South Dakota Child Care Workforce and Market Rate Report

August 2019

South Dakota Department of Social Services
Division of Child Care Services
910 East Sioux Avenue
Pierre, SD 57501
Phone: 1-800-227-3020
Website: www.dss.sd.gov/childcare

TABLE OF CONTENTS

Survey Information

Survey Results

Family Child Care

Group Family and Child Care Center

Out-of-School Time Program

Survey Response

Survey Background

The Child Care and Development Fund (CCDF) provides resources to State, Territory, and Tribal grantees to enable low-income parents to work or pursue education and training so that they may better support their families while at the same time promoting the learning and development of their children. The CCDF also provides funding to be used to enhance the quality of child care for all children. The Child Care and Development Fund (CCDF) is administered at state-level by the Department of Social Services, Division of Child Care Services.

In order to receive funding, all states must submit a comprehensive State Plan every three years. In addition, CCDF regulations require a market rate survey conducted not earlier than two years prior to the submission of the State plan [45 CFR 98.45(c)].

The survey is designed to collect rate data as well as additional information including: program operation, services and types of care offered, enrollment and care availability, and provider/staff education and training. Rate data from the market rate survey informs the amount of reimbursement which may provide equal access to child care.

This year, the Division of Child Care Services contracted with the University of South Dakota, Beacom School of Business, to conduct the market rate survey. See 'Methodology' for detailed information about the survey.

Between and during survey cycles, input is solicited from various stakeholders which is used in the development of the market rate survey questions and survey functionality. It is important to note this was the first survey conducted with an online survey tool, which generated feedback specific to this change. Providers overall liked the convenience of the online survey; even providers with multiple locations, and thus multiple surveys to complete, noted a better experience with the online survey rather than paper. The most often noted comment was being unable to 'go back' to prior survey questions to review or correct their answer. For example, several providers reported that once they realized they answered a prior question in error and couldn't correct it, they chose to leave the survey rather than continue.   Child Care Services was made aware, by the contractor, of this aspect of the software and attempted to accommodate for it by including information in the instructions at the beginning the survey about the inability to return to prior answers. Due to the significance of this feature to the providers, CCS will explore alternate options in software that can accommodate this type of feature for future online surveys.

Methodology

Survey Instruments

The Market Rate Survey questionnaire was developed by the South Dakota Department of Social Services, Division of Child Care Services (CCS). A questionnaire was developed for each of the following provider types: Family Child Care, Group Family and Child Care Centers (combined), and Out-of-School Time Programs (or OST's).

For the first time, the Market Rate Survey was developed as an online survey using Pysch Data, an internet-based platform for creating surveys and collecting the data via an electronic link. Providers received emailed notifications and reminders regarding the voluntary survey using the email address they provided to CCS. If an email address was found to be incorrect during this process, the cause was researched and the email address corrected and emails resent. If a provider did not have an email address on file, or if they requested a paper survey, a hard-copy version was mailed along with a postage-paid return envelope.

Study Population

The Division of Child Care Services provided the child care provider contact list. The electronic list included all registered and licensed child care providers in South Dakota, as well as those providers in the process of registration or licensure. The 913 providers surveyed included 488 Family Child Cares, 223 Child Care Centers, 54 Group Family Child Cares, and 148 Out-of-School Time Programs. Unregulated providers and relatives are not included in this study.

Response

Of the 913 child care providers surveyed, 571 providers completed the survey resulting in a 62.5% percent survey response rate. This total is inclusive of 304 Family Child Cares, 31 Group Family Child Cares, 139 Child Care Centers, and 97 Out-of-School Time Programs.

Software

The data obtained from the survey was analyzed using Software for Statistics and Data Science (STATA) and Psych Data.

Weighting

Rates were weighted by enrollment to account for the actual number of child care slots rather than the number of child care providers. Using this methodology, a provider caring for 50 children would carry a greater representation in the results than a provider caring for 5 children.

Provider Types

Rates were collected from four types of providers:
- Family Child Care
- Group Family Child Care
- Child Care Center
- Out-of-School Time Program

Market rates were collected and calculated for Group Family Child Care and Child Care Center combined. Separate rates were calculated for Family Child Care and Out-of-School Time Programs.

Age Groups

Rates and enrollment were collected for the following age groups:

- Infant/Toddler (4 weeks up to 3 years)
- Pre-school (3 to 5 years)
- School age (kindergarten and older)

Rates for the infant and toddler age groups were collected *and* calculated in a single group for statistical purposes. Rates for the pre-school and school-age groups were collected and calculated separately.

Geographic Areas

Market rates were calculated by blending county responses based on population density (population estimates per U.S. Census Bureau 2015). This method increases the number of responses used to calculate a rate, mitigates validity and confidentiality concerns due to low response, and provides a market rate for counties without a rate response for one or more age groups. County blend areas are:

- Pennington county
- Minnehaha and Lincoln counties
- Urban area (population density ≥ 20 people per square mile): Brookings, Brown, Clay, Codington, Davison, Hughes, Lake, Lawrence, Union, Yankton.
- Balance of State (population density < 20 people per square mile): Aurora, Beadle, Bennett, Bon Homme, Brule, Buffalo, Butte, Campbell, Charles Mix, Clark, Corson, Custer, Day, Deuel, Dewey, Douglas, Edmunds, Fall River, Faulk, Grant, Gregory, Haakon, Hamlin, Hand, Hanson, Harding, Hutchinson, Hyde, Jackson, Jerauld, Jones, Kingsbury, Lyman, McCook, McPherson, Marshall, Meade, Mellette, Miner, Moody, Oglala Lakota, Perkins, Potter, Roberts, Sanborn, Spink, Stanley, Sully, Todd, Tripp, Turner, Walworth, Ziebach.

Rate Calculations

Child Care market rates were calculated at the 75th percentile, meaning *75 percent of the child care slots reported are charged rates at or below this level.* All rates have been rounded to the nearest $ .05.

Family Child Care, Group Family Child Care and Child Care Center
Providers reported rate information on an hourly, daily, weekly, or monthly basis.
The following methodology was used to bring reported rates to an hourly level:

> Providers were asked to report the average number of hours per week that full time children spend at their facility. The overall average hours reported were used to convert respondents' full time daily, weekly, or monthly rate to an hourly rate. These converted rates were then grouped with all reported full and part-time *hourly* rates to complete the data set to be used for analysis.

Out-of-School Time Programs
Separate rates were calculated for Out-of-School Time programs since they are unique in nature.   Providers were asked to provide rate information for before-school care, after-school care, before and after-school care (with and without the day off for 4-day-week school districts), summertime care, and full-day care for holidays, in-service days, etc. Providers were also asked to report the average number of hours per week that children are present during each particular time slot. Before-school, after-school and before-and-after-school rates were divided by the overall average hours estimated for those time slots to determine an hourly rate.

South Dakota Child Care Market Rate Survey
Survey Detail: Family Child Care

TOTAL NUMBER OF SURVEY RESPONDENTS: 304

PROGRAM OPERATION

Average # of Days of Operation	5.14 days of operation
Average # of Hours of Operation Per Day	11 hours, 46 minutes
Average # of Hours Per Day full-time children attend	9 hours, 32 minutes
Average # of Hours Per Day school-age children attend	2 hours, 52 minutes

Services and types of care offered

	#	%		#	%
Full-time care	302	99%	Part-time care	212	70%
Transportation services	16	5%	Evening care after 6:00	32	11%
Overnight care	17	6%	Saturday or Sunday care	16	5%
Holiday care	28	9%	Drop- in care	196	65%
Before/After school care	211	69%	Infant care	236	78%
Full day for students when school is closed	203	67%			

Rates most greatly influenced by

	#	%		#	%
Child care rates in the community	170	56%	Number of children with special needs	0	0%
Operating costs	62	20%	Child care subsidy reimbursement rates	19	6%
Profit level desired	18	6%	Parents' willingness to pay	19	6%
Staff salaries and training costs	2	0.7%	Other	14	5%

Providers with employees

		# of Respondents	of Question Respondents
		47	16%
Total # of part-time employees:	42		
Total # of full-time employees:	22		

ENROLLMENT INFORMATION AND AVAILABILITY

	# Reported	% of Question Respondents
Total reported enrollment (including own children)	3,445	
Total of providers' own children (under age 6) enrolled	126	
Providers with own children (under age 6) enrolled	72	24%
Children enrolled and receiving SD Child Care Asst.	507	15%
Providers caring for children receiving SD Child Care Asst.	151	50%

Frequency of openings lasting longer than one month

	Never	Rarely	Frequently	Always	NA
Infant (birth through 12 months)	40%	45%	7%	2%	5%
Toddler (13 months up to 3 years)	16%	58%	18%	6%	1%
Pre-school (3 years to age 5)	12%	50%	27%	10%	1%
School age children (kindergarten and older)	16%	39%	19%	10%	16%

EDUCATION LEVEL, CERTIFICATION AND TRAINING

Education Level of Owner	# of Respondents	% of Question Respondents
Less than High School	5	2%
High School/GED	153	54%
Associates in early childhood, elem. ed., or related field	23	8%
Associates in another field	42	15%
Bachelors in early childhood, elem. ed., or related field	20	7%
Bachelors in another field	29	10%
Masters/Doctorate in early childhood, elem. ed., or related	3	1%
Masters/Doctorate in another field	6	2%

Certifications/ Credentials of Owner	# of Respondents	% of Question Respondents
Child Development Associate	18	6%
Infant-Toddler Certificate	10	4%
Leadership Certificate or Credential	3	1%
Out-of-School Time Certificate or Credential	3	1%
Early Childhood Vocational Certificate	7	3%
Other	10	4%

Training needs are met by	# of Respondents	% of Question Respondents
Coop Extension Service - County Extension Office	37	13%
Early Childhood Enrichment site	215	77%
Local, regional, statewide conferences	121	43%
Other	59	21%

LOCAL EARLY CHILDHOOD ENRICHMENT PROGRAM AWARENESS AND USE

	# of Respondents	% of Question Respondents
Have used or participated	222	79%
Aware of but have not utilized	44	16%
Not Aware	14	5%

Family Child Care Market Rates

Market rates below are provided for informational purposes only; they do not reflect current or future reimbursement rates for the Child Care Assistance program. Data collected through the survey will be used to establish future reimbursement rates, while taking into consideration rates that are currently set and available funding.

County Blend at the 75th percentile

Area	< Age 3	Age 3-5	6 & over
Minnehaha/Lincoln counties	$3.10	$2.85	$3.00
Pennington county	$3.00	$2.80	$2.80
Urban Area (pop. density ≥ 20)	$2.65	$2.55	$2.50
Balance of State (pop. density < 20)	$2.50	$2.50	$2.50

Data collected through the Market Rate Survey was used to calculate market rates, which were blended by county responses based on population density. This method increases the number of responses used to calculate a rate, which mitigates validity and confidentiality concerns due to low response, and provides a market rate for counties without a rate response for one or more age groups. See Methodology for more information.

Urban Area: Brookings, Brown, Clay, Codington, Davison, Hughes, Lake, Lawrence, Union, Yankton

Balance of State: Aurora, Beadle, Bennett, Bon Homme, Brule, Buffalo, Butte, Campbell, Charles Mix, Clark, Corson, Custer, Day, Deuel, Dewey, Douglas, Edmunds, Fall River, Faulk, Grant, Gregory, Haakon, Hamlin, Hand, Hanson, Harding, Hutchinson, Hyde, Jackson, Jerauld, Jones, Kingsbury, Lyman, McCook, McPherson, Marshall, Meade, Mellette, Miner, Moody, Oglala Lakota, Perkins, Potter, Roberts, Sanborn, Spink, Stanley, Sully, Todd, Tripp, Turner, Walworth, Ziebach

South Dakota Child Care Market Rate Survey
Survey Detail: Group Family and Child Care Centers

TOTAL NUMBER OF SURVEY RESPONDENTS: **170**

PROGRAM OPERATION:

Average # of Days of Operation	5.10 days of operation
Average # of Hours of Operation Per Day	11 hours, 26 minutes
Average # of Hours Per Day full-time children attend	9 hours, 4 minutes
Average # of Hours Per Day school-age children attend	2 hours, 58 minutes

	# of Respondents	% of Question Respondents
Providers operating for profit	70	41%
Providers operating NOT for profit	100	59%

Staff Information	Part-time	Full-time
Total number of staff currently employed	1,392	1,623
Number of vacant positions	91	103
Employees that left position in past 12 months	643	674

Services and types of care offered

	#	%		#	%
Full-time care	164	97%	Part-time care	119	70%
Transportation services	40	24%	Evening care after 6:00	13	8%
Overnight care	1	1%	Saturday or Sunday care	2	1%
Holiday care	10	6%	Drop- in care	94	55%
Before/After school care	108	64%	Infant care	115	68%
Full day for students when school is closed	103	61%			

Rates most greatly influenced by

	#	%		#	%
Child care rates in the community	38	23%	Number of children with special needs	0	0%
Operating costs	71	43%	Child care subsidy reimbursement rates	7	4%
Profit level desired	1	0.6%	Parents' willingness to pay	13	8%
Staff salaries and training costs	26	16%	Other	8	5%

ENROLLMENT INFORMATION AND AVAILABILITY

	# Reported	% of Question Respondents
Total reported enrollment	11,366	
Children enrolled and receiving SD Child Care Asst.	1,523	13%
Providers caring for children receiving SD Child Care Asst.	138	84%

Frequency of openings lasting longer than one month

	Never	Rarely	Frequently	Always	NA
Infant (4 weeks through 12 months)	28%	35%	13%	6%	18%
Toddler (13 months up to 3 years)	22%	40%	17%	7%	14%
Pre-school (3 years to age 5)	11%	43%	24%	15%	7%
School age children (kindergarten and older)	13%	29%	17%	17%	24%

EDUCATION LEVEL, CERTIFICATION AND TRAINING

Education Level of Owner/Director and Staff	# programs with Directors at	% of Programs*	# of Staff	% of Staff*
Less than High School	0	0%	277	11%
High School/GED	32	21%	1,004	41%
High School, currently attending college	3	2%	577	23%
Associates in early childhood, elem. ed, or related field	28	18%	184	8%
Associates in another field	15	10%	99	4%
Bachelors in early childhood, elem. ed, or related field	48	31%	166	7%
Bachelors in another field	13	8%	112	5%
Masters/doctorate in early childhood, elem. ed, or related	10	6%	21	0.86%
Masters/doctorate in another field	5	3%	13	0.53%

Percent of programs' directors and staff for which educational level was provided

Certifications/Credentials of Owner/Director and Staff	# programs with Directors with	% of Programs	# of Staff	% of Staff
Early Childhood Vocational Certificate	10	7%	46	2%
Child Development Associate Credential (CDA)	50	32%	203	7%
Infant-Toddler Certificate	8	5%	30	1%
Out-of-School-Time Certificate or Credential	1	1%	1	0.03%
Leadership Certificate or Credential	4	3%	4	0.13%

Training needs are met by	# of Respondents	% of Question Respondents
In-house training conducted by director/owner	106	69%
Coop Extension Service – County Extension Office	17	11%
Early Childhood Enrichment site	133	86%
Local, regional, statewide, national conferences	110	71%
Other	56	36%

LOCAL EARLY CHILDHOOD ENRICHMENT PROGRAM AWARENESS AND USE

	# of Respondents	% of Question Respondents
Have used or participated	135	89%
Aware of but have not utilized	8	5%
Not Aware	8	5%

Group Family and Child Care Center Market Rates

Market rates below are provided for informational purposes only; they do not reflect current or future reimbursement rates for the Child Care Assistance program. Data collected through the survey will be used to establish future reimbursement rates, while taking into consideration rates that are currently set and available funding.

County Blend at the 75th percentile

Area	< Age 3	Age 3-5	6 & over
Minnehaha/Lincoln counties	$4.20	$3.80	$3.85
Pennington county	$3.95	$3.40	$3.15
Urban Area (pop. density ≥ 20)	$4.00	$3.45	$3.00
Balance of State (pop. density < 20)	$3.00	$3.00	$3.25

Data collected through the Market Rate Survey was used to calculate market rates, which were blended by county responses based on population density. This method increases the number of responses used to calculate a rate, which mitigates validity and confidentiality concerns due to low response, and provides a market rate for counties without a rate response for one or more age groups. See Methodology for more information.

Urban Area: Brookings, Brown, Clay, Codington, Davison, Hughes, Lake, Lawrence, Union, Yankton

Balance of State: Aurora, Beadle, Bennett, Bon Homme, Brule, Buffalo, Butte, Campbell, Charles Mix, Clark, Corson, Custer, Day, Deuel, Dewey, Douglas, Edmunds, Fall River, Faulk, Grant, Gregory, Haakon, Hamlin, Hand, Hanson, Harding, Hutchinson, Hyde, Jackson, Jerauld, Jones, Kingsbury, Lyman, McCook, McPherson, Marshall, Meade, Mellette, Miner, Moody, Oglala Lakota, Perkins, Potter, Roberts, Sanborn, Spink, Stanley, Sully, Todd, Tripp, Turner, Walworth, Ziebach

South Dakota Child Care Market Rate Survey
Survey Detail: Out-of-School Time Programs

TOTAL NUMBER OF SURVEY RESPONDENTS: 97

PROGRAM OPERATION:

Type of Care	Average # Hours of Operation per Day	Average Hours/Day Children spend in care	Providers offering care type
Before School	1 hour, 32 minutes	1 hour, 8 minutes	24%
After School	2 hours, 49 minutes	2 hours, 20 minutes	86%
Before and After School	N/A	3 hours, 18 minutes	29%
Before and After School Plus Full Day (usually Friday)	N/A	13 hours, 20 minutes (per week)	5%
Full Days (in-service, holidays, non-school days)	10 hours, 32 minutes	N/A	43%
Full Days (summer)	10 hours, 25 minutes	9 hours, 20 minutes	58%

Services and types of care offered	#	%		#	%
Free Play	94	98%	Community Service	73	76%
Transportation services	19	20%	Organized Physical Activities	89	93%
Homework Assistance/Tutoring	87	91%	Field Trips	67	70%
Nutrition Activities	75	78%	Science/Math Activities	83	86%
Arts	93	97%	Literacy Activities	89	93%
Computer Lab	67	70%	Multicultural Activities	68	71%

Rates most greatly influenced by	#	%		#	%
Child care rates in the community	63	77%	Number of children with special needs	0	0%
Operating costs	68	83%	Child care subsidy reimbursement rates	4	5%
Profit level desired	25	30%	Parents' willingness to pay	43	52%
Staff salaries and training costs	48	59%	Other	4	5%

Staff Information	Part-time	Full-time
Total number of staff currently employed	456	68

ENROLLMENT INFORMATION AND AVAILABILITY

	# Reported	% of Question Respondents
Total reported enrollment	6,101	
Children enrolled and receiving SD Child Care Asst.	256	4%
Providers caring for children receiving SD Child Care Asst.	53	55%
Programs that offer a school year program	94	98%
Programs that offer a summer program	61	64%

Average daily attendance

School Year	# of Respondents	Summer	# of Respondents
25 or less	27	25 or less	18
26 to 50	38	26 to 50	26
51 to 75	12	51 to 75	10
76 to 100	10	76 to 100	2
More than 100	7	More than 100	5

Frequency of openings lasting longer than one month	Never	Rarely	Frequently	Always
	36%	22%	17%	25%

EDUCATION LEVEL, CERTIFICATION AND TRAINING

Education Level of Owner/Director and Staff	# programs with Directors at	% of Programs*	# of Staff	% of Staff*
Less than High School	0	0%	65	13%
High School/GED	3	3%	121	24%
High School, currently attending college	1	1%	175	34%
Associates in early childhood, elem. ed, or related field	4	4%	18	4%
Associates in another field	8	9%	25	5%
Bachelors in early childhood, elem. ed. or related field	41	44%	62	12%
Bachelors in another field	21	23%	28	5%
Masters/doctorate in early childhood, elem. ed. or related field	13	14%	9	2%
Masters/doctorate in another field	2	2%	7	1%

Percent of programs' directors and staff for which educational level was provided

Certifications/Credentials of Owner/Director and Staff	# programs with Directors with	% of Programs	# of Staff	% of Staff
Early Childhood Vocational Certificate	4	4%	11	2%
Child Development Associate Credential (CDA)	5	5%	8	2%
Infant-Toddler Certificate	0	0%	15	3%
Out-of-School-Time Certificate or Credential	17	18%	21	4%
Leadership Certificate or Credential	15	16%	2	0.4%
Youth Development Credential	10	11%	14	3%

Training needs are met by	# of Respondents	% of Question Respondents
In-house training conducted by director/owner	76	82%
Coop Extension Service – County Extension Office	18	19%
Early Childhood Enrichment site	53	57%
Local, regional, statewide, national conferences	53	57%
Other	48	52%

LOCAL EARLY CHILDHOOD ENRICHMENT PROGRAM AWARENESS AND USE

	# of Respondents	% of Question Respondents
Have used or participated	59	63%
Aware of but have not utilized	30	32%
Not Aware	4	4%

Out-of-School Time Program Market Rates

Market rates below are provided for informational purposes only; they do not reflect current or future reimbursement rates for the Child Care Assistance program. Data collected through the survey will be used to establish future reimbursement rates, while taking into consideration rates that are currently set and available funding.

County Blend at the 75th percentile

Area	Rate
Minnehaha/Lincoln counties	$3.60
Pennington county	$4.60
Urban Area (pop. density ≥ 20)	$2.50
Balance of State (pop. density < 20)	$3.95

Out-of-School Time (OST) programs are few in number within counties and across the state. When reviewing the blended rate provided, consider that 18 (of 66) counties reported rates for OST programs; and half of reporting counties (8) had only one provider respond.

Data collected through the Market Rate Survey was used to calculate market rates, which were blended by county responses based on population density. This method increases the number of responses used to calculate a rate, which mitigates validity and confidentiality concerns due to low response, and provides a market rate for counties without a rate response for one or more age groups. See Methodology for more information.

Urban Area: Brookings, Brown, Clay, Codington, Davison, Hughes, Lake, Lawrence, Union, Yankton

Balance of State: Aurora, Beadle, Bennett, Bon Homme, Brule, Buffalo, Butte, Campbell, Charles Mix, Clark, Corson, Custer, Day, Deuel, Dewey, Douglas, Edmunds, Fall River, Faulk, Grant, Gregory, Haakon, Hamlin, Hand, Hanson, Harding, Hutchinson, Hyde, Jackson, Jerauld, Jones, Kingsbury, Lyman, McCook, McPherson, Marshall, Meade, Mellette, Miner, Moody, Oglala Lakota, Perkins, Potter, Roberts, Sanborn, Spink, Stanley, Sully, Todd, Tripp, Turner, Walworth, Ziebach

South Dakota Child Care Market Rate Survey
Statewide Response

Survey Status	Number of Providers	Percent
Completed Survey	571	62.5%
Care No Longer Provided	5	0.55%
Refused	23	2.52%
Started survey, but no answers	34	3.72%
No Response	280	30.7%
Total	**913**	

Response by Provider Type

Provider Type	Total Surveyed	Refused	Care no longer provided	Started, but no answers	No Response	Complete	Response Rate
Family Child Care	488	13	1	18	152	304	**62.3%**
Group Family Child Care	54	8	0	9	90	31	**57.4%**
Day Care Center	223					139	**62.3%**
Out-of-School Time	148	2	5	6	38	97	**65.5%**
Total	**913**	**23**	**5**	**34**	**280**	**571**	**62.5%**