

Minnesota

State Description

Population of state: **4,919,479**
 Number of children under 13 years of age: **984,432**
 Regulation of any child care facilities who are located on an Indian Reservation or in a tribal service area: **Yes, some non-exempt tribal providers**
 Date of market rate survey on which profile is based: **4/15/2004**
Comments: Data analysis was completed approximately 4-5 months later. The analysis was longer than usual due to a legislative audit. Market rate surveys were also completed in 2005 and 2006.

Organization with Primary Responsibility for Following Tasks

Determined which facilities to survey: **Lead Agency**
 Created survey questions: **Lead Agency**
 Assisted facilities to complete survey: **R&R**
 Collected price data from facilities: **R&R**
 Cleaned the collected data: **R&R**
 Analyzed price data: **Survey Firm**
 Interpreted findings: **Lead Agency**
 Wrote reports on findings: **Survey Firm**
 Published results: **Lead Agency**

Facilities Surveyed

<i>Facilities included in the dataset</i>	Included	Number	Type of sample
Licensed facilities	Some	11,000	Total
Family child care facilities who are legally exempt from licensing	No		
Family, friends, or neighbors who are legally exempt from licensing	No		
Centers that are legally exempt from licensing	No		
After-school education (non-licensed)	No		
Providers located on military facilities	Yes, some	Unknown	
Facilities located on tribal reservations or in tribal service areas and licensed by the STATE.	Yes, some	Unknown	Total
Facilities located on tribal reservations or in tribal service areas and licensed by the TRIBE.	Yes, some	Unknown	Total
TOTAL facilities in final dataset		11,000+	

Database used to identify facilities:

Facilities regulated by child care licensing agency: **No**
 Facilities receiving child care subsidies: **No**
 Facilities enrolled with R&R agency: **Yes**
Comments: The population for the 'unknowns' (see table on left) cannot be answered because some may be regulated by both the tribe and the state.

Data Collection

Method(s): **Resource and Referral agency download**
 Updated rate data: **Yes, updated rate information from some providers**
 Strategies used to encourage facilities to give up-to-date price information: **Follow-up letters or calls; Other - Free training opportunities, entry into a raffle, the raffle for a DVD player was effective.**
 Standard for how recent data should be at the time of the download: **Rate data should be less than 3 months old**
 Date data was downloaded: **4/15/2004**
 Time needed for a single facility to give information: **6-10 minutes**
 How facilities reported price information: **Into pre-determined modes provided on the survey**
 Asked about the # of children in care that receive subsidy: **No**
Comments: Minnesota conducts a full population market rate survey. The survey questions focus on provider rates, hours of operation and capacity levels. The survey is conducted by R&R agencies, data collected is entered in NACCRRAware and then downloaded for analysis.

Data Analysis

Facilities excluded from analysis: **Head Start programs, State-funded pre-kindergarten programs, Migrant Head Start**
 Unit of analysis: **Both provider and slot; Desired capacity of children by age group**
 Were prices converted to some standard mode such as to monthly or hourly price? **No**
 Did state measure amount of accessibility maximum rate provides? **Yes**

Comments:

+ Licensed family child care rates were analyzed by provider and center rates were analyzed by slot. Minnesota's current methodology uses a center's licensed capacity if the center fails to supply their desired capacity.

+ Licensed family child care home and family child care group home were grouped together during our analysis.

+ We examined a number of different approaches to analysis. Some of which included converting provider rates to other units of time, including hourly, daily and weekly.

Rate Setting

Date current payment rates were set: **7/01/2005**

Rates adjusted based on recent survey: **No**

Are payment rates set at or above the 75th percentile of prices? **No**

Important factors in setting current rates:

1 – **Overall budget**

2 – **State funding for child care**

3 – **Provider concerns - Access to providers**

Comments:

+ Minnesota's maximum rates were frozen in 2003, 2004 and 2005. The 2005 legislature authorized some increases in maximum rates in 2005. The 2006 legislature authorized an across the board 6% increase of all maximum rates. Even though the overall budget remains tight, the Legislature has allowed maximum rates to increase to help parents gain access to a greater choice of providers.

+ Regarding type of care, licensed-family group homes are paid using licensed family home maximum rates. In-home and family, friend, or neighbor care are paid at 80% of the licensed family home hourly rate. School-age centers and some school-age enrichment activities are paid at the center maximum rates. Special needs care is paid according to the type of provider or the child's documented need. Some cases are allowed to be paid at rates exceeding the maximum rate for providers who are serving children without special needs.

Total Cost of Market Rate Survey: \$257,683

Lead Agency: **\$118,100**

Other agency:

State R&R Network: **\$44,583**

University/College:

Research or survey firm: **\$95,000**

Other contractor:

	Ways Price Data was Analyzed	Current Rates Set By
Geography		
County	Yes	Yes
Zip-Code	No	No
Region	Yes	Yes
State	Yes	Yes
Other geographic area	-	No
Age Group		
Infant care	Yes	Yes
Toddler care	Yes	Yes
Preschool-age care	Yes	Yes
School-age care	Yes	Yes
Type of Care		
Center	Yes	Yes
Family	Yes	Yes
Group home	No	No
In-home	No	No
Family, friends, neighbors	No	Yes
School-age centers	No	No
School-age enrichment activities	No	No
Special needs care	This project did not ask this question on the questionnaire.	No
Pricing Mode		
Hourly	Yes	This project did not ask this question on the questionnaire.
Daily	Yes	
Weekly	Yes	
Monthly	No	

Comments: The costs reflect actual expenditures for the 2004 rate survey. This includes costs related to a legislative audit on the methodology used to set rates and a legislative report about cost containment options that the program went through in relation to this survey, which has not been part of the annual process.

The costs do not include typical costs related to bulletin distribution and programming costs as there were not changes to rates based on this survey due to a legislatively mandated rate freeze in place at that point in time. These costs are typically part of the annual rate survey process.

Report is Available for Download at: Not available