

*This Update incorporates the revised estimates for the number of 4-year olds in Florida based upon the November 2004 School Readiness Estimating Conference and a revised estimate of participation rates based on a statewide poll of parents released November 2004.*

# The Cost of Voluntary Universal Prekindergarten — Working Papers An Update

Publication #2004-S004a

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This document provides the working papers used during the committee work to develop *The Universal Prekindergarten Cost Model for Florida — An Update* (Publication #2004-S002a). An additional companion piece is *Estimating the Cost of Voluntary Universal Prekindergarten in Florida — Calculations An Update* (Publication #2004-S003a), which provides the model assumptions and calculations used to develop the cost estimates for Florida. All can be found at [www.policygroup.org](http://www.policygroup.org).

## Population Projections

### Target Population Size

Estimated number of 4-year-olds in Florida in 2005 (based on data from the Office of Economic and Demographic Research of the Florida Legislature)  
209,492

### Estimated Participation Rate

Three possible participation rates were used in the cost calculations: 55%, 67%, and 70%. Fifty-five percent is a percentage proposed by Legislative staff and is a participation rate similar to that experienced early in Georgia's Universal Prekindergarten Program. The 67% participation rate was chosen based on a statewide survey of parents of 2- and 3-year-olds that found that two-thirds planned to enroll their child in UPK. Georgia currently reports that 70% of their 4-year-olds are in UPK or Head Start and several organizations recommend planning for a 70% participation rate.

55% participation rate	121,469
67% participation rate	147,972
70% participation rate	154,597

### Current Number and Capacity of Florida Early Childhood Programs

Program Type	Number	Capacity
Licensed Family Child Care Homes	4,596	33,637
Registered Family Child Care Homes	2,769	24,185
Licensed Child Care Centers	5,280	435,257
Licensed Exempt Child Care Centers	903	73,293
Head Start Programs	865	30,709
Pre-K Early Intervention Programs	928	27,293
Total	15,341	624,374

Source: *Charting the Progress of Child Care and Early Education in Florida, 1999-2000*

## **Primary Child Care Arrangements for Children under Age 5 with an Employed Parent in 1999**

Type of Setting	Below 200% of FPL	Above 200% of FPL	All Incomes
Center-based care	29%	40%	36%
Family child care	15%	14%	14%
Relative care	25%	24%	25%
Nanny/baby-sitter	4%	2%	3%
Parent care	26%	20%	23%

*Source: Urban Institute, 2002*

## **Children Receiving Subsidized Services\* by Age**

	Birth to Age 1	Age 1	Age 2	Age 3	Age 4	Birth to Age 5
Children receiving services	11,529	18,528	25,202	41,415	64,743	161,417
Total Population**	192,000	192,781	191,983	195,058	198,918	940,739
Population living below 200% of poverty	83,525	83,833	83,451	84,677	86,256	421,742

\* Services include FPSR, Head Start, and FLDOE

\*\* Population as of 1/1/03

*Source: School Readiness Estimating Conference, 1/28/04*

As of 12/31/2003, 96% of 4-year-olds receiving school readiness services were served in center-based programs and 4% were served in family child care homes. Cost models for universal prekindergarten might use this percentage in trying to estimate a utilization rate of family child care for prekindergarten services.

Utilization of universal prekindergarten services in Georgia has not reached the 70% rate projected for Florida by the Advisory Council. The Georgia Prekindergarten Program became universally available in September 1995, and 44,000 children were served that year. During the 2002-2003 school year, 64,674 children were served, approximately 53% of the estimated 4-year-old population. However, when the number of 4-year-olds served by Head Start programs is added to this calculation, close to 70% of Georgia's 4-year-old population is being served.

## **Estimated Number of Children Needing Full-day and Part-day Options**

According to Census 2000, 64% of women, age 16 and over, with children under the age of 6 are in the labor force in Florida.

Three options were chosen:

- All full-time
- All part-time
- 2/3 full-time and 1/3 part-time

## **Ratios and Group Size**

Estimates were also developed projecting a 1:10 teacher-to-child ratio and a maximum class size of 20. It is recommended that Florida develop a minimum class size of 17 or 18 (as in Georgia) in order to maximize the cost efficiency of the program.

## **Direct Program Costs (Provider Payments)**

### **Personnel Costs**

Classroom (class of 20) and Teacher (2 staff per classroom) Need Projections

Year	Classrooms	Teachers
2005	7,399	14,798

In the Georgia Prekindergarten Program in 2001-2002, 62% of the classrooms (20 is the optimal size and they reserve the right to cancel programs with less than 17 children per classroom) had a lead teacher with a bachelor's degree and early childhood certification. There are no requirements for the teacher's aide other than a high school diploma and experience working with young children.

### **Salaries**

#### **Current Salary Statistics**

Child Care Provider	\$15,380
Teachers' Aide	\$16,660
Preschool Teacher	\$18,160
Kindergarten Teacher	\$33,820

*Source: Department of Labor*

Beginning Kindergarten Teacher salaries range between approximately \$27,000 and \$34,000.

There is some evidence that salaries do increase as education level increases (except at the graduate level):

<b>Highest Degree Earned</b>	<b>Mean Salary</b>	<b>N</b>
High School	\$12,567.40	57
Child Development Training	\$15,335.69	447
Associate's Degree	\$16,647.21	110
Bachelor's Degree	\$21,245.84	92
Some Graduate Coursework	<u>\$19,335.10</u>	<u>62</u>
<i>All Education Levels</i>	<i>\$17,026.48</i>	<i>768</i>

Health Benefits	11% (fully paid)
Dental Insurance	6% (fully paid)
Retirement/Pension Plan	23%

*Source: Child Care Workforce Study commissioned by The Florida Children's Forum*

The Georgia Prekindergarten Program sets minimum salary/hourly wages based on teacher credentials.

When a 2% salary increase takes effect 1/1/05, teachers will make:

\$26,859 for certified teachers in Early Childhood or Elementary Education

\$19,489 for teachers with degrees in Early Childhood, Elementary Education, Special Education without certification

\$16,084 for teachers with postsecondary technical institute degree or associate degree in Early Childhood or Child Development

Committee members agreed to support a differential salary and benefit package based on educational credentials, as follows:

Lead Teacher Salaries and Benefits for Year 1 (7,399 lead teachers needed at 67% participation rate)

Education	Beginning Salary	Benefits (25% of salary)	% estimate of total lead teachers
Bachelor Degree	\$32,000*	\$8,000	20%
Associate Degree	\$19,000	\$4,750	20%
CDA Credential	\$17,000	\$4,250	60%

\* Although the kindergarten teacher starting salary range is \$27,000 to \$34,000, some teachers with experience will likely enter the system, thus the higher end of the range should be selected for estimation purposes. All salaries are based on a 190 day year (180 days of instruction and 10 days of in-service/planning).

Assistant Teacher Salaries and Benefits for Year 1 (7,399 assistant teachers needed at 67% participation rate)

Education	Beginning Salary	Benefits (25% of salary)	% estimate of total lead teachers
CDA Credential	\$15,500	\$3,875	100%

### **Operating Costs**

IWRP makes the following estimate for non-personnel costs for one setting providing two UPK classrooms:

Rent (1,620 sq. ft. x \$2 x 12 months)	\$38,880	
Utilities	\$ 6,000	
Maintenance/repair	\$ 3,000	
Food	\$ 9,600	
Kitchen supplies	\$ 600	
Education supplies	\$ 1,200	
Education equipment	\$ 1,000	
Consultants/training	\$ 1,000	
Office supplies	\$ 960	
Audit	\$ 2,500	
Insurance (liability, accident)	\$ 2,750	
Telephone	\$ 1,200	
Postage	\$ 600	
Advertising	\$ 500	
Fees/permits	\$ 200	
Miscellaneous	\$ 500	
<b>Total</b>	<b>\$71,990</b>	<b>\$1,999.72 per child</b>

Committee members found this to be a reasonable estimate but noted that there is no support for record-keeping and other administrative duties. Committee members estimated that an additional \$150 per child for a total of \$2,150 per child would support record-keeping and other administrative duties. For a part-day program, food, educational supplies, utilities, and telephone would be reduced slightly. Thus, \$1,600 per child is a reasonable estimate for a part-day program.

## Outcome and Accountability Costs

### Consultation and Technical Assistance

The IWPR recommends one consultant for every 20 UPK programs or 1,500 children (they designate that the average UPK program will have 75 children). Committee members recommend utilizing one consultant for every 20 or 30 UPK classrooms, noting the importance of strong support in the initial years of implementation.

The IWPR publication uses \$80,000 per year in 2002 costs, including benefits and office costs (supervision support, clerical support, and supplies), based on the cost of one staff person in the State's child care licensing office. Senior Program Specialists III in Florida DCF and DOE are in the salary range of \$27,000 to \$67,500. Program Specialists II make in the range of \$22,700 to \$56,800.

Committee members agreed that consultant salaries should be between \$35,000 and \$65,000 for an individual with a master's degree. With benefits and office costs, the IWPR estimate of \$80,000 seems appropriate.

### Professional Development

#### Current Levels of Education

16% - BA/BS

18% - AA

51% - CDA

*Source: Child Care Workforce Study*

#### CDA Credentials

Based on a Department of Children and Families survey of licensed center-based providers, OPPAGA estimated that licensed providers currently employ 41,546 teachers with at least a CDA credential, and approximately 10,410 CDA credentialed teachers are working with four-year-olds. In addition, Florida community colleges and school district workforce programs produce an estimated 700 to 900 CDA credentialed students each year.

#### Early Childhood Education Degrees Awarded in Florida

90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04
135	47	28	80	96	144	106	94	121	122	223	216	198	170

*Source: Florida Department of Education, 2004*

In Georgia, the use 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. Using the Georgia model of requiring the lead teacher to be degreed, Florida would need 7,600 degreed teachers at a 70% child participation rate. Between 1990 and 2004, just over 1,700 teachers earned an early childhood degree in Florida. In addition, approximately 300 students earn a child development degree each year at Florida State University. Georgia also accepts teachers certified in Elementary Education. Approximately 2,100 students graduate each year in Florida with a degree in Elementary Education.

#### Education Costs

AA – 60 hours at Florida Community Colleges @ \$54 per credit hour = \$3,240

BA/BS – 60 hours at Florida Universities @ \$100 per credit hour = \$6,000

Books estimated at \$725 per year

The Florida Children's Forum is currently piloting scholarships for a B.S. degree in applied early childhood through USF. The scholarship costs approximately \$2,000 per year compared to \$1,800 for the AA scholarship.

The Center for the Study of Social Policy recommends that states dedicate \$800 per early childhood professional for professional development. Professional development, in their definition, includes scholarships, loan forgiveness programs, release time, and course credit.

Committee members agreed that professional development supports for training and education would need to be available. Possible alternatives include expansion of T.E.A.C.H. scholarships and a child care student loan repayment program, similar to the national and state program for nurses. Members supported allotting \$800 per staff member for professional development.

### ***Program Evaluation***

The IWPR recommends allotting 5 – 10% for evaluation. Committee agreed to set-aside 5% for evaluation.

## **Governance and Administration**

### ***State and Local Administration***

Committee members agreed that 5% is an appropriate cost estimate for state and local administration. Given that some administrative costs are already calculated in other categories (consultation and technical assistance, and monitoring), members agreed to allot 3% for state and local administration.

### ***Monitoring***

The IWPR recommends 1 monitor for every 50 programs (with 1 UPK program serving 75 children). Committee members recommend 1 monitor for every 60 to 70 UPK classrooms allowing five visits per year including technical assistance on corrections. Coordinating efforts with licensing would be best practice.

### ***Facilities***

The IWPR recommends that facility costs (of up to \$3 million per facility) should be included if current capacity is inadequate. Another approach is to establish a facility loan fund. Georgia allots \$8,000 per classroom for start-up funding and specifies what basic classroom materials should be purchased with those funds. Committee members recommend the inclusion of \$8,000 per classroom in start-up funds in the cost model and a specification list of required purchases.

## ***Costs Not Included in the Calculations***

Cost calculations do not include comprehensive services or services beyond the 180 days a year, 3 or 6 hours per day. Many families will need access to assistance for comprehensive services and extended day/extended year care and education.

In addition, UPK services in family child care settings were not considered in these calculations. Approximately 4% of children receiving child care subsidies are currently served in family child care settings. Parents choosing family child care are more likely to do so for their infants and toddlers than their preschool-age children; thus, less than 4% of children enrolling in UPK are expected to be served in family child care settings. Given the small percentage and the complications of estimating the costs for family child care, these costs were not considered in this model.

## **Information from Other States**

On Monday, 20 September 2004, the Trust for Early Education sponsored a conference call on costing universal prekindergarten with participants from the Institute of Women's Policy Research (IWPR) as speakers. There were also representatives from IL, SC, and CA on the call.

Highlights of the call included:

- The UPK take-up or utilization rate is very similar between those children with working mothers and those without working mothers.
- Pending CA legislation gives UPK teachers five years to earn their BA/BS.
- CA is estimating \$6,500 per child per year for a part-day prekindergarten program (no info on how part-day is defined; official estimates have not been released).
- IWPR has had four-year funding from Packard and MacArthur to work with several states to develop UPK cost models. This funding period is now ending.
- IWPR estimates that it will cost approximately \$75,000 per state for their assistance in developing UPK cost estimates. Their process takes between 3 to 9 months to complete.
- Representatives from the states concurred on the time period for full development of a cost model.
- The Kagan and Branden cost estimate model was briefly discussed as a more elaborate, time-consuming, whole-system model. State representatives agreed that the IWPR model was more amenable to estimates for UPK.

## **Credits**

This document was developed by Alisa S. Ghazvini for The Policy Group for Florida's Families and Children with guidance and input from the Executive Director (i.e., Barbara Foster), The UPK Cost/Quality Workgroup and external advisors (i.e., Ed Feaver-Chair, Jesse Leinfelder, Jim Mills, Karen Deringer, Mary Bryant, Peter Gorski, Phyllis Kalifeh, Roy Miller, Tana Ebbolle, Ted Granger, and Warren Eldridge) and the Executive Committee of The Policy Group (i.e., Bob Friedman, Doug Sessions, Ed Feaver, Jeannette McGill Corbett, and Jim Mills-Chair).

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# **THE POLICY GROUP**

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