

Final Report
Maryland Child Care Market Rate Survey 2019
July 2019

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Executive Summary

Maryland Family Network collected and analyzed data from the 2019 Child Care Market Rate Survey for Maryland. The results of this survey are outlined in this report.

This survey was conducted under the auspices of the Division of Early Childhood and the Division of Child Care Subsidy with the Maryland State Department of Education from February 2019 through April 2019. The survey was disseminated to all regulated and licensed child care programs in Maryland. Child Care Programs participating in this survey had the option of completing either a short form of basic information on child care fees or a longer form that would update program elements as part of the LOCATE: Child Care service, Maryland parent resource and referral system. A total of 1,835 completed responses were received.

The final responses represents all 24 jurisdiction in Maryland, 23 counties and Baltimore City.

The following were key findings from the survey results:

- Of the 1,835 completed responses received:
 - 983, or 53.5%, were from Family Child Care;
 - 852, or 46.4%, were from Child Care Centers;
 - 893, or 48.6%, were the long form format;
 - 942, or 51.3%, were the short form format;
- Average weekly full-time child care rates for the State of Maryland were \$237.59 for children age birth to 23 months, \$197.60 for children ages 2 to 5 years, and \$173.02 for children of school age;
- On average, for each of the age ranges of children 1 – 23 months, 2 – 5 years, 5+ years, Child Care Center fees were higher than those for Family Child Care Programs. This is a historical trend MFN has documented in Child Care Demographics, <http://www.marylandfamilynetwork.org/demographics/> ;
- On average, weekly child care costs were found to be higher in the counties adjacent to Washington, D.C. and the Interstate 95 Corridor, including Montgomery County, Howard County, Anne Arundel County, Carroll County, and Frederick County, in descending order;
- Of the 1,835 responses, 1,195 or 65% of all survey responses were from programs that participate in Maryland’s QRIS Program, named Maryland EXCELS.

Introduction

Maryland is at the center of the Boston-Atlanta Corridor on the Atlantic seaboard, and borders Washington, D.C., the nation's capital. Among the 50 states Maryland ranks 42nd in size and 19th in population, with a diversified economy rooted in high technology, biosciences and services, as well as revitalized manufacturing and international trade. It is home to four Foreign-Trade Zones, 37 State Enterprise Zones, and multiple transportation resources. Major federal facilities based in Maryland are the National Institutes of Health, National Institute of Standards and Technology, National Security Agency, Social Security Administration, Food and Drug Administration, Department of Homeland Security, and Census Bureau. Professional and technical workers constitute 27.2 percent of the state's work force – the second highest concentration among states. Maryland ranks third among the states in educational attainment, with 39.3 percent holding a bachelor's degree or higher. Maryland's 168,000 businesses employ over 2.1 million workers; 3,400 of them employ 100 or more. Significant companies headquartered in Maryland include Lockheed Martin, Marriott International, Host Hotels & Resorts, McCormick & Company, T. Rowe Price, Under Armour, W. R. Grace, Legg Mason, GEICO, MedImmune, Emergent Biosolutions, United Therapeutics, Colfax, Tessco Technologies, BroadSoft, Coastal Sunbelt and Phillips Seafood. (Source: Maryland Department of Commerce, Brief Economic Facts, 2018.)

Child Care is a necessity for the working families in Maryland. In 2018, 79% of Maryland children under the age of 12 had mothers in the workforce. Given the high percentage of Maryland working parents, most children spend large amounts of time in the care of unrelated adults outside their homes. The majority of Maryland children from birth to age 5 are in licensed child care settings.

Finding quality, affordable child care is a significant challenge to Maryland's low income families. According to Child Care Aware of America from 2018 data, in Maryland single parents pay 39.7% of their income for Child Care Center based infant care. Married parents of 2 children living at the poverty line would pay 101.5% of their household income for Child Care Center care. The cost of infant care in Maryland is more than the annual cost of college tuition at a four year college.

(<https://usa.childcareaware.org/wp-content/uploads/2018/10/Maryland2018.pdf>). In every Maryland County, the cost of child care ranks among the top three household expenses. According to MFN's Maryland Child Care Demographics, child care is the number one household expense in Baltimore City and Frederick County, the number two household expense in Allegany, Baltimore, Dorchester, Montgomery, Prince George's, Somerset, Wicomico and Worcester Counties. Child care is the number three household expense in Anne Arundel, Calver, Caroline, Carroll, Cecil, Charles, Garrett, Harford, Howard, Kent, Queen Anne's, St. Mary's, Talbot, and Washington Counties. (Source:

<http://www.marylandfamilynetwork.org/wp-content/uploads/2019/04/Maryland.pdf>)

Working parents at almost all income levels struggle to pay for child care, but relatively few are eligible for child care subsidies, and fewer still receive them. Most parents cannot afford to pay what it costs to provide high quality services, and publicly funded programs serve only a small portion of Maryland's low-income children from birth to age 5.

High quality public pre-K programs serve 38% of the state's four-year-olds, but even with this program working parents still need to find child care before and after half-day (2.5 hours) and full-day care during holidays and the summer. Another 5% of four-year-olds and 6% of three-year-olds are enrolled in Head Start, which is also most commonly a part-day, school-year-only program.

Many of those families would not be able to afford licensed/regulated child care without the assistance available through the Child Care Scholarship (CCS), formerly known as Child Care Subsidy, Program. CCS provides financial assistance with child care costs to eligible working families in Maryland.

However, Maryland's history of insufficient funding has been responsible for inadequate subsidy rates and excessive parent co-payment rates in Maryland. Federal Child Care Development Fund (CCDF) guidelines strongly recommend that states set provider reimbursement rates at the 75th percentile of the current market rate and parent co-payments at no more than 7% of household income. Until recently, Maryland's reimbursement rates stood at the 10th percentile of the market rate, and parent co-payments averaged 12% of household income. Many providers simply cannot afford to provide child care at the 10th percentile of the market rate and must charge parents an additional fee to cover the difference between the subsidy rate and the rate the provider would charge a parent without a subsidy. The provider's full rate, however, is usually determined by what parents can afford to pay, and not by what it costs the provider to provide high quality child care. Private child care programs must find ways to operate with minimal budgets, paying staff low wages and offering them very limited benefits or no benefits at all.

These same low rates handicapped the ability of providers serving low-income communities to sustain their programs and improve quality, while creating strong disincentives for providers in more affluent communities to enroll children receiving subsidy.

The Maryland strategy for the 2019 Market Rate Survey not only included the data collection outlined in this report, but also includes a longer term strategy for addressing the State's low reimbursement rates and equally low family eligibility determinations.

The outlook for the child care subsidy began a significant positive trajectory that included legislation in 2018, which provided significant assistance to help low-income working families afford the high cost of child care. After many years of fiscal neglect, both budgetary and legislative initiatives have begun to address severe deficiencies in the program. Most notably, the enrollment freeze in effect since 2011 was entirely eliminated, family eligibility for the program was dramatically expanded, and subsidy rates that formerly ranked among the very lowest in the country increased and will continue to rise until they reach at least the 60th percentile of market rates. For the first time in more than a decade, advocates can point to a bright future for the children, parents, and providers who participate in CCS.

Until recently, Maryland's CCS income eligibility ceiling hovered below 35% of the State Median Income (SMI). Effective August 1, 2018, family income eligibility for CCSP expanded dramatically, rising to approximately 65% SMI. For a family of four, this raises the income-eligibility ceiling from \$35,702 to \$71,525.

However affordable, available child care for working parents is only one of the elements in understanding the critical need for child care. Research findings about the status of children in this country over the last two decades have resulted in a re-examination of national, state, and local investments in early care and education. Research on infant brain development, studies of cost, quality, and child outcomes in programs serving young children, and analyses by noted economists demonstrating that investments in early childhood produce substantial returns on investments have all confirmed that the first years of life are critical to children's development and long-term well-being.

We know that the years from birth to age 5 constitute the most expansive period of brain development and learning. Ninety-five percent of the volume of brain growth takes place before the age of six ([https://jaacap.org/article/S0890-8567\(09\)60063-0/fulltext](https://jaacap.org/article/S0890-8567(09)60063-0/fulltext)). During the years from birth to age 5, children develop the foundational capacities that will set the stage, either fragile or sturdy, for all later learning and functioning.

High-quality early childhood education pays dividends that last a lifetime, and those dividends accrue not just to individuals and families but to society as a whole. Overall, every dollar invested in high-quality early childhood education brings a return of approximately \$7. Put another way, one widely cited early childhood program yielded a 13% return on investment per child, per year, according to an analysis by Dr. James Heckman, a Nobel Laureate in Economics.

The Child Care Scholarship (CCS) Program provides financial assistance with child care costs to eligible working families in Maryland. The program is managed through a centralized vendor -- Child Care Subsidy Central (CCS Central). Families obtain information on line, or through the postal mail, and can submit applications and supporting documentation on line.

The State of Maryland is making great efforts to provide as much support as possible to Maryland's economically disadvantaged families. Without this support many families, including a significant number of single parents, would not be able to work, to support their families, to make contributions to Maryland's economy, and helping their children succeed in school and in life.

The next section of this report presents information on the methodology used for the Maryland 2019 Child Care Market Rate Survey, including an overview of the survey participants and an analysis of the market rates for child care in Maryland.

Survey Design and Methodology

In collaboration with Maryland Family Network (MFN), Maryland State Child Care Association (MSCCA), Maryland State Family Child Care Association (MSFCCA), Maryland Association for the Education of Young Children (MD AEYC), Service Employees International Union (SEIU) Local 500, and Maryland Child Care Resource Network (MCCRN), the Division of Early Childhood of the Maryland State Department of Education (DEC/MSDE) developed a survey process for use in collecting 2019 market rate data from the state's 2,657 Licensed Group Programs and 5,629 Family Child Care. Only minor modifications were made to the two survey choices that were part of this survey process: a long form utilized as an intake form for the LOCATE: Child Care parent resource and referral service; and, a short form utilized in the previous year as part of that 2018 market rate survey. Pretesting of the survey instruments was limited to internal review by the aforementioned organizations and their staff. There were two forms used to give respondents a choice in the amount of information they wished to give as part of this efforts. Examples of the short form and the long form are available in the appendix of this document.

DEC/MSDE chose to have the 2019 market rate survey marketing and dissemination conducted electronically. All of the collaborating organizations notified licensed and regulated programs among their membership of the survey and the importance of having program participation in the survey in order to obtain the best information for the State of Maryland to determine the market rate for child care for the various types of care and the ages of children, as well as for the state to have the most current information for decisions on policy, protocol and regulations.

MSDE and MFN marketed and distributed the survey statewide to all licensed and regulated child care programs. MCCRN is the state identity of the 12 Child Care Resource Centers (CCRC) that serve all portions of the state; each CCRC marketed and distributed the survey to the region that each served. The questionnaire was primarily available online and could be downloaded, completed in paper form, and returned electronically or could be completed online. Through MFN and MCCRN, paper copies of the cover letter and questionnaires were available at meetings and trainings hosted by those organizations. Examples of MFN's marketing of the survey through social media and other formats can be seen in the appendix. DEC/MSDE and MFN sent informational notices to other child care related agencies, such as the Early Care and Education Councils (ECAC), and local chapters of child care professional organizations. The initial notices of the 2019 Market Rate Survey strategy were sent out the first week of the survey, at the beginning of February 2019. Subsequent notices were sent out over the course of the strategy, through the early part of April 2019.

As an incentive to complete the survey, program staff completing the survey were awarded either one Professional Activity Unit for successful completion of the short form or two Professional Activity Units (PAU) for successful completion of the long form. PAUs are a recognition of an individual child care provider's participation in activities that contribute to the professional growth and career development and contribute to quality child care and the advancement of the profession. PAUs are one of several voluntary criteria for the Maryland Child Care Credential Program, a career ladder that supports an individual to build knowledge and skills in a cumulative manner and achieve incentives and recognition.

Data from the surveys was entered in the LOCATE: Child Care database with MFN. Data from surveys that were mailed or scanned and submitted electronically were entered by LOCATE: Child Care staff into the Child Care database.

Survey respondents were asked to indicate: the name and location of the program; the type of program; their license number for Child Care Centers, or registration number for Family Child Care; participation in Maryland EXCELS; contact information; and, the weekly and monthly fees for their child care services.

Respondents were asked to supply child care fees according to age groups served, i.e. infant (birth through 11 months), toddler (12 to 23 months), two years old, three years old, four years old, five year olds, school age (5 years and older). For the purpose of data analysis and to conform to Maryland's Child Care Scholarship framework, these age groupings were collapsed to: infants, age birth through 23 months; preschool, age two years to five years of age; and, school age, age five years of age and older.

Respondents were also given the option of reporting daily costs for before- and after-school care, drop-in care, evening care, overnight care, and weekend care. Respondents were also asked if there were registration fees for child care and if there was a security deposit for child care. Program name, program address, and license or registration number were used to determine the jurisdiction where the program provides services and to insure that each program response was captured one time.

There are two general types of regulated child care in Maryland that are identified for this survey report: Family Child Care; and, Child Care Centers. Family Child Care is a care setting where care is given to a child younger than 13 years or to a person with a development disability younger than 21 years old, in place of parental care for less than

24 hours a day, in a residence other than the child's residence and for which a provider is paid. Family Child care is generally done in the provider's residence and regulations allow a family child care provider to care for as many as eight child at any one time dependent on space, materials, equipment, and provider qualifications. Family Child Care is regulated by the Office of Child Care. A Child Care Center is a facility where child care is provided for part of all of the day, providing care to children in the absence of the parent. It is typically done in a facility other than a residence, and the number of children in care depends on space, materials, equipment, staff qualifications, and related items. Child Care Centers are licensed by the Office of Child Care.

Letter of Compliance programs are child care programs operated by tax-exempt religious organizations in school buildings used exclusively for children who are enrolled in those schools, meet basic health, safety, space and other requirements.

More information on regulated child care in Maryland can be found at:

<https://earlychildhood.marylandpublicschools.org/child-care-providers/regulations>

Respondents were also asked if they participate in Maryland EXCELS, which is Maryland's Quality Rating and Improvement System Program.

RESULTS

The 2019 Maryland Market Rate Survey was conducted in an eight week period of time from the second week in February 2019 through the second week in April 2019. The total number of respondents was 1,835 surveys received, a 22% return rate. Response by type of care program was 983 from Family Child Care programs, a 17% return rate of all regulated Family Child Care in Maryland, and 853 surveys from Child Care Centers in Maryland, a 32% return rate of all Child Care Centers in Maryland. Of the 1,835 respondents, 893 chose the long form, 48.6%, and 942 chose the short form, 51.3%.

Usable information was received from each of the 24 jurisdictions in Maryland, with Baltimore County having the most, 284, surveys returned. The response rate from Large Family Child Care and Letter of Compliance Programs was insufficient to compile reliable data to characterize the fees for those programs.

Chart 1 identifies the number of total surveys (both short form and long form surveys) by each of the 24 jurisdictions in Maryland. Baltimore County had the largest number of surveys received, with Kent County having the fewest.

Chart 1: Combined Totals of Surveys Received

Combined Totals		
County	Code	# Surveys
Anne Arundel	AA	139
Allegany	AL	23
Baltimore	BC	284
Baltimore C	BX	237
Carroll	CA	39
Cecil	CE	24
Charles	CH	36
Caroline	CN	16
Calvert	CV	40
Dorchester	DO	15
Frederick	FR	91
Garrett	GA	10
Harford	HA	79
Howard	HO	90
Kent	KE	4
Montgomery	MO	273
Prince Geor	PG	227
Queen Anne	QA	12
St. Mary's	SM	30
Somerset	SO	8
Talbot	TA	18
Washington	WA	92
Wicomico	WI	38
Worcester	WO	10
Total	-	1835

The largest number of responses was received from Baltimore County, followed by Montgomery County, Baltimore City, Prince Georges and Anne Arundel Counties. Those jurisdictions tend to be at the top half of more expensive areas for child care.

Chart 2 identifies the number of long survey forms received.

Chart 2: Totals of Long Format Surveys Received

Long Survey Totals			
Jurisdiction	Center	Family	Total
AA	27	31	58
AL	3	13	16
BC	54	72	126
BX	42	56	98
CA	11	8	19
CE	7	7	14
CH	7	11	18
CN	2	6	8
CV	4	15	19
DO	1	2	3
FR	17	40	57
GA		6	6
HA	18	31	49
HO	35	24	59
KE	1		1
MO	63	71	134
PG	44	50	94
QA	2	5	7
SM	5	11	16
SO	2	2	4
TA	4	2	6
WA	12	45	57
WI	9	7	16
WO	4	4	8
Total	374	519	893

The long format survey is the LOCATE: Child Care Questionnaire used for the parent resource and referral service. There is one form for Family Child Care and one form for Child Care Centers. Examples are in the appendix. Two PAUs were awarded for those completing the long form and we received a good return rate for that form. The jurisdictions that responded most on the long form included Montgomery County, Baltimore County, Baltimore City, Prince George’s and Anne Arundel Counties.

Chart 3 identifies the number of short survey forms received.

Chart 3: Totals of Short Format Surveys Received

Short Survey Totals			
Jurisdiction	Center	Family	Total
AA	32	49	81
AL	4	3	7
BC	99	59	158
BX	58	81	139
CA	15	5	20
CE	1	9	10
CH	8	10	18
CN	1	7	8
CV	9	12	21
DO	4	8	12
FR	13	21	34
GA	3	1	4
HA	11	19	30
HO	18	13	31
KE	2	1	3
MO	89	50	139
PG	64	69	133
QA	2	3	5
SM	9	5	14
SO		4	4
TA	6	6	12
WA	20	15	35
WI	10	12	22
WO		2	2
Total	478	464	942

A copy of the short form is located in the appendix. Forty-nine more respondents did so on the short form than the long form. One PAU was awarded for those completing the short form. Those responding most in the short format included: Baltimore County, Baltimore City, Montgomery County, Prince George’s County, and Anne Arundel County.

Finally, a short note about response from those in Maryland's QRIS Program. The Maryland EXCELS Program is Maryland's Quality Rating Improvement Scale System of assessing quality. Maryland EXCELS has five check levels of increasingly advanced quality levels in order to achieve a specific check level. Maryland EXCELS represents a systematic way to assess, improve, and communicate the level of quality in early care and education programs in Maryland, and to convey that information to parents and the wider community. Of the 1,835 respondents to this survey, 1,195, or 65% of respondents, indicated they participate in Maryland EXCELS: 543, or 45%, of those were Child Care Center based programs; 652, or 55%, of those were Family Child Care.

Statewide Child Care Rates

Chart 4 identifies the average weekly child care rate. As Maryland wanted confirmation of projections of rates at higher levels of reimbursement, we included with the averages secured through the market rate survey the projections derived from the survey results at the 30th percentile and the 60th percentile rates in this chart as well.

Analysis of the survey data suggested that the average full-time child care rates for both types of care in Maryland (Family Child Care, Child Care Centers) were: \$237.59 per week for infants, birth through 23 months; \$197.60 per week for preschoolers age 3 to 4 years; \$173.02 per week for school agers age 5 years and more.

Because child care cost reflect several factors, including socioeconomic variations in the state's population, competitive factors within the marketplace, the availability of child care in a particular region, the mix of child care programs in a particular region and other competitive forces within the marketplace. We will explore some of those factors in the following sections of this report.

Chart 4: Maryland Weekly Child Care Rate by Jurisdiction.

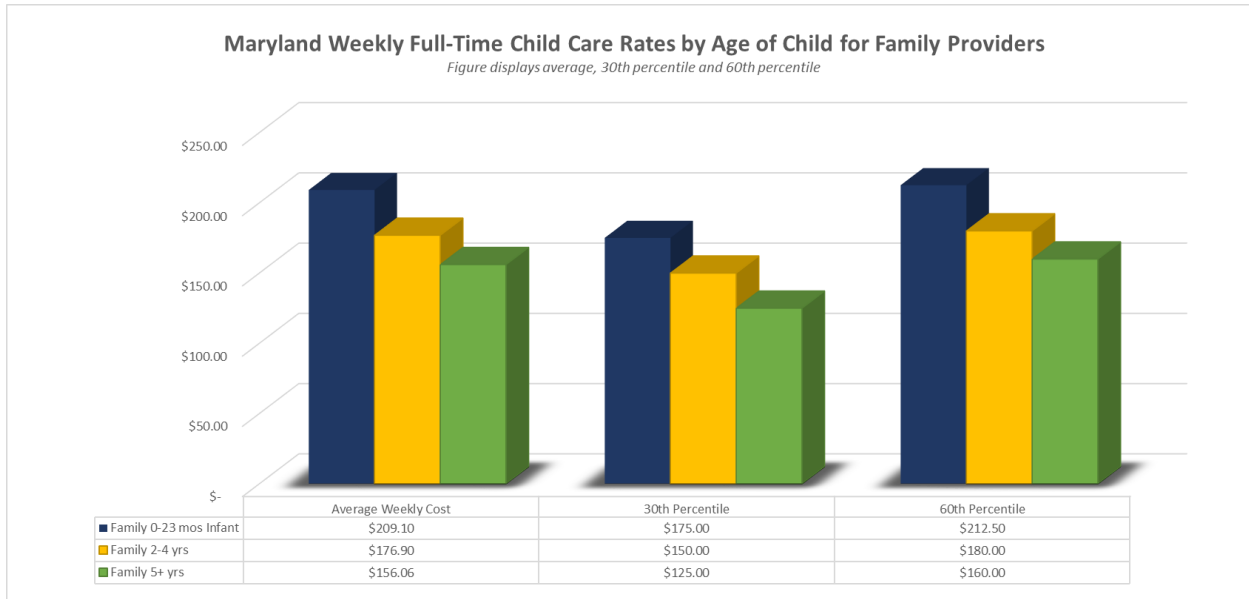
Maryland Weekly Child Care Rates by Jurisdiction

County	0-23 mos (Infant)			2-4 yrs			5+ yrs		
	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile
AA	\$ 268.79	\$ 229.50	\$ 273.00	\$ 217.62	\$ 186.67	\$ 216.67	\$ 194.63	\$ 160.00	\$ 200.00
AL	\$ 129.38	\$ 117.50	\$ 130.00	\$ 121.67	\$ 100.00	\$ 125.00	\$ 118.89	\$ 100.00	\$ 125.00
BC	\$ 231.92	\$ 190.00	\$ 230.00	\$ 191.59	\$ 160.00	\$ 186.67	\$ 167.12	\$ 142.50	\$ 165.00
BX	\$ 206.01	\$ 170.25	\$ 200.00	\$ 162.81	\$ 140.00	\$ 156.67	\$ 139.67	\$ 112.50	\$ 140.00
CA	\$ 252.49	\$ 237.25	\$ 250.00	\$ 203.60	\$ 183.33	\$ 202.00	\$ 186.20	\$ 164.00	\$ 189.29
CE	\$ 176.55	\$ 160.00	\$ 175.00	\$ 150.03	\$ 140.00	\$ 150.00	\$ 133.25	\$ 120.00	\$ 140.00
CH	\$ 236.07	\$ 205.50	\$ 250.00	\$ 187.90	\$ 178.00	\$ 193.66	\$ 153.30	\$ 135.75	\$ 163.00
CN	\$ 133.75	\$ 124.50	\$ 138.00	\$ 115.26	\$ 109.16	\$ 116.67	\$ 101.41	\$ 95.00	\$ 100.00
CV	\$ 208.54	\$ 190.00	\$ 200.00	\$ 166.68	\$ 160.00	\$ 175.00	\$ 145.70	\$ 139.25	\$ 150.00
DO	\$ 140.91	\$ 130.00	\$ 140.00	\$ 120.67	\$ 105.67	\$ 123.33	\$ 114.70	\$ 106.00	\$ 115.80
FR	\$ 246.05	\$ 210.00	\$ 250.00	\$ 202.25	\$ 175.00	\$ 209.67	\$ 180.21	\$ 154.75	\$ 180.00
GA	\$ 106.25	\$ 100.00	\$ 106.00	\$ 95.00	\$ 90.50	\$ 100.00	\$ 91.88	\$ 90.50	\$ 100.00
HA	\$ 235.07	\$ 195.00	\$ 225.00	\$ 195.23	\$ 170.00	\$ 195.67	\$ 179.06	\$ 149.00	\$ 182.50
HO	\$ 312.16	\$ 250.00	\$ 315.00	\$ 257.76	\$ 221.17	\$ 266.27	\$ 231.79	\$ 195.00	\$ 250.00
KE	\$ 184.50	\$ 138.50	\$ 196.00	\$ 163.14	\$ 132.67	\$ 149.88	\$ 162.44	\$ 131.50	\$ 158.38
MO	\$ 327.02	\$ 275.00	\$ 328.08	\$ 289.14	\$ 248.33	\$ 294.17	\$ 255.59	\$ 213.25	\$ 262.80
PG	\$ 241.80	\$ 200.00	\$ 248.50	\$ 192.68	\$ 173.93	\$ 195.00	\$ 163.31	\$ 145.00	\$ 170.00
QA	\$ 200.38	\$ 190.00	\$ 200.00	\$ 168.87	\$ 151.33	\$ 166.00	\$ 144.27	\$ 126.00	\$ 142.90
SM	\$ 200.38	\$ 175.00	\$ 200.00	\$ 164.33	\$ 146.00	\$ 168.00	\$ 140.44	\$ 134.00	\$ 145.00
SO	\$ 139.00	\$ 115.00	\$ 141.00	\$ 114.92	\$ 106.66	\$ 113.00	\$ 107.18	\$ 89.50	\$ 106.00
TA	\$ 173.77	\$ 150.00	\$ 170.00	\$ 138.34	\$ 110.00	\$ 155.00	\$ 124.96	\$ 100.00	\$ 130.00
WA	\$ 156.26	\$ 140.00	\$ 160.00	\$ 136.44	\$ 125.00	\$ 140.00	\$ 119.97	\$ 100.00	\$ 125.00
WI	\$ 176.42	\$ 158.75	\$ 187.00	\$ 137.33	\$ 120.00	\$ 148.00	\$ 123.71	\$ 108.00	\$ 130.00
WO	\$ 180.00	\$ 154.00	\$ 181.00	\$ 147.47	\$ 135.93	\$ 153.33	\$ 131.17	\$ 122.00	\$ 134.00

Chart 4 identifies the average weekly cost of care by jurisdiction among both types of care. Montgomery County, adjacent to Washington, D.C., continues to be the most expensive jurisdiction for child care, followed in descending order by Howard, Anne Arundel, Carroll, and Frederick Counties. Garrett County, in Western Maryland, has the lowest average weekly cost of care, followed in ascending order by Dorchester, Caroline, Somerset and Allegany Counties.

Child care programs participating in the 2019 Maryland Market Rate Survey were group in two categories: Family Child Care and, Child Care Centers. As is the typical pattern in most states and the pattern we have experienced in Maryland, family child care rates tend to be lower for the same age child as the care in Child Care Centers. This is illustrated in Charts 5 and 6.

Chart 5: Maryland Weekly Full Time Child Care Rates by Age of Child for Family Child Care



The average rates for family child care were: \$209.10 per week for infants, age birth through 23 months, \$176.90 per week for preschoolers age 3 and 4 years, and, \$156.06 per week for school agers age 5 years and more.

Chart 6: Maryland Weekly Full Time Child Care Rates by Age of Child for Child Care Centers

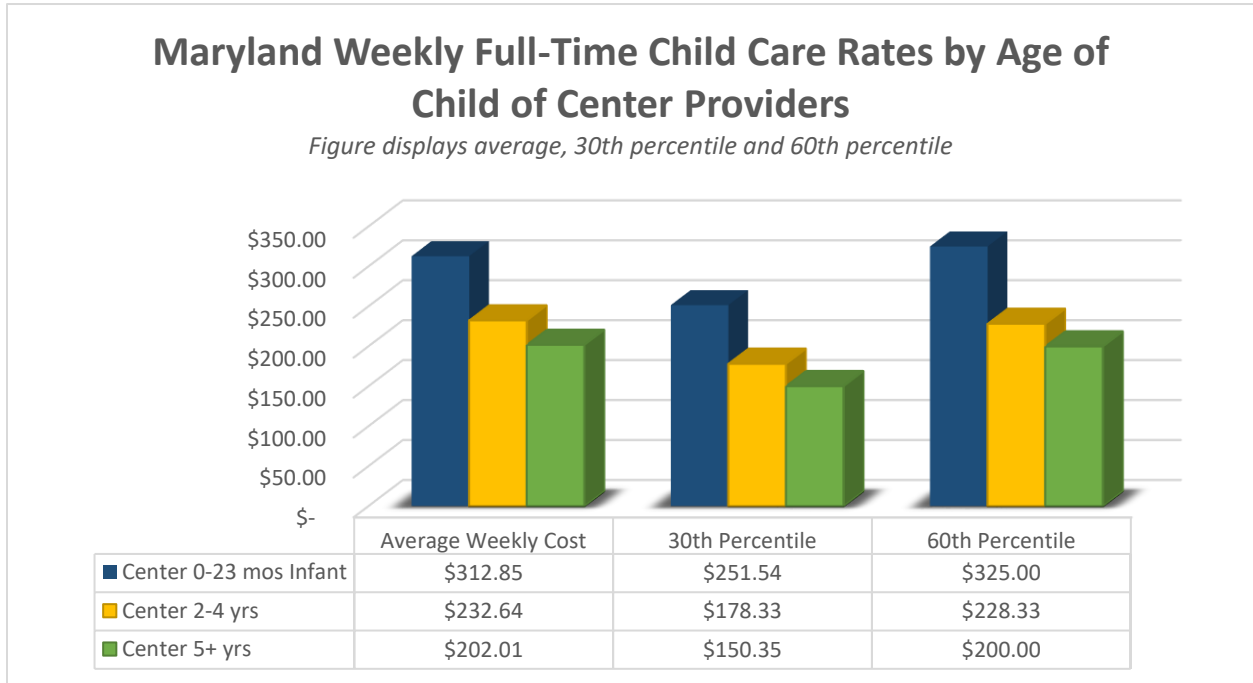


Chart 6 shows the average for Child Care Centers. Those rates were: \$312.85 per week for infants, age birth through 23 months, \$232.64 per week for preschoolers age 2 through 5 years, and, \$202.01 per week for school agers age 5 years and more.

The breakdown of rates by each of the jurisdictions of the state by type of care are displayed in Charts 7 and 8.

Chart 7: Family Child Care Rates by Jurisdiction

Family Care Provider Rates by Jurisdiction

County	0-23 mos (Infant)			2-4 yrs			5+ yrs		
	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile
AA	\$ 242.33	\$ 225.00	\$ 250.00	\$ 197.26	\$ 181.17	\$ 200.00	\$ 176.19	\$ 150.00	\$ 180.00
AL	\$ 125.33	\$ 113.00	\$ 127.00	\$ 114.00	\$ 100.00	\$ 122.00	\$ 113.67	\$ 100.00	\$ 120.00
BC	\$ 199.98	\$ 180.00	\$ 200.00	\$ 175.03	\$ 154.67	\$ 175.00	\$ 151.84	\$ 135.00	\$ 153.00
BX	\$ 182.71	\$ 165.00	\$ 180.00	\$ 148.20	\$ 133.33	\$ 150.00	\$ 128.55	\$ 110.00	\$ 130.00
CA	\$ 210.38	\$ 191.00	\$ 205.00	\$ 177.44	\$ 160.00	\$ 180.00	\$ 160.38	\$ 138.00	\$ 155.00
CE	\$ 164.56	\$ 159.50	\$ 165.00	\$ 142.74	\$ 137.33	\$ 140.00	\$ 123.82	\$ 109.50	\$ 135.00
CH	\$ 217.86	\$ 190.00	\$ 230.00	\$ 181.21	\$ 175.00	\$ 186.33	\$ 152.73	\$ 144.00	\$ 168.00
CN	\$ 133.75	\$ 124.50	\$ 138.00	\$ 112.98	\$ 107.50	\$ 113.00	\$ 97.32	\$ 92.25	\$ 100.00
CV	\$ 198.03	\$ 190.00	\$ 200.00	\$ 161.41	\$ 145.00	\$ 166.67	\$ 141.07	\$ 135.00	\$ 145.00
DO	\$ 138.33	\$ 127.00	\$ 135.00	\$ 109.07	\$ 97.00	\$ 107.66	\$ 104.50	\$ 94.00	\$ 109.00
FR	\$ 219.10	\$ 200.00	\$ 225.00	\$ 187.27	\$ 172.66	\$ 190.00	\$ 168.49	\$ 150.00	\$ 175.00
GA	\$ 103.57	\$ 99.00	\$ 103.00	\$ 94.29	\$ 87.00	\$ 98.00	\$ 90.71	\$ 87.00	\$ 98.00
HA	\$ 200.39	\$ 190.00	\$ 200.00	\$ 175.26	\$ 165.00	\$ 177.33	\$ 159.01	\$ 140.00	\$ 166.00
HO	\$ 269.64	\$ 250.00	\$ 275.00	\$ 229.76	\$ 200.00	\$ 233.33	\$ 202.50	\$ 180.00	\$ 208.00
KE	\$ 132.50	\$ 129.50	\$ 134.00	\$ 123.34	\$ 120.67	\$ 124.67	\$ 112.50	\$ 107.50	\$ 115.00
MO	\$ 283.43	\$ 250.00	\$ 300.00	\$ 249.25	\$ 215.83	\$ 265.00	\$ 228.63	\$ 190.00	\$ 250.00
PG	\$ 224.85	\$ 198.00	\$ 225.00	\$ 183.29	\$ 168.33	\$ 185.00	\$ 154.49	\$ 139.75	\$ 162.00
QA	\$ 181.50	\$ 178.00	\$ 195.00	\$ 156.50	\$ 148.50	\$ 157.33	\$ 131.75	\$ 122.75	\$ 137.00
SM	\$ 188.44	\$ 175.00	\$ 200.00	\$ 156.85	\$ 143.50	\$ 161.33	\$ 135.59	\$ 129.00	\$ 142.00
SO	\$ 127.92	\$ 115.00	\$ 127.50	\$ 108.61	\$ 104.16	\$ 110.00	\$ 99.58	\$ 88.75	\$ 100.00
TA	\$ 146.88	\$ 132.00	\$ 150.00	\$ 118.33	\$ 100.00	\$ 121.00	\$ 114.69	\$ 100.00	\$ 121.00
WA	\$ 150.04	\$ 140.00	\$ 150.00	\$ 130.55	\$ 120.00	\$ 135.00	\$ 115.18	\$ 100.00	\$ 119.00
WI	\$ 153.47	\$ 150.00	\$ 165.00	\$ 119.56	\$ 113.33	\$ 121.34	\$ 111.11	\$ 100.00	\$ 116.00
WO	\$ 153.33	\$ 142.50	\$ 160.00	\$ 138.33	\$ 130.00	\$ 150.00	\$ 133.00	\$ 121.00	\$ 135.00

Chart 8: Maryland Weekly Full Time Child Care Rates by Age of Child for Child Care Centers

Center-Based Provider Rates by Jurisdiction

County	0-23 mos (Infant)			2-4 yrs			5+ yrs		
	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile
AA	\$ 360.76	\$ 325.00	\$ 355.00	\$ 257.27	\$ 223.36	\$ 263.05	\$ 228.87	\$ 195.60	\$ 224.00
AL	\$ 190.00	\$ 190.00	\$ 190.00	\$ 150.42	\$ 144.83	\$ 150.34	\$ 145.00	\$ 139.00	\$ 148.00
BC	\$ 307.08	\$ 270.00	\$ 310.00	\$ 215.76	\$ 179.67	\$ 210.20	\$ 191.38	\$ 155.00	\$ 191.30
BX	\$ 266.92	\$ 220.00	\$ 255.00	\$ 189.36	\$ 150.00	\$ 170.00	\$ 160.18	\$ 125.00	\$ 150.00
CA	\$ 278.56	\$ 250.00	\$ 260.00	\$ 216.20	\$ 193.33	\$ 208.33	\$ 199.11	\$ 176.00	\$ 190.00
CE	\$ 227.50	\$ 204.50	\$ 213.00	\$ 167.71	\$ 152.66	\$ 159.33	\$ 156.14	\$ 144.50	\$ 150.00
CH	\$ 278.56	\$ 265.40	\$ 287.00	\$ 201.29	\$ 191.67	\$ 213.33	\$ 154.56	\$ 131.74	\$ 152.60
CN	NR	NR	NR	\$ 131.25	\$ 130.75	\$ 131.50	\$ 130.00	\$ 129.00	\$ 130.50
CV	\$ 248.50	\$ 247.00	\$ 257.00	\$ 182.48	\$ 178.00	\$ 182.93	\$ 156.50	\$ 144.60	\$ 166.00
DO	\$ 152.50	\$ 147.50	\$ 155.00	\$ 138.06	\$ 130.83	\$ 140.00	\$ 130.00	\$ 120.00	\$ 135.00
FR	\$ 343.07	\$ 311.00	\$ 365.00	\$ 241.05	\$ 225.00	\$ 252.33	\$ 210.91	\$ 180.00	\$ 219.50
GA	\$ 125.00	\$ 125.00	\$ 125.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
HA	\$ 332.63	\$ 315.00	\$ 360.00	\$ 236.08	\$ 210.80	\$ 260.00	\$ 222.15	\$ 191.25	\$ 240.70
HO	\$ 399.71	\$ 375.00	\$ 419.40	\$ 305.36	\$ 273.53	\$ 311.73	\$ 290.37	\$ 248.00	\$ 296.00
KE	\$ 236.50	\$ 225.90	\$ 241.80	\$ 189.68	\$ 153.15	\$ 180.96	\$ 195.73	\$ 158.82	\$ 181.76
MO	\$ 414.19	\$ 365.00	\$ 422.00	\$ 337.00	\$ 275.66	\$ 339.53	\$ 288.16	\$ 238.75	\$ 290.02
PG	\$ 286.15	\$ 254.00	\$ 298.00	\$ 207.24	\$ 180.00	\$ 210.67	\$ 176.38	\$ 154.50	\$ 180.00
QA	\$ 263.33	\$ 258.00	\$ 272.00	\$ 193.60	\$ 191.40	\$ 199.00	\$ 169.30	\$ 151.20	\$ 192.00
SM	\$ 238.60	\$ 206.00	\$ 259.20	\$ 183.55	\$ 164.37	\$ 186.00	\$ 148.70	\$ 145.00	\$ 145.00
SO	\$ 205.50	\$ 205.50	\$ 205.50	\$ 152.75	\$ 152.75	\$ 152.75	\$ 152.75	\$ 152.75	\$ 152.75
TA	\$ 245.50	\$ 236.00	\$ 245.30	\$ 158.35	\$ 155.50	\$ 174.66	\$ 141.40	\$ 132.50	\$ 165.50
WA	\$ 208.64	\$ 184.00	\$ 212.30	\$ 158.91	\$ 147.50	\$ 160.00	\$ 138.17	\$ 127.50	\$ 142.00
WI	\$ 210.83	\$ 200.00	\$ 211.00	\$ 158.44	\$ 152.50	\$ 166.67	\$ 137.06	\$ 121.50	\$ 147.00
WO	\$ 233.33	\$ 231.00	\$ 236.00	\$ 161.17	\$ 156.13	\$ 171.67	\$ 128.88	\$ 127.55	\$ 134.00

As shown in Charts 7 and 8, the data indicates the rates between the two types of programs vary significantly. Chart 7 shows the average for Family Child Care by each of the 24 jurisdictions in Maryland, and compared to Chart 8, Child Care Center based care consistently continues to be more costly regardless of the region of the state and the age of the child.

Also as is the typical pattern in most states, and the pattern we have experienced in Maryland, the child care costs decline with the age of the child, with average full-time weekly costs for school age children about 73% of those children identified as infants and toddlers.

Regional Child Care Rates

From past child care market rate surveys, Maryland has grouped jurisdictions similar in economic make-up into seven regions for the Child Care Scholarship (formerly the Child Care Subsidy) Program. Those groupings by jurisdiction include:

Region U - Cecil, Queen Anne's, St. Mary's, Talbot, and Washington

Region V - Caroline, Dorchester, Kent, Somerset, and Wicomico

Region W - Anne Arundel, Calvert, Carroll, Charles, and Prince George's

Region X - Howard and Montgomery

Region Y - Baltimore County, Frederick, and Harford

Region Z - Allegany, Garrett, and Worcester

Region BC - Baltimore City

Our analysis of the costs of care by region is illustrated in Chart 9.

Chart 9 Maryland Weekly Full-Time Child Care Rates by Region

Maryland Weekly Full-Time Child Care Rates by Region

Region	0-23 Mos (Infant)			2-4 Years			5+ Years		
	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile	Average Weekly Cost	30th Percentile	60th Percentile
Region BC	\$ 206.01	\$ 170.25	\$ 200.00	\$ 162.81	\$ 140.00	\$ 156.67	\$ 139.67	\$ 112.50	\$ 140.00
Region U	\$ 172.31	\$ 150.00	\$ 175.00	\$ 146.25	\$ 130.00	\$ 150.00	\$ 128.58	\$ 112.50	\$ 137.50
Region V	\$ 157.97	\$ 130.00	\$ 165.00	\$ 129.24	\$ 110.17	\$ 130.50	\$ 118.40	\$ 100.00	\$ 120.00
Region W	\$ 247.28	\$ 203.25	\$ 250.00	\$ 198.30	\$ 175.00	\$ 200.00	\$ 171.41	\$ 150.00	\$ 175.00
Region X	\$ 323.73	\$ 275.00	\$ 325.00	\$ 283.19	\$ 236.67	\$ 289.08	\$ 250.97	\$ 200.00	\$ 253.50
Region Y	\$ 235.80	\$ 197.50	\$ 232.50	\$ 194.61	\$ 166.17	\$ 191.67	\$ 172.17	\$ 147.75	\$ 175.00
Region Z	\$ 137.58	\$ 110.00	\$ 136.00	\$ 122.87	\$ 100.00	\$ 125.00	\$ 115.87	\$ 100.00	\$ 122.00

Chart 9 also presents the average weekly full-time child care costs at the 30th and 60th percentiles. The most significant take away is when one compares the average cost of care for infants to the 30th percentile calculation. Raising rates to the 30th percentile does help with the cost of care to parents, but the differences between the average cost of care and the rate at the 30th percentile points out a range of underfunding from 13% in Region U, to 20% in Region Z. As mentioned previously, Maryland is moving to adjust child care rates to the 60th percentile in the next year and plans extend the rates to an even more realistic level for the longer term.

Based on the information gathered in the 2019 Market Rate Survey, Chart 10 and Chart 11 present Maryland commitment to a more realistic average weekly full-time child care rates by age of child and type of program effective July 1, 2019, but still short of the actual cost of care.

Chart 10: Weekly Cost-of-Care Rates for Family Child Care Providers by Age Group and Region

Weekly Cost-of-Care Rates for Family Child Care Providers by Age Group and Region

Region	County/City	0-23 months	2-4 years	5+ years*
U	Cecil, Queen Anne's, St. Mary's, Talbot and Washington counties	\$ 150	\$ 125	\$ 100
V	Caroline, Dorchester, Kent, Somerset and Wicomico counties	\$ 125	\$ 106	\$ 98
W	Anne Arundel, Calvert, Carroll, Charles and Prince George's counties	\$ 200	\$ 167	\$ 142
X	Howard and Montgomery counties	\$ 250	\$ 210	\$ 184
Y	Baltimore, Frederick and Harford counties	\$ 185	\$ 160	\$ 140
Z	Allegany, Garrett and Worcester counties	\$ 101	\$ 100	\$ 100
BC	Baltimore City	\$ 162	\$ 133	\$ 110

Chart 11: Weekly Cost-of-Care Rates for Child Care Centers by Age Group and Region

Weekly Cost-of-Care Rates for Child Care Centers by Age Group and Region

Region	County/City	0-23 months	2-4 years	5+ years*
U	Cecil, Queen Anne's, St. Mary's, Talbot and Washington counties	\$ 203	\$ 154	\$ 140
V	Caroline, Dorchester, Kent, Somerset and Wicomico counties	\$ 200	\$ 144	\$ 124
W	Anne Arundel, Calvert, Carroll, Charles and Prince George's counties	\$ 256	\$ 190	\$ 158
X	Howard and Montgomery counties	\$ 365	\$ 274	\$ 235
Y	Baltimore, Frederick and Harford counties	\$ 280	\$ 185	\$ 164
Z	Allegany, Garrett and Worcester counties	\$ 197	\$ 144	\$ 130
BC	Baltimore City	\$ 221	\$ 152	\$ 125

Brief Summary

This report presents the findings of the 2019 Maryland Market Rate Survey conducted by the Division of Early Childhood of the Maryland State Department of Education (DEC/MSDE) and the analysis of that data by Maryland Family Network. The development and implementation of the 2019 Market Rate Survey was done in collaboration with: Maryland Family Network (MFN), Maryland State Child Care Association (MSCCA), Maryland State Family Child Care Association (MSFCCA), Maryland Association for the Education of Young Children (MD AEYC), Service Employees International Union (SEIU) Local 500, and Maryland Child Care Resource Network (MCCRN). The survey was designed to collect information on child care rates in Maryland in order to determine Child Care Scholarship rates for child care cost reimbursement. All regulated child care providers in Maryland were targeted for this effort, and the response rate for this eight week window when surveys were being collected was 1,835 completed surveys that constituted 22% of all regulated programs in the State of Maryland. Response by type of care was 852 from Child Care Center based programs (46.4% of all respondents,) and 983 from Family Child Care (53.5% of all respondents).

There were sufficient responses from each major type of regulated care to provide analysis to DEC/MSDE to calculate revised child care reimbursement rates for Maryland Child Care Programs for State Fiscal Year (SFY) 2020, 1 July 2019 through 30 June 2020. This increase in reimbursement rate for child care programs in Maryland is the beginning of a trajectory over the next several years to better support young families with children in their child care needs.

Advocacy Implications

As mentioned in the introduction, Maryland’s history of insufficient funding has been responsible for inadequate subsidy rates and excessive parent co-payment rates in Maryland.

Maryland is committed to making significant progress, beginning in the past two years, to address this historic crisis.

Enacted in the 2018 Session and signed into law by Governor Hogan, SB 379 / HB 430 “Education – Child Care Subsidies – Mandatory Funding Levels” requires the State to raise subsidy rates in 2019, 2020, and 2021, expanding CCSP families’ access to at least 60 percent of the market. That minimum may rest lower than the federal benchmark, but it represents a transformative advance by any standard. Of particular importance, this legislation for the first time institutes a “floor” – once rates attain the 60th percentile, the bill mandates that they never again fall below that level. In terms of the dollars invested, the breadth of families and providers affected, and the lasting impact on child care in Maryland, this legislation marks a turning point for CCSP in Maryland.

After so many years of neglect, progress comes with a price tag. When fully implemented, MFN estimates that the legislation will add \$20-\$25 million to the annual budget for CCSP. Underspent reserves and a fortuitous influx of new federal CCDF funds will cover those costs for the immediate future. In terms of the dollars invested, the breadth of families and providers affected, and the lasting impact on child care in Maryland, the 2018 legislation was in every way a landmark.

Enacted in the 2019 Session, HB 248 / SB 181 “Education – Child Care Subsidies – Mandatory Funding Level,” will accelerate the rate increase the 2018 bill put into law. Now, rather than waiting until July 1, 2021, rates will rise to at least the 60th percentile

level a year earlier, and the floor will be set from then forward. That will achieve expanded market access for parents, increased reimbursement for providers, and higher quality care for children—a year of enhanced earning and learning they may otherwise have had to forgo.

In areas of the state with high concentrations of low-income families, the child care market is heavily driven by the subsidy program. When subsidy availability contracts, the number of programs falls. The following chart shows the contraction in child care programs from the imposition of the enrollment freeze in 2011 to the reopening of the first eight eligibility levels in 2013 and 2017.

**Chart 12: Maryland Child Care Subsidy
Enrollment Freeze History**

	Child Care Centers serving subsidy children	Total Child Care Centers	Family Child Care serving subsidy children	Total Family Child Care
February 2011	1,334	2,746	2,580	8,130
April 2013	1,161	2,713	1,806	7,358
February 2017	1,030	2,719	1,174	6,146

Because of the lower enrollment in Family Child Care the inability to fill vacant slots with new subsidy children has a more devastating effect. With the imposition of the requirement to participate in Maryland EXCELS in 2015 and the chronic underfunding of the subsidy program, Child Care Centers have been able to maintain their numbers, but Family Child Care is still declining. While decline in family providers in and of itself seems a result of multiple factors, not just subsidy rates, the effect of the eligibility expansion and rate increases on family child care supply remains to be seen.

Even with these extremely promising developments, advocates will need to work closely with MSDE and other shareholders to monitor implementation vigilantly. Years

of fiscal neglect have been devastating to the infrastructure of regulated child care in all but the wealthiest Maryland communities. Low- and middle-income parents have struggled to pay the cost of quality child care, while regulated child care programs have found it difficult to continue to serve families in neighborhoods where their revenue cannot keep pace with their expenses. Maryland's effort to provide much needed increases to the Child Care Scholarships Program should hopefully provide a stronger base of care for Maryland's Children and support the State's quality efforts.