



Cost of Quality Care Study

Final Report

May 2020



Delaware
Department of Education



Summary of findings (1/3)

Understanding the context, objectives, and guiding principles of the cost of quality care proposal

Delaware Office Of Early Learning: Cost of quality care analysis

Context

- ▶ The needs assessment conducted as part of the PDG B-5 grant identified the importance of providing more affordable and quality child care seats to families; one of the ways to do so would be for financial/reimbursement models to better take into account the cost of delivering quality care to children
- ▶ Reimbursement rates for child care services are currently informed by a Market Rate Survey, which surveys early childhood care pricing rather than the costs incurred by programs
- ▶ The Delaware Department of Education (DDOE) currently implements a voluntary Quality Rating Improvement System (QRIS) that assigns a Stars rating to participating programs based on a variety of quality standards
- ▶ The DDOE is currently redesigning its Stars program to better define quality for early childhood programs in the state, and to incentivize increased participation from programs

Objective

- ▶ Assist the State of Delaware to identify the key components of early childhood quality and estimate the cost of care and operations for early learning programs at various levels of quality, consistent with the Stars program

Guiding Principles

- ▶ Align the cost of quality care with the Stars redesign program that defines quality in the state
- ▶ Cost of care may differ based on a variety of factors including, but not limited to: program type, ages served, and funding (e.g., Head Start)



Summary of findings (2/3)

Summary of activities completed and stakeholder engagement

Project approach and timing

Timing

Approach and key activities

November–
December

- ▶ Secondary research of previous cost of quality care studies
- ▶ Alignment on proposal for current cost of care study, including stakeholder engagement, methodology, and primary research activities
- ▶ Alignment with Stars redesign team on future quality standards
- ▶ Preliminary interviews (n=43) and survey outreach (n=103 to date) to understand expenses at programs and their impact on annual budgets

January–
February

- ▶ Continued facilitation of cost of care interviews and survey
- ▶ Consolidation of data, followed by synthesis and analysis

March

- ▶ Incorporation of feedback from key stakeholders and OEL team, and socialization of final findings

Cost of quality care study

Use cases for the study:

- ▶ The cost of quality care study can be used to help identify key expenditure line items at programs today in order to better understand and inform future early childhood care reimbursement rates
- ▶ This study can further inform the relative level of magnitude of individual expenses on a program level, but should not be considered a point estimate for every program across Delaware
- ▶ The cost of quality care study should not be considered a recommendation for Purchase of Care and/or Purchase of Care Plus reimbursement rates today
- ▶ All findings from this study should be considered preliminary, based on a relative sample size, and consolidated to reflect a state-wide view



Summary of findings (3/3)

Activities completed

Primary Research Responses (n=146)

Calls (n=43)

In-depth phone interviews with centers and family care programs to gather personnel & non-personnel costs

Centers (n= 30)

New Castle: n=17, Kent: n=6, Sussex: n=7

- ▶ Administrator, Center, New Castle
- ▶ Administrator, Center, New Castle
- ▶ Administrator, Center, New Castle
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- ▶ Administrator, Center, New Castle
- ▶ Administrator, Center, New Castle
- ▶ Administrator, Center, New Castle
- ▶ Business Director, Center, New Castle
- ▶ Owner, Center, New Castle

- ▶ Executive Director, Center, New Castle
- ▶ Owner/Operator, Center, New Castle
- ▶ Administrator, Center, Kent
- ▶ Administrator, Center, Kent
- ▶ Administrator, Center, Kent
- ▶ Administrator, Center, Kent
- ▶ Administrator, Center, Kent
- ▶ Administrator, Center, Kent
- ▶ Director of Regulatory Compliance, Center, Kent
- ▶ Administrator, Center, Sussex
- ▶ Administrator, Center, Sussex
- ▶ Administrator, Center, Sussex
- ▶ Administrator, Center, Sussex
- ▶ Owner, Center, Sussex
- ▶ Administrator, Center, Sussex
- ▶ Preschool Administrator, Center, Sussex
- ▶ Owner and VP, Center, Sussex

Family Care Programs (n=10)

New Castle: n=7, Kent: n=2, Sussex: n=1

- ▶ Administrator, Family Care, New Castle
- ▶ Administrator, Family Care, New Castle
- ▶ Administrator, Family Care, New Castle
- ▶ Administrator, Family Care, New Castle
- ▶ Administrator, Family Care, New Castle
- ▶ Administrator, Family Care, New Castle
- ▶ Administrator, Family Care, New Castle
- ▶ Administrator/Teacher, Family Care, New Castle
- ▶ Administrator, Family Care, Kent
- ▶ Administrator, Family Care, Kent
- ▶ Administrator, Family Care, Sussex

Head Start (n=2)

New Castle: n=2

- ▶ Administrator, Head Start, New Castle
- ▶ Administrator, Head Start, New Castle

School District (n=1)

Sussex: n=1

- ▶ Supervisor of Early Learning, Sussex

Surveys (n=103)

Online survey circulated to all Delaware centers and family care programs to gather personnel/non-personnel costs

Centers (n=63)

- ▶ New Castle: n=48
- ▶ Kent: n=9
- ▶ Sussex: n=6

Family Care Programs (n=36)

- ▶ New Castle: n=21
- ▶ Kent: n=7
- ▶ Sussex: n=8

Large Family Care Programs (n=3)

- ▶ New Castle: n=1
- ▶ Sussex: n=2

Head Start (n=1)

- ▶ New Castle: n=1

Secondary Research

- | | | | | |
|---|--|---|---|-----------------------------|
| ▶ 2018 Delaware Local Child Care Market Rate Survey | ▶ Early Childhood News | ▶ IFF | Childhood Programs: Process Issues and Research Needs | ▶ Calculator |
| ▶ Center for American Progress | ▶ Foster EDU | ▶ Kaplan | ▶ Rodel | ▶ The Century Foundation |
| ▶ CFF Database | ▶ Growing Together: Expanding Roles for Social Work Practice in Early Childhood Settings | ▶ National Institute for Early Education Research | ▶ State of Delaware Office of Child Care Provider Cost of Quality | ▶ The Opportunity Institute |
| ▶ Children's Home Chattanooga | | ▶ Professional Development in Early | | ▶ U.S. Census |

Agenda

- ▶ **Delaware ECCE Programs Today**
 - ▶ Current (Baseline) Costs
 - ▶ Costs Related to Improvements to the Quality of Care
 - ▶ High Quality of Care Scenarios
 - ▶ Costs Related to Targeting Quality Care for Specific Populations



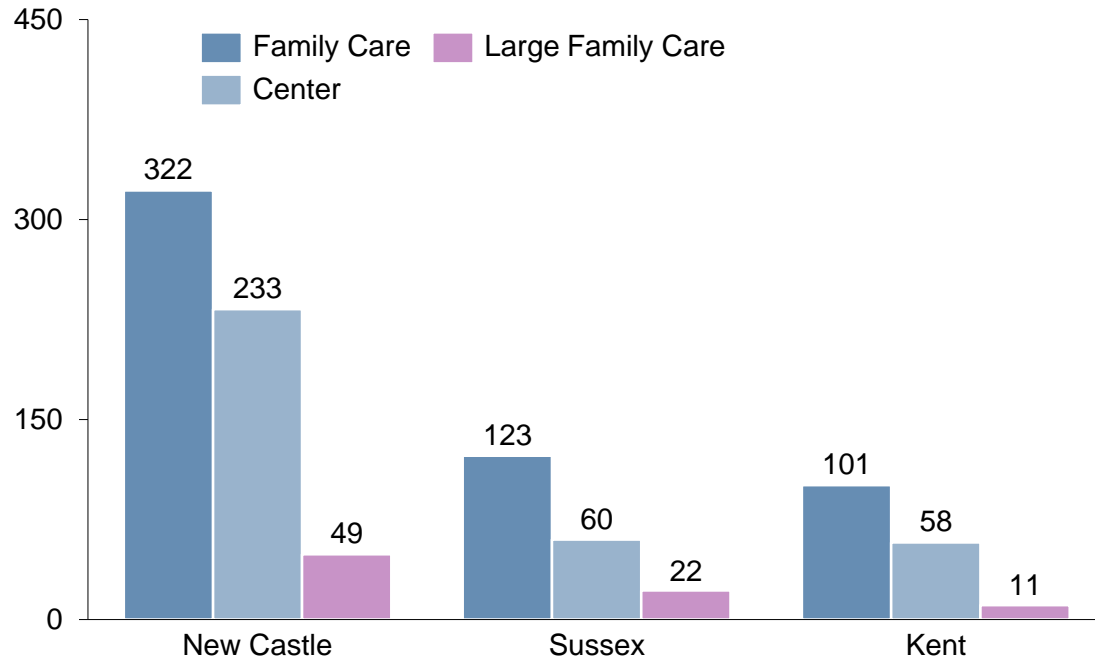
Delaware ECCE Programs Today

There's a supply of ~1k full-time licensed early childhood programs in Delaware, family care providers represent ~65% of all programs, but account for only 15% of seats

47% of the state's population under 5 are located in Sussex and Kent, yet only **38%** of programs are located in these counties combined

Delaware ECCE program supply, by type and county, FY2020

Program Types
Child Care Center <i>Child care and education in a non-residential, commercial setting</i>
Family Child Care <i>Child care and education in a licensed home or residential setting, serving up to 9 children</i>
Large Family Child Care <i>Child care and education in a licensed home or residential setting, serving between 10 and 14 children</i>



Delaware early child care programs have a total capacity of ~41k, with ~85% of capacity in centers and ~15% in family care programs



Delaware ECCE Programs Today

Head Start programs in Delaware typically have access to increased state and federal funding streams for program operation

Revenue streams for ECCE programs

Funding	Description	Head Start?	Center/Family Care?
Child and Adult Care Food Program	<i>Funds given to programs for food expenses; programs must serve families that meet income eligibility</i>	✓	✓
Delaware Stars Tiered Reimbursement	<i>Funds given to programs participating in Stars, with amounts determined by percentage of POC students and program's Star rating</i>	✓	✓
ECAP	<i>State pre-k dollars for income-eligible families and children with documented delays or disabilities</i>	✓	✓
Head Start Grant	<i>Federal grant to subsidize the cost of Head Start</i>	✓	
FACET	<i>Funding for Head Start programs to compensate additional social workers</i>	✓	
Private Donor	<i>Funding raised from private donors and organizations</i>		✓
Private Pay	<i>Payments by families to the child care program, similar to tuition</i>		✓
Purchase of Care	<i>Child care subsidies provided to programs by the state for families at or below 200% of the poverty line to cover a portion of child care costs; families <u>do not pay</u> the difference</i>	✓	✓
Purchase of Care +	<i>Child care subsidies provided by the state for families at or below 200% of the poverty line to cover a portion of child care costs; families <u>pay</u> the difference</i>		✓



Delaware ECCE Programs Today

There are two primary methodologies that can be leveraged to inform decisions regarding reimbursement rates

Methods to calculate the cost of early childhood care and inform decisions regarding reimbursement

Market rate study

Description:

- ▶ Market rate survey
- ▶ Survey of per student pricing by different providers based on criteria (e.g., provider type, geography, ages offered, etc.) to inform state reimbursement rates

Drawbacks:

- ▶ Does not survey costs incurred by programs
- ▶ Prices charged are not typically inclusive of all costs associated with program operation
- ▶ Based on a relative sample, with many programs not participating in the study

Cost-based approach

Description:

- ▶ “Aggregate cost-based model”
- ▶ Cost model based on program facility type and ages served calculated through interviews and surveys⁽¹⁾
- ▶ Additional costs factored in based on operational structure, student demographics, and program quality

Benefits:

- ▶ More granular and accurate view of total program investment than program pricing
- ▶ Identifies gaps / areas for future potential investment

Quality assumptions

- ▶ Quality has not been solely defined by Star ratings since the program is voluntary and being redesigned
- ▶ The 75th percentile of 5 Star rated programs was used as a high-quality example, as were K-12 comparisons

(1) Geography was also examined as a metric for cost differences, but no meaningful differences in costs were discovered in study sample size



Delaware ECCE Programs Today

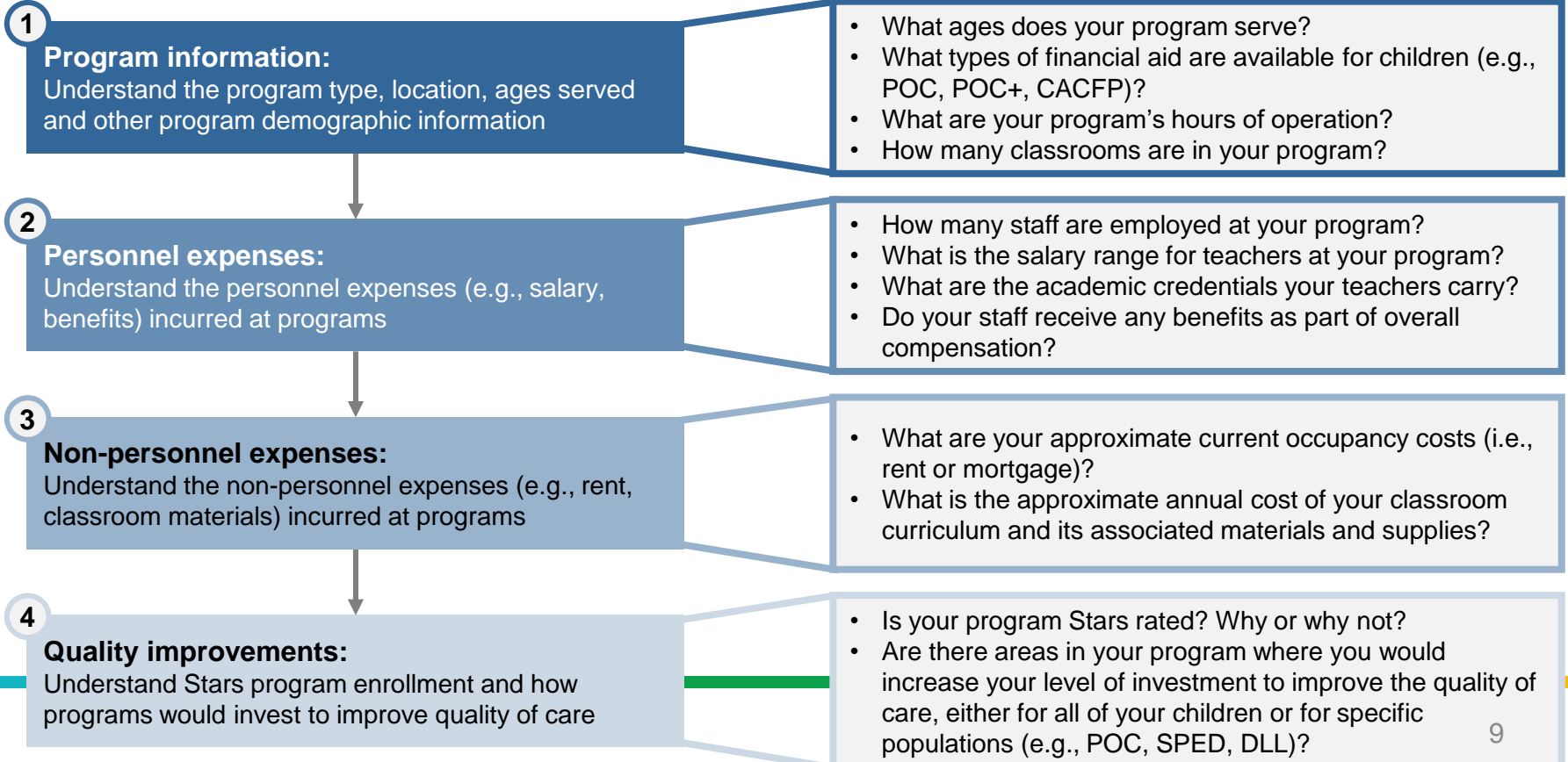
The program interviews and surveys gather program demographic information and expenses

Goals of study

- Understand the **annual costs** incurred at programs in Delaware today
- Determine the **cost differences** between programs based on demographics
- Measure the **impact of decisions related to quality improvements** on program costs

Primary research guide flow

Example questions



Agenda

- ▶ Delaware ECCE Programs Today
- ▶ **Current (Baseline) Costs**
- ▶ Costs Related to Improvements to the Quality of Care
- ▶ High Quality of Care Scenarios
- ▶ Costs Related to Targeting Quality Care for Specific Populations



Current (Baseline) Costs

Base case number of personnel vary based on ECCE program type

Base case costs	
1	Overview of expenses
2	Personnel expenses
3	Non-personnel expenses
4	Summary of expenses (appendix)

Family child care program (1 classroom)

Enrollment as % of capacity: 67%

Program size: 6 B-5 children
Infants: 2 children
Toddlers: 2 children
Preschool: 2 children
School-aged: 1 child



1 Program Administrator

Large family child care program (2 classrooms)

Enrollment as % of capacity: 67%

Program size: 9 B-5 children
Infants: 2 children
Toddlers: 3 children
Preschool: 4 children
School-aged: 2 children



1 Program Administrator



1 Lead Teacher

Child care center (5 classrooms)

Enrollment as % of capacity: 75%

Program size: 59 B-5 children
Infants: 5 children
Toddlers: 20 children
Preschool: 34 children
School-aged: 9 children



1 Program Administrator 1 Office Admin.



5 Lead Teachers



5 Assistant Teachers

Base profile

Improving enrollment as a % of capacity lowers per pupil expenditures

Note: Staff to child ratios based on state mandated staff : child ratios (infants: (1:4), toddlers (1:6-8), preschoolers (1:10-12)); Costs for school-aged before & after care excluded from analysis

Source: US Census; State of Delaware Office of Child Care; Provider Cost of Quality Calculator; Primary Research Interviews & Analysis

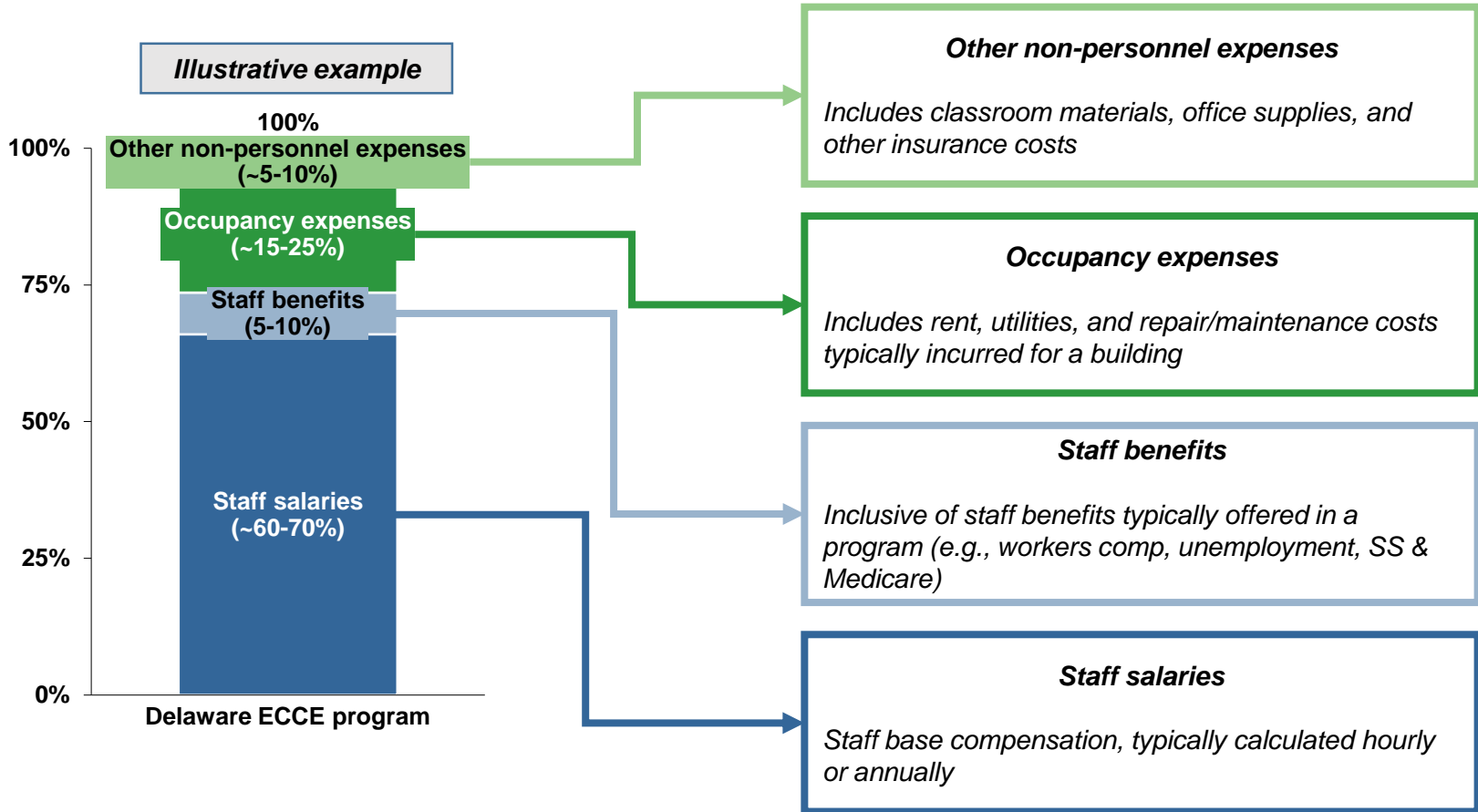


Current (Baseline) Costs

~70% of total expenses at ECCE programs are personnel costs, consisting of staff salaries and benefits

Base case costs	
1	Overview of expenses
2	Personnel expenses
3	Non-personnel expenses
4	Summary of expenses (appendix)

Breakdown of expenses at Delaware ECCE programs, FY2020



Note: Actual percentages vary based on program type and location
 Source: Primary Research Interviews & Analysis

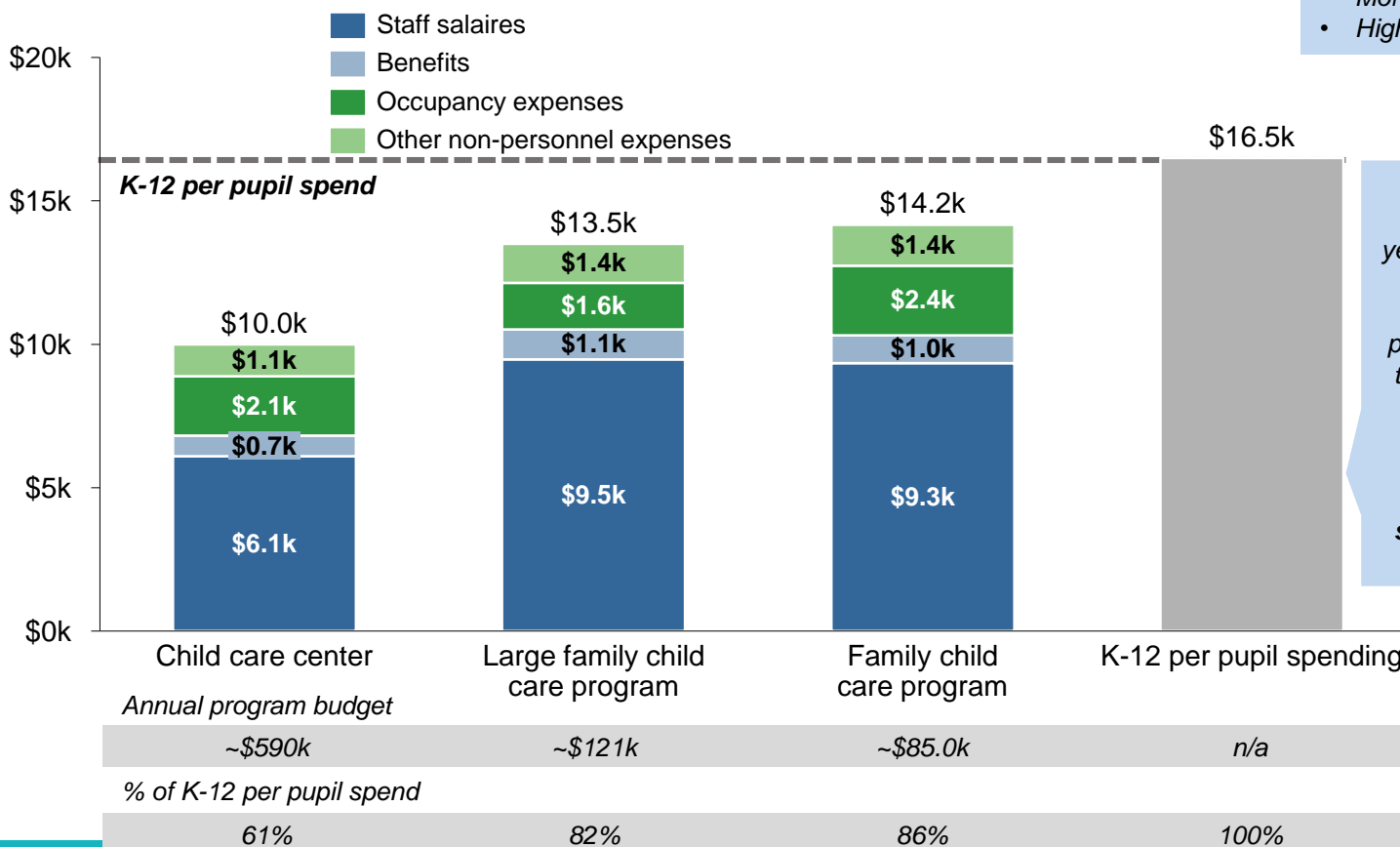


Current (Baseline) Costs

As ECCE programs increase in size, per pupil costs typically decline

Base case costs	
1	Overview of expenses
2	Personnel expenses
3	Non-personnel expenses
4	Summary of expenses (appendix)

Annual cost of care per child, by program type, FY2020



Family care programs have the opportunity to become more efficient through:

- More shared costs
- Higher enrollment rates

The K-12 per pupil spend is for a school year that is ~10 months and 6.5 hours/day whereas ECCE programs are assumed to be year-round and 11 hours/day

An adjusted year-round full day K-12 spend is ~\$24.4k per pupil

Note: 2019 Delaware K-12 per pupil spending = \$16,502

Note: Occupancy expenses assume ~\$13.50 /sq. ft for rent triangulated between primary and secondary sources

Source: US Census; Rodel; Office of Child Care Provider Cost of Quality Calculator; State of Delaware; Primary Research Interviews & Analysis

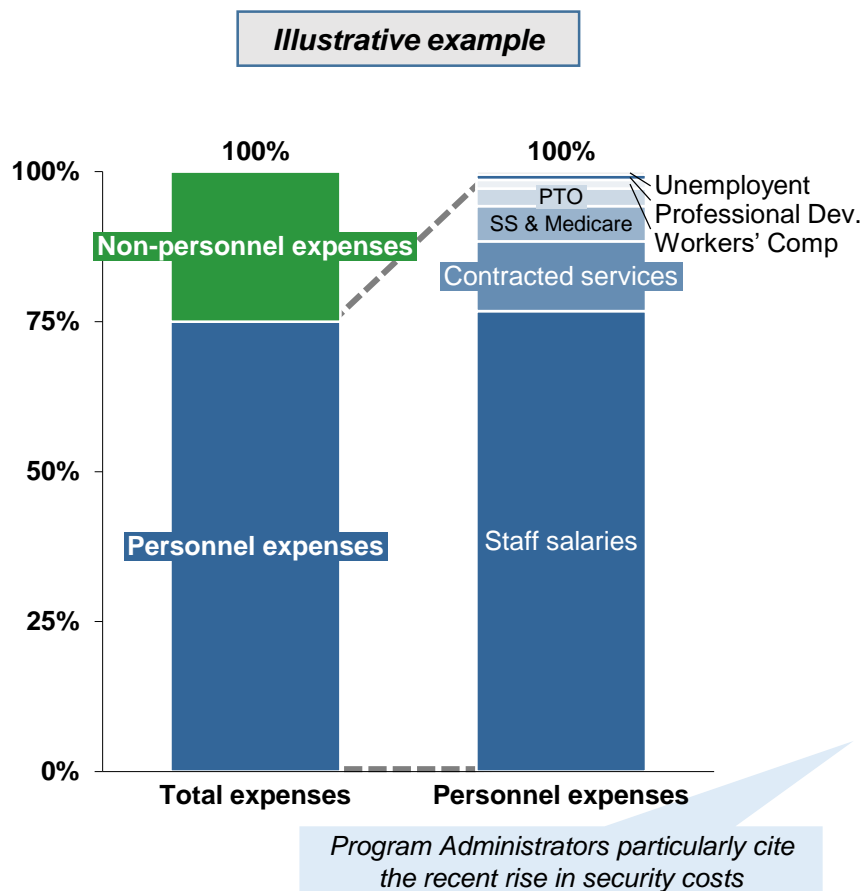


Current (Baseline) Costs

Personnel expenses are inclusive of staff salaries and various personnel benefits

Base case costs	
1	Overview of expenses
2	Personnel expenses
3	Non-personnel expenses
4	Summary of expenses (appendix)

Base case personnel expenses, Delaware ECCE Programs, FY2020



Benefit	Description
Unemployment	Unemployment insurance cost incurred by employers of 2% of salaries up to \$18.5k
Professional Development	Costs associated with mandatory professional development hours for staff
Workers' Compensation	1.8% of salaries workers' comp insurance cost incurred by employers
Paid time off	Period of leave for employees (assumed 5 days) with paid salary
Social Security & Medicare	Mandatory social security and Medicare benefits paid to all employees at 7.65% of salary
Contracted services	Payments to contracted employees for cleaning, pest control, and security
Staff salaries	Staff base compensation, typically calculated hourly or annually

Note: Not inclusive of medical benefits

Source: US Census; Office of Child Care Provider Cost of Quality Calculator; State of Delaware; Primary Research Interviews & Analysis



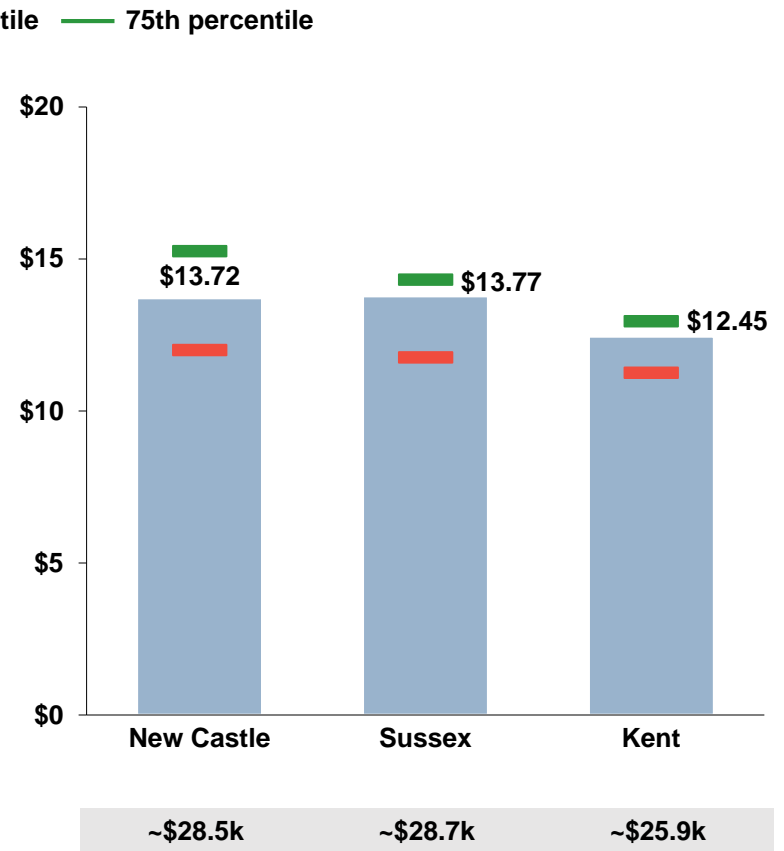
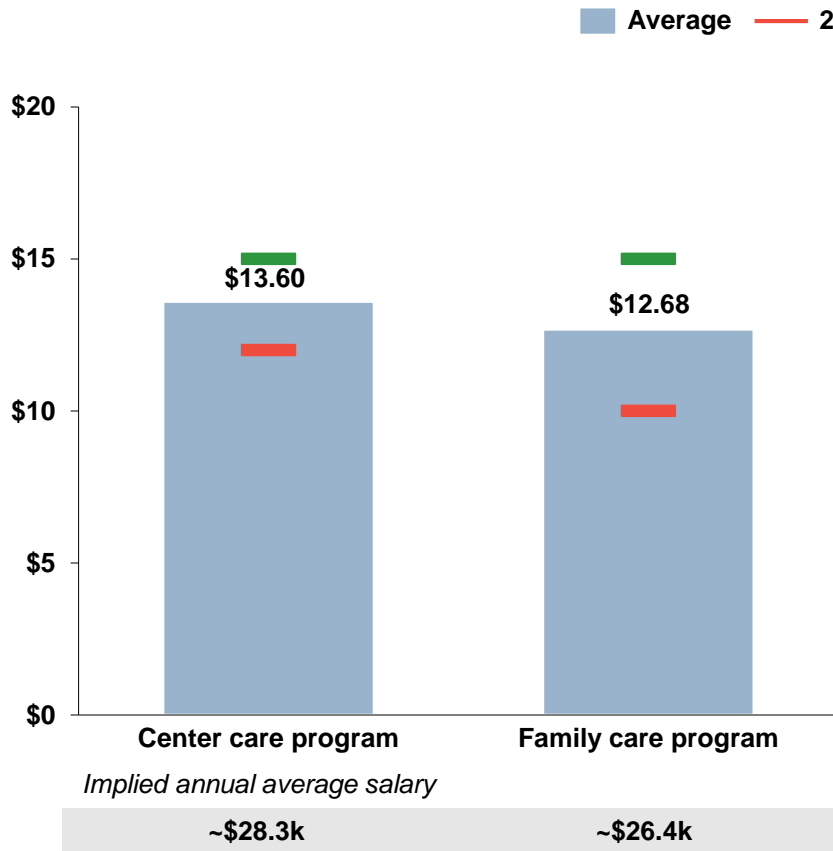
Current (Baseline) Costs

Lead teachers at centers are typically better compensated than those at family care programs

Base case costs	
1	Overview of expenses
2	Personnel expenses
3	Non-personnel expenses
4	Summary of expenses (appendix)

Average lead teacher hourly wage, by program type, FY2020

Average lead teacher hourly wage, by county, FY2020



Note: Assumed 40 hrs. / week, 2080 hrs. / yr.; Family care programs includes Large family care programs
 Source: Primary Research Interviews & Analysis

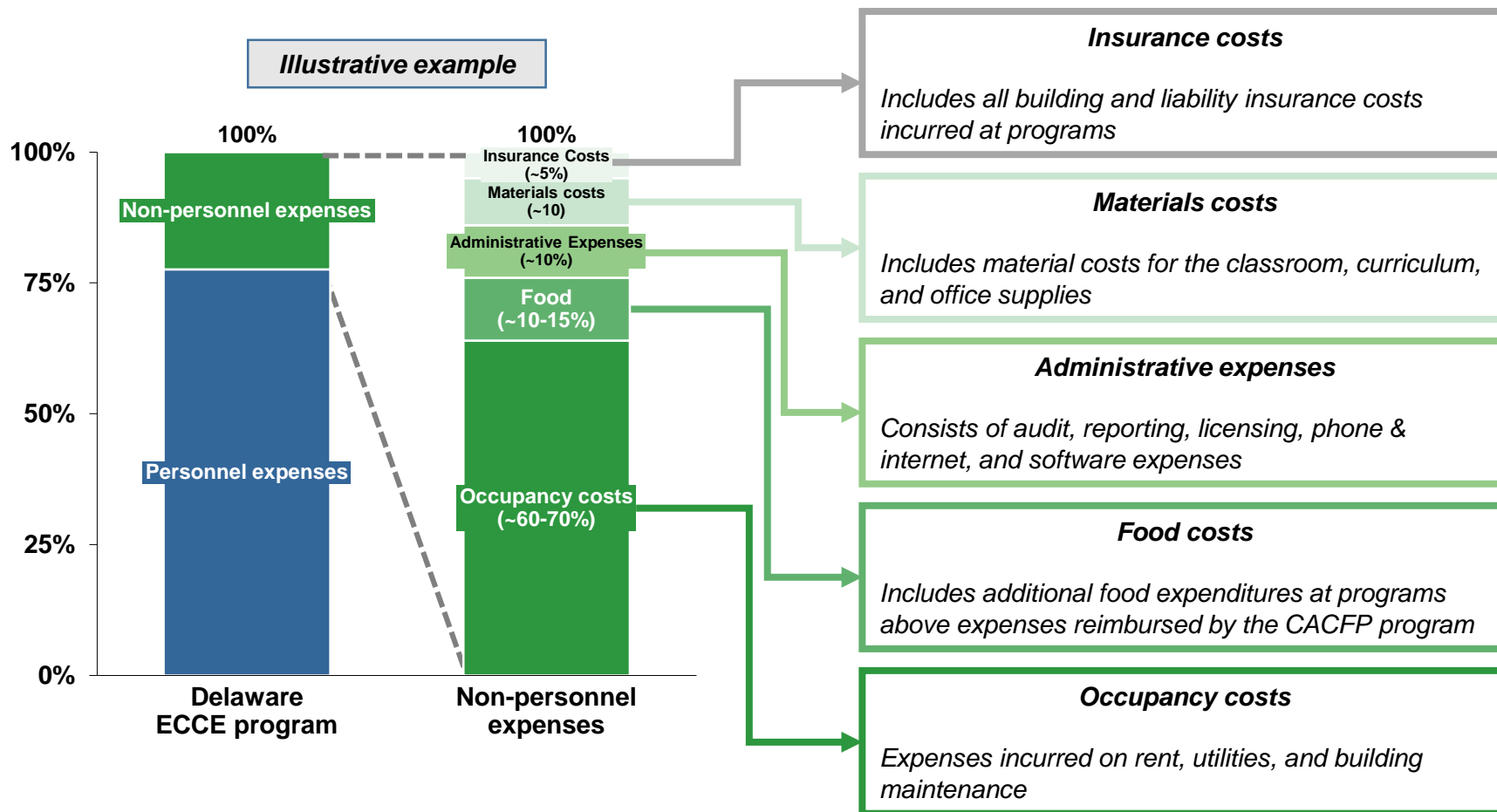


Current (Baseline) Costs

The majority of non-personnel costs consist of rent, utilities, and food

Base case costs	
1	Overview of expenses
2	Personnel expenses
3	Non-personnel expenses
4	Summary of expenses (appendix)

Base case non-personnel expenses, Delaware ECCE programs, FY2020



Note : Includes food costs not covered by food programs (e.g., CACFP)

Source: US Census; Office of Child Care Provider Cost of Quality Calculator; State of Delaware; Primary Research Interviews & Analysis



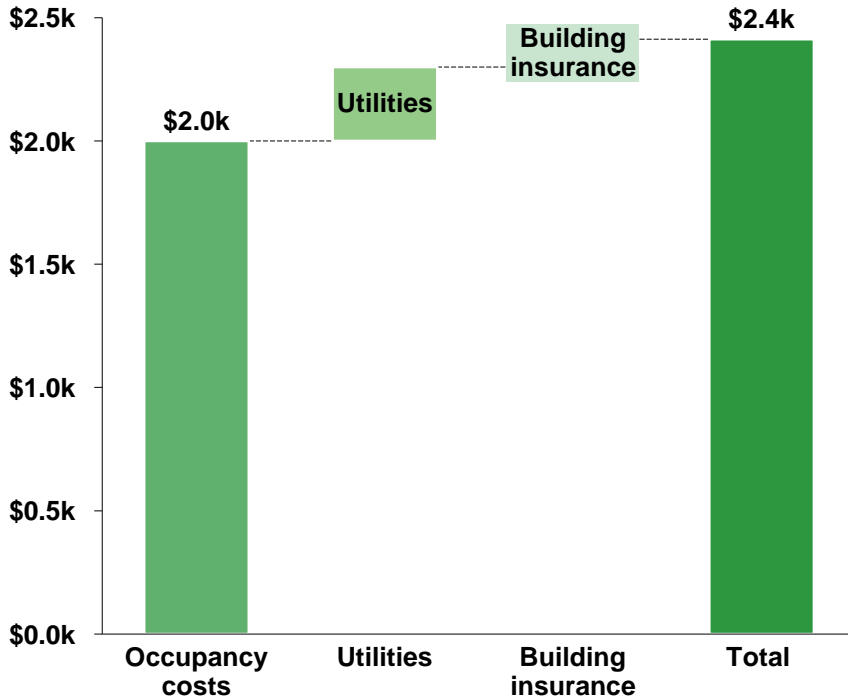
Current (Baseline) Costs

Per pupil occupancy costs are smaller at centers than at family care programs due to higher enrollment

Base case costs	
1	Overview of expenses
2	Personnel expenses
3	Non-personnel expenses
4	Summary of expenses (appendix)

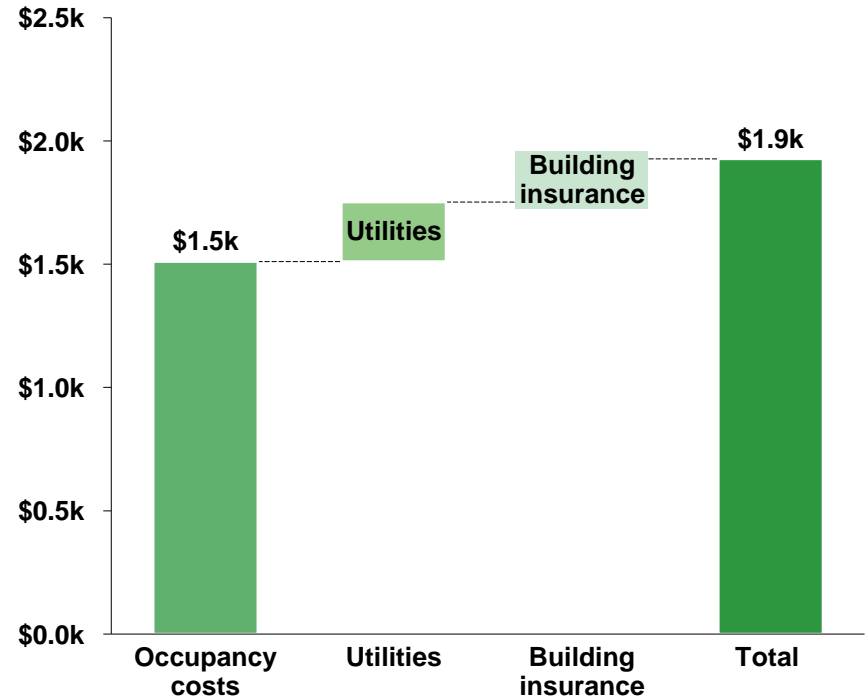
Average per pupil annual rent/mortgage cost, family care programs, FY2020

Annual occupancy cost: ~\$2.4k



Average per pupil annual rent/mortgage cost, center care programs, FY2020

Annual occupancy cost: ~\$2.0k



Note: Assumes 1,280 sq. ft. per child care center classroom
 Source: US Census; Office of Child Care Provider Cost of Quality Calculator; State of Delaware; Primary Research Interviews & Analysis

Agenda

- ▶ Delaware ECCE Programs Today
- ▶ Current (Baseline) Costs
- ▶ **Costs Related to Improvements to the Quality of Care**
- ▶ High Quality of Care Scenarios
- ▶ Costs Related to Targeting Quality Care for Specific Populations



Improvements to the Quality of Care

Feedback from program administrators identified three primary ways in which programs can begin to improve their quality standards

Improvements to quality of care	
1	Overview of quality levers
2	Improvements in quality

Attract and Retain High Quality Teachers

1

Increased salaries

Increasing teacher salaries to match those of K-12 educators

2

Inclusion of all benefits

Inclusion of all health, dental, and workers compensation benefits for full-time employees

3

Increased number of personnel

More teachers & admins to (1) lessen the burden on existing staff and (2) work with children on social adjustments

Description

Supporting Research

Commentary

- ▶ Low compensation can lead to high teacher turnover, creating inconsistent child-teacher relationships
- ▶ Economic insecurity can increase stress, negatively affecting teacher performance

- ▶ Lack of benefits, such as health care, can also contribute to high ECCE employee turnover
- ▶ If staff contract an illness without insurance, they risk spreading their illness to the children if they cannot see a doctor

- ▶ Lower staff ratios enable staff to pay more attention to individual student needs
- ▶ Social workers' commitment to family-centered practice and cultural competence can address the needs of children and families

▶ *“Having to compete with the school system’s salaries for these people makes it hard. The salary gap is telling young people ‘don’t go into early learning. You don’t want to go there’” – Program Administrator*

▶ *“We can’t compete with schools in terms of health benefits. I couldn’t pay health insurance and still be open right now” – Program Administrator*

“It would be wonderful to have more staff for children, especially children with disabilities, but we can’t afford it right now” – Program Administrator



Improvements to the Quality of Care

Program administrators identified increased salaries and improved benefits as two primary levers to improve the quality of care today

Improvements to quality of care	
1	Overview of quality levers
2	Improvements in quality

1 Increased salaries

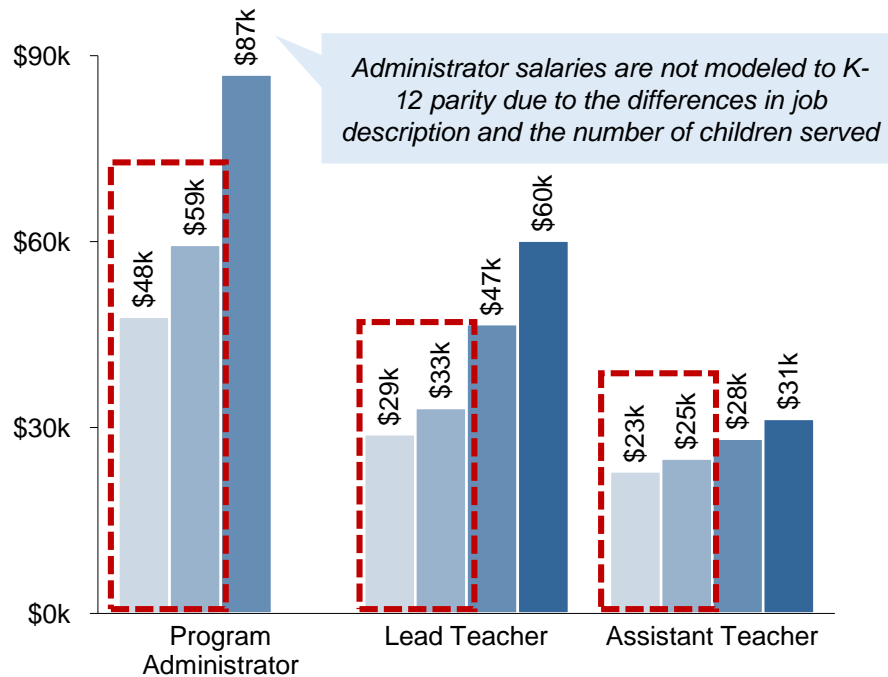
2 Inclusion of all benefits

3 Increased number of personnel

Base case and modeled high salary case, compared to K-12 salaries, FY2020

Base case and quality benefits, FY2020

Salary increases modeled in section



		Current base case	Modeled quality case
Base case	SS & Medicare	7.65%	7.65%
	Unemployment	2%	2%
	Workers Comp	1.8%	1.8%
	PTO	5 days	10 days
Quality case	Medical Care	n/a	~\$8k / employee

■ Modeled baseline salaries in Delaware ECCE programs
 ■ Midpoint to K-12 parity
■ Modeled high salary case
 ■ U.S. Census Delaware K-12 salary

Note: Modeled high case teacher & assistant teacher salaries represent the 75th percentile of Star 5 programs surveyed; Modeled baseline salaries for program Administrators represent the 75th percentile of Star 5 programs surveyed; modeled high salary case program administrator salaries modeled from US Census estimate for average Preschool Education Administrator; Modeled benefits calculated from state benefits calculator and primary research; Unemployment benefits equal to 2% up to \$18.5k annual salary
 Source: US Census; State of Delaware; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



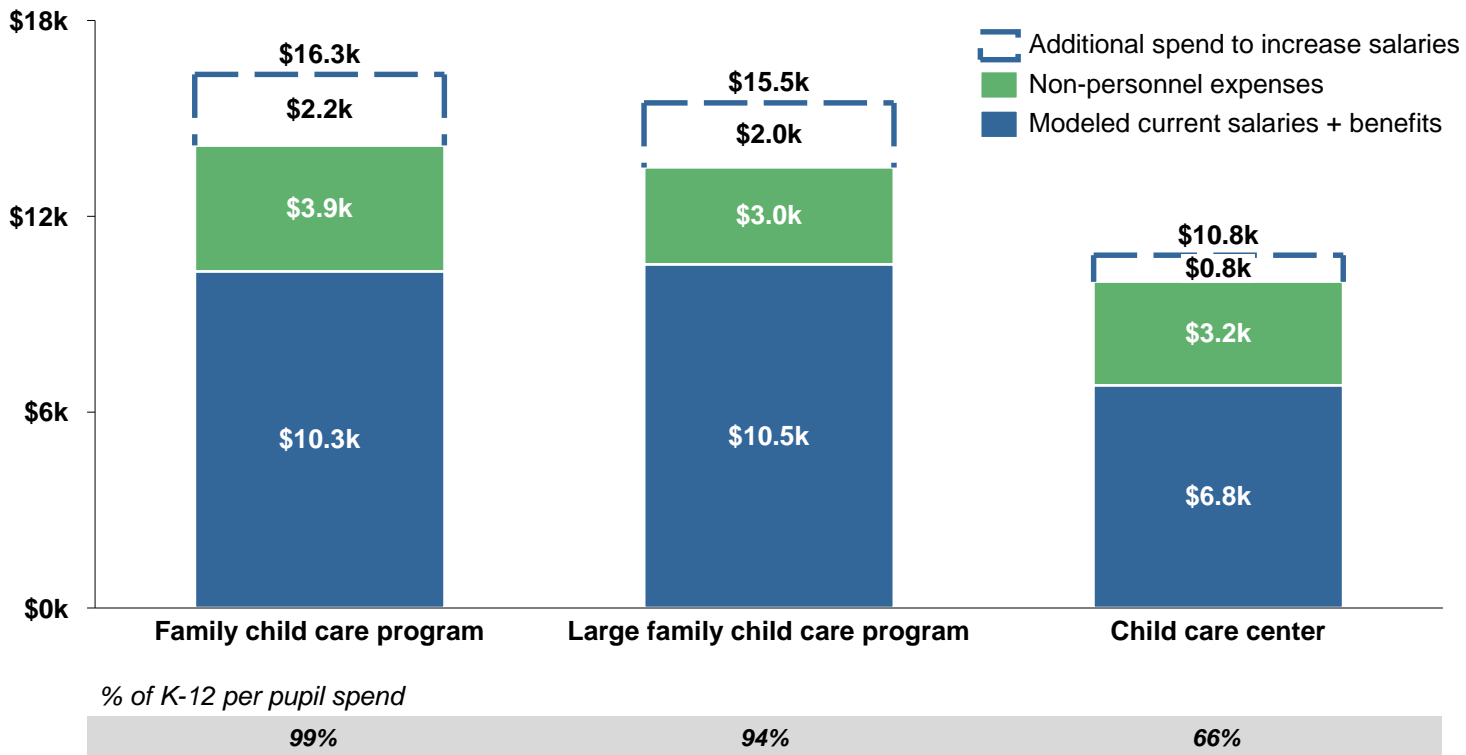
Improvements to the Quality of Care

Investment levels would require a ~10-15% increase to reach quality pay standards

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality

- 1**
Increased salaries
- 2**
Inclusion of all benefits
- 3**
Increased number of personnel

Annual per pupil cost of care and investment level, FY2020



Source: US Census; Office of Child Care Provider Cost of Quality Calculator; State of Delaware; Primary Research Interviews & Analysis



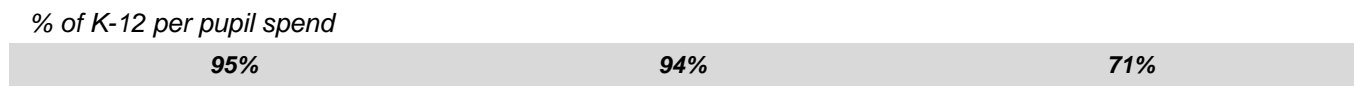
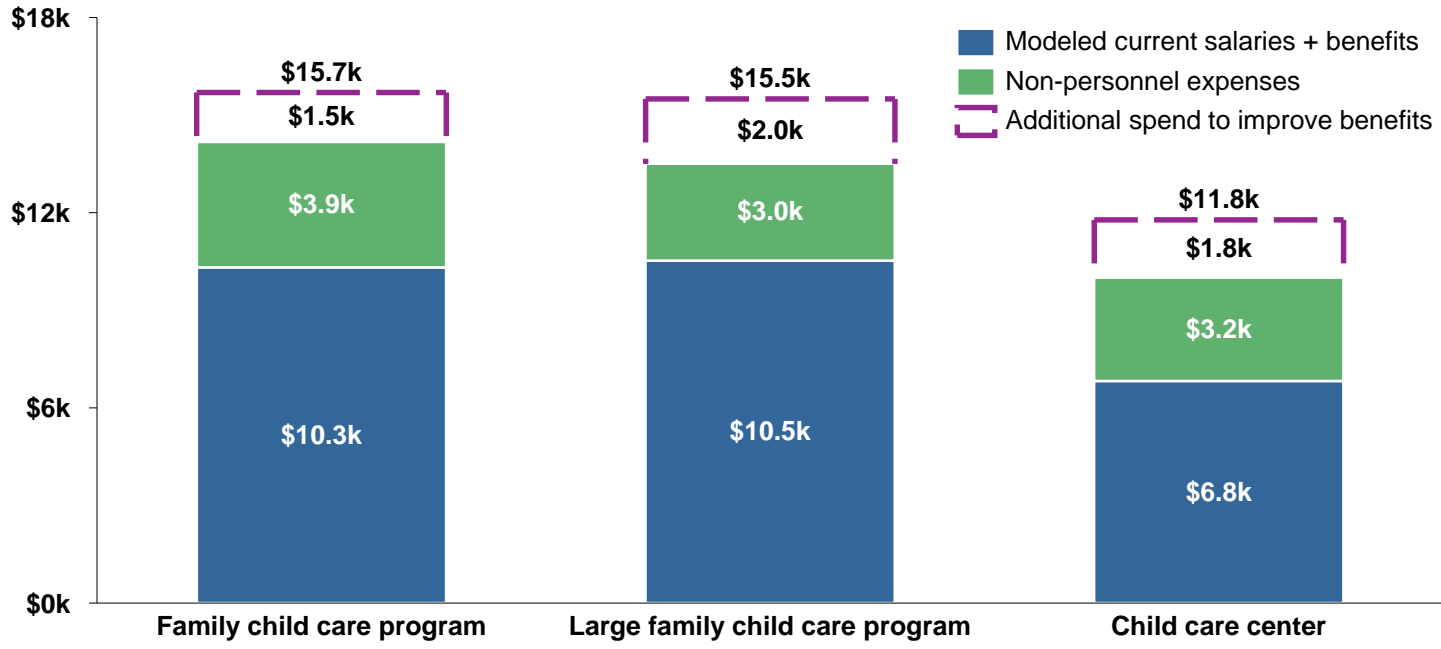
Improvements to the Quality of Care

Offering additional benefits would result in ~10% increases in total program costs

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality



Annual per pupil cost of care and investment level, FY2020



Note: Assumes all employees receive medical coverage in quality case
 Source: US Census; State of Delaware; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



Improvements to the Quality of Care

The cost of quality care includes additional personnel expenses needed for programs to provide quality services

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality

- 1 Increased salaries
- 2 Inclusion of all benefits
- 3 Increased number of personnel

Family child care program
(1 classroom)

Size of program: 6 children
Infants: 2 children
Toddlers: 2 children
Preschool: 2 children

Large family child care program
(2 classrooms)

Size of program: 9 children
Infants: 2 children
Toddlers: 3 children
Preschool: 4 children

Child care center
(5 classrooms)

Program size: 59 B-5 children
Infants: 5 children
Toddlers: 20 children
Preschool: 34 children

Base profile

1 Program Administrator	1 Program Administrator	1 Program Administrator, 1 Office Admin.
	1 Lead Teacher	5 Lead Teachers, 5 Assistant Teachers

Quality profile

+1 Assistant Teacher	+1 Assistant Teacher	+2 Classroom Floaters, +1 Curriculum Coordinator, +1 Office Admin., +1 Social Worker
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Position could also encompass other SPED supports



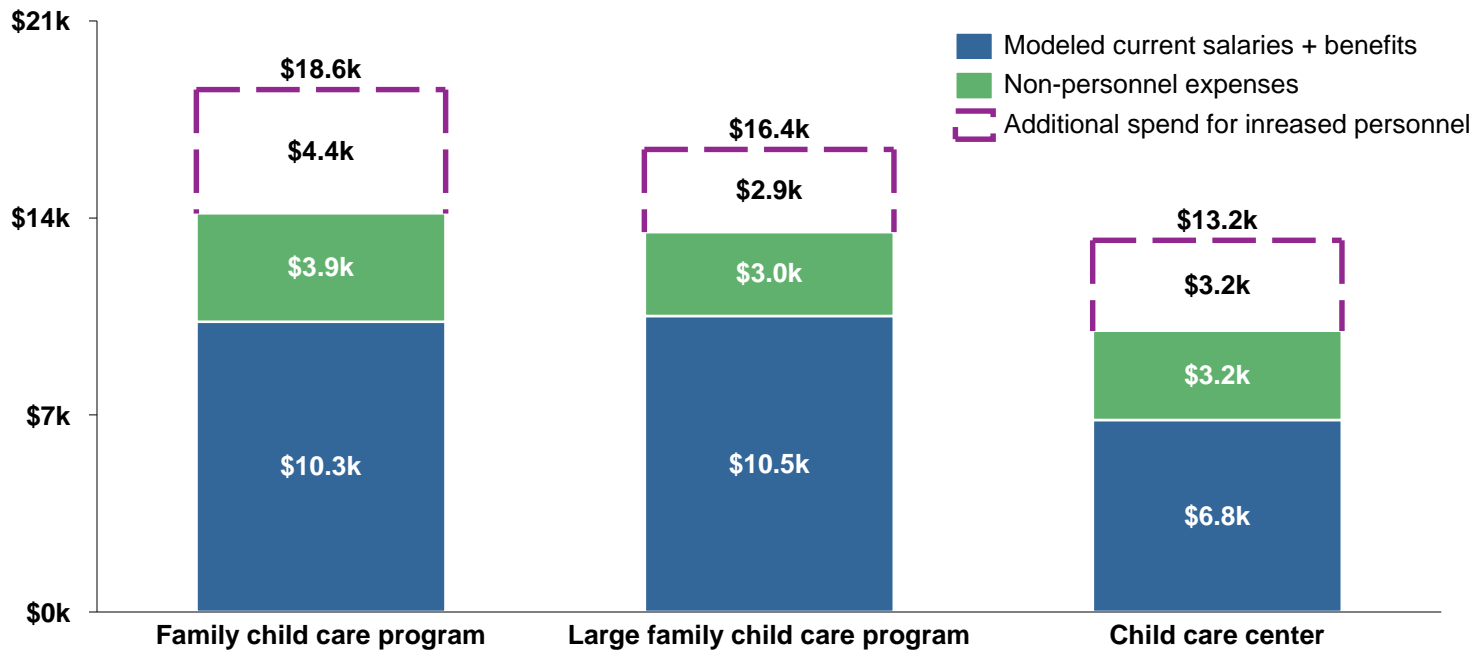
Improvements to the Quality of Care

Increasing personnel at ECCE programs would result in a 20-30% increase in total expenses, dependent on program type

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality

- 1 Increased salaries
- 2 Inclusion of all benefits
- 3 Increased number of personnel

Annual per pupil cost of care and investment level, FY2020



% of K-12 per pupil spend

Family child care program	113%
Large family child care program	100%
Child care center	80%

Source: US Census; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



Improvements to the Quality of Care

To improve program quality levels, investment levels could target a variety of options

Improvements to quality of care	
1	Overview of quality levers
2	Improvements in quality

Annual total per pupil cost of care, by program type and quality improvement lever,
FY2020

	<u>Family child care program</u>	<u>Large family child care program</u>	<u>Child care center</u>
Base case	\$14.2k	\$13.5k	\$10.0k
Improving benefits	\$15.7k	\$15.5k	\$11.8k
<i>Or</i>			
Increasing salaries	\$16.3k	\$15.5k	\$10.8k
<i>Or</i>			
Increasing personnel	\$18.6k	\$16.4k	\$13.2k
<i>Or</i>			
Improved benefits & increased salaries	\$17.9k	\$17.5k	\$12.6k



Improvements to the Quality of Care

Research supports the identified additional areas to improve quality of care

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality

Additional areas identified to improve quality of care

Personnel

Professional development investment

- ▶ Professional development improves staff knowledge, skills, dispositions, and practices, resulting in higher quality care
- ▶ Professional development allows educators to share experiences, network with similar professionals, and remain current on new research in the ECCE field

Workforce with higher degrees

- ▶ Higher-educated teachers have more positive, sensitive, and responsive interactions with children, provide richer language and cognitive experience, and are less authoritarian, punitive, and detached
- ▶ Studies have shown that educated teachers with specialized training are more effective than those without

Non-personnel

Curriculum

- ▶ A high quality curriculum aids teachers in structuring and sequencing classroom activities, identifying certain activities to help students build skills, and building on prior learning and experiences
- ▶ A high quality curriculum is also flexible, providing both structured planning and guiding principles

More building space

- ▶ Research shows children can be sensitive to space, and having more space leads to greater activity, imagination, and educational opportunities
- ▶ Cramped spaces limit opportunities for children to engage with certain resources and in different experiences

Improved building maintenance / repair

- ▶ Children learn better when they are comfortable in their surroundings
- ▶ Young students perform better in classrooms with good ventilation and comfortable air temperature
- ▶ Quality building conditions help attract families and staff

Higher quality classroom materials

- ▶ Having the appropriate amount of toys and educational materials enhances hands-on learning for children
- ▶ Toys and materials that promote active learning encourage children to eagerly pursue their own ideas and interests

Agenda

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- ▶ **High Quality of Care Scenarios**
- ▶ Costs Related to Targeting Quality Care for Specific Populations



Improvements to the Quality of Care

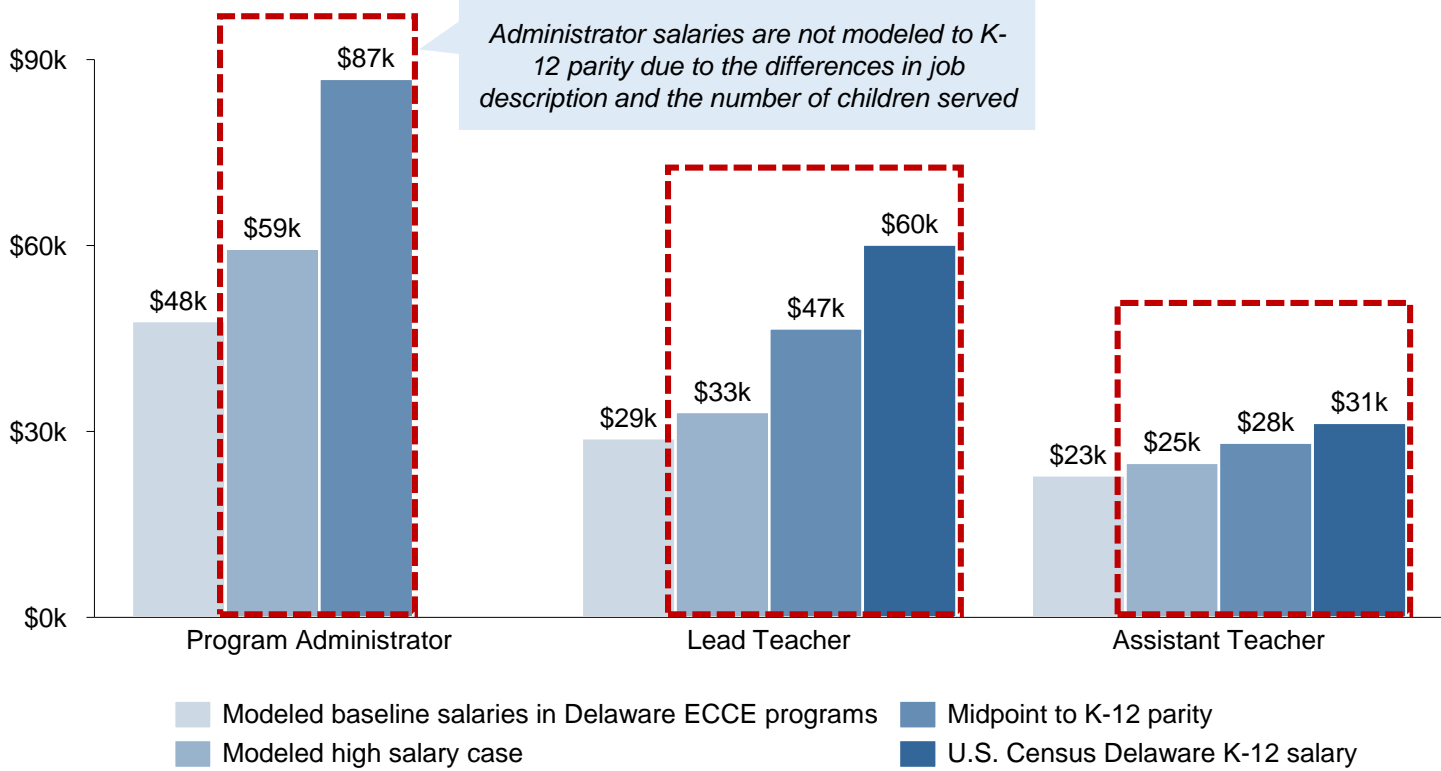
Staff salaries could increase further to bring them in line with K-12 Delaware standards

Improvements to quality of care	
1	Overview of quality levers
2	Improvements in quality

- 1**
Increased salaries
- 2**
Inclusion of all benefits
- 3**
Increased number of personnel

Base case and modeled high salary case, compared to K-12 salaries, FY2020

Salary increases modeled in section



Note: US Census Delaware K-12 salaries represent average Delaware K-12 salaries for position; Midpoint to K-12 parity salaries represent the midpoint between the modeled high salary case and Delaware K-12 salaries

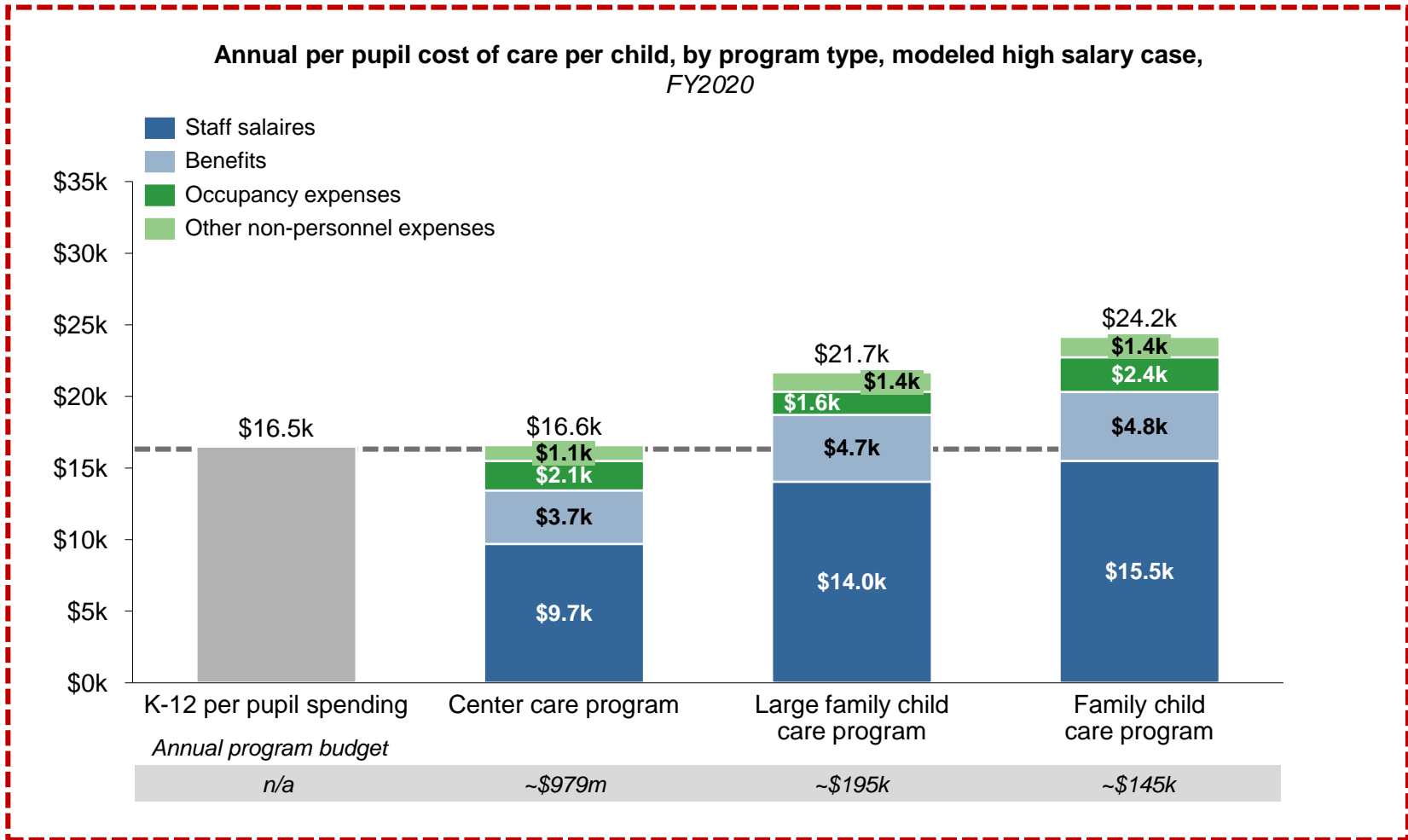
Source: US Census; State of Delaware; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



Improvements to the Quality of Care

Raising salaries to current ECCE quality levels would bring per pupil spending at centers in line with K-12 spending

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality



Source: US Census; State of Delaware; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



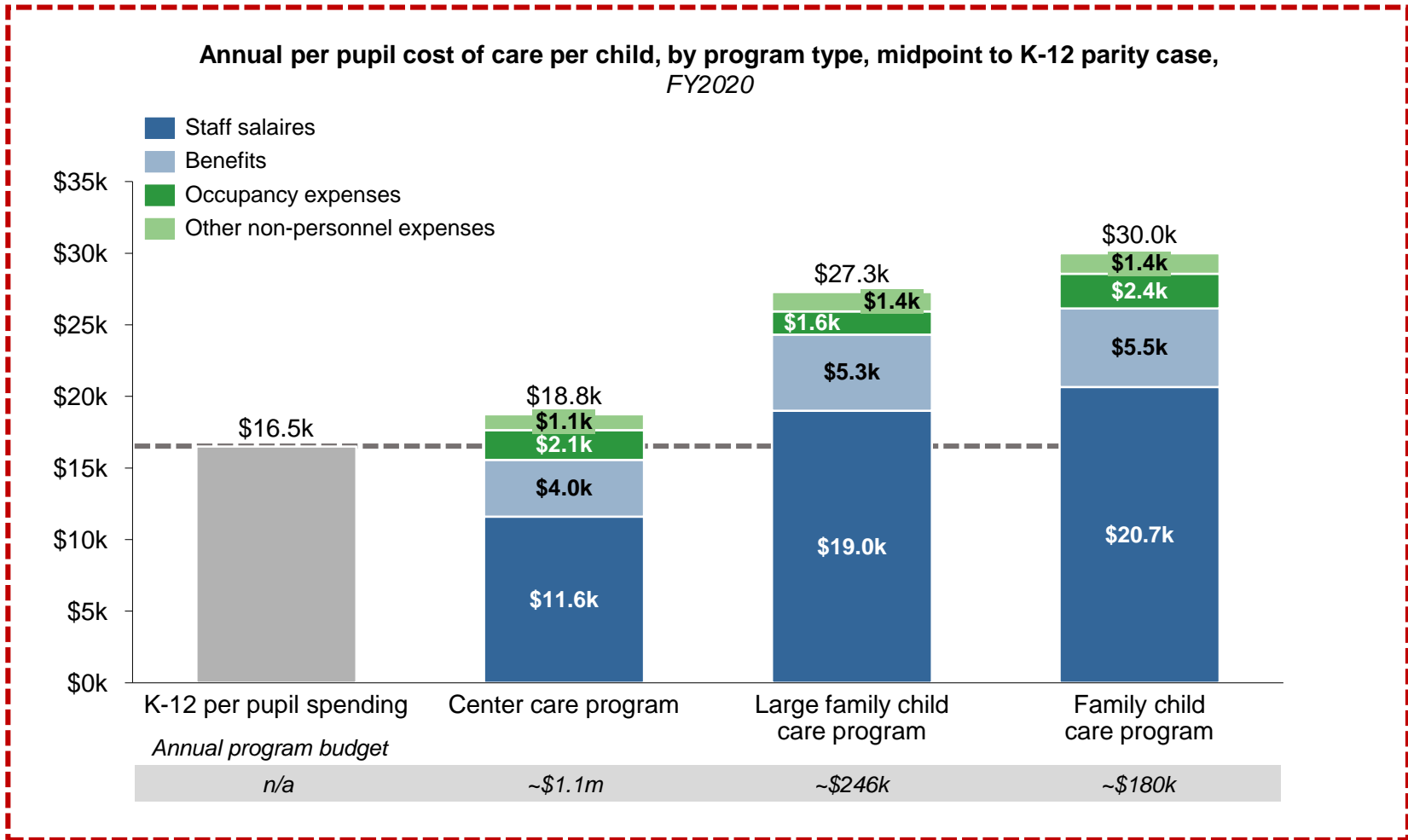
Highest quality case, if all programs have funds for every quality improvement



Improvements to the Quality of Care

Raising salaries to an interim level between current ECCE quality levels and K-12 averages would increase per pupil expenses above K-12

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality



Source: US Census; State of Delaware; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



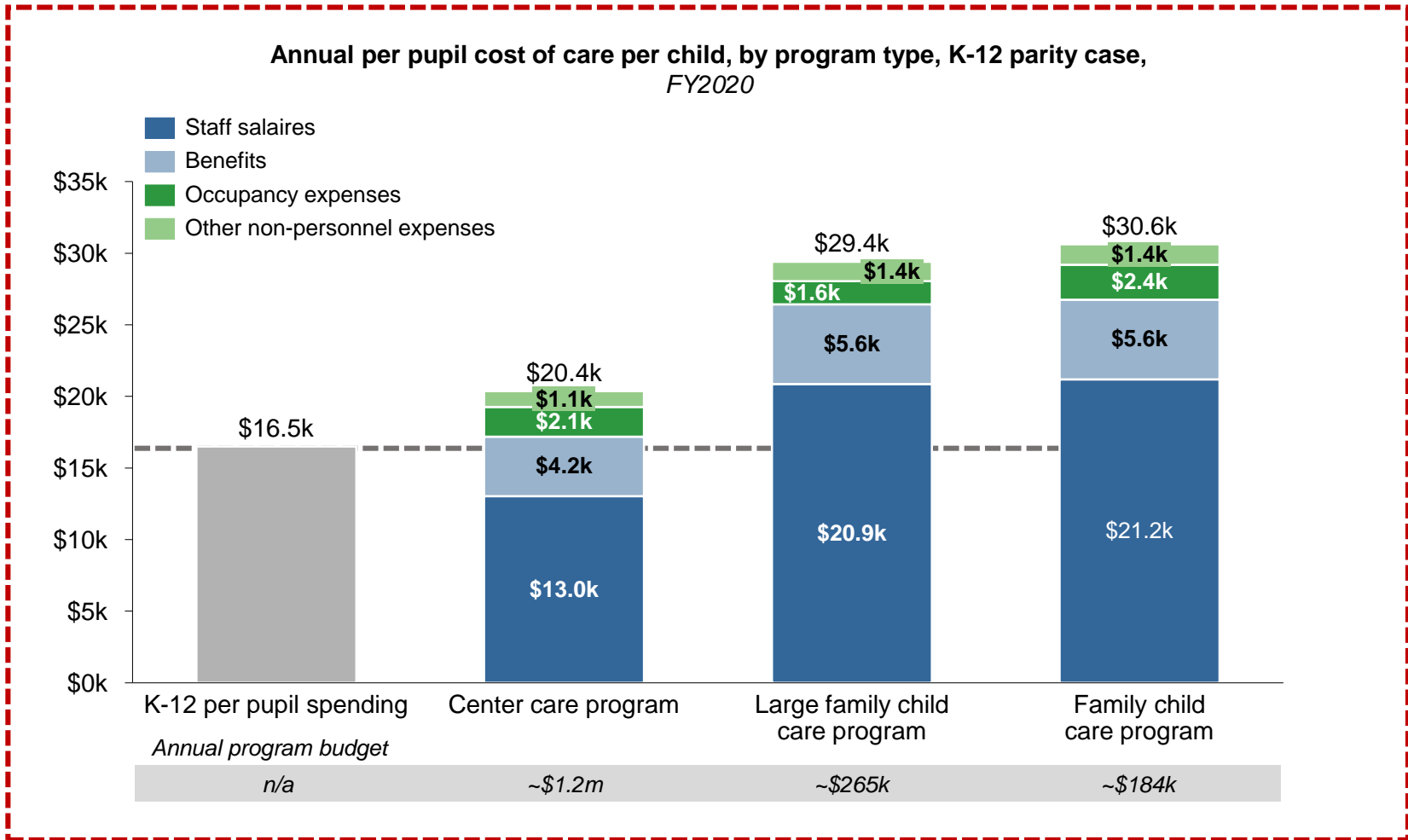
Highest quality case, if all programs have funds for every quality improvement



Improvements to the Quality of Care

Parity with K-12 salaries would raise per pupil ECCE expenditures well above current K-12 levels

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality



Source: US Census; State of Delaware; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



Highest quality case, if all programs have funds for every quality improvement



Improvements to the Quality of Care

Quality scenarios significantly increase per pupil expenditures at ECCE programs

Improvements to quality of care	
1	Overview of quality levels
2	Improvements in quality

Annual per pupil cost of care, by program type and quality improvement level,
FY2020

	<u>Family child care program</u>	<u>Large family child care program</u>	<u>Child care center</u>
Base case	\$14.2k	\$13.5k	\$10.0k
High salary case	\$24.2k	\$21.7k	\$16.6k
Midpoint to K-12 parity	\$30.0k	\$27.3k	\$18.8k
K-12 parity case	\$30.6k	\$29.4k	\$20.4k



Agenda

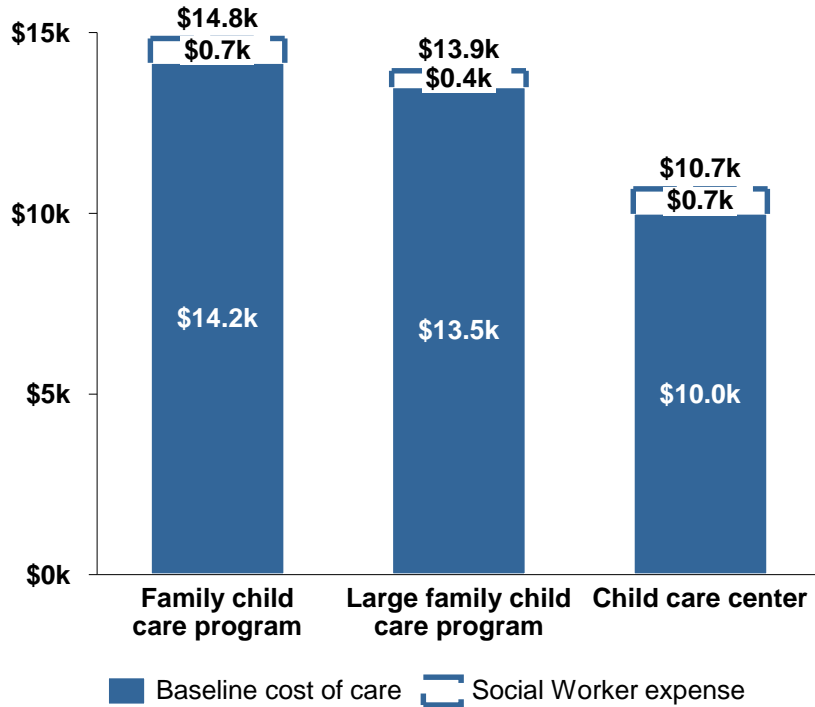
- ▶ Delaware ECCE Programs Today
- ▶ Current (Baseline) Costs
- ▶ Costs Related to Improvements to the Quality of Care
- ▶ High Quality of Care Scenarios
- ▶ **Costs Related to Targeting Quality Care for Specific Populations**



Improvements to the Quality of Care for Specific Populations

Program administrators commonly identify the addition of a social worker as a way to improve the quality of care for POC children

Annual per pupil cost of care and investment level, POC children, FY2020



Commentary

Program administrators commonly cite social workers as important for helping POC families access other services they may need

- ▶ *“With the number of Purchase of Care children we have, and other children as well, we really need to have more of a social worker in the building, or somebody who can manage families’ issues and help to connect families with the services they need for their children”*
– Former Administrator, Child care Center, New Castle
- ▶ *“To better serve POC students, I would want a family service worker that I could share with other centers, since I wouldn’t be able to afford a full-time person for just my center”* – Administrator, Child care Center, Kent
- ▶ *“We have family service workers because a lot of low-income families need extra services”*
– Administrator, Child care Center (Head Start), New Castle

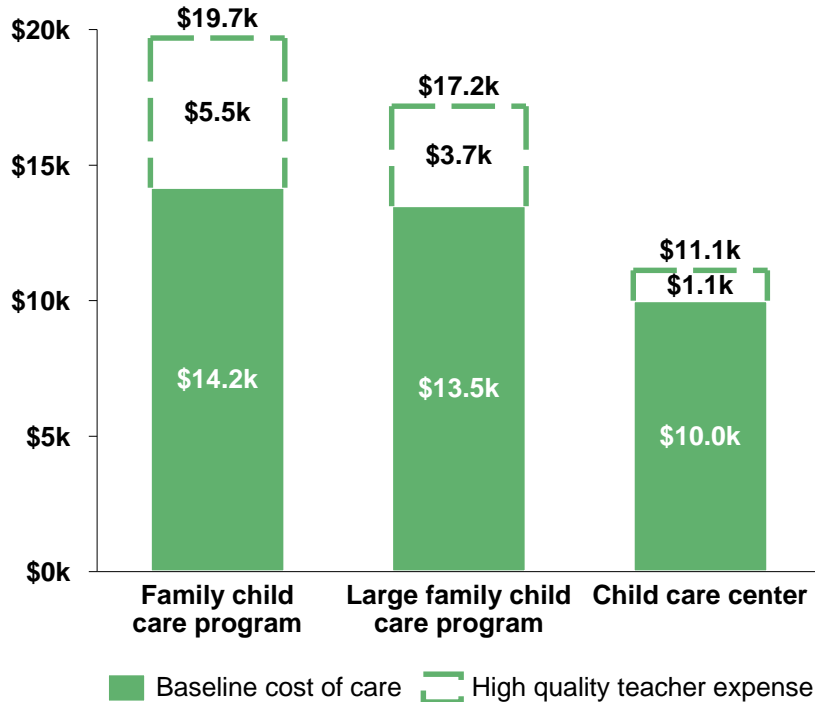
Note: Assumes 1 social worker per 10 family and large family care programs
Source: US Census; Office of Child Care Provider Cost of Quality Calculator; Children’s Home Chattanooga; Primary Research Interviews & Analysis



Improvements to the Quality of Care for Specific Populations

For children with special needs, most program administrators call for more, high quality, teachers to improve the quality of care

Annual per pupil cost of care and investment level, children with special needs, FY2020



Commentary

Programs commonly cite the need for more, high-quality, teachers to work with children with special needs

- ▶ *“It’s difficult with special needs children because nothing can replace a quality teacher, no matter what kind of level of support you have. Not just a teacher with degrees, but one that’s well-trained with early learners and can identify exactly what level of support a child needs”*
– Early Learning Supervisor, School District, Sussex
- ▶ *“You need more teachers when you are serving students with disabilities. Once, I had to have 2 teachers for 9 kids, because one of the children needed someone focused on him at all times, so serving special needs children requires smaller ratios”*
– Administrator, Child care Center, New Castle

Additionally, some programs with state resources hire specialists to work exclusively with students with special needs

- ▶ *“Speech pathologists, special ed coordinators, occupational therapists, mental health counselors, paraprofessionals, educational diagnostician, bus drivers, and bus aides are all necessary in servicing SPED children”*
– Early Learning Supervisor, School District, Sussex

Note: Assumes 2 quality teachers in child care centers; Assumes quality teacher salary from the higher salaries scenario; Children with challenging behaviors would also benefit from similar investments

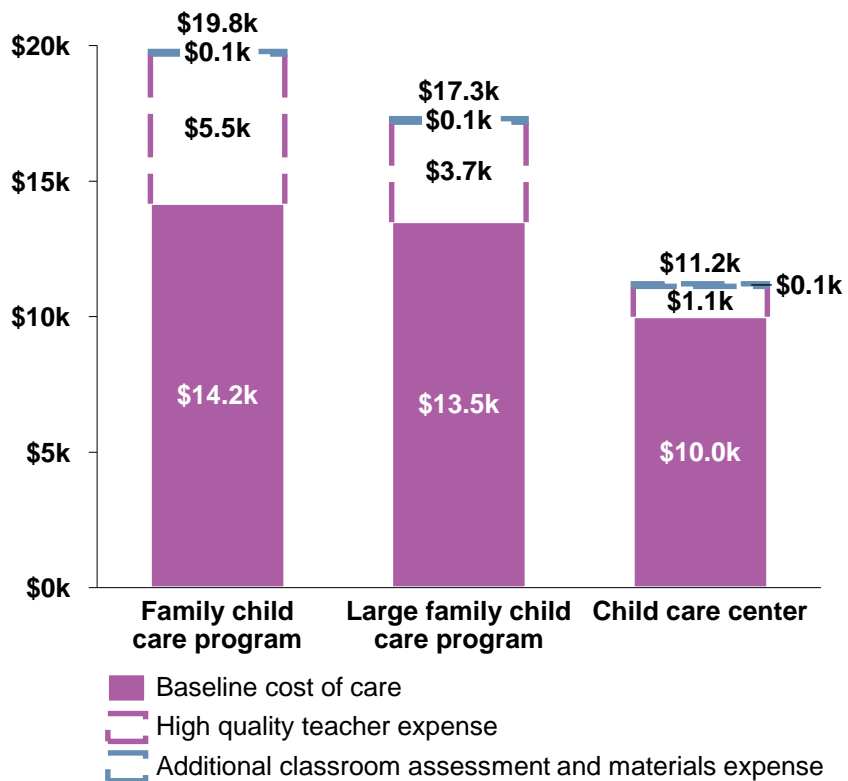
Source: US Census; Office of Child Care Provider Cost of Quality Calculator; Primary Research Interviews & Analysis



Improvements to the Quality of Care for Specific Populations

To improve the quality of care for dual-language-learners, program administrators typically request more materials or quality staff

Annual per pupil cost of care and investment level, dual-language-learners, FY2020



Commentary

An increased budget for classroom and curriculum materials is most commonly noted as a way to help dual-language-learning children

- ▶ “We need a diverse set of dolls, books, posters, and flashcards in different languages to properly serve dual language learners” – Owner, Child care Center, New Castle
- ▶ “We need toys and books in Spanish to support our dual-language learners” – Administrator, Child care Center, New Castle
- ▶ “We have students who speak Spanish, Creole, and Pakistani in our center, some of which are fluent in English and others who come with no English whatsoever. We have some books in Spanish, but it would be great if we could find some in other languages too” – Administrator, Child care Center, Sussex

Specialized teachers for dual-language learners presents another, more expensive, option to improve the quality of care for this population

- ▶ “You need more teachers when serving dual-language-learners, because they can be more difficult to teach, so lower ratios are necessary” – Administrator, Child care Center, New Castle

Agenda

- ▶ **Appendix**



Appendix

The following ratios were followed to understand base case costs in Delaware ECEE programs

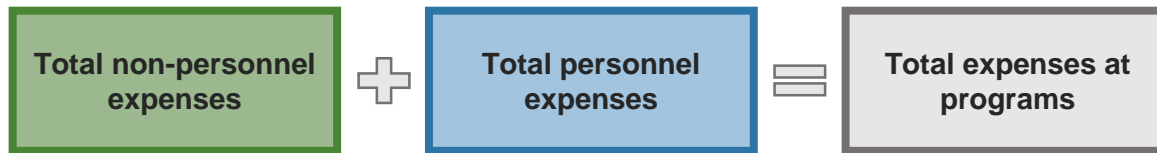
	Description	Study assumption
Staff : child ratio	Regulated ratios for the number of staff per child in an ECCE classroom	Infants: 1 staff : 4 (up to 1 year old)
		Toddlers: 1 staff : 6-8 (up to 3 years old)
		Preschoolers: 1 staff : 10-12 (up to 5 years old)
# of children per classroom	Regulated number of children per Delaware ECCE classroom	Infants: 8 infants per classroom
		Toddlers: 14 toddlers per classroom
		Preschoolers: 22 preschoolers per classroom
Enrollment v. capacity	Assumed enrollment per program based on program's total capacity	Family care programs: 67%
		Center care programs: 75%



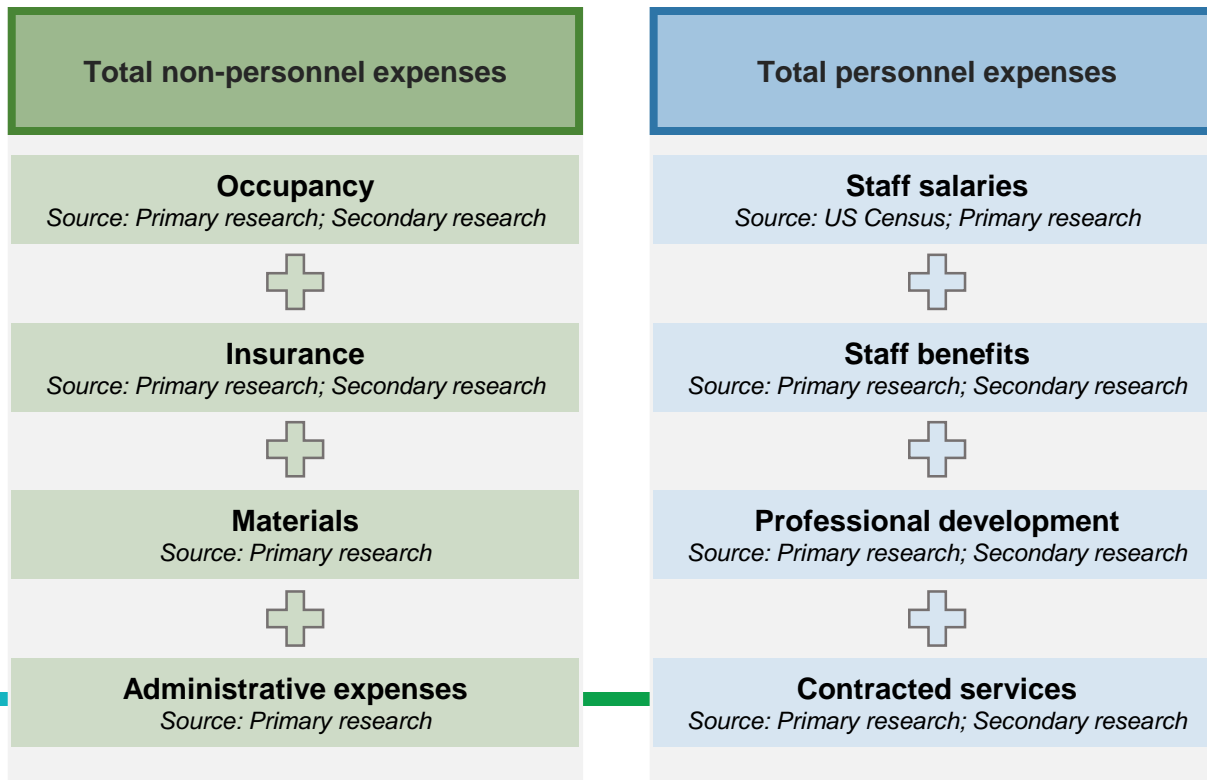
Appendix

The cost of current care is calculated by adding estimated personnel and non-personnel expenses at ECCE programs

Calculation of current expenses at ECCE programs



A combination of personnel and non-personnel expenses account for annual expenses incurred at ECCE programs today





Appendix

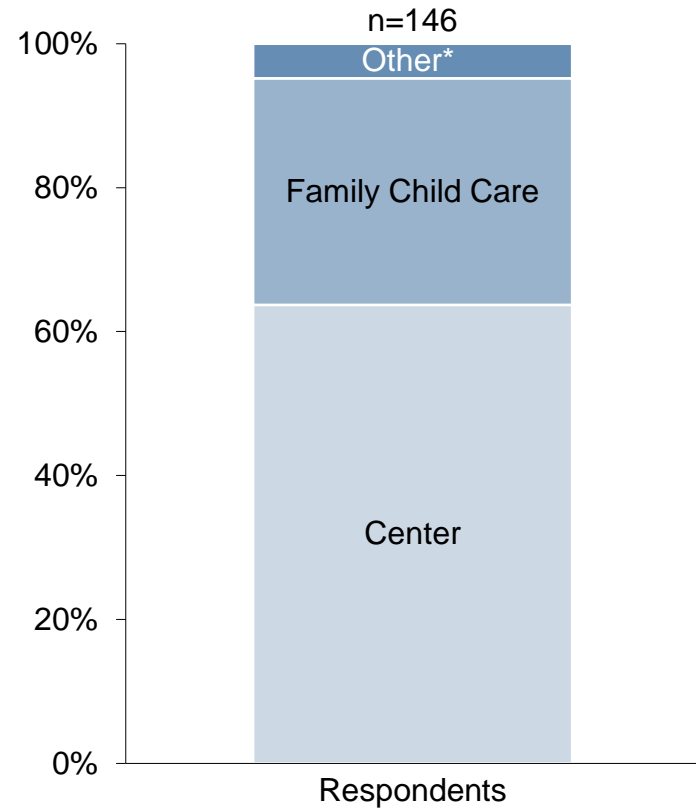
Survey and interview respondent breakdown

Survey and interview respondent demographics (n=146)

Respondent breakdown, by county,



Respondent breakdown, by program type,



*Other includes large family child care, head start programs, and programs at school districts; includes survey respondents participating in the personnel section of the guide