

# BUILDING BLOCKS

The Kentucky Early Childhood Cost of Quality Study



**PRICHARD COMMITTEE  
FOR ACADEMIC EXCELLENCE**

STUDY • INFORM • ENGAGE

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## 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.

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### 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.

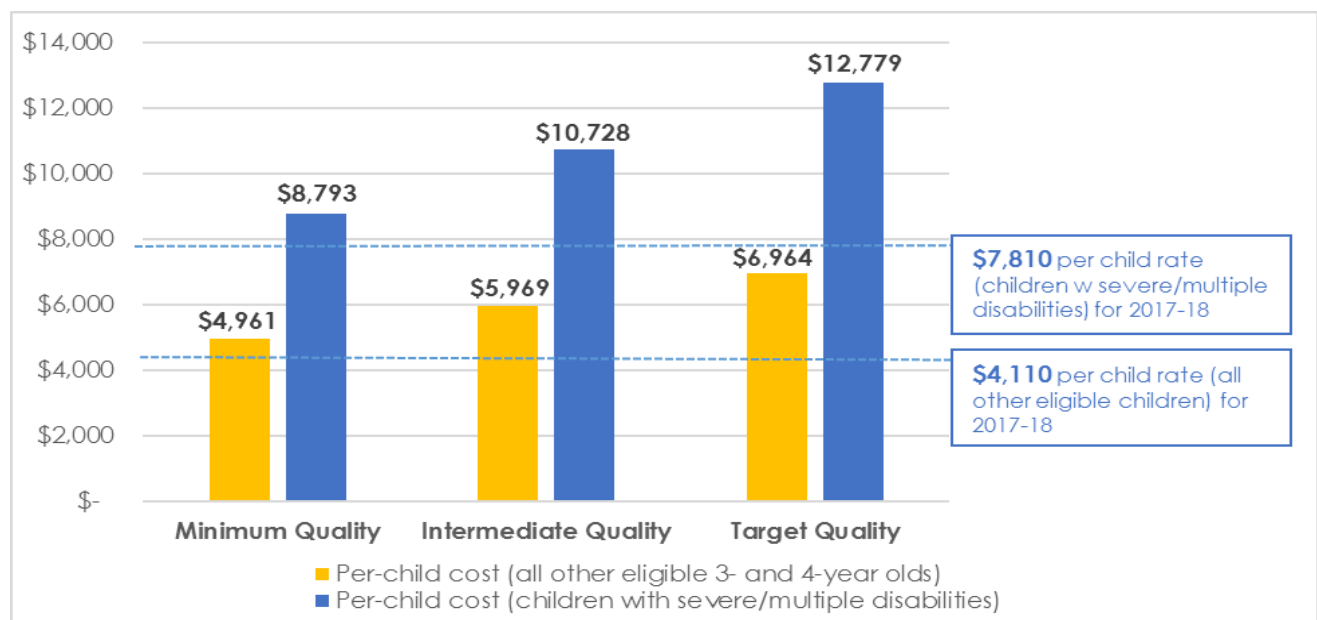
**Estimates:** The model was used to estimate costs at three levels of quality (minimum, intermediate, target) for a half-day preschool program for most eligible children, and a full-day preschool program for children with severe or multiple disabilities. A “minimum” program meets but does not go beyond state minimum requirements.

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.

#### Key Assumptions:

|                                                    | Minimum  | Intermediate | Target    |
|----------------------------------------------------|----------|--------------|-----------|
| Maximum class size                                 | 20       | 18           | 16        |
| Assistants per classroom                           | 1.5      | 2            | 2         |
| Instructional assistant salary                     | \$15,000 | \$16,500     | \$18,000  |
| Family coordinator                                 | None     | Part time    | Full time |
| Specialists (nurses, PT, OT, speech, interpreters) | 0.2 FTE  | 0.3 FTE      | 0.4 FTE   |

#### Cost Estimates – Kentucky Preschool Program



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### 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.

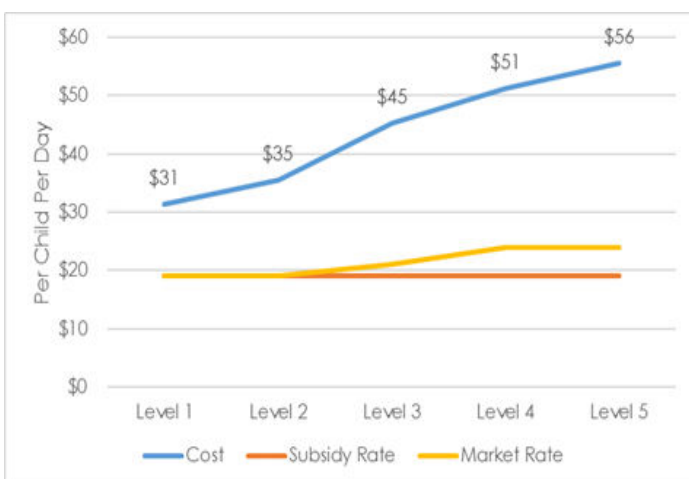
Estimates suggest that CCAP reimbursement rates should be raised *significantly* at **higher levels of quality** and for **infants & 1 year olds** at all levels of quality. For centers even the lowest level of quality, infant & 1 year old rates should be raised from \$19 - \$25/day to at least **\$31/day**.

#### Sample Assumptions:

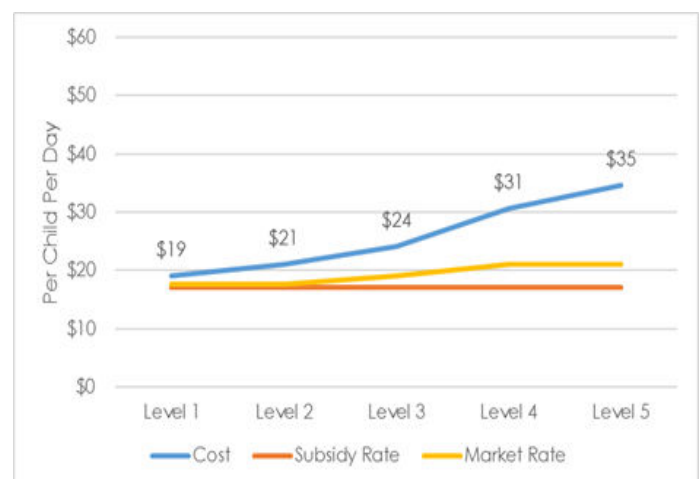
|                                | Level 1 | Level 2 | Level 3 | Level 4  | Level 5  |
|--------------------------------|---------|---------|---------|----------|----------|
| Maximum class size (3 yr olds) | 24      | 22      | 20      | 16       | 14       |
| Lead teacher hourly wage       | \$8.73  | \$9.22  | \$9.70  | \$10.19  | \$10.67  |
| Family coordinator             | None    | None    | None    | 0.20 FTE | 0.25 FTE |
| Child assessments              | \$12    | \$14    | \$16    | \$18     | \$20     |

### Child Care Center Cost Estimates

#### Ages 0-24 months; Rural West KY



#### Age 3; Rural West KY



# 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](http://www.prichardcommittee.org)

**Minervino, Jim and Robert Pianta.** September 2013. "[Early Learning: The New Fact Base and Cost Sustainability](#)"

**Center for Enhancing Early Learning Outcomes** | [Cost of Preschool Quality Tool](#) | [www.ceelo.org](http://www.ceelo.org)

**Alliance for Early Childhood Finance** | [Cost Modeling](#) | [www.earlychildhoodfinance.org](http://www.earlychildhoodfinance.org)

**U.S. Department of Health and Human Services Office of Child Care** | [Provider Cost of Quality Calculator](#) | [www.ecequalitycalculator.com](http://www.ecequalitycalculator.com)

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*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.*