



DIVISION OF EARLY LEARNING

# 2022-2023 MARKET RATE SURVEY REPORT

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## Background

The Market Rate Survey (MRS) is the collection of private pay rates charged by child care providers throughout the state of Florida. This information informs the Division of Early Learning (DEL), early learning coalitions (ELCs/coalitions) and partners statewide about the cost of child care within local communities. The information collected is used to analyze the prices and fees charged by child care providers for services based on full-time and part-time care. The market rate is one tool used to determine the School Readiness (SR) reimbursement rates for contracted providers.

The Market Rate Survey must be statistically valid, reliable and reflect variations in the cost of child care services by geographic area, provider type and ages of children served. Lead Agencies may use a statistically valid and reliable alternative methodology, such as a cost estimation model for setting payment rates. A cost estimation model estimates the cost of care by incorporating both data and assumptions to judge expected costs incurred by child care providers and parents under different scenarios. Another approach is incorporating a cost survey to collect cost data at the provider level to measure the costs to deliver child care services. Lead Agencies must conduct these activities no earlier than two years before the submission date of the triennial Child Care and Development Fund (CCDF) State Plan.

Part VI, Chapter 1002 of the Florida Statutes (F.S.), requires annual calculation of the prevailing market rate and procedures for the collection of data to support the calculation of the cost of care by the Early Learning Programs Estimating Conference (conference). The conference determines the cost of child care by care level and provider type, the provider type weights and the methods of computation based on data provided by the DEL. The conference provides the official cost-of-care information to the legislature at least 90 days before the scheduled annual legislative session.

DEL conducts the MRS in accordance with 45 Code of Federal Regulations (C.F.R.) 98.45 and includes the prevailing market rate based on the 75<sup>th</sup> percentile. The division is required to certify that rates are sufficient to ensure SR children have equal access to child care services comparable to those in state or local sub-markets for children who are not eligible to receive CCDF or other federal or state child care assistance. The data relied on to determine that payment rates are sufficient to ensure equal access in the CCDF State Plan must be described. Examples of factors Lead Agencies can consider include:

- Payment rates set at the 75th percentile or higher of the most recent survey.
- Tiered rates or differential rates for special populations, higher quality care or other conditions.
- Rates based on data on the actual cost of providing care.
- Data on the size of the difference in expenditures between payment rates set at the 75th percentile and rates that are below the 75th percentile.
- Data on the proportion of children being served over time.
- Data on the types of settings where children are served.
- Feedback from parents, including parent surveys or parental complaints.

The benchmark for equal access established by the Administration for Children and Families' Office of Child Care (OCC) is the 75th percentile of the current child care market. OCC considers payment rates set at the 75th percentile or higher as providing equal access.

The division conducted a narrow cost analysis and the outcome of the analysis is delineated below.

Methodology for the Narrow Cost Analysis

- DEL collected full-time equivalents and corresponding base DEL-approved payment rates by county, care level, unit of care, and provider type for FY 2022-2023 from Florida's Single Statewide Information System (SSIS) and private pay rates based on care level and unit of care from the FY 2022-23 MRS. These rates were adjusted by county using the corresponding Comparative Wage Factor (CWF).
- DEL consolidated provider cost of care data from the FY 2022-2023 survey in Florida's SSIS. For the fiscal year, there were over 6,000 responses for annual expenditures in the following cost categories:
  - Materials and curriculum,
  - Food/food preparation,
  - Maintenance,
  - Regulatory costs,
  - Operational costs, such as payroll/benefits, rent/mortgage and facility expenses, and
  - Average number of children enrolled.
- Average enrollment numbers for centers and family child care homes were used as input to create a profile for a typical center and family child care home.
- The Provider Cost of Quality Calculator (PCQC) was used to estimate costs for a 'typical' center and family child care home at this link: <https://pcqc.acf.hhs.gov>.
- Input from School Readiness program staff and data from the FY 2022-2023 survey in Florida's SSIS was used to create a base scenario for a center and a family child care home.
- The PCQC used the classroom and teacher/student ratios entered to create a model of the staff needed to support the business.
- The PCQC included a range of salaries for staff members based on wages in Florida for each position at a typical provider. Three scenarios were created using the ranges of salaries provided:
  - Base – basic licensure, lowest salary amount.
  - Tier 1 Quality – midpoint salaries.
  - Tier 2 Quality – highest salaries.
- DEL multiplied the full-time equivalents by the corresponding rates (base DEL-approved payment rates, statewide 75<sup>th</sup> percentile private pay rates, Base, Tier 1 Quality, and Tier 2 Quality). These rates were annualized by multiplying by 260 days of care. The Comparable Wage Factor (CWF) was applied to the estimates to account for cost differences between counties.
- The annualized differences between the current base DEL-approved payment rates and the statewide 75<sup>th</sup> percentile private pay rates, Base, Tier 1 Quality, and Tier 2 Quality rates were then compared to estimate the additional cost to the state of the various possible rates.

How the methodology addresses the cost of child care providers' implementation of health, safety, quality, and staffing requirements

- When determining whether the PCQC was a reasonably appropriate estimate of the cost of care, DEL considered the following:
  - Recommendations from Region IV CCDF staff to use the PCQC tool.
  - Specific guidance from Quality Assurance consultants from federal contractor ICF when establishing center and family child care home models in the PCQC.

- The PCQC's detailed cost modeling, using Florida industry averages for costs including:
  - Personnel Costs
    - Director Salary
    - Education Coordinator Salary
    - Administrative Assistant Salary
    - Classroom Teacher Salary
    - Teacher Assistant Salary
    - Substitute Hourly Wage
    - Workers Compensation
    - Unemployment Rate
    - Unemployment (maximum basis for annual wages)
    - Disability Rate
    - Disability Max
    - Health Insurance
    - Annual Paid Time Off (hours per staff)
    - Additional Benefits
    - Annual Teaching Staff Training
    - Training Fees and Background Checks
    - Percent Additional Teaching Staff Time
    - Additional Per-Staff Cost
  - Non-Personnel Costs
    - Food & Food Prep
    - Kitchen Supplies
    - Classroom Supplies
    - Education Supplies
    - Office Supplies & Equipment
    - Medical Supplies
    - Insurance
    - Square Feet (average per classroom)
    - Rent, Lease, or Mortgage
    - Utilities
    - Building Insurance
    - Maintenance, Repair, and Cleaning
    - Additional Per Classroom Cost
    - Transportation
    - Telephone & Internet
    - Audits & Legal Fees
    - Licensing Fees and Permits
    - Professional Services and Fees
    - Accreditation Fees
    - Professional Membership and Subscriptions
    - Additional Per Site Cost
- Whether the cost drivers are pertinent to Florida, and to what extent each of the potential cost drivers are appropriate given different levels of care ranging from Base (basic licensing), Tier 1 Quality (SR contract eligible) and Tier 2 Quality (high quality care).

- The resulting decision was to use the cost of care estimator with the following cost drivers:
  - Emphasize modeling an average center and family child care home using the average monthly children served and overall costs from the FY 2022-2023 survey in Florida's SSIS.
  - Classify Base, Tier 1 and Tier 2 providers based on the lower, mid and higher salary ranges for all staff members for centers and family child care homes.
  - Use the PCQC tool's incorporated Florida-specific salary ranges.

The gap between costs incurred by child care providers and the DEL-approved payment rates based on findings from the narrow cost analysis

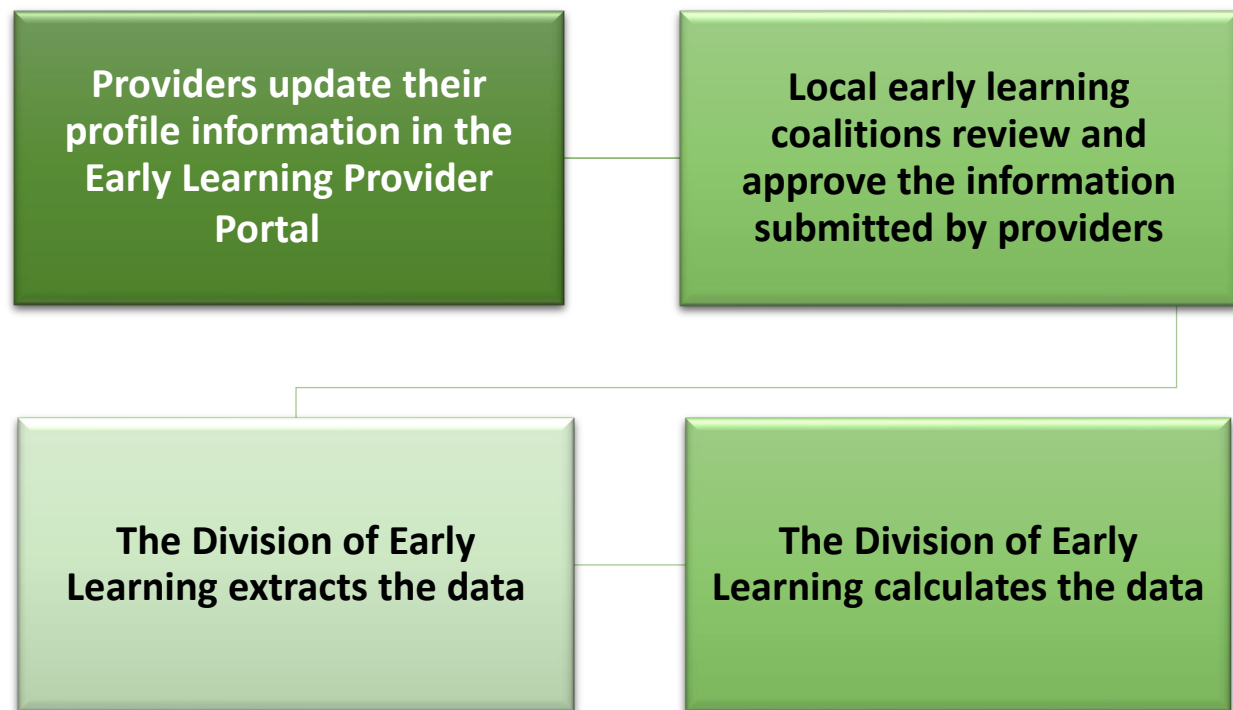
- The current DEL-approved payment rates were used as the starting point of the narrow cost analysis. The baseline annual cost was estimated using the current DEL-approved payment rates multiplied by the corresponding full-time equivalents and then multiplied by 260 days of care. This dollar amount was used as the starting point for comparing how much additional funds would be required for any identified gap.
- Next, the same process was done using the Tier 1 Quality level rates. The Tier 1 Quality level annual cost was estimated using the Tier 1 Quality rates multiplied by the corresponding full-time equivalents and then multiplied by 260 days of care.
- The same process was done using the Tier 2 Quality level rates. The Tier 2 Quality level annual cost was estimated using the Tier 2 Quality rates multiplied by the corresponding full-time equivalents and then multiplied by 260 days of care.
- Finally, the same process was done using the county-level 75<sup>th</sup> percentile private pay rate from the 2022-2023 MRS. The annual cost of the statewide 75<sup>th</sup> percentile private pay rate was estimated using the county-level 75<sup>th</sup> percentile level rates multiplied by the corresponding full-time equivalents and then multiplied by 260 days of care.
- DEL then compared the analysis' annualized cost of the different sets of rates compared to the current DEL-approved payment rates. The analysis showed the following:
  - Increasing rates to the Base level would increase the state's annual costs by 24%.
  - Increasing rates to the Tier 1 Quality level would increase the state's annual costs by 52%.
  - Increasing rates to the Tier 2 Quality level would increase the state's annual costs by 81%.
  - Increasing rates to the county-level 75<sup>th</sup> percentile level would increase the state's annual costs by 40%.

State legislation establishes a statewide rate setting process with the Early Learning Estimating Conference developing the official cost of care information. The DEL has provided the detailed data of the narrow cost analysis described above to inform the state's activities in setting new rates.

### Methodology

Providers interested in contracting with an ELC to offer SR services must be compliant with health and safety requirements, meet the contract minimum threshold for program assessment and access the Early Learning Provider Portal located within the SSIS to update their profiles. The profile update process facilitates completion of the MRS. The profile update allows families to receive the most current information on child care programs. Prior to the development of the MRS, DEL gathers private pay rate data from contracted and non-contracted legally operating providers. DEL coordinates a statewide campaign January through May that includes a flyer and email blasts to the ELCs encouraging them to invite providers and local child care organizations to invite their members to participate in the provider profile update. The profile update gathers information from all providers with active profiles in the SSIS:

those with a SR contract or a VPK contract with DEL, and those that do not wish to contract with DEL but have agreed to complete a provider profile in the SSIS. During this same period, providers complete the cost of care survey also available in the SSIS.



DEL conducted two webinars on December 19, 2023, and made available the results of the 2022-23 MRS to providers, ELCs, provider association groups, and other interested stakeholders as well as explained how this year's MRS was conducted. The webinar participants were informed of the CCDF's requirement to analyze the cost of providing child care services by conducting a narrow cost analysis. DEL incorporates input from the most recent webinars into the current MRS. As a result, DEL made changes to the upper and lower limit of acceptable rates meaning that the MRS excludes private pay daily rates that are either too high or too low to be reasonable.

### Care Levels

DEL continues to use the below care levels when establishing the MRS.

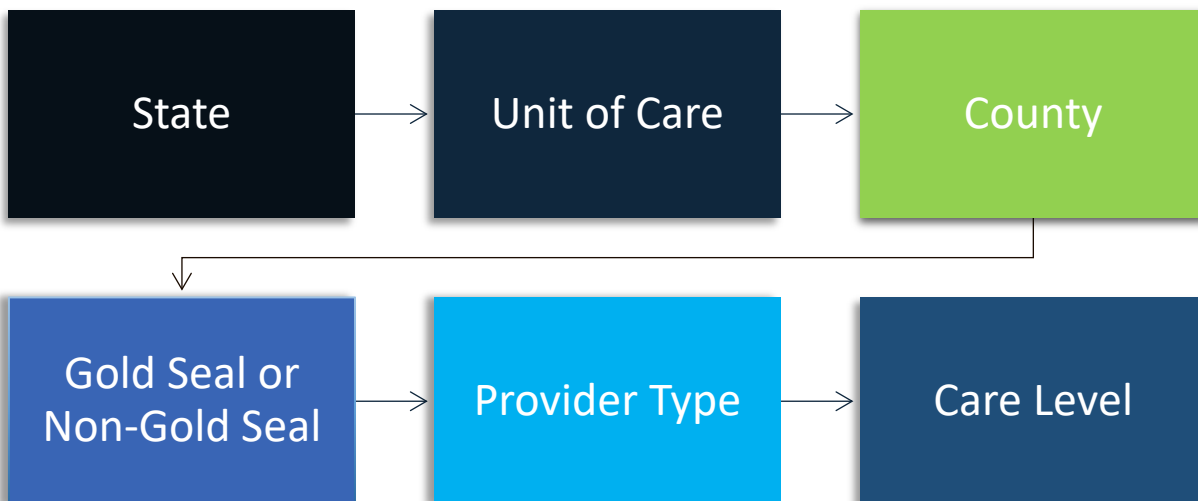
Care Levels	
Infant	Birth to 12 months of age
Toddler	12 to 24 months of age
2-Year-Old	24 to 36 months of age
Preschool 3-Year-Old	36 to 48 months of age
Preschool 4-Year-Old	48 to 60 months of age
Preschool 5-Year-Old	60 months of age to school entry
School Age	School entry to 14 years of age

## Provider Types

Section 1002.895, F.S., requires DEL to differentiate market rates by provider type as indicated below.

Provider Type Groups	
Private Center	Gold Seal Private Center
Large Family Child Care Home	Gold Seal Large Family Child Care Home
Family Child Care Home	Gold Seal Family Child Care Home
Public School	Gold Seal Public School
Non-Public School	Gold Seal Non-Public School
Faith-Based Exempt	Gold Seal Faith-Based Exempt

DEL organizes the data into the categories shown in the following image:



## Calculating the Market Rate

### Private Pay Rates

The Early Learning Provider Portal in Florida's SSIS allows providers to create profiles, which includes the rates providers charge private pay customers. The SSIS records these rates by care level (based on the age of the child) and unit of care (full-time or part-time).

As recommended by the OCC, private pay rates are weighted based on the total capacity of the provider. The total capacity for providers is available from the Florida Department of Children and Families as the primary source of data, and from the provider profiles in the SSIS as a secondary source.

Private pay rates are entered by the provider and errors may occur that are not caught by the provider or the ELC before being approved in the SSIS. For this reason, daily private pay rates that fall outside an accepted range of values are excluded from the survey. The MRS report shows the number of rates used and the number of rates excluded.

- Full-Time Daily Rates are excluded if over \$90.00 or under \$10.00 per day.
- Part-Time Daily Rates are excluded if over \$50.00 or under \$6.00 per day.



School Readiness Rates

The Market Rate Survey contains these SR rates:

- Approved provider reimbursement rate without Gold Seal differential
- Approved provider reimbursement rate with Gold Seal differential
- Total payment rate (with Gold Seal and Quality differentials).

Rate Differentials to ProvidersGold Seal:

The Gold Seal Quality Care program acknowledges child care facilities and family day care homes that are accredited by nationally recognized agencies based on the applicable accrediting standards of the National Association for the Education of Young Children, the National Association of Family Child Care, and the National Early Childhood Program Accreditation Commission. Head Start, Early Head Start and Migrant and Seasonal Head Start programs that receive subsidy rates and are accredited are also eligible for the Gold Seal program. In addition, s. 1002.945(6), F.S., provides that a child care facility which participates in the SR program and has achieved Gold Seal Quality status shall receive a minimum 20 percent rate differential for each enrolled SR child by care level and unit of care.

Quality:

SR providers are eligible to receive Quality Performance Incentive (QPI) differentials for each care level and unit of care based upon their program assessment composite scores. Providers with program assessment composite scores of:

- 4.50 to 4.99 receive a 4% differential.
- 5.00 to 5.99 receive a 7% differential.
- 6.00 to 7.00 receive a 10% differential.

The SR reimbursement rates were weighted based on the number of days paid in the last month the provider received payments in Fiscal Year 2022-23. For most providers, this was June 2023. To avoid excluding SR rate information, the MRS process checked previous months and reported the days paid for each rate in the latest month. The days paid by provider, care level and unit of care were used to weight the SR rates.

**MRS Format and Calculations**

The following calculations use data from this year's MRS. All calculations on the MRS Report can be replicated by sorting and reviewing the data or by using Excel.

DEL calculates and provides both the average market rate and the 75th percentile rate to set provider reimbursement rates and to ensure eligible children have equal access to quality child-care services.

Criteria for the following sample calculations:

County	Sample
Provider Type	Private Center
Gold Seal	Non-Gold Seal
Unit of Care Code	FT
Care Level	Preschool 5
Exclude	N (for rates that were not excluded from the survey).

This chart shows the basic format of this year's MRS. The examples show the calculations for the green shaded numbers below in the sample report.

Division of Early Learning 2022-2023 Market Rate Report County Summary Sample County Full Time Daily Rates															
ProviderType	Private Center														
GoldSeal	Non GoldSeal														
Care Level	Number of Providers		Private Pay Rates							Approved Provider Reimbursement Rate			Total Payment Rate		
	Sample County Number of Providers with Private Pay Rates Excluded	Sample County Weighted Average Private Pay Rate	Sample County Maximum Private Pay Rate	Sample County Minimum Private Pay Rate	Sample County Weighted Median Private Pay Rate	Sample County Most Frequent Private Pay Rate	Sample County Weighted 75th Percentile Private Pay Rate	Sample County Weighted Average Private Pay Rate without Gold Seal	Sample County Percent of Weighted Average Private Pay Rate	Sample County Percent of Weighted 75th Percentile Private Pay Rate	Sample County Average Total Payment Rate	Sample County Percent of Weighted Average Private Pay Rate	Sample County Weighted 75th Percentile Private Pay Rate	Sample County Weighted Average Private Pay Rate	Sample County Weighted 75th Percentile Private Pay Rate
Infant	43	0	\$ 53.43	\$ 66.00	\$ 31.00	\$ 51.20	\$ 50.00	\$ 58.00	94%	86%	\$ 52.33	98%	\$ 52.33	\$ 52.33	\$ 52.33
Toddler	48	0	\$ 44.80	\$ 61.80	\$ 30.00	\$ 45.00	\$ 35.70	\$ 50.00	80%	71%	\$ 37.35	83%	\$ 37.35	\$ 37.35	\$ 37.35
2 Year Old	52	0	\$ 40.47	\$ 58.00	\$ 25.00	\$ 39.00	\$ 32.30	\$ 45.73	80%	71%	\$ 33.94	84%	\$ 33.94	\$ 33.94	\$ 33.94
Preschool 3	54	0	\$ 36.83	\$ 58.00	\$ 25.00	\$ 35.50	\$ 27.00	\$ 40.00	73%	68%	\$ 28.24	77%	\$ 28.24	\$ 28.24	\$ 28.24
Preschool 4	54	0	\$ 35.61	\$ 57.00	\$ 22.00	\$ 35.00	\$ 26.00	\$ 39.00	73%	67%	\$ 27.26	77%	\$ 27.26	\$ 27.26	\$ 27.26
Preschool 5	47	0	\$ 30.51	\$ 55.00	\$ 20.00	\$ 29.00	\$ 26.00	\$ 33.00	85%	79%	\$ 26.83	88%	\$ 26.83	\$ 26.83	\$ 26.83
School Age	44	0	\$ 28.69	\$ 51.53	\$ 17.20	\$ 26.90	\$ 20.75	\$ 35.00	72%	59%	\$ 21.69	76%	\$ 21.69	\$ 21.69	\$ 21.69

#### Private Pay Rate and Licensed Capacity were used to calculate:

Weighted Average Private Pay Rate

Maximum Private Pay Rate

Minimum Private Pay Rate

Weighted Median Private Pay Rate

Most Frequent Private Pay Rate

Weighted 75th Percentile Private Pay Rate

#### Calculations for the Minimum, Maximum, and Most Frequent Private Pay Rates

The following chart shows the private pay rates and corresponding licensed capacities for non-Gold Seal private centers in the sample county for full-time preschool-5-year-old children. The private pay rates were sorted from lowest to highest in the chart below. The chart shows the minimum, maximum, and most frequent private pay rates. These rates are "calculated" by sorting and reviewing the data or by using functions in Excel.

Private Pay Rate	Licensed Capacity
\$ 20.00	90
\$ 21.81	75
\$ 22.00	130
\$ 26.00	37
\$ 26.00	45
\$ 26.00	30
\$ 26.00	99
\$ 26.00	44
\$ 26.00	36
\$ 26.20	188
\$ 26.20	119
\$ 27.00	68
\$ 27.00	90
\$ 27.00	57
\$ 28.00	53
\$ 28.00	185
\$ 28.00	55
\$ 28.00	153
\$ 28.00	191
\$ 28.00	60
\$ 28.41	115
\$ 28.75	87
\$ 29.00	99
\$ 29.00	25
\$ 29.06	114
\$ 30.00	85
\$ 30.00	59
\$ 30.00	93
\$ 31.18	43
\$ 31.20	99
\$ 31.20	72
\$ 31.20	46
\$ 31.20	75
\$ 32.00	181
\$ 32.00	73
\$ 33.00	159
\$ 33.00	101
\$ 33.00	58
\$ 33.80	216
\$ 34.00	121

**Minimum Private Pay Rate (\$20)**

**Most Frequent Private Pay Rate (\$26)** - Note: if more than one rate occurs the same (highest) number of times, we select the first (lowest) rate.

\$	34.00	39	
\$	35.00	79	
\$	35.00	150	
\$	37.41	105	
\$	39.64	34	
\$	45.73	142	
\$	55.00	75	Maximum Private Pay Rate (\$55)

Value	Private Pay Category
\$ 55.00	Maximum Private Pay Rate
\$ 20.00	Minimum Private Pay Rate
\$ 26.00	Most Frequent Private Pay Rate

Calculations for the Weighted Average Private Pay Rate

Again, this example used the private pay rates and licensed capacities for the non-Gold Seal private centers in the sample county for full-time preschool-5-year-old children. Private pay rates were weighted based on licensed capacity.

The process was to weight the rates based on the percentage of the total licensed capacity for all providers in the selected categories. In this case, the total capacity was 4,350. The “weight” was the licensed capacity divided by the total capacity of 4,350 to arrive at a weight for each rate. The next step was to multiply each private pay rate by the corresponding weight and add these to arrive at the weighted average private pay rate of \$30.51.

Private Pay Rate	Licensed Capacity	Weight	Private Pay Rate X Weight
\$ 20.00	90	2.07%	\$ 0.41
\$ 21.81	75	1.72%	\$ 0.38
\$ 22.00	130	2.99%	\$ 0.66
\$ 26.00	37	0.85%	\$ 0.22
\$ 26.00	45	1.03%	\$ 0.27
\$ 26.00	30	0.69%	\$ 0.18
\$ 26.00	99	2.28%	\$ 0.59
\$ 26.00	44	1.01%	\$ 0.26
\$ 26.00	36	0.83%	\$ 0.22
\$ 26.20	188	4.32%	\$ 1.13
\$ 26.20	119	2.74%	\$ 0.72
\$ 27.00	68	1.56%	\$ 0.42
\$ 27.00	90	2.07%	\$ 0.56
\$ 27.00	57	1.31%	\$ 0.35
\$ 28.00	53	1.22%	\$ 0.34
\$ 28.00	185	4.25%	\$ 1.19

\$	28.00	55	1.26%	\$	0.35
\$	28.00	153	3.52%	\$	0.98
\$	28.00	191	4.39%	\$	1.23
\$	28.00	60	1.38%	\$	0.39
\$	28.41	115	2.64%	\$	0.75
\$	28.75	87	2.00%	\$	0.58
\$	29.00	99	2.28%	\$	0.66
\$	29.00	25	0.57%	\$	0.17
\$	29.06	114	2.62%	\$	0.76
\$	30.00	85	1.95%	\$	0.59
\$	30.00	59	1.36%	\$	0.41
\$	30.00	93	2.14%	\$	0.64
\$	31.18	43	0.99%	\$	0.31
\$	31.20	99	2.28%	\$	0.71
\$	31.20	72	1.66%	\$	0.52
\$	31.20	46	1.06%	\$	0.33
\$	31.20	75	1.72%	\$	0.54
\$	32.00	181	4.16%	\$	1.33
\$	32.00	73	1.68%	\$	0.54
\$	33.00	159	3.66%	\$	1.21
\$	33.00	101	2.32%	\$	0.77
\$	33.00	58	1.33%	\$	0.44
\$	33.80	216	4.97%	\$	1.68
\$	34.00	121	2.78%	\$	0.95
\$	34.00	39	0.90%	\$	0.30
\$	35.00	79	1.82%	\$	0.64
\$	35.00	150	3.45%	\$	1.21
\$	37.41	105	2.41%	\$	0.90
\$	39.64	34	0.78%	\$	0.31
\$	45.73	142	3.26%	\$	1.49
\$	55.00	75	1.72%	\$	0.95
Total		4,350	100.00%	\$	30.51

Value	Private Pay Category
\$ 30.51	Weighted Average Private Pay Rate

*Calculations for the Weighted Median (50<sup>th</sup> Percentile) and Weighted 75<sup>th</sup> Percentile Private Pay Rates*

Private Pay Rate	Licensed Capacity	Cumulative Capacity	% of Total Capacity	
\$55.00	75	4,350	100.0%	
\$45.73	142	4,275	98.3%	
\$39.64	34	4,133	95.0%	
\$37.41	105	4,099	94.2%	
\$35.00	79	3,994	91.8%	
\$35.00	150	3,915	90.0%	
\$34.00	121	3,765	86.6%	
\$34.00	39	3,644	83.8%	
\$33.80	216	3,605	82.9%	
\$33.00	159	3,389	77.9%	
\$33.00	101	3,230	74.3%	Weighted 75 <sup>th</sup> Percentile Private Pay Rate
\$33.00	58	3,129	71.9%	
\$32.00	181	3,071	70.6%	
\$32.00	73	2,890	66.4%	
\$31.20	99	2,817	64.8%	
\$31.20	72	2,718	62.5%	
\$31.20	46	2,646	60.8%	
\$31.20	75	2,600	59.8%	
\$31.18	43	2,525	58.0%	
\$30.00	85	2,482	57.1%	
\$30.00	59	2,397	55.1%	
\$30.00	93	2,338	53.7%	
\$29.06	114	2,245	51.6%	
\$29.00	99	2,131	49.0%	Weighted Median Private Pay Rate
\$29.00	25	2,032	46.7%	
\$28.75	87	2,007	46.1%	
\$28.41	115	1,920	44.1%	
\$28.00	53	1,805	41.5%	
\$28.00	185	1,752	40.3%	
\$28.00	55	1,567	36.0%	
\$28.00	153	1,512	34.8%	
\$28.00	191	1,359	31.2%	
\$28.00	60	1,168	26.9%	
\$27.00	68	1,108	25.5%	
\$27.00	90	1,040	23.9%	
\$27.00	57	950	21.8%	
\$26.20	188	893	20.5%	
\$26.20	119	705	16.2%	
\$26.00	37	586	13.5%	
\$26.00	45	549	12.6%	
\$26.00	30	504	11.6%	

\$26.00	99	474	10.9%	
\$26.00	44	375	8.6%	
\$26.00	36	331	7.6%	
\$22.00	130	295	6.8%	
\$21.81	75	165	3.8%	
\$20.00	90	90	2.1%	
<b>Total Capacity</b>	4,350			

The 75th percentile market rate is the price below which 75 percent of child care providers reported charging for services. The 50<sup>th</sup> percentile (or weighted mean) is the market rate below which half of the child care providers reported charging for services. According to the 2022-2024 Florida CCDF Plan, the 75<sup>th</sup> percentile private pay rates are used as a benchmark for the SR payment rates.

According to the *National Center for Child Care Subsidy Innovation and Accountability*:

*“Providers with more capacity have a larger share of the market than do providers with less capacity. In other words, the more children a provider serves, the greater the impact or weight the provider has on the market. It is for this reason that most researchers recommend the MRS analysis include calculations that weight the price values by slots. This approach provides a more accurate representation of the State or local market and the number of slots available to purchase at the same price.”*

The following process shows how DEL calculated the weighted median (50<sup>th</sup> percentile) and weighted 75<sup>th</sup> percentile private pay rates using the individual private pay rates and licensed capacities (as a measure of the number of slots available to the market for child care).

1. Begin with the Private Pay Rate and Licensed Capacity columns. Sort by the provider Private Pay Rate from largest to smallest and then by Licensed Capacity from largest to smallest.
2. Add a Total for the Licensed Capacity column.
3. Begin from the lowest rate and count the cumulative Licensed Capacity numbers.
4. At the highest rate, the Cumulative Capacity will equal the Total Capacity from below and the “% of Total Capacity” will be 100%.
5. Add the “% of Total Capacity” column, dividing the Cumulative Capacity by the Total Capacity.
6. For the Weighted 75th Percentile Private Pay Rate, find the Private Pay Rate associated with the “% of Total Capacity” closest to 75%.
7. For the 50th percentile (Weighted Median Private Pay Rate), find the Private Pay Rate associated with the “% of Total Capacity” closest to 50%.

The following chart shows the private pay rates and corresponding licensed capacities for non-Gold Seal private centers in the sample county for full-time preschool-5-year-old children.

*Sample Worksheet for Weighted Median (50th Percentile) and Weighted 75th Percentile Private Pay Rates*

Value	Private Pay Category
\$29.00	Weighted Median (50th Percentile)
\$33.00	Weighted 75th Percentile

Calculations for the Weighted Average School Readiness Rates

Weighted Average Approved Provider Reimbursement Rate without Gold Seal
Weighted Average Approved Provider Reimbursement Rate with Gold Seal
Weighted Average Total Payment Rate

Note the column for the “Weighted Average Approved Provider Reimbursement Rate with Gold Seal” is omitted from the summary reports for non-Gold Seal providers as in our current example.

The Market Rate Report also shows the weighted average SR payment rates for comparison to the corresponding private pay rates. The report shows the base SR rates, the base rates with the Gold Seal differential included and the rate with all differentials included. Payment differentials include:

- Gold Seal
- QPI
- Local Quality

Previous stakeholder feedback indicated users of the Market Rate Report were interested in the most recent SR reimbursement rates, so these data are now included.

Calculations for the Weighted Average Approved Provider Reimbursement Rate without Gold Seal

DEL used the reimbursement rates and the days paid at that rate to calculate the weighted average. This example is for the Weighted Average Approved Provider Reimbursement Rate without Gold Seal for non-Gold Seal private centers in the sample county for full-time preschool-5-year-old children.

The process is to display each rate and the corresponding number of days paid at that rate for the selected report category. The “weight” is the percentage of the total days paid under SR funding at that rate. Multiply the rate by the weight and add all the rate x weights, resulting in the weighted rate of \$25.96. Note, there was one provider with 10 days paid at a \$20.00 rate that reduced the weighted average from \$26.00 to \$25.96.

Weighted Average Approved Provider Reimbursement Rate without Gold Seal	Days Paid at Contract Approved Rate	Weight	Rate X Weight
\$ 26.00	46	0.033650329	\$ 0.87
\$ 26.00	41	0.029992685	\$ 0.78
\$ 26.00	62	0.045354792	\$ 1.18
\$ 26.00	19	0.013899049	\$ 0.36
\$ 26.00	32	0.023408925	\$ 0.61
\$ 26.00	37	0.027066569	\$ 0.70
\$ 26.00	19	0.013899049	\$ 0.36
\$ 20.00	10	0.007315289	\$ 0.15
\$ 26.00	28	0.020482809	\$ 0.53
\$ 26.00	18	0.01316752	\$ 0.34



\$	26.00	97	0.070958303	\$	1.84
\$	26.00	14	0.010241405	\$	0.27
\$	26.00	4	0.002926116	\$	0.08
\$	26.00	22	0.016093636	\$	0.42
\$	26.00	37	0.027066569	\$	0.70
\$	26.00	17	0.012435991	\$	0.32
\$	26.00	31	0.022677396	\$	0.59
\$	26.00	33	0.024140454	\$	0.63
\$	26.00	109	0.07973665	\$	2.07
\$	26.00	55	0.040234089	\$	1.05
\$	26.00	96	0.070226774	\$	1.83
\$	26.00	142	0.103877103	\$	2.70
\$	26.00	19	0.013899049	\$	0.36
\$	26.00	32	0.023408925	\$	0.61
\$	26.00	13	0.009509876	\$	0.25
\$	26.00	20	0.014630578	\$	0.38
\$	26.00	26	0.019019751	\$	0.49
\$	26.00	10	0.007315289	\$	0.19
\$	26.00	30	0.021945867	\$	0.57
\$	26.00	30	0.021945867	\$	0.57
\$	26.00	22	0.016093636	\$	0.42
\$	26.00	49	0.035844916	\$	0.93
\$	26.00	61	0.044623263	\$	1.16
\$	26.00	46	0.033650329	\$	0.87
\$	26.00	40	0.029261156	\$	0.76
		1,367	1.0	\$	25.96

Value	Private Pay Category
\$25.96	Weighted Average Approved Provider Reimbursement Rate without Gold Seal

### Market Rate Report Description

DEL publishes the following reports:

- Statewide Full-Time Care Report
- Statewide Part-Time Care Report
- Full-Time Care Report for each County
- Part-Time Care Report for each County

The reports contain rate information required by statute plus additional rate information useful for analyzing SR reimbursement rates. This information is available by coalition, county, age group and provider type. DEL distributes the market rate reports to ELCs and publishes the market rate for full- and part-time care on its [website](#).

The statewide and county-level reports are in the same format as shown below for statewide full-time Gold Seal private centers and for statewide full-time non-Gold Seal private providers. Note that the “Approved Provider Reimbursement Rate with Gold Seal (School Readiness)” columns were only included for Gold Seal providers. For non-Gold Seal providers, these columns were not included in the report.

Division of Early Learning 2022-23 Market Rate Report State Summary Full Time Daily Rates																			
ProviderType		Private Center																	
GoldSeal		GoldSeal																	
				Private Pay Rates							Approved Provider Reimbursement Rate without Gold Seal (School Readiness)			Approved Provider Reimbursement Rate with Gold Seal (School Readiness)			Total Payment Rate (School Readiness)		
Care Level	Number of Providers with Private Pay Rates	Number of Providers with Private Pay Rates Excluded	Weighted Average Private Pay Rate	Maximum Private Pay Rate	Minimum Private Pay Rate	Weighted Median Private Pay Rate	Most Frequent Private Pay Rate	Weighted 75th Percentile Private Pay Rate	Weighted Average Approved Provider Reimbursement Rate without Gold Seal	Percent of Weighted Average Private Pay Rate	Percent of Weighted 75th Percentile Private Pay Rate	Weighted Average Approved Provider Reimbursement Rate with Gold Seal	Percent of Weighted Average Private Pay Rate	Percent of Weighted 75th Percentile Private Pay Rate	Weighted Average Total Payment Rate	Percent of Weighted Average Private Pay Rate	Percent of Weighted 75th Percentile Private Pay Rate		
Infant	1,223	5	\$ 56.39	\$ 90.00	\$ 12.69	\$ 58.00	\$ 60.00	\$ 64.62	\$ 48.17	85.42%	74.54%	\$ 58.50	103.74%	90.53%	\$ 60.82	107.86%	94.12%		
Toddler	1,414	4	\$ 49.98	\$ 89.75	\$ 12.67	\$ 50.00	\$ 60.00	\$ 57.00	\$ 40.06	80.15%	70.28%	\$ 48.31	96.66%	84.75%	\$ 50.34	100.72%	88.32%		
2 Year Old	1,481	6	\$ 46.68	\$ 86.75	\$ 12.69	\$ 47.00	\$ 50.00	\$ 53.80	\$ 35.74	76.56%	66.43%	\$ 43.06	92.25%	80.04%	\$ 44.90	96.19%	83.46%		
Preschool 3	1,498	6	\$ 43.27	\$ 88.80	\$ 12.69	\$ 43.00	\$ 40.00	\$ 50.00	\$ 30.75	71.07%	61.50%	\$ 37.12	85.79%	74.24%	\$ 38.75	89.55%	77.50%		
Preschool 4	1,495	6	\$ 42.02	\$ 88.80	\$ 12.69	\$ 41.00	\$ 40.00	\$ 49.00	\$ 29.42	70.01%	60.04%	\$ 35.54	84.58%	72.53%	\$ 37.11	88.32%	75.73%		
Preschool 5	1,478	5	\$ 41.39	\$ 90.00	\$ 12.69	\$ 40.00	\$ 40.00	\$ 48.46	\$ 28.90	69.82%	59.64%	\$ 34.82	84.13%	71.85%	\$ 36.36	87.85%	75.03%		
School Age	1,284	4	\$ 34.81	\$ 90.00	\$ 13.75	\$ 34.00	\$ 40.00	\$ 40.00	\$ 21.01	60.36%	52.53%	\$ 24.82	71.30%	62.05%	\$ 25.92	74.46%	64.80%		
ProviderType		Private Center																	
GoldSeal		Non GoldSeal																	
				Private Pay Rates							Approved Provider Reimbursement Rate without Gold Seal (School Readiness)			Total Payment Rate (School Readiness)					
Care Level	Number of Providers with Private Pay Rates	Number of Providers with Private Pay Rates Excluded	Weighted Average Private Pay Rate	Maximum Private Pay Rate	Minimum Private Pay Rate	Weighted Median Private Pay Rate	Most Frequent Private Pay Rate	Weighted 75th Percentile Private Pay Rate	Weighted Average Approved Provider Reimbursement Rate without Gold Seal	Percent of Weighted Average Private Pay Rate	Percent of Weighted 75th Percentile Private Pay Rate	Weighted Average Total Payment Rate	Percent of Weighted Average Private Pay Rate	Percent of Weighted 75th Percentile Private Pay Rate					
Infant	2,673	6	\$ 48.61	\$ 90.00	\$ 11.55	\$ 48.00	\$ 50.00	\$ 55.00	\$ 45.67	93.95%	83.04%	\$ 48.28	99.32%	87.78%					
Toddler	3,156	8	\$ 42.82	\$ 89.00	\$ 11.09	\$ 41.25	\$ 40.00	\$ 49.00	\$ 38.14	89.07%	77.84%	\$ 40.47	94.51%	82.59%					
2 Year Old	3,385	6	\$ 39.90	\$ 89.80	\$ 10.39	\$ 38.00	\$ 40.00	\$ 45.00	\$ 34.42	86.27%	76.49%	\$ 36.57	91.65%	81.27%					
Preschool 3	3,550	8	\$ 36.78	\$ 89.80	\$ 10.16	\$ 35.00	\$ 30.00	\$ 41.80	\$ 29.23	79.47%	69.93%	\$ 31.07	84.48%	74.33%					
Preschool 4	3,623	9	\$ 35.15	\$ 89.80	\$ 10.00	\$ 33.00	\$ 30.00	\$ 40.00	\$ 28.05	79.80%	70.13%	\$ 29.84	84.89%	74.60%					
Preschool 5	3,666	10	\$ 33.49	\$ 89.80	\$ 10.00	\$ 32.00	\$ 30.00	\$ 38.00	\$ 27.12	80.98%	71.37%	\$ 28.84	86.12%	75.89%					
School Age	3,425	31	\$ 28.27	\$ 89.80	\$ 10.00	\$ 27.00	\$ 20.00	\$ 34.00	\$ 19.71	69.72%	57.97%	\$ 20.90	73.93%	61.47%					

Finally, if there are fewer than four rates available for reporting, the corresponding cell is populated with an asterisk (\*). This is done to protect confidentiality.