



Chicago Universal Preschool Cost Study

History

Chicago has a long history of providing high quality public preschool to three- and four-year-old children in a mixed-delivery model. For nearly three decades, public schools and community-based providers have been providing publicly-funded preschool with high quality standards such as certified teachers, low class sizes, and research-based curriculum. However, although the state preschool funding stream is called "Preschool for All," the program still serves primarily at-risk children. In addition, until recently, most children attended only part-day programs.

Mayor Rahm Emmanuel has made the establishment of a universal full-day preschool program for 4-year-olds a high priority of his administration. After moving all of Chicago Public Schools (CPS) kindergartens to full day, he has continued to support expansion of preschool programs. Currently, approximately 44% of 4-year-olds and 30% of 3-year-olds living in Chicago attend a publicly-funded preschool (compared to approximately 70% of 5-year-olds who attend CPS). About half of these 4-year-olds currently attend part-day programs.

The Charge

Expanding to provide universal full-day preschool for 4-year-olds will require adding approximately 8,800 additional "slots," and converting an additional approximately 3,500 slots in CPS from part-day to full-day. The city seeks to build a voluntary universal system that:

- Includes services both in schools and community-based organizations (CBOs)
- Respects parent choice for where their child is served
- Builds upon all available federal and state funding streams (including Head Start and child care assistance)
- Eliminates the need for parents of 4-year-olds to document program eligibility/income prior to enrollment
- Meets all quality standards for both Preschool for All and Head Start
- Provides comprehensive parent engagement & support
- Provides strong supports for high quality curriculum and pedagogy
- Minimizes disruption to birth through three services, especially in CBOs
- Is adequately funded to ensure a stable and well qualified workforce, especially in CBOs

The City engaged Illinois Action for Children (IAFC) to complete a cost study to determine the additional investment that will be needed to operate the new universal program.

Gathering Accurate Cost Data

The cost model was developed with extensive input from stakeholders, including CBOs that currently provide Preschool for All and/or Head Start. To understand the current expenses incurred by quality early childhood programs, IAFC conducted in-person interviews and an in-depth survey with CBOs, receiving detailed staffing pattern and compensation data from 47 agencies. In addition, CPS provided the budget for operating their preschool classrooms as well as staffing and salary schedules for teachers and administrators.

Once the survey data was analyzed, an essential step was building consensus among the providers who are implementing publicly funded preschool around what salaries and staffing structures should be used in the cost model. All providers who completed the survey were invited to attend a meeting held by IAFC and the Mayor's Office to discuss these two items that have the greatest impact on cost. This meeting of 77 stakeholders resulted in a consensus of the staffing needed for a high-quality program, and the salaries needed to retain high quality staff. (See table) The salaries for classroom staff were set to be competitive with surrounding school districts (rather than CPS, as CPS has markedly higher salaries than most districts in the Chicago metropolitan region) and to be sustainable within the overall salary scales of the social service agencies that house most community-based preschool programs. The "fringe rate" for the model was based on the rates paid by several large social service agencies that provide a comprehensive benefit package. As the cost model was being finalized, additional stakeholders, including the Mayor's Early Learning Executive Council and CPS leadership, reviewed the findings and provided feedback.

Building the Cost Model

In order to develop an accurate estimate of the cost of universal full-day preschool for Chicago 4-year-olds, two separate models were created. One model was for CBOs and one was for CPS, each analyzing the specific classroom needs and costs related to serving children in that setting.

CBO Model: Due to the significant differences among CBO programs throughout the city, three scenarios were created for the CBO model based on classroom types and size of centers. One scenario was for large centers (serving more than 150 children, ages birth through five) which have economies of scale. The second scenario was for smaller centers (serving between 40 – 70 children), and the final scenario was for centers that serve only children ages two through five (no infants and toddlers). These scenarios reflect the most common types of CBOs in Chicago, with more children being served in larger settings but a greater number of smaller programs in operation. An average cost for a preschool classroom in each setting was calculated. We then calculated a weighted average based on the percentage of children served in each type of CBO in the city (33% large centers, 32% small centers, 35% centers serving ages two through five). It is important to note that the cost model reflects a 10-hour day and year-round services, which is typical length of a CBO program. Reducing the program

to 7.5 hours/day and 9.5 months/year to match a CPS program resulted in only a marginal cost decrease (approximately 5-10%), as CBOs reported that they would not reduce staffing or salaries significantly when serving children in these shorter programs.

CPS Model: The CPS model was built using budget information supplied by the district. Most CPS preschool classrooms are embedded in existing K-8 schools, which allows some of the non-personnel costs to be absorbed by the K-8 budget (for example, salaries for principal, assistant principal, clerk, etc.). Therefore, these classrooms appear less costly than CBO classrooms. However, some CPS classrooms are in free standing early childhood schools, which required a separate scenario. This scenario included the cost of a principal and administration staff, generating a classroom cost more closely matched to the cost of CBO classroom.

System-level costs: Chicago has a well-developed system of quality supports for programs, including robust professional development and monitoring, and a citywide recruitment and enrollment system. The current cost of these supports is 7% of the total amount that is distributed to CBOs and schools. An additional 1% supports city and CPS central office staff. The cost model therefore includes 8% for system infrastructure costs.

Results and Next Steps

The cost model showed that a CPS full-day classroom costs approximately \$205,000/year (or \$325,000/year in an ECE-only school) and a CBO classroom costs on average \$310,000/year. Assuming classrooms will have a maximum of 20 students and will on average be 90% full (18 students/class), the full system is anticipated to cost approximately \$175 Million more than today's public expenditures. This estimate includes the cost of raising staff salaries in CBOs up to the amount recommended by stakeholders, and some modest additional resources for CPS classrooms to better support staffing the full-day model.

The next steps for the City include identifying the revenue for this increased investment and determining how to effectively provide funds to CBOs to ensure that staff salaries do rise to the recommended levels and programs are staffed appropriately. A comprehensive facility plan is also being developed, as there are currently too few classrooms available for preschool in many areas of the city.

CLASSROOM MODEL DATA POINTS

Salaries	Staffing Pattern (CBOs)	CBO Salary	CPS Salary
Site Director/Principal	1 per site	\$80,000	\$110,168
Additional Professional Staff (out of classroom)/Assistant Principal	1 per 4 classrooms	\$55,000	\$84,661
PreK Lead Teachers	1 per classroom	\$53,000	\$78,820
Birth - 3 Lead Teachers	1 per classroom	\$43,000	N/A
Teacher Assistants	1 per classroom	\$35,000	\$37,755
Classroom Aides	1 per classroom	\$29,250	N/A
Special Education Teacher		N/A	\$73,448
Special Education Assistant		N/A	\$20,074
Lead Floater teacher/sub	1 per 5 classrooms	\$50,000	
Assistant floater teacher/sub	1 per 5 classrooms	\$32,000	
Family Support Specialist	1 per 35 children	\$40,000	\$53,000
Cook/Food Service	1 per site	\$28,000	