# CPQ&R User Guide: State-Level Infrastructure and Costs

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|---|---|
| **Inflation** (B.2.c.1) | **Program Evaluation** (B.2.c.6) |
| **Baseline Administrative Cost** (B.2.c.2) | |
| **Capacity Building** (B.2.c.3) | |
| **Additional System Supports** (B.2.c.4) | |
| **External Technical Assistance** (B.2.c.5) | |

There are six buttons in the State-Level Infrastructure and Costs category. Pressing any one of these buttons on the HOME Page takes the user to the appropriate sub-table under Table B.2.c: State-Level Infrastructure & Supports. In some cases, the assumptions driving state-level costs have already been addressed within one of the NIEER Preschool Quality Standards Benchmarks (Tables B.2.b.1-10). Subtotals for the resulting state-level costs are presented under the relevant section in each table.

*Annual Inflation Factor on Unit Costs.* This table allows you to establish whether future costs are projected with or without the effects of inflation. If no inflation is assumed, then unit costs do not change over time. If inflation is assumed, then it applies to unit costs beginning in Year 1 and is compounded annually.
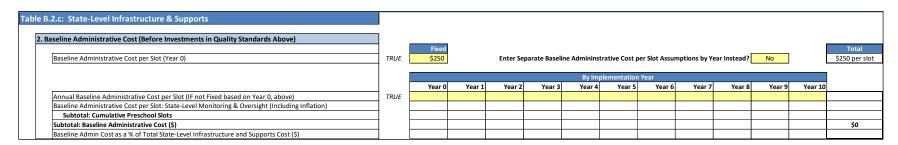
| Table B.2.c: State-Level Infrastructure & Supports | | | |
|---|---|---|---|

| 1. Annual Inflation Factor on Unit Costs | | Fixed | Total |
|---|---|---|---|
| Inflation Factor (Applies to Year 0 Unit Cost Assumptions--Use 0% to Ignore Inflation Considerations) | TRUE | 1.6% | 1.6% |

## *The Alterable Variables in the Annual Inflation Factor on Unit Costs Section*

**Annual Inflation (Applies to Year 0 Unit Cost Assumptions)**: The annual increase in the price of unit costs (the rate of price inflation) in the preschool slot plan projections. The effects of inflation can become significant over large timespans. If you do not want to assume an inflation rate and instead want to report all future costs in terms of today's dollars, then enter a value of 0%.

> **Advanced Users**: You can independently set inflation for funding assumptions in Table B.2.a.2: Funding Streams. For example, this can allow you to measure the size of a funding gap arising when prices are expected to rise over time and anticipated funding is not corrected for inflation.

## *Baseline Administrative Cost*. States will incur costs to sustain an existing early learning program at its current quality levels, or in the case of a new program, to provide a basic minimum level of administrative support and oversight. The CPQ&R is designed to "layer" additional state-level administrative costs associated with introducing new quality standards on top of this baseline level. This allows you to specify the baseline in one of two ways: you can assume a fixed cost per slot over all implementation years, or vary the cost per slot by implementation year.

| Table B.2.c: State-Level Infrastructure & Supports | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| 2. Baseline Administrative Cost (Before Investments in Quality Standards Above) | | Fixed | | | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Baseline Administrative Cost per Slot (Year 0) | TRUE | $250 | | | Enter Separate Baseline Administrative Cost per Slot Assumptions by Year Instead? | | | | No | | | | | $250 per slot |
| | | **By Implementation Year** | | | | | | | | | | | | |
| | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | |
| Annual Baseline Administrative Cost per Slot (IF not Fixed based on Year 0, above) | TRUE | | | | | | | | | | | | | |
| Baseline Administrative Cost per Slot: State-Level Monitoring & Oversight (Including Inflation) | | | | | | | | | | | | | | |
| Subtotal: Cumulative Preschool Slots | | | | | | | | | | | | | | |
| **Subtotal: Baseline Administrative Cost ($)** | | | | | | | | | | | | | | $0 |
| Baseline Admin Cost as a % of Total State-Level Infrastructure and Supports Cost ($) | | | | | | | | | | | | | | |

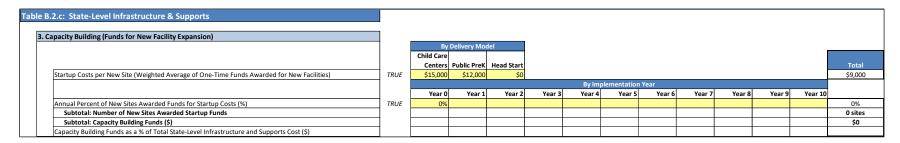## *The Alterable Variables in the Baseline Administrative Cost Section*

**Baseline Administrative Cost per Slot (Year 0)**: The minimum cost to administer a new early learning program, or the cost to administrate an existing early learning program at its current quality standards (i.e., in Year 0), before the cost to implement and support additional quality standards. The cost of additional quality

> You should take care to ensure that no double-counting occurs between the costs included in the **Baseline Administrative Cost per Slot** and the additional state-level cost assumptions made elsewhere in the CPQ&R.

standards in Years 1+ are added to the baseline administrative cost per slot. This cost is applied unless the user selects "Yes" from the drop-down menu for the assumption stating, "Enter Separate Baseline Administrative Cost per Slot Assumptions by Year Instead?"

**Annual Baseline Administrative Cost per Slot (IF not Fixed based on Year 0, above):** The minimum cost to administer an early learning program, before the cost of implementing and support additional quality standards, entered by implementation year. This cost is applied unless the user selects "No" from the drop-down menu for the assumption stating, "Enter Separate Baseline Administrative Cost per Slot Assumptions by Year Instead?" For example, you may prefer to enter a cost per slot by implementation year because your administrative costs have a fixed and variable component (i.e., they are not 100% variable), resulting in a higher average cost per slot for small programs that would decrease as the programs expand to reach more children.

*Capacity Building.* The CPQ&R treats capacity building as funds awarded by the state to providers to build their local site capacity and add or improve space to accommodate additional children. This table allows you to enter a one-time award of funds to each new site required to meet the annual slot plan. Awards can be set by delivery model, and you can also assume less than 100% of eligible new sites receive awards. The number of new sites is a function of the number of new classrooms required to meet the annual preschool slot plan, and the average number of classrooms per facility.

| Table B.2.c: State-Level Infrastructure & Supports | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **3. Capacity Building (Funds for New Facility Expansion)** | | | | | | | | | | | | | | | | |
| | | | **By Delivery Model** | | | | | | | | | | | | | **Total** |
| | | | Child Care Centers | Public PreK | Head Start | | | | | | | | | | | |
| Startup Costs per New Site (Weighted Average of One-Time Funds Awarded for New Facilities) | TRUE | | $15,000 | $12,000 | $0 | | | | | | | | | | | $9,000 |
| | | | **By Implementation Year** | | | | | | | | | | | | | |
| | | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | |
| Annual Percent of New Sites Awarded Funds for Startup Costs (%) | TRUE | | 0% | | | | | | | | | | | | 0% |
| Subtotal: Number of New Sites Awarded Startup Funds | | | | | | | | | | | | | | | | 0 sites |
| Subtotal: Capacity Building Funds ($) | | | | | | | | | | | | | | | | $0 |
| Capacity Building Funds as a % of Total State-Level Infrastructure and Supports Cost ($) | | | | | | | | | | | | | | | | |

*The Alterable Variables in the Capacity Building Section*
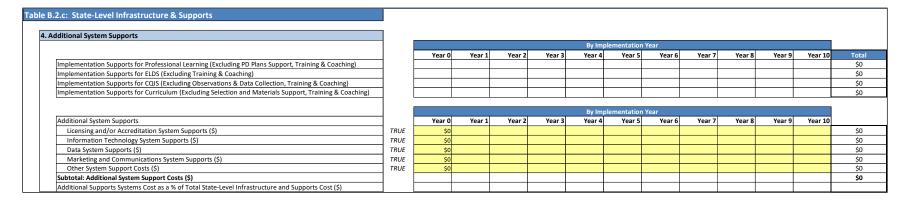
**Startup Costs per New Site (Weighted Average of One-Time Funds Awarded for New Facilities)**: The cost funded by the state for new facilities entering the preschool slot plan, for building improvements and other investments that build their capacity to meet the new quality standards and/or enroll additional students. Startup costs can also help to subsidize the cost for new facilities created (newly built or remodeled) to meet the preschool slot plan.

**Annual Percent of New Sites Awarded Funds for Startup Costs (%)**: In cases where providers must apply for capacity building and awards are not guaranteed, users can specify the percentage of new facilities that receive Startup funds. The same percentage is applied to all delivery models equally.

> **Advanced Users**: You can modify the CPQ&R so that all sites are eligible for participating in capacity building funds, by editing the formula for the row, "Subtotal: Capacity Building Costs" in Worksheet E: State Level Infrastr&Support."

*Additional System Supports*.  This table allows you to enter information for large, one-time investments or costs that are not directly proportional to early learning volumes and that you have not already entered under the NIEER quality standards benchmarks. For example, the purchase and installation of a new enterprise-wide Information Technology (IT) platform can be a large capital investment occurring over a fixed number of years.

The top of this table shows the results from other implementation supports specified by the user under Professional Learning, Early Learning and Development Standards (ELDS), Continuous Quality Improvement Systems (CQIS), and Curriculum.  The CPQ&R suggests five additional categories of system supports that you may consider: Licensing and/or Accreditation System Supports, Information Technology (hardware), Data Systems (software), Marketing and Communications, and Other.

### Table B.2.c:  State-Level Infrastructure & Supports

**4. Additional System Supports**

| | | | By Implementation Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| Implementation Supports for Professional Learning (Excluding PD Plans Support, Training & Coaching) | | | | | | | | | | | | | | $0 |
| Implementation Supports for ELDS (Excluding Training & Coaching) | | | | | | | | | | | | | | $0 |
| Implementation Supports for CQIS (Excluding Observations & Data Collection, Training & Coaching) | | | | | | | | | | | | | | $0 |
| Implementation Supports for Curriculum (Excluding Selection and Materials Support, Training & Coaching) | | | | | | | | | | | | | | $0 |

| | | | By Implementation Year | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Additional System Supports | | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Licensing and/or Accreditation System Supports ($) | TRUE | $0 | | | | | | | | | | | | $0 |
| Information Technology System Supports ($) | TRUE | $0 | | | | | | | | | | | | $0 |
| Data System Supports ($) | TRUE | $0 | | | | | | | | | | | | $0 |
| Marketing and Communications System Supports ($) | TRUE | $0 | | | | | | | | | | | | $0 |
| Other System Support Costs ($) | TRUE | $0 | | | | | | | | | | | | $0 |
| **Subtotal: Additional System Support Costs ($)** | | | | | | | | | | | | | | **$0** |
| Additional Supports Systems Cost as a % of Total State-Level Infrastructure and Supports Cost ($) | | | | | | | | | | | | | | |

*The Alterable Variables in the Additional System Supports Section*

**Licensing and/or Accreditation System Supports ($)**: Large, fixed, and/or non-recurring provider licensing and/or accreditation investments. This can include costs for site visits related to licensing but not related to classroom observations under a Continuous Quality Improvement System.

**Information Technology System Supports ($)**: Large, fixed, and/or non-recurring Information Technology (IT) investments or improvements, typically in hardware or in enterprise applications.
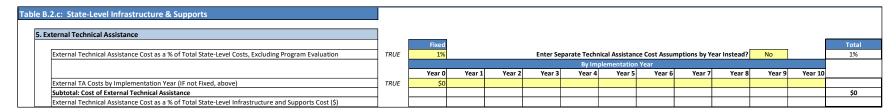
**Data System Supports ($)**: Large, fixed, and/or non-recurring Data System investments or improvements. Such costs may include data systems for mapping and analytics, and if not already accounted for under the implementation supports under the quality standards, for systems such as registries for professional development and a CQIS portal for maintaining and disseminating provider quality ratings.

**Marketing and Communications System Supports ($)**: Large, fixed, and/or non-recurring marketing and communication system investments. Such costs may be associated with provider recruitment, and family recruitment and enrollment.

**Other System Support Costs ($)**: Account for large, fixed, and/or non-recurring investments, other than specified above.

> **Advanced Users**: The bottom section of the table is formatted to allow for additional rows to be inserted. Only the row, "Subtotal: Additional System Support Costs," is used by other worksheets in the CPQ&R to perform calculations; therefore, you can insert additional rows within this section of the table as you see fit, as long as the correct subtotal amount is still captured in the aforementioned subtotal row.

*External Technical Assistance.* In this table you can enter information on costs from outside consulting and other forms of third party support associated with the implementation of your preschool slot plan. The CPQ&R allows users to assume external Technical Assistance (TA) costs as a percentage of state-level costs or as a fixed amount entered by implementation year.

| Table B.2.c: State-Level Infrastructure & Supports | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **5. External Technical Assistance** | | | | | | | | | | | | | | | |
| | | **Fixed** | | | | | | | | | | | | | **Total** |
| External Technical Assistance Cost as a % of Total State-Level Costs, Excluding Program Evaluation | *TRUE* | 1% | | | Enter Separate Technical Assistance Cost Assumptions by Year Instead? | | | | | No | | | | | 1% |
| | | **By Implementation Year** | | | | | | | | | | | | | |
| | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | | |
| External TA Costs by Implementation Year (IF not Fixed, above) | *TRUE* | $0 | | | | | | | | | | | | | |
| **Subtotal: Cost of External Technical Assistance** | | | | | | | | | | | | | | | $0 |
| External Technical Assistance Cost as a % of Total State-Level Infrastructure and Supports Cost ($) | | | | | | | | | | | | | | | |

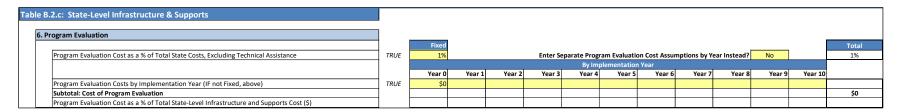*The Alterable Variables in the Technical Assistance Section*

**External Technical Assistance Cost as a % of Total State-Level Costs, Excluding Program Evaluation**: A fixed percentage of state-level costs allocated to External Technical Assistance (TA) in each implementation year. Program evaluation is excluded from this calculation because it

employs a similar method for deriving state-level cost allocations. This cost is applied if the user selects "No" from the drop-down menu for the assumption stating, "Enter Separate Technical Assistance Cost Assumptions by Year Instead?"

**External TA Costs by Implementation Year (IF not Fixed, above)**: State-level costs for TA, entered manually by implementation year. This cost is applied if the user selects "Yes" from the drop-down menu for the assumption stating, "Enter Separate Technical Assistance Cost Assumptions by Year Instead?" You may prefer to enter costs using this method if you do not expect External TA costs to scale directly with the size of your preschool program or if such costs are intermittent.

> **Advanced Users**: This table is formatted to allow for additional rows to be inserted, which is applicable if you choose to enter External TA Costs by Implementation Year. Only the row, "Subtotal: Cost of External Technical Assistance," is used by other worksheets in the CPQ&R to perform calculations; therefore, you can insert additional rows within this table as you see fit, as long as the correct subtotal amount is still captured in the aforementioned subtotal row. Inserting rows is not applicable if you choose to enter External TA Costs as a % of Total State-Level Costs.

*Program Evaluation.* Program Evaluation (PE) refers to the external evaluation of the overall effectiveness and efficiency of a state early learning program conducted by an independent (third party) evaluator. This is distinct from site visits to monitor provider quality. The CPQ&R considers PE activities as separate from TA activities in part because states typically require the former, whereas state early learning agencies have the discretion to hire or not hire outside consultants and other forms of third party support.

| Table B.2.c:  State-Level Infrastructure & Supports | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **6. Program Evaluation** | | | | | | | | | | | | | | |
| | | **Fixed** | | | | | | | | | | | | **Total** |
| Program Evaluation Cost as a % of Total State Costs, Excluding Technical Assistance | *TRUE* | 1% | | | Enter Separate Program Evaluation Cost Assumptions by Year Instead? | | | | | No | | | | 1% |
| | | **By Implementation Year** | | | | | | | | | | | | |
| | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | |
| Program Evaluation Costs by Implementation Year (IF not Fixed, above) | *TRUE* | $0 | | | | | | | | | | | | |
| **Subtotal: Cost of Program Evaluation** | | | | | | | | | | | | | | $0 |
| Program Evaluation Cost as a % of Total State-Level Infrastructure and Supports Cost ($) | | | | | | | | | | | | | | |

*The Alterable Variables in the Program Evaluation Section*

**Program Evaluation Cost as a % of Total State Costs, Excluding Technical Assistance**: A fixed percentage of state-level costs allocated to program evaluation. Technical assistance is excluded from this calculation because it employs a similar method for deriving state-level cost allocations. This cost is applied if the user selects "No" from the drop-down menu for the assumption stating, "Enter Separate Program Evaluation Cost Assumptions by Year Instead?"

**Program Evaluation Costs by Implementation Year (IF not Fixed, above)**: If not a fixed % of state-level costs, program evaluation expenditure by year can be entered here. This cost is applied if the user selects "Yes" from the drop-down menu for the assumption stating, "Enter Separate Program Evaluation Cost Assumptions by Year Instead?" You may prefer to enter costs using this method if you do not expect PE costs to scale directly with the size of your preschool program or if such costs do occur in every implementation year.