Data is Our Friend:
Understanding the Costs of Quality

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EARLY CHILDHOOD EDUCATION (ECE) STATE COLLABORATIVE ON ASSESSMENT AND STUDENT STANDARDS (SCASS)
February 21, 2018
WHAT IS 1 BURNING QUESTION YOU HAVE ABOUT THE COSTS OF EARLY LEARNING PROGRAMS IN YOUR STATE?
What We Will Talk About

• Overview of the Cost of Preschool Quality and Revenue (CPQR)
• Why Use the Tool & How to Get Started
• Two State Examples: Kentucky and Indiana
• Tips for Talking About Costs
• Next Steps & Additional Resources
What is the Cost of Preschool Quality & Revenue (CPQ&R)?

• Free, excel-based tool to project costs and revenue to expand access/enhance quality of preschool programs
  ▪ Fully accounts for state and local administrative costs
  ▪ Projects costs based on quality standards
  ▪ Includes a comprehensive revenue section
  ▪ Allows users to compare alternate policy options
High-Level Organization of the CPQ&R

A. Summary Outputs & Index
- Total costs and key volume metrics
- An index showing which assumptions are complete/incomplete
- Cost models derived from volume forecasts and unit prices

B. Implementation Plan
- A single worksheet for entering all CPQ&R assumptions
- State-specific data to be combined with (or inform) assumptions

C. Demographic Tables
- Year-by-year volume forecasts derived from assumptions

D. Annual Schedule Tables
- A landing page for navigating the CPQ&R
- A visual summary of the primary data categories with links to corresponding sections in the Implementation Plan

E. & F. State-Level and Provider-Level [Costs]
CPQ&R Cost Components

**NIEER Quality Standards**
- Aligned Early Learning Standards
- Lead Teacher Degree
- Teacher Specialized Training
- Assistant Teacher Degree
- New PD + Coaching for Lead and Asst Teachers
- Maximum Class Size
- Staff-Child Ratio
- Screening/Referrals
- New Continuous Quality Improvement
- New Supports for Curriculum Implementation

**State Level Infrastructure & Supports**
- Admin Costs
- Curriculum Standards
- Coaching
- Technical Assistance
- Ratings & Monitoring
- Program Evaluation
- Professional Development
- System Supports
- Capacity Building

**Provider Level Direct & Indirect Services**
- Wages, Taxes & Benefits
- Non-Personnel Costs*
- Other Direct Costs
- Indirect Costs

*Non-Personnel Costs include per-child costs (e.g., food and food prep), per-classroom costs (e.g., rent and utilities allocations), per-staff costs (e.g., consultants and training incremental to NIEER Quality Standards assumptions), and per-site costs (e.g., audit and legal expense).
Table B.2.a.2: Available Funding Streams

<table>
<thead>
<tr>
<th>Funding Source and Amount</th>
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<tbody>
<tr>
<td>1. Funding Source (Name)</td>
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<td>2. Volume Driver</td>
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<td>3. Funding per Unit Volume</td>
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<th>Relationship to Other Funds</th>
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<td>4. Matched to Funding</td>
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<td>5. % Match (if applicable)</td>
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<th>Duration of Funds</th>
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<td>6. Beginning Year</td>
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<td>7. Ending Year</td>
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<th>Restrictions on Funds</th>
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<td>8. % Pass-Through to Providers</td>
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<td>9. Child Eligibility Restriction</td>
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<td>11. Delivery Model Restriction</td>
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CPQ&R Revenue Components

- Head Start (HS) Federal Funding
- Early Head Start (EHS) Federal Funding
- CCDF - Child Care Development Fund Funding
- TANF - Temporary Funding for Needy Families Funding
- Child Care Tax Credits
- Title I Funding
- Title IX - Preschool Development Grant Funding
- IDEA Part B Funding
- IDEA Part C Funding
- CACFP - Children and Adult Food Care Program Funding
- MIECHV (Home Visiting) Funding
- State Pre-K Funding
- State Preschool Special Education Funding
- Other Federal Funding
- Other State Funding
- Other Local Funding
- Private Funding - Philanthropic Grants and Donations
- Private Funding - Tuition/Parent Co-Pay
- Other Private Funding
Why Use the CPQ&R?

To get good data to your drive policy decisions:

• What is the “fully loaded” cost of implementing a high quality program, for states, providers in diverse settings?
• What is the cost to ensure we have sufficient well-qualified and well-compensated teachers?
• What is the cost of administration and infrastructure to ensure consistently high-quality programs?
• How do we balance providing access versus providing quality with limited resources?
Tips for Getting Started

- Overcome “don’t knows” -- don’t know EXCEL, don’t have DATA...don’t really want to know what it truly costs!

- First, Answer just 2 questions -
  - What is the existing structure of the early learning system?
  - What is it we would like to change or accomplish?

- Then, Select YOUR State from the Drop Down Menu
  - Enter Slot Plan
  - And “voila” cost projections begin to appear that you can tinker with, revise and compare to different scenarios
<table>
<thead>
<tr>
<th>Slots</th>
<th>Funding</th>
<th>Quality Standards</th>
<th>Infrastructure and Costs</th>
<th>Provider</th>
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<td>Annual Slots (B.2.a.1)</td>
<td>Funding Streams (B.2.a.2)</td>
<td>Maximum Class Size (B.2.b.1)</td>
<td>Inflation (B.2.c.1)</td>
<td>Personnel Costs (B.2.d.1)</td>
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<td>Early Learning &amp; Development Standards (B.2.b.6)</td>
<td>Baseline Administrative Cost (B.2.c.2)</td>
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<td>Continuous Quality Improvement System (B.2.b.7)</td>
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<td>Additional System Supports (B.2.c.4)</td>
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<td>Screening/Referral and Support Services (B.2.b.9)</td>
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Note: In order to be able to keep HOME sheet open in separate window while navigating Implementation Plan, Select 'View' -> 'New Window'.
Building Blocks: The Kentucky Early Childhood Cost of Quality Study

Challenge
Lack of information about the actual costs of providing quality early care and education in Kentucky.

Goal
Inform sound budget decisions by state and local leaders.

Objective
Develop and validate estimates that reflect the cost of providing preschool and child care across Kentucky at various levels of quality.
Cost Estimates – Kentucky Preschool Program

- **Minimum Quality**: $8,793
- **Intermediate Quality**: $10,728
- **Target Quality**: $12,779

$7,810 per child rate (children with severe/multiple disabilities) for 2017-18

$4,110 per child rate (all other eligible children) for 2017-18

- **Per-child cost (all other eligible 3- and 4-year olds)**
- **Per-child cost (children with severe/multiple disabilities)**
• Coordination of data between state agencies and our non-profit partner
• Identification of the need for investment in state infrastructure
• Consider how you will use the information with key stakeholders with intentionality
Initial Data Produced for IN ELAC

Estimated Slot Costs by Dosage and Delivery Model (State and Provider Level Costs)

- Part Day:
  - CCC/Ministry: $4,684
  - School: $5,355
  - Head Start: $4,855
  - FCC: $4,408

- Full Day:
  - CCC/Ministry: $8,552
  - School: $9,919
  - Head Start: $8,919
  - FCC: $7,548

State Level Costs: Cost per Slot Breakdown

- Baseline Administrative Cost: $23
- Professional Development: $4
- Monitoring (Site Visits): $6
- Coaching: $6
- System Supports: $67
- Capacity Building: $26
- Technical Assistance: $35
- Program Evaluation: $473
How to Talk About Costs

**CPQR Communications Toolkit** includes:
- Sample social media templates
- Press Release Templates
- Quotes from experts
- How to create graphics with your cost data
- Printable 1 page handouts on 8 key cost/quality topics
What CEELO is Doing to Build Capacity to Finance Quality ECE

- Conduct further research on state administrative costs
- Cost of Quality Think Tank
- Awaiting the NASEM Study on Financing Early Care and Education with a Highly Qualified Workforce
- TA to states, and cities, to project costs of quality
- Financing and sustainability planning tools and resources
For More Information

• **Cost of Preschool Quality**

• **Finance Peer Exchange**

• **NIEER Resources on Economics and Finance (e.g. compensation parity)**

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