



Child Care Market Rate Survey: Child Care Cost of Care Analysis

South Dakota Department of Social Services (DSS)
Division of Economic Assistance

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Introduction

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 they may better support their families while simultaneously promoting the learning and development of their children. The CCDF also provides funding to enhance the quality of child care for all children. CCDF is administered at the state-level by the Department of Social Services, Division of Economic Assistance.

All states must submit a comprehensive State Plan every three years to receive federal funding. In addition, all states must regularly conduct a market rate survey and a narrow cost analysis.

As further detailed by federal Administration for Children and Families (ACF) guidance, a narrow cost analysis should examine the estimated cost of care relating to:

- “The cost of child care providers’ implementation of health safety, quality, and staffing requirements (i.e., applicable licensing and regulatory requirements, health and safety standards, training and professional development standards, and appropriate child to staff ratio, group size limits, and caregiver qualification requirements as required in 45 CFR 98.45(b)(3), (f)(1)(ii)(A), and (f)(2)(ii).”
- “The cost of higher-quality care, as defined by the Lead Agency using a quality rating and improvement system or other system of quality indicators, at each level of quality as required in 45 CFR 98.45(b)(4), (f)(1)(ii)(B), and (f)(2)(iii)).”

The South Dakota Department of Social Services (DSS) contracted with ICF Incorporated, L.L.C. to fulfill the requirements of the narrow cost analysis. A comprehensive cost study methodology was developed that blends the detailed revenues and expenditures of all types of child care programs to generate a cost model for providing care. A sample of model programs throughout the state provided information based on calendar year 2024 to create this analysis.

ACF provides multiple potential options for states to utilize to meet narrow cost analysis requirements. The cost study model utilized exceeds the basic requirements for a narrow cost analysis, covering multiple options available to states.

In reviewing the results of this study, it is important to consider that the analysis is based on a simulation of costs and revenues for an “average-sized” program and may not reflect the circumstances of all programs.

Please review **Appendix A** for definitions and acronyms.

Cost Report Methodology

Overview of Methodology

The Provider Cost of Quality Calculator (PCQC) was used to prepare the child care cost model for South Dakota. The PCQC tool is utilized by most researchers and consultants when preparing child care cost analyses, and includes input variables for personnel costs, non-personnel costs and revenues. These variables were updated to fit the context of child care programs in South Dakota using a combination of information from national and commercial datasets; data from the 2024 Market Rate Survey; data from the 2024 Child Care Workforce Survey; and information from interviews with child care providers and programs supporting those providers. After gathering the required information, narrow cost models were prepared to estimate the cost of care as it varies across different characteristics, including:

- Program type (Licensed Child Care Programs, Family Day Care, Before and School-Age programs);
- Age groups served (infants, toddlers, preschool, school age);
- Geographic location (three regions based on labor market areas and population density); and
- Higher levels of quality, based on criteria in the Quality Recognition and Information System (QRIS) that is currently in the pilot phase.

The model for each program type assumes an “average-sized” program, based on average licensed capacity by age group derived from an analysis of administrative data received from South Dakota Department of Social Services and data from the 2024 Market Rate Survey. The center-based model assumes a full-time equivalent enrollment of 100 children (including 10 infants, 20 toddlers, 40 preschool children and 30 school-age children). The model for Family Day Care assumes that a program serves 12 children (two infants, two toddlers, six preschool children, and two school-aged children).

The model also assumes three different geographic regions in South Dakota, including urban, suburban, and rural areas. The regions are based on government defined Metropolitan Statistical Areas (MSA's), the percent of population classified as being in an urban area, and population density for counties in nonmetropolitan areas.

The Office of Management and Budget (OMB) delineates MSA's in the U.S. MSA's are delineated by the OMB as region's consisting of standardized county or equivalent-based areas that have at least one urbanized area of 50,000 or more in population, plus adjacent territory that has a high degree of social and economic integration with the core, as measured by commuting ties. The Bureau of Labor Statistics (BLS) uses OMB defined MSA's as one of the geographic units it reports labor market information for. Urban areas are defined by the U.S. Census Bureau. For the 2020 Census, the Census Bureau defines an urban area as a densely settled core of census blocks that meet minimum housing unit density and/or population density requirements. This includes adjacent territory containing non-residential urban land uses. To qualify as an urban area, the territory identified according to criteria must encompass at least 2,000 housing units or have a population of at least 5,000.

Population density of an area, such as a city or county, is measured by the number of people living in the area per square mile. The U.S. Census provides the population density for all areas it reports demographic data for.

Based on the above measures, the following are the criteria for county classification in South Dakota under the MSA/Urban Population/Population Density option:

Urban

- Counties that are part of and contain the central city of an MSA.
- Counties that are part of an MSA but do not contain the central city and have an urban population of 60% or more.

Suburban

- Counties that are part of an MSA but do not contain the central city and have an urban population of under 60%.
- Counties that are not part of an MSA but that have a population density of 15 people per square mile or more.

Rural

- All counties that are not part of an MSA and have a population density of under 15 people per square mile.

Exhibit 28 in **Appendix B** shows the geographic classification for each county. Exhibit 29 in **Appendix B** Shows a map of the same classifications.

Data Sources

- Assumptions for the model relied on multiple data sources, including:
 - **Default assumptions in the PCQC** – The PCQC model includes certain default assumptions that states can use or replace with state-specific values. South Dakota’s cost model relies on default assumptions for many non-personnel costs, but includes revised assumptions, such as rent/mortgage and food costs, based on data collected through interviews and provider survey. Additionally, the default assumptions for non-personnel costs were adjusted for the cost of living in each of the three geographic regions used for the study.
 - **Interviews with child care providers** – In March and April 2024, interviews were conducted with 9 programs, including five Child Care Centers, two Family Day Care providers, and two School-age care programs. Interviews included reviews of provider expenses and revenues, data on program structure, wages, benefits, and bad debt. The provider interview guide is in Appendix C.

- **Data on wages, benefits and staffing structure from 2024 workforce survey** – In April and May of 2024, a survey of child care providers was conducted to gather information about the child care workforce, including data about wages, benefits and staffing that were used inform assumptions for the cost model. The survey was distributed by email and hard copies of flyers with center-specific survey QR codes were mailed to 418 center directors. Center directors were asked to distribute the 2024 workforce survey to their center staff by posting the flyers with center-specific QR codes; and 628 family day care providers (including 434 registered providers and up to 194 non-registered providers) were emailed surveys. Responses were received from 646 providers, including 120 of 418 center directors (28.7%), 352 of an estimated 3,020 (11.7%) center staff, 152 of 434 (35.0%) of state registered family day care providers, and 22 of 194 known (11.3%) non-state registered family day care providers.
 - **Data on prices charged, occupancy costs and bad debt from 2024 market rate survey** – In March 2024, a survey of child care providers was conducted to gather information about the prices child care providers charge for care, as well as other provider characteristics to inform assumptions for the cost model, including percentage of children receiving subsidies, occupancy costs and bad debt. The survey was distributed by email to 772 licensed child care center, school-age providers, and Family Day Care providers. Responses were received from 563 providers, including 225 of 299 child care centers (75.25%) surveyed, 99 of 122 before and after school care (81.15%) and 239 of 351 Family Day Care providers (68.09%).
 - **Secondary data** – The cost model also used secondary data from the Bureau of Labor Statistics (BLS) metropolitan and non-metropolitan salary estimates to inform assumptions for salaries and to inform the geographic regions used for the analysis.
- Data sources are further detailed in **Appendix B** and the interview instruments used are included in **Appendix C**.

Limitations

As with any cost estimation tool, accuracy of the output is dependent on credible and accurate data. While care and attention was given to crafting assumptions for the model and curating data, the overall model and data used have limitations. Assumptions in the model and subsequent findings may not be reflective of any one provider, provider type, program, or community. It is important to consider that the analysis is based on a simulation of costs and revenues for an “average-sized” program and may not reflect the circumstances of all programs. Some challenges and limitations include:

- The models did not examine how program costs may vary based on different circumstances – e.g., costs required to fully support children with special needs, costs for informal care providers.
- For school-age programs, the models focused only on after-school and non-school day care and did not explore every potential variation in school-age arrangements.

- The models did not consider “in-kind” donations or contributions from community organizations or school districts that child care programs may rely on to defray operating costs – e.g., donated or discounted facility space, meals or maintenance services provided by other organizations.

Differences from Past Studies of Child Care Costs in South Dakota

In 2022, DSS conducted a Child Care Cost of Care Analysis that examined the cost of providing child care for different types of care. The model used in 2022 was based on a methodology used in several human services domains, including child welfare, early intervention and child care. The study collected and analyzed data from 67 child care provider across South Dakota and reported cost estimates by type of care, geographic region, tax status and quality level. While the 2024 Child Care Cost of Care Analysis has similarities, there are differences, including:

- The analysis uses the Provider Cost of Quality Calculator, which was developed specifically for the child care sector and adapted to include assumptions specific to South Dakota. The models are hosted online and dynamic, allowing updates for future studies.
- The data used for the analysis came from multiple studies with relatively large data samples that were intentionally designed to align with the cost study to gather critical data not available from other sources for variables that are considered key cost drivers, including wages and occupancy costs. Wage assumptions were based on the results of the 2024 Child Care Workforce survey that received responses from approximately 48% of child care center directors. The occupancy cost assumptions were based on the results of the 2024 Child Care Market Rate Survey, which had an overall response rate of approximately 73%.
- The analysis and results in the 2024 study also break out per-child costs in more detail, by the type of care, age of the children served and geographic location. The per-child cost estimates produced in the 2022 study produced cost estimates for each of these categories alone, but not by subcategory.
- The 2024 study is based on newly defined geographic regions that are based on metropolitan statistical areas and population density. The 2022 study used geographic regions that were based on the U.S. Census Bureau’s definitions of urban, suburban and rural areas.

While both studies share some similarities in methods, the differences are significant. Therefore, it is not feasible to make direct comparisons of the results from each study.

Assumptions

Geographic Assignments

There are significant variations statewide in key assumptions used for the model, including wages providers pay, the rent amount, and prices families are charged. Salaries, wages, and the prices that programs charge families tend to vary across large and small metropolitan areas, and mostly rural areas.

Since wages are the most significant cost driver, at least for center-based care, the cost model grouped counties into three categories based on BLS labor market groupings, as shown in Exhibits 28 and 29.

Personnel – Wages

The model based wage assumptions on the wage data collected through the 2024 child care workforce survey, as illustrated in Exhibits 1 and 2. The workforce survey asked directors for the highest and lowest salary for each position. The wage assumptions illustrated below represent the average midpoint between the highest and lowest wage for each position in each of the three regions. The family day care model built in an assumption that providers would pay themselves a salary that is equal to what a lead teacher would earn in their geographic region. While not all family day care providers conduct their business in this way, including this assumption in the model allows for comparison to center staff and provides more insight into the overall financial stability of the provider. Wages for school-age programs are shown in full-year terms, but the model only allocates costs for the portion of the year they are in the program (3 hours per day during the school year and 10 hours during the summer).

Exhibit 1: Annual Personnel Wage Assumptions for Licensed Child Care Centers

Staff Position	Annual Wage Assumptions for Rural Area	Annual Wage Assumptions for Suburban Area	Annual Wage Assumptions for Urban Area
Director	\$38,120 per year	\$41,561 per year	\$46,869 per year
Assistant Director	\$35,606 per year	\$40,663 per year	\$41,412 per year
Administrative Staff	\$36,899 per year	\$32,526 per year	\$43,669 per year
Lead Teacher (Full-Time)	\$29,853 per year	\$31,760 per year	\$35,107 per year
Assistant Teacher (Full-Time)	\$27,184 per year	\$26,678 per year	\$30,176 per year
Site Coordinator	\$33,042 per year	\$37,232 per year	\$42,999 per year

Exhibit 2: Annual Personnel Wage Assumptions for Before and After School Care

Staff Position	Annual Wage Assumptions for Rural Area	Annual Wage Assumptions for Suburban Area	Annual Wage Assumptions for Urban Area
Director	\$23,645 per year	\$28,591 per year	\$31,312 per year
Lead Teacher (Full-Time)	\$20,522 per year	\$19,619 per year	\$18,152 per year
Assistant Teacher (Full-Time)	\$15,535 per year	\$15,309 per year	\$17,371 per year

Personnel – Benefits Provided

The model assumes costs for all federal and state mandatory benefits in the personnel calculations. Social Security and Medicare (FICA) are set at current federal rates. The contributions for unemployment, disability, and worker's compensation are set at current South Dakota rates. The model

assumes staff will have 10 paid holidays and 10 paid days of leave. The number of days of leave reported through provider interviews and the provider survey generally validate default assumptions. While the interviews and surveys found that 5.2% of child care centers offer staff health insurance, with the employer contribution an average of \$244.27 for individual plans to \$361.24 for family plans, interviews indicated that most employees do not currently take advantage of health insurance benefits. The model did not assume any additional costs for health insurance under current compensation practices.

Exhibit 3: Annual Provider Contributions for Employee Benefits (Child Care Centers)

Staff Position	Amount Per Year/Percentage Per Year
FICA	6.2% of salary up to cap
Medicare	1.45% of salary up to cap
Disability	None
Unemployment	2% of salary
Workers' Compensation	1.2% of salary
Paid Leave Benefits	10 holidays and 10 vacation days per year
Health Benefits Offered	Assumes no costs for health benefits
Dental Benefits Offered	Assumes no costs for health benefits
Vision Benefits Offered	Assumes no costs for health benefits
Retirement Benefits Offered	Assumes no costs for health benefits
Training and Professional Development Benefits	Assumes employees are paid for time spent in training and that the time outside of the classroom is covered by cross-trained staff

The model did not assume any benefit or health insurance costs for family day care programs. Based on results of the provider survey, 86.3% of family day care providers reported having some type of health coverage, with 44.6% reporting private insurance through a spouse, partner, or other family member; 14.1% through Medicare or Medicaid; and 4.7% through a combination of these options. There were 21.2% who reported paying for private insurance on their own. Since most family day care providers do not pay for health insurance as part of their business, the model does not assume any health insurance benefits.

Staff Ratios and Group Size

The model assumes that providers will seek to maximize the ratios and group sizes allowable under South Dakota's child care regulations.

Exhibit 4. Staffing Ratios and Group Size for Licensed Child Care Centers

Age Group	Ratio	Group Size
Infants	1:5	10
Toddlers	1:5	10
Preschool	1:10	20
School Age	1:15	30

Exhibit 5. Staffing Ratios and Group Size for Before and After School Care

Age Group	Ratio	Group Size
School Age	1:15	30

Exhibit 6. Staffing Ratios and Group Size for Family Day Care

Age Group	Assumptions
Infants	Assumes 2 infants
Toddlers	Assumes 2 toddler
Preschool	Assumes 6 preschool children
School Age	Assumes 2 school age children

Additional Staff Time Required

The model assumes that staff in all programs, including those at a baseline level of quality and at higher levels of quality, require an additional 20% of time outside of the classroom to cover additional hours of operation beyond a standard eight-hour workday (as many programs operate at least 10 hours per day), and to account for additional responsibilities, such as planning, assessment, parent engagement, and professional development. For programs that are at the highest level quality in the QRIS, the model assumes additional hours to maintain the higher standards, including an additional 50 hours for family child care providers, 296 hours across all staff in child care centers, and 204 hours across all staff in school-age care programs at the highest level quality of care in the QRIS.

Non-personnel Costs

The cost model includes assumptions for non-personnel costs, including those that vary by number of children (e.g., classroom materials, food, office supplies), those that vary by number of classrooms and square footage of a program facility (e.g., rent, mortgage, utilities), those that are site-level costs (e.g., audit, permits), and those that vary based on number of staff (e.g., training costs). The model has default assumptions generally in line with data gathered through interviews with providers and the 2024 market rate survey, but most differences were marginal; the model was updated to reflect data gathered.

For rent and mortgage, data collected in the 2024 Child Care Market Rate Survey was examined for child care centers and family day care and imputed the price per square foot based on standard

assumptions (used in cost modeling) that programs on average use 80 square feet per child. The center-based estimates were used for rent and mortgage as a proxy for the in-kind value of the space that school-age care programs use, which are typically covered by an affiliated school district.

Exhibit 7. Annual Rent and Mortgage Assumptions

Geographic Region	Center-Based	Family Day Care	School Age
Urban	\$10 per square foot per year	\$16,200 per year	\$10 per square foot per year
Suburban	\$5 per square foot per year	\$13,410 per year	\$5 per square foot per year
Rural	\$8 per square foot per year	\$13,952 per year	\$8 per square foot per year

Description of other non-personnel costs (as listed in Appendix B) and the PCQC default assumptions were modified based on the South Dakota cost of living indicators for each of the three regions and/or data gathered during the provider interviews.

Revenue – Private Tuition

The primary source of revenue for most providers is private tuition paid by families. To model the revenue received from private paying families, the median full-time tuition charged by region and by age group was used from the 2024 Child Care Market Rate Survey. The median was selected because the analysis is intended to model the revenues of a “typical” provider, and the median tuition level represents the midpoint tuition level for each region, type of care and age group.

Exhibit 8. Private Weekly Tuition, Center-Based Providers

Geographic Region	Infant Prices	Toddler Prices	Preschool Prices	School Age Prices
Urban	\$260.00	\$245.00	\$219.00	\$101.00
Suburban	\$206.55	\$209.40	\$182.00	\$56.00
Rural	\$150.00	\$150.00	\$145.00	\$38.00

Exhibit 9. Private Weekly Tuition, Family Day Care Providers

Geographic Region	Infant Prices	Toddler Prices	Preschool Prices	School Age Prices
Urban	\$160.00	\$160.00	\$155.00	\$65.00
Suburban	\$140.00	\$135.00	\$135.00	\$80.00
Rural	\$125.00	\$135.00	\$130.00	\$77.00

Exhibit 10. Private Weekly Tuition, Before and After School Care Providers

Geographic Region	School Age Prices
Urban	\$97.50
Suburban	\$51.40
Rural	\$43.45

Revenue – State Reimbursement Rates

An additional source of revenue for many providers is reimbursements paid by DSS for families receiving subsidies through the Child Care Assistance (CCA) program. Using data from the 2024 Child Care Market Rate Survey, the model assumed a certain percentage of children in each program were receiving CCA subsidies, including 14% for Family Day Care, 13% for licensed Child Care Centers, and 6% for School Age providers. To model the revenue received through reimbursements, as illustrated in Exhibits 11 through 13, the CCA maximum reimbursement rates were applied for 48.5 hours of care for each of the three geographic groupings for each type of care.

Exhibit 11. Total Weekly CCA Reimbursement for Full-Time Child Care Centers

Geographic Region	Infant Rates	Toddler Rates	Preschool Rates	School Age Rates
Urban	\$300.00	\$300.00	\$283.00	\$230.00
Suburban	\$238.00	\$238.00	\$228.00	\$195.00
Rural	\$195.00	\$195.00	\$193.00	\$185.00

Exhibit 12. Total Weekly CCA Reimbursement for Full-Time School-Age Program Care

Geographic Region	School Age Rates
Urban	\$250.00
Suburban	\$205.00
Rural	\$193.00

Exhibit 13. Total Weekly CCA Reimbursement for Full-Time Family Day Care

Geographic Region	Infant Rates	Toddler Rates	Preschool Rates	School Age Rates
Urban	\$190.00	\$190.00	\$185.00	\$185.00
Suburban	\$157.50	\$157.50	\$150.00	\$150.00
Rural	\$157.50	\$157.50	\$150.00	\$150.00

Revenue – Child and Adult Care Food Program

Some providers are eligible to participate in the U.S. Department of Agriculture’s Child and Adult Care Food Program (CACFP). While participating in this program provides additional revenues, not all providers may be eligible to participate and some of those eligible may chose not to participate. The current draft of the model assumes that providers are participating in CACFP, with revenue assumptions based on the percentage of children who are receiving child care subsidies for each type of care.

Revenue – Quality Grants

In general, providers do not receive ongoing grants to support quality. However, providers that are participating in the QRIS pilot receive grants, including quality grants and grants to support the implementation of assessments of classroom environments. Therefore, the cost model for providers

participating at the highest level of the QRIS includes estimated revenues from those grants based on the enrollment levels assumed in the cost models, including combined grants of up to \$2,750 for family day care (based on enrollment of 12 children), between \$4,050 and \$12,500 for child care centers (based on program enrollment), and up to \$4,000 for school-age programs.

Uncollected Revenue

The PCQC default for uncollected revenue is 3%. From the 2024 Market Rate Survey, the average percentage of bad debt for all provider types was 5%. When broken out by provider type, the average percentage of uncollected revenue was 5% for child care centers, 5% for school age programs and 4% for Family Day Care. Based on cost modeling best practices and the industry standard, the model maintains the default assumption of 3% uncollected revenue for all program types.

Results of Narrow Cost Model Analysis

Overview

The results of the cost model analysis are provided in Exhibits 14 through 22 by type of care, including child care centers, family child care, and school-age care programs. There are three tables for each type of care showing the variations by region, including rural, urban and suburban. The tables show the modeled costs, revenues and net revenues, and the estimated cost per child. The tables show the baseline costs for programs that meet basic licensing and certification standards, and also the cost of meeting the requirements for highest level of quality in the QRIS, as well as the additional revenue provided through quality grants for programs operating at that level. These scenarios are based on assumptions built in the cost model, as described in detail above, and may not reflect the experience of any one provider, program, or community. For consistency of comparison across provider types, the analysis for family child care assumes that family child care providers pay themselves a wage that is equal to the wage earned by a lead teacher in a child care center in their region. Additionally, the analysis for school-age care providers included personnel and non-personnel costs, even though those costs are typically covered by an affiliated school district.

Results Compared to Other States

While currently there are no national comparisons of state child care cost studies, the overall themes that emerge from this study are similar to other state studies. For example, the cost of care estimates below are similar to those found in other states in the region. In South Dakota, the estimated cost of full-time care in child care centers across all regions ranges from \$14,190 to \$16,113 for infants and toddlers, and from \$9,377 to \$11,729 for preschool. In a 2024 cost study from Montana, the estimated per-child cost in child care centers ranged from \$10,479 to \$13,910 across all age groups (Montana Department of Health and Human Services, 2024). In a 2024 cost study from Kansas, the cost of care for infants and toddlers in child care centers ranged from \$13,703 to \$16,301, and the cost of care for preschool was estimated at \$9,559.

The cost of full-time family day care in South Dakota ranged from \$5,924 to \$6,666 across all age groups, compared to \$4,710 to \$11,822 in Montana and \$6,606 in Kansas (Montana Department of Health and Human Services, 2024).

The cost of full-time school-age care in South Dakota ranged from \$5,108 to \$6,420 in child care centers and \$4,830 to \$5,327 in school-based settings. In Kansas, the estimated cost of school-age care was \$5,319 (Kansas Department of Children and Families, 2024).

Additionally, it is common for child care costs studies to find that the underlying cost of providing child care exceeds revenues generated from private tuition, state reimbursement rates and other revenues. For example, the study from Kansas found that the cost of care exceeded revenues from private tuition in all cases, except for preschool-aged children in center-based settings (Kansas Department of Children and Families, 2024). As noted in the limitations section, some providers may rely on in-kind revenues from community organizations or school districts to manage the differences between the cost of care and the revenues generated from their primary sources of revenue.

Licensed Child Care Center Cost Analysis Results

Exhibit 14. Licensed Child Care Center – Rural

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$504,060	\$507,944
Total Non-personnel Expenses	\$423,293	\$423,293
Total Expenses	\$927,353	\$931,237
Total Revenue	\$688,486	\$700,986
Average Cost for Infants	\$14,190	\$14,261
Average Cost for Toddlers	\$14,190	\$14,261
Average Cost for Preschool	\$10,373	\$10,408
Average Cost for School-Age	\$5,784	\$5,806

Exhibit 15. Licensed Child Care Center – Urban

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$685,004	\$689,219
Total Non-personnel Expenses	\$460,129	\$460,129
Total Expenses	\$1,145,133	\$1,149,348
Total Revenue	\$1,111,477	\$1,123,977
Average Cost for Infants	\$16,113	\$16,184
Average Cost for Toddlers	\$16,113	\$16,184
Average Cost for Preschool	\$11,729	\$11,764
Average Cost for School-Age	\$6,420	\$6,442

Exhibit 16. Licensed Child Care Center – Suburban

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$539,371	\$543,586
Total Non-personnel Expenses	\$386,691	\$386,691
Total Expenses	\$926,062	\$930,277
Total Revenue	\$910,428	\$922,928
Average Cost for Infants	\$13,259	\$13,330
Average Cost for Toddlers	\$13,259	\$13,330
Average Cost for Preschool	\$9,377	\$9,412
Average Cost for School-Age	\$5,108	\$5,130

Family Day Care Cost Analysis Results¹

Exhibit 17. Family Day Care – Rural

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$32,131	\$33,631
Total Non-personnel Expenses	\$38,962	\$38,962
Total Expenses	\$71,093	\$72,593
Total Revenue	\$93,861	\$96,611
Average Cost per Child	\$5,924	\$6,049

Exhibit 18. Family Day Care – Urban

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$37,819	\$39,319
Total Non-personnel Expenses	\$42,172	\$42,172
Total Expenses	\$79,991	\$81,491
Total Revenue	\$101,978	\$104,245
Average Cost per Child	\$6,666	\$6,791

Exhibit 19. Family Day Care – Suburban

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$34,191	\$35,691
Total Non-personnel Expenses	\$39,634	\$39,634
Total Expenses	\$73,825	\$75,325
Total Revenue	\$91,823	\$94,224
Average Cost per Child	\$6,152	\$6,277

¹ The Provider Cost of Quality Calculator, which was used to create the model, does not breakout the average cost per child for family child care, as the variation in costs is much less significant than found with child care centers.

School-Age Care Cost Analysis Results

Exhibit 20. School-Age Care for After School and Non-School Days – Rural

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$54,920	\$55,377
Total Non-personnel Expenses	\$89,990	\$89,990
Total Expenses	\$144,910	\$145,367
Total Revenue*	\$65,782	\$69,782
Average Cost for School-Age	\$4,830	\$4,846

Exhibit 21. School-Age Care for After School and Non-School Days – Urban

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$63,705	\$64,162
Total Non-personnel Expenses	\$96,109	\$96,109
Total Expenses*	\$159,814	\$160,271
Total Revenue	\$142,345	\$146,345
Average Cost for School-Age	\$5,327	\$5,342

Exhibit 22. School-Age Care for After School and Non-School Days – Suburban

Annual Costs	Licensed	Highest Level of Quality
Total Personnel Expenses	\$59,773	\$60,230
Total Non-personnel Expenses	\$90,001	\$90,001
Total Expenses	\$149,774	\$150,231
Total Revenue	\$77,023	\$81,023
Average Cost for School-Age	\$4,992	\$5,008

* Does not include revenues for in-kind contributions from personnel and non-personnel costs covered by school districts.

Policy Changes

In 2024, DSS made significant changes to subsidy policies that better align Child Care Assistance payment policies with the business practices of child care providers. These changes provide more stable and predictable payments to providers that care for children receiving Child Care Assistance and make it easier for providers to participate in the assistance program.

Transition to Enrollment Based Payments

At the beginning of 2024, DSS implemented Child Care Assistance payment policy changes that contributed to more stable and predictable payment practices and better align with provider enrollment-based business practices. The policy change allows providers to receive full authorized payments regardless of temporary changes in child attendance. A more stable payment provides consistency for both the provider and the family. It also helps providers and families anticipate potential differences between the Child Care Assistance payment and the family's total child care bill.

Future Transition from Hourly to Weekly Rates

DSS is currently implementing a planned replacement of the eligibility and enrollment system that supports the Child Care Assistance program. Once completed, DSS plans to pay providers based on a weekly reimbursement rate structure. Additionally, once the new system is in place, DSS plans to begin reimbursing providers prospectively. These changes result in policies that are better aligned with the child care industry's payment practices. This transition will provide a more stable and predictable revenue stream for child care providers and may also lead to an expansion in the total number of slots available statewide for Child Care Assistance-enrolled families.

References

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South Dakota Department of Social Services Division of Economic Assistance Child Care Services. (2024). *2024 South Dakota Child Care Workforce Report*. South Dakota Department of Social Services. (Forthcoming).

Appendix A: Glossary of Terms and Acronyms

Exhibit 23. Glossary of Terms and Acronyms

Term (Acronym):	Definition:
Child and Adult Care Food Program (CACFP)	The Child and Adult Care Food Program provides cash reimbursements for meals served in child day care centers, family and group day care homes, and adult day care centers. Programs are reimbursed according to the number of meals they serve to children. Child and adult care centers receive reimbursement based on family size and income. Day care homes and group family day care homes receive reimbursement based on income level of the area or of the family.
Child Care and Development Fund (CCDF)	A federal program administered by states, territories, and tribes that outlines how federal funds are used to provide low-income families with financial assistance to access child care.
Child Care Assistance Program (CCA)	South Dakota's child care subsidy program, utilizing CCDBG funds and administering the CCDF program.
Child Care Services (CCS)	Within the South Dakota Department of Social Services' Division of Economic Assistance, CCS administers child care subsidy in the state, in addition to providing training, and technical assistance to child care and afterschool programs.
Department of Social Services (DSS)	South Dakota's social services agency-dedicated to strengthening families to foster health, wellbeing, and independence.
Highest Level of Quality	For the purposes of this report, attainment of level 4 in the QRIS pilot framework.
ICF	The contractor hired by the Department of Social Services to conduct the state's child care cost of care analysis. ICF (NASDAQ:ICFI) is a global consulting and technology services company.
Licensed Before and After School Care (also known as School Age Care Program)	South Dakota law defines a Before & After School Care program as the providing of care and supervision of children on a regular basis before and after regular school day hours.
Licensed Day Care Centers (Centers)	South Dakota law defines a Day Care Center as the providing of group care and supervision of children on a regular basis for part of a day as a supplement to regular parental care, with or without compensation, for 21 or more children, including children under the age of six living in the home and children from more than one unrelated family received for care in any facility, including a family home.
Provider Cost of Quality Calculator (PCQC)	The PCQC tool is utilized by most researchers and consultants when preparing child care cost analyses, and includes input variables for personnel costs, non-personnel costs and revenues.
Registered Family Day	South Dakota law defines a Family Day Care Home as providing care and supervision of children from more than one unrelated family, in a family home, on a regular basis for part of a day as a supplement to regular

Term (Acronym):	Definition:
Care Homes	parental care, without transfer of legal custody or placement for adoption. A family day care home may not be registered for care and supervision of more than 12 children at any one time including children under the age of six who are living in the home.
Rural	Territory, population, and housing units that the Census Bureau does not classify as urban are classified as rural. For instance, a rural place is any incorporated place or census-designated place with fewer than 2,500 inhabitants that is located outside of an urban area. A place is either entirely urban or entirely rural, except for those designated as an extended city (or Suburban).
SD QRIS (Quality Recognition and Information System)	South Dakota's QRIS program is currently in the pilot phase. The QRIS provides child care providers to have common standards to help them identify areas of strength and growth. The system will also help families understand quality in child care.
Suburban	An extended city (suburban area) is an incorporated place that contains large expanses of sparsely populated territory for which the Census Bureau provides separate urban and rural population counts and land area figures.
Urban	According to the U.S. Census Bureau, an urbanized area is a continuously built-up area with a population of 50,000 or more. It comprises one or more places—central place(s)—and the adjacent densely settled surrounding area—urban fringe—consisting of other places and nonplace territory.

Appendix B: Data Variables and Sources

Exhibit 24. Personnel Costs – Salaries

Staff Position	Typical Data Sources
Director	2024 Child Care Workforce Survey. Bureau of Labor Statistics (BLS) wage data for Education Administrators, Preschool and Child Care Center/Program (Occupational Code: 11-9031)
Assistant Director	2024 Child Care Workforce Survey. BLS wage data for Education Administrators, Preschool and Child Care Center/Program (Occupational Code: 11-9031); or commercial datasets with county and zip-code level wage data
Administrative Staff	2024 Child Care Workforce Survey. BLS wage data for Office Clerks, General (Occupational Code: 43-9061); or commercial datasets with county and zip-code level wage data
Lead Teacher (Full-Time)	2024 Child Care Workforce Survey. BLS wage data for Preschool Teachers, Except Special Education (Occupational Code: 25-2011)
Assistant Teacher (Full-Time)	2024 Child Care Workforce Survey. BLS wage data for Child Care Workers (Occupational Code: 39-9011).
Floater (Teacher)	2024 Child Care Workforce Survey. BLS wage data for Preschool Teachers, Except Special Education (Occupational Code: 25-2011)
Site Coordinator	2024 Child Care Workforce Survey. BLS wage data for Office Clerks, General (Occupational Code: 43-9061); or commercial datasets with county and zip-code level wage data

Exhibit 25. Personnel Costs – Benefits

Staff Position	Typical Data Sources
FICA	Based on mandated rate
Medicare	Based on mandated rate
Disability	Based on state mandated rate
Unemployment	Based on state mandated rate
Workers' Compensation	Based on state mandated rate
Paid Leave Benefits	Based on interviews with providers and national research
Health Benefits Offered	Based on interviews with providers and national research
Dental Benefits Offered	Based on interviews with providers and national research
Vision Benefits Offered	Based on interviews with providers and national research
Retirement Benefits Offered	Based on interviews with providers and national research
Training and Professional Development Benefits	Based on interviews with providers and national research

Exhibit 26. Non-Personnel Costs

Cost Category	Typical Data Sources
Food and Food Preparation	Based on interviews with providers and national research
Kitchen Supplies	Based on interviews with providers and national research
Education Supplies	Based on interviews with providers and national research
Education Equipment	Based on interviews with providers and national research
Office Supplies	Based on interviews with providers and national research
Office Equipment	Based on interviews with providers and national research
Insurance (Liability, Accident, etc.)	Based on interviews with providers and national research
Postage	Based on interviews with providers and national research
Advertising	Based on interviews with providers and national research
Miscellaneous Administrative Costs	Based on interviews with providers and national research
Credit Card Processing Fees	Based on interviews with providers and national research
Payroll Processing Fees	Based on interviews with providers and national research
Rent/Lease/Mortgage	Based on 2024 Market Rate Survey and interviews with providers and national research
Utilities	Based on interviews with providers and national research
Building Insurance	Based on interviews with providers and national research
Repairs and Maintenance	Based on interviews with providers and national research
Professional Development Fees	Based on interviews with providers and national research
Telephone	Based on interviews with providers and national research
License, Permits and Fees	Based on interviews with providers and national research
Audit	Based on interviews with providers and national research
Miscellaneous Costs	Based on interviews with providers and national research

Exhibit 27. Revenue

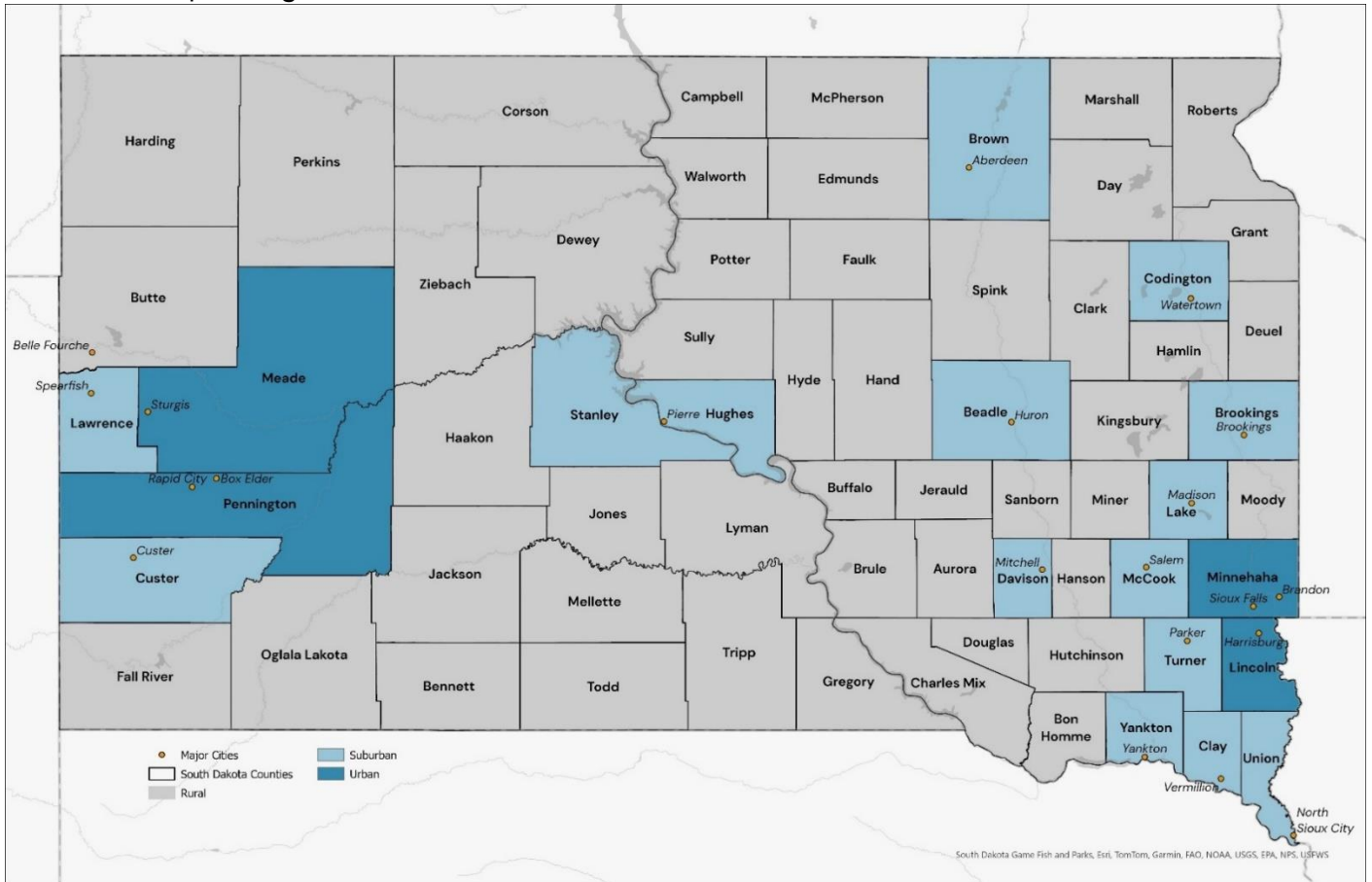
Revenue Type	Typical Data Sources
Private Tuition	Based on data from 2024 Market Rate Survey Analysis – e.g., the 50 th or 75 th percentile of market rates
Child Care Subsidy Reimbursement	Based on data from state child care assistance reimbursement rate chart.
USDA Child and Adult Care Food Program (CACFP)	Based on default values for CACFP reimbursement rates, with estimates entered for percentage of children in three income categories.
Revenue from ongoing state grants	Based on data from DSS.
Other Revenue Sources	Based on input from DSS

Exhibit 28. County Classification

County Name	MSA/Non MSA	Geographic Classification (Based on MSA/Urban Population/Population Density)
Aurora County	East SD nonmetropolitan area	Rural
Bennett County	West SD nonmetropolitan area	Rural
Bon Homme County	East SD nonmetropolitan area	Rural
Brule County	West SD nonmetropolitan area	Rural
Buffalo County	West SD nonmetropolitan area	Rural
Butte County	West SD nonmetropolitan area	Rural
Campbell County	West SD nonmetropolitan area	Rural
Charles Mix County	West SD nonmetropolitan area	Rural
Clark County	East SD nonmetropolitan area	Rural
Corson County	West SD nonmetropolitan area	Rural
Day County	East SD nonmetropolitan area	Rural
Deuel County	East SD nonmetropolitan area	Rural
Dewey County	West SD nonmetropolitan area	Rural
Douglas County	West SD nonmetropolitan area	Rural
Edmunds County	East SD nonmetropolitan area	Rural
Fall River County	West SD nonmetropolitan area	Rural
Faulk County	East SD nonmetropolitan area	Rural
Grant County	East SD nonmetropolitan area	Rural
Gregory County	West SD nonmetropolitan area	Rural
Haakon County	West SD nonmetropolitan area	Rural
Hamlin County	East SD nonmetropolitan area	Rural
Hand County	West SD nonmetropolitan area	Rural
Hanson County	East SD nonmetropolitan area	Rural
Harding County	West SD nonmetropolitan area	Rural
Hutchinson County	East SD nonmetropolitan area	Rural
Hyde County	West SD nonmetropolitan area	Rural
Jackson County	West SD nonmetropolitan area	Rural
Jerauld County	East SD nonmetropolitan area	Rural
Jones County	West SD nonmetropolitan area	Rural
Kingsbury County	East SD nonmetropolitan area	Rural
Lyman County	West SD nonmetropolitan area	Rural
Marshall County	East SD nonmetropolitan area	Rural
McPherson County	East SD nonmetropolitan area	Rural
Mellette County	West SD nonmetropolitan area	Rural
Miner County	East SD nonmetropolitan area	Rural
Moody County	East SD nonmetropolitan area	Rural
Oglala Lakota County	West SD nonmetropolitan area	Rural
Perkins County	West SD nonmetropolitan area	Rural
Potter County	West SD nonmetropolitan area	Rural
Roberts County	East SD nonmetropolitan area	Rural

County Name	MSA/Non MSA	Geographic Classification (Based on MSA/Urban Population/Population Density)
Sanborn County	East SD nonmetropolitan area	Rural
Spink County	East SD nonmetropolitan area	Rural
Stanley County	West SD nonmetropolitan area	Rural
Sully County	West SD nonmetropolitan area	Rural
Todd County	West SD nonmetropolitan area	Rural
Tripp County	West SD nonmetropolitan area	Rural
Walworth County	West SD nonmetropolitan area	Rural
Ziebach County	West SD nonmetropolitan area	Rural
Beadle County	East SD nonmetropolitan area	Suburban
Brookings County	East SD nonmetropolitan area	Suburban
Brown County	East SD nonmetropolitan area	Suburban
Clay County	East SD nonmetropolitan area	Suburban
Codington County	East SD nonmetropolitan area	Suburban
Custer County	Rapid City, SD	Suburban
Davison County	East SD nonmetropolitan area	Suburban
Hughes County	West SD nonmetropolitan area	Suburban
Lake County	East SD nonmetropolitan area	Suburban
Lawrence County	West SD nonmetropolitan area	Suburban
McCook County	Sioux Falls, SD	Suburban
Turner County	Sioux Falls, SD	Suburban
Yankton County	East SD nonmetropolitan area	Suburban
Union County	Sioux City, IA--NE--SD	Suburban
Lincoln County	Sioux Falls, SD	Urban
Meade County	Rapid City, SD	Urban
Minnehaha County	Sioux Falls, SD	Urban
Pennington County	Rapid City, SD	Urban

Exhibit 29. Map of Regions (Rural, Suburban, Urban)



Appendix C: Interview Protocol

Introductory Email Invitation for Interview to Providers

Dear Child Care Provider,

We request your help in providing additional information about your business costs for the 2024 child care cost analysis.

We are following up on today's email from DSS about your participation in the Child Care Cost of Care study to share insights into your program's characteristics and underlying costs. We wish to confirm your willingness to participate in the study. Once we have received your confirmation, we will contact you to schedule a time to meet for one hour and send you the interview questions in advance.

Information gathered through the interview will assist DSS in program and policy planning, as well as to update reimbursement rates for the CCA program. **The interviews should take about one hour to complete and will be conducted by April 19, 2024.**

We appreciate your assistance in participating in this interview for the child care cost study. If you have any questions, please contact ICF at support@sdchildcaresurvey.com.

Sincerely,
Ken Branscome

South Dakota Child Care Cost Modeling Project: Interview Questions for Child Care Centers and Preschools

The following questions will guide the interview with your center. The questions are being provided to you in advance only to allow you to prepare for the interview. You do not need to submit any written questions. We will collect and record all information during the interview. All information collected will remain confidential. Your participation is voluntary, and you may decide to withdraw participation at any time.

Center Structure

1. Let's start with getting to know more about your center's **structure**:
2. Let's move on to some questions on **enrollment, staffing and group size**. Looking at your child care center and the groups of children you have:
 - a. What is the age of the first group? [Infant, toddler, preschool, school age]
 - b. What is the average number of children enrolled in this group?
 - c. How many teachers are in this group?
 - d. How many additional staff are in this group?
 - e. On average, for how long are additional staff in the classroom with this group per week?
 - f. What is the maximum group size?

Personnel and Salaries

3. The next set of questions are related to **personnel and salaries**. The questions will help us better understand the true cost of providing care. All information will remain confidential and will only be used for cost modeling purposes.
 - a. How many staff do you have at your center in each of the positions listed in the table below?
 - b. What is the lowest annual full-time wage or salary for each position?
 - c. What is the highest annual full-time wage or salary for each position?
 - d. How many part-time staff do you have?

- e. What is the lowest hourly part-time wage per position?
- f. What is the highest hourly part-time wage per position?

Staff Position	Number of Individuals in the Position	Lowest Annual Wage or Salary	Highest Annual Wage or Salary
Director			
Assistant Director			
Administrative Assistant			
Lead Teacher (Full-Time)			
Assistant Teacher (Full-Time)			
Floater (Teacher)			
Site Coordinator			
Other (Kitchen Staff)			

Personnel Benefits

4. Which of the following types of **benefits** does your center offer to FULL-TIME employees?

Other Benefits	Yes	No
Health Benefits Offered	<input type="radio"/>	<input type="radio"/>
Dental Benefits Offered	<input type="radio"/>	<input type="radio"/>
Vision Benefits Offered	<input type="radio"/>	<input type="radio"/>
Retirement Benefits Offered	<input type="radio"/>	<input type="radio"/>
Training and Professional Development Benefits	<input type="radio"/>	<input type="radio"/>
Paid Leave		
Paid Leave Benefits Offered	<input type="radio"/>	<input type="radio"/>
Paid holidays	<input type="radio"/>	<input type="radio"/>
Paid vacation leave	<input type="radio"/>	<input type="radio"/>
Paid sick/personal leave	<input type="radio"/>	<input type="radio"/>
Paid professional development days	<input type="radio"/>	<input type="radio"/>
Other paid leave	<input type="radio"/>	<input type="radio"/>

5. Is there anything else to explain about **paid leave or any other benefits** provided?

6. If you offer **HEALTH insurance**, what is the TOTAL monthly premium for that plan and what part does the EMPLOYER (your program) pay of those amounts?
 - a. Total premium per month for one INDIVIDUAL Plan? **\$50 per year for whole family for limited health transport**
 - b. How much of that amount does the employer pay per month? ____
 - c. Total premium per month for one FAMILY plan? ____
 - d. How much of that amount does the employer pay per month? ____

7. Please explain anything you need to about health insurance.

8. If your center offers a **RETIREMENT PLAN**, are there any contributions other than offering the plan?
 - a. No ____
 - b. Yes, employer matches employee contributions ____

c. Yes, employer contributes a set amount per year ____

9. Comments about contributions?

10. If your center does **contribute to the retirement plan**, how much is the contribution per employee?

11. Please explain anything you need to about retirement plans.

12. If you listed **OTHER BENEFITS** in the previous question (question #4 above), how much does the center pay per employee per year for each of them?

a. Other benefit 1 – **50% of cost of child care for staff when they are working**

b. Other benefit 2 ____

Personnel Training and Professional Development

13. If your center does pay for training and professional development, **how much does the center budget each year to pay for training** for staff?

a. Our annual budget for ALL staff training is **Just see hourly wage and cost of class.**

b. We budget an amount per employee, which is ____

14. Does your center **pay for substitutes** when staff are attending training and professional development?

a. Yes ____

b. No **Covered by cross-trained staff**

15. Comments

Non-Personnel Costs

16. Now, let's talk about your center's **non-personnel costs**. We have reviewed the end-of-year financial statement, if we received from you, prior to this call. Can we walk through that together to address the questions that we have? OR Can we walk through some questions about some estimated annual costs for your business?

Cost Category	Estimated Annual Cost	Notes
Food and Food Preparation		
Kitchen Supplies		
Education Supplies		
Education Equipment		
Office Supplies		
Office Equipment		
Insurance (Liability, Accident, etc.)		
Postage		
Advertising		
Miscellaneous Administrative Costs		
Credit Card Processing Fees		
Payroll Processing Fees		
Rent/Lease/Mortgage		
Utilities		
Building Insurance		
Repairs and Maintenance		
Professional Development Fees		
Telephone		
License, Permits and Fees		
Audit		
Miscellaneous Costs		

Tuition and Revenues

17. Now, let's talk about your **tuition and revenues**. What is your highest tuition rate charged for each of the age groups below?

Age Group	Private Tuition Rate	Rate Schedule (Hourly, Daily, Weekly or Monthly)
Infants		
One Year Old		
Two Year Old		
Three Year Old		
Four Year Old		
Five Year Old (Not in School)		
School Age		

18. Some centers have **other sources of revenue** besides private-paying parent tuition. From the end-of-year financial statement that you provided, we can see the amounts of revenue that you have. Can we just clarify which types of funding you receive and confirm the amounts (if not clear from the statements)?

Sources	Amount
Private Tuition	
Child Care Subsidy Reimbursement	
USDA Child and Adult Care Food Program (CACFP)	
Revenue from Quality Grants	
Other _____	

Bad Debt

19. What percentage of parent fees do you estimate go uncollected in a typical year?

South Dakota Child Care Cost Modeling Project: Interview Questions for Family Day Care Providers

The following questions will guide the interview for your Family Day Care business. The questions are being provided to you in advance to help you prepare for the interview. You do not need to submit any written questions. We will collect and record all information during the phone interview. All information collected will remain confidential. Your participation is voluntary, and you may decide to withdraw participation at any time.

Child Care Business Structure [Ask all providers.]

1. Let's start with getting to know more about the **structure** of your child care business.
 - a. Are you open part-year or full-year?
 - b. What are the hours of operation (the earliest open time and the latest closing time)?
2. Let's move on to some questions on **enrollment, staffing and group size**. Looking at your child care business and the children you have:
 - a. What ages of children do you serve? [Infant, toddler, preschool, school age]
 - b. How many children do you typically serve on a typical day?
 - c. Do you have any additional staff to assist you? If so, please describe.
 - d. On average, for how long are additional staff working with this group per week?
 - e. What is the maximum number of children you are allowed to care for?

Personnel and Salaries [only if provider indicated additional staff in Question 2.]

3. The next set of questions are related to **personnel and salaries (only if you have additional staff assist you)**. The questions will help us better understand the true cost of providing care. All information will remain confidential and will only be used for cost modeling purposes.
 - a. What is the lowest annual full-time wage or salary for full-time positions?
 - b. What is the highest annual full-time wage or salary for full-time positions?
 - c. What is the lowest hourly part-time wage per position?
 - d. What is the highest hourly part-time wage per position?

Personnel Benefits [Ask only if provider indicated additional staff in Question 2.]

4. Do you offer benefits to your staff who may assist you? (Yes/No)

5. If yes, which of the following types of **benefits** do you offer to FULL-TIME employees?

Other Benefits	Yes	No
Health Benefits Offered	<input type="radio"/>	<input type="radio"/>
Dental Benefits Offered	<input type="radio"/>	<input type="radio"/>
Vision Benefits Offered	<input type="radio"/>	<input type="radio"/>
Retirement Benefits Offered	<input type="radio"/>	<input type="radio"/>
Training and Professional Development Benefits	<input type="radio"/>	<input type="radio"/>
Paid Leave		
Paid Leave Benefits Offered	<input type="radio"/>	<input type="radio"/>
Paid holidays	<input type="radio"/>	<input type="radio"/>
Paid vacation leave	<input type="radio"/>	<input type="radio"/>
Paid sick/personal leave	<input type="radio"/>	<input type="radio"/>
Paid professional development days	<input type="radio"/>	<input type="radio"/>
Other paid leave	<input type="radio"/>	<input type="radio"/>

6. Is there anything else to explain about **paid leave or any other benefits** provided?

7. If you offer **HEALTH insurance**, what is the TOTAL monthly premium for that plan and what part does your child care business pay of those amounts?

a. Total premium per month for one INDIVIDUAL Plan? _____

b. How much of that amount do you pay per month? _____

c. Total premium per month for one FAMILY plan? _____

d. How much of that amount do you pay per month? _____

8. Please explain anything you need to about health insurance.

9. If you offer a **RETIREMENT PLAN**, are there any contributions other than offering the plan?

- a. No _____
- b. Yes, I match the employee contributions _____
- c. Yes, I contribute a set amount per year _____

10. Comments about contributions?

11. If you **contribute to the retirement plan**, how much is the contribution per employee?

12. Please explain anything you need to about retirement plans.

13. If you listed **OTHER BENEFITS** in the previous question (question #5 above), how much does your child care business pay per employee per year for each of them?

a. Other benefit 1 _____

b. Other benefit 2 _____

Personnel Training and Professional Development [Ask only if provider indicated additional staff in Question 2.]

The next set of questions are related to **personnel training and professional development**.

14. If you pay for training and professional development, **how much do you budget each year to pay for training?**

a. My annual budget for my training is _____

15. Does your child care business **pay for substitutes** when you or other staff are attending training and professional development?

a. Yes _____

b. No _____

16. Comments

Non-Personnel Costs [Ask all providers.]

17. Now, let's talk about your center's **non-personnel costs**. We have reviewed the end-of-year financial statement, if we received from you, prior to this call. Can we walk through that together to address the questions that we have? OR Can we walk through some questions about some estimated annual costs for your business?

Cost Category	Estimated Annual Cost	Notes
Food and Food Preparation		
Kitchen Supplies		
Education Supplies		
Education Equipment		
Office Supplies		
Office Equipment		
Insurance (Liability, Accident, etc.)		
Postage		
Advertising		
Miscellaneous Administrative Costs		
Credit Card Processing Fees		
Payroll Processing Fees		
Rent/Lease/Mortgage		
Utilities		
Building Insurance		
Repairs and Maintenance		
Professional Development Fees		
Telephone		
License, Permits and Fees		
Audit		
Miscellaneous Costs		

Tuition and Revenues [Ask all providers.]

18. Now, let's talk about your **tuition and revenues**. What is your highest tuition rate charged for each of the age groups below?

Age Group	Private Tuition Rate	Rate Schedule (Hourly, Daily, Weekly or Monthly)
Infants		
One Year Old		
Two Year Old		
Three Year Old		
Four Year Old		
Five Year Old (Not in School)		
School Age		

19. Some centers have **other sources of revenue** besides private-paying parent tuition. From the end-of-year financial statement that you provided, we can see the amounts of revenue that you have. Can we just clarify which types of funding you receive and confirm the amounts (if not clear from the statements)?

Sources	Amount
Private Tuition	
Child Care Subsidy Reimbursement	
USDA Child and Adult Care Food Program (CACFP)	
Revenue from Quality Grants	
Other _____	

Bad Debt [Ask all providers.]

20. What percentage of parent fees do you estimate go uncollected in a typical year?