

# **Licensed Child Care in Washington State: 2004**

*April 2005*

*Washington State Department of Social and Health Services*  
**Economic Services Administration**  
**Division of Child Care and Early Learning**

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Laura Schrager, M.A.  
Steven Rowsell, M.S.

Division of Child Care and Early Learning  
Economic Services Administration  
Department of Social and Health Services  
Olympia, Washington 98504-5480

April 2005

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

Robin Arnold-Williams, Secretary

**ECONOMIC SERVICES ADMINISTRATION**

Deborah Marley, Assistant Secretary

**DIVISION OF CHILD CARE AND EARLY LEARNING**

Rachael Langen, Director

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# EXECUTIVE SUMMARY

## Background

Washington State's Department of Social and Health Services (DSHS) subsidized part of the child care costs for about 67,000 children per month in state fiscal year 2004. These children were from low-income families with parents who were working, going to school, homeless, or eligible based on some other DSHS program. The number of children receiving DSHS subsidies has tripled in the past decade. About eighty percent of children with DSHS-subsidized child care attend licensed family homes or child care centers.

Federal regulations require that Washington State tie child care subsidy rates to a local market survey of child care market rates conducted at least every two years. To comply with this regulation DSHS conducts a biennial survey of all child care centers and a sample of licensed family home providers. In addition to child care rates, the surveys provide information on the child care industry. This report describes the surveys conducted in the spring of 2004. A total of 1,693 child care centers and 1,560 family home providers were interviewed.

## Major Findings

- DSHS subsidy rates in 2004 were based on the 58<sup>th</sup> percentile of the market rate survey of providers conducted four years earlier. The 2004 market rate survey found that DSHS subsidy rates were the same or greater than that charged for 25 percent of all full-time children in centers (the 25<sup>th</sup> percentile) and 31 percent of all full-time private pay children in family homes (the 31<sup>st</sup> percentile).
- Many providers who charge private pay children more than the DSHS subsidy rates accept some subsidized children. If you add the number of subsidized children cared for by providers (regardless of what they charge) to the number of private-pay children cared for by providers charging the same or less than the DSHS rates, then families seeking subsidized child care have access to almost 60 percent of all full-time slots in family homes and 50 percent of all full-time slots in centers.
- The price of child care has increased much faster than inflation in the past fourteen years. From 1990 to 2004 the inflation-adjusted price of care increased 46 percent in centers and 34 percent in homes. That amounts to an annual rise in the price of care—*after accounting for general inflation*—of 2.8 percent in centers and 2.1 percent in homes.
- The proportion of children in licensed care whose care is subsidized by DSHS has risen substantially in recent years. After remaining at about 15 percent from 1990 through 1996, the proportion of children in licensed care subsidized by DSHS rose to 19 percent in 1998, 25 percent in 2000, 32 percent in 2002, and 31 percent in 2004. In the eight years between 1996 and 2004 the proportion of full-time children in licensed family homes subsidized by DSHS rose from 18 percent to 42 percent.

- The number of licensed family homes declined from 8,600 in 1996 to 6,875 in 2004; a decline of 20 percent. The decrease in family homes was greatest in King County—a loss of 727 licensed family homes in eight years for a decline of 34 percent.
- Over the past twelve years, the proportion of children in licensed care that attend licensed family homes has declined. While 39 percent of children in licensed care attended licensed family homes in 1992, only 28 percent of children in licensed care attended licensed family homes in 2004.

## **General Information**

### *Findings About the Child Care Market*

- An estimated 165,680 children in Washington State were in licensed care in the spring of 2004. About seventy percent of these children were in child care centers and the remaining thirty percent were in licensed family homes.
- Licensed providers grossed about \$889 million dollars in 2004 and employed approximately 30,600 people.
- Information from the child care surveys was combined with population data from Washington State's Office of Financial Management to estimate the proportion of children of various ages in licensed care at the time of the child care surveys. Twenty-eight percent of preschoolers (children between 2.5 and 5.5), twenty-three percent of toddlers (children 12 to 29 months old), and ten percent of infants (under 12 months old) and school-age children (over 5.5 years old) were estimated to be in licensed care at the time of the surveys in the spring of 2004.

### *Findings About Child Care Centers*

- The number of children in child care centers grew 40 percent in fourteen years, rising from 85,000 in 1990 to 118,700 in 2004. From 2002 to 2004 the number of children in center care declined slightly from 120,000 to 118,700.
- Almost forty percent of children in child care centers in 2004 were preschoolers; 5 percent were infants.
- The vast majority of centers provide full-time care for preschool age children (70 percent), while only about one-third of centers provide full-time care for infants (34 percent).
- Fifty-six percent of children in centers in 2004 received full-time care.
- The proportion of centers with vacancies rose from 64 percent in 2000 to 78 percent in 2004; the overall vacancy rate, which had declined from 16 percent to 12 percent between 1996 and 1998, rose to 14 percent in 2002 and to 16 percent in 2004.
- At the time of the 2004 survey, pay for teachers at centers averaged \$10.06 per hour. Average real wages for child care workers (wages adjusted for inflation) stalled between 1992 and 1998. Between 1998 and 2002 the average wage for teachers (adjusted for inflation) rose 3.2 percent per year, but wage increases for teachers between 2002 and 2004 have barely kept pace with inflation.

- The 2004 child care center survey asked about the number of individuals that had been hired in the last six months. Approximately 16 percent of teachers and 33 percent of aides had been hired within the last six months.
- In the spring of 2004 only 10 percent of centers opened before 6 in the morning and 7 percent closed at 7 or later in the evening. Four percent of centers were open on the weekends.

*Findings About Licensed Family Homes*

- After a period of growth in the early 1990s, the number of children in licensed family homes declined from 60,100 in 1994 to 47,000 in 2004, a decline of 22 percent in ten years.
- Forty-four percent of children in licensed family homes in 2004 were preschoolers; 7 percent were infants.
- Most licensed family homes provide full-time child care for preschoolers (81 percent), while over one-quarter of family homes provide full-time care for infants (29 percent).
- Almost sixty percent of children in licensed family homes in 2004 received full-time care.
- Over two-thirds of family homes had been in operation for four years or more.
- Fifty-four percent of family homes in the spring of 2004 had vacancies, a rise from 43 percent in 2000. The 2004 vacancy rate of 20 percent for family homes was an increase in the vacancy rate of 16 percent in 2000.
- The average yearly income of family home providers increased at an annual rate of 7.0 percent in the eight years from 1995 to 2003. Taking inflation into account, the annual rate of increase was 4.6 percent with the inflation-adjusted income of family home providers rising from \$20,816 in 1995 to \$29,722 in 2003. The longer a family home provider had been in business and the more the provider depended on child care as a source of income, the higher the provider's average earnings.
- At the time of the 2004 survey, 70 percent of family homes had liability insurance, a slight decline from two years prior (73 percent in 2002).
- Seventy-one percent of licensed family homes participated in the USDA food program in 2004, a decline from 77 percent in 1998.
- Seventeen percent of licensed family homes opened before 6 in the morning; 10 percent closed at 7 or later in the evening. Twenty-three percent of licensed family homes were open on the weekend.

*Findings About DSHS-Subsidized Child Care*

- According to DSHS payment records, child care was subsidized for 118,300 children over the course of federal fiscal year 2004. During the time of the 2004 surveys in February through April of 2004, an average of 65,000 children per month had child

care subsidized by DSHS. About 80 percent of these children, or 52,200, were cared for in either a licensed family home or a child care center.

- According to the 2004 child care surveys, an estimated 51,130 children received subsidized child care in either a licensed family home or child care center in the spring of 2004.
- Twenty-nine percent of children in centers and 36 percent of children in family homes were subsidized by DSHS in the spring of 2004.
- At the time of the 2004 surveys, 87 percent of centers and 66 percent of licensed family homes cared for at least one DSHS-subsidized child, unchanged from 2002.
- In 1998, thirty-one percent of centers had more than one-quarter of their children subsidized by DSHS and sixty-five percent of all DSHS-subsidized children attended such centers. Six years later, half of all centers met that criterion and 85 percent of all DSHS-subsidized children attended centers where more than one-quarter of the children in care were subsidized by DSHS.

### *Special Topics*

- Between 2002 and 2004 the percent of providers with access to the Internet rose from 55 to 64 percent for centers and from 73 to 76 percent for family home providers.
- Many providers reported that they had found at least one service provided by Resource and Referral Agencies (R&R) helpful to them in the prior year. Specifically 46 percent of center providers and 58 percent of family home providers found R&R referral services helpful and 57 percent of centers and 69 percent of homes found STARS training by R&R helpful.
- Family home providers worked an average of 58 hours per week at the time of the 2004 surveys, with those caring for DSHS-subsidized children working more hours on average than those not caring for DSHS-subsidized children (61 versus 51 hours).
- With one exception, at least 85 percent of center and family home providers in all regions reported that their licensor generally returned their phone calls within three business days. Only 81 percent of center providers in Region 1 stated that their licensors returned their phone calls within three business days.
- For providers caring for DSHS-subsidized children, about 90 percent say that they always or usually collect parent co-payments and only 4 percent of centers and 8 percent of homes say that they collect co-payments less than half the time.

# CHAPTER 1. INTRODUCTION

In the spring of 2004 the Department of Social and Health Services (DSHS) subsidized child care for about 65,000 children a month. About 80 percent of these children (52,200) received care from a licensed provider and the other 20 percent received subsidized care either in their own home or in the home of a relative.

State and federal regulations require DSHS to evaluate subsidy rates based on child care market surveys conducted at least every two years. If subsidy rates are too low compared to the going market rates, then child care providers may either not accept or limit the number of subsidized families they will serve. The child care surveys enable DSHS to tie subsidy rates to market rates and to set those rates by region so that subsidized children around the state have equal access to the market.

This report describes the findings of the child care surveys of center and family home providers conducted in the spring of 2004. The setting of market based local child care rates is the primary purpose of these surveys, but the surveys collect information on many other topics including:

- the population and ages of children receiving licensed child care;
- capacity and vacancies in licensed facilities;
- the costs associated with providing child care, such as salaries, benefits, liability insurance, and rent or mortgage;
- characteristics of providers, such as years in operation and center type;
- number of providers caring for DSHS subsidized children;
- hours of operation; and
- trends in rates, compensation, and other changes in the child care market.

## **Background**

The Department of Social and Health Services has been helping families pay for child care since DSHS was created in the late 1970s. The programs were small at that time and targeted to very specific populations. Each program had its own funding stream and rules. More recently, in order to support the child care needs of low-income working families, state and federal funding for child care has increased. Guided by federal rules, state legislative mandates, and its own commitment to supporting families with children, DSHS has moved from a fragmented set of small programs toward a system with one set of income eligibility criteria and one payment schedule for all programs.

With the introduction of Washington's pilot welfare reform program, the Family Independence Program (FIP) in 1988, the state began paying for child care based on market surveys of child care prices. The use of market surveys allows DSHS rates to reflect the private market and to account for differences in markets across the state. DSHS sets rates at a uniform percentile across markets. This means that parents should have access to the same percent of slots regardless of where they live, what type of provider they choose, and the age of their child or children.

DSHS surveys the child care market every two years. Based on budget constraints and the information in these surveys, DSHS sets new subsidy rates at the highest percentile that the appropriations will support.

### *Geography and Child Care Markets*

Market rates for child care vary widely across Washington State. In setting regional rates, DSHS aims to ensure that clients throughout the state have equal access to child care, whether they live in areas with costly child care or in areas with relatively inexpensive care.

Before 1995, DSHS used the market surveys to identify clusters of counties with similar rates. Counties in the same cluster had the same rate schedule. Unfortunately, those clusters of counties proved to be unstable, needing re-definition with each market survey. The six DSHS Administrative Regions therefore were selected as the geographical basis for setting subsidy rates for child care. The DSHS regions are stable, well recognized, and permit reasonable estimates of local markets.

The distribution of counties among DSHS Regions is shown in Figure 1 and Table 1.

Figure 1. DSHS Administrative Regions

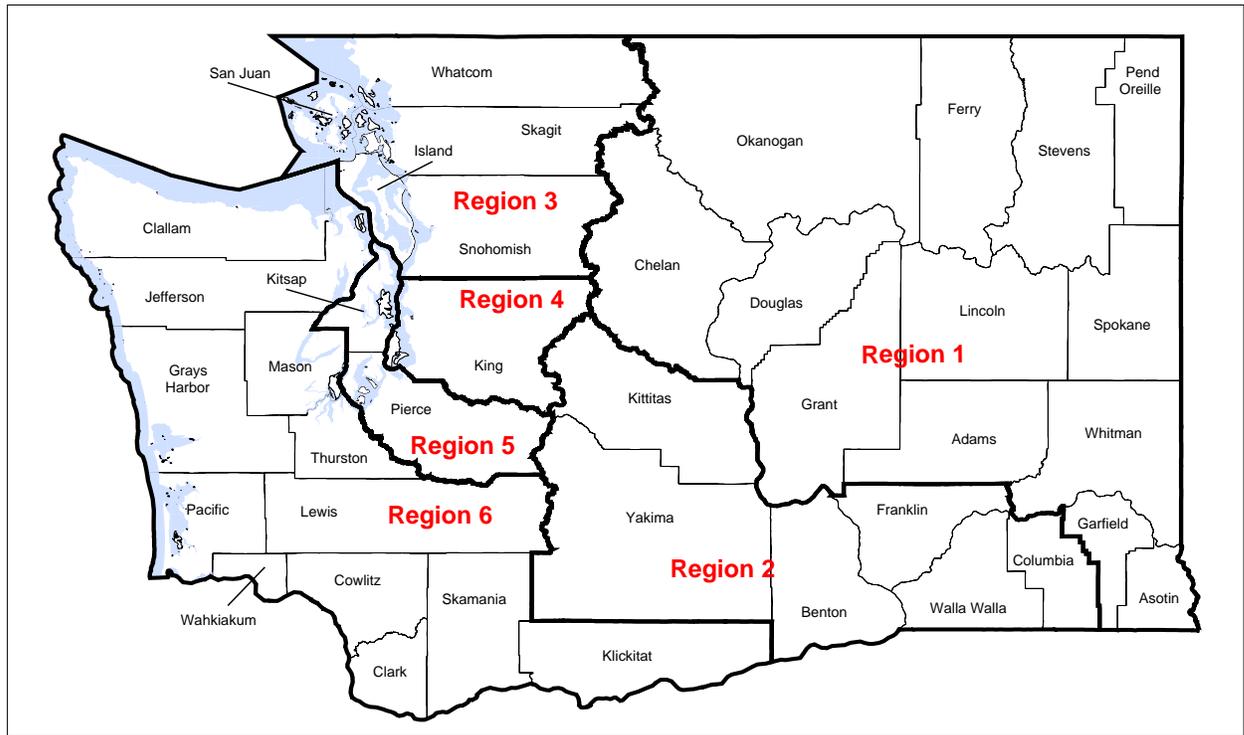


Table 1. Assignment of Counties into DSHS Regions

<u>Region 1</u>	<u>Region 2</u>	<u>Region 3</u>	<u>Region 4</u>	<u>Region 5</u>	<u>Region 6</u>
Adams	Benton	Island	King	Kitsap	Clallam
Asotin	Columbia	San Juan		Pierce	Clark
Chelan	Franklin	Skagit			Cowlitz
Douglas	Kittitas	Snohomish			Grays Harbor
Ferry	Walla Walla	Whatcom			Jefferson
Garfield	Yakima				Klickitat
Grant					Lewis
Lincoln					Mason
Okanogan					Pacific
Pend Oreille					Skamania
Spokane					Thurston
Stevens					Wahkiakum
Whitman					

## **Study Methods**

### *Licensed Facilities*

The child care surveys examine the two types of child care facilities licensed in the state of Washington: (1) child care centers (often referred to as centers), and (2) family child care homes (also referred to as family homes or homes). These surveys do not address unlicensed or illegal care. (Not all unlicensed care is illegal. Paid child care provided in the child's home or in the home of a relative is not subject to licensing; it is legal and is exempt from licensing.)

Centers, defined as facilities that are not residences, are licensed to care for a specific number of children based on staff and space requirements. Family homes are located in residences and are licensed to care for up to 12 children at the same time—subject to the provider's training, experience, staffing, and usable indoor and outdoor space.

### *Survey of Child Care Centers*

Under contract with DSHS, staff at Washington State University's Social and Economic Sciences Research Center (SESRC) attempted to interview directors of all licensed child care centers in Washington State. The list of 2,134 centers comprised every child care center in the state licensing file as of January 1, 2004.

SESRC attempted to contact all child care centers. In the course of conducting the survey fourteen newly licensed centers were identified for a total of 2,148 centers. Most of the phone interviews were conducted in March and April 2004. Some surveys from multiple-site centers were collected using either phone or mail surveys with executive directors. Centers were also able to respond using an on-line version of the survey.

Completion rate statistics for centers are summarized in Table 2. Interviewers disqualified 109 centers because they were out of business, did not have a working phone number, or were not currently offering child care. In addition, providers included information on other sites in 56 phone interviews. Of the remaining 1,983 centers, 1,693 completed interviews for a completion rate of 85 percent of eligible centers. If a center had a working phone number, interviewers made fifteen attempts to contact the center.

Table 2. 2004 Center Survey—Sample Completion Rate Statistics

		<u>Number of Centers</u>	<u>Sub-Total Percent</u>	<u>Grand-Total Percent</u>
<b><u>Eligible Child Care Centers</u></b>				
Completed Interviews <sup>(1)</sup>		1,693	85.4%	78.8%
Phone Interviews	1,123			
Mail Questionnaire	311			
On-line Survey	259			
Refused		76	3.8%	3.5%
Not Available <sup>(2)</sup>		214	10.8%	10.0%
Sub-total		<b>1,983</b>	<b>100.0%</b>	<b>92.3%</b>
<b><u>Excluded Child Care Centers</u></b>				
Ineligible <sup>(3)</sup>		83	50.3%	3.9%
Non-Working Number <sup>(4)</sup>		12	7.3%	0.6%
Electronic Device+Other <sup>(5)</sup>		14	8.5%	0.7%
Sites included in Single Site Responses <sup>(1)</sup>		56	33.9%	2.6%
Sub-total		<b>165</b>	<b>100.0%</b>	<b>7.7%</b>
<b>Total Sample</b>		<b>2,148 <sup>(6)</sup></b>		<b>100%</b>

<sup>(1)</sup> Includes 5 partially completed interviews. 56 providers responded for more than one site.

<sup>(2)</sup> Unable to reach in fifteen attempts, answering machine, or language problem. Includes 23 partial completes and 64 non-returned mailed surveys.

<sup>(3)</sup> No longer in business or only in business in the summer (1).

<sup>(4)</sup> Disconnected or wrong numbers where correct number could not be identified.

<sup>(5)</sup> Duplicates (10), electronic devices, and temporary centers.

<sup>(6)</sup> Includes 14 centers identified during the interviewing process as new branches of multiple-site centers.

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

*Survey of Family Homes*

In January of 2004 there were 6,875 family homes licensed in Washington State. In order to reduce the cost of conducting the family home survey, not all family homes were contacted. Since the survey aims to describe local child care markets, with the county as the smallest unit, only some of the family homes in the larger counties were selected. All providers in the twenty-three counties with less than seventy-five licensed family homes were contacted. In total, almost one-third of all family home providers in the state were included in the sample.

Interviewers at SESRC tried to contact all 2,171 sampled family home providers by telephone. In addition, family home providers were able to respond using an on-line version of the survey. Most of the interviews were done in February and March of 2004. The data from these interviews reflect the child care market as it existed during the school year.

Interviewers disqualified from the survey 296 providers who were out of business, not currently offering child care, or did not have a working phone number. Of the remaining 1,875 eligible family homes, 1,560 completed interviews, either on-line or by phone, for a completion rate of 83 percent. Three hundred and fifteen eligible providers either refused to participate or were unavailable during the interview period. Interviewers attempted to call all working phone numbers fifteen times. Completion rate statistics for the family home survey are summarized in Table 3.

**Table 3. 2004 Family Home Survey—Sample Completion Rate Statistics**

	<u>Number</u>	<u>Sub-Total Percent</u>	<u>Grand-Total Percent</u>
<b><u>Eligible Family Homes</u></b>			
Completed Interviews <sup>(1)</sup>	1,560	83.2%	71.9%
Phone Surveys	1,334		
On-line Surveys	226		
Refused	119	6.3%	5.5%
Not Available <sup>(2)</sup>	196	10.5%	9.0%
Sub-total	<b>1,875</b>	<b>100.0%</b>	<b>86.4%</b>
<b><u>Excluded Family Homes</u></b>			
Ineligible <sup>(3)</sup>	265	89.5%	12.2%
Non-Working Number <sup>(4)</sup>	31	10.5%	1.4%
Sub-total	<b>296</b>	<b>100.0%</b>	<b>13.6%</b>
<b>Total Sample</b>	<b>2,171</b>		<b>100%</b>

<sup>(1)</sup> Includes 6 partially completed interviews.

<sup>(2)</sup> Unable to reach in fifteen attempts, answering machine, language problem, or partial completes.

<sup>(3)</sup> Not a child care provider or not a family home.

<sup>(4)</sup> Disconnected or wrong numbers, duplicates, or electronic device.

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

*Sampling Method for the Family Home Survey*

The number of licensed homes varied widely among counties, from none in Wahkiakum and Garfield Counties to over 1,400 in King County (see Table 4 and Appendix A1 or B3). Almost 60 percent of the counties in Washington State had less than seventy-five licensed family homes. If a random sample of homes had been drawn, then county-level data could not have been presented for many of the counties with few licensed family homes. Therefore, the sample was stratified according to the number of licensed family home child care providers in a given county.

The numbers of homes in each county—organized into the five sample strata—are shown in Table 4. Also shown in the table are the sample sizes drawn from each county, the number of completed interviews, and their corresponding percent of the population. In our analyses, the data from family homes was weighted to account for participation rates and for the different sampling rates in each county.

There were 6,875 DSHS licensed family homes in the state as of January 2004. In the twenty-three counties with less than seventy-five homes, every provider was included in the sample. For all other counties, the more licensed family homes in a county, the smaller the proportion of homes surveyed: for counties with 75 to 149 family homes, 75 percent were sampled; for counties with 150 to 249 family homes, 30 percent were sampled; for counties with 250 to 499 family homes, 25 percent were sampled; and for counties with 500 or more family homes, 18 percent were sampled.

**Table 4. 2004 Family Home Survey—Total Homes, Homes Sampled and Homes Interviewed**

	<u>Licensed Homes</u>	<u>Homes Sampled</u>	<u>Homes Interviewed</u>	<u>Percent of Homes Interviewed</u>
<i>Fewer than 75 Family Homes (sampled at 100%):</i>				
ADAMS	36	36	29	81%
ASOTIN	8	8	6	75%
CLALLAM	49	49	41	84%
COLUMBIA	6	6	5	83%
FERRY	2	2	1	50%
GARFIELD	0	0	0	n.a.
GRAYS HARBOR	68	68	55	81%
ISLAND	58	58	46	79%
JEFFERSON	22	22	15	68%
KITTITAS	41	41	23	56%
KLICKITAT	16	16	12	75%
LEWIS	67	67	47	70%
LINCOLN	10	10	5	50%
MASON	54	54	46	85%
OKANOGAN	70	70	50	71%
PACIFIC	14	14	9	64%
PEND OREILLE	2	2	2	100%
SAN JUAN	3	3	1	33%
SKAMANIA	9	9	7	78%
STEVENS	20	20	14	70%
WAHKIAKUM	0	0	0	n.a.
WALLA WALLA	46	46	35	76%
WHITMAN	24	24	22	92%
Totals	625	625	471	75%
<i>75 to 149 Family Homes (sampled at 75%):</i>				
COWLITZ	88	66	42	48%
DOUGLAS	127	95	67	53%
WHATCOM	124	93	66	53%
Totals	339	254	175	52%
<i>150 to 249 Family Homes (sampled at 30%):</i>				
CHELAN	237	71	47	20%
FRANKLIN	233	70	48	21%
GRANT	219	66	50	23%
KITSAP	222	67	50	23%
SKAGIT	199	60	45	23%
Totals	1,110	334	240	22%
<i>250 to 499 Family Homes (sampled at 25%):</i>				
BENTON	264	66	51	19%
CLARK	448	112	83	19%
SPOKANE	369	92	69	19%
THURSTON	269	67	50	19%
Totals	1,350	337	253	19%
<i>500 or more Family Homes (sampled at 18%):</i>				
KING	1,420	256	160	11%
PIERCE	711	128	85	12%
SNOHOMISH	708	127	83	12%
YAKIMA	612	110	93	15%
Totals	3,451	621	421	12%
GRAND TOTALS	6,875	2,171	1,560	23%

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

# CHAPTER 2. THE CHILD CARE MARKET

## Child Care Population

Based on the surveys conducted from February through May of 2004, we estimate that 165,680 children in Washington State were in licensed care during that time. About 70 percent of these children were in child care centers and the remaining 30 percent were in licensed family homes.

In-home care (care in the child’s home, not subject to licensing) and unlicensed out-of-home care were not part of this study. These populations have not been estimated by DSHS since a survey done in 1990. Assuming that the proportion of children in those situations has remained the same since the 1990 study, the number of children in unlicensed out-of-home and in-home care was 54,470 and 36,230 respectively. Therefore, an estimated 256,380 children were in paid (licensed or unlicensed) child care in Washington State during the study period (Table 5).

In the following chapter, more detailed information about child care populations in Washington State is provided in Table 10 for centers and in Table 12 for family homes.

**Table 5. Estimates of Children in Licensed and Unlicensed Child Care, 2004**

<u>Licensed Care</u>	Children Enrolled	Total Capacity <sup>1</sup>	Number of Vacancies	Vacancy Rate <sup>2</sup>
<u>Centers</u>				
Full-time	66,580			
Part-time	52,120			
Total in Centers	118,700 <sup>3</sup>	124,680	20,420	16.4%
<u>Family Homes</u>				
Full-time	27,860			
Part-time	19,120			
Total in Family Homes	46,980	58,730	11,540	19.7%
Total in Licensed Care	165,680	183,410	31,970	17.4%
<u>Unlicensed Care<sup>4</sup></u>				
Out-of-Home	54,470			
In-Home	36,230			
Total Unlicensed Care	90,700			
<b>Total in Licensed and Unlicensed Care</b>	<b>256,380</b>			

(1) For centers, licensed capacity. For family homes, licensed capacity less providers' children.

(2) Vacancy rate = vacancies/capacity.

(3) Because of rounding, the number of full-time and part-time children do not add up to the total.

(4) Estimated from proportions in the 1990 survey. [*Child Care Rates in Washington: 1990*]

Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

*Employment and Income*

Based solely on child care rates and populations reported in the 2004 surveys, we estimate that licensed child care providers in Washington State grossed about \$889 million in 2004. As shown in Table 6, the licensed child care industry employed about 30,600 persons at the time of the interviews.

**Table 6. Estimates of Employment and Revenue in Washington State's Child Care Industry, 1994, 1996, 1998, 2000, 2002, and 2004**

	Total Number of Employees						Revenue in Million Dollars					
	<u>1994</u>	<u>1996</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>1994</u>	<u>1996</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>
Centers	16,220	16,667	20,400	20,700	22,000	22,300	\$363	\$375	\$507	\$556	\$613	\$668
Family Homes	9,928	10,166	9,000	8,400	8,600	8,300	\$178	\$187	\$183	\$187	\$223	\$221
<b>Licensed Facilities</b>	<b>26,148</b>	<b>26,833</b>	<b>29,400</b>	<b>29,100</b>	<b>30,600</b>	<b>30,600</b>	<b>\$541</b>	<b>\$561</b>	<b>\$690</b>	<b>\$743</b>	<b>\$836</b>	<b>\$889</b>
Out-of-Home Care <sup>(1)</sup>	8,521	8,797	9,400	9,400	9,600	9,600	\$152	\$167	\$193	\$208	\$256	\$256
In-Home Care <sup>(2)</sup>	15,948	15,538	16,900	16,300	16,700	16,500	\$104	\$110	\$128	\$138	\$170	\$170
<b>Unlicensed Care <sup>(3)</sup></b>	<b>24,469</b>	<b>24,335</b>	<b>26,300</b>	<b>25,700</b>	<b>26,300</b>	<b>26,100</b>	<b>\$256</b>	<b>\$277</b>	<b>\$321</b>	<b>\$346</b>	<b>\$426</b>	<b>\$426</b>
<b>Industry Total</b>	<b>50,617</b>	<b>51,168</b>	<b>55,700</b>	<b>54,800</b>	<b>56,900</b>	<b>56,700</b>	<b>\$797</b>	<b>\$839</b>	<b>\$1,011</b>	<b>\$1,089</b>	<b>\$1,262</b>	<b>\$1,315</b>

<sup>(1)</sup> Includes unlicensed out-of-home care provided by non-relatives that should, by law, be licensed. Number employed based on family-home adult-child ratio.

<sup>(2)</sup> Number of in-home care employees based on 1990 survey: (2.2 children/caregiver.)

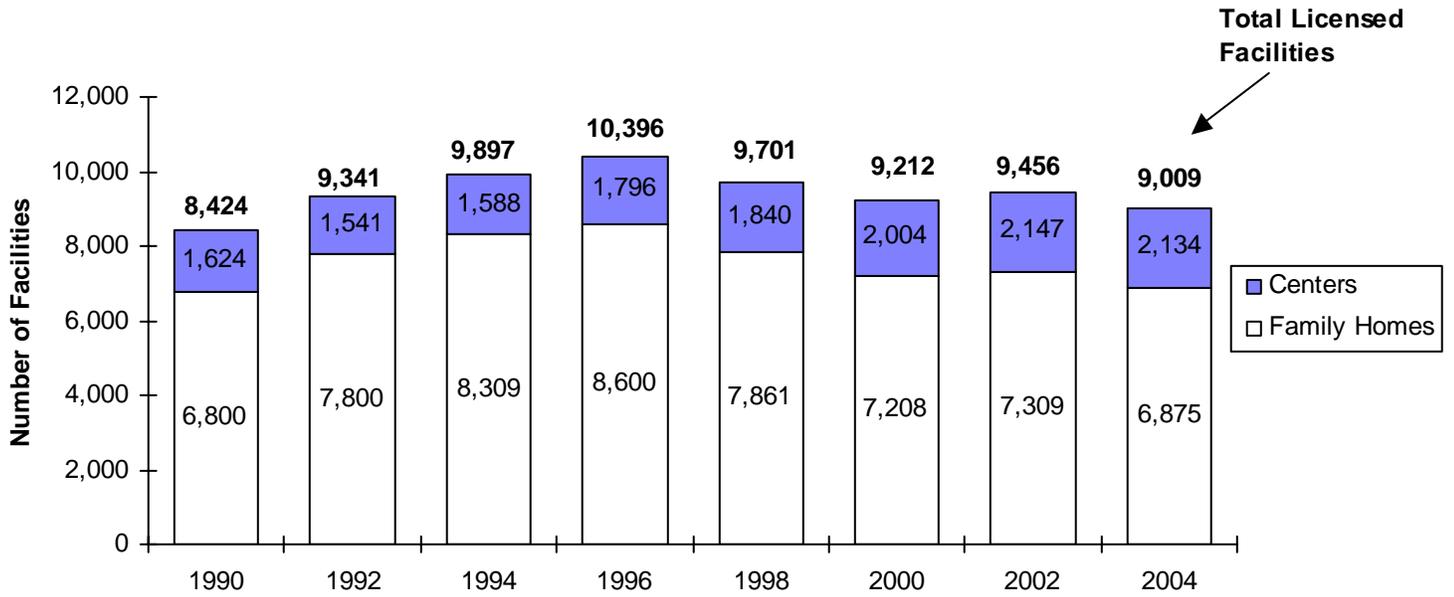
<sup>(3)</sup> Assumes same cost per child as in licensed family home care (\$4705/child/year in 2004).

Source: DSHS Division of Child Care and Early Learning  
1994, 1996, 1998, 2000, 2002, and 2004 Surveys of Child Care Centers and Family Homes

*Growth of the Licensed Child Care Industry*

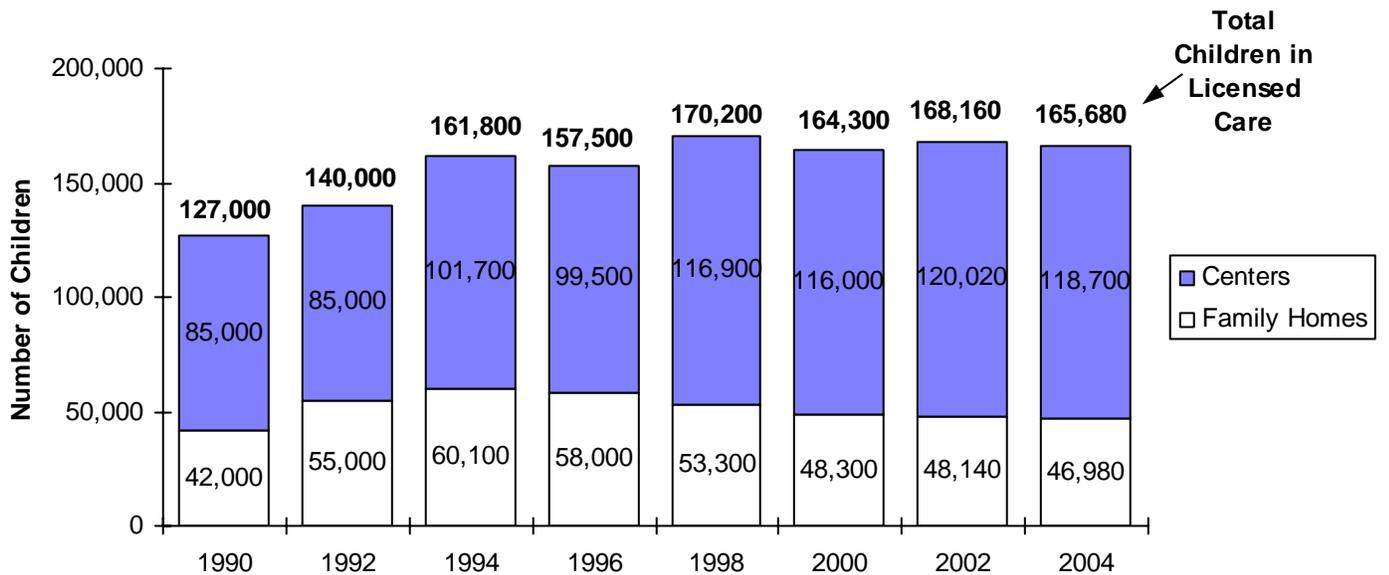
The following two graphs show changes in the size of the licensed child care industry from 1990 to 2004. From 1990 through 2002, the number of centers and number of children attending centers generally increased. For family homes, the number of licensed facilities and number of children cared for in family homes increased between 1990 and 1996. Since that time, those numbers have generally declined. In the two years 2002 to 2004, the number of facilities and the number of children served decreased slightly for both centers and family homes (Figures 2 and 3).

Figure 2. Licensed Child Care Facilities in Washington State, 1990 to 2004



Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

Figure 3. Children in Licensed Care in Washington State, 1990 to 2004



Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

*Decline in Number of Family Homes*

The number of licensed family homes declined from 8,600 to 6,875 between 1996 and 2004, a decline of 20 percent. The decline was not uniform throughout the state. As shown in Table 7, both the absolute number of family homes lost and the percent change was greatest in Region 4 (King County). But the number of licensed homes dropped in all regions except Region 2. Except for the 2000 to 2002 period, the decline in number of family homes has been fairly steady, between 6 and 8.5 percent over each two year period.

**Table 7. Number of Family Homes, 1996 to 2004**

<b>Region</b>	<b>1996</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>Change From 1996 to 2004</b>	<b>Percent Change from 1996 to 2004</b>
1	1,336	1,221	1,174	1,254	1,124	-212	-16%
2	1,055	1,069	1,108	1,253	1,202	147	14%
3	1,465	1,273	1,127	1,140	1,092	-373	-25%
4	2,147	1,855	1,645	1,571	1,420	-727	-34%
5	1,150	1,084	954	956	933	-217	-19%
6	1,447	1,359	1,200	1,135	1,104	-343	-24%
<b>Statewide</b>	<b>8,600</b>	<b>7,861</b>	<b>7,208</b>	<b>7,309</b>	<b>6,875</b>	<b>-1,725</b>	<b>-20%</b>

Source: DSHS Division of Child Care and Early Learning  
1996, 1998, 2000, 2002 and 2004 Surveys of Family Homes

## CHAPTER 3. CHILDREN IN LICENSED CARE

### Introduction

Licensing regulations for child care centers and family homes are determined by state law and administrative rules. In evaluating each licensed facility, the Department of Social and Health Services (DSHS) examines: (1) its premises, equipment, and physical conditions; (2) the number and skills of the licensee and staff; and (3) the ages and characteristics of the children in care. The regulations for family home providers differ slightly from those for child care centers.

DSHS child care regulations vary according to the ages of the children in care. For example, in child care centers one adult may care for up to either four infants or fifteen school-age children. Since younger children require more adult supervision than older children, most providers charge more for the care of younger children. In family homes, the number of children under two years old is strictly limited and the number of children under two years old that a provider serves affects the total number of children that he or she can serve.

For this report we categorized children into discrete age groups in accordance with the definitions DSHS uses for licensing regulations in child care centers and subsidy payments. These categories are consistent with the age classifications used by many child care providers:

- Infants, under 12 months old;
- Toddlers, from 12 to 29 months old;
- Preschoolers, from 30 months up to entry into kindergarten; and
- School-age children, from entry into kindergarten to 12 years.

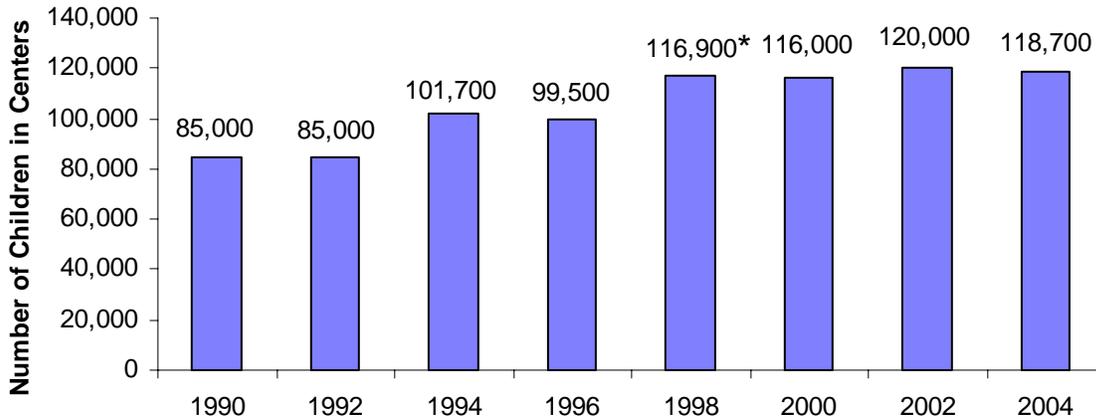
In addition to the age of the child, most providers charge more on a monthly basis for children in full-time care than for children in part-time care. But part-time care often costs more per hour than full-time care. In September 1998, the DSHS subsidy program changed its definition of full-time from 30 to 25 hours. Since some providers changed their threshold for full-time to bring it into line with the new DSHS definition, center providers were allowed in the 2004 survey to include children in care for 25 to 30 hours a week in their count of full-time children.

**Child Care Centers**

*Number of Children in Care, Capacity, and Vacancies in Child Care Centers*

The number of children in child care centers has grown substantially over the past fourteen years, rising 40 percent from 85,000 in 1990 to 118,700 in 2004. During the same period the total number of children under 13 in Washington State rose about 14 percent.

**Figure 4. Number of Children in Licensed Child Care Centers, 1990-2004**

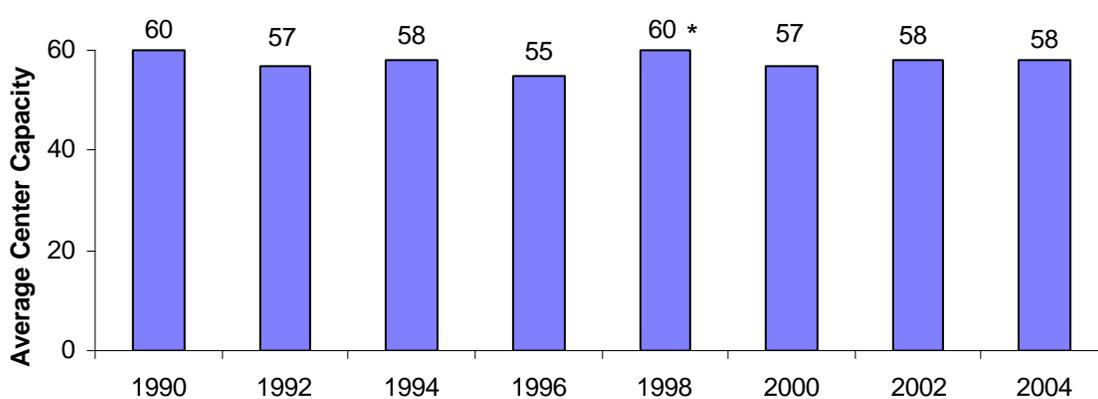


\* 1998 numbers were over-estimated due to a low response rate from small centers.

Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers

The above graph shows a large increase in the number of children in centers between 1996 and 1998; however, the number of licensed centers only grew from 1,796 to 1,840 during those two years. There was concern that a low response rate by smaller child care centers on the 1998 survey had led to an over-estimation in the number of children served and that seems to have been the case (see the caution about the estimate on numbers of children in centers on page 5 of *Licensed Child Care in Washington State: 1998*). Despite the problems with the 1998 data, the data for 2000/2004 indicate an increase in the number of children in center care of approximately 18 percent from the period 1994/1996.

**Figure 5. Average Capacity of Licensed Child Care Centers, 1990-2004**

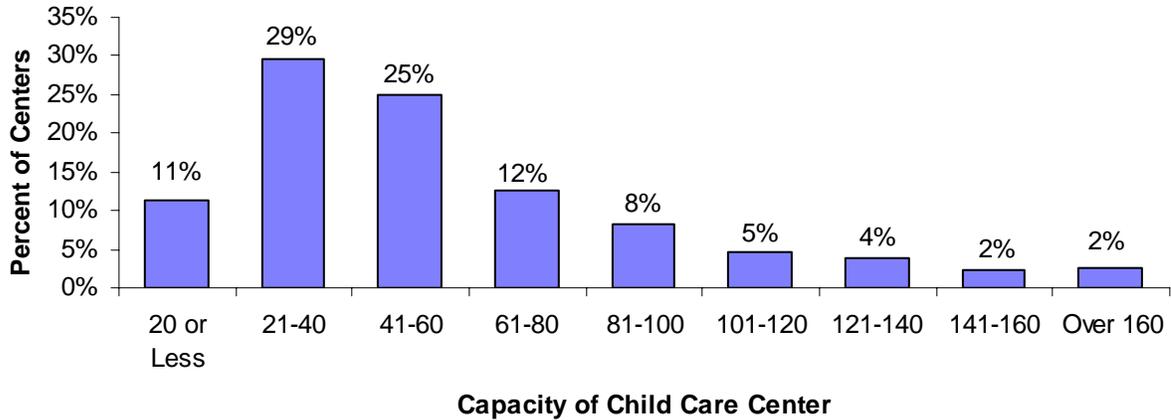


\* 1998 average capacity was over-estimated due to a low response rate from small centers.

Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers

The licensed capacity of child care centers varies widely: 40 percent of centers had a capacity of 40 or fewer children while 8 percent of centers had a capacity of over 120 (see Figure 6).

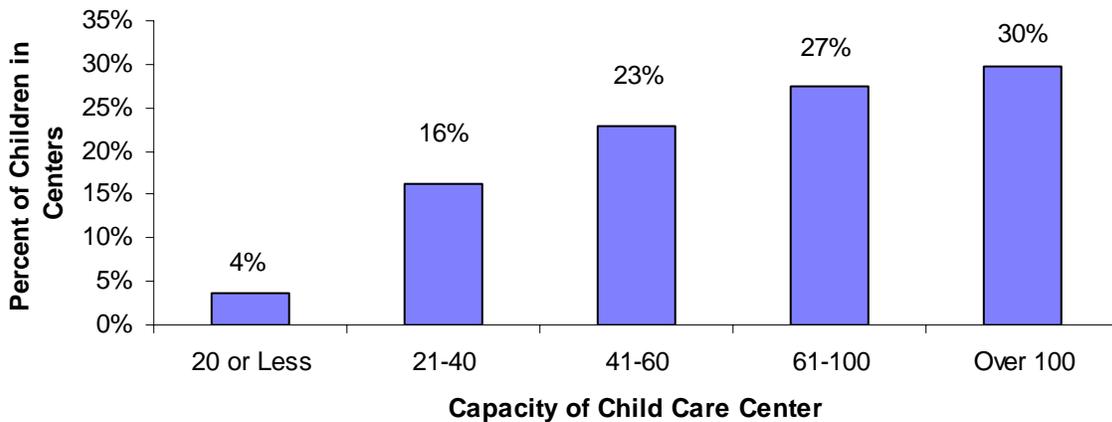
**Figure 6. Distribution of Child Care Centers by Capacity, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

While many centers were small, big centers served a high proportion of all children in centers. Almost one-third of all children in centers go to the 13 percent of centers with a capacity of over one hundred, while only 20 percent of children attend the 40 percent of centers with a capacity of forty or less (see Figure 7).

**Figure 7. Distribution of Children in Child Care Centers by Capacity, 2004**

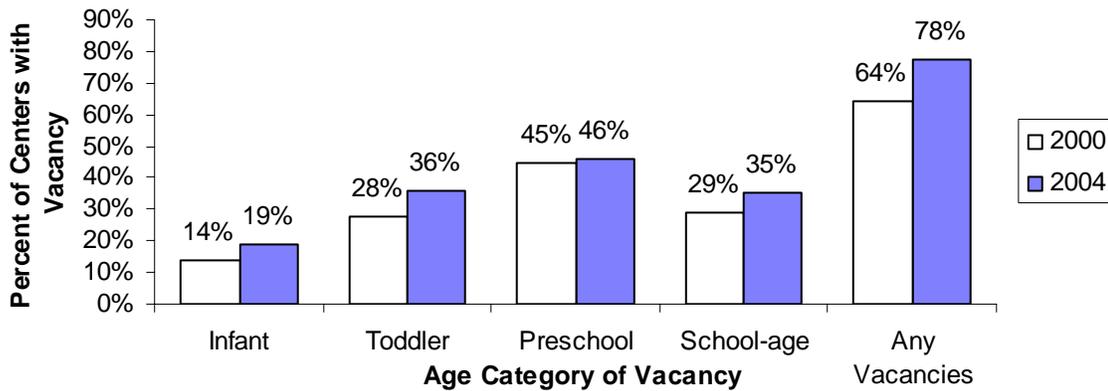


Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

To estimate vacancies, providers were asked how many openings they had for children of any age. While not all facilities had vacancies, 78 percent of centers reported at least one vacancy. Centers with vacancies averaged 12.5 vacancies per center.

A vacant slot in a home or center may not be open to children of all ages. The rules limit the number of children that can be placed in a facility by age. In centers, for example, one adult may care for four infants, seven toddlers, ten preschoolers, or fifteen school-age children. Therefore, while some providers may not have sufficient staff to accept more infants, they may have vacancies for older children. The percent of centers with vacancies in various age categories for 2000 and 2004 is presented in Figure 8. Excluding school-age children, the younger the child, the less likely a center was to have an opening for that child. Looking at the changes between 2000 and 2004, many more centers had at least one vacancy in 2004 than in 2000 and there was an increase in the percent of centers with infant and toddler vacancies.

**Figure 8. Percentage of Centers with Vacancies by Age Category, 2000 and 2004**



Source: DSHS Division of Child Care and Early Learning  
2000 and 2004 Surveys of Child Care Centers

Table 8 displays the percent of centers with vacancies for each age category by Region. According to this table, Region 2 had a smaller proportion of centers with vacancies in all age categories.

**Table 8. Percentage of Centers with Vacancies by Age Category and Region, 2004**

Region	Infant	Toddler	Preschool	School-age	Any Vacancies
1	22%	35%	46%	40%	82%
2	16%	30%	36%	24%	69%
3	17%	36%	47%	39%	79%
4	17%	36%	46%	31%	76%
5	21%	39%	49%	35%	79%
6	18%	35%	46%	41%	80%
<b>All</b>	19%	36%	46%	35%	78%

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

An alternative measure of the tightness of the child care market is the percent of total slots that are vacant, the vacancy rate. Compared to a simple measure of the proportion of centers with vacancies, the vacancy rate may give a better picture of supply and demand in the child care market. The overall vacancy rate in centers was 16 percent in 2004, a six year high. All of the

Regions have similar vacancy rates, although the data are consistent with the trends displayed in Table 8. Among centers with vacancies, the average vacancy rate was 23 percent in 2004.

**Table 9. Vacancy Rate in Child Care Centers by Region, 1996 – 2004**

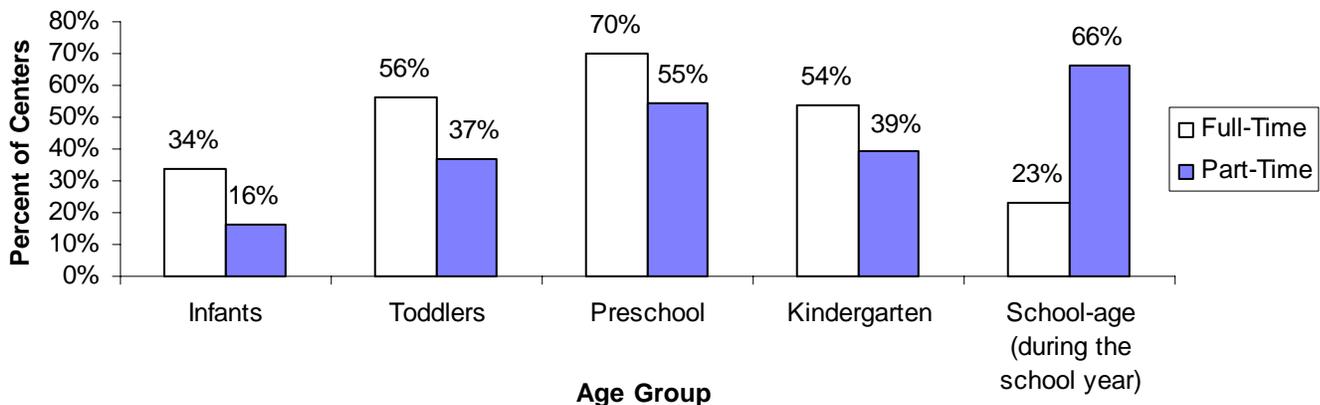
Region	Center Vacancy Rate				
	1996	1998	2000	2002	2004
1	17%	12%	13%	12%	19%
2	18%	16%	16%	13%	15%
3	19%	11%	14%	17%	17%
4	14%	11%	10%	14%	15%
5	14%	11%	13%	12%	16%
6	16%	14%	14%	17%	18%
<b>All</b>	16%	12%	13%	14%	16%

Source: DSHS Division of Child Care and Early Learning  
1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers

*Full-Time and Part-Time Care in Centers by Age Category*

Some centers only provide care for children of certain ages. The vast majority of centers in 2004 provided either full-time or part-time care for preschool-age children (74 percent) while only about one-third of centers provided care for infants (36 percent). Many centers did not offer both full-time and part-time options. The percentages for centers that offered full-time and part-time care for various age groups of children are shown in Figure 9. The most commonly provided care was full-time care for preschoolers with 70 percent of centers offering such care. The least common care provided by centers was that for part-time infants: 16 percent of centers offered part-time infant care.

**Figure 9. Centers Providing Full-Time and Part-Time Care by Age Group, 2004**

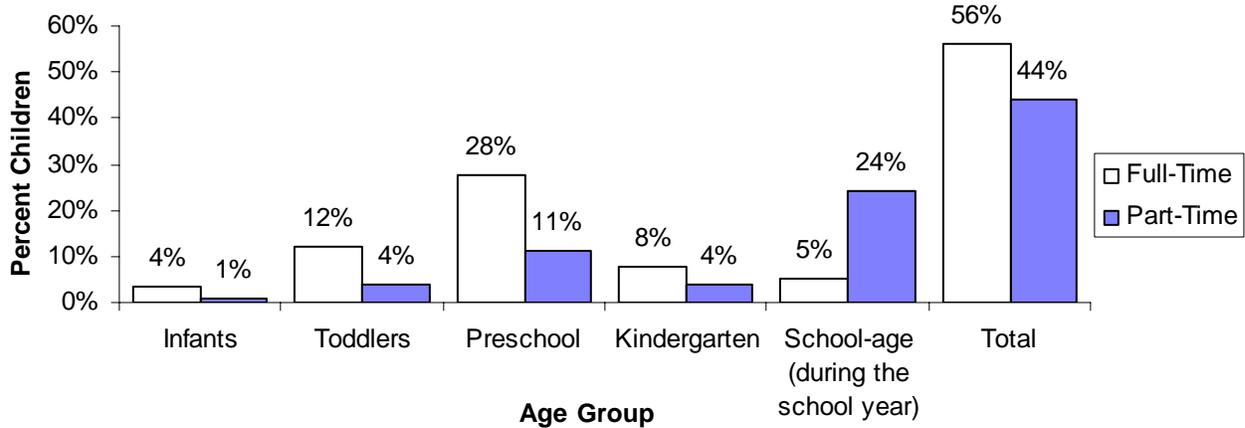


Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

The estimated distribution of children in centers by age group and time-in-care is summarized in Figure 10. As mentioned earlier, centers were allowed to include children in attendance only 25 hours per week in their count of full-time children, a change from the earlier definition of full-time as 30 hours per week. That change did not appear to affect the proportion of children that

were identified as being in full-time care. In 2004, 56 percent of all children were reported to attend full-time, essentially unchanged from 2002 (57 percent). Preschoolers in full-time care constituted the largest group of children attending centers (28 percent). Infants in part-time care were the smallest group, comprising just one percent of the children in child care centers. Slightly over 40 percent of the children in center care were either in kindergarten or school-age.

**Figure 10. Distribution of Children in Centers in Full-Time or Part-Time Care, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

Many centers planned to provide care for school-age children during the summer (data not shown). A total of 78 percent of centers offered some care for school-age children (kindergarten or above) during the school year and about 57 percent planned to offer care for these children in the summer. Among centers planning to provide summer care for school-age children, most planned to provide full-time care (91 percent) and over half planned to provide part-time care (54 percent).

Table 10 presents estimates of the numbers of children in child care centers by DSHS Region and age group. Separate estimates were made for full-time and part-time child care. As mentioned earlier in this chapter, centers were allowed to count all children in care for 25 hours or more per week as full-time.

Table 10. Estimated Child Care Center Populations by Age and Region, 2004

Full-Time Population Estimate <sup>[1]</sup>							
Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	550	470	500	1,420	670	600	4,200
Toddlers	2,100	1,460	1,870	4,370	2,350	2,000	14,160
Preschool	4,380	3,120	4,480	11,000	5,260	4,730	32,970
Kindergarten	1,620	600	1,290	2,540	1,610	1,410	9,070
School-age <sup>[2]</sup>	1,210	240	1,140	1,770	1,400	410	6,170
<b>Total</b>	<b>9,860</b>	<b>5,900</b>	<b>9,280</b>	<b>21,100</b>	<b>11,290</b>	<b>9,150</b>	<b>66,580</b>

Part-Time Population Estimate <sup>[1]</sup>							
Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	210	60	140	340	160	130	1,040
Toddlers	540	140	610	1,550	570	1,010	4,420
Preschool	1,720	690	1,840	5,490	1,410	1,960	13,100
Kindergarten	800	340	1,030	1,210	620	630	4,640
School-age <sup>[3]</sup>	4,750	2,410	3,740	9,240	3,640	5,140	28,920
<b>Total</b>	<b>52,120</b>	<b>8,030</b>	<b>3,630</b>	<b>7,360</b>	<b>17,830</b>	<b>6,400</b>	<b>52,120</b>

<sup>[1]</sup> Children in sample multiplied by a county weighting factor to estimate population.

<sup>[2]</sup> Survey was conducted during the school year. School-age children in part-time care may switch to full-time care in the summer.

<sup>[3]</sup> Part-time school-age total includes before- and after-school care.

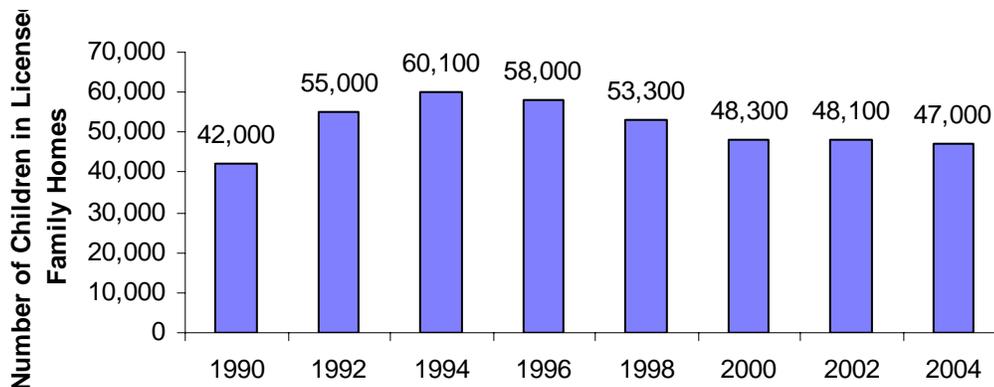
Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

## Family Homes

### Number of Children in Care, Capacity, and Vacancies in Family Homes

Children in licensed family homes receive care in the residence of the provider. The number of children cared for in licensed family homes has been declining since 1994 (see Figure 11). For most of that time the number of licensed family home providers also declined (see Figure 2).

Figure 11. Number of Children in Licensed Family Homes, 1990-2004



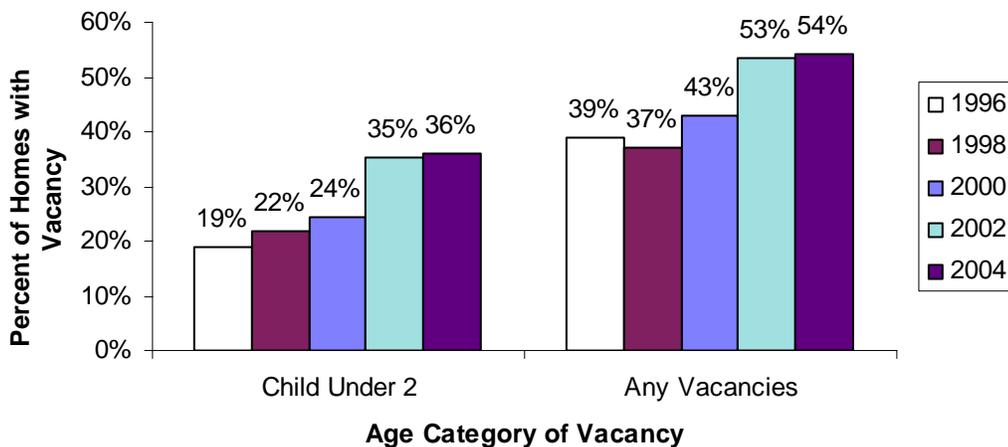
Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Family Homes

Because family homes are licensed to care for twelve or fewer children at the same time, their average licensed capacity is considerably less than that of centers. The average licensed capacity for family homes in 2004 was 8.5 children per home. Licensing regulations for family homes limit the number of children under two that can be in attendance at the same time from a maximum of two children under two with one adult providing care up to a maximum of four children under two if two adults are providing care. (References to family home capacity in this report subtract the number of the providers' own children under 12 from their licensed capacity if the provider reports that they care for them during their business hours.)

To estimate vacancies, family home providers were asked how many openings they had for children of any age. On average, providers reported 1.7 vacancies per family home, up from 1.5 in 2002. In 2004, the percent of homes with at least one vacancy (54 percent), the percent of homes with vacancies for children under two (36 percent), and the vacancy rate for homes with vacancies (36 percent) were virtually unchanged from 2002. Overall the vacancy rate (number of vacancies/total capacity) in 2004 was 19.7 percent for family homes, up from 19.1 percent in 2002.

Since licensing regulations for family homes strictly limit the number of children under two years old in each licensed family home, family home providers were asked about how many vacancies they had for children under two in addition to a general question on number of vacancies. The results are displayed in Figure 12.

**Figure 12. Percentage of Family Homes with Vacancies by Age Category, 1996-2004**



Source: DSHS Division of Child Care and Early Learning 1996, 1998, 2000, 2002 and 2004 Survey of Family Homes

The information on vacancies in centers suggested that a smaller proportion of centers in Region 2 had vacancies than in other areas in the state (see Table 8). The data on vacancies in family homes is presented in Table 11. In contrast to centers, family home providers in Region 2 appear to have a somewhat higher percentage of providers with vacancies for children under 2 years old as well as vacancies for children of any ages (see Table 11).

Table 11. Family Homes with Vacancies by Region, 2004

Region	Child Under 2	Any Vacancies
1	40%	54%
2	47%	60%
3	32%	52%
4	36%	53%
5	34%	54%
6	28%	51%
All	36%	54%

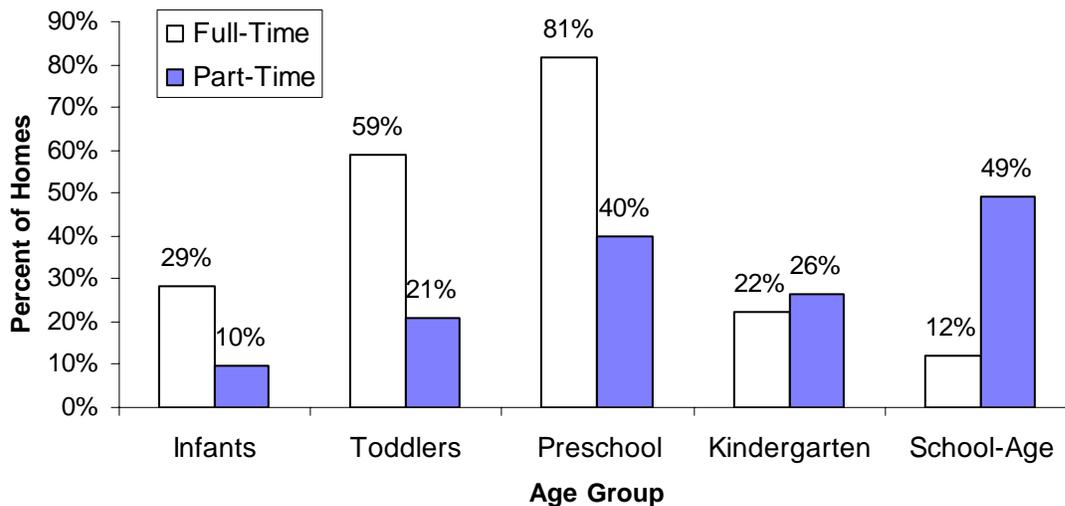
Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

*Full-Time and Part-Time Care in Family Homes by Age Category*

As was the case with child care centers, the most common type of care provided by family homes was full-time child care for preschoolers. In the 2004 survey, family home providers were asked if the five and six year-olds that they cared for attended kindergarten so that five year olds that did not attend kindergarten could be included in the preschool category as is the case for centers. In past surveys, all children five years old or older were included in the school-age group for family home providers. Thirty hours per week was used as the cut-off for the definition of full-time care in family homes.

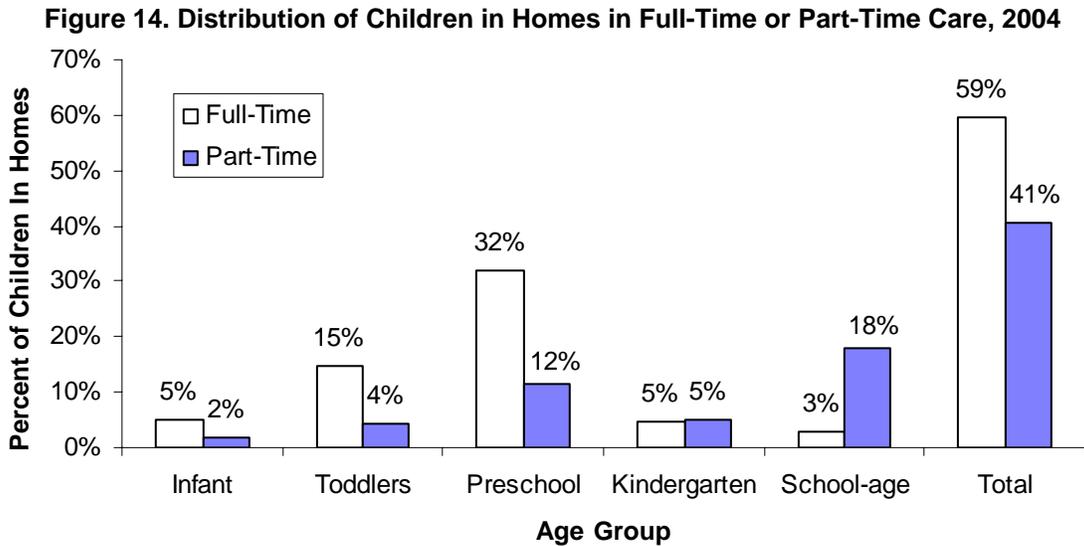
The inclusion of the question on kindergarten attendance makes the information on family homes more directly comparable to that for centers (compare Figures 9 and 13). Eighty-one percent of all family homes provided full-time care to preschoolers, higher than the 70 percent of centers providing full-time care to preschoolers. At the other extreme, only 10 percent of homes provided part-time care to infants. Figure 13 shows the proportion of homes that provided full-time or part-time care to each age group.

Figure 13. Homes Providing Full-Time or Part-Time Care by Age Group, 2004



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

Figure 14 shows the distribution of children in family homes by age group and part-time or full-time status, with children in kindergarten categorized separately. The distributions of children by age group for family homes and centers are similar (compare Figures 10 and 14). As in centers, the smallest category was part-time infants and the largest group of children was preschoolers in full-time care. There are differences, however, with only 31 percent of all children in licensed family care attending school (including kindergarten) as compared to 41 percent of children in centers. Almost two out of every three children in licensed family homes are either toddlers or preschoolers (63 percent) in contrast to somewhat more than half for children attending centers (55 percent).

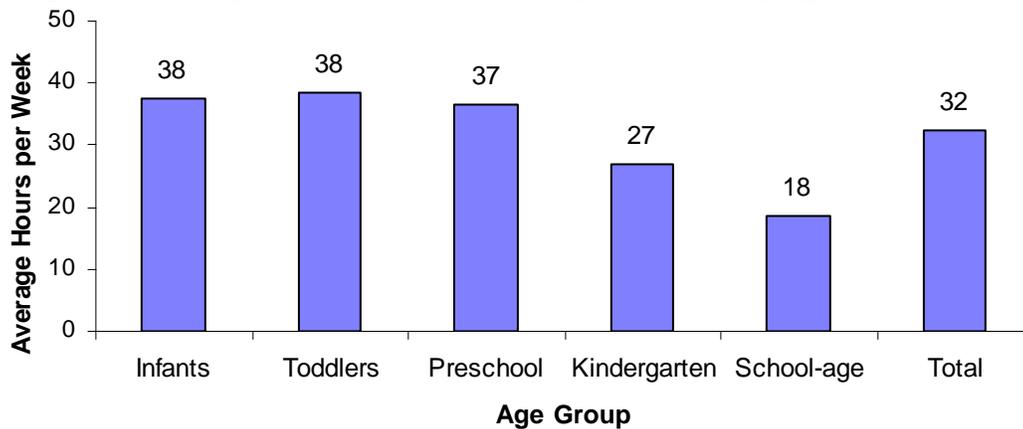


Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

Two percent of licensed family homes only served school-age children in first grade or higher. The vast majority (71 percent) served both full-time and part-time children and 22 percent only served full-time children.

The average number of hours per week in care by age category presented in Figure 15 is unchanged from 2002. Children in family homes spent an average of 32 hours per week in child care. Infants, toddlers, and preschoolers spent the most time in care. School-age children beyond the age of kindergarten spent the least time in care (18 hours per week on average).

Figure 15. Average Hours per Week in Family Home Care by Age Group, 2004



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

The estimated populations of children in licensed family homes, by region, age group, and time-in-care are presented in Table 12. School-age children (including kindergarteners), because of their need for before- and after-school care, were most likely to receive part-time care. Indeed, they accounted for almost 60 percent of the total part-time population in family homes.

Table 12. Estimated Licensed Family Home Child Care Populations by Age and Region, 2004

**Full-Time Population Estimate<sup>[1]</sup>**

Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	410	470	380	510	210	390	2,360
Toddler	1,100	1,270	1,140	1,510	820	1,080	6,920
Preschool	2,450	2,510	2,190	3,240	2,070	2,550	15,020
Kindergarten	370	340	390	340	250	440	2,120
School-age <sup>[2]</sup>	250	390	310	120	190	190	1,440
Total	4,570	4,980	4,420	5,710	3,540	4,640	27,860

**Part-Time Population Estimate<sup>[1]</sup>**

Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	110	130	140	140	140	140	800
Toddler	270	180	320	490	400	300	1,960
Preschool	730	490	1,040	1,300	710	1,120	5,400
Kindergarten	480	350	390	350	300	510	2,380
School-age <sup>[2]</sup>	1,100	1,160	1,270	1,710	1,570	1,770	8,580
Total	2,690	2,310	3,160	3,990	3,130	3,850	19,120

<sup>[1]</sup> Children in sample multiplied by a county weighting factor to estimate population. Full-time is defined as thirty or more hours per week.

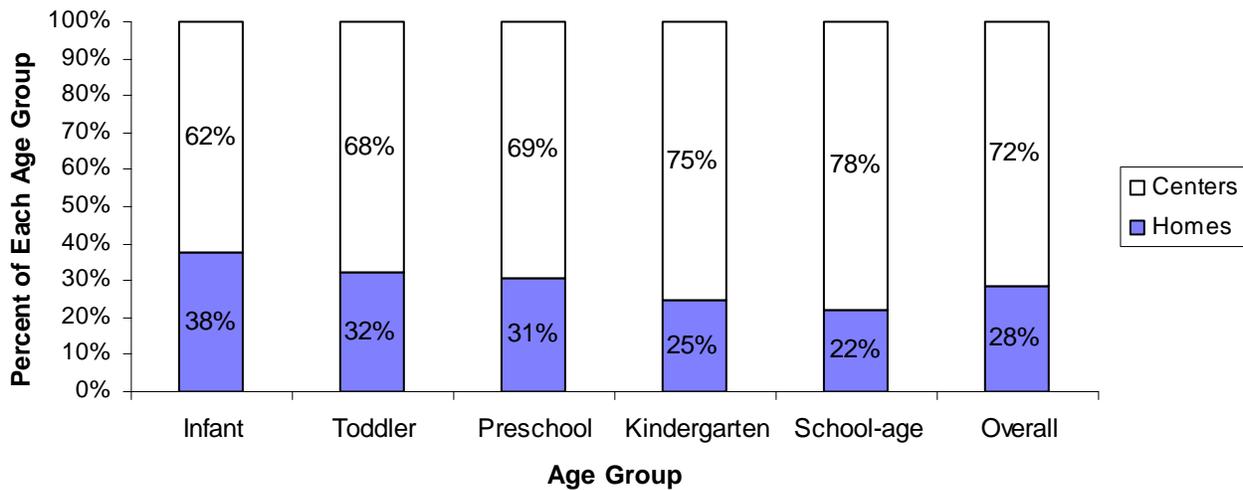
<sup>[2]</sup> Survey was conducted during the school year. School-age children in part-time care may switch to full-time care in the summer.

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

**Specialization in the Child Care Market**

The age distribution and hours in care for children in licensed homes appear similar to those attending child care centers. But closer examination reveals some interesting differences. While children of all ages in licensed care were more likely to attend child care centers than family homes, the age of the child was related to the type of licensed provider used. Compared to older children, younger children (particularly infants) were more likely to go to family homes (see Figure 16). While 28 percent of all children in licensed care at the time of the 2004 surveys went to family home providers, 38 percent of infants in licensed care went to family homes.

**Figure 16. Enrollment of Children in Licensed Home Care versus Child Care Centers, 2004**

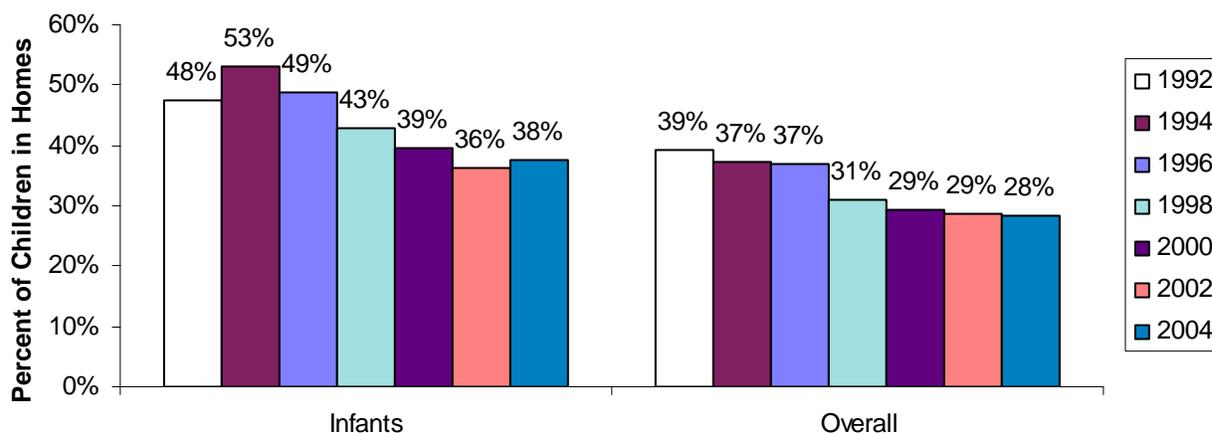


Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

*Shift in Attendance of Children in Licensed Care from Homes to Centers*

Over the twelve years 1992 to 2004, the number of children that attended child care centers generally increased (see Figure 4), while the number in licensed family homes has declined for the past ten years, 1994 to 2004 (see Figure 11). As a consequence, the proportion of children in licensed care that attend licensed family homes has declined from 39 percent in 1992 to 28 percent in 2004. The decline in the proportion of infants in licensed care that went to family homes is particularly striking. In 1994 over half of all infants in licensed care were cared for in family homes; in 2004 only 38 percent of all infants in licensed care were in family homes.

Figure 17. Proportion of Children in Licensed Care Attending Family Homes, 1992-2004



Source: DSHS Division of Child Care and Early Learning 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

*Urban/Rural Differences*

One reason for a parent to send their child to a family home provider rather than a child care center is the availability of care. It was expected that licensed care in child care centers would be less available in rural areas than in more urbanized areas. The thirty-nine counties in Washington State were categorized according to how many people live in cities of 10,000 or more. Counties with more than 100,000 people in cities of 10,000 or more were categorized as Metropolitan, counties with more than 40,000 people in cities of 10,000 or more were called Small Urban, and the remaining counties were classed as Rural. (Population estimates from Table 4 in OFM’s 2004 Population Trends for Washington State, 2004.)

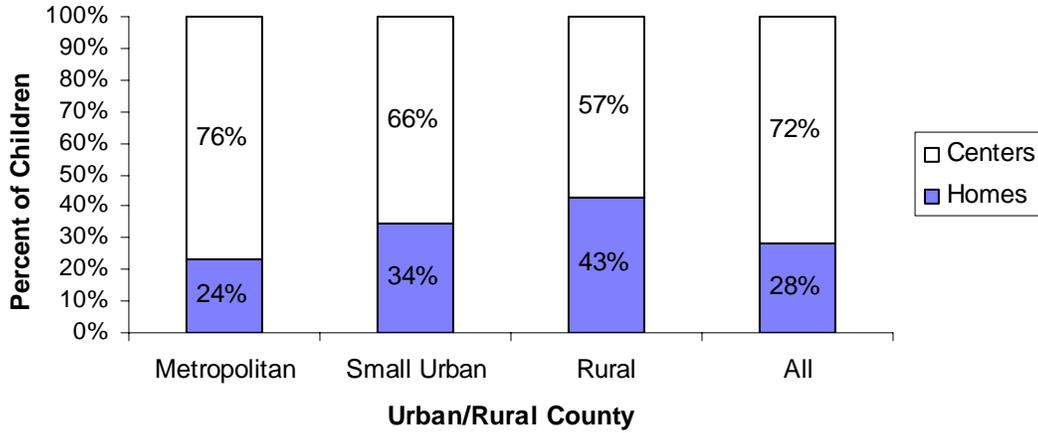
Table 13. Counties by Degree of Urbanization

Metropolitan	Small Urban	Rural		
Clark	Benton	Adams	Grays Harbor	Pend Oreille
King	Cowlitz	Asotin	Island	San Juan
Pierce	Kitsap	Chelan	Jefferson	Skamania
Snohomish	Skagit	Clallam	Kittitas	Stevens
Spokane	Thurston	Columbia	Klickitat	Wahkiakum
	Whatcom	Douglas	Lewis	Walla Walla
	Yakima	Ferry	Lincoln	Whitman
		Franklin	Mason	
		Garfield	Okanogan	
		Grant	Pacific	

Using this rough division of counties according to their degree of urbanization, we see that the more rural the county the higher the proportion of children in licensed care that went to family homes rather than child care centers in 2004. Only 24 percent of children in licensed care in the five most urbanized counties in Washington State went to family homes, while 43 percent of

children in licensed care in the 27 counties classified as rural went to family homes (see Figure 18).

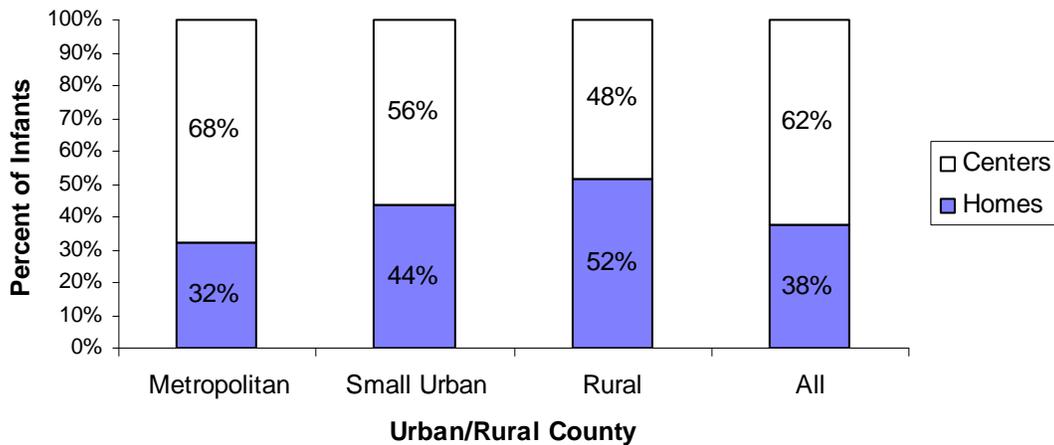
**Figure 18. Distribution of Children in Licensed Care by Degree of Urbanization, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

As shown in Figure 16, the younger the age of the child in licensed care, the more likely they were to go to a family home rather than a child care center. In addition, the more the rural the county, the more likely a child in licensed care was to attend a family home rather than a child care center. As a consequence of these two trends, 52 percent of the infants in licensed care in rural counties went to family homes rather than child care centers (see Figure 19). This is up slightly from 46 percent in 2002, but down from 1998 when 58 percent of infants in licensed care in rural counties went to family homes.

**Figure 19. Distribution of Infants in Licensed Care by Degree of Urbanization, 2004**

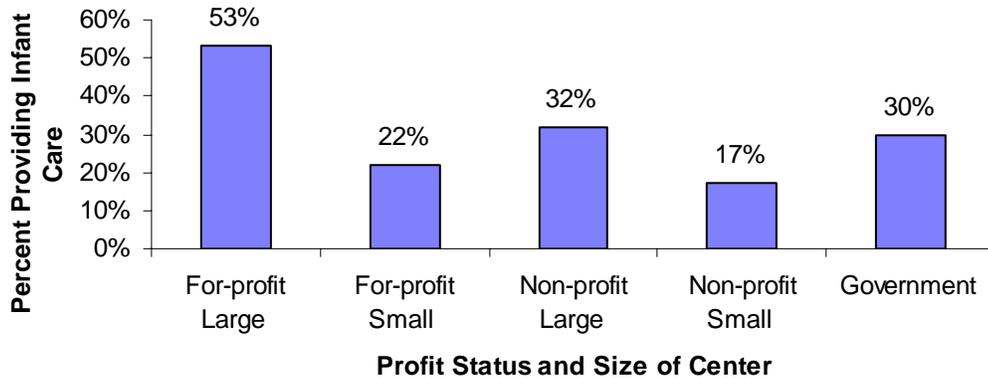


Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

Type of Center and Specialization

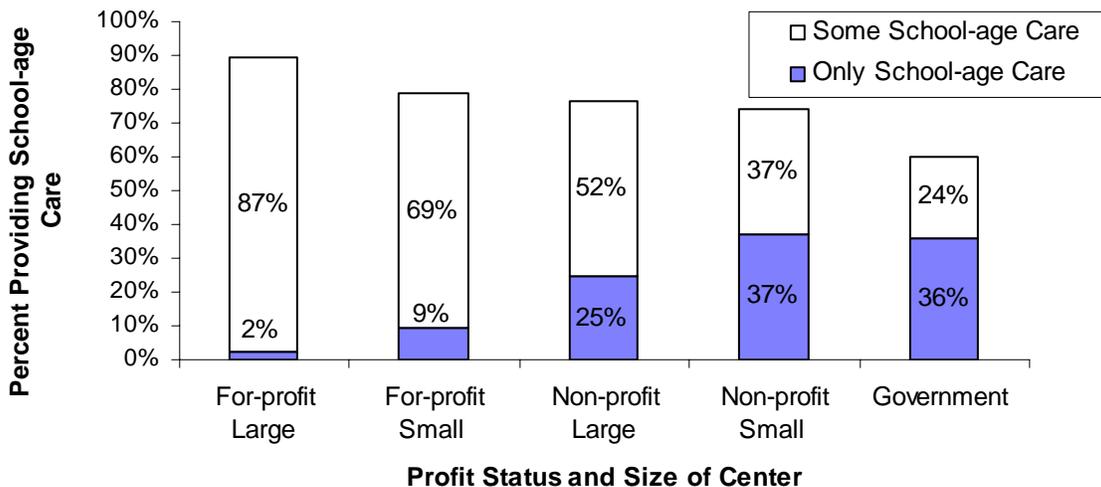
Focusing on child care centers, differences in the profit status of centers and specialization in the provision of child care were examined. Centers were classified as either non-profit, for-profit, or government centers. (Government centers include Tribal Centers and many programs at K-12 schools and colleges.) In addition, centers with a capacity of sixty or more were distinguished from smaller centers. While almost all centers served toddlers and preschoolers, there was evidence of specialization in the provision of care for very young and school-age children. For-profit centers with a capacity of sixty or more were the centers most likely to provide care for infants (see Figure 20). Large for-profit child care centers were also the most likely to provide care for school-age children, but a high proportion of government and small non-profit centers specialized in school-age care (see Figure 21).

Figure 20. Child Care Centers' Profit Status and Infant Care, 2004



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

Figure 21. Child Care Centers' Profit Status and School-Age Care, 2004



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

## Availability and Use of Child Care

### *Capacity and Vacancies for Licensed Child Care*

In order to understand the overall availability of licensed child care in Washington State, the information on child care centers and family home providers was combined. In that context, the decline in the number of children in licensed family homes in the ten years from 1994 to 2004 was offset by an increase in the number of children attending child care centers. The total number of children in licensed care has been fairly stable from 1998 to 2004 (see Figure 3).

The vacancy rate indicates how much difficulty families may experience in trying to find licensed care for their children. Between 1996 and 1998 the vacancy rate declined, suggesting an increasing tightness in the child care market. The vacancy rate has risen since then, reaching a ten-year high of 17 percent in 2004. Table 14 presents the vacancy rates in the licensed child care market from 1994 through 2004.

**Table 14. Vacancy Rate for Licensed Child Care in Washington State, 1994-2004**

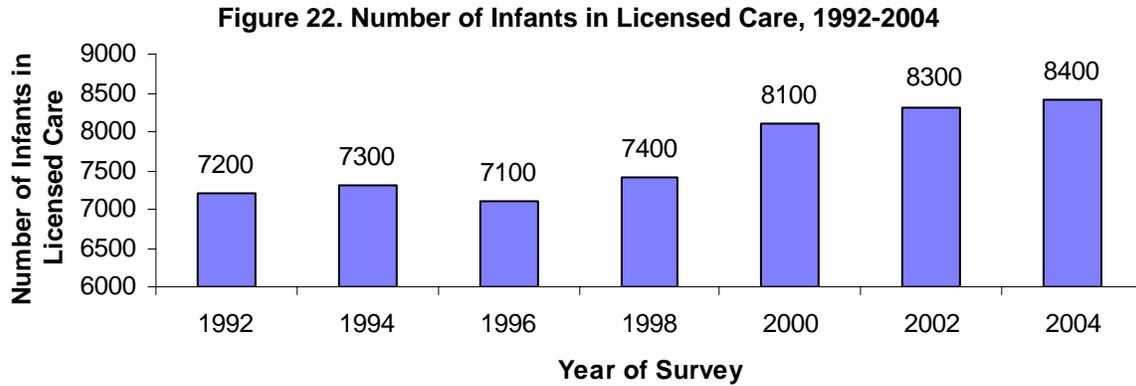
	<u>1994</u>	<u>1996</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>
<b>Vacancy Rate</b>						
Centers	13%	16%	12%	13%	14%	16%
Family Homes	16%	14%	14%	16%	19%	20%
<b>All Licensed Facilities</b>	14%	15%	13%	14%	16%	17%

Source: DSHS Division of Child Care and Early Learning  
1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

### *Vacancies for Very Young Children*

The number of infants served in licensed care has increased from 1996 to 2004 (see Figure 22 on the next page). Most of that change was due to an increase in the number of infants in center care.

Until July 1999 single parents of infants under one year old were exempt from TANF regulations requiring participation in work-related activities. After that time, only single parents with children under three months old were exempt from participation requirements. An examination of the payments made for child care by DSHS indicates that the number of infants in TANF families using subsidized licensed care was stable between 1998 and 2003. On the other hand, the number of infants in non-TANF low-income families that received subsidized child care in a licensed setting increased by over 1,300 between 1998 and 2003, a rise of 90 percent. Over this period the number of births in Washington State has been fairly constant.



Source: DSHS Division of Child Care and Early Learning 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

While the number of infants in licensed care has grown, still only 36 percent of centers and family homes cared for infants in 2004. Similarly, the proportion of facilities with infant vacancies was low. While 78 percent of all centers had vacancies, only 19 percent of centers had vacancies for infants (see Figure 8 earlier in this chapter). In family homes, 54 percent had vacancies and 36 percent had vacancies for children under two (see Figure 12 earlier in this chapter.)

If the availability of infant slots is inadequate, then the vacancy rate for infants should be lower than that for other age groups. In fact, as Table 15 shows, the center vacancy rate for infants of 18.2 percent was slightly higher than the overall vacancy rate for children (16 percent, see Table 14) and the home vacancy rate of 35.7 percent for children under two was much greater than that for children overall (20 percent, see Table 12). The vacancy rates for young children were greater than those reported from the 2000 child care surveys and quite close to those reported in 2002. Anecdotal accounts, however, continue to indicate that parents continue to have difficulty finding licensed care for very young children.

**Table 15. Vacancies for Very Young Children in Centers and Family Homes, 2004**

	<u>Number Served</u>	<u>Number of Vacancies</u>	<u>Estimated Vacancy Rate*</u>
<b>Centers</b>			
Infants (under 1 year old)	5,247	1,171	18.2%
Toddlers (1 to under 2.5 years old)	18,578	3,678	16.5%
<b>Licensed Family Homes</b>			
Infants (under 1 year old)	3,158		
Children 1 to under 2 years old	5,110		
Children 2 years old and younger	8,267	4,591	35.7%

\* Vacancy rate is estimated by dividing the number of vacancies by the sum of the number of children served and the number of vacancies.

Source: DSHS Division of Child Care and Early Learning 2004 Surveys of Child Care Centers and Family Homes

## Age Differences of Children in Licensed Care

A child's age is a strong predictor of whether or not he or she is in licensed care. According to the child care surveys, approximately 165,686 children received licensed child care in the spring of 2004 (see Column (C) in Table 16). The Office of Financial Management (OFM) estimated that there were about 1,079,081 children under 13 years old living in Washington State at that time (see Column (A) in Table 16). By combining the OFM data with the child care survey data we estimate that 15 percent of all children under age 13 were in licensed care in the spring of 2004 (165,686 / 1,079,081).

Table 16 combines OFM and child care survey data to make estimates of the percent of children of various ages that were in licensed care. Column (E) in Table 16 presents estimates of the percent of children in each age category that were in licensed care. Over one-quarter of all children of preschool age (between 2½ and 5½) were in licensed care, a higher proportion than that for any other age group. Preschoolers also were a large component of the children in licensed care, comprising 40 percent of all children in licensed care (see Column (D) in Table 16). While a slightly lower proportion of all children in licensed care were school-age (38 percent, Column (D)), only 10 percent of all school-age children under 13 were in licensed care (see Column (E)). Infants were also unlikely to be in licensed care, with only 10 percent of infants in licensed care (see Column (E)).

[Note: The preschool population in Table 16 includes all children 2½ through 5½ years of age. Children must be five by the start of the school year in September to enroll in kindergarten; therefore, approximately half of all five year olds at the time of the child care survey in early 2004 were not eligible to enroll in kindergarten in the fall of 2003. Table 16 includes half of all five year olds in the preschool category and half of estimated five year olds in the school-age age category.]

**Table 16. All Children in Washington State Compared to Children in Licensed Care**

<b>Age Group</b>	<b>(A) OFM Estimate of Number in Age Group [1]</b>	<b>(B) Percent of Children Under 13 in Age Group</b>	<b>(C) Estimated Number of Children in Licensed Care [2]</b>	<b>(D) Age Group as Percent of All Children in Licensed Care</b>	<b>(E) Percent of Age Group in Licensed Care</b>
Infants	80,232	7%	8,405	5%	10%
Toddlers	120,347	11%	27,458	17%	23%
Preschool <sup>[3]</sup>	241,627	22%	66,492	40%	28%
School-age	636,875	59%	63,332	38%	10%
<b>Total (&lt;13)</b>	<b>1,079,081</b>	<b>100%</b>	<b>165,686</b>	<b>100%</b>	<b>15%</b>

[1] Based on estimates of 2004 populations by OFM (Governor's Office of Financial Management).

[2] From 2004 Surveys of Child Care Centers and Family Homes.

[3] Preschool includes children ages 2.5-5.5.

A convenient statistic for comparing availability of licensed care among different regions of the state is the number of licensed slots per 100 children. In 2004, about 1,079,081 children under the age of 13 lived in Washington State. The total licensed capacity of centers and homes was 183,400. So, there were 17 licensed slots in the state for every 100 children under 13 years old (see Table 17).

Among the DSHS Regions, availability ranged from 14 slots per 100 children in Regions 3 and 5 to 20 slots per 100 children in Regions 1 and 2 (Table 17). Availability varied widely among counties—from under 7 slots per 100 children under 13 in Ferry, Garfield, Pend Oreille and Stevens, to 20 or more slots per 100 children in Chelan, Douglas, Franklin, Skagit, Spokane, Thurston, Whitman, and Yakima (see Table A3 and Map B4 in the Appendices). Differences in availability among Regions or counties can be attributed to many factors. Among them are differences in profitability, in the value parents placed on licensed child care, in the availability of safe alternatives to licensed care, and in the ability of the state to recruit and license providers.

Slightly over 60 percent of children in licensed care are not yet in school, and a separate estimate was made of the proportion of licensed slots available for those children. It was assumed that the proportion of slots available to non school-age children at a given home or child care center could be estimated by the proportion of children served who were non school-age. Using this strategy, it was estimated that Washington State had 26 licensed child care slots for every 100 children not yet enrolled in school.

**Table 17. Regional Variation in Availability of Child Care, 2004**

Region	----- Children Under 13 ----->			<----- Non School-age Children ----->		
	Children 0-12 <sup>[1]</sup>	Licensed Slots <sup>[2]</sup>	Slots per 100 Children	Children 0-5.5 <sup>[1]</sup>	Licensed Slots <sup>[2]</sup>	Slots per 100 Children
1	143,600	28,700	20	58,000	16,600	29
2	109,600	21,600	20	46,000	14,100	31
3	184,400	26,600	14	74,900	16,100	21
4	277,300	52,900	19	115,900	34,100	29
5	181,700	26,200	14	74,000	15,900	21
6	182,500	27,500	15	73,600	16,600	23
<b>Total</b>	1,079,100	183,400	17	442,200	113,300	26

[1] Based on 2004 population estimates by Office of Financial Management. The numbers for 0 - 5.5 includes all children 0-4 and one-tenth of the population estimate for the 5-9 age category.

[2] From 2004 Surveys of Child Care Centers and Family Homes. The estimates for non-school-age slots assumes that the proportion of slots available to non-school-age children is the same as their representation in the child care population in the center or home.



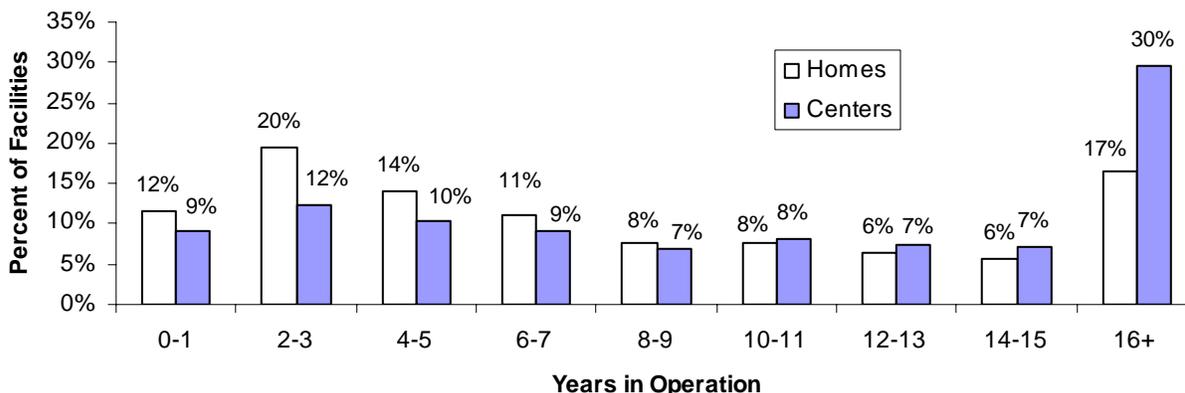
# CHAPTER 4. PROVIDER BUSINESS TRAITS

## Years of Operation for Child Care Centers and Family Homes

Centers generally stay in business longer than do family homes. According to the 2004 surveys, centers had been in business for an average of 12.2 years and family homes had been in operation for an average of 8.8 years. Over half of centers (52 percent) and one-third (36 percent) of family homes had been in operation for ten years or more. A much higher percentage of family homes than centers had been in business for less than four years (31 versus 21 percent).

Family home providers reported as many as 41 years of experience. Centers reported being in business up to 93 years. The percentage of family homes and centers, by years of operation, are shown in Figure 23.

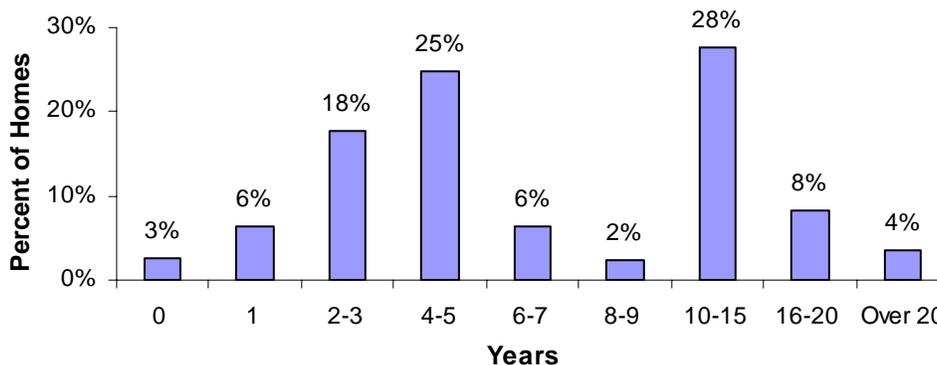
**Figure 23. Years in Business: Homes and Centers, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

Most family home providers (91 percent) planned to operate their child care business for at least two more years (see Figure 24). Forty-eight percent of family home providers expected to be in business for over five more years.

**Figure 24. Years Plan to Operate Child Care at Home, 2004**

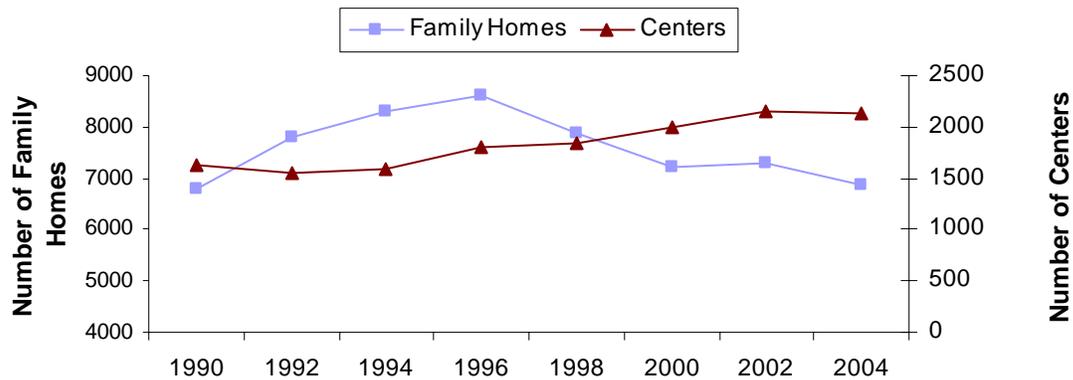


Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

*Growth and Decline in Number of Centers and Family Homes*

The number of centers in Washington State has grown 31 percent over the fourteen years from 1990 to 2004, rising from 1,624 in 1990 to 2,134 in 2004 (see right axis and dark line with triangles in Figure 25). The number of family homes, on other hand, grew from 1990 through 1996 and generally has declined since that time (see left axis and gray line with squares in Figure 25). From 2000 to 2002 there was a slight increase in the number of family homes, but in the two years from 2002 to 2004 the number of licensed family home providers again declined.

**Figure 25. Number of Centers and Family Homes, 1990-2004**

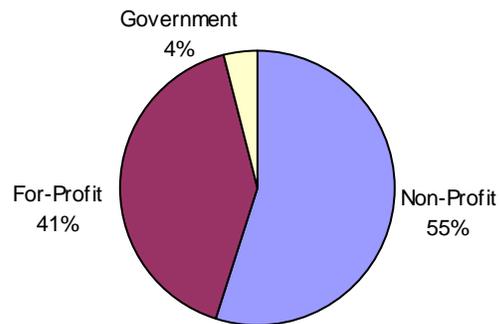


Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Centers and Family Homes

**Types of Centers**

Providers identified their centers as either government operated, non-profit, or private for-profit (Figure 26). Fifty-five percent of all child care centers were non-profit organizations, forty-one percent were private for-profit businesses, and the remaining four percent were government-run centers. Most government centers were Tribal centers or were located at schools or other public buildings. The proportion of centers in each of these categories has remained fairly stable since 1992.

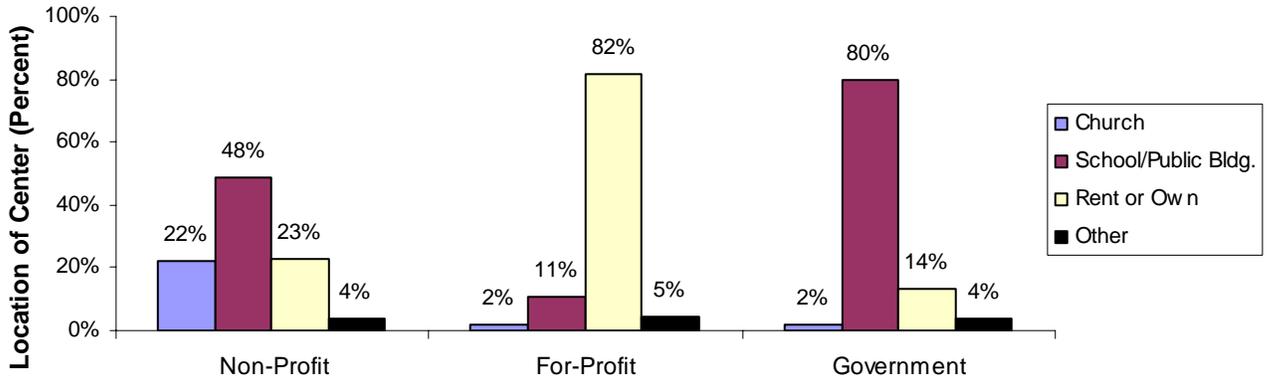
**Figure 26. Types of Child Care Centers**



Source: DSHS Division of Child Care and Early Learning 2004 Survey of Child Care Centers

Centers of different types tended to be located in different types of buildings. Most government centers (80 percent) were located in schools and other public buildings. On the other hand, most for-profit centers were located in private buildings that they rent or own. Most of the centers in churches were non-profits, and 48 percent of non-profit centers were located in schools and other public buildings.

**Figure 27. Type of Center and Physical Location, 2004**



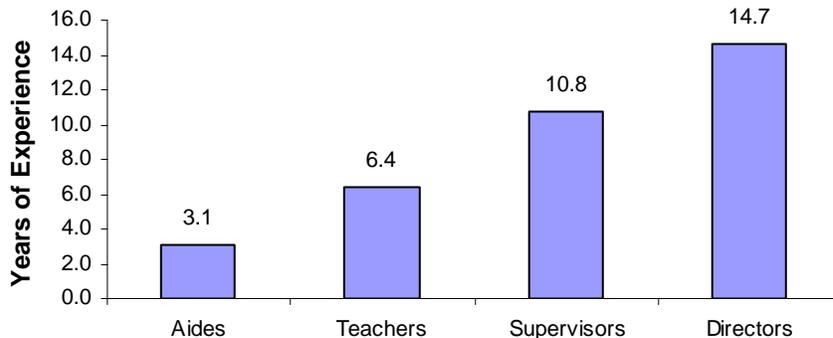
Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Staff Experience and Education**

*Years of Experience: Center Staff*

Respondents at centers described the paid child care experience of their staff: aides or assistants, teachers, program supervisors, and directors. The experience of these workers in paid child care ranged from less than a year to fifty-eight years. Experience varied with the type of position. Aides had the least average amount of experience, 3.1 years, while directors averaged 14.7 years. Figure 28 shows the average number of years in paid child care employment for each position. The amount of experience for center staff has been stable over the past 6 years.

**Figure 28. Average Number of Years of Paid Child Care Experience for Center Staff, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

*Paid and Non-Paid Staff at Centers*

All centers employed paid staff. Statewide, centers averaged about 10 paid employees. About one-third of all paid center employees were aides, and an additional 48 percent were teachers. Many centers got additional help from volunteers.

As shown in Table 18, the proportion of staff that was teachers and the proportion of centers that used volunteers varied by type of center. For-profit centers had a higher proportion of teachers and a lower proportion of aides on their staff than did either non-profit or government centers. For-profit centers also were the least likely to have volunteers (26 percent), compared to 44 percent of non-profit centers and 43 percent of government-run centers. The number of volunteers also varied by type of center. Among centers with at least one volunteer, for-profit centers averaged 3.2 volunteers, non-profits 4.8, and government-operated centers averaged 6.9 volunteers.

**Table 18. Staff Composition by Type of Center, 2004**

Type of Center	Percent of Paid Staff			Using Volunteers	Number of Volunteers*
	Aides	Teachers	Supervisors and Directors		
For-Profit	30.5%	53.7%	15.8%	26%	3.2
Non-Profit	39.4%	43.9%	16.6%	44%	4.8
Government	56.3%	29.6%	14.2%	43%	6.9
All Centers	36.0%	47.9%	16.2%	37%	4.5

\*Only calculated for centers using volunteers

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Salaries and Benefits for Child Care Workers**

*Wages at Centers*

The average wages or salaries of center staff—aides, teachers, supervisors, and directors—are shown in Table 19. Directors earned \$2,394 per month on average. Of the remaining staff, supervisors earned the most, followed by teachers, and then by aides. Wages for aides, teachers, and supervisors increased about \$0.50 per hour from 2002 to 2004. For all categories of employees, the wages paid in Region 4 (King County) were higher than those paid in other regions.

**Table 19. Average Wages in Child Care Centers by Region, 2004**

Region	Number of Centers	Aides	Teachers	Supervisors	Directors
1	333	\$7.98	\$9.37	\$12.83	\$2,190
2	187	\$7.88	\$9.30	\$11.37	\$2,263
3	302	\$8.35	\$9.96	\$13.50	\$2,329
4	631	\$9.37	\$11.22	\$13.99	\$2,723
5	337	\$8.19	\$9.28	\$11.34	\$2,197
6	344	\$7.95	\$9.06	\$11.49	\$2,203
<b>Statewide</b>	2,134	\$8.50	\$10.06	\$12.77	\$2,394

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

Wages paid to aides, teachers, and supervisors varied by the type of center ownership—non-profit, government-run, or for-profit private. Wages paid at these three types of centers are shown in Table 20.

**Table 20. Average Wages in Child Care Centers by Center Type, 2004**

Type	Aides	Teachers	Supervisors	Directors
Government Center	\$8.83	\$12.23	\$15.32	\$3,215
Non-profit Center	\$8.67	\$10.59	\$13.32	\$2,470
For-profit Center	\$8.21	\$9.52	\$11.88	\$2,238
<b>Statewide</b>	\$8.50	\$10.06	\$12.77	\$2,394

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

*Wages in Family Homes*

Most family homes are one-person operations, but about 20 percent of homes employed at least one paid assistant at the time of the 2004 survey. These assistants worked an average of 32 hours per week. Their average hourly wage was \$8.21, less than the average wage of \$8.50 earned by aides in centers (compare Tables 19 and 21). For information on wage trends for assistants in family homes, see the section on wage trends in family homes later in this chapter (Figure 31).

**Table 21. Assistants' Wages in Licensed Homes, 2004**

Region	Total Homes	Percent with Paid Assistants	Average Wages
1	1,124	15%	\$7.51
2	1,202	15%	\$7.64
3	1,092	22%	\$8.28
4	1,420	21%	\$9.48
5	933	27%	\$7.58
6	1,104	21%	\$8.42
<b>Statewide</b>	6,875	20%	\$8.21

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

*Income of Family Home Providers*

Half of the family homes surveyed reported \$25,000 or more in gross income from their child care business for 2003 (average gross income was \$29,700). Annual earnings by Region are shown in Table 22. Gross revenues for family home providers in King County (Region 4) were higher than those in all other Regions and family home providers in Region 1 on average earned the least. (The net income of family home providers is what remains of their gross income after the cost of operation, but not enough information was collected to estimate operation costs and the net income of family home providers.)

**Table 22. Average Gross Annual Earnings of Family Home Providers, 2003**

<b>Region</b>	<b>Average Earnings</b>
1	\$24,187
2	\$26,015
3	\$30,734
4	\$39,351
5	\$27,106
6	\$28,889
<b>Statewide</b>	<b>\$29,722</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

The earnings of family home providers are related to other factors besides geography. For about 45 percent of family home providers, child care earnings were their households' primary source of income. As shown in Table 23 the income of family home providers for whom child care was their primary source of income was considerably higher than that for other family home providers. In addition, the income of family home providers was related to the number of years that they had been in business.

**Table 23. Factors Associated with Average Earnings of Family Home Providers, 2003**

	<b>Average Earnings</b>
<b><u>Years in Business</u></b>	
0-3 years	\$20,405
4-6 years	\$30,431
7+ years	\$35,262
<b><u>Child Care Main Source of Income</u></b>	
Yes	\$37,449
No	\$23,458

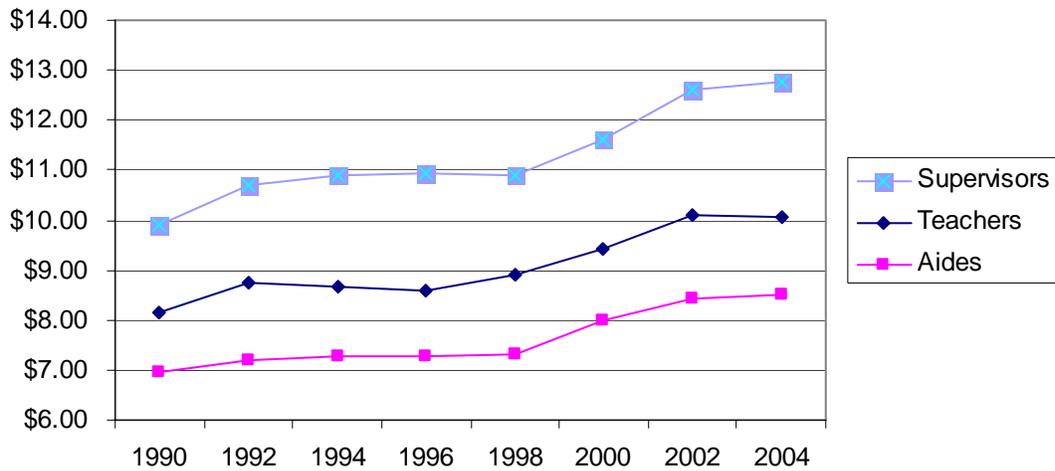
Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

*Wage Trends in Centers*

Child care workers receive relatively low wages: center aides, teachers, and supervisors averaged \$8.50, \$10.06, and \$12.77 per hour in 2004. As shown in Figure 29 average real wages for child care workers—wages adjusted to account for changes in the consumer price index—stalled between 1992 and 1998 and then rose sharply between 1998 and 2002, perhaps spurred by the yearly increases in the minimum wage. In 2004 the federal minimum wage was \$5.15 per hour and Washington State’s minimum wage was \$7.16 per hour.

The average wage for teachers rose 3.2 percent per year between 1998 and 2002 (adjusted for inflation) and the inflation adjusted average wage for aides rose 3.6 percent per year during the same period. While wages have increased about \$0.50 per hour for aides, teachers, and supervisors in centers between 2002 and 2004, that just helped the wages of those groups keep pace with inflation.

**Figure 29. Changes in Child Care Wages from 1990 to 2004  
Adjusted to 2004 Dollars**

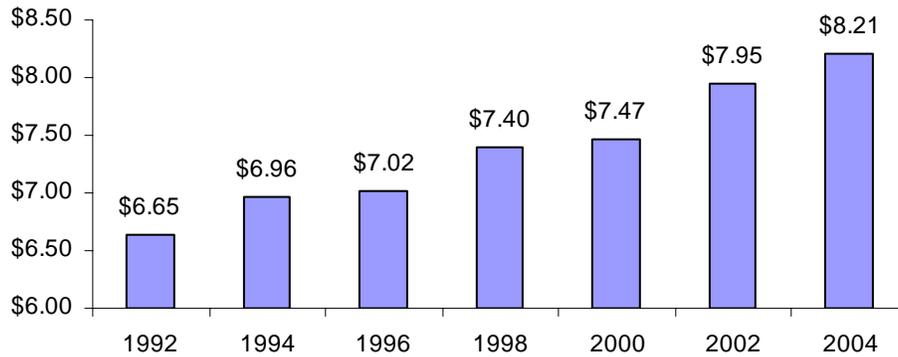


Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers

*Wage Trends in Family Homes*

The wages of assistants in family homes show a somewhat different trend than those for wages of child care workers in centers with a steady upward trend for the past twelve years. Between 1992 and 2004 the wages paid assistants in family homes (in constant dollars) rose from \$6.65 to \$8.21, a rise of 1.8 percent per year in real wages (see Figure 30).

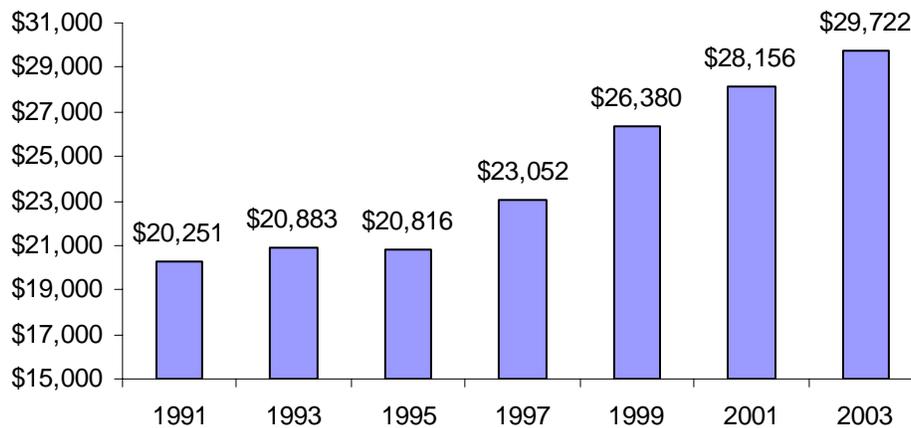
**Figure 30. Average Wage Paid Assistants in Family Homes from 1992 to 2004 Adjusted to 2004 Dollars**



Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Family Homes

The average yearly income of family home providers rose from \$17,200 in 1995 to \$29,700 in 2003, an increase of 7.0 percent per year for those eight years. Taking inflation into account, the average gross income of family home providers rose 43 percent from \$20,816 in 1995 to \$29,700 in 2003. That translates into an annual rate of increase (adjusting for inflation) of 4.6 percent. In light of the large decline in the number of family homes in business in the same period, it may be the case that less profitable family homes are leaving the child care business.

**Figure 31. Average Gross Earnings in Family Homes from 1991 to 2003 Adjusted to 2003 Dollars**



Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Family Homes

*Employee Benefits for Teachers in Centers*

Prior to the 2002 survey, centers were asked if they provided benefits to any employees. Interviewer notes indicated that many centers only provided those benefits to the director or site supervisor. Starting with the 2002 survey, centers have been asked if they provided benefits to any *teachers*, thereby excluding centers only providing benefits to directors and site supervisors. While this change makes it difficult to track changes over time, it makes Washington State data more useful in national efforts to track benefits for child care workers.

Table 24 shows how the percentages of centers offering benefits have changed over time. From 1990 to 2000 centers became more likely to provide benefits. The decline between 2000 and 2002 is attributed to the wording change discussed above. The percent of centers providing benefits to teachers in 2004 was comparable to the percent offering benefits to any employees in 2000.

**Table 24. Employee Benefits in Child Care Centers, 1990-2004**

Year	Paid Sick Leave	Paid Vacation	Medical Insurance
1990	56%	63%	45%
1992	61%	69%	51%
1994	60%	70%	56%
1996	62%	70%	53%
1998	68%	73%	55%
2000	65%	71%	57%
2002*	58%	67%	53%
2004	65%	73%	59%

\* In 2002 the question was changed to specifically ask about benefits provided to teachers. Prior to that survey the question asked about benefits to any employees.

Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers

The percent of centers providing benefits by Region—sick leave, vacation, medical insurance, or any benefit—are shown in Table 25. Centers in Region 4 were the most likely to offer benefits.

**Table 25. Centers Providing Benefits to Teachers by Benefit Type and Region, 2004**

Region	Total Number of Centers	Any Benefit	Paid Sick Leave	Paid Vacation	Medical Insurance
1	333	77%	63%	66%	49%
2	187	57%	45%	53%	41%
3	302	69%	55%	66%	48%
4	631	92%	77%	86%	73%
5	337	84%	64%	74%	56%
6	344	80%	66%	71%	65%
<b>Statewide</b>	<b>2,134</b>	<b>80%</b>	<b>65%</b>	<b>73%</b>	<b>59%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

The level of wages and benefits offered by centers are related. Centers that provided benefits were likely to also pay higher wages. Table 26 shows that wages at centers that provided medical insurance were higher than the wages paid by centers that did not provide medical insurance.

**Table 26. Medical Insurance, Benefits and Wages in Centers, 2004**

<b>Staff Position</b>	<b>Wages With Medical Insurance</b>	<b>Wages Without Medical Insurance</b>	<b>Wages With Any Benefits</b>	<b>Wages Without Any Benefits</b>
Aides	\$8.75	\$7.93	\$8.61	\$7.89
Teachers	\$10.59	\$9.08	\$10.23	\$8.93
Supervisors	\$13.88	\$11.40	\$13.24	\$11.22
Directors	\$2,697	\$2,071	\$2,543	\$1,984

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

### **Staff Turnover in Child Care Centers**

Centers were asked on the 2004 survey about staff turnover. This question was first asked in the 2000 survey. For each job category, centers were asked how many individuals had been hired since September 1, 2003 (about 6 months earlier). These numbers will under-estimate turnover, for some staff that were hired after September 1, 2003 will have already left before the time of the survey. Table 27 presents the proportion of staff that had been hired since September 1, 2003 by Region. Only centers in business for over one year were included in this analysis.

Not surprisingly, staff turnover was strongly related to position. The proportion of aides newly hired was twice as high as that for teachers. The turnover rates for aides and teachers reported on the 2004 survey were slightly lower than those from the 2002 or 2000 surveys.

**Table 27. Percent of Staff Newly Hired, 2004**

<b>Region</b>	<b>Aides</b>	<b>Teachers</b>	<b>Supervisors</b>
1	34.8%	14.5%	5.2%
2	32.9%	22.2%	19.7%
3	34.9%	17.8%	13.2%
4	31.6%	15.1%	10.3%
5	28.8%	16.7%	6.8%
6	33.6%	14.5%	5.4%
<b>Statewide</b>	<b>32.5%</b>	<b>16.0%</b>	<b>9.5%</b>

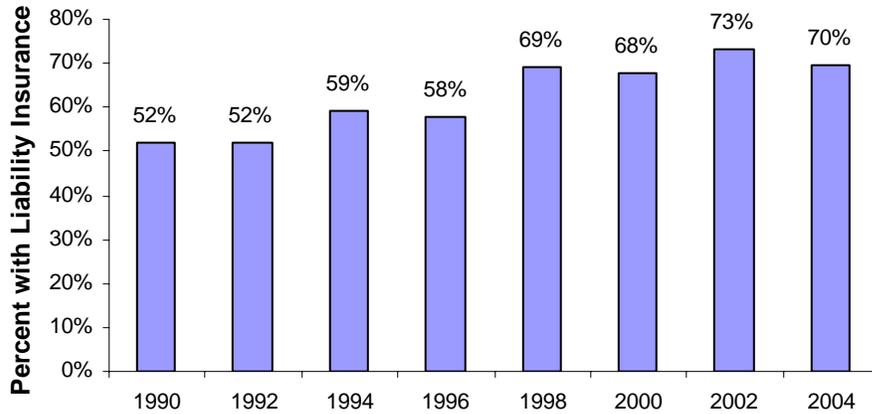
Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Business Expenses in Centers and Homes**

*Liability Insurance in Homes*

Liability insurance is an important issue in operating a child care business. While 70 percent of homes reported having liability insurance for their business, a significant proportion continue to not have liability insurance (see Figure 32).

**Figure 32. Percent of Family Homes with Liability Insurance, 1990 to 2004**

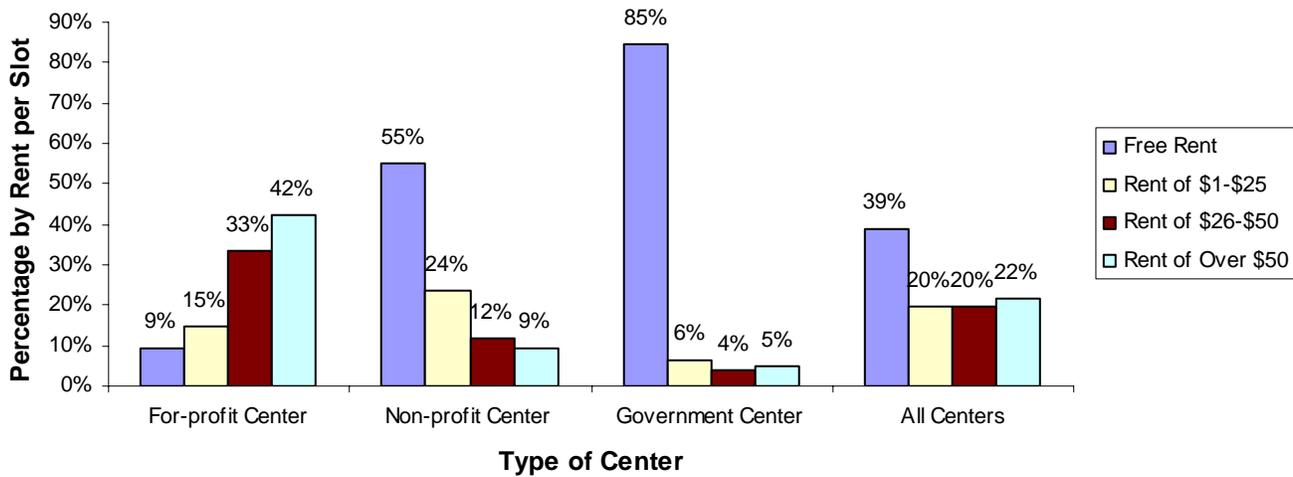


Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

*Estimated Monthly Cost for Rent in Centers*

The 2004 center survey asked about several specific costs of doing business. Figure 33 displays the monthly cost of rent per slot. Rent costs were strongly related to the type of center, with 85 percent of government centers and 55 percent of non-profit centers paying no rent. Overall, the percent of centers with free rent increased from 20 percent in 2000 to 39 percent in 2004. At the other extreme, while 42 percent of for-profit centers paid over \$50 per slot in monthly rent, only 9 percent of non-profit centers and 5 percent government centers paid that much. The percent of centers that paid over \$50 per slot increased from 19 percent in 2002 to 22 percent in 2004.

Figure 33. Monthly Rent Per Slot by Type of Center, 2004

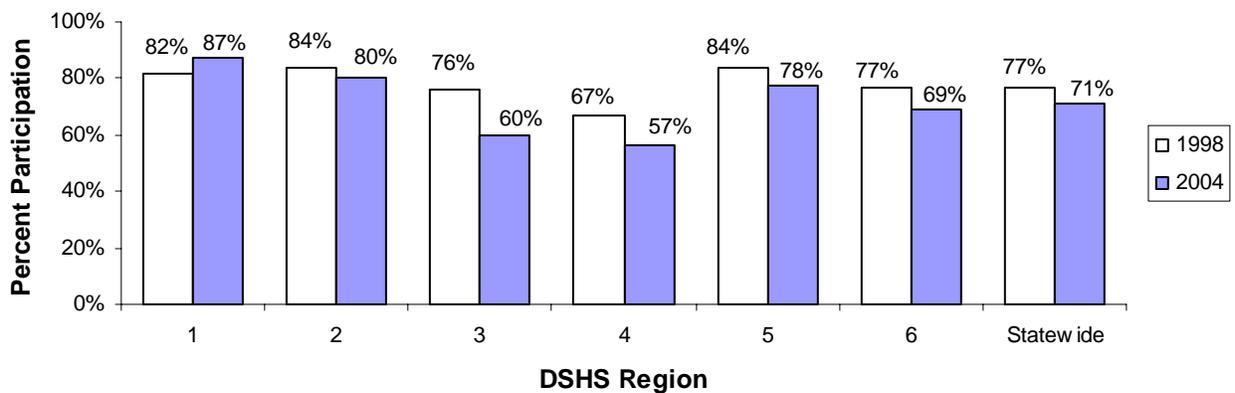


Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

*Participation of Family Homes in USDA Food Program*

The Child and Adult Care Food Program (CACFP) of the Department of Agriculture reimburses participating centers and family homes for their meal costs. The participation of family home providers in the USDA food program remains high: over 70 percent of all family homes participated at the time of the 2004 survey. The meal reimbursement rate was changed to a two-tier system in July of 1997. Since that time, family home providers located in low-income areas, or whose own households are low-income, have been reimbursed at a higher rate than other providers. The change to a two-tier system likely contributed to the drop in participation since 1998 in some Regions. Statewide participation rates have been fairly stable since 2000, ranging from 73 percent in 2000 and 2002 to 71 percent in 2004. Figure 34 shows the percent of family homes participating by DSHS Region.

Figure 34. Participation of Family Homes in USDA Food Program, 1998 and 2004

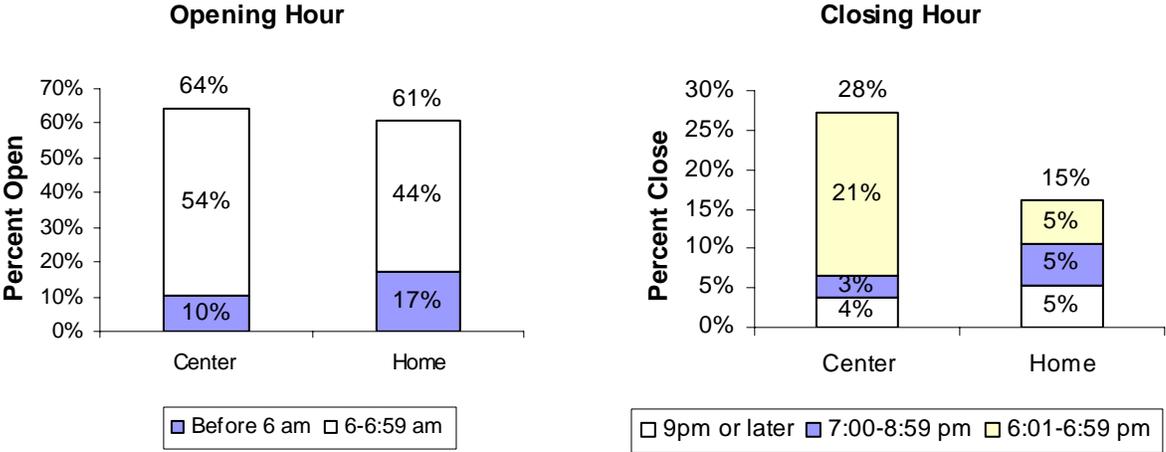


Source: DSHS Division of Child Care and Early Learning  
1998 and 2004 Surveys of Family Home Providers

**Hours of Operation**

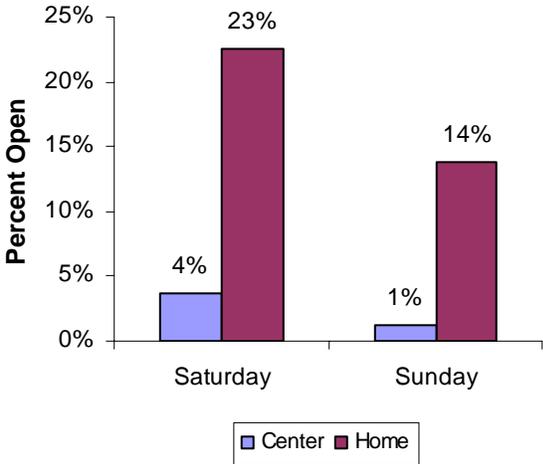
Few licensed child care facilities are open outside of the standard weekday hours, six in the morning to six at night. Only 10 percent of centers and 17 percent of homes opened before six in the morning. Similarly, only 7 percent of centers and 10 percent of homes were still open at seven in the evening. On the weekends only 4 percent of centers and were open while over 20 percent of homes had some weekend hours. Figure 35 shows the weekday opening and closing hours for centers and homes. Figure 36 displays the percent of centers and homes open on Saturday and Sunday.

**Figure 35. Hours of Operation, Monday through Friday, Centers and Homes, 2004**



Source: DSHS Division of Child Care and Early Learning 2004 Survey of Child Care Centers and Family Home Providers

**Figure 36. Licensed Facilities with Weekend Hours, 2004**



Source: DSHS Division of Child Care and Early Learning 2004 Surveys of Child Care Centers and Family Homes



# CHAPTER 5. CHILD CARE PRICES

## Market Prices, Percentiles, and Subsidy Rates

### *Background*

The biennial child care surveys provide information on the prices charged for child care in Washington State. Many factors influence the prices that providers charge, including:

- Child’s age (for example, providers usually charge more for infants than for toddlers or preschool-age children);
- Type of facility (centers tend to charge more than licensed family homes);
- Length of time in care (providers generally charge less per hour for children in full-time care than for those in part-time care); and
- Geographic location (providers in metropolitan areas tend to charge more than providers in rural areas).

Federal regulations require Washington State to conduct a child care market survey at least every two years so that “reasonably current market conditions” can inform the setting of state subsidy rates. The federal government also requires that the state subsidy rate be sufficient to ensure families using subsidies have equal access to the child care market as families that are paying the private rate.

Prior to federal welfare reform in 1997, all states were required to use the market rate survey to set rates so that parents using subsidies had access to 75 percent of child care slots in their community. The federal government regards equal access as assured if the subsidy rate is at least equal to the rate for 75 percent of the available slots. In 1997, as part of welfare reform, the federal government removed the requirement that the state pay a rate equal to or better than 75 percent of the market rate. Since 1997 the subsidy payment rate in Washington has varied depending on available monies.

When subsidy rates were last changed in January 2002, the following principles were used:

- Different subsidy rates were set for four age groups, two types of providers, and six geographic areas of the state.
- Rate-setting aimed to provide access to a fixed proportion of the child care market for all families seeking to use subsidized child care regardless of where they lived in the state, the age of their child, or their choice of provider.
- Budget constraints determined how much access subsidy rates could provide. In 2002, child care rates were set to give access to 58 percent of all slots across the state.
- The proposed DSHS Regional subsidy rates were evaluated to make sure that adequate access was provided to families in every county in the state. In four counties, center providers charged prices high enough above the proposed DSHS Regional rates that the rates for those counties were adjusted.

*Percentiles According to the 2004 Survey*

The term “percentile” is used in this report to refer to the price at which a specified percentage (5, 10, 25, 50, etc.) of children receive care from providers charging at or below the given price. By setting rates at a fixed percentile, Washington State attempts to provide equal access to families across the state to subsidized child care. Tables 28 and 29 display the percentiles for each age category in the six DSHS Regions. The tables also present the DSHS rates in effect at the time of the survey.

It is easiest to explain percentiles by using an example. The prices charged for infants in centers in Region 1 are presented in the top left corner of Table 28. The survey found that 10 percent of infants in centers went to providers charging \$500 or less per month for full-time care. Thus, the 10<sup>th</sup> percentile for infants in center care in Region 1 was \$500. Since the 25<sup>th</sup> percentile was \$554, the DSHS subsidy rate of \$535 was high enough to cover the price charged for between 10 and 25 percent of all infants in centers in Region 1 at the time of the survey. The row labeled “Percent At or Below DSHS Rates” indicates the percent of all infants in care that went to providers that did not charge more than the DSHS Regional rate. At the time of the 2004 survey, 20 percent of infants in center care in Region 1 went to providers with infant rates equal to or less than the DSHS subsidy rate.

Although DSHS rates were set in January 2002 at the 58<sup>th</sup> percentile (using the 2000 survey), they are no longer high enough to cover the prices charged 58 percent of children in center care. Overall, DSHS child care subsidy rates are equal to or greater than that charged for approximately 25 percent of all children in center care and 31 percent of all private pay children in family homes. The row labeled “Percent At or Below DSHS Rates (Adjusted)” will be explained later in this chapter. In addition, the last section of Chapter 6 discusses the amount of access that families using subsidized care have to the licensed child care market.

**Table 28. Monthly Full-Time<sup>(1)</sup> Prices in Child Care Centers, 2004**

Infant: Under 12 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 500	\$ 540	\$ 693	\$ 821	\$ 600	\$ 563	
25th	\$ 554	\$ 548	\$ 725	\$ 888	\$ 643	\$ 600	
50th	\$ 620	\$ 572	\$ 850	\$ 1,000	\$ 700	\$ 675	
75th	\$ 700	\$ 629	\$ 933	\$ 1,150	\$ 780	\$ 816	
90th	\$ 754	\$ 731	\$ 980	\$ 1,235	\$ 856	\$ 962	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 535</b>	<b>\$ 540</b>	<b>\$ 715</b>	<b>\$ 832</b>	<b>\$ 610</b>	<b>\$ 600</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	(20%)	(18%)	(20%)	(15%)	(15%)	(33%)	(19%)
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>21%</b>	<b>32%</b>	<b>20%</b>	<b>15%</b>	<b>15%</b>	<b>36%</b>	<b>20%</b>
Toddler: 12 to 29 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 440	\$ 441	\$ 580	\$ 675	\$ 484	\$ 480	
25th	\$ 480	\$ 475	\$ 609	\$ 734	\$ 530	\$ 515	
50th	\$ 540	\$ 506	\$ 710	\$ 817	\$ 598	\$ 580	
75th	\$ 595	\$ 585	\$ 768	\$ 937	\$ 660	\$ 722	
90th	\$ 668	\$ 648	\$ 848	\$ 1,060	\$ 765	\$ 803	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 450</b>	<b>\$ 451</b>	<b>\$ 596</b>	<b>\$ 695</b>	<b>\$ 525</b>	<b>\$ 515</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	(14%)	(18%)	(16%)	(16%)	(23%)	(28%)	(19%)
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>15%</b>	<b>26%</b>	<b>16%</b>	<b>16%</b>	<b>23%</b>	<b>31%</b>	<b>20%</b>
Preschooler: 30 to 59 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 420	\$ 409	\$ 510	\$ 585	\$ 450	\$ 432	
25th	\$ 450	\$ 425	\$ 550	\$ 636	\$ 484	\$ 460	
50th	\$ 488	\$ 458	\$ 625	\$ 695	\$ 540	\$ 525	
75th	\$ 550	\$ 508	\$ 670	\$ 770	\$ 598	\$ 609	
90th	\$ 600	\$ 594	\$ 693	\$ 890	\$ 641	\$ 650	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 425</b>	<b>\$ 418</b>	<b>\$ 515</b>	<b>\$ 583</b>	<b>\$ 462</b>	<b>\$ 450</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	(13%)	(20%)	(12%)	(10%)	(17%)	(20%)	(14%)
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>15%</b>	<b>28%</b>	<b>12%</b>	<b>10%</b>	<b>17%</b>	<b>24%</b>	<b>15%</b>
School-age: Five Years and Older							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 290	\$ 320	\$ 309	\$ 350	\$ 301	\$ 329	
25th	\$ 343	\$ 370	\$ 371	\$ 400	\$ 350	\$ 419	
50th	\$ 385	\$ 400	\$ 465	\$ 540	\$ 425	\$ 475	
75th	\$ 451	\$ 484	\$ 572	\$ 649	\$ 486	\$ 574	
90th	\$ 520	\$ 512	\$ 659	\$ 776	\$ 554	\$ 649	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 400</b>	<b>\$ 370</b>	<b>\$ 500</b>	<b>\$ 525</b>	<b>\$ 410</b>	<b>\$ 440</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	(63%)	(26%)	(59%)	(50%)	(47%)	(39%)	(51%)
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>63%</b>	<b>41%</b>	<b>59%</b>	<b>50%</b>	<b>47%</b>	<b>46%</b>	<b>53%</b>
<b>Percent At or Below DSHS Rates for Centers, with Adjustments: 25%</b>							

(1) Full-time prices are for twenty-five or more hours per week. For daily prices, divide by 22. Centers with 85 percent or more of their children subsidized by DSHS are excluded.

(2) Percentile: the price at which the specified percentage of children receive care from providers charging at or below the shown price for that age category and Region.

(3) DSHS Regional Rates in effect at the time of the spring 2004 survey.

(4) The percent of children going to providers charging at or below the DSHS Regional Rates (without adjustments).

(5) The percent of children going to providers charging at or below the DSHS Rates at time of 2004 Survey including the adjustment of rates for four counties. The budget proviso giving a rate adjustment to providers in the urban area of Spokane was not yet in effect at the time of the 2004 survey.

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

Table 29. Monthly Full-Time<sup>(1)</sup> Prices for Private Pay Children in Licensed Homes, 2004

Infant: Under 12 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 363	\$ 374	\$ 550	\$ 660	\$ 440	\$ 440	
25th	\$ 440	\$ 396	\$ 616	\$ 682	\$ 506	\$ 484	
50th	\$ 462	\$ 440	\$ 660	\$ 726	\$ 550	\$ 550	
75th	\$ 550	\$ 528	\$ 770	\$ 819	\$ 660	\$ 660	
90th	\$ 713	\$ 550	\$ 825	\$ 990	\$ 660	\$ 715	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 440</b>	<b>\$ 440</b>	<b>\$ 638</b>	<b>\$ 660</b>	<b>\$ 484</b>	<b>\$ 484</b>	
<b>Percent At or Below DSHS Rates<sup>(4)</sup></b>	<b>38%</b>	<b>54%</b>	<b>39%</b>	<b>21%</b>	<b>25%</b>	<b>26%</b>	<b>32%</b>

Toddler: 12 to 29 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 352	\$ 374	\$ 440	\$ 550	\$ 440	\$ 440	
25th	\$ 396	\$ 418	\$ 550	\$ 660	\$ 484	\$ 471	
50th	\$ 440	\$ 418	\$ 612	\$ 704	\$ 550	\$ 528	
75th	\$ 484	\$ 484	\$ 660	\$ 836	\$ 594	\$ 550	
90th	\$ 550	\$ 550	\$ 770	\$ 908	\$ 660	\$ 660	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 396</b>	<b>\$ 418</b>	<b>\$ 550</b>	<b>\$ 653</b>	<b>\$ 440</b>	<b>\$ 440</b>	
<b>Percent At or Below DSHS Rates<sup>(4)</sup></b>	<b>29%</b>	<b>51%</b>	<b>40%</b>	<b>24%</b>	<b>20%</b>	<b>22%</b>	<b>30%</b>

Preschooler: 30 to 59 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 330	\$ 352	\$ 440	\$ 528	\$ 413	\$ 385	
25th	\$ 396	\$ 374	\$ 493	\$ 550	\$ 440	\$ 440	
50th	\$ 413	\$ 396	\$ 550	\$ 660	\$ 528	\$ 484	
75th	\$ 440	\$ 440	\$ 572	\$ 743	\$ 572	\$ 550	
90th	\$ 550	\$ 528	\$ 660	\$ 880	\$ 660	\$ 655	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 396</b>	<b>\$ 374</b>	<b>\$ 484</b>	<b>\$ 550</b>	<b>\$ 418</b>	<b>\$ 440</b>	
<b>Percent At or Below DSHS Rates<sup>(4)</sup></b>	<b>47%</b>	<b>32%</b>	<b>25%</b>	<b>29%</b>	<b>12%</b>	<b>40%</b>	<b>30%</b>

School-age: Five Years and Older							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	
10th	\$ 220	\$ 275	\$ 317	\$ 383	\$ 330	\$ 299	
25th	\$ 352	\$ 396	\$ 440	\$ 484	\$ 396	\$ 333	
50th	\$ 396	\$ 396	\$ 484	\$ 550	\$ 440	\$ 440	
75th	\$ 440	\$ 440	\$ 550	\$ 550	\$ 528	\$ 484	
90th	\$ 462	\$ 462	\$ 550	\$ 688	\$ 572	\$ 550	
<b>Rates at Time of 2004 Survey<sup>(3)</sup></b>	<b>\$ 352</b>	<b>\$ 374</b>	<b>\$ 440</b>	<b>\$ 528</b>	<b>\$ 374</b>	<b>\$ 418</b>	
<b>Percent At or Below DSHS Rates<sup>(4)</sup></b>	<b>33%</b>	<b>20%</b>	<b>50%</b>	<b>38%</b>	<b>17%</b>	<b>46%</b>	<b>38%</b>

<b>Percent At or Below DSHS Rates for Homes: 31%</b>
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(1) Full-time prices are for thirty or more hours per week. For daily prices, divide by 22. Only prices for private pay children are included in this table.

(2) Percentile: the price at which the specified percentage of children receive care from providers charging at or below the shown price for that age category and Region.

(3) DSHS Rates at Time of Survey: DSHS rates that went into effect January 2002 and were in effect at the time of the 2004 Child Care Survey. They are based on the 58<sup>th</sup> percentile of the 2000 Survey of Child Care Centers, with no decreases from previous rates.

(4) No counties qualified for Rate Adjustment. The budget proviso giving a rate adjustment to providers in the urban area of Spokane was not yet in effect at the time of the 2004 survey.

*County Adjustments*

Subsidy rates are set for four age groups (infants, toddlers, preschoolers, and school-age children) and two types of providers (centers and licensed family homes) in each of six DSHS Regions. The use of a uniform percentile across the state is designed to ensure that parents throughout the state will have equal access to providers regardless of where they live, the ages of their children, and the type of care that they choose to use.

Prior to December 1995, DSHS developed rate clusters using the child care survey data. Counties were placed into clusters based on the amount that they charged for child care. Those rate clusters proved to be unstable, needing re-definition with each survey. The six DSHS Administrative Regions, therefore, were selected as the geographical basis for setting child care rates. The DSHS Regions are stable, well recognized, and permit reasonable estimates of local market prices.

Some DSHS Regions cover large geographical areas. In the latest round of rate-setting in January 2002, the percent of slots that the DSHS rate would provide access to was examined for each county in the state. Center and home providers were evaluated separately. Any county where the DSHS rate was inadequate to provide access to half the slots in at least three of the four age categories was identified as needing rate adjustment. Four counties—Benton, Clark, Walla Walla and Whitman—met that criterion for centers. Maximum reimbursement rates for centers in Benton, Walla Walla and Whitman Counties were adjusted to the DSHS rates for Region 6; maximum rates for centers in Clark County were adjusted to Region 3 rates. No counties met that criterion for family home providers.

*Access with Adjustments*

Table 28 presents two rows, “Percent At or Below DSHS Rates” and “Percent At or Below DSHS Rates (Adj)”. The row entitled “Percent At or Below DSHS Rates (Adj)” estimates the percent of children going to providers who charge at or below the DSHS rate taking into account the higher rates given to the four counties with adjusted rates.

For example, the DSHS rate for Region 1 is \$535 per month for infants in center care. Twenty percent of infants in centers in Region 1 go to providers whose rate is \$535 or less (“Percent At or Below DSHS Rates”). When you consider that the maximum DSHS rate for infants in centers in Whitman County was adjusted to \$600, the adjusted DSHS rate covers 21 percent of center infants in Region 1 (“Percent At or Below DSHS Rates (Adj)”).

Based on the 2004 market rate survey, DSHS rates are estimated to be at or greater than that charged 25 percent of full-time children in centers. Only centers with at least 15 percent private pay children were included in this estimate.

No counties were identified as needing adjustment for family home providers. The “Percent At or Below DSHS Rates Homes”, at 31 percent, is an estimate of the proportion of non-DSHS subsidized full-time children that attend providers that do not charge more than the DSHS rate.

*Additional Notes*

Washington State calculates market rates based on the private pay sector of the child care market. Center providers were asked for their unsubsidized rates, and centers with 85 percent or more of their children subsidized by DSHS are excluded from rate calculations. For family homes, information was collected on each individual child in care and only prices charged full-time private-pay children are included in the calculation of the market rate.

There was a slight change in the definition of full-time used in the 2004 survey. Previously, centers were asked to only count children in care for thirty or more as full-time; in the 2004 survey centers were also allowed to include children in attendance for 25 to 29 hours per week in their count of full-time children. This change was made in the center survey to make our definition of full-time consistent with the definition of full-time care used for subsidy payments.

The 2004 legislature passed a budget proviso that dedicated funds for a provider rate adjustment for the urban area of Region 1. As of July 2004, DSHS rates were increased by 2.7 percent for a period of one year from July 2004 through June 2005 for both center and family home providers in Spokane County. This budget proviso was not yet in effect at the time of the survey.

**Comparison with Price Information from Other Sources**

Over the years, there have been concerns about how well the DSHS provider survey captures information on the prices that providers charge for child care. In 2000, the legislature requested that the Office of Financial Management study child care rates and prepare a report for the legislature. The report concluded that the DSHS survey accurately captures market prices for child care.

Washington State's Child Care Resource and Referral Network (R&R) maintains a database with information on the prices charged by child care providers. The R&R is required to update their database at least once a year with new provider data, but many providers provide information more frequently as they change their prices. The R&R recently prepared information based on their database as of June 2004, close to the time of the DSHS provider survey. There are some differences with the way that the R&R's collect and analyze their information, but we thought it would be useful to present some of their data and compare it to the DSHS survey estimates. It must be remembered that the purpose of the R&R's database is to provide families with information on the rates that providers charge and it is not intended to be used for setting subsidy rates.

The major difference between DSHS and R&R estimates is that DSHS focuses on the prices that children (and their families) are charged for care, whereas the R&R looks at prices charged by providers. The DSHS center survey collects information on both the number of full-time children served in an age category and the price charged for that age group. From family home providers, the DSHS survey asks about each individual child in care: number of hours in care, amount charged, and whether or not the child is subsidized

by DSHS. DSHS price estimates exclude providers not serving any children in a given age category. More importantly, in the DSHS calculations, the prices charged by centers or homes serving large numbers of children will weigh in more heavily than those of providers only serving a few children. In the R&R’s calculations, large and small providers are given equal weight so long as the providers are willing to provide care for the given age category. The other important difference is that DSHS attempts to estimate private-pay prices by excluding centers serving primarily DSHS-subsidized children and by excluding DSHS-subsidized children in licensed family homes.

Understanding these differences, we can compare DSHS and R&R estimates of median prices for child care. For this comparison, the R&R prepared information from their database by Region. Looking at the information in Tables 30 and 31, we see that the DSHS estimates of median prices are consistently higher than those made using the R&R database for all categories except for toddlers in family homes in Region 2. The only category where DSHS and R&R rates are close for all age groups (within 5 percent) is centers in Region 4. Rather than depressing rates, the methodology used by DSHS to estimate percentiles yields higher estimates than those using the R&R’s database. Again, the two main methodological differences—focusing on the private pay market use and weighting by number of children served—likely explain most of the difference between the estimates made using these two data sources.

**Table 30. Estimates of Median Prices (50<sup>th</sup> Percentile) in Centers in 2004  
DSHS Survey and Resource and Referral Database**

	Infant	Toddler	Preschool
<b>Region 1</b> DSHS Rate	(\$535)	(\$450)	(\$425)
Median, DSHS Survey	\$620	\$540	\$488
Median, R&R Database	\$563	\$498	\$459
<b>Region 2</b> DSHS Rate	(\$540)	(\$451)	(\$418)
Median, DSHS Survey	\$572	\$506	\$458
Median, R&R Database	\$542	\$464	\$425
<b>Region 3</b> DSHS Rate	(\$715)	(\$596)	(\$515)
Median, DSHS Survey	\$850	\$710	\$625
Median, R&R Database	\$780	\$650	\$585
<b>Region 4</b> DSHS Rate	(\$832)	(\$695)	(\$583)
Median, DSHS Survey	\$1,000	\$817	\$695
Median, R&R Database	\$988	\$810	\$683
<b>Region 5</b> DSHS Rate	(\$610)	(\$525)	(\$462)
Median, DSHS Survey	\$700	\$598	\$540
Median, R&R Database	\$659	\$569	\$529
<b>Region 6</b> DSHS Rate	(\$600)	(\$515)	(\$450)
Median, DSHS Survey	\$675	\$580	\$525
Median, R&R Database	\$640	\$550	\$504

Sources: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers  
and data provided by Washington State’s Child Care Resource and Referral Network

**Table 31. Estimates of Median Prices (50<sup>th</sup> Percentile) in Family Homes in 2004  
DSHS Survey and Resource and Referral Database**

	<b>Infant</b>	<b>Toddler</b>	<b>Preschool</b>
<b>Region 1</b> DSHS Rate	(\$440)	(\$396)	(\$396)
Median, DSHS Survey	\$462	\$440	\$413
Median, R&R Database	\$433	\$399	\$390
<b>Region 2</b> DSHS Rate	(\$440)	(\$418)	(\$374)
Median, DSHS Survey	\$440	<b>\$418</b>	\$396
Median, R&R Database	\$433	<b>\$433</b>	\$368
<b>Region 3</b> DSHS Rate	(\$638)	(\$550)	(\$484)
Median, DSHS Survey	\$660	\$612	\$550
Median, R&R Database	\$650	\$542	\$542
<b>Region 4</b> DSHS Rate	(\$660)	(\$653)	(\$550)
Median, DSHS Survey	\$726	\$704	\$660
Median, R&R Database	\$696	\$693	\$587
<b>Region 5</b> DSHS Rate	(\$484)	(\$440)	(\$418)
Median, DSHS Survey	\$550	\$550	\$528
Median, R&R Database	\$542	\$542	\$477
<b>Region 6</b> DSHS Rate	(\$484)	(\$440)	(\$440)
Median, DSHS Survey	\$550	\$528	\$484
Median, R&R Database	\$542	\$520	\$451

**Note:** Entries in **bold** when the estimate for the median using the DSHS rate survey is lower than the median rate in the June 2004 Resource and Referral database.

Sources: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes  
and data provided by Washington State’s Child Care Resource and Referral Network

### **Child Care Price Increases**

This section examines how the price of child care has changed over the fourteen years from 1990 to 2004. Only children in full-time care are included, and the comparison assumes that the mix of ages of children has remained stable over time.

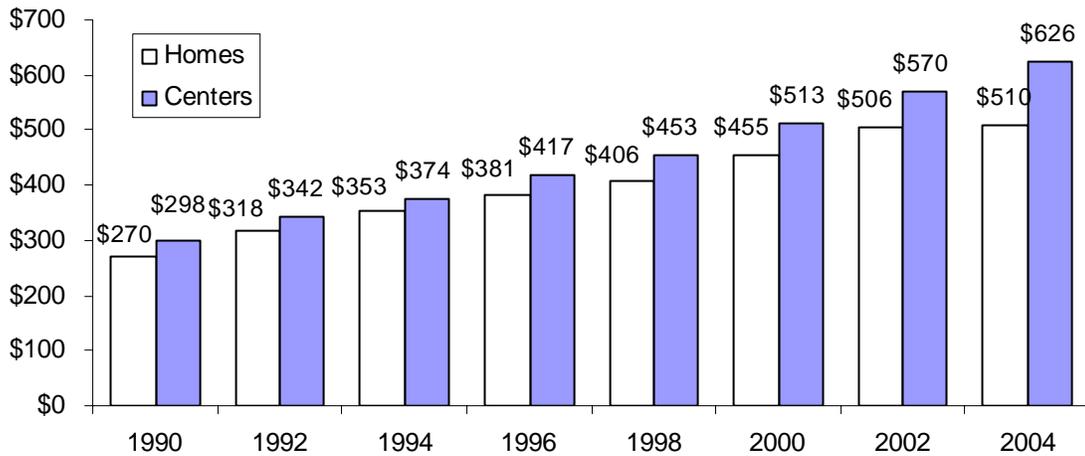
Figure 37 shows the monthly average prices for full-time care for children of all ages in child care centers and licensed family homes as estimated from the 1990 through 2004 child care surveys. From 1990 to 2004, the statewide average monthly price paid for full-time care in child care centers increased 110 percent from \$298 to \$626. For full-time care in family homes the average monthly price increased 89 percent from \$270 to \$510.

About half of this price increase is due to inflation and does not represent a “real” increase in the cost of child care. While the price of child care centers increased 110 percent from 1990 to 2004, inflation as measured by the US Consumer Price Index rose 44 percent during that same time period. Figure 38 shows average prices for full-time licensed child care from 1990 to 2004 after adjusting for inflation. Over the period 1990 to 2004, the

inflation-adjusted cost of care increased 46 percent in centers and 34 percent in homes. That amounts to an annual rise in the price of care—after adjusting for inflation—of 2.8 percent in centers and 2.1 percent in homes.

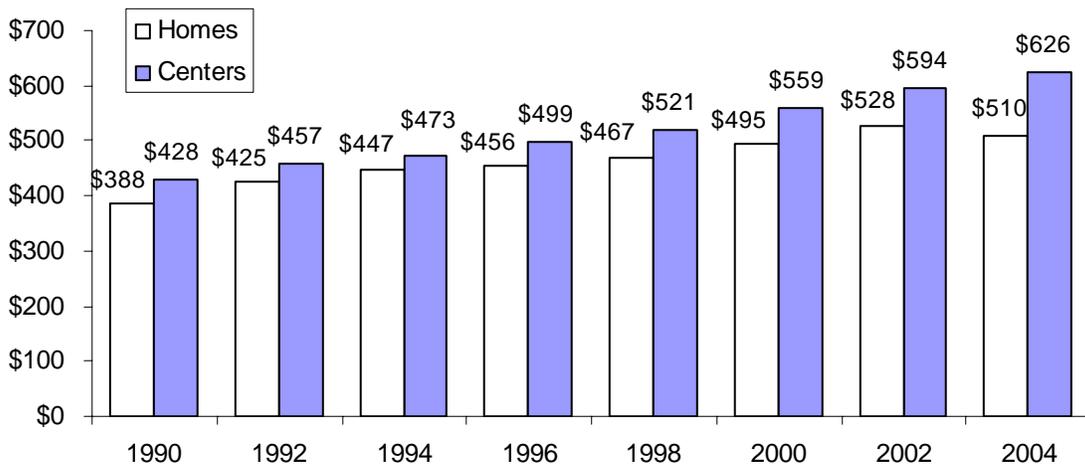
In the two years 2002 to 2004, the non inflation-adjusted price of full-time care went up ten percent in centers (from \$570 to \$626) and remained stable in family homes. After accounting for inflation, that amounts to an annual increase of 2.7 percent in the price of care in centers and a decline of 0.9 percent in homes.

**Figure 37. Average Monthly Prices for All Children in Full-Time Licensed Child Care: 1990-2004, Not Adjusted for Inflation**



Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

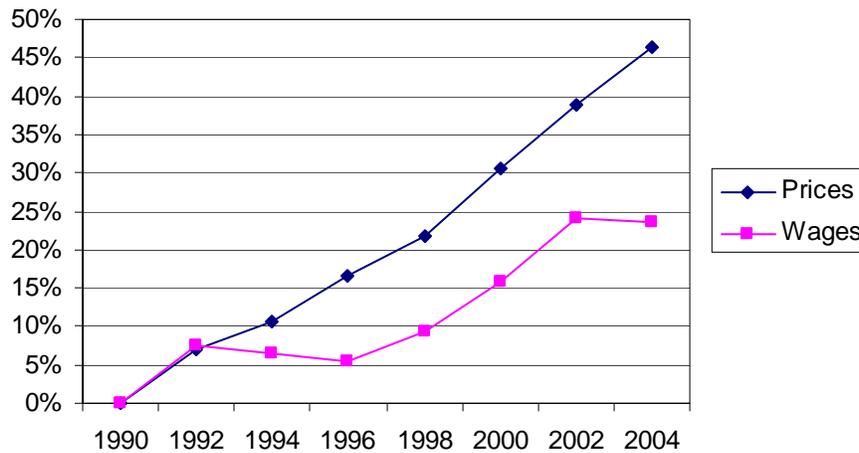
**Figure 38. Average Monthly Prices for All Children in Full-Time Licensed Child Care: 1990-2004, Adjusted for Inflation**



Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

Figure 39 displays the percentage increase in full-time prices and teachers' wages from 1990 to 2004. Average child care prices charged by centers have increased 46 percent since 1990, adjusted for inflation. During the same period, the average real wages for teachers in centers increased by 24 percent. Although wages and associated taxes and benefits constitute a major portion of center costs, the rise in teachers' wages in those fourteen years has been much less than the rise in child care prices. For the years 1996 to 2002, wages tracked closely with the rise in child care prices in centers. From 2002 to 2004, child care prices continued to rise faster than inflation, but teacher wages failed (just barely) to keep pace with inflation.

**Figure 39. Percent Increase in Center Child Care Prices and Teachers' Wages, 1990 to 2004  
(Adjusted for Inflation, with 1990 as Base Year)**



Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers

## CHAPTER 6. DSHS-SUBSIDIZED CHILDREN

### Where Subsidized Children Received Care

An estimated 67,000 children per month received subsidized care in State Fiscal Year 2004 (Social Service Payment System, unpublished). Over the course of federal fiscal year 2004 child care was subsidized for 118,300 children (Federal Report ACF-800), almost twice the monthly number of children. Children received subsidized care in a variety of ways, either in licensed centers and family homes, or from unregulated but legal providers.

The surveys of child care centers and homes were conducted mostly in February through April of 2004. According to DSHS payment records, about 65,000 children on average received subsidized care in those months. Approximately 20 percent received care in unregulated settings, namely in a child's home or at the home of a relative. The remaining 80 percent, or about 52,200 children, received care in licensed child care settings (child care centers or licensed family homes).

Using data from the 2004 surveys of child care centers and licensed family homes, we estimated that 51,130 children received subsidized child care in either a licensed family home or child care center at the time of the survey. This is slightly lower than the estimate using DSHS payment data. The discrepancy likely derives both from sampling error and because providers were asked to describe enrollment for a single week.

At the time of the 2004 surveys, almost one third of all children in licensed care were subsidized by DSHS. Licensed family home providers cared for 17,040 DSHS-subsidized children, representing 36 percent of all children in licensed family home child care. Child care centers cared for about 34,090 DSHS-subsidized children, 29 percent of all children in centers. DSHS children were widely spread over 87 percent of centers and 66 percent of family homes (see Table 32).

**Table 32. DSHS Children in Centers and Family Homes, 2004**

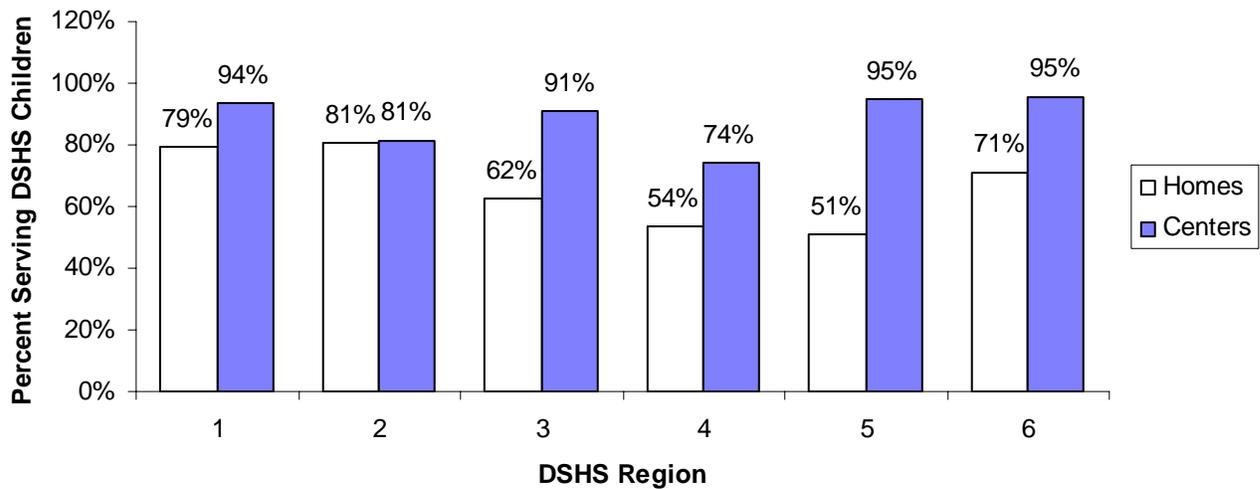
<u>DSHS Children</u>	<u>Centers</u>	<u>Family Homes</u>	<u>All Licensed Facilities</u>
Estimated Total	34,090	17,040	51,130
As Percent of All Children	29%	36%	31%
<b><u>Number of Facilities</u></b>			
With DSHS Children	1,857	4,567	6,424
As Percent of All Facilities	87%	66%	71%

Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

*Regional Variation*

The proportion of licensed facilities that served DSHS-subsidized children varied across the state (Figure 40). The proportion of centers that served subsidized children was lower in Region 4 than in other Regions and the proportion of family homes serving subsidized children in Regions 4 and 5 was lower than that in other Regions. While family home providers were less likely than centers to care for subsidized children, a higher proportion of the children in licensed family homes were subsidized than in centers (see Table 32).

**Figure 40. Facilities Serving DSHS-Subsidized Children, 2004**

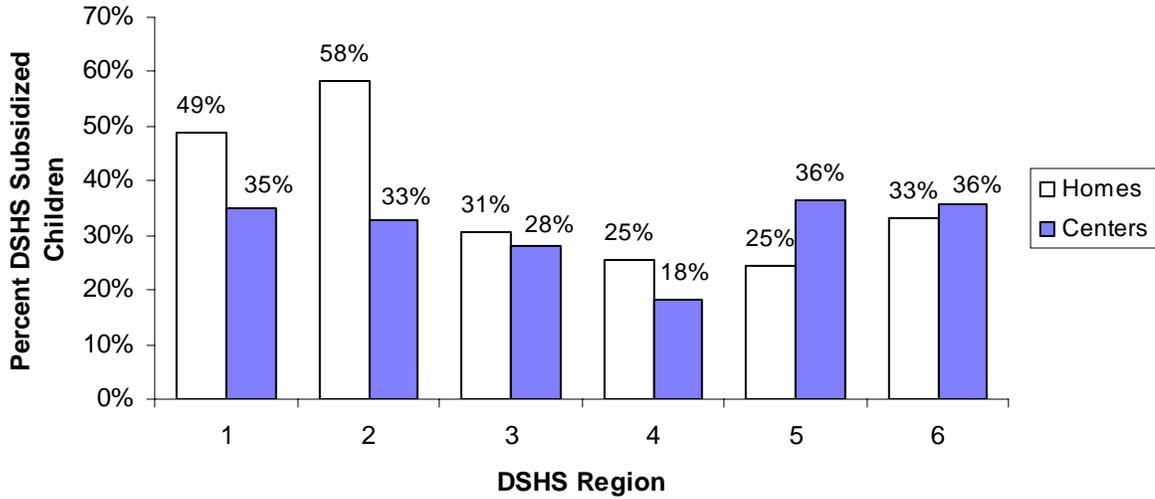


Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

Much of the difference between the proportion of centers and homes that served DSHS-subsidized children is attributable to the smaller size of family homes. Figure 41 displays the proportion of the licensed child care population subsidized by DSHS by Region and by type of provider. In Regions 1 and 2, subsidized children represented about 50 percent of all children in licensed family homes, a substantial increase from 1996 when about 20 percent of children in licensed family homes in Regions 1 and 2 were subsidized by DSHS.

As Figure 41 shows, except for Regions 5 and 6, the proportion of children in family homes that were subsidized by DSHS was higher than the proportion in centers that were subsidized. Since family homes serve less than seven children on average, a smaller percentage of family homes served subsidized children than the much larger child care centers with an average capacity of almost sixty children.

**Figure 41. DSHS-Subsidized Children as Percent of All Children in Licensed Facilities, 2004**

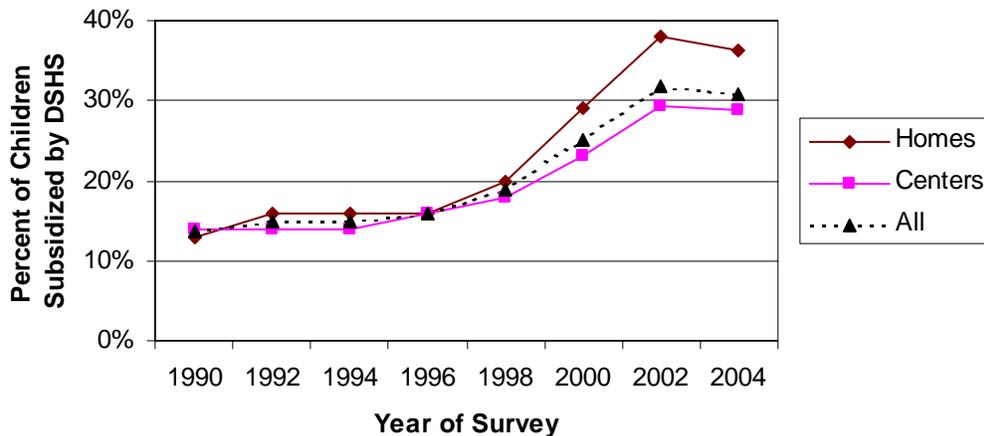


Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

**Rise in Use of Subsidized Care**

The proportion of children in licensed care whose care is subsidized by DSHS has risen dramatically since 1996. After remaining at about 15 percent from 1990 through 1996, the proportion of children in licensed care subsidized by DSHS rose to 19 percent in 1998, 25 percent in 2000, and 32 percent in 2002. The 2004 survey showed a leveling off of this trend with 31 percent of children in licensed care subsidized by DSHS.

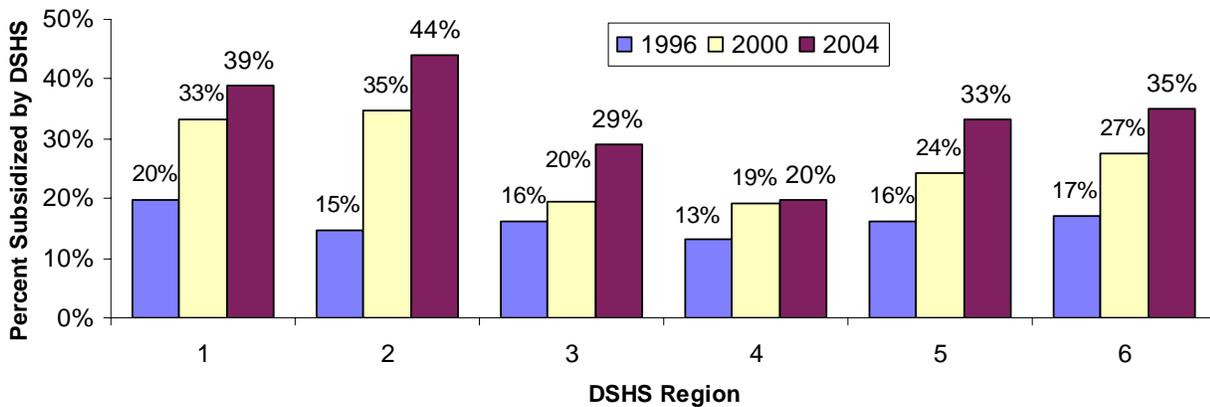
**Figure 42. DSHS-Subsidized Children as Percent of All Children in Licensed Facilities, 1990- 2004**



Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Child Care Centers and Family Homes

Figure 43 displays the proportion of children subsidized by DSHS Region. Since 1996 all DSHS Regions have experienced a rise in the proportion of children in child care that had their care subsidized by DSHS. The percent of children subsidized by DSHS rose 7 percentage points in Region 4 between 1996 and 2004. In most of the other five regions, the percent of children served by DSHS doubled in that eight year period.

**Figure 43. Percent of Children in Licensed Care Subsidized by DSHS By DSHS Region, 1996, 2000 and 2004**



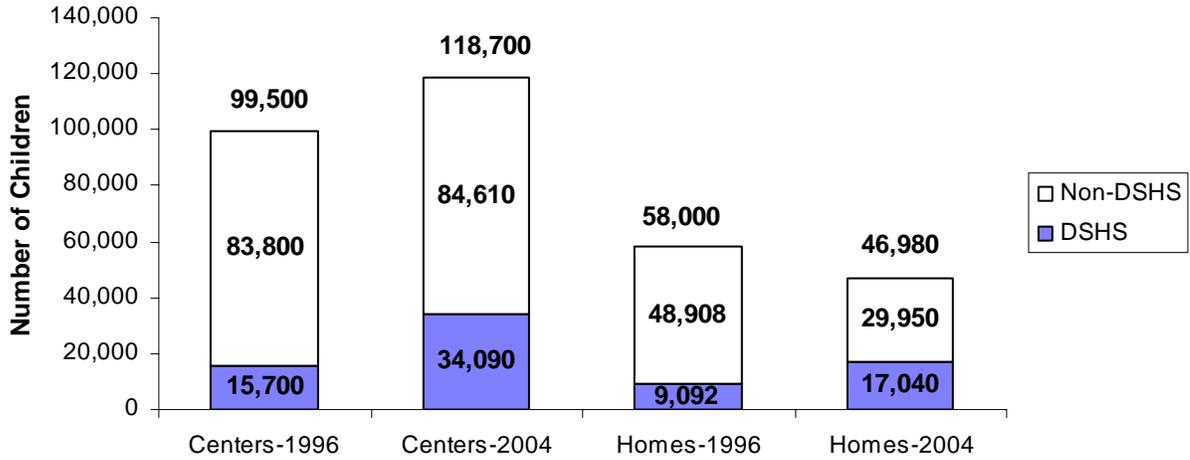
Source: DSHS Division of Child Care and Early Learning 1996, 2000 and 2004 Surveys of Child Care Centers and Family Homes

From 1996 to 2004, the number of children in licensed care rose from 157,500 in 1996 to 165,680 in 2004, a rise of five percent (see Figure 3 on page 11). During those same years, the number of children in licensed care subsidized by DSHS rose from 24,790 to 51,130, a rise of over 100 percent. The small rise in the overall number of children in licensed care in combination with the large rise in the number of DSHS subsidized children in licensed care has led to the rise in the proportion of children in licensed care subsidized by DSHS.

Both centers and family homes have experienced a rise in the proportion of children subsidized by DSHS. As shown in Figure 44 on the next page, the number of children in child care centers grew from 99,500 to 118,700 in the eight years from 1996 to 2004. The number of DSHS subsidized children in centers rose by 18,390 (from 15,700 to 34,090) and the number of children not subsidized by DSHS rose only 810 (from 83,800 to 84,610).

The situation for licensed family homes was quite different. From 1996 to 2004, the total number of children in licensed family homes declined from 58,000 to 46,980. The number of DSHS-subsidized children in licensed family homes almost doubled, going from 9,092 to 17,040, while the number of non-subsidized children declined 39 percent from 48,908 to 29,950. The decline in the number of non-subsidized children in licensed family homes in combination with a rise in the number of subsidized children attending licensed family homes has resulted in a rise in the proportion of children in licensed family homes that were subsidized by DSHS from 16 to 36 percent.

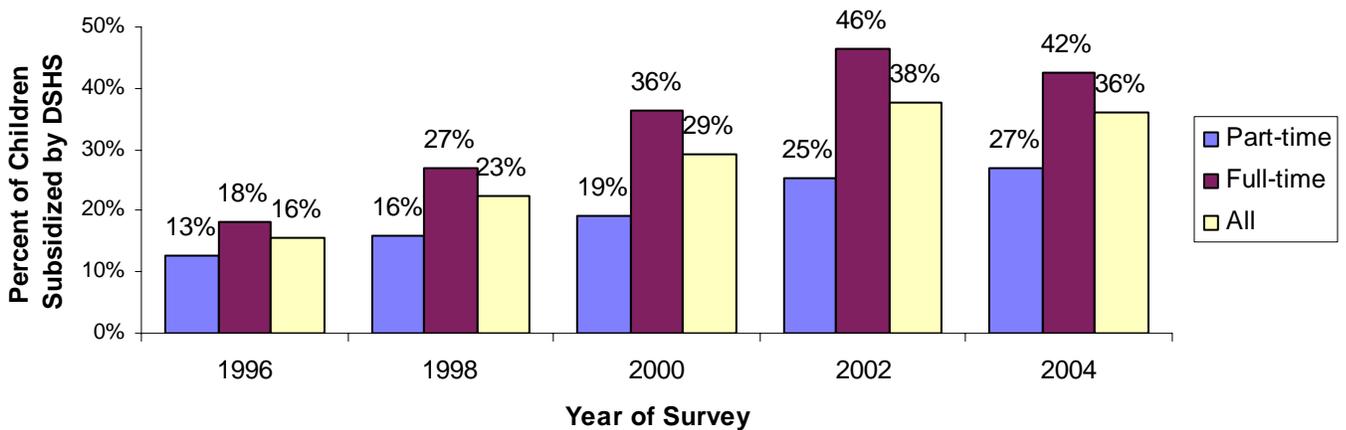
**Figure 44. Number of Subsidized and Non-Subsidized Children in Centers and Licensed Homes, 1996 and 2004**



Source: DSHS Division of Child Care and Early Learning 1996 and 2004 Surveys of Child Care Centers and Family Homes

Figure 45 provides information on the proportion of children in licensed family homes that are subsidized by the amount of time that a child is in care. A higher proportion of the children in full-time child care are subsidized by DSHS (42 percent) as compared to children in part-time care (27 percent). The rise in the percent of children subsidized by DSHS also has been greater from 1996 to 2004 among children in full-time child care than for children in part-time child care. While the percent of children in part-time child care subsidized by DSHS rose from 13 percent in 1996 to 27 percent in 2004, the percent of children in full-time child care subsidized by DSHS rose from 18 percent to 42 percent.

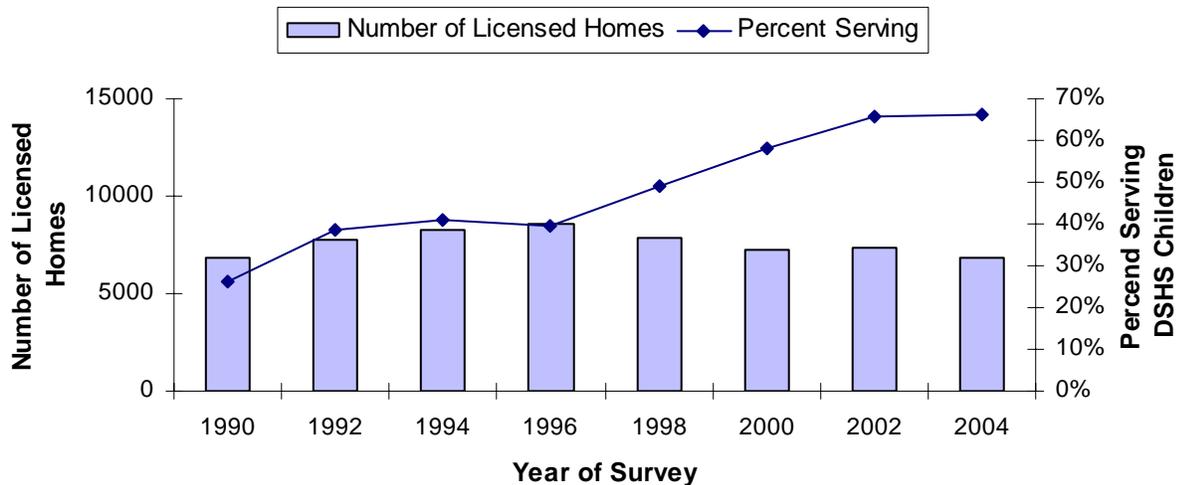
**Figure 45. Percent of Full-Time and Part-Time Children Subsidized by DSHS, Children in Licensed Family Homes, 1996 - 2004**



Source: DSHS Division of Child Care and Early Learning 1996, 1998, 2000, 2002 and 2004 Surveys of Family Homes

During the same period that the proportion of children in licensed homes that are subsidized grew markedly, the number of licensed family home providers fell from 8,600 in 1996 to 6,875 in 2004. While the number rose slightly between 2000 and 2002, the number of family homes in 2004 was down from 7,309 in 2002 (see Table 7 in Chapter 2). Figure 46 displays the number of licensed family homes in columns; the line shows the percent of homes caring for DSHS-subsidized children. As the number of licensed family homes has declined, those family homes that are licensed are increasingly caring for DSHS-subsidized children.

**Figure 46. Number of Family Homes and Percent Caring for DSHS Children, 1990 - 2004**



Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002 and 2004 Surveys of Family Homes

Last, we present information in Table 33 on changes by Region in the number of licensed family homes and the percent caring for DSHS-subsidized children. In 1996, almost half the family homes in Regions 1 and 2 cared for DSHS-subsidized children. Over the next eight years, those Regions experienced smaller changes in the number of licensed homes than the other four Regions. Regions 3 and 4, on the other hand, had the lowest proportion caring for DSHS-subsidized children in 1996 and they experienced large drops in the number of licensed homes between 1996 and 2004.

**Table 33. Number of Licensed Family Homes and Percent Caring for DSHS Children, 1996 and 2004**

Region	Number of Homes		Change Between 1996 and 2004	% Change Between 1996 and 2004	Percent Serving	
	1996	2004			1996	2004
1	1,336	1,124	-212	-16%	49%	79%
2	1,055	1,202	147	14%	49%	81%
3	1,465	1,092	-373	-25%	31%	62%
4	2,147	1,420	-727	-34%	30%	54%
5	1,150	933	-217	-19%	44%	51%
6	1,447	1,105	-342	-24%	45%	71%
<b>Statewide</b>	<b>8,600</b>	<b>6,875</b>	<b>-1,725</b>	<b>-20%</b>	<b>40%</b>	<b>66%</b>

Source: DSHS Division of Child Care and Early Learning  
1996 and 2004 Surveys of Family Homes

**Who Provides Care for DSHS-Subsidized Children?**

In 2004, 87 percent of centers provided child care for DSHS-subsidized children. And of the centers not serving, 70 percent stated a willingness to enroll DSHS-subsidized children. The proportion of centers not willing to care for DSHS-subsidized children remains low (4 percent in 2004). Of centers providing care for DSHS families, 12 percent said that they limit the number of DSHS children that they will enroll. That is virtually unchanged since 2000. For centers with limits, the average limit was fourteen subsidized children. Centers in Region 4 were least likely to care for subsidized children and most apt to limit their number (Table 34). However, even in Region 4, 91 percent of centers were willing to enroll DSHS children.

**Table 34. Centers Limiting Enrollment of DSHS-Subsidized Children**

DSHS Region	Number of Centers	Percent Willing to		Average Limit	
		Serve DSHS Children	Percent Serving DSHS Children	Percent Limiting DSHS Children <sup>[1]</sup>	on DSHS Children <sup>[2]</sup>
1	333	99%	94%	8%	16
2	187	94%	81%	12%	15
3	302	99%	91%	11%	15
4	631	91%	74%	18%	9
5	337	99%	95%	10%	17
6	344	98%	95%	7%	23
<b>Statewide</b>	2,134	96%	87%	12%	14

[1] For centers serving DSHS children.

[2] For centers with a limit on number of DSHS children served.

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

In the 2004 survey we asked licensed family home providers if they were willing to care for DSHS-subsidized children and if they had cared for DSHS subsidized children in the last week. The percent of family home providers that either served or said they were willing to provide care to subsidized families remained the same between 2002 and 2004, at 94 percent (see Table 35). Sixty-six percent of family providers actually cared for subsidized children in 2004, the same as in 2002.

**Table 35. Family Homes Willing to Serve DSHS-Subsidized Children**

DSHS Region	Willing to Take DSHS Children	Serving DSHS Children
1	97%	79%
2	97%	81%
3	96%	62%
4	92%	54%
5	84%	51%
6	96%	71%
<b>Statewide</b>	94%	66%

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

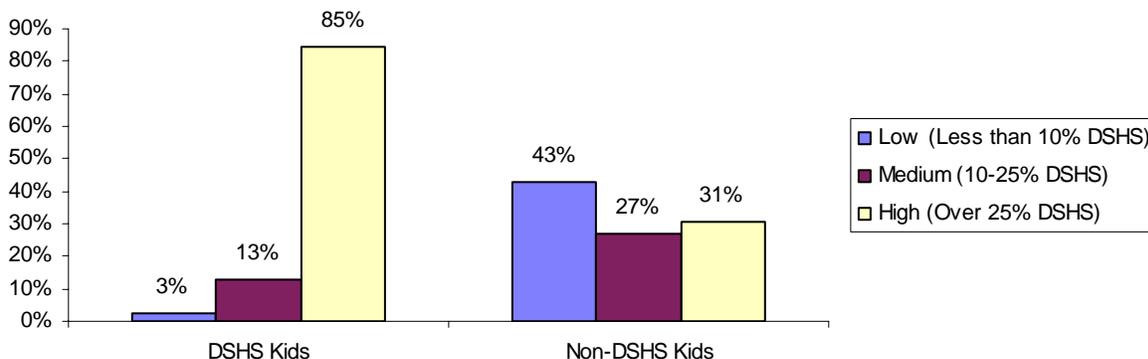
## Characteristics of Centers and Homes Providing Care for DSHS-Subsidized Children

### Distribution of DSHS Subsidized Children in Centers

While most child care centers served at least one DSHS-subsidized child, the proportion of children in a center that were subsidized by DSHS varied widely. The proportion of children that are subsidized by DSHS can be used to categorize centers. According to the 2004 survey, 28 percent of centers had less than 10 percent of their children subsidized by DSHS ("Low"). At the other end, 50 percent of centers had more than 25 percent of their children subsidized by DSHS ("High"). The remaining 22 percent of centers had between 10 and 25 percent of their children subsidized by DSHS ("Medium"). In the six years from 1998 to 2004 the proportion of centers with more than 25 percent of their children subsidized ("High") rose from 31 percent in 1998 to 50 percent in 2004.

Figure 47 displays the percent of DSHS-subsidized children that attended centers with differing concentrations of DSHS-subsidized children (Low/Medium/High). While 28 percent of centers had fewer than 10 percent of their children subsidized by DSHS, only 3 percent of DSHS-subsidized children attended such centers. On the other hand, more than 40 percent of all children that were not subsidized attended such centers. At the other extreme, 85 percent of DSHS-subsidized children who attended child care centers went to centers where over 25 percent of the children were subsidized by DSHS, up from 77 percent in 2000.

**Figure 47. Distribution of Children by Receipt of Subsidies, According to the Proportion in the Center Subsidized by DSHS, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

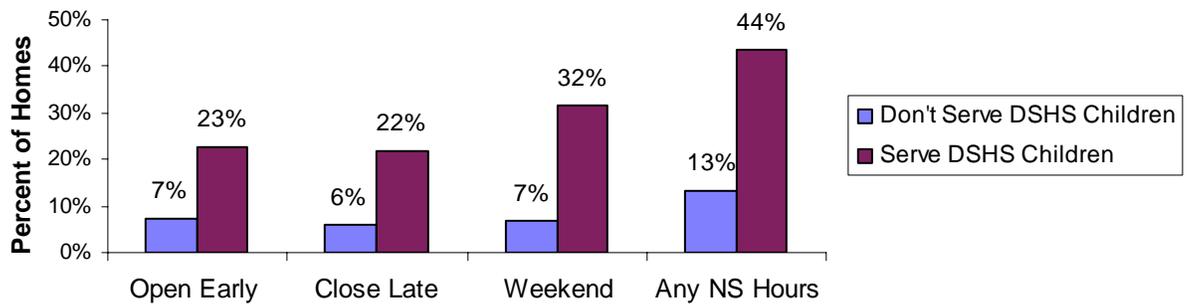
### Non-Standard Hours Among Providers Serving DSHS Children

Chapter 4 presented information on the opening and closing times of licensed providers. The relationship between the hours that a provider cares for children and how many DSHS children they serve is examined in this section. If a provider cares for children before 6 in the morning they are categorized as "Open Early". If a provider remains open after 6 in the evening, then they "Close Late". If they are open on the weekend, they are "Weekend". Last, if a provider opens

before 6 am, closes after 6 pm, or has weekend hours, then they have non-standard hours (“Any NS Hours”).

Figure 48 displays the proportion of licensed family homes that had non-standard hours by whether or not they cared for any DSHS-subsidized children. Home providers that cared for DSHS children were much more likely than home providers that did not care for DSHS-subsidized children to open early in the morning, close late in the evening, or be open on the weekend. Overall, 44 percent of family homes providers that cared for DSHS-subsidized children had non-standard hours. On the other hand, only 13 percent of homes that did not care for DSHS-subsidized children had non-standard hours.

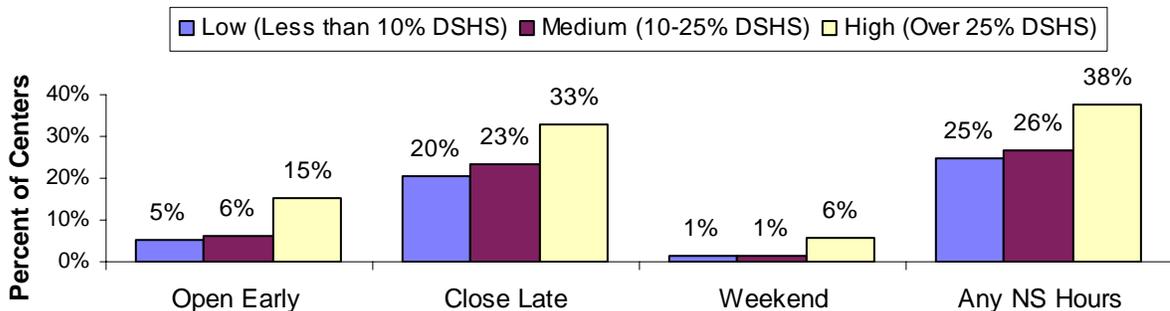
**Figure 48. Percent of Family Homes with Non-Standard Hours, by DSHS Status, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

The relationship between non-standard hours and the percent of children subsidized by DSHS was examined for centers. Figure 49 displays the proportion of centers with non-standard hours by the percent of children in the center subsidized by DSHS. Centers with more than 25 percent of their children subsidized by DSHS were much more likely to have non-standard hours—to open early or close late—but even these centers were unlikely to be open on the weekend.

**Figure 49. Percent of Centers with Non-Standard Hours, by DSHS Status, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Effects of DSHS Maximum Rates**

DSHS pays providers their usual and customary rates, up to the DSHS maximum rate. DSHS tries to change their maximum rates to reflect changes in market rates at least every two years. At the time of the survey, DSHS maximum rates were set at the 58<sup>th</sup> percentile of rates observed in the 2000 survey. It is reasonable to assume that providers’ decisions to accept DSHS-subsided children will depend partly on whether or not they will receive their customary rate for care. If subsidy rates are too low, parents using subsidies may be limited to the less expensive providers.

Among centers caring for full-time preschool children, the average rate for such care was less in centers that served DSHS-subsidized children than in those centers that did not (Table 36). The statewide difference was driven by Region 4, where 38 percent of the centers not serving DSHS children were located.

**Table 36. Full-time Rates for Preschool Children, Difference Between Centers Serving DSHS Children and Those Not Serving, 2004**

Region	Serving DSHS Children	
	Yes	No
1	\$493	*
2	\$472	\$535
3	\$608	\$648
4	\$708	\$828
5	\$538	\$553
6	\$533	\$588
<b>Statewide</b>	<b>\$588</b>	<b>\$748</b>

\* Too few centers to report.

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

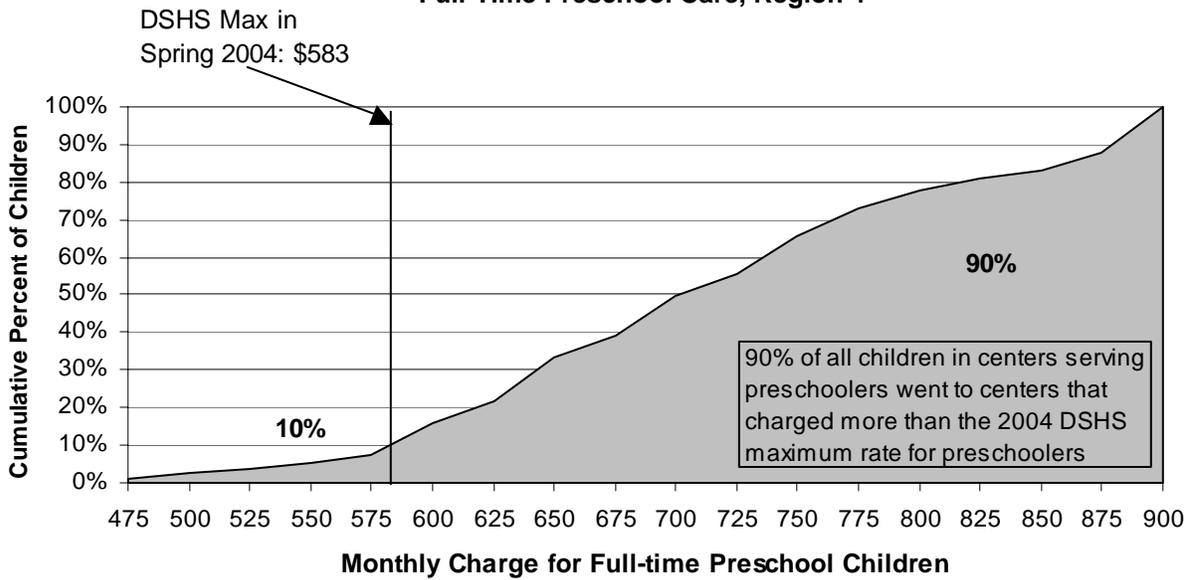
The higher rate charged by providers who did not care for subsidized children when compared to providers who did care for subsidized children suggests that DSHS subsidy rates may deter some providers from accepting DSHS subsidized children. Other factors may also have contributed to the observed differences in centers.

*Region 4 Centers as an Example*

This section examines the willingness of providers in Region 4 to serve DSHS children even when their private pay rates are higher than the DSHS subsidy rates. We limited this analysis to centers that served full-time preschool-age children.

At the time of the 2004 survey, the maximum rate that DSHS would pay for preschoolers in center care was \$583 a month in Region 4. Figure 50 shows the percent of children attending centers by the amount that the center charged for full-time preschool. Looking at all children in centers providing care for preschoolers in Region 4, only 10 percent received care in centers charging the DSHS rate of \$583 or less for full-time preschool. About half went to providers charging \$700 or less.

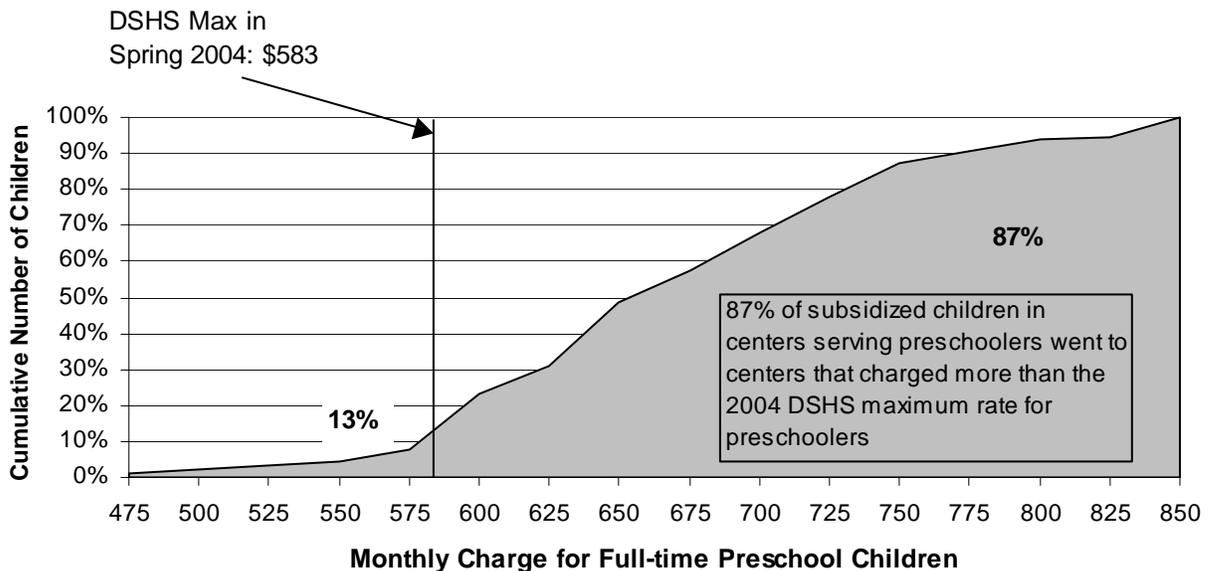
**Figure 50. Percent of Children in Centers by Monthly Charges for Full-Time Preschool Care, Region 4**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

Focusing on DSHS-subsidized children, 87 percent went to centers with private pay preschool rates greater than the DSHS maximum for preschool children at the time of the 2004 survey (Figure 51). While DSHS-subsidized children were slightly less likely to attend centers with preschool rates above the DSHS maximum than children in general (87 percent versus 90 percent), the vast majority of DSHS children attended centers with preschool rates above the DSHS maximum. About half of all DSHS-subsidized children went to centers charging \$650 or more for preschoolers, almost seventy dollars more than the DSHS rate for preschool.

**Figure 51. Percent of DSHS-Subsidized Children in Centers by Monthly Charge for Full-Time Preschool Care, Region 4**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

## **Access to Licensed Care for Families Using Subsidies**

The prior section shows that many providers will accept DSHS subsidies even when the rate that they charge private pay families is higher than the DSHS rate. Families seeking to use subsidized child care thus have access to many slots in centers with rates above the DSHS subsidy rates. In this section we explore the question of how much access to the licensed child care market is available to families using child care subsidies.

To some extent families seeking subsidized care have access to any provider willing to serve DSHS children. As we have shown in this chapter, most providers (96 percent of centers and 94 percent of homes) are willing to serve DSHS subsidized children and few have limits on the number of subsidized children that they are willing to serve. But providers with rates above the DSHS maximum can be expected to prefer to fill their slots with private pay families rather than DSHS subsidized children.

Chapter 5 showed that the DSHS rates were equal to or greater than that paid by 25 percent of children in full-time center care and 31 percent of private pay children in full-time care in licensed family homes. This section broadens that consideration and estimates the amount of access that families using subsidized child care have to the licensed child care market. This estimate is limited to full-time children and uses the following logic: (1) subsidized families have access to all the slots currently filled by DSHS children; and (2) subsidized families have access to all slots for providers charging the DSHS rate or less and willing to serve DSHS children. Slightly different strategies were used for licensed family homes and child care centers.

For licensed family homes, information was collected on the pay status and payments of each individual child. As shown in Figure 45 and Table 37 below, 42 percent of all full-time children in licensed family homes are subsidized by DSHS. In addition, 17 percent of all children that are not subsidized by DSHS pay their provider less than the DSHS rate and go to a provider willing to serve DSHS children. Overall, families seeking subsidized child care in a licensed family home setting are estimated to have access to almost 60 percent of all full-time slots. In addition, DSHS children may have access to many of the vacancies in licensed family homes.

In Chapter 5 we estimated that DSHS rates were equal to or greater than the rates charged 31 percent of the children privately paying for care in licensed family homes. Looking at the information on the private pay children in licensed care we see that almost 31 percent ( $4,782/(4,782+11,330)$  or 30 percent) of all private pay children in full-time care go to providers that charge at or below the DSHS rates *and* are willing to care for DSHS children. Yet, since DSHS children constitute such a large portion of the number of children in full-time care in licensed care, families searching for care should have access to almost 60 percent of all full-time licensed slots in family homes.

**Table 37. Licensed Family Homes: Access to Licensed Care Market, 2004**

	Subsidized	Private Pay at or Below DSHS Rates and Willing to Serve	Private Pay Above DSHS Rates or Not Willing to Serve	Percent Access
<b>Infants</b>	982	432	947	60%
<b>Toddlers</b>	2,903	1,145	2,873	58%
<b>Preschool</b>	5,791	2,666	6,558	56%
<b>Schoolage</b>	2,071	540	951	73%
<b>Total:</b>	11,747	4,782	11,330	
<b>Percent of Total:</b>	<b>42%</b>	<b>17%</b>	<b>41%</b>	<b>59%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

For centers, Washington State sets subsidy rates with data from those centers that have less than 85 percent of their children in the subsidy program. In calculating estimates for the access that families have to center care for their children, we assumed that the percent subsidized was not age sensitive, in other words, if 30 percent of all children in a center were subsidized by DSHS, then we assumed that 30 percent of all children in each age category were subsidized by DSHS.

Table 38 presents information on the estimate of the access that families seeking subsidized child care in centers have for their children. Approximately 34 percent of the children who attend centers full-time are subsidized by DSHS. Of the full-time children that are not subsidized by DSHS, approximately an additional 16 percent go to providers that charge at or below DSHS rates and are willing to serve DSHS children. Thus, families seeking subsidized child care for their children in a child care setting should have access to half of all full-time center slots. In addition, an estimated 93 percent of center vacancies are available to families using subsidies (taking into account the centers willingness to care for subsidized children and the limit, if any, that they place on the number of subsidized children that they will serve).

**Table 38. Centers: Access to Licensed Care Market, 2004**

	Subsidized	Private Pay at or Below DSHS Rates and Willing to Serve	Private Pay Above DSHS Rates or Not Willing to Serve	Percent Access
<b>Infants</b>	1,648	453	2,104	50%
<b>Toddlers</b>	5,437	1,617	7,106	50%
<b>Preschool</b>	10,781	3,135	19,055	42%
<b>Schoolage</b>	4,600	5,637	5,006	67%
<b>Total:</b>	22,466	10,843	33,271	
<b>Percent of Total:</b>	<b>34%</b>	<b>16%</b>	<b>50%</b>	<b>50%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers



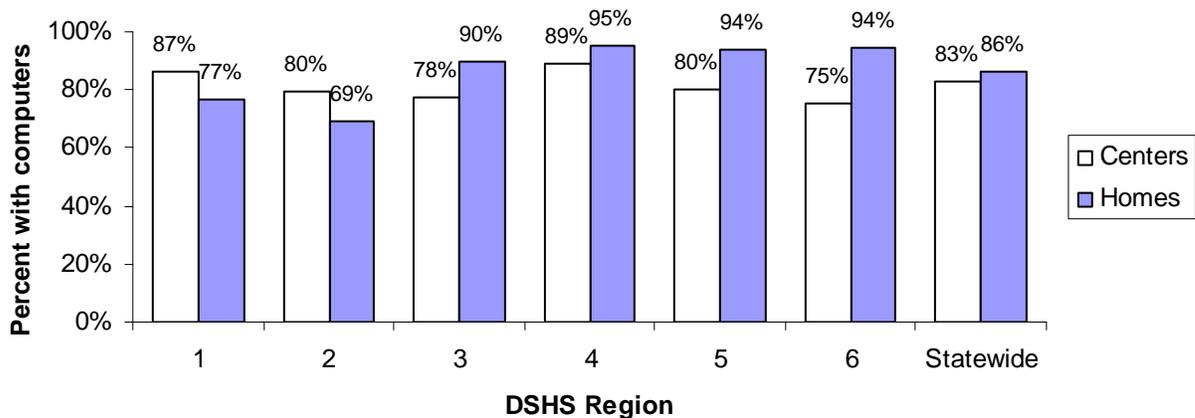
## CHAPTER 7. SPECIAL TOPICS

### Computer and Internet Access among Child Care Providers

The Department of Social and Health Services uses the Internet as one way to communicate with providers. Child care providers were asked on the 2002 and 2004 surveys about computer and Internet access in order to understand how much of the provider community can be reached through the Internet.

Figure 52 shows the percent of center and family home providers with a computer in their place of business. Statewide, 83 percent of centers and 86 percent of home providers had a computer in their place of business. The percent of centers with computers varied from a low of 75 percent in Region 6 to a high of 89 percent in Region 4. Homes varied from 69 percent in Region 2 to 95 percent in Region 4, showing a definite division between the eastern (Regions 1 and 2) and western parts of the state (Regions 3-6). In all Regions except Regions 1 and 2, center providers were less likely than home providers to have a computer in their workplace.

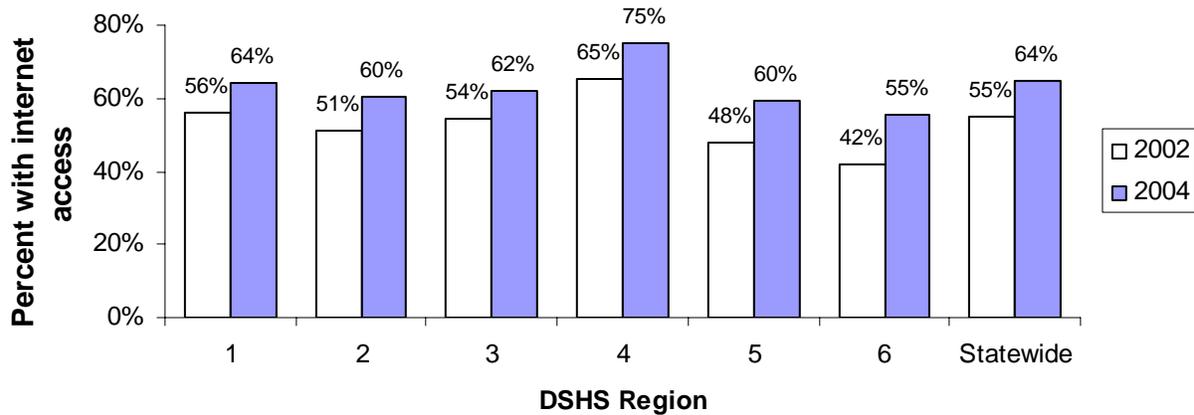
**Figure 52. Percent of Centers and Homes with Computers, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

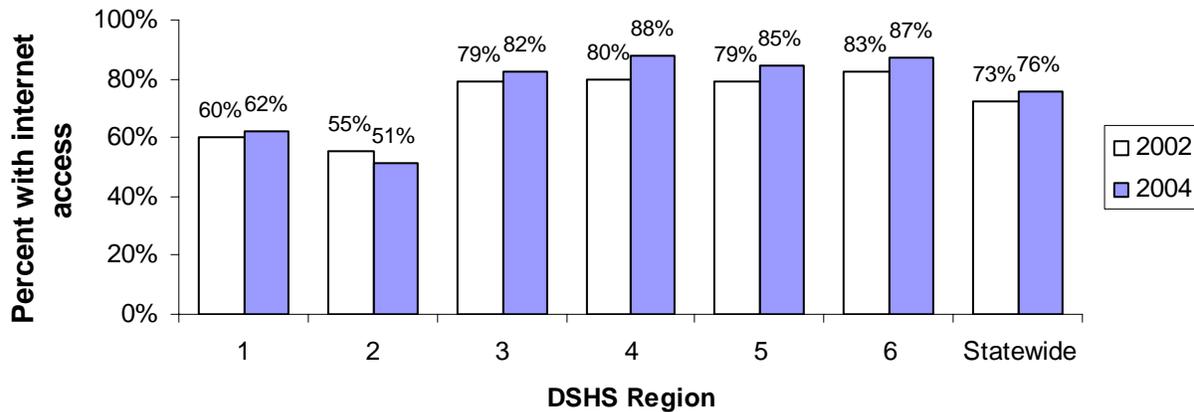
While the percentage of centers and family homes with computers in their place of business was stable between 2002 and 2004, the percentage of providers with on-site Internet access increased, most dramatically in centers. Figures 53 and 54 show the percentage of center and family home providers in each Region with Internet access in both 2002 and 2004. Statewide, Internet access in centers increased from 55 percent in 2002 to 64 percent in 2004. Region 4 had the highest percentage of centers with Internet access at 75 percent in contrast to 55 percent in Region 6. Family homes showed less increase in Internet access, but access increased slightly in all Regions except Region 2. Internet access for family homes in the eastern Regions (1 and 2) is much lower than in western Washington (Regions 3-6).

Figure 53. Percent of Centers with Internet Access, 2002 and 2004



Source: DSHS Division of Child Care and Early Learning  
2002 and 2004 Survey of Child Care Centers

Figure 54. Percent of Homes with Internet Access, 2002 and 2004



Source: DSHS Division of Child Care and Early Learning  
2002 and 2004 Surveys of Family Homes

Internet access was analyzed against several business traits including: length of time in business; capacity for centers; whether the facility cared for DSHS children; and gross child care income in family homes. Capacity was a strong indicator for centers, with 81 percent of centers with a capacity greater than 60 having Internet access as compared to 56 percent for those with smaller capacity. In family homes, whether or not the provider cared for DSHS-subsidized children was a strong predictor of Internet access: 84 percent of providers who did not care for DSHS-subsidized children had Internet access in their home, compared to only 71 percent for providers that cared for DSHS-subsidized children.

## Resource and Referral Services

The Child Care Resource and Referral Network (R&R) is a private, non-profit agency that DSHS contracts with to provide services to child care providers. Several new questions were added to the 2002 and 2004 surveys to see which R&R services were helpful to providers. In 2004, providers were asked if four specific R&R services had been helpful to them in the past year: referral services; state approved (STARS) training through Resource and Referral; over the phone technical assistance; and grants to purchase learning and play materials.

Tables 39 and 40 show the percent of providers that found each of the four individual services helpful, as well as the percent that found any of the four listed R&R services useful to them in the past year. Many providers (68 percent of centers and 84 percent of homes) reported that at least one of the four services had been helpful to them in the past year. A higher proportion of homes than centers found each of the services useful, with roughly a 10 percentage point difference between centers and homes for all categories except Purchasing Grants. Region 1 had the largest difference between centers and homes, with 56 percent of centers and 82 percent of home providers finding at least one of the listed R&R services helpful to them in the past year.

**Table 39. Percent of Centers Finding Resource and Referral Services Helpful in the Past Year, 2004**

Region	STARS		Technical	Purchasing	Any of 4 Listed Services
	Referrals	Training	Assistance	Grants	
1	36%	46%	19%	10%	56%
2	49%	61%	23%	12%	74%
3	41%	54%	16%	11%	64%
4	45%	64%	28%	12%	75%
5	59%	59%	29%	7%	75%
6	46%	50%	29%	7%	62%
<b>Statewide</b>	<b>46%</b>	<b>57%</b>	<b>25%</b>	<b>10%</b>	<b>68%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Table 40. Percent of Homes Finding Resource and Referral Services Helpful in the Past Year, 2004**

Region	STARS		Technical	Purchasing	Any of 4 Listed Services
	Referrals	Training	Assistance	Grants	
1	54%	73%	34%	13%	82%
2	53%	81%	37%	16%	89%
3	52%	63%	30%	12%	82%
4	55%	61%	29%	11%	80%
5	72%	66%	39%	9%	85%
6	66%	74%	42%	13%	88%
<b>Statewide</b>	<b>58%</b>	<b>69%</b>	<b>35%</b>	<b>13%</b>	<b>84%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

Table 41 displays the proportion of family home providers finding R&R services helpful by whether or not they cared for DSHS-subsidized children. For centers, Table 41 distinguishes those centers with 10 percent or fewer children subsidized by DSHS (categorized as “Low”) from all other centers (categorized as “High”). Generally, providers that cared for subsidized children were more likely to have found R&R services useful in the past year. The most dramatic difference was referral services for centers, where only 33 percent of those centers categorized as “Low” found the service useful, compared to 60 percent in the “High” Category.

**Table 41. Percent of Homes and Centers Finding Resource and Referral Services Helpful in Past Year, by DSHS, 2004**

<b>Centers:</b>					
<b>Percent DSHS*</b>	<b>Referrals</b>	<b>STARS Training</b>	<b>Technical Assistance</b>	<b>Purchasing Grants</b>	<b>Any of 4 Listed Services</b>
Low	33%	58%	20%	7%	67%
High	60%	72%	38%	13%	86%

<b>Homes:</b>					
<b>Serves DSHS</b>	<b>Referrals</b>	<b>STARS Training</b>	<b>Technical Assistance</b>	<b>Purchasing Grants</b>	<b>Any of 4 Listed Services</b>
No	55%	64%	31%	13%	82%
Yes	60%	72%	37%	13%	86%

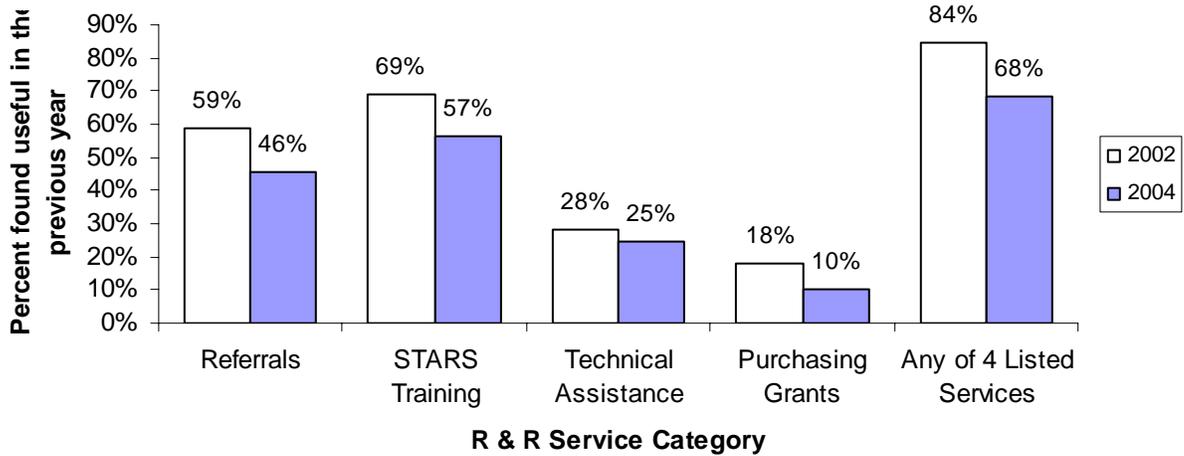
\* Centers with 10 percent or fewer of their children subsidized by DSHS are categorized as “Low” and all other centers are categorized “High”.

Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Homes

Figures 55 and 56 present information on responses to the R&R questions on the 2002 and 2004 surveys. On the 2002 survey providers were asked about the usefulness of six R&R services. This comparison is limited to the four services repeated on both surveys. The proportion of centers saying that R&R services were useful declined from 82 percent to 68 percent for centers and 89 percent to 84 percent for family homes.

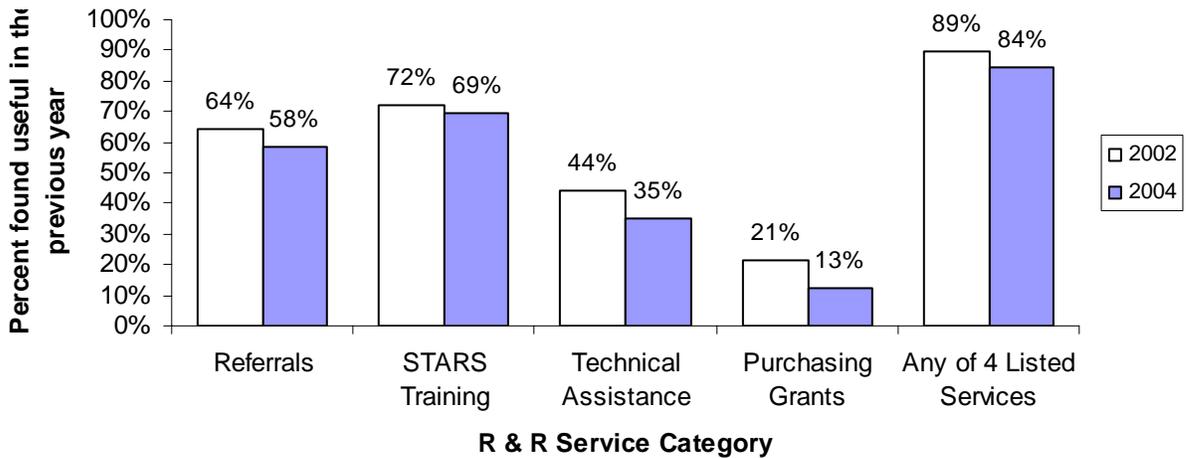
In noting this decline, it is important to keep in mind two major policy changes that affected R&R services during this time. The Recruitment and Retention program was discontinued in February 2003, eliminating many business support and training services as well as Mini Grants for facilities. In July 2003, the provider service hours for R&R services were reduced to 15 hours a week, which may have contributed to the reduction in the statewide percentage of centers and homes finding at least one of the four listed R&R services useful.

**Figure 55. Percent of Centers Finding Resource and Referral Services Helpful in 2002 and 2004**



Source: DSHS Division of Child Care and Early Learning  
2002 and 2004 Surveys of Child Care Centers

**Figure 56. Percent of Homes Finding Resource and Referral Services Helpful in 2002 and 2004**

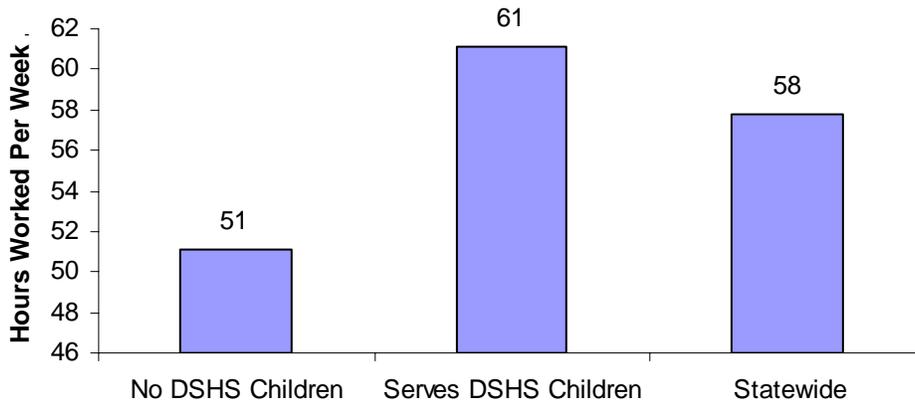


Source: DSHS Division of Child Care and Early Learning  
2004 Surveys of Child Care Centers and Family Home

### Work Hours of Family Home Providers

The 2004 surveys asked family home providers about the number of hours per week that they cared for children. The average number of hours that family home providers worked per week varied only slightly by Region from a low of 53 hours per week in Region 4 to a high of 62 hours per week in Region 2. The biggest factor identified as related to the number of hours worked per week was whether or not the provider cared for DSHS-subsidized children. As shown in Figure 57, family home providers that cared for DSHS-subsidized children averaged 61 hours per week compared to 51 hours per week for providers that did not care for DSHS-subsidized children.

**Figure 57. Average Hours Per Week Worked By Home Providers by Serving DSHS-Subsidized Children, 2004**

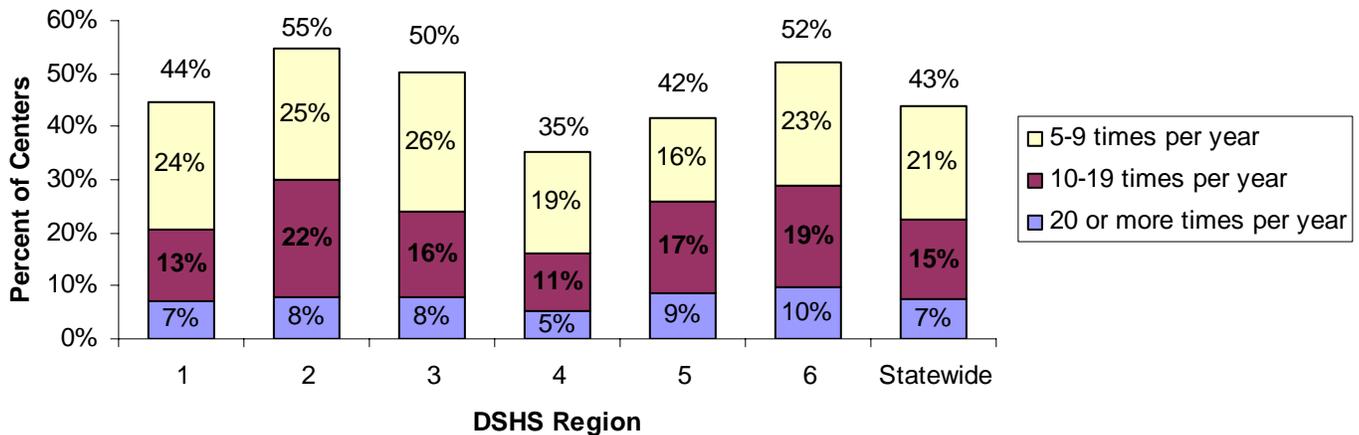


Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

### Contact with DSHS Licensing Staff

Center and home providers were asked how many times per year they, or someone on their staff, had called their licensur and how long it typically took licensurs to return those calls. Figures 58 and 59 display the percent of centers and homes that contacted their licensur five or more times per year. The proportion of centers contacting their licensur five or more times per year varied by Region, over half of all centers in Region 6 called their licensur at least five times per year and only 35 percent of centers in Region 4 called that often. In 2002, 39 percent of centers contacted their licensur at least five times per year.

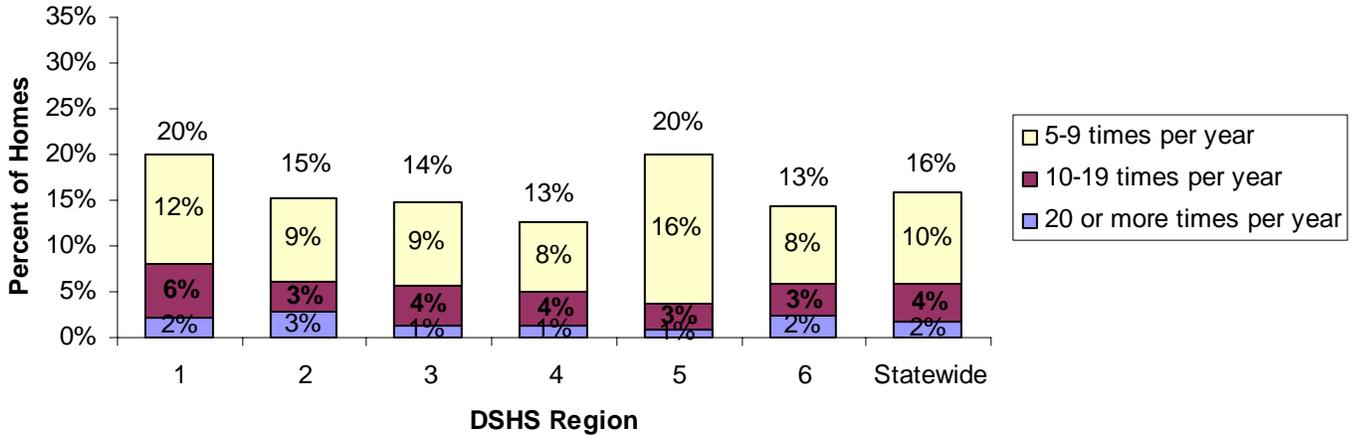
**Figure 58. Percent of Centers Contacting their Licensur at Least Five Times per Year, by Region, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

The proportion of family home providers contacting their licensur at least five times per year was much lower than that for centers, with only 16 percent of all home providers having called their licensur at least five times per year compared to 43 percent for centers. On the 2002 survey, 18 percent of home providers called their licensur that often.

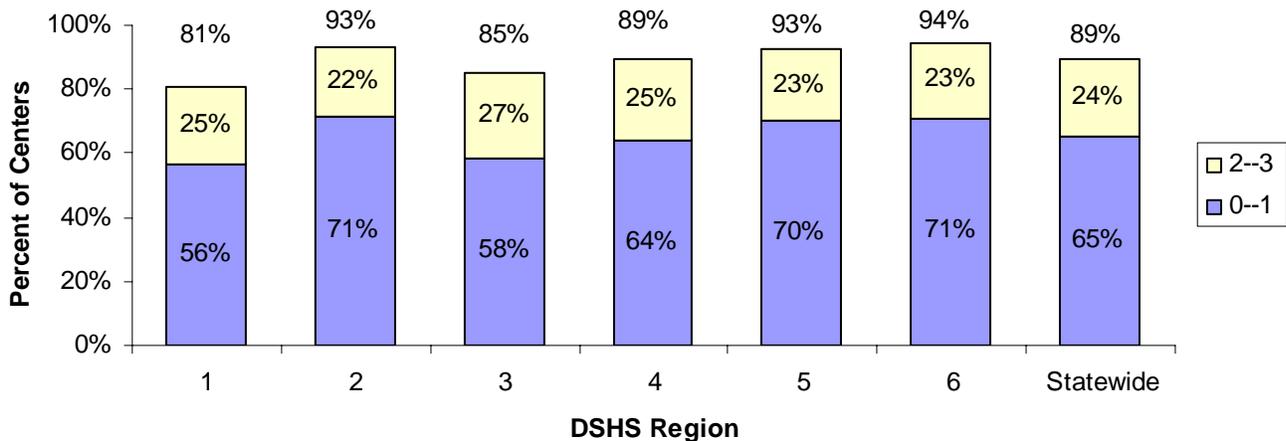
**Figure 59. Percent of Home Providers Contacting their Licensor at Least Five Times per Year, by Region, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

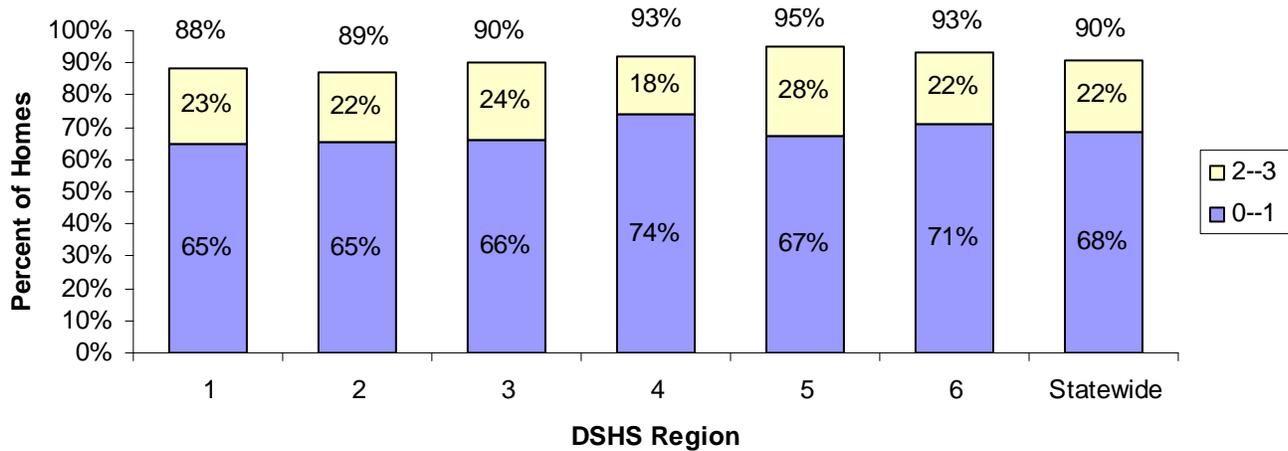
Figures 60 and 61 display the percent of centers and homes whose licensors generally returned their phone calls within three business days. Only providers who contacted their licensor at least once in the past year are included in these figures. The proportion of providers whose calls were generally returned within three business days is quite high for both center and family home providers. The only category where less than 85 percent of providers said that their calls were returned within three days was center providers in Region 1. The percent of centers receiving return phone calls from their licensor within three business days was unchanged from the 2002 survey. The percent for family homes was down slightly from 92 percent in 2002 to 90 percent in 2004.

**Figure 60. Percent of Centers Receiving Return Phone Calls from their Licensor Within Three Business Days, by Region, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Figure 61. Percent of Homes Receiving Return Phone Calls from their Licensor Within Three Business Days, by Region, 2004**



Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

### Child Turnover

On the 2004 survey, questions were added to investigate the number of children leaving providers and the reasons why they left. Center and family home providers were asked to select from the following four choices the one that best described child turnover in their facility in the past few months: more children left than usual, the same number of children left, fewer children left than usual; or no children left. Tables 42 and 43 show the percentages of providers selecting each category.

**Table 42. Child Turnover in Centers by Region, 2004**

Region	Higher than Usual	About the Same	Lower than Usual	No Children Leaving
1	25%	33%	25%	17%
2	14%	38%	23%	24%
3	17%	35%	31%	17%
4	16%	40%	19%	25%
5	13%	46%	21%	20%
6	18%	39%	21%	22%
<b>Statewide</b>	<b>17%</b>	<b>39%</b>	<b>23%</b>	<b>21%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Table 43. Child Turnover in Family Homes by Region, 2004**

Region	Higher than Usual	About the Same	Lower than Usual	No Children Leaving
1	16%	17%	14%	54%
2	17%	19%	10%	54%
3	13%	17%	12%	57%
4	10%	24%	14%	52%
5	18%	13%	9%	60%
6	14%	17%	12%	57%
<b>Statewide</b>	14%	18%	12%	55%

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

Statewide, only a small percentage of facilities reported that more children had left their business than usual: values ranged from a low of 10 percent for family homes in Region 4 to a high of 25 percent for centers in Region 1. Over half the family homes in every Region reported that no children had left their care in the past few months. For centers, the proportion with no turnover ranged from 17 to 25 percent.

Providers that had children leave in the months prior to the survey were asked if the following reasons were important in why children left: parents could not afford the co-payments; parents lost their jobs and no longer needed child care; and parents moved out of the area. Tables 44 and 45 show the percent of providers reporting that each reason was important as a factor in why children had left their business in the past few months. In almost all cases, parents becoming unemployed and not needing child care was more likely to be identified as an important factor in why children left their facility than either of the other two reasons, more important than families moving or having difficulty in paying co-payments.

**Table 44. Percent Reporting Reason as Important in Child Turnover in Centers, by Region, 2004**

Region	Can't afford Copay	Parent Unemployed	Family Moved
1	47%	64%	51%
2	39%	70%	56%
3	25%	71%	66%
4	30%	54%	55%
5	31%	65%	51%
6	27%	75%	58%
<b>Statewide</b>	32%	65%	56%

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Table 45. Percent Reporting Reason as Important in Child Turnover in Homes, by Region, 2004**

Region	Can't afford Copay	Parent Unemployed	Family Moved
1	34%	52%	36%
2	35%	45%	30%
3	28%	54%	48%
4	23%	41%	48%
5	11%	62%	47%
6	20%	59%	41%
<b>Statewide</b>	<b>26%</b>	<b>51%</b>	<b>42%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

### Collection of Fees and Co-payments

The 2004 survey included questions on the problems that providers have in collecting fees and co-payments. Center and family home providers were asked how they react when a parent fails to pay their fees or co-pays and providers caring for subsidized children were asked how often they collect co-pays.

Providers selected the response that best described what they do when a parent fails to pay either their fees or co-payments from the following choices: always or usually stop providing services, sometimes stop providing services, often continue providing services, or don't have problems with parents paying for services. Tables 46 and 47 show the percentage of center and home providers choosing each of the response categories. Family home providers are much more likely to continue providing care after missed payments than centers in every region. Statewide, 41 percent of centers said they always stop providing services after missed payments in comparison to 17 percent of homes. On the other hand, 58 percent of homes said that they do not have problems in collecting fees from their parents as compared to 21 percent of centers.

**Table 46. Center Response to Parents Not Paying Fees or Co-payments, by Region, 2004**

Region	Always Stop Serving	Sometimes Stop Serving	Often Continue Serving	No Problem Collecting Fees/Co-pays
1	51%	12%	19%	18%
2	39%	27%	12%	22%
3	49%	20%	17%	14%
4	27%	24%	20%	28%
5	44%	21%	13%	21%
6	46%	25%	12%	17%
<b>Statewide</b>	<b>41%</b>	<b>22%</b>	<b>16%</b>	<b>21%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Table 47. Family Home Response to Parents Not Paying Fees or Co-payments, by Region, 2004**

Region	Always Stop Serving	Sometimes Stop Serving	Often Continue Serving	No Problem Collecting Fees/Co-pays
1	16%	4%	17%	61%
2	14%	6%	17%	60%
3	17%	6%	11%	62%
4	18%	7%	19%	55%
5	18%	6%	15%	58%
6	18%	8%	18%	54%
<b>Statewide</b>	17%	6%	16%	58%

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

Tables 48 and 49 show how often facilities collect co-pays from parents using subsidized child care. Only providers serving subsidized children were asked these questions. Frequency of collection was divided into five categories: Always collect co-pay, Usually collect co-pay, Collect co-pay about half the time, Sometimes collect co-pay, and Never or almost never collect co-pays. Over 90 percent of centers and almost 90 percent of family home providers reported that they Always or Usually collect co-pays. Looking at the other side of the spectrum—providers that seldom or never collect co-pays—only 4 percent of centers and 8 percent of family home providers collect co-pays less than half the time. Especially for family home providers, that is a much smaller percentage of providers “forgiving” payments for subsidized child care than had been the commonly accepted belief.

**Table 48. Frequency of Collecting Co-payments by Centers, by Region, 2004**

Region	Always Collect Copay	Usually Collect Copay	Collect Half the Time	Sometimes Collect Copay	Never Collect Copay
1	72%	23%	2%	2%	1%
2	73%	21%	2%	0%	3%
3	74%	21%	1%	1%	3%
4	75%	17%	3%	2%	4%
5	86%	8%	3%	1%	2%
6	71%	24%	3%	3%	0%
<b>Statewide</b>	75%	18%	2%	2%	2%

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers

**Table 49. Frequency of Collecting Co-payments by Family Homes, by Region, 2004**

<b>Region</b>	<b>Always Collect Copay</b>	<b>Usually Collect Copay</b>	<b>Collect Half the Time</b>	<b>Sometimes Collect Copay</b>
1	81%	6%	4%	3%
2	82%	7%	4%	3%
3	78%	9%	2%	4%
4	81%	11%	1%	2%
5	82%	3%	5%	4%
6	88%	5%	2%	2%
<b>Statewide</b>	<b>82%</b>	<b>7%</b>	<b>3%</b>	<b>3%</b>

Source: DSHS Division of Child Care and Early Learning  
2004 Survey of Family Homes

## APPENDIX A: COUNTY STATISTICS

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**Table A1. 2004 County Level Statistics: Facilities and Child Care Slots**

<u>Counties</u>	<u>Licensed Centers</u>	<u>Licensed Homes</u>	<u>Licensed Facilities</u>	<u>Slots in Centers</u> <sup>[1]</sup>	<u>Slots in Homes</u> <sup>[2]</sup>	<u>Total Capacity</u> <sup>[3]</sup>
Adams	4	36	40	390	268	658
Asotin	9	8	17	339	64	403
Benton	54	264	318	3,037	2,107	5,144
Chelan	25	237	262	1,189	2,153	3,342
Clallam	28	49	77	1,200	421	1,620
Clark	102	448	550	6,006	3,633	9,639
Columbia	1	6	7	40	43	83
Cowlitz	36	88	124	2,326	712	3,038
Douglas	9	127	136	654	1,166	1,820
Ferry	1	2	3	12	18	30
Franklin	17	233	250	1,191	1,951	3,143
Garfield	0	0	0	0	0	0
Grant	19	219	238	1,130	1,682	2,812
Grays Harbor	19	68	87	861	624	1,486
Island	17	58	75	632	436	1,068
Jefferson	6	22	28	233	180	413
King	631	1,420	2,051	40,641	12,292	52,932
Kitsap	66	222	288	3,905	1,732	5,637
Kittitas	9	41	50	462	303	765
Klickitat	2	16	18	97	156	253
Lewis	29	67	96	1,172	576	1,748
Lincoln	4	10	14	89	86	175
Mason	11	54	65	496	512	1,008
Okanogan	14	70	84	618	588	1,206
Pacific	8	14	22	347	95	441
Pend Oreille	5	2	7	87	21	108
Pierce	271	711	982	14,211	6,315	20,526
San Juan	8	3	11	244	36	280
Skagit	56	199	255	2,366	1,756	4,121
Skamania	1	9	10	49	77	126
Snohomish	168	708	876	11,249	6,091	17,340
Spokane	219	369	588	13,210	3,337	16,547
Stevens	7	20	27	255	181	436
Thurston	100	269	369	5,147	2,453	7,601
Wahkiakum	2	0	2	85		85
Walla Walla	13	46	59	719	373	1,092
Whatcom	53	124	177	2,712	1,093	3,805
Whitman	17	24	41	921	207	1,128
Yakima	93	612	705	6,364	4,988	11,352
State Total	2,134	6,875	9,009	124,683	58,728	183,411

[1] Sum of centers' licensed capacities.

[2] Licensed slots minus provider's own children.

[3] Sum of licensed slots in centers and homes.

Due to higher level of detail, columns may not always agree with totals elsewhere. Due to rounding, the state totals may not be the sum of the county sub-totals.

**Table A2. 2004 County Level Statistics: Vacancies and Vacancy Rates**

Counties	Total Capacity	Vacancies, All Age Groups				Vacancy Rate <sup>[1]</sup>	Vacancies for Very Young Children			
		Centers <sup>[2]</sup>		Total	Homes <sup>[3]</sup>		Total			
		Centers	Homes		Infants			Toddlers	Under Two	
Adams	658	118	89	207	32%	8	18	32	58	
Asotin	403	82	12	94	23%	12	15	4	31	
Benton	5,144	380	454	834	16%	17	41	109	166	
Chelan	3,342	297	518	815	24%	15	10	237	262	
Clallam	1,620	211	63	275	17%	13	41	22	75	
Clark	9,639	871	597	1,468	15%	57	168	232	456	
Columbia	83	5	7	12	15%	0	1	0	1	
Cowlitz	3,038	491	191	681	22%	40	88	59	187	
Douglas	1,820	86	277	364	20%	7	3	140	149	
Ferry	30	0	4	4	13%			0	0	
Franklin	3,143	230	607	837	27%	28	40	330	399	
Garfield	0			0	0%				0	
Grant	2,812	206	470	676	24%	7	73	189	268	
Grays Harbor	1,486	141	89	231	16%	2	45	27	74	
Island	1,068	108	82	190	18%	4	22	20	45	
Jefferson	413	83	30	113	27%	14	2	10	25	
King	52,932	6,107	2,243	8,350	16%	294	1,195	1,000	2,489	
Kitsap	5,637	500	327	827	15%	40	67	114	220	
Kittitas	765	62	48	109	14%	4	7	20	31	
Klickitat	253	1	27	28	11%	0	1	16	17	
Lewis	1,748	311	156	467	27%	25	58	53	136	
Lincoln	175	0	10	10	6%			4	4	
Mason	1,008	49	65	113	11%	8	16	27	51	
Okanogan	1,206	132	153	284	24%	17	35	67	119	
Pacific	441	73	16	89	20%	8	29	5	42	
Pend Oreille	108	25	0	25	23%	3	8		11	
Pierce	20,526	2,444	973	3,417	17%	159	475	368	1,002	
San Juan	280	57	6	63	23%	1	8	3	12	
Skagit	4,121	321	338	658	16%	17	55	119	192	
Skamania	126	7	14	21	16%		2	4	6	
Snohomish	17,340	2,075	961	3,036	18%	102	362	313	777	
Spokane	16,547	2,410	467	2,878	17%	132	384	144	660	
Stevens	436	73	39	111	25%	13	15	11	39	
Thurston	7,601	913	364	1,277	17%	21	97	65	182	
Wahkiakum	85	34		34	40%	4	3		7	
Walla Walla	1,092	82	79	161	15%	2	17	37	56	
Whatcom	3,805	339	226	565	15%	15	64	79	158	
Whitman	1,128	128	25	152	14%	4	13	8	25	
Yakima	11,352	971	1,518	2,490	22%	80	202	724	1,007	
State Total	183,411	20,421	11,544	31,966	17%	1,171	3,678	4,591	9,440	

[1] Vacancy rate = Vacancies/Licensed Slots

[2] Center Vacancies: Infants up to 1; Toddlers 1 to 2.5

[3] Home Vacancies for Infant/Toddlers under 2 years old

**Table A3. 2004 County Level Statistics: Children in Licensed Child Care**

Counties	All Children Non-school-age		Children in Licensed Care			% Under 13 in Licensed Care <sup>[2]</sup>	Total Capacity <sup>[3]</sup>	Slots per 100 Children <sup>[4]</sup>
	Under 13 <sup>[1]</sup>	Children	Centers	Homes	Total			
Adams	3,943	1,536	69	185	254	6%	658	17
Asotin	3,530	1,364	384	55	439	12%	403	11
Benton	30,971	11,395	2,200	1,641	3,840	12%	5,144	17
Chelan	12,848	4,725	853	1,427	2,280	18%	3,342	26
Clallam	9,302	3,257	1,228	409	1,637	18%	1,620	17
Clark	76,276	29,040	6,191	3,136	9,327	12%	9,639	13
Columbia	625	210	0	42	42	7%	83	13
Cowlitz	17,203	6,147	2,203	673	2,875	17%	3,038	18
Douglas	6,829	2,508	605	813	1,418	21%	1,820	27
Ferry	1,182	380	15	14	29	2%	30	3
Franklin	13,817	5,568	914	1,335	2,249	16%	3,143	23
Garfield	370	106			0	0%	0	0
Grant	17,174	6,652	850	1,161	2,011	12%	2,812	16
Grays Harbor	11,588	4,154	901	633	1,534	13%	1,486	13
Island	13,001	4,830	793	383	1,177	9%	1,068	8
Jefferson	3,308	1,035	203	175	377	11%	413	12
King	277,260	105,345	38,924	9,700	48,625	18%	52,932	19
Kitsap	43,128	15,548	3,618	1,425	5,043	12%	5,637	13
Kittitas	4,806	1,751	491	292	784	16%	765	16
Klickitat	3,387	1,191	79	141	220	6%	253	7
Lewis	12,107	4,366	1,103	431	1,533	13%	1,748	14
Lincoln	1,639	560	115	102	217	13%	175	11
Mason	7,736	2,635	566	445	1,011	13%	1,008	13
Okanogan	7,124	2,405	551	472	1,023	14%	1,206	17
Pacific	2,789	919	345	92	436	16%	441	16
Pend Oreille	1,971	620	71	24	95	5%	108	5
Pierce	138,551	51,485	14,079	5,236	19,315	14%	20,526	15
San Juan	1,815	534	252	30	282	16%	280	15
Skagit	19,058	6,862	2,215	1,481	3,697	19%	4,121	22
Skamania	1,744	625	76	62	138	8%	126	7
Snohomish	121,805	45,081	10,811	4,768	15,580	13%	17,340	14
Spokane	74,601	27,510	13,071	2,690	15,761	21%	16,547	22
Stevens	7,393	2,371	287	170	457	6%	436	6
Thurston	36,465	13,075	5,061	2,292	7,353	20%	7,601	21
Wahkiakum	549	191	68		68	12%	85	15
Walla Walla	9,300	3,443	747	318	1,065	11%	1,092	12
Whatcom	28,741	10,476	2,568	919	3,487	12%	3,805	13
Whitman	5,022	1,932	1,019	153	1,171	23%	1,128	22
Yakima	50,120	19,328	5,178	3,659	8,837	18%	11,352	23
State Total	1,079,081	401,158	118,703	46,983	165,686	15%	183,411	17

[1] Based on OFM estimate of children under 13  
 [2] Children in licensed care/All children under 13  
 [3] From last column of Table A1  
 [4] 100 x (Licensed slots/All children under 13)

**Table A4. 2004 County Level Statistics: Children with Subsidized Child Care**

Counties	Estimate from Child Care Surveys			Information from SSPS <sup>[2]</sup>		Children Under 13 in Poverty <sup>[4]</sup>
	Spring 2004 <sup>[1]</sup>			Fiscal Year 2004 <sup>[3]</sup>		
	Centers	Homes	Both	Licensed Care Only	Licensed or Exempt Care	
Adams	11	122	133	157	229	923
Asotin	183	15	197	177	249	766
Benton	881	595	1,477	1,401	1,870	4,181
Chelan	270	862	1,133	1,088	1,325	2,313
Clallam	514	158	672	629	749	1,665
Clark	1,938	820	2,759	3,215	4,172	9,153
Columbia		14	14	11	20	114
Cowlitz	851	442	1,293	1,265	1,726	2,959
Douglas	142	508	650	597	666	1,229
Ferry	5	8	13	17	50	333
Franklin	271	1,097	1,368	1,414	1,745	3,330
Garfield			0	0	6	79
Grant	311	692	1,003	1,154	1,483	3,847
Grays Harbor	415	272	687	690	926	2,434
Island	151	156	307	351	431	1,456
Jefferson	119	70	189	135	159	592
King	7,122	2,458	9,580	10,207	12,198	25,508
Kitsap	1,172	311	1,482	1,507	1,822	4,658
Kittitas	106	66	172	171	190	788
Klickitat	19	44	63	77	112	745
Lewis	595	230	825	827	1,083	2,240
Lincoln	20	46	66	50	62	285
Mason	219	184	403	423	550	1,392
Okanogan	171	231	402	461	672	2,059
Pacific	161	44	205	168	197	628
Pend Oreille	23	14	37	55	80	514
Pierce	5,271	1,322	6,593	6,926	8,527	17,596
San Juan	46	15	61	59	61	261
Skagit	630	951	1,581	1,363	1,635	2,878
Skamania	33	24	57	59	70	289
Snohomish	2,847	862	3,709	3,669	4,285	10,841
Spokane	4,758	952	5,710	5,299	6,505	11,190
Stevens	140	50	190	279	418	1,612
Thurston	1,560	533	2,093	1,947	2,303	4,048
Wahkiakum	20		20	23	29	87
Walla Walla	204	139	343	364	547	1,665
Whatcom	1,004	336	1,341	1,273	1,647	3,995
Whitman	241	43	283	188	222	718
Yakima	1,667	2,349	4,016	4,051	5,382	12,580
State Total	34,091	17,035	51,126	51,744	64,402	142,439

[1] The 2004 Surveys of Child Care Centers and Homes were conducted from February through June 2004

[2] DSHS' Social Service Payment System (SSPS) contains information on payments made for subsidized child care.

[3] Monthly average of children receiving subsidized care for February-April 2004. Excludes children receiving care out-of-state.

[4] Based on OFM's estimate of children under 13 and percent of children under 18 in poverty as of 2000 Census.

**Table A5. 2004 County Level Statistics:  
Average Price of Full-Time Preschool Child Care**

<u>Counties</u>	<u>Centers*</u>	<u>Homes*</u>	<u>All Facilities*</u>
Adams	< 5 facilities	\$414	\$414
Asotin	\$414	\$381	\$409
Benton	\$520	\$441	\$485
Chelan	\$437	\$410	\$419
Clallam	\$580	\$511	\$558
Clark	\$611	\$514	\$574
Columbia	< 5 facilities	\$474	\$474
Cowlitz	\$447	\$481	\$454
Douglas	\$442	\$389	\$401
Ferry	< 5 facilities	< 5 facilities	< 5 facilities
Franklin	\$446	\$406	\$417
Garfield	< 5 facilities	< 5 facilities	< 5 facilities
Grant	\$522	\$413	\$461
Grays Harbor	\$450	\$467	\$456
Island	\$541	\$515	\$531
Jefferson	\$506	\$457	\$488
King	\$717	\$648	\$701
Kitsap	\$538	\$540	\$539
Kittitas	\$534	\$458	\$505
Klickitat	< 5 facilities	\$506	\$505
Lewis	\$451	\$458	\$453
Lincoln	< 5 facilities	\$440	\$421
Mason	\$486	\$469	\$477
Okanogan	\$469	\$412	\$435
Pacific	\$437	\$456	\$442
Pend Oreille	\$425	< 5 facilities	\$439
Pierce	\$538	\$503	\$529
San Juan	\$608	< 5 facilities	\$585
Skagit	\$515	\$517	\$516
Skamania	< 5 facilities	\$435	\$497
Snohomish	\$635	\$543	\$608
Spokane	\$491	\$426	\$476
Stevens	\$510	\$421	\$473
Thurston	\$537	\$493	\$521
Wahkiakum	< 5 facilities	< 5 facilities	< 5 facilities
Walla Walla	\$505	\$433	\$476
Whatcom	\$593	\$519	\$575
Whitman	\$551	\$451	\$540
Yakima	\$445	\$384	\$414
State Total	\$598	\$510	\$570

\* Unable to estimate when fewer than 5 facilities in county.

DSHS Division of Child Care and Early Learning  
2004 Survey of Child Care Centers and Homes

## APPENDIX B: COUNTY STATISTICAL MAPS

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**Figure B1. Number of Licensed Child Care Centers, 2004**

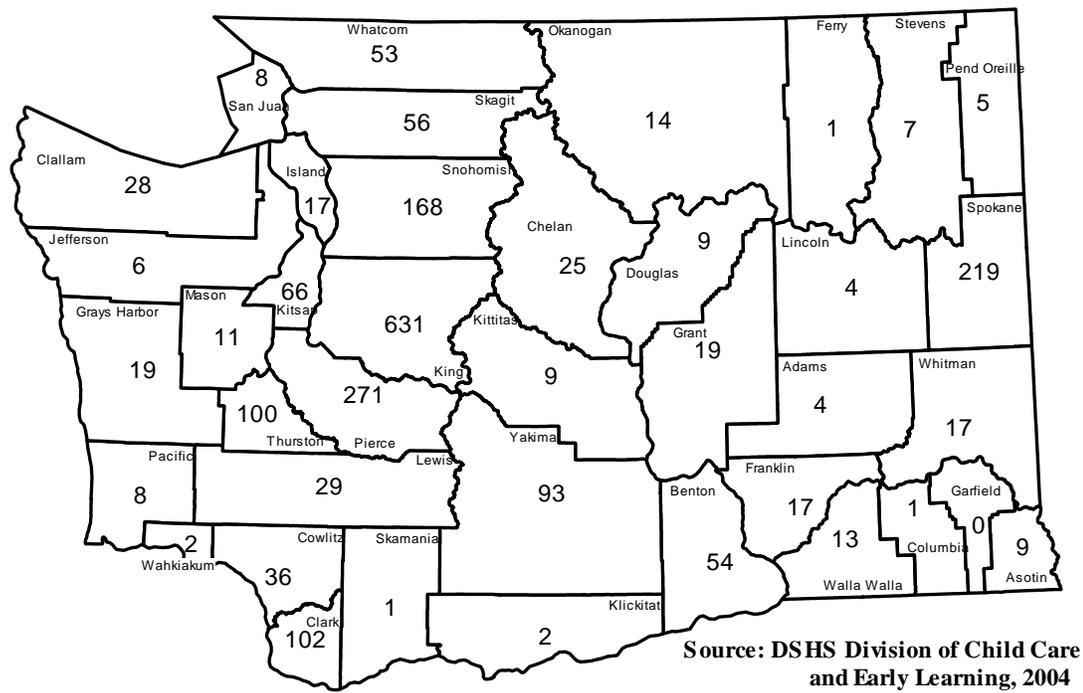
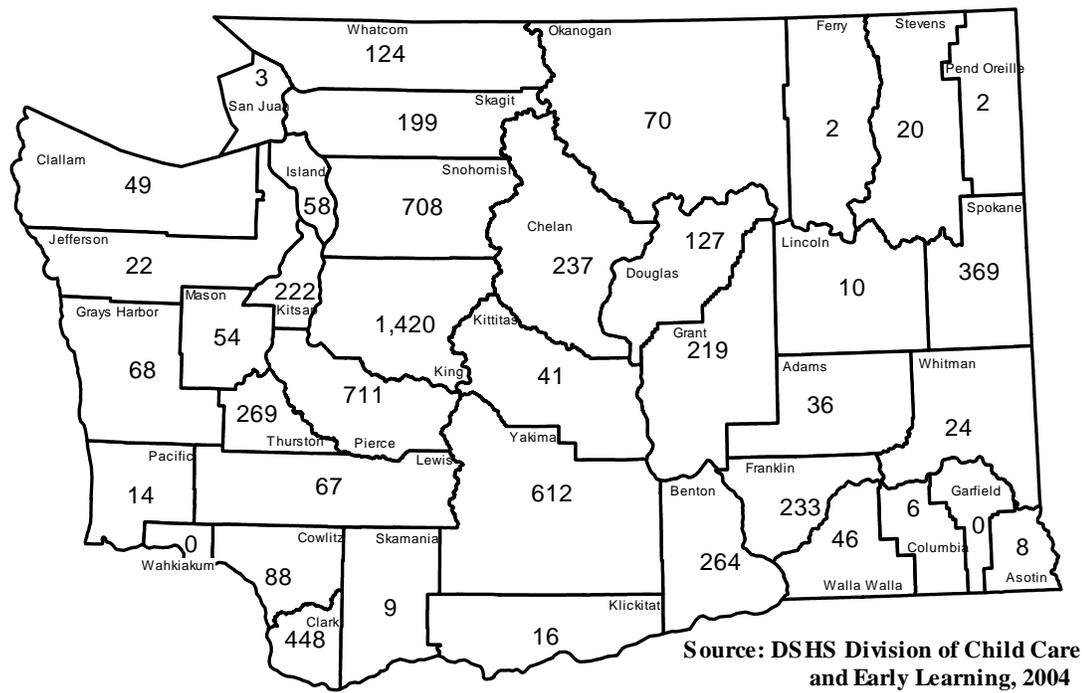


Figure B2. Number of Licensed Family Homes, 2004



**Figure B3. Child Care Slots in Licensed Centers, 2004**

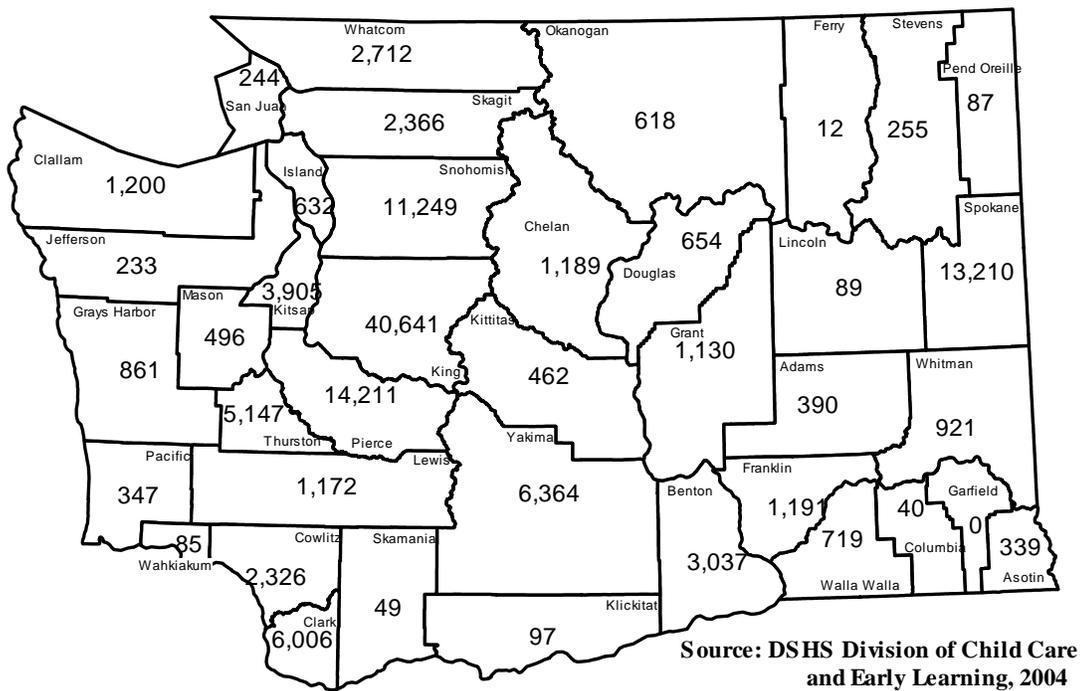
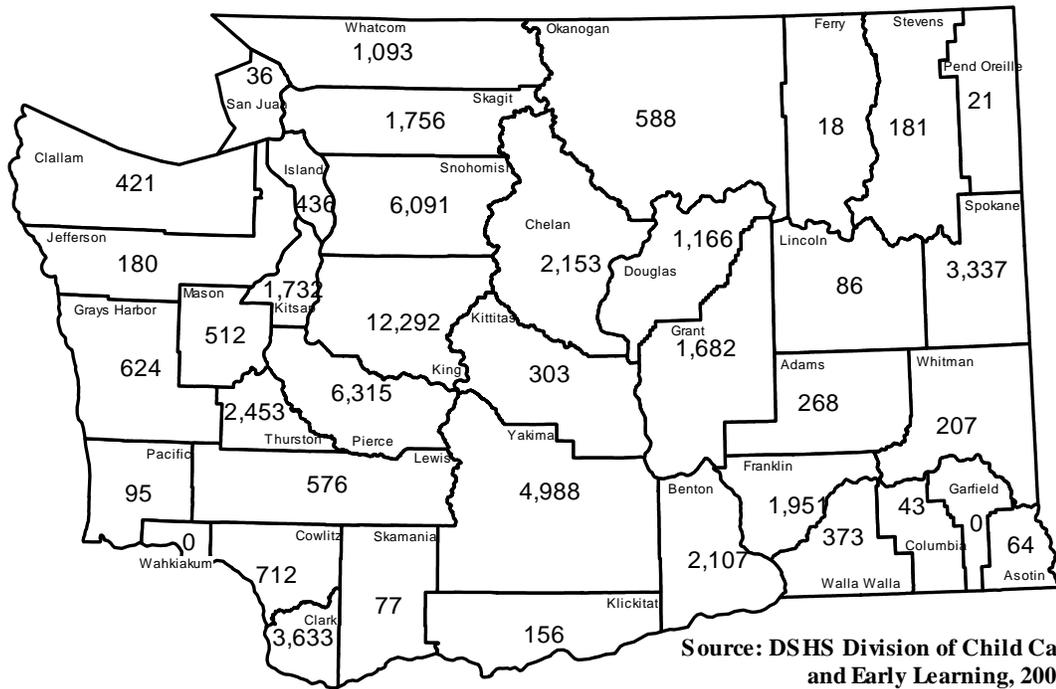


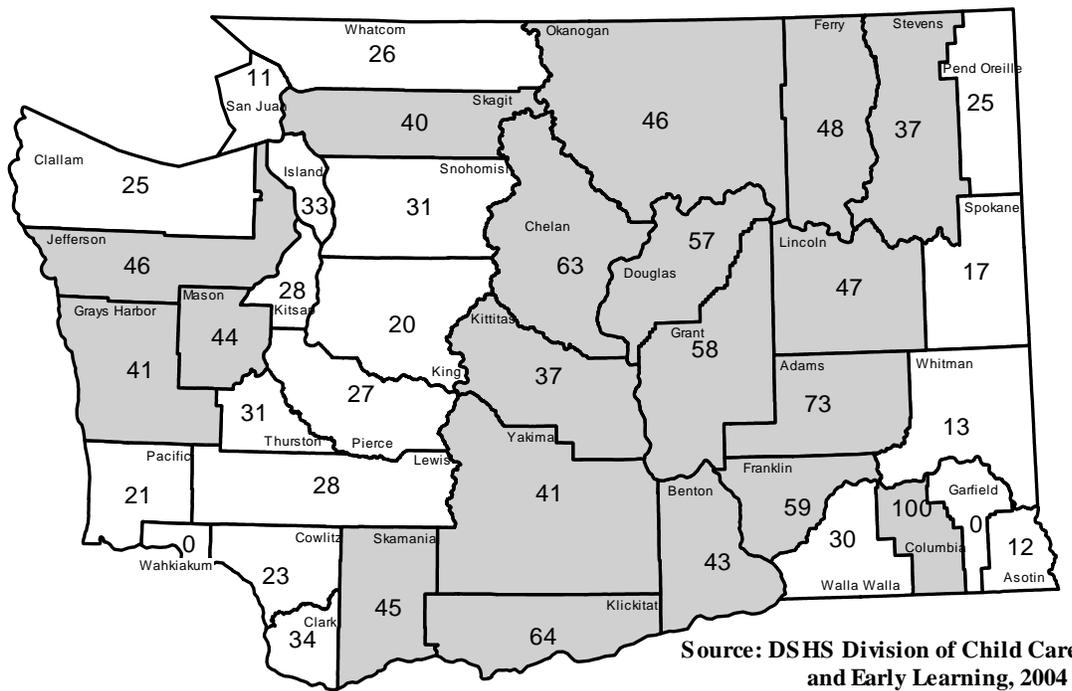
Figure B4. Capacity of Licensed Family Homes, 2004



Source: DSHS Division of Child Care and Early Learning, 2004

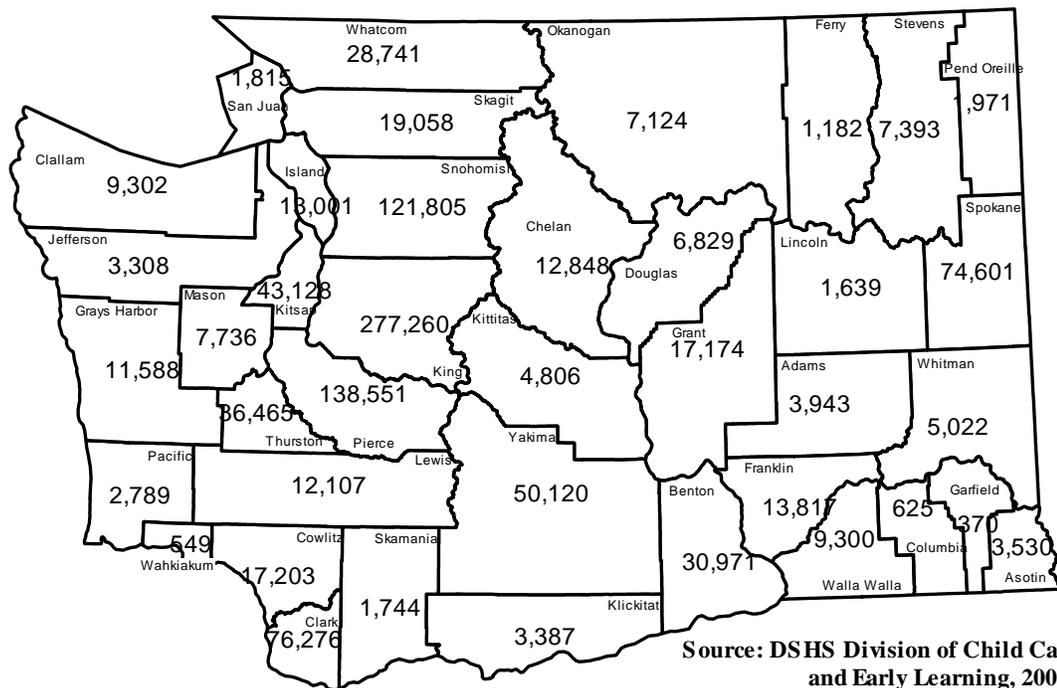


**Figure B6. Percent of Children in Licensed Care that Attend Licensed Family Homes, 2004**

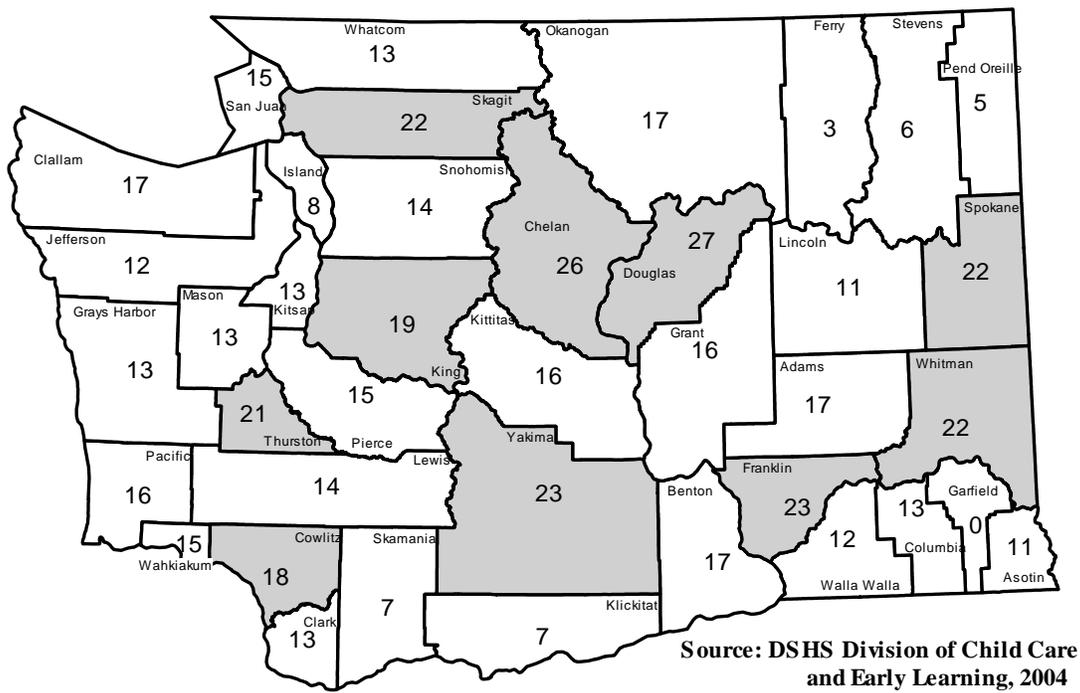


**Note: Shaded counties had more than 35 out of every 100 children in licensed care attending licensed family homes in 2004 (the statewide average was 28 per 100 children in 2004).**

**Figure B7. Total Child Population (0-12 Years), 2004 Estimate**



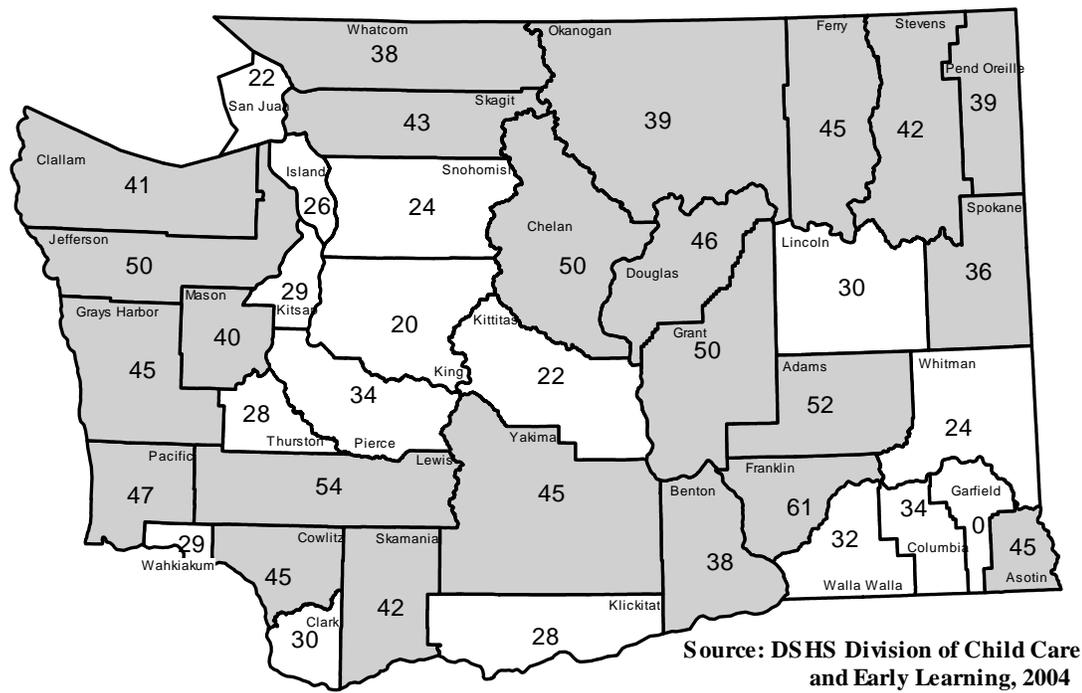
**Figure B8. Licensed Slots per 100 Children, 2004**



**Note: Shaded counties had more than 17 licensed care slots per 100 children 0-12 (the statewide average was 17 in 2004).**



**Figure B10. Percent of Children in Licensed Care Subsidized by DSHS, 2004**



**Note: Shaded counties had more than 35 percent of their children in licensed care subsidized by DSHS in 2004. The statewide average was 31 percent in 2004.**

Figure B11. Total Reported Vacancies in Licensed Care, 2004

