



# Financing Quality Preschool

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# Logistics

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- For technical issues please describe your issue in the CHAT BOX
- Please enter your questions at any time in the QUESTION BOX
- This session is being recorded and all slides and handouts will be posted on [www.ceelo.org](http://www.ceelo.org)





# Objectives of the Webinar

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- ✓ Increase awareness of policy issues impacting costs and raising revenue
- ✓ Increase knowledge of tools and resources from CEELO
- ✓ Increase understanding of how to use the Cost of Preschool Quality & Revenue (CPQ&R) calculator





# Today's Agenda

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- Presentation by Steve Barnett on policy issues impacting costs and access to quality
- Introduction to the Cost of Preschool Quality and Revenue (CPQ&R) Calculator
- See resources to support use of the CPQ&R and communicate value of quality programs



➤ FOR THOSE INTERESTED  
Online Demo of the CPQ&R



## Poll ~ What is your most pressing question about costs?

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- Increasing number of children (slots)*
- Increasing dosage (number of hours)*
- Increasing staff qualifications*
- Meeting the new NIEER quality benchmarks*
- Projecting funds for the next 5 years*





Steve Barnett, Senior Co-Director & Founder, NIEER

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***Two Sides of the Coin:  
Costs and Access to High  
Quality Early Learning***



## Why do we need cost and revenue analysis?

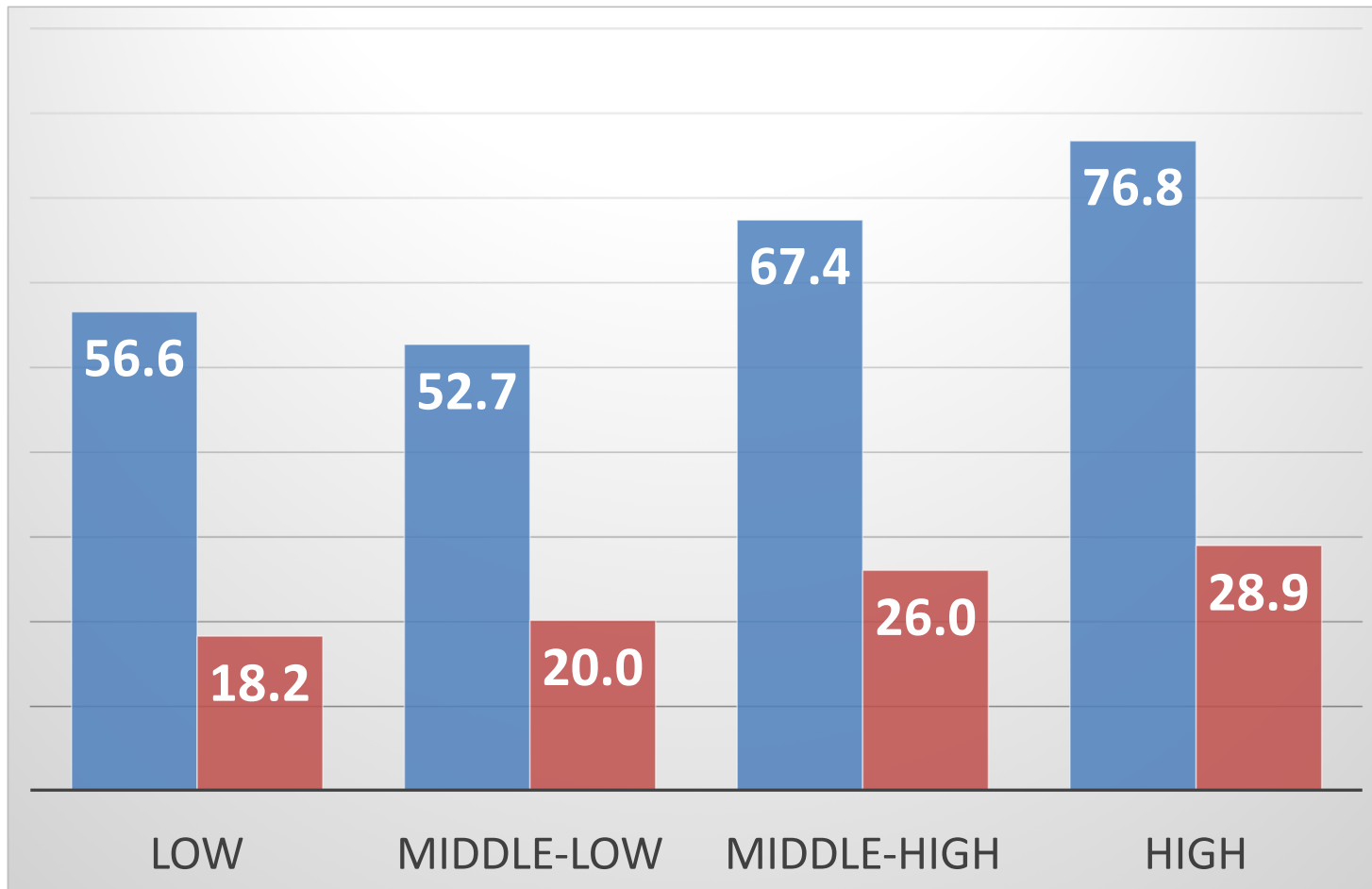
- Preschool enhances life quality in the early years and builds a foundation for later success
- But only if it is high quality
- Most programs—public and private—fall short
- Design failure results when we set cost first rather than design for success and then cost
- Cost and resources change as programs expand, creates problems if not planned for



## Pre-K Access by Income (Age 4)

■ Any

■ High-Quality

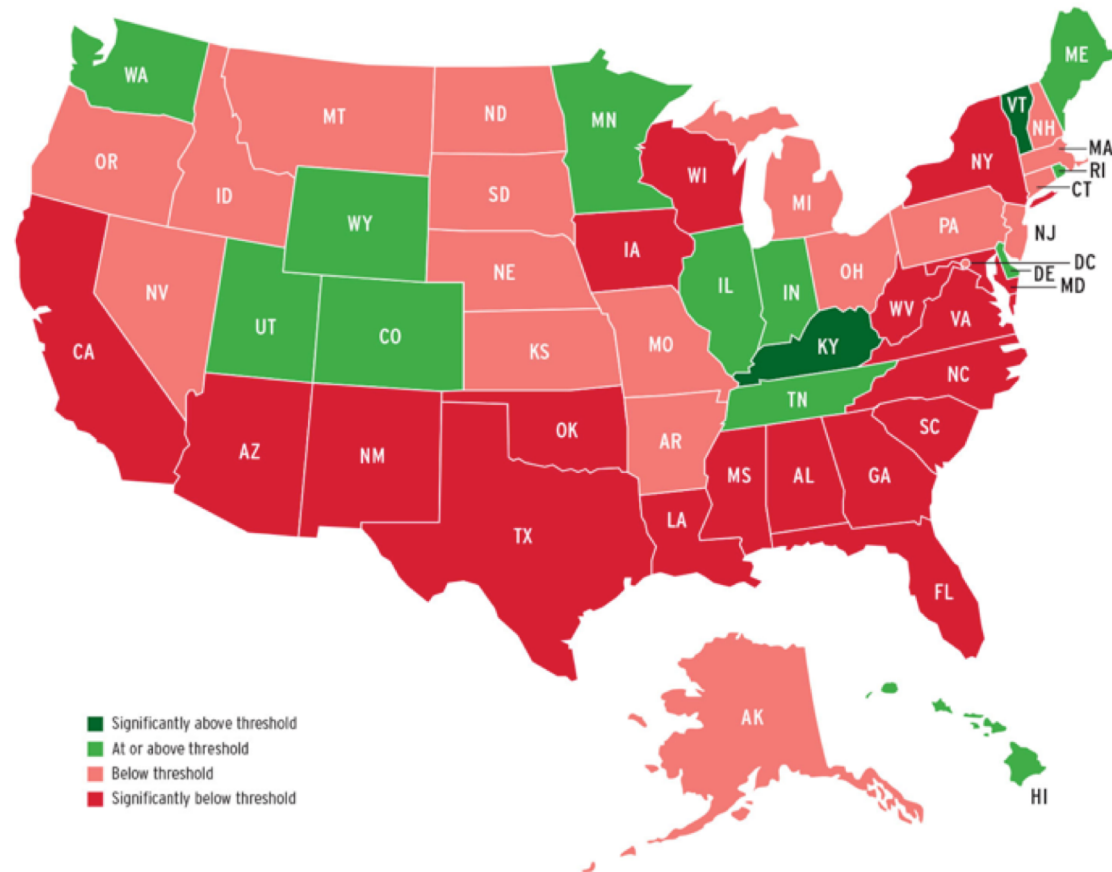






# Head Start Instructional Quality by State

**MAP 3. CLASSROOM INSTRUCTIONAL SUPPORT SCORES IN RELATION TO RESEARCH-BASED THRESHOLD (3)**



Source: *State(s) of Head Start*  
<http://nieer.org/headstart>

Note: Instructional Support scores can range from 1 to 7. This report uses a threshold of 3 or higher to indicate high quality, based on prior research.



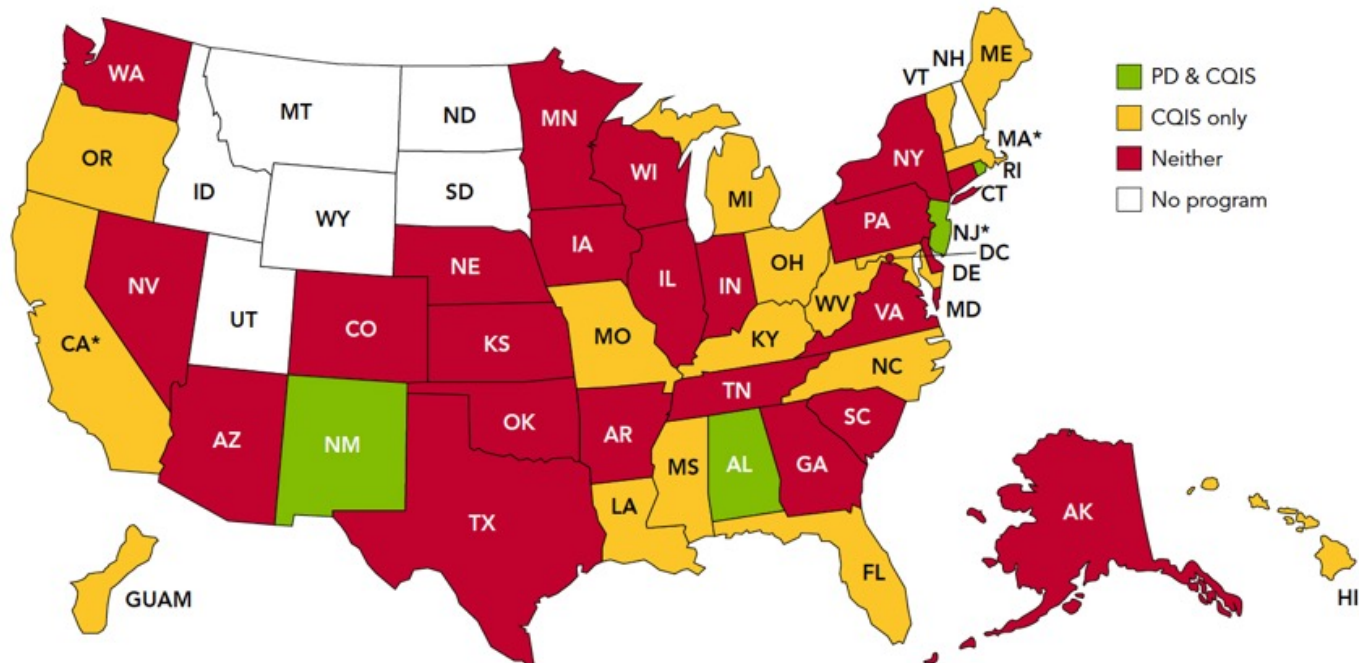
## How Do We Get High Quality?

- High expectations
- Strong teachers
- Small classes
- Individualized PD
- Full day?
- Other supports for children and teachers
- Continuous Improvement Sys





# Professional Development and Continuous Quality Improvement



\* These multi-program states have programs with different quality standards. Data displayed on the map reflect quality standards benchmarks in the largest program in the state.

Source: *The State of Preschool 2016* <http://nieer.org/state-preschool-yearbooks/yearbook2016>



## State Pre-K Funding per Child Varies

- Highest over \$16,000 in NJ Abbott and DC
- Lowest under \$2,500 in CO, FL, KS, NB, NV, MS
- All states have similar goals for learning and devel.
- Low spending states have high standards with BA degree required, except CO & FL
- Most states rely on blending and braiding local and federal dollars



## State Pre-K Enrollment Problem

- Nearly half of all public school children in low income households
- 10 states close to 50% or more at age 4
- 20 states less than 10 percent, including 5 no prog.
- Some states encounter participation plateau even when they want to expand



## How Can CPQ&R Help?

- **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**



# Overview of the CPQ&R

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- Functions of the CPQ&R
- Organization of the tool
- Ingredients of Costs
- How Revenue is Calculated





# Functions of the CPQ&R

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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**





# 5 Design Considerations of the CPQ&R Calculator

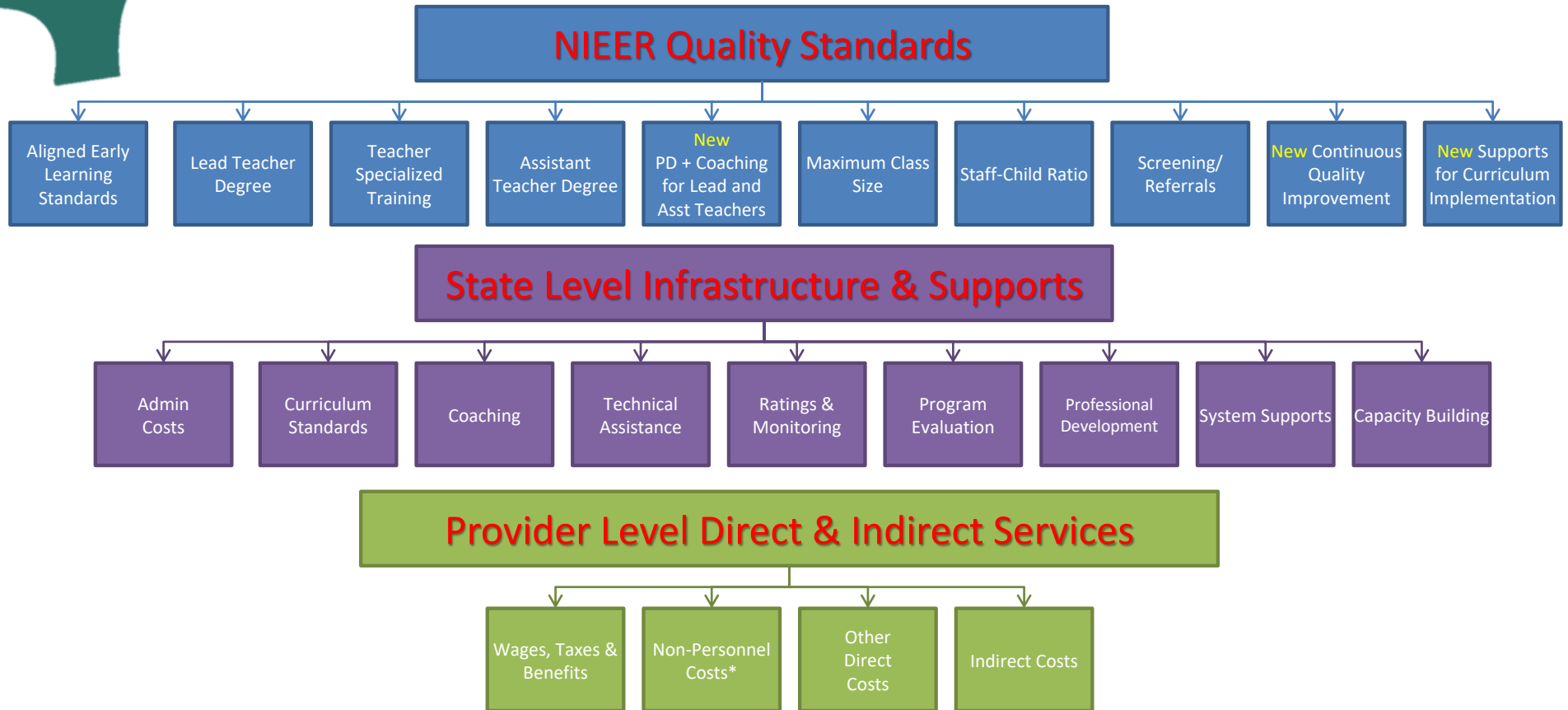
## Goals and Objectives

## How?

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Positively influence how states think about expanding their early learning programs</li></ul>   | <ol style="list-style-type: none"><li>1. Build costs around preschool quality standards and benchmarks</li></ol>   |
| <ul style="list-style-type: none"><li>• Improve states' understanding of the total funding necessary to support, implement, expand, and/or improve the quality of early learning programs</li></ul> | <ol style="list-style-type: none"><li>2. Offer a holistic perspective on total cost, encompassing district- or state-level infrastructure and site-level provider services costs</li></ol> |
| <ul style="list-style-type: none"><li>• Accommodate states' needs to estimate cost forecasts under a realistic rate of expansion and improvement</li></ul>  | <ol style="list-style-type: none"><li>3. Provide a multi-year implementation window for accurately modeling volume (and cost) patterns over time</li></ol>                                 |
| <ul style="list-style-type: none"><li>• Give states the ability to quickly compare alternatives and resulting impact on costs</li></ul>   | <ol style="list-style-type: none"><li>4. Allow an unlimited number of scenarios to be added in a side-by-side format</li></ol>   |
| <ul style="list-style-type: none"><li>• Create a foundation upon which users can modify/customize the Calculator to meet their specific needs</li></ul>   | <ol style="list-style-type: none"><li>5. Simplify the Tool design wherever possible</li></ol>  |



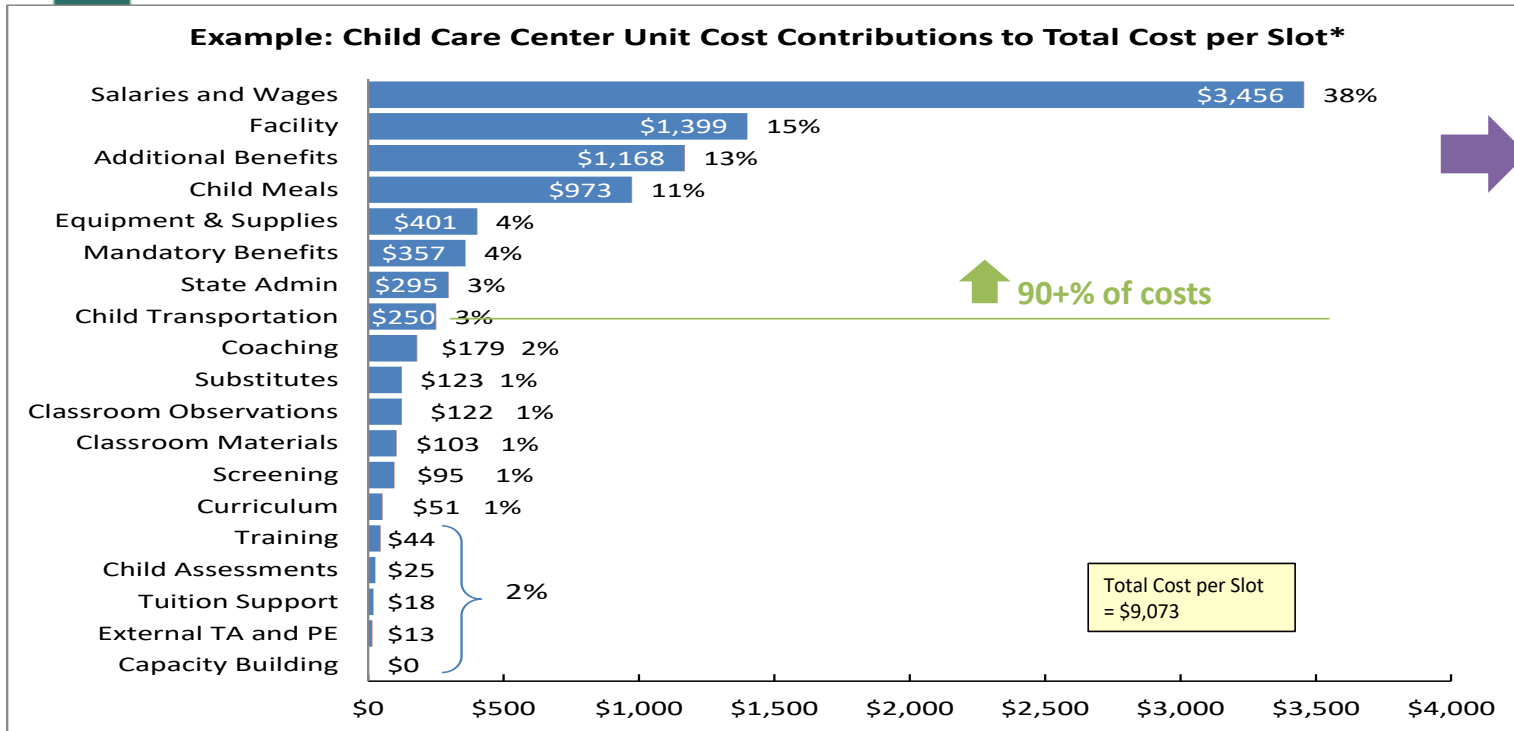
# Costs Components



\*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).



# Illustrative Example: What functions drive costs?



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

Source: CPQ&R

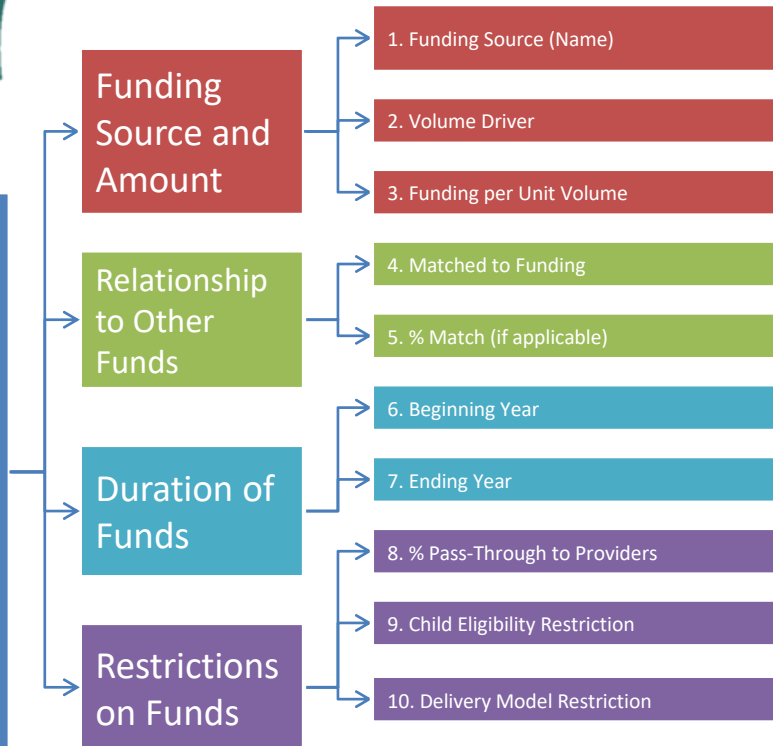
\*Not all preschool programs will match the illustrative example, which is based on 1,000 hypothetical slots in Alabama located within private Child Care Centers. The slot count is held constant for Years 0-3 and no inflation is assumed. 100% participation is assumed for Professional Learning and Support (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.



# CPQ&R Revenue Components

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



- 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



# ADDITIONAL RESOURCES

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<http://ceelo.org/cost-of-preschool-quality-tool/>



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## COST OF PRESCHOOL QUALITY & REVENUE CALCULATOR

CEELO has developed the Cost of Preschool Quality & Revenue (CPQ&R) calculator, a free Excel-based tool, to help users determine costs and funding sources related to implementing high-quality preschool programs.

Here you will find links to useful resources: **Background Information, User Guide, Communications Toolkit, and Additional Resources.**

The CPQ&R is *free* to use after completing a **licensing agreement** and **user questionnaire**.

### CPQ&R Background Information

- **Description of the CPQ&R** describes what the calculator does and how it can be used.
- **Design Considerations of the CPQ&R** describes why it was created.
- **Orienting Yourself to the CPQ&R** describes the seven excel worksheets that make up the calculator.
- **Determining the Quality Standards that Drive Cost Projections** describes the 10 NIEER Preschool Quality Standards (2016) and how they can be customized.
- **Using the CPQ&R to Estimate Available Funding** describes how to enter revenue, by funding source, including restrictions of certain funding sources.
- **Changes Made to the CPQ&R** describes updates made from previously released CPQ 2.0 version.

### CPQ&R User Guide

This is the “how to section” for learning more about entering data and producing cost estimates that are customized to your specific goals. We recommend printing the **CPQ&R User Guide** and keeping it “by your side” as you manipulate and enter data in the CPQ&R. The **Before You Start** document and the **Data Checklist** (MSword) are also helpful to review before you start entering data.

- **Annual Slots**
- **Funding Streams**
- **Quality Standards**
- **State-Level Infrastructure and Costs**
- **Provider-Level Infrastructure and Costs**
- **Adding Scenarios**



# 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



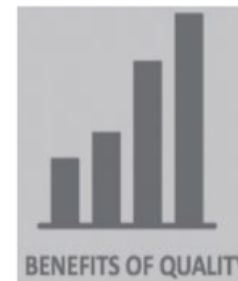
PRE-K QUALITY MATTERS

1 What difference does quality make?



INVEST IN QUALITY

2 What do we get for our money?



BENEFITS OF QUALITY

3 What outcomes can we expect?



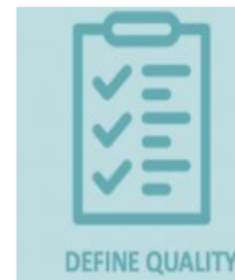
TEACHER QUALITY

4 Why are teachers important?



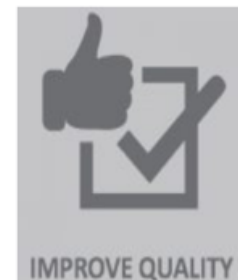
CLASSROOM QUALITY

5 Why does class size matter?



DEFINE QUALITY

6 Why do we need standards?



IMPROVE QUALITY

7 How do we measure improvement?



SUPPORT QUALITY

8 How can administrators help?



# Q & A

- Please insert any questions or comments in the QUESTION BOX
- Feel free to stay on the line for a demo of the CPQ&R







## FOR MORE INFORMATION

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A graphic of numerous 3D stars in various colors (yellow, green, red, blue) of different sizes, some appearing to be on top of rectangular blocks. The text 'THANK YOU!' is overlaid on the stars.

THANK YOU!

- Find all resources at <http://ceelo.org/cost-of-preschool-quality-tool/>
  - Contact us at [info@ceelo.org](mailto:info@ceelo.org)
- *IF YOU WANT TO SEE THE LIVE DEMO OF THE CPQ&R STAY ON THE LINE*

# High-Level Organization of the CPQ&R

