Determining Costs of Preschool Quality in Kentucky

GG Weisenfeld, Ed.D.

May 2018

STATE BACKGROUND
The Kentucky Preschool Program (KPP) was launched in 1990, in response to the Kentucky Education Reform Act. The program is available to 4-year-olds from low-income families, as well as 3- and 4-year-olds with disabilities. In the 2016-2017 school year\(^1\), 19,435 eligible children were enrolled in KPP. The state has made an effort to enroll children with identified special needs, as evident in more than 50 percent of KPP children having an identified disability.

In 2016-2017, KPP had state expenditures of $91.6 million, in addition to $56.4 million from federal sources and $9 million from non-required local sources. KPP is administered by the Kentucky Department of Education (KDE), Office of Teaching and Learning, Division of Program Standards, School Readiness Branch. Funds are distributed to school districts through a funding formula. Each of Kentucky’s 173 school districts offered KPP services in 2016-2017. School districts may subcontract with private child care centers, Head Start programs, and special education providers to offer preschool services; however, that is not currently occurring.

WHAT DID THE STATE WANT TO KNOW
Kentucky wanted to develop and validate estimates reflecting the cost of providing preschool and child care across Kentucky at various levels of quality. Cost of quality estimates will provide more detailed information to support sound budget decisions by state and local leaders. The Prichard Committee for Academic Excellence led the research in consultation with the Kentucky Early Childhood Cost of Quality Advisory Group (KY Cost Advisory Group), whose members included state agency leaders. Findings were used to inform policymakers responsible for determining budget allocations for preschool in school districts and reimbursement rates for child care\(^2\).

---

\(^1\) Data are from the NIEER 2016 State of Preschool Yearbooks.

\(^2\) This brief focuses on Kentucky’s cost work for the Kentucky Preschool Program, not the Child Care Assistance Program. For child care data, view Building Blocks: The Kentucky Early Childhood Cost of Quality Study.
APPRAOCH TO DATA COLLECTION

Data Collection Tools. Two cost projection tools were used by the Prichard Committee research team. CEELO provided the team with the Cost of Preschool Quality Tool (CPQ) and offered on-going technical assistance and consultation throughout the project. The CPQ was used to project costs based on implementing research-based quality standards while accounting for state and local administrative costs. The Prichard Committee team also received technical assistance from Louise Stoney and Libbie Poppick on the Provider Cost of Quality Calculator to determine the costs and varying levels of quality and reimbursement rates for child care.

Identifying levels of quality. One of the first tasks for the KY Cost Advisory Group was reviewing research and identifying goals that would support strengthening Kentucky’s early childhood system. Two broad goals were identified as the foundation of the quality assumptions: increase quality of teacher-student interactions; and support specialized needs of children & their families. Within these broad goals, specific objectives were identified:

1) Increase Quality of Teacher-Student Interactions
   - Lower group size and ratios of children to teachers
   - Increase instructional assistant compensation to reflect credentials, training, and longevity
   - Increase time for professional learning

2) Support specialized needs of children & their families
   - Lower group size and ratios of children to adults
   - Add specialists (e.g. physical therapists, occupational therapists, speech providers, nurses, interpreters, etc.)
   - Add family support coordinators
   - Assume full-day settings for children with severe/multiple disabilities in KPP

After identifying elements that comprise the broad goals, three levels of quality were established, see Figure 1. A “minimum” program meets but does not go beyond what state pre-K policy requires for KPP.

Figure 1: Key Assumptions for Standards at Three Levels of Quality Preschool

<table>
<thead>
<tr>
<th>Key Assumptions</th>
<th>Minimum</th>
<th>Intermediate</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum class size</td>
<td>20</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>Assistants per classroom</td>
<td>1.5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Lead teacher salary</td>
<td>$52,618</td>
<td>$52,618</td>
<td>$52,618</td>
</tr>
<tr>
<td>Instructional assistant salary</td>
<td>$15,000</td>
<td>$16,500</td>
<td>$18,000</td>
</tr>
<tr>
<td>Family coordinator</td>
<td>None</td>
<td>Part time</td>
<td>Full time</td>
</tr>
<tr>
<td>Specialists (nurses, PT, OT, speech, interpreters)</td>
<td>0.2 FTE</td>
<td>0.3 FTE</td>
<td>0.4 FTE</td>
</tr>
</tbody>
</table>

Additional Data Collection. In order to collect district-specific data, the KY Cost Advisory Group visited six school districts. In addition, preschool questionnaires were sent to selected programs to collect additional information on:

- Personnel costs
- Degree obtainment of teachers and assistant teachers
- Curriculum and assessment costs
• Support service costs
• Costs for serving children with disabilities and English Language Learners
• Transportation
• Additional cost drives for the programs

This data was used to customize the CPQ default assumptions which allowed the calculator output to provide a more precise cost projection.

COST FINDINGS
The CPQ was used to estimate costs of KPP at three levels of quality (minimum, intermediate, target) for a half-day preschool program for most eligible children, and a full-day preschool program for children with severe or multiple disabilities. The estimates suggest that to fund even a minimum level of quality, the rates should be raised to $8,793 for children with severe or multiple disabilities and $4,961 for all other eligible children, see Figure 5. In the 2017-2018 school year, Kentucky funded school districts at a per-child rate of $7,810 for children with severe or multiple disabilities and $4,100 for other eligible children.

Figure 5. Per-Child Cost Estimates of KPP at Various Levels of Quality

Source: Building Blocks: The Kentucky Early Childhood Cost of Quality Study (2017)

NEXT STEPS
As a result of the state collecting comprehensive data on the costs of implementing preschool programs, the KY Cost Advisory Group was able to understand the most significant cost drivers of the Kentucky Preschool Program and then determine the costs of expanding enrollment at minimal, intermediate, and target levels of quality. The models, available on the Prichard Committee for Academic Excellence website, are designed to inform a wide variety of budget decisions by state and local leaders across the
Commonwealth. Stakeholders are using this information to inform policy and funding decisions, despite a significant budget shortfall in Kentucky.

RESOURCES AND LINKS
Building Blocks: The Kentucky Early Childhood Cost of Quality Study. This webpage provides links to the 2017 report, stakeholder presentation, provider questionnaires, and spreadsheets developed by the Prichard Committee for Academic Excellence in consultation with the Kentucky Early Childhood Cost of Quality Advisory Group.
Cost of Preschool Quality & Revenue (CPQ&R) website includes information for obtaining the free excel-based tool.
CPQ&R Communications Toolkit provides resources to help users present cost and revenue data from CPQ&R in a variety of communication formats. The toolkit offers talking points, quotes from national experts, resources for more information, and graphics, along with printable handouts.
Kentucky Department of Education Preschool Program provides information on regulations, funding and other resources for the state-funded 4-year-old preschool program.
Kentucky Cabinet for Health and Family Services provides information on regulations and resources for Kentucky child care programs.

ABOUT CEELO:
The Center on Enhancing Early Learning Outcomes is one of 22 Comprehensive Centers funded by the U.S. Department of Education’s Office of Elementary and Secondary Education. CEELO’s mission is helping strengthen the capacity of State Education Agencies to lead sustained improvements in early learning opportunities and outcomes. For more information, visit CEELO at CEELO.org.

Permission is granted to reprint this material as long as CEELO and the authors are acknowledged. For other CEELO publications, http://ceelo.org/ceelo-products.


This CPQ&R Spotlight was originally produced in whole or in part by the Center on Enhancing Early Learning Outcomes, with funds from the U.S. Department of Education under cooperative agreement number S283B120054. The content does not necessarily reflect the position or policy of the Department of Education, nor does mention or visual representation of trade names, commercial products, or organizations imply endorsement by the federal government.