Two Sides of the Coin: Costs and Financing High Quality Early Learning

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Session Agenda

- Cost Modeling: understanding the full cost of quality + Table Talk
- Financing strategies—getting the money where it needs to go to support quality + Table Talk
- Share: good ideas, resources, questions
Poll ~ What is your most pressing question about costs?

- Increasing access
- Increasing dosage
- Increasing compensation
- Ensuring adequate/stable resources
- Projecting funds for the next 5 years
- Other questions
How Can Cost Studies Help Ensure Equity?

- Design for success first, then estimate cost per child
- Find out how cost varies by child characteristics and location
- Create a fair funding formula
- Determine how many children can be served at quality within a given budget
- Examine impacts on costs of alternative policy decisions (for example, pay parity)
- Determine local share and what happens to blending and braiding as enrollment expands
  - Different eligibility rules for Head Start & child care subsidies
  - Fixed Head Start and Child Care dollars, only so much classroom space and shared administration available
Illustrative Example: What functions drive costs?

The top eight categories contribute more than 90% of the total cost estimate.

Example: Child Care Center Unit Cost Contributions to Total Cost per Slot*

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$3,456</td>
<td>38%</td>
</tr>
<tr>
<td>Facility</td>
<td>$1,399</td>
<td>15%</td>
</tr>
<tr>
<td>Additional Benefits</td>
<td>$1,168</td>
<td>13%</td>
</tr>
<tr>
<td>Child Meals</td>
<td>$973</td>
<td>11%</td>
</tr>
<tr>
<td>Equipment &amp; Supplies</td>
<td>$401</td>
<td>4%</td>
</tr>
<tr>
<td>Mandatory Benefits</td>
<td>$357</td>
<td>4%</td>
</tr>
<tr>
<td>State Admin</td>
<td>$295</td>
<td>3%</td>
</tr>
<tr>
<td>Child Transportation</td>
<td>$250</td>
<td>3%</td>
</tr>
<tr>
<td>Coaching</td>
<td>$179</td>
<td>2%</td>
</tr>
<tr>
<td>Substitutes</td>
<td>$123</td>
<td>1%</td>
</tr>
<tr>
<td>Classroom Observations</td>
<td>$122</td>
<td>1%</td>
</tr>
<tr>
<td>Classroom Materials</td>
<td>$103</td>
<td>1%</td>
</tr>
<tr>
<td>Screening</td>
<td>$95</td>
<td>1%</td>
</tr>
<tr>
<td>Curriculum</td>
<td>$51</td>
<td>1%</td>
</tr>
<tr>
<td>Training</td>
<td>$44</td>
<td>1%</td>
</tr>
<tr>
<td>Child Assessments</td>
<td>$25</td>
<td>1%</td>
</tr>
<tr>
<td>Tuition Support</td>
<td>$18</td>
<td>1%</td>
</tr>
<tr>
<td>External TA and PE</td>
<td>$13</td>
<td>1%</td>
</tr>
<tr>
<td>Capacity Building</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

Total Cost per Slot = $9,073

Source: CPQ&R

*Not all preschool programs will match the illustrative example, which is based on 1,000 hypothetical slots in Alabama located within private Child Care Centers. The slot count is held constant for Years 0-3 and no inflation is assumed. 100% participation is assumed for Professional Learning and Support (training, coaching, and PD plans), CQIS (classroom observations), Curriculum (Curriculum selection and materials support is assumed to ramp from 0% to 100% in Year 3), and Screening/Referrals (vision, hearing, and health). All other default assumptions are left unchanged.

Note: in the example above, coaching and training costs related to ELDS, CQIS, and Curriculum are assumed to be zero, as are capacity building costs. Assuming non-zero costs in these areas would raise their profile in a rank order of cost categories.
Funding for System Infrastructure is Typically Not Fully Accounted

Source: Finance and Quality Rating and Improvement Systems, QRIS 3.0 Tools & Resources
Cost of Preschool Quality & Revenue (CPQR)

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
CPQR Costs 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).
CPQ&R Revenue Components

Table B.2.a.2: Available Funding Streams

1. Funding Source (Name)
2. Volume Driver
3. Funding per Unit Volume
4. Matched to Funding
5. % Match (if applicable)
6. Beginning Year
7. Ending Year
8. % Pass-Through to Providers
9. Child Eligibility Restriction
10. Delivery Model Restriction

- 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
Kentucky wanted actual cost data to inform allocations rather than a division problem (# of kids/$$)

**Challenge**

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

**Objective**

Develop and validate estimates that reflect the cost of providing preschool and child care across Kentucky at various levels of quality.

**Goal**

Inform sound budget decisions by state and local leaders.
### Key Assumptions:

<table>
<thead>
<tr>
<th></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>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>
Cost Estimates – Kentucky Preschool Program

- **Minimum Quality**: $4,961
- **Intermediate Quality**: $5,969
- **Target Quality**: $6,964

**Per-child cost (all other eligible 3- and 4-year olds)**

- **Per-child cost (children with severe/multiple disabilities)**

$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
Indiana was launching a new program and needed to know costs in mixed delivery and understand state infrastructure costs

- 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
- **Capacity Building**: $67
- **System Supports**: $26
- **Technical Assistance**: $35
- **Program Evaluation**: $473
Universal Preschool Cost Model for Chicago
Overview

**Project Goal:** explore the cost of universal full-day* preschool for four-year-olds while maintaining commitment to sustaining the availability and quality of birth-three programs.

*Full day = school day of 7.5 hours, or up to 10-12 hours/day in community based setting
Methods: Data Gathering

- Reached out to Community Based Organizations (CBOs) and Chicago Public Schools (CPS) to learn more about their true costs for operating early childhood programs.
  - Collected financial information from 47 CBOs through surveys
  - Met with CPS to understand their cost model, received detailed budgets

- Held a meeting with over 75 providers, whose agencies completed the financial survey, to build consensus around the salaries and staffing structures to include in the model

- Took data for other costs (e.g., materials, insurance, etc.) from national estimates used in Provider Cost of Quality Calculator

- Estimates for rent and utility costs was informed by IFF
# Decisions: Salary and Staffing

## Classroom Model Data Points

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

- Salary doesn’t quite make parity with CPS for a few reasons:
  - Salary schedules at the parent organizations of a lot of preschool programs can’t easily accommodate much higher salaries for the teachers (e.g., execs in these agencies may not make as much as CPS teachers)
  - Surrounding districts have much lower salaries than CPS on average.
  - We set salary for teachers & assistants based on consensus of the group. They are close to the average for surrounding district, even when adjusted for days/year worked.

- School-day vs Full-work-day programs have similar costs
  - CBOs strongly argued that their staffing pattern would not change much if they went to a 7.5 hour program day vs 10-12 hour day.
  - Cutting down to .5 FTE aide in each classroom would only reduce cost by around 5%
### Estimating costs

<table>
<thead>
<tr>
<th>Type of Center</th>
<th>Infant/Toddler</th>
<th>Two Year Olds</th>
<th>Preschool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Mixed-Age Center (11 rooms)</td>
<td>$235,920</td>
<td>$263,226</td>
<td>$291,017</td>
</tr>
<tr>
<td>Small Mixed-Age Center (6 Rooms)</td>
<td>$239,198</td>
<td>$307,296</td>
<td>$311,702</td>
</tr>
<tr>
<td>Two-yr-old &amp; PreK Center (6 rooms)</td>
<td>$257,473</td>
<td>$325,425</td>
<td>$314,804</td>
</tr>
<tr>
<td>CPS PFA Classroom</td>
<td></td>
<td></td>
<td>$203,640</td>
</tr>
<tr>
<td>CPS CPC Classroom (4 PFA Classrooms)</td>
<td></td>
<td></td>
<td>$314,804</td>
</tr>
</tbody>
</table>

**Weighted Average Cost of Preschool Classroom in CBO:** $309,679
Estimating Need

- With a maximum of 20 per classroom in mind, used average 18 on average per classroom to build the model (90% enrollment)

- Maintained current number of 3 year olds being served in CBO and CPS classrooms.

- Cost built on serving all 4 year olds under 200% FPL and enough 4 year olds over 200% FPL to reach 75% overall

- Used American Community Survey to determine number of 4 year olds in each category
Estimates of cost

To build out system to serve all 4 yr olds
- 70% of all 4s in city participate (similar to % of kindergarteners in CPS)
- Hold constant # of 4s served in CBOs (focus on those needing full-day, year-round care)
- Hold constant # of 3s served in CBOs and schools
- Will require approximately $175-200 Million more per year

To build system to serve all low-income (under 200% FPL) 4s
- Some reductions to 3s in CPS
- Will require approximately $65-75 Million more per year
TABLE TALK
Challenges in EC Financing
A “broken market”

- Higher quality ECE services cost more than most families can afford.
- The ECE market is split between ‘free’ programs like PreK, Head Start, special education and ‘tuition-based’ programs like child care, nursery schools.
- Tuition-based ECE encourages price competition – to keep tuition fees low – which discourages investment in quality.

Financing strategies tied to current market-based prices will fail to fund the true costs of quality programs.
**Limited resources = Difficult choices**

- Recent National Academies report showed that the system receives about 1/3 of the public funding it needs to fund equitable access to high quality early education and care.

- The lack of resources creates dilemmas:
  - Fund more intensive (and potentially more effective) services, or fund more children with less intensive services (e.g., full-day vs part-day).
  - Implement policies requiring higher salaries (and fund programs to provide these salaries) or serve more children in programs that continue low salaries.
  - Concentrate limited child care subsidy funding on high-quality services, or allow them to be used to access more custodial care.
Ways to fund for quality -- PROGRAM LEVEL + SYSTEM

- “Tiered reimbursement” or other types of rate add-ons for subsidized care; But must actually be enough to fund differential cost
- Quality grants and/or tax credits to support programs providing higher quality care
- Wage subsidies and/or tax credits to support better compensation
- Layered funding streams to support particular aspects of quality
- SYSTEM INFRASTRUCTURE- need to account for funding to implement, monitor and improve quality
Following all of the money

- Programs on the ground are using funding from many different funding streams
  - Head Start/Early Head Start
  - State preschool
  - Other education funding (e.g., Title I)
  - Child care subsidy
  - Scholarships/vouchers
  - Parent fees

- You have to account for all of these as you think about each of these!
Louisiana’s School Readiness Tax Credits:
A Strategy for Compensation through Professionalization
This presentation will provide information about Louisiana’s approach to compensate early childhood teachers and directors through annual tax credits.

- Overview of Louisiana’s School Readiness Tax Credits (SRTC)
- Overview of Louisiana’s Unified Early Childhood System
- Using SRTC for Teachers, Directors, and Providers to incent professionalization and improvement
- Q&A
Overview of Louisiana’s SRTC
School Readiness Tax Credits
Achieving Statewide Kindergarten Readiness

Only half of children in Louisiana enter kindergarten ready. Since the passage of Act 3, 2012, Louisiana has made great progress in unifying the system to prepare all children for success.

• Louisiana requires early childhood programs that take public funding to meet universal standards – regardless of program type – with a focus on learning outcomes rather than inputs. Louisiana also seeks to increase access and informed choice so families can choose the best option for their children.

• Historically Louisiana’s School Readiness Tax Credits (SRTC) have helped the child care sector improve quality and access for at-risk children. Now Louisiana has aligned these innovative tax credits with the universal rating system and new child care teacher credential in order to increase kindergarten readiness.

These tax credits play a vital role in supporting the Louisiana child care industry, which has an $830 million impact on the Louisiana economy.
School Readiness Tax Credits
How Tax Credits Work

This package of five tax credits, which were made law in 2007, have served as an important incentive for:
1. Families to choose quality rated centers;
2. Providers to serve vulnerable, at-risk children whose parents could not otherwise afford quality care;
3. Directors and staff to pursue additional education or credentials;
4. Businesses to donate to child care centers to help improve quality; and
5. Businesses or individuals to donate to resource and referral centers in order to help improve child care quality within a region.

School Readiness Tax Credits are a $16 million investment annually in quality child care.

Tax credit funding helps secure more than $80 million in federal funds (CCDF). Today, we are going to focus our discussion on credits for providers, directors, and staff.
School Readiness Tax Credits are essential to Louisiana’s early childhood sector.

1. They help maximize funding.
   • They help Louisiana bring in $80 million in federal funds and encourage local investment.

2. They encourage centers to serve CCAP children.
   • Centers have become or have stayed Type III and are serving low-income Louisiana children enrolled in higher-quality-rated settings.

3. They help drive improvement.
   • Centers are rewarded for improving quality while thousands of child care directors and staff are rewarded for earning credentials.

4. Child care directors and teachers depend on these tax credits.
   • Child care directors and teachers indicate that they rely on the credits to make essential purchases, retain teachers and invest in quality improvement, which is especially important with the 2019 requirement that lead teachers have an ancillary certificate.

5. They increase local support and investment in child care.
   • Businesses and resource and referral agencies use credits to support child care quality.
Louisiana uses \textit{CLASS}™ to measure, provide information on and support improvement on the core elements needed for quality: adult-child interactions and instruction.

\textbf{Performance Rating Approach}

\textbf{Focus on Interactions with Children}

As a research-based, nationally regarded early childhood quality measure for all young children, \textit{CLASS}™:

- Assesses how well teachers interact with children, including how well they:
  - Correlates with child outcomes
    - Programs that perform better on \textit{CLASS}™ have better child outcomes (i.e., kindergarten readiness)
  - Supports teacher growth by providing useful information for coaching

<table>
<thead>
<tr>
<th>Description</th>
<th>PreK Domain</th>
<th>Toddler Domain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a warm, positive environment and build trusting relationships with children</td>
<td>Emotional Support</td>
<td>Emotional &amp; Behavioral Support</td>
</tr>
<tr>
<td>Organize daily routines and minimize disruptions</td>
<td>Classroom Organization</td>
<td></td>
</tr>
<tr>
<td>Help children learn concepts and connect ideas through dialogue and play</td>
<td>Instructional Support</td>
<td>Engaged Support for Learning</td>
</tr>
</tbody>
</table>

35
In 2015, Louisiana launched a unified rating system to:
• Measure core elements needed for positive child outcomes;
• Provide a clear and focused path to improvement; and
• Give families an easy way to compare choices in their community.

Louisiana’s unified rating system has two components, featured on Performance Profiles:
1. Ratings that relate to positive child outcomes
   • Adult-child interactions and instructions, as measured by CLASS™; and
2. Information on classroom best practices
   • E.g., using curriculum, assessing children for learning, credentialing of teachers

Louisiana’s rating system features a performance score between 1-7, and a rating of Excellent, Proficient, Approaching Proficient, and Unsatisfactory.
Performance Profile
Overall Site Rating and Score

EXAMPLE EARLY LEARNING CENTER
EARLY EDUCATION PERFORMANCE
Approaching Proficient

OVERALL PERFORMANCE

WHAT IS THIS SITE'S RATING FOR CLASSROOM QUALITY?

2016-2017 RATING
Approaching Proficient

HOW IS THIS MEASURED?

2016-2017 SITE SCORE
4.49 out of 7

These are scores based on classroom observations of teacher-child interactions. Classrooms with high-quality teacher-child interactions are supportive, organized, and promote children’s learning and development.

Watch a video on how this is measured
## Performance Profile
### Teacher Degree and Certification

**How Prepared Are the Teachers at This Site?**

<table>
<thead>
<tr>
<th>Degree Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Degree</td>
<td>5%</td>
</tr>
<tr>
<td>Child Development Associates</td>
<td>15%</td>
</tr>
<tr>
<td>Associates</td>
<td>10%</td>
</tr>
<tr>
<td>Bachelors</td>
<td>50%</td>
</tr>
<tr>
<td>Masters +</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Total Certified: 65%*
1. **Credential Requirement:**
   - Beginning in July 2019, all lead teachers working in publicly-funded child care centers will be expected to have the [Early Childhood Ancillary Certificate](#) as a minimum credential.
   - The certificate can be earned at no cost by presenting a qualifying credential (over 50% earn through a CDA or equivalent)
   - Qualifying credentials earned prior to July 2018 can be completed at any provider.

2. **Innovative Preparation Experiences:**
   - Louisiana has developed high-quality [child care teacher preparation programs](#) to prepare child care teachers to meet this requirement.
   - Beginning in July 2018, teachers are required to attend a child care teacher preparation program that has been approved by the state board.
   - Approved programs integrate extensive applied practice, mentoring, and coaching within CLASS aligned coursework that results in a CDA or technical diploma.
School Readiness Tax Credits
Approach on Aligning Tax Credits to the Unified System

Louisiana has built a unified system to prepare all children for kindergarten. This year, the state aligned SRTC to reward performance and preparation under unified system.

If Louisiana:
• Redefines star ratings to recognize sites that provide quality interactions and instruction to Louisiana children under unified rating system;
• Rewards performance and improvement via tax credits and bonus payments;
• Offers new options for directors to reward site performance instead of credentials;
• Offers new options to help attract and retain certified child care teachers by increasing compensation based on ancillary teaching certificate and years of service; and
• Maintains incentives for families, private individuals and businesses to support child care improvement;
Then more Louisiana children, especially those under age 4, will have access to quality programs that help prepare them for kindergarten.

By aligning the SRTC package to the unified rating system, Louisiana is focusing efforts and incentives for improvement on the things that matter most for child outcomes.
2018 Star Levels
Aligning Star Levels to Performance Profile Ratings

Tax credits and bonuses for providers and directors are aligned to site’s performance score, in order to reward performance and improvement.

<table>
<thead>
<tr>
<th>CLASS™ Score Range</th>
<th>Performance Rating</th>
<th>Star Rating for Tax Credit and Bonus Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00 - 7.00</td>
<td>Excellent</td>
<td>5 Stars</td>
</tr>
<tr>
<td>5.25 - 5.99</td>
<td>Proficient</td>
<td>4 Stars</td>
</tr>
<tr>
<td>4.50 - 5.24</td>
<td>Proficient</td>
<td>3 Stars</td>
</tr>
<tr>
<td>3.75 - 4.49</td>
<td>Approaching Proficient</td>
<td>2 Stars</td>
</tr>
<tr>
<td>3.00 - 3.74</td>
<td>Approaching Proficient</td>
<td>1 Star</td>
</tr>
<tr>
<td>1.00 - 2.99</td>
<td>Unsatisfactory</td>
<td>0 Stars</td>
</tr>
</tbody>
</table>

The 2016-2017 Performance Profile rating is used to determine the star ratings for centers for tax year 2018. These star ratings were released at the same time as profiles.
## Aligning SRTC Policy with Unified System

**Strengthening School Readiness Tax Credits**

*Louisiana revised tax credits to align with unified rating system and reward teachers and directors for their dedication to the field.*

<table>
<thead>
<tr>
<th>Credit Type</th>
<th>Summary</th>
</tr>
</thead>
</table>
| For Teachers    | • In addition to earning credits based on advanced degrees, teachers with an ancillary certificate can earn up to ~$3,300 annually for working at a publicly-funded center and receiving tax credits for more than 2 years.  
  • No staff will lose their current credit; changes only add options. |
| For Directors   | • Directors can earn credits based on their own qualifications or based on site performance.  
  • No director will lose their current credit; changes only add options. |
| For Providers   | • As of January 1, 2018, sites were issued stars based on unified rating system.  
  • This rating is being used for the 2018 tax year are is posted on the Louisiana School or Center Finder website.  
  • Providers can earn credits based on their star rating and amount of children funded through CCAP that they serve.  
  • Quarterly CCAP bonus payments are also based on star rating and amount received via CCAP. |
State now rewards teachers for earning their Early Childhood Ancillary Certificate and for staying in the child care field.

There are different combinations of credentials that allow directors to reach each level. To see the full breakdown of pathways, please consult the SRTC Guidance. A high level summary is provided here.

<table>
<thead>
<tr>
<th>Level</th>
<th>Examples of Qualifying Credentials</th>
<th>New for 2018</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>• CDA or early childhood diploma</td>
<td>Early Childhood Ancillary Certificate</td>
<td>$1,680</td>
</tr>
<tr>
<td>Level 2</td>
<td>• CDA/early childhood diploma and additional CEU’s • Related associate degree</td>
<td>Early Childhood Ancillary Certificate and earned SRTC once before</td>
<td>$2,239</td>
</tr>
<tr>
<td>Level 3</td>
<td>• Associate degree in early childhood, or related with additional CEU’s • Bachelor degree in early childhood</td>
<td>Early Childhood Ancillary Certificate and earned SRTC twice before</td>
<td>$2,798</td>
</tr>
<tr>
<td>Level 4</td>
<td>• Bachelor degree in early childhood with additional focus on infant/toddler • Graduate degree in early childhood</td>
<td>Early Childhood Ancillary Certificate and earned SRTC twice before</td>
<td>$3,358</td>
</tr>
</tbody>
</table>

For 2018, the requirement to participate in a professional organization has been removed for the Teacher SRTC. Teachers must be working for six months for an average of 30 hours/week.
State now offers new options to reward directors based on performance, by providing them the ability to move up levels without attaining expensive credentials.

There are different combinations of credentials that allow directors to reach each level. To see the full breakdown of pathways, please consult the SRTC Guidance. A high level summary is provided here.

<table>
<thead>
<tr>
<th>Level</th>
<th>Examples of Qualifying Credentials</th>
<th>New: Performance</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>• CDA or Equivalent and 30 administrative training clock hours</td>
<td></td>
<td>$1,680</td>
</tr>
<tr>
<td>Level 2</td>
<td>• Associate’s degree in ECE • Bachelor’s degree in related field with courses in ECE</td>
<td>Rating = 4.5 – 5.24 (3 Stars)</td>
<td>$2,239</td>
</tr>
<tr>
<td>Level 3</td>
<td>• Bachelor’s degree in ECE • Associates degree in ECE/Bachelor’s degree in related field with an administrator certificate</td>
<td>Rating = 5.25 – 5.99 (4 Stars)</td>
<td>$2,798</td>
</tr>
<tr>
<td>Level 4</td>
<td>• Master’s degree in ECE • Master’s degree in related field with courses in ECE</td>
<td>Rating = 6 – 7 (5 Stars)</td>
<td>$3,358</td>
</tr>
</tbody>
</table>

Note: Directors must also meet service to the profession requirements, including membership in an early childhood professional organization.
Providers receive SRTC based on their quality rating and eligible children served. These credits are used in many ways, including as bonuses to staff and investments in quality.

<table>
<thead>
<tr>
<th>Star Rating of the Center</th>
<th>Center Performance Score</th>
<th>Tax Credit per Eligible Child</th>
<th>Quarterly Bonus Percent of CCAP Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Star</td>
<td>6.00-7.00</td>
<td>$1,500</td>
<td>23%</td>
</tr>
<tr>
<td>4 Star</td>
<td>5.25-5.99</td>
<td>$1,200</td>
<td>16.5%</td>
</tr>
<tr>
<td>3 Star</td>
<td>4.50-5.24</td>
<td>$1,000</td>
<td>11%</td>
</tr>
<tr>
<td>2 Star</td>
<td>3.75-4.49</td>
<td>$750</td>
<td>6%</td>
</tr>
<tr>
<td>1 Star</td>
<td>3.00-3.74</td>
<td>$0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Example: If ABC child care has earned 3 stars and serves 10 eligible children, then that provider is eligible for refundable Provider SRTC of up to 10 children x $1,000 per child = $10,000. That center would receive 11% of their CCAP payments as a bonus each quarter.
The resources linked below may be helpful in understanding the Louisiana SRTC.

- The Department has released an [SRTC Guidebook](#) that provides information about the SRTC for 2018 and beyond.

- The Department has released a set of FAQs for different SRTC audiences:
  - [SRTC 2017 – FAQs for Staff and Directors](#)
  - [SRTC 2017 – FAQS for Businesses](#)
  - [SRTC 2017 – FAQs for Child Care Providers](#)
  - [SRTC 2017 – FAQs for Parents](#)
TABLE TALK
WRAP UP: Good ideas, Resources, Questions

• Resources:
  – CEELO- Cost of Quality Preschool and Revenue Calculator Webpage
  – Cost of Quality Early Learning Think Tank
  – Illinois Action for Children
    • [https://www.actforchildren.org/](https://www.actforchildren.org/)
  – BUILD Initiative, Finance and Quality Rating and Improvement System
    • [http://www.buildinitiative.org/Portals/0/Uploads/Documents/Resources/QRIS%203/FinanceQRIS.pdf](http://www.buildinitiative.org/Portals/0/Uploads/Documents/Resources/QRIS%203/FinanceQRIS.pdf)
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

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