

**DRAFT 2015 CCPRC Annual Meeting  
Session Template for Scribes**

**1. Descriptive Information**

<p><b>Workshop E-5 (Lafayette Park/Farragut Square)</b></p> <p><i>Understanding the Costs of ECE Quality</i></p> <p><b>Description</b></p> <p><i>Understanding the costs of quality ECE is of utmost importance as state administrators work to build quality across an increasingly integrated range of programs, help low-income parents access high-quality care for their children, and make the most of scarce federal and state funds for high-quality care. Recent and ongoing work to measure and understand costs is also focused on understanding the components of ECE programs that are both cost and quality drivers. The connection of costs with key program components can help administrators and policymakers consider how to invest limited resources in ways that will support quality. The workshop will draw on findings and experiences from both practice and research to highlight lessons about costs and the connection to program components and quality.</i></p>	<p><b>Facilitator</b></p> <ul style="list-style-type: none"> <li>• Gretchen Kirby, Mathematica Policy Research</li> </ul> <p><b>Presenters</b></p> <ul style="list-style-type: none"> <li>• Amy Lusk, Educare Learning Network</li> <li>• Sarah Kabay, New York University</li> <li>• Pia Caronongan, Mathematica Policy Research</li> </ul> <p><b>Scribe</b></p> <ul style="list-style-type: none"> <li>• Nadia Orfali, Child Trends</li> </ul>
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**2. Documents in Session Folder** (Please list any electronic documents or web links used during the session.)

Powerpoint Presentation: Quality and Cost Drivers in Educare Schools

Powerpoint Presentation: A Cost Study of the Boston Pre-kindergarten Program

Powerpoint Presentation: Assessing the Implementation and Cost of High-Quality Early Care and Education

**3. Brief Summary of Presentations**

**Summary of Presentation #1: Amy Lusk - Quality and Cost Drivers in Educare Schools**

- First Educare school was opened in Chicago in 2000 by the Ounce of Prevention fund. Since then, the Ounce and Warren Buffet fund have supported the expansion to 21 schools in 13 states and DC which serve more than 3,500 children and families. We call this the Educare learning network.
  - Vision Statement: Educare schools are focused on the most at-risk children and families. The programs are evidence based. We are a community of dynamic partnerships.
  - Educare Model Framework: four core programmatic components that combine to produce the outcomes such as student achievement and kindergarten readiness
  - Children who spend more years (beginning in infant/toddler years) in Educare emerge better prepared for kindergarten
    - Follow-up studies in elementary schools consistently show that these gains do not fade out over time
- Costs of this quality
  - Three-quarters of the budget is for staff (salaries and fringe benefits)
  - On average, a year of Educare for children and their families costs \$20,000. Funding these costs requires Educare schools to be very resourceful. Includes a mix of funding, such as Early Head Start and Head Start (on average 50%), state and local education funds (preschool, special ed, title I), subsidized child care funds, and private sector funding (15%).
    - This requires leadership that can bring together all of these sources, including engaging foundations and private donations
- Structural Cost Drivers

- Birth to 5 enrollment is a big cost. 0-3 is much more expensive but we think it's important because of our research
- Full day, full year
- Staff/child ratio is low in I/T rooms (3:8) and preschool (3:17)
- Family engagement caseloads are 30-50 families per member
- Practice Cost Drivers
  - Data utilization
    - Data is used across the program to understand all components. Every Educare school has a partnership with external evaluations and full-time masters-level instructional coaches, who are also partners with the evaluators.
  - High Quality Teaching and Learning
    - Master Teachers with MAs in ECE who supervise classrooms
  - Intensive Family Engagement
  - Embedded PD
    - On the job professional development support that is continuous throughout the year, focused on building knowledge and transferring it to practice.
- Educare's effective use of resources drive quality
  - We meet the requirements of the public funding streams but also reach beyond them to generate child outcomes and share lessons learned with the field
- Looking Ahead
  - The goal was never to have an Educare on every street corner.
  - We are focused on developing resources, tools, and products to share with the field. Training and PD around data utilization are being piloted in non-Educare schools.

## **Summary of Presentation #2: Sarah Kabay - A Cost Study of the Boston Pre-kindergarten Program**

- Public Pre-K is expanding but do we really know what public pre-k cost?
  - Two challenges exist in answering this question: accuracy and comparability
  - State-reported spending can be used to estimate, but they vary widely from \$721 per child to \$7,287 (Head Start) per year.
- Sustaining the Boost study
  - Boston pre-k has an emphasis on quality and research. They followed kids until 3rd grade and we are looking at costs retroactively
  - Goals: identify and understand the key components of the Boston program and determine accurate and inclusive estimates of the costs of the program for the four years of interest. We want to develop a cost estimate that is comparable to other cities but doesn't the uniqueness of prices in Boston.
- Ingredients method by Center for Benefit-Cost studies in Education from Columbia Teachers College
  - Does program variation drive variation in costs?
  - Began with the budget allocation from Boston public schools. Working with the administrators for administrative data was helpful to understand each of the line items
    - However, the budget doesn't distinguish between kindergarten and pre-k teachers and doesn't tell which central and administrative costs apply to the pre-k programs. Doesn't always indicate what items and supplies were purchased. Hard to compare that to other cities. Also the budget allocation could differ from what was actually spent.
  - Currently developing 2 different estimates
    - "top down estimate" - exactly what was spent in as fine detail as possible
      - This will be most interesting to Boston stakeholders
    - "bottom up estimate" - ingredients method, informed by the administrative data but including interviews with teachers and administrators in Boston.
      - Basically taking all of the components that are in the Boston program and matching them to national average prices.
- Calculations

- The exact calculations still have outstanding questions, such as what percent of other staff's time are devoted to pre-k? What about supplemental funding and external grants? Should we include time and funding for research/quality monitoring?
  - We are using these questions to interview teachers, principals, coaches, administrators
- Next steps
  - Earning benefits of Tulsa's pre-k program for different income groups
    - Trying to link the costs of Boston's pre-k to understand the gains in income later in life
  - Community schools
    - What changes in the costs of the program when it is implemented in the community?

### **Summary of Presentation #3: Pia Caronongan - Assessing the Implementation and Cost of High-Quality Early Care and Education**

- Research on the benefits of high quality ECE have resulted in increased investment in quality improvement, but there is lacking information on how to best target resources within centers
- The ECE-ICHQ aims to measure two things: Implementation measures and Cost measures. What does a center do to provide quality and what does it cost in total? Ultimately, this will be used with existing quality measures to better understand the relationship between the two
- Key findings from our literature review
  - 7 studies found relationships between higher costs and higher quality, but the magnitude of the relationships ranged considerably across the studies (2%-27%). The studies varied in how they defined and measured quality and costs and center characteristics.
  - Found 30 resources related to costs. They tended to use very broad measures of costs (total cost for program, cost per child per hour) which tended to include common elements such as facilities and staff. Many considered contextual factors such as enrollment and hours of operation.
  - Two big takeaways: the field needs more specific measures of costs that can map to what is being done within a center to pursue quality, and consideration of center characteristics and contextual factors is key
- Conceptual Framework Draft
  - Central to the framework are key functions of a center to which resources can be allocated. We plan to estimate costs for each of the key functions, not just the total costs.
- Multi-Case study
  - Data collection will focus on key elements of the conceptual framework. We will target a range of respondents, such as state administrators, umbrella organization administrators, center directors, teachers, etc. Tools will include interview protocols, questionnaire, and cost workbooks.
  - The cost workbook will collect actual expenditures for one site, such as labor costs, occupancy, food services, supplies and equipment, indirect and overhead costs
  - Cost workbook review tool and cost interview will check for completeness and accuracy in the workbook and discuss the user-friendliness of the workbook
  - Time-use survey to the staff members to find out what amount of time they spend on particular activities, such as teaching, staff development, and management activities. We will also try to capture non-weekly activities like PD.

#### **4. Brief Summary of Discussion**

- Q - We are asking programs what it actually cost them to operate, which is a direct function of how much money they have instead of what would it cost it if you had enough money, so how are you working through that as an assumption?
  - Sarah - Since this is a cost/benefit analysis, we have an impact (kindergarten outcomes) so we want to show what the money can do at the various levels, rather than speculating about what more money could do. We are being clear about what the figures mean and explain the context. For example, depending on the audience I may or may not cost out the volunteer time. This also applies to the community provider model, because we need to consider if there will be volunteers there.

- Pia - we heard from the experts that the funding was of course a driver or costs, so we tried to diversify the types of centers in the program with different funding sources. Having information about their costs and implementation will give us information how it works at different levels of funding.
- Gretchen - Each center has a restricted amount of money, but the pieces of the pie (percentages) will probably be consistent.
- Amy - this is a great caution because policy makers tend to cling on to the exact dollars and cents that we give them. We need to be very clear about the context of the numbers that we release, especially in this field. The vision is not that centers that survive on scraps have to keep doing so, but just to see what is actually happening and see what kind of funding is needed.
- Q - I have a coach coming from the QRIS, so how would you estimate the cost of what the center would pay to continue that activity?
  - Sarah - Boston coaches are full-time paid by the district so we were able to include them in the estimate.
  - Pia - we are also aware that this happens a lot and is another reason that we are targeting a range of respondents. We might get this information when we survey and ask about volunteer time and we will have to adjust for this at the end by getting that number from the QRIS/elsewhere.
- Q – There are a lot of problems in comparing the pre-k to the community centers (apples vs. oranges), such as part day vs. full day, pre-k vs. I/T, different activities happening in each place. Community centers also subsidize the I/T with the pre-k kids by charging the same amount and this doesn't happen in public pre-k. Another thing is how many resources from the public school district have that the community centers don't have. How will you account for this as you move forward?
  - Sarah – The primary goal of the study is understanding the public pre-k system in Boston. We are comparing the impacts of being in the system vs. control which didn't get in but they were in community school. Either way there will be assumptions.
- Q - I really liked the top-down vs. bottom-up cost estimates. If you use Boston specific prices for the bottom-up (ingredient method), they should converge and this is a good validity check.
  - Sarah - yes, the convergence or discrepancy between the two is very interesting. We are hoping to build on the interviews to make this rigorous.

**5. Summary of Key issues raised** (facilitators are encouraged to spend the last 3-5 minutes of workshops summarizing the key issues raised during the session; bullets below are prompts for capturing the kinds of issues we're looking for)

- Increased quality will increase costs, exemplified by the Educare model.
- We still do not know how much pre-k costs, but we are getting closer to an estimate due to studies such as the Boston Sustaining the Boost project.
- Projects like the ECE-ICHQ will be a basis for understanding how implementation of quality features are related to costs and how we can use this information to increase quality of care.