This page intentionally left blank.
PURPOSE

The Prichard Committee for Academic Excellence, in consultation with a statewide advisory group and national early childhood finance experts, has built new, Kentucky-specific cost models for high-quality early care and education. The models are designed to inform a wide variety of budget decisions by state and local leaders across the Commonwealth.

Kentucky Preschool Program: Using a cost model for preschool-age children served in school districts, the Prichard Committee has estimated the costs for Kentucky school districts to provide preschool at various levels of quality to 3- and 4-year old children with special needs or from families with low incomes. These estimates are intended to inform decisions about per-child rates for the Kentucky Preschool Program.

Child Care Assistance Program (CCAP): The Prichard Committee has also used a cost model for market-based child care to estimate the cost for Kentucky child care centers to provide care and education at various levels of quality to infants, toddlers, and preschool children. These estimates are intended to inform policy and budget decisions for the Child Care Assistance Program (CCAP).

QUALITY GOALS

Ensuring that young children benefit from quality learning environments that help support families in the earliest years has immediate impacts on healthy brain development and helping families work. Quality environments also lead to learning that “sticks” over time, through early elementary years and beyond.

The estimates are built on two quality goals to support children and their families, strengthening Kentucky’s early childhood system and supporting partnerships across public preschool, child care, and all other learning environments such as Head Start.

Increase quality learning interactions among teachers and children

According to Minervino and Pianta (2013), “the quality of teacher-student interactions is the mechanism responsible for learning in early care and education settings” and “increasing teaching quality is the highest-impact investment that can be made.” As such, the models assume more time for training, smaller class sizes, and increasing salaries as quality increases.

Support specialized needs of children and their families

Public preschool, child care assistance, and Head Start serve many of Kentucky’s most vulnerable children and their families. Half of all children in the KY Preschool Program have special needs. In addition to lower class sizes, the models build in more support from specialists. They also build in six-hour school days for preschool children with severe/multiple disabilities.
BUILDING BLOCKS
The Kentucky Early Childhood Cost of Quality Study

KENTUCKY PRESCHOOL PROGRAM

Background: The Kentucky Preschool Program serves nearly 10,000 3- and 4-year olds with special needs and over 9,000 4-year olds with family incomes below 160% of the federal poverty line. For 2017-18, Kentucky funds school districts at a per-child rate of $7,810 for children with severe or multiple disabilities and $4,100 for other eligible children.

Cost Model: The preschool cost model is built based on the Cost of Preschool Quality (CPQ) tool developed by the Center for Enhancing Early Learning Outcomes (CEELO). CEELO provided technical assistance to project costs based on research-based quality standards while accounting for state and local administrative costs to monitor and enhance quality of programs. Site visits with school districts (Hardin, Warren, Meade, Laurel, Fayette, Dayton, and Erlanger-Elsmere) provided valuable data.

Estimates: The model was used to estimate costs 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. A “minimum” program meets but does not go beyond state minimum requirements.

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

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.
BUILDING BLOCKS
The Kentucky Early Childhood Cost of Quality Study

CHILD CARE ASSISTANCE PROGRAM

Background: The Child Care Assistance Program (CCAP) helps working families with incomes below 160% FPL afford care for nearly 27,000 Kentucky infants, toddlers, and young children. With federal funds from the Child Care Development Fund (CCDF) program and state General Fund dollars, Kentucky reimburses child care centers for providing care and education to eligible children. The rates vary by age, region, and urban/rural. In many centers, parents have a co-pay as well as the “double co-pay” – the difference between private tuition and reimbursement rates.

Cost Model: The child care cost model is based on the Provider Cost of Quality Calculator (PCQC) developed by Dr. Anne Mitchell. It models both costs and revenues. Louise Stoney and Libbie Poppick provided technical assistance. 4C for Children in Northern Kentucky and the Child Care Council of KY provided assistance in data collection. Site visits with centers in Paducah, Lexington, Louisville, Erlanger, Lawrenceburg, and Hazard provided data and context.

Estimates: The model was used to estimate costs at five levels of quality, with Level 5 as the highest. A “Level 1” center meets but does not go beyond licensing regulations.

Sample Assumptions:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum class size (3yr olds)</td>
<td>24</td>
<td>22</td>
<td>20</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Lead teacher hourly wage</td>
<td>$8.73</td>
<td>$9.22</td>
<td>$9.70</td>
<td>$10.19</td>
<td>$10.67</td>
</tr>
<tr>
<td>Family coordinator</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>0.20 FTE</td>
<td>0.25 FTE</td>
</tr>
<tr>
<td>Child assessments</td>
<td>$12</td>
<td>$14</td>
<td>$16</td>
<td>$18</td>
<td>$20</td>
</tr>
</tbody>
</table>

Child Care Center Cost Estimates

Ages 0-24 months; Rural West KY

Age 3; Rural West KY

Estimates suggest that CCAP reimbursement rates should be raised significantly at higher levels of quality and for infants & 1 year olds at all levels of quality. For centers even the lowest level of quality, infant & 1 year old rates should be raised from $19 - $25/day to at least $31/day.
WHY QUALITY MATTERS

Over the past few decades, a growing body of research suggests that participating in high-quality early childhood education programs can enhance children’s development, reduce achievement gaps at kindergarten entry, and even have long-term benefits in school and beyond. However, early learning can only provide these benefits if a child’s classroom experience is high-quality.

Elements defining high quality associated with child outcomes include teacher credentials, training, and support; class size and student-to-teacher ratio; use and support of early learning and development standards; and a system of continuous quality improvement.

- Better education, training, and on-going support for teachers can improve their interactions with children, which can enhance children’s learning.
- With smaller classes and fewer children per teacher, children have greater opportunities for interaction with adults and can receive more individualized attention, resulting in a higher quality learning experience.
- Early learning and development standards offer programs guidance and establish the expectation that programs cover the full range of areas essential to children’s learning and development.

TO LEARN MORE...

Visit the Prichard Committee at www.prichardcommittee.org


Center for Enhancing Early Learning Outcomes | Cost of Preschool Quality Tool | www.ceelo.org

Alliance for Early Childhood Finance | Cost Modeling | www.earlychildhoodfinance.org

U.S. Department of Health and Human Services Office of Child Care | Provider Cost of Quality Calculator | www.ecequalitycalculator.com
ACKNOWLEDGEMENTS

We thank members of the Kentucky Early Childhood Cost of Quality Advisory Group and other partners for providing expertise and guidance. We especially thank Dr. Victoria Sherif for expert research assistance.

Christa Bell, Cabinet for Health and Family Services
Jay Brewer, Dayton City Schools
Senator Danny Carroll, Easter Seals West Kentucky
Dr. Amanda Ellis, Kentucky Department of Education
Linda Hampton, Governor’s Office of Early Childhood
Cori Gadansky, 4C for Children, Louisville
Amanda Greenwell, United Way of Greater Cincinnati
John Roden, Kentucky River Foothills
Patricia Tennen, Kentucky Youth Advocates
June Widman, Eastern Kentucky Child Care Coalition
Sandra Woodall, 4C of Northern Kentucky
Dr. Rachel Yarbrough, Webster County Schools

We are grateful for financial support from the Greater Cincinnati Foundation and United Way of Greater Cincinnati, and the Alliance for Early Success for in-kind support.
The Prichard Committee for Academic Excellence is an independent, non-partisan citizens’ advocacy group. Comprised of volunteer civic and business leaders from across Kentucky, the Committee has worked to improve education for Kentuckians of all ages since 1983.