These imputations will be informed by ICF’s childcare Market Rate Survey work in California where a set of more than 500 variables are used to derive childcare price estimates, including housing costs, income, and educational attainment.<sup>6</sup> ICF will use the models developed for California and adapt them to a national collection. ICF will model the ratio of the county childcare prices relative to the state-

---

<sup>5</sup> Davis, Elizabeth, Lynn A. Karoly, Bobbie Weber, Pia Caronongan, Kathryn Tout, Patti Banghart, Sara Shaw, and Anne Partika. 2017. “Market Rate Surveys and Alternative Methods of Data Collection and Analysis to Inform Subsidy Payment Rates.” OPRE Report #2017-115. Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Available online: <https://www.acf.hhs.gov/opre/resource/market-rate-surveys-and-alternative-methods-of-data-collection-and-analysis-to-inform-subsidy-payment-rates>.

<sup>6</sup> Department of Education, State of California and ICF. 2017. “2016 Regional Market Rate Survey of California Child Care Providers.” Issued April 17. Available online: <https://cappa.memberclicks.net/assets/CDE/2016-17/2016%20ca%20market%20rate%20survey%20final%20report%20202.pdf>.

level prices. The outcome of the model will be a county-specific adjustment to the state average that varies based on the related socio-economic data from the ACS. In instances where data are not available for a year (e.g., the year between study cycles), ICF will impute values based on known changes between study years and the consumer price index. ICF will compare the model-derived estimates to the actual estimates in states where county-level data are reported.

**Disclosure avoidance.** The National Database of Childcare Costs will not disclose any personally identifying Information (PII) or business identifying information (BII). The Women’s Bureau does not expect to receive any files that contain PII or BII from the states. In instances where PII or BII are identified, ICF will remove and destroy the PII and BII data before the data are entered into the database. For any instances in which ICF requests original source data from states, ICF will request that PII information be removed from the file before transferring to ICF. If there are any instances in which a state indicates that it will not be feasible to remove PII from the source file, ICF will provide the state will access to a secure online portal into which the files can be transferred and ICF will remove and destroy the BII or PII data before the data are entered into the database. The database will also be evaluated to identify counties with fewer than 10 providers. Data for counties with fewer than 10 providers will be set to missing and imputed using the same imputation methodology described above.

**Standardization.** Market Rate Surveys have some state variability in how metrics are presented in MRS reports. For example, states may use different childcare price modes, hours of operation, and different age groups. To ensure that the dataset is consistent across states and time, the Women’s Bureau, through its contractor, ICF, will standardize variables across states. Childcare prices will be converted to weekly and annual estimates for each age group and care setting (e.g., center-based or home-based providers). Three age groups will be provided in the dataset: infant/toddler (birth to three years old), preschool (three years old to five years old), and school-age (five years and older). Counties will be presented using standard Federal Information Processing Standards (FIPS) codes to be compatible with the American Community Survey. Where insufficient data are available in published MRS reports to conduct accurate standardization, states will be requested to provide unpublished tabulations and data files.

### 3. METHODS TO MAXIMIZE RESPONSE

**Response rate.** The Women’s Bureau is seeking 10 childcare market rate studies (each typically covering 2 years) from each state, representing approximately 20 years of study data in total. Only 10 states publish county-level data, and within this group, they publish an average of three rounds of studies online. Therefore, ICF would estimate needing to collect seven additional studies from these 10 states, on average, but would expect a fairly high response rate of 75%, given the relative simplicity of providing the final studies that were produced. For the remaining 41 states, ICF would expect to collect county-level source data files and the final studies for each of the 10 rounds of studies to the extent that states have them available. ICF expects the number of states that will be able to respond completely to this request to for all studies to be 50% or less, given the complexity of locating electronic files with the required county-level source data files, especially for studies that were produced further back in time. ICF will implement multiple steps to ensure a high responses rates across all years, including initial joint communication from DOL and HHS and tiered follow up outreach efforts. For states that are unable to provide the required county-level source data files, ICF will follow up to request copies of the final

published studies and would expect that at least 75% of states would be able to provide the final published studies for each of the 10 study rounds.

**Partnerships.** The Women’s Bureau has taken a number of steps to increase response to the information collection. The Women’s Bureau has secured support from the Administration for Children and Families, Health and Human Services (HHS) to conduct the collection. HHS has extensive contact with the states and state childcare administrators through the CCDF program. HHS will be a co-signor on official correspondence requesting cooperation with the data request. HHS will also advise states that the Women’s Bureau will be contacting them to request MRS data, including contact through Regional Program Managers and regional technical assistance specialists who work for the State Capacity Building Centers, which is administered by ICF. In addition to partnering with HHS, the Women’s Bureau has contracted with ICF to conduct the data collection. ICF has a good working relationship with the states and extensive experience with childcare data. ICF operates the State Capacity Building Center, in partnership with HHS, and has extensive contacts with the states through this and other childcare data collection efforts. ICF has conducted MRS collections on behalf of six states.

**Prenotification and notification letters.** The Women’s Bureau, through its contractor, ICF, will provide state childcare administrators with a prenotification letter that is jointly signed by the Women’s Bureau and HHS and e-mail describing the information collection request, along with tiered follow-up notifications. ICF will follow up with a solicitation letter and e-mail requesting that states provide unpublished or no longer available MRS reports and tabulations, sufficient to derive county-level estimates of childcare prices. States will be provided with 30 days to respond to the initial request. ICF will follow-up with a reminder e-mail one week before the submission deadline to states who have not responded. ICF will also send out an e-mail requesting additional information to states that provide an incomplete response. ICF will follow-up with an additional round of e-mails to states that have not provided a response or provided an incomplete response one week after the submission deadline.

**Timing.** The Women’s Bureau will make requests for data after states have submitted their CCDF Plans, per HHS’s suggestion. During the preparation of a state’s CCDF Plan, states have limited time and resources to respond to additional inquiries. CCDF Plans were finalized in October 2018. The Women’s Bureau will request data in 2019 when states will have fewer demands on their time.

**Burden reduction.** The Women’s Bureau, through its contractor, ICF, has conducted a review of all 51 state childcare agency websites to locate and archive all childcare MRS reports that are already publicly available. This will allow ICF to avoid the duplication of asking states to provide studies that are already available online and reduce their reporting burden. ICF will only request data that has not already been made publicly available. ICF will provide states with enough prenotification and time to deliver the requested files. ICF will collect responses electronically via a convenient and secure online portal.

#### **4. TESTING OF PROCEDURES**

Procedures will not be formally tested for this information collection. Outreach materials and communication will follow statistical best practices to obtain a high response rate.

## 5. CONTACTS FOR STATISTICAL ASPECTS OF DATA COLLECTION

Chief consultants on statistical aspects of data collection at ICF are: Kenley Branscome, Project Technical Lead ([Kenley.Branscome@icf.com](mailto:Kenley.Branscome@icf.com) or 857-334-4966) and Randal ZuWallack, Senior Statistical Advisor, ICF ([Randy.ZuWallack@icf.com](mailto:Randy.ZuWallack@icf.com) or 802-364-3724).

At the Women's Bureau/Department of Labor, the contact for statistical aspects of data collection is Liana Christin Landivar, Senior Researcher ([landivar.liana.c@dol.gov](mailto:landivar.liana.c@dol.gov); 202-693-6713).