



The Cost of Voluntary Prekindergarten – Working Papers: Update 2006

Putting
Knowledge to
Work Series

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This document is the working paper used to develop *Update 2006 – Financing A Quality Voluntary Prekindergarten Program: The Florida Cost Model*. Additional companion pieces are *The Universal Prekindergarten Cost Model for Florida – An Update* (Publication #2004-S002a) and *Estimating the Cost of Voluntary Universal Prekindergarten in Florida – Calculations An Update* (Publication #2004-S003a) All can be found at www.policygroup.org.

Fundamental Model Assumptions

Certain assumptions guided the development of the 2004 *Florida Cost Model* and the 2006 update. They are:

1. Voluntary prekindergarten would give parents the choice of placing their children in a variety of settings or not placing their children in the program.
2. Lead teachers would have a bachelor's degree in early childhood education or a related field by 2012. By 2008, lead teachers would minimally have an associate's degree. No lead teacher would have less than a Child Development Associate (CDA) credential.
3. All assistant teachers would minimally have a CDA credential.
4. Program staff-to-child ratios would be 1:10 with a maximum group size of 20. The majority of classrooms would have one lead teacher, one assistant teacher, and 20 children.
5. Developmentally appropriate materials would be available to children.
6. The program would fund three hours of instruction with options for wrap-around services by parent choice available via parent fees or subsidies.
7. Adequate funds would be available to preschool providers to maintain facilities to ensure proper health, safety, and space for optimal programming.
8. Adequate funds would be available for wages, benefits, and professional development to ensure the availability and retention of qualified teachers for preschool classrooms.
9. Adequate funding would exist to ensure proper monitoring of programs.
10. Adequate funding would be available for all of the administrative and indirect services required to operate the program including enrollment and assessment, and to insure that no subsidized child care funds for children 0-3 are diverted for this purpose.
11. Adequate funds would be available to provide preschool programs with technical assistance for curriculum development and teacher-child interactions.
12. Adequate funds would be available to conduct both school readiness assessments and third-party evaluations to monitor quality through a number of measurement scales that include assessments of cognitive, social-emotional/behavioral, motor, language, and physical growth and development.

The vision of The Policy Group for Florida's Families and Children is that, together, we will ensure a generation of young people who grow up to be responsible adults - ready, willing and able to contribute to self, to family and to their community.

Population Projections

Target Population Size

The most recent estimating conference was held in February 2005.¹ The Office of Economic and Demographic Research of the Florida Legislature estimated that there were 209,492 4-year-olds in Florida in 2005. The overall population increase during 2005-06 was projected at 2.28%. Although the child population often increases at a greater rate than the general population, using the 2.28% estimate results in a projection of 214,268 4 year-olds during 2006-07.

Estimated Participation Rate

Three possible participation rates were considered during VPK implementation planning during 2005: 55%, 67%, and 70%. Based on annual increases in participation in other states with statewide prekindergarten programs, some increase is expected above the 50% participation rate Florida realized during the first year of operation. During 2004-05, participation rates in Oklahoma, Georgia, and Texas were 69%, 55%, and 46% respectively after several years of operation. Based on the 2005-06 participation rate and the findings from other states with statewide prekindergarten programs, this paper utilizes a 55% participation rate.

55% participation rate:

117,847 4-year-olds

Part-day and Full-day Options

In 2004, The Policy Group for Florida's Children and Families developed a cost model for Florida's VPK that recognized the needs of working parents and included a full-day, part-day, and a combination of full-day and part-day program options. Florida opted for a part-day VPK program model. This paper utilizes the part-day VPK option in developing cost estimates, but makes the fundamental assumption that there are sufficient school readiness wrap-around dollars to ensure families up to 200% of the federal poverty level have access to needed early childhood programming.

During 2004, 28% of children were served in either Agency for Workforce Innovation, Department of Education, or Head Start Programs in Florida² and the monthly average number of children on the waiting list for school readiness subsidies was 48,347 during 2005-2006.³ With 42% of Florida's children living in families with incomes below 200% of poverty⁴, funding for child care subsidies is inadequate, and meeting these needs should be a priority in addition to increasing expenditures to improve VPK quality.

Ratios and Group Size

Estimates were developed projecting a 1:10 maximum teacher-to-child ratio and a maximum class size of 20. In recognition that not all classes will be filled to capacity, estimates are based on a 1:18 teacher-to-child ratio. Calculations are based on an average VPK program of 2 classrooms.

¹ Office of Economic and Demographic Research, 2005

² Office of Economic and Demographic Research, 2004

³ AWI Office of Early Learning, 2006

⁴ Annie E. Casey Foundation, 2006

Direct Program Costs (Provider Payments)

At the inception of the voluntary prekindergarten program, Florida established a base per child rate of \$2,500 for VPK services that is paid to VPK programs. There are no specific spending stipulations made for receipt of this rate. The model included in this paper includes spending stipulations and variations in per child payment rates dependent on the educational level of the VPK teachers in a program.

The 2006 legislative budget request from the Executive Office of the Governor is \$2,560 per child for a 3-hour per day VPK Program. As the 2006 *Update to the Florida Cost Model* shows, the important elements of quality early care and education are not supported with current school readiness subsidies and are unlikely to be provided at a funding level of \$2,560 per child.

Personnel Costs

According to labor market statistics on Florida Occupational Employment and Wages, the average full-time salary of a child care worker in 2005 was \$8.46 an hour; the average wage of a preschool teacher (a classification associated with public schools) in 2005 was \$11.61 an hour.⁵ The following estimates were developed based on the average wage of a Florida public school teacher with a bachelor's degree and provide increased wages beyond typical for the field. Research evidence reveals that higher quality of care is associated with increased credentials and increased wages.

The estimates of the percentages of teachers with each credential are based on the Child Care Workforce Study findings that current levels of education include 16% with bachelor's degrees, 18% with associate's degrees, and 51% with CDAs, and take into consideration the desired movement of teacher credentials toward degrees.⁶ In order to reach the desired level of teacher training, additional funds would be required each year of operation in order to pay more for degreed teachers. As greater numbers of teachers become degreed, fewer dollars will be needed in the professional development category.

Education	Beginning Salary	Benefits (25% of salary)	% estimate of total lead teachers
Lead Teachers			
Bachelor Degree	\$19,250*	\$4,810	20%
Associate Degree	\$14,000	\$3,500	20%
CDA Credential	\$11,000	\$2,750	60%
Assistant Teachers			
CDA Credential	\$8,500	\$2,125	100%

* Based on average Florida public school teacher with a bachelor degree full-time salary of \$38,516 (divided in half to reflect part-day position for VPK).⁷

VPK provider payment rates would vary in this model dependent on the level of education of the lead teacher.

⁵ AWI Occupational Employment Statistics and Wages, 2006

⁶ The Children's Forum, 2004

⁷ Bureau of Education Information and Accountability Services, 2005

Approximately 6,547 lead and 6,547 assistant teachers would be required to serve the 117,847 children (55% participation rate) in VPK classrooms.

Lead Teachers:

\$24,060 (salaries & benefits) x (.20 x 6,547; BA degrees) = \$31,504,164

\$17,500 (salaries & benefits) x (.20 x 6,547; AA degrees) = \$22,914,500

\$13,750 (salaries & benefits) x (.60 x 6,547; CDA credentials) = \$54,012,750

Assistant Teachers:

\$10,625 (salaries & benefits) x 6,547 (CDA credentials) = \$69,561,875

Total Cost for Teacher Salaries & Benefits: \$177,993,289 or \$1,510 per child

Operating Costs

Operating costs include rent, utilities, maintenance/repair, food, kitchen supplies, education supplies, education equipment, in-service training, office supplies, audit, insurance, telephone, postage, advertising, fees/permits, record-keeping, and other administrative expenses. In developing the earlier cost model, The Policy Group utilized estimates from the Institute for Women's Policy Research regarding operating costs and recommended an estimate of \$1,600 per child for part-day programs. Costs were determined based on an average VPK program size of two classrooms. Utilizing an annual 3% cost of living increase, The Policy Group now recommends \$1,650 per child for operating costs.

Total cost: \$194,447,550 or \$1,650 per child

Outcome and Accountability Costs

Consultation and Technical Assistance

The Policy Group recommended one consultant with a Master's degree for every 10 to 15 VPK programs (or 25 classrooms, on average) to provide on-site observation, training, and technical assistance when developing the VPK cost model in 2004. The recommendation was developed in consultation with professionals in the field providing technical assistance. Consultant positions would be full-time positions in order to provide ample time for planning, material development, reporting, and training. Consultant responsibilities would include:

- ❖ Administration of the Early Childhood Environmental Rating Scale (ECERS) twice a year
- ❖ Classroom training, technical assistance, and mentoring
- ❖ Curriculum and classroom environment support
- ❖ Family support and resource coordination as needed

Adjusting the 2004 estimate based on typical salaries in the field and an annual 3% cost of living increase, an estimate of \$85,000 per year for consultant salaries (requiring a master's level degree), benefits, and office costs (including supervisory support, clerical support, and supplies) is used in this model. Approximately 262 consultants would be needed.

\$85,000 x (6,547 classrooms / 25): \$22,259,800 or \$189 per child

Professional Development

In Georgia, the employment of certified teachers increased at a rapid rate due to the differential wages and the housing of many prekindergarten programs in public schools which require teacher certification.

Honoring the goal of having degreed teachers by 2012, this model recommends a strong commitment to providing educational incentives and scholarships.

AA degree – 60 hours at Florida Community Colleges @ \$60 per credit hour = \$3,600

BA/BS degree – 60 hours at Florida Universities @ \$120 per credit hour = \$7,200

Books estimated at \$800 per year

Associate degree scholarships cost approximately \$1,800 and baccalaureate degree scholarships cost approximately \$2,000 per year through the Teacher Education and Compensation Helps (T.E.A.C.H.) Program operated by The Children’s Forum. The Center for the Study of Social Policy recommends that states dedicate \$800 per early childhood professional for professional development. An allocation of \$800 per staff member is utilized in this model to provide professional development supports (e.g., scholarships, student loan repayments, stipends, substitutes, release time, books, etc.).

6,547 lead teachers + 6,547 assistant teachers x \$800 : \$10,475,200 or \$89 per child

Program Accountability and Evaluation

The Department of Education Office of Early Learning is responsible for accountability issues relative to VPK. In addition to establishing accountability policy and procedures, DOE OEL employs six VPK Regional Specialists to provide training relative to the VPK education standards, literacy requirements, and, within the next year, VPK administrator credential. Regional Specialists do not monitor programs for compliance with VPK standards, provide consultation and technical assistance, or evaluate VPK program quality. Funding for the DOE functions is currently provided separate from VPK operation costs, and this model assumes the continuation of this policy and does not include these costs.

Additional evaluation is needed. A third-party evaluation is recommended to ensure that inputs and quality requirements lead to positive child outcomes. Five percent of total per child costs (less state and local administration) is recommended for this purpose.

**\$177,993,289 (personnel costs) + \$194,447,550 (operating costs) + \$22,259,800 (consultation and technical assistance) + \$10,475,200 (professional development) + \$6,500,000 (monitoring) x .05:
\$20,583,792 or \$175 per child**

Note that the calculation does not include state and local administration costs.

Governance and Administration

State and Local Administration

Funding sufficient to provide state and local-level administration of the program is needed. Local early learning coalitions report that the 5% administrative fee for VPK that they receive is insufficient for providing the full range of indirect services that coalitions must provide, including outreach to parents and providers, enrollment of children and providers, social service assessment and referral, payment of providers, completion of data tracking requirements, and contractual compliance with current VPK requirements. Coalition leaders have recommended that VPK funding allowances align with those for school readiness funds that provide up to 14% for in-direct services. This model includes an additional 5% to assist coalitions with these services for a total of 10% administrative funds.

**\$177,993,289 (personnel costs) + \$194,447,550 (operating costs) + \$22,259,800 (consultation and technical assistance) + \$10,475,200 (professional development) + 6,500,000 (monitoring) x .10:
\$41,167,584 or \$349 per child**

Note that the calculation does not include program evaluation costs.

Monitoring

Current funding levels are insufficient for monitoring of VPK programs for quality enhancements. Program monitoring would ensure that VPK programs are complying with requirements and standards of good practice and are of sufficient quality to ensure the health, safety, and developmental progress of enrolled children. Responsibilities would include:

- Annual administration of monitoring tools
- Health and safety review
- Record review
- Follow-up regarding any citations
- Coordination of information with consultants and technical assistance providers

Monitoring findings would then be available for use by consultants and technical assistance providers to assist VPK programs with quality improvements. One monitor for every 65 classrooms is recommended allowing four visits per program per year including technical assistance on corrective actions. The salary range for state-level Program Specialist II is \$23,200 to \$60,000. Using the average of the salary range and adding benefits and office costs (i.e., supervisory support, clerical support, and supplies), \$65,000 is the projected salary for monitors, of which about 100 would be needed.

\$65,000 x 100 monitors: \$6,500,000 or \$55 per child

Facilities

The Policy Group recommended one time start up funding of \$8,000 per classroom in 2004 with specifications for classroom material purchases. This funding is not recommended in the second and subsequent years of the program. If demand begins to out-pace supply, Florida may need to develop a facility loan fund.

Per Child Estimate based on Personnel with a Mix of Credentials

**\$1,510 (personnel costs*) + \$1,650 (operating costs) + \$189 (consultation & technical assistance) + \$89 (professional development) + \$175 (program evaluation) + \$349 (state & local administration) + \$55 (monitoring):
\$4,017 per child**

* Note that this cost will increase as additional teachers gain degrees

Costs Not Addressed in the Calculations

Cost calculations do not include comprehensive services such as health, behavioral, and dental supports or services beyond the 180 days a year, 3 hours per day. The Policy Group recommends that funding requests for VPK include requests for funding to serve all children eligible for school readiness subsidies.

In addition, VPK services in family child care settings were not considered in these calculations due to the low number of 4-year-old children statewide currently served in these settings and the complexities of

estimating the costs for family child care. In addition, the costs of providing a school-based summer program are not addressed.

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The Policy Group for Florida's Families and Children is an independent, non-partisan 501(c)(3) non-profit policy research organization composed of local and state leaders who are working together to enhance the well-being of Florida's families and children. The vision of **The Policy Group** is that, together, we will ensure a generation of young people who grow up to be responsible adults — ready, willing and able to contribute to self, to family and to their community. For additional information about **The Policy Group**, this policy brief or other products, please visit the web site at www.policygroup.org, email policygroup@att.net or call 863-651-8445.

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