

Virgin Islands Department of Human Services

Office of Child Care and Regulatory Services

MARKET RATE SURVEY REPORT

2018

The Office of Child Care and Regulatory Services (OCCRS) distributed a Market Rate Survey to each child care provider (N=111) in April 2018. A copy of the survey with the name of the program/facility was emailed to each provider with an email address on file. Copies were also made available to providers who could not access the internet due to hurricanes Irma and Maria at Office of Child Care and Regulatory Services offices in St. Thomas, St. Croix, and St. John, and staff, despite transportation challenges, visited child care facilities to ensure providers received their instruments and encourage completion of the survey. Fifty-one (51) of one hundred and eleven (111) providers across the territory completed the survey for an overall response rate of 45.9%. Twenty-eight (28) usable instruments were returned from St. Thomas, twenty-one (21) from St. Croix and two (2) from St. John. This compares favorably with the 2016 response rate which was 27.5 %.

Table 1. Response Rate by Islands

Islands	Surveys Distributed	No of Usable Surveys Completed
St. Croix	56	21
St. Thomas	52	28
St. John	3	2

The data reflects very little variation in services and cost of care between the providers who receive CCDF funds across the Territory. In each district, for example, there are providers who charge at the minimum (\$280) and maximum (\$460) per month for pre-school care. Providers who do not receive CCDF funds, however, charge at a much higher rate. The cost of preschool care in these facilities ranges between \$430 and \$460 per month.

Table 2. The cost of Child Care per Month in the VI by Ages Served

Type	Minimum	Maximum	Median
Infant N=28	\$320	\$460	\$375
Preschools N=38	\$280	\$980	\$350
School-aged N=28	\$90	\$350	\$150

Table 2. shows the fees charged for full-time care of infants and preschoolers, and rates charged for afterschool care for school-aged children. There has been a slight change for two categories in this survey compared to the results of the market rate survey conducted in 2016. In the 2016 survey, the median rate charged for infants was \$350, and for preschooler \$323. The median rate for school-aged afterschool care remains the same as 2016 (150 per month).

The survey indicates that subsidy reimbursement rates for most providers are below the 75th percentile of market rates which is \$400 for infants, \$375 for preschoolers and \$195 for school-aged children. Because there is very little range in fees charged by the majority of programs that receive CCDF funds, however, there is not much absolute difference in fees charged at 75th percentile and those charged at percentiles below it. Consequently, a large majority of children in the Virgin Islands have relatively similar access to the child care programs.

Five (5) respondents in the survey who only receive funds for their summer camp subsidy award program indicated that their fees range from \$430 to \$460 for preschool child care. Most programs charge fees closer to the reimbursement

rates which are \$310 for infants, \$300 preschoolers and \$150 for school-age child care. Because they are arguably programs that tie fees to available resources, current subsidy reimbursement rates do not help most children in the Virgin Islands access the most well-resourced early care and education programs in the territory.

As indicated above, providers are reimbursed below 75th percentile of market rates resulting in majority of the children in the VI having access to relatively similar child care settings. Only 13.7% (7 Of 51 respondents), however, say they charge enough fees to cover their expenses and many currently pay salaries and wages below minimum wage. The ratio of child care staff to children is also negatively impacted as programs barely meet minimum standards. Respondents indicated that if they were to raise their standards to cover operating expenses, the cost would be an average of \$550.60 per month for each infant, \$480 per child for each preschooler, and \$312 per school-aged after school care. Based on this data, the subsidy program may not be enabling low-income children to access high quality child care. It will take additional amounts of money to support child care subsidies to make equal or near-equal access to high quality care a reality.

Most of the child care providers indicated in the survey that they lost money at the end of the fiscal year and some occasionally paid staff late due to lack of funds. Seventy-two percent (72%) said expenses exceeded revenues and twenty-eight percent (28%) said they usually break even. No respondent indicated making money (revenues exceeding expenses). The reason for not increasing fees is skewed toward providers knowledge and experience of the market that parents cannot afford an increase. Child care providers, therefore, charge fees according to the rate of reimbursement and not the cost of providing high quality care.

Despite the challenges, providers do not believe accepting “block grant” is accountable for the standard of their programs as represented by approximately ninety-eight percent (98%) of the respondents. Their programs do lack resources necessary to improve standards, but they attribute the inadequate resources to the economy and economic circumstances of the families they serve. Ninety-eight percent also responded “yes” to continuing acceptance of children on the subsidy program.