

# EARLY CARE AND EDUCATION— WHAT IT COSTS

## BUDGET SERIES: FULL-DAY, YEAR-ROUND EARLY CHILDHOOD PROGRAM



The research on early childhood education is clear: Programs must be of high quality to produce positive outcomes for children. This policy brief is the second in our series aimed at identifying the core components of successful early childhood programs and the costs associated with each component. In this case, we examine the costs of full-day, year-round programs that so many families need. These programs promote healthy cognitive, social, emotional and physical development and offer a schedule that meets the needs of working parents.

They operate under a variety of names, including child care, preschool, early childhood development centers, prekindergarten and Head Start, to name a few. Increasingly, providers identify their services as “early learning” and “early education” programs, indicating the goal of preparing children to succeed in school and later life. No matter what they are called, each is dedicated to providing nurturing environments and developmentally-appropriate experiences that enhance children’s ability to learn and grow.

In recent years, economists and researchers have refined their analysis of effective early childhood programs and identified the core components that lead to positive outcomes for children: These programs employ qualified teachers who are properly compensated, and provide other services to assure that children’s development is on track including health care and health screening, proper nutrition and family support. The most effective program models are the

most comprehensive, with consultants that closely monitor physical and mental health and provide extensive support for the child’s family. Research shows that a problem in one of these areas can hinder development in another. A growing body of evidence also supports the drive for public accountability and results. The best programs incorporate processes for continuous improvement.

There is growing recognition that the public sector has a critical role in ensuring that all children have access to quality early learning opportunities. Study after study shows that families cannot afford the cost of high-quality early education, just as they cannot afford the full cost of college education. Without vigorous engagement of the public sector, many young children will be left behind. The evidence also indicates that the public sector must be engaged in supporting programs in a variety of settings to meet the needs of today’s families. It’s also

true that the decisions that public agencies make about the allocation of public resources has a profound impact on the educational opportunities afforded to young children.



This policy brief presents a framework for such decisions, with a close look at what it actually costs to provide the services needed to produce positive outcomes for children. These generic budgets lay out the key assumptions about staffing, services and administrative support necessary for successful full-day, year-round early childhood programs. They lay the groundwork for assessing the public investments necessary to give all children an equal opportunity to learn and succeed.

The budgets provided here supplement the first brief in our series on program budgets. In that first paper, we focused exclusively on part-day and full school-day pre-k services for three- and four-year-olds at community sites. Our budget assumptions were based on the state's Universal Prekindergarten requirements. We addressed those costs first because the question of funding levels at community sites had emerged as a critical question in pre-k implementation. This second brief takes on the issue of year-round, full-day services as the city moves to the next stage of pre-k implementation and moves toward a more coordinated system of early childhood education in all settings. In this brief, we look at various configurations of programs that serve children from ages two through four, the primary ages of children currently enrolled in preschool programs.

This brief assumes that program funding will come from multiple sources, including public

prekindergarten, federal Head Start and child care funding, and preschool special education as well as parent fees. Many of the city's most successful programs already braid such funding streams to create high quality and comprehensive programs for children. The mix of funding for each site is determined by a number of factors, including a child's eligibility for specific services such as Head Start and child care subsidies, the location of the program and the ability of families to pay for these services.

*Studies show the most comprehensive programs yield the best outcomes for children.*

Our previous policy brief, *Early Care and Education—What it Costs, Community Pre-k* presented generic costs for a stand-alone program which enrolled only three- and four-year-olds and operated for a full school-day and for the school year, at a cost of about \$10,500 per year. Those costs were based on a 6 hour, 20-minute day for nine months a year. This new analysis examines the costs of operating a 10-hour day, five days per week, year-round—the kind of program that many working families now require. Studies show the costs are well worth the investment, however, since the most comprehensive programs tend to yield the best outcomes for children.

## BUDGET SCENARIOS

The three generic budgets presented in this brief offer typical scenarios for community programs. One is for a six-classroom program,

## APPENDIX

### OTHER THAN PERSONNEL EXPENSES (OTPS) YEAR-ROUND, EXTENDED-DAY PROGRAM

*Estimated costs*

		A 90 children 6 groups Ages 3-4	B 105 children 6 groups Ages 2-4	C 125 children 8 groups Ages 2-4
<b>OTHER THAN PERSONNEL SERVICES</b>				
<b>OCCUPANCY</b>				
Rent <sup>1</sup>	\$15/sq ft	101,250	118,125	140,625
Utilities		6,000	6,000	8,000
Maintenance/Repairs	\$1,500/class	9,000	9,000	12,000
Insurance <sup>2</sup>	\$100/child	9,000	10,500	12,500
<b>TOTAL OCCUPANCY</b>		<b>125,250</b>	<b>143,625</b>	<b>173,125</b>
<b>SUPPLIES</b>				
Classroom, Office, Maintenance	\$170/child	15,300	17,850	21,250
Food & Kitchen Supplies <sup>3</sup>	\$625/child	56,250	65,625	78,125
<b>TOTAL SUPPLIES</b>		<b>71,550</b>	<b>83,475</b>	<b>99,375</b>
<b>TOTAL EQUIPMENT<sup>4</sup></b>	\$100/child	<b>9,000</b>	<b>10,500</b>	<b>12,500</b>
<b>TOTAL ADMINISTRATIVE<sup>5</sup></b>		<b>12,000</b>	<b>12,000</b>	<b>14,000</b>
<b>TOTAL STAFF DEVELOPMENT</b>	\$1,000 x FTE staff	<b>19,000</b>	<b>19,000</b>	<b>25,000</b>
<b>TOTAL OTHER<sup>6</sup></b>		<b>6,000</b>	<b>6,000</b>	<b>8,000</b>
<b>TOTAL OTPS</b>		<b>242,800</b>	<b>274,600</b>	<b>332,000</b>
<b>TOTAL ANNUAL OTPS PER CHILD</b>		<b>2,697</b>	<b>2,615</b>	<b>2,656</b>

<sup>1</sup> Assumes 7,000 square feet for smaller programs and 9,000 square feet for the 8-classroom program.

<sup>2</sup> Includes liability, fire/theft, board.

<sup>3</sup> For many programs, CACFP funds will cover the cost of food.

<sup>4</sup> Includes classroom, kitchen, office.

<sup>5</sup> Includes phone, postage, printing, audit.

<sup>6</sup> Includes parent programs, health, misc.

## SCENARIO C GENERIC YEAR-ROUND, EXTENDED-DAY PROGRAM 90 CHILDREN, AGES 2 – 4

### KEY ASSUMPTIONS 6 GROUPS

- 2 Classrooms of 2-year-olds – 10 children each
- 2 Classrooms of 3-year-olds – 15 children each
- 2 Classrooms of 4-year-olds – 20 children each

NOTE: Teachers are certified as per licensing requirements. Salaries are based on DOE starting salaries in each category

### ENTRY LEVEL ANNUAL SALARY DEPARTMENT OF EDUCATION

Assistant Principal	<b>\$88,000</b>
Instructional Coordinator	<b>\$55,000</b>
Teacher, M.A.	<b>\$48,000</b>
Family/Social Worker	<b>\$48,000</b>

SCENARIO C ESTIMATED COSTS: YEAR-ROUND, EXTENDED-DAY PROGRAM			
			Annual Expense
1	Director	\$88,000	<b>\$88,000</b>
1	Assistant Director	\$55,000	<b>\$55,000</b>
6	Head Teacher	\$48,000	<b>\$288,000</b>
6	Assistant Teacher	\$28,000	<b>\$168,000</b>
6	Aides	\$20,000	<b>\$120,000</b>
1	Family Resource/SW	\$48,000	<b>\$48,000</b>
<b>Subtotal program salaries</b>			<b>\$767,000</b>
		Benefits @ 30% salaries	<b>\$230,100</b>
<b>Subtotal salaries and benefits</b>			<b>\$997,100</b>
240 hr/yr	Mental Health Consultants	\$80/hour	<b>\$19,200</b>
120 hr/yr	Nutrition Consultants	\$75/hour	<b>\$9,000</b>
240 hr/yr	Health Consultants	\$80/hour	<b>\$19,200</b>
<b>Consultant fees</b>			<b>\$47,400</b>
<b>Total program salaries and consultant fees</b>			<b>\$1,044,500</b>
		Substitute / 300 days	<b>\$25,500</b>
<b>Total personnel</b>			<b>\$1,070,000</b>
		Administrative expenses*	<b>\$53,500</b>
		5% of personnel budget	<b>\$53,500</b>
90 children	OTPS**	\$2,600 per child	<b>\$234,000</b>
<b>Total cost</b>			<b>\$1,357,500</b>
<b>Annual cost per child</b>			<b>\$15,083***</b>
<b>Annual cost per classroom</b>			<b>\$226,250</b>

\* Includes secretarial, financial and janitorial staff.

\*\* This will vary depending on the size of the program. \$2,500 represents an average for the program. Includes professional development, rent, maintenance, utilities, phone, classroom, supplies, food, insurance, other OTPS assuming 75± square feet per child of program space. See appendix for more detail on OTPS costs.

\*\*\* In programs serving exclusively at-risk children, family workers should be assigned to every room at annual cost of about \$238,400 for salaries and benefits. With family workers, the total per-child cost is \$17,732.

another is for an eight-classroom site. The total number of children served vary, according to their ages. The per-child cost in programs offering health, nutrition and family support range from about \$13,300 to \$15,083. Costs are higher in programs serving exclusively at-risk children. In such programs, family workers

should be assigned to each class. Research shows that such a public investment pays huge dividends for children, families, communities and taxpayers. Economists estimate a return of up to \$17 for every dollar invested. Federal Reserve economists say pre-k is the best investment the public can make.

### BUDGET ASSUMPTIONS

These assumptions are based on what is required for successful management of a program operating ten hours per day, five days per week, year-round.

- Classrooms are large enough to serve the maximum number of children allowed by regulatory standards: 10 two-year-olds, 15 three-year-olds and 20 four-year-olds.
- Every classroom is led by a certified teacher, as required in state regulatory standards. Salaries reflect entry-level compensation for public school teachers with comparable education. (However, these teachers work year-round, not just the school year).
- Every classroom will have three full time staff assigned including one full time appropriately certified teacher, assistant teacher and teacher aide. Three staff will be available to cover the pre-k day, as appropriate. At least two staff are present at all times.
- The director's qualifications and salary are based on the starting salary for an Assistant Principal in the public school.
- A full-time social worker, as well as consultants in mental health, health and nutrition are included as core components. (Programs serving primarily at-risk children have a family worker for each class).
- Administrative expenses include secretarial, financial and janitorial services, at 5% of personnel costs.
- The OTPS expenses for rent and related expenses are based on an assumption of 75 square feet of classroom and ancillary space per child at a cost of \$15 per square foot<sup>1</sup>, plus other non-personnel expenses.

Many programs have facilities cost in excess of this amount due to a variety of factors. OTPS costs include occupancy—rent, utilities, maintenance and repairs; insurance, supplies, classroom, food & kitchen; equipment, postage, printing, phone and audit as well as staff development and other non-personnel expenses.

**SCENARIO A**  
**GENERIC YEAR-ROUND, EXTENDED-DAY PROGRAM**  
**105 CHILDREN, AGES 3 – 4**

**KEY ASSUMPTIONS**  
**6 GROUPS**

- 3 Classrooms of 3-year-olds – 15 children each
- 3 Classrooms of 4-year-olds – 20 children each

NOTE: Teachers are certified as per licensing requirements. Salaries are based on DOE starting salaries in each category

**ENTRY LEVEL ANNUAL SALARY**  
**DEPARTMENT OF EDUCATION**

Assistant Principal	<b>\$88,000</b>
Instructional Coordinator	<b>\$55,000</b>
Teacher, M.A.	<b>\$48,000</b>
Family/Social Worker	<b>\$48,000</b>

SCENARIO A ESTIMATED COSTS: YEAR-ROUND, EXTENDED-DAY PROGRAM			
			Annual Expense
1	Director	\$88,000	<b>\$88,000</b>
1	Assistant Director	\$55,000	<b>\$55,000</b>
6	Head Teacher	\$48,000	<b>\$288,000</b>
6	Assistant Teacher	\$28,000	<b>\$168,000</b>
6	Aides	\$20,000	<b>\$120,000</b>
1	Family Resource/SW	\$48,000	<b>\$48,000</b>
<b>Subtotal program salaries</b>			<b>\$767,000</b>
		Benefits @ 30% salaries	<b>\$230,100</b>
<b>Subtotal salaries and benefits</b>			<b>\$997,100</b>
240 hr/yr	Mental Health Consultants	\$80/hour	<b>\$19,200</b>
120 hr/yr	Nutrition Consultants	\$75/hour	<b>\$9,000</b>
240 hr/yr	Health Consultants	\$80/hour	<b>\$19,200</b>
<b>Consultant fees</b>			<b>\$47,400</b>
<b>Total program salaries and consultant fees</b>			<b>\$1,044,500</b>
		Substitute / 300 days	<b>\$25,500</b>
<b>Total personnel</b>			<b>\$1,070,000</b>
		Administrative expenses*	<b>\$53,500</b>
		5% of personnel budget	<b>\$53,500</b>
105 children	OTPS**	\$2,600 per child	<b>\$273,000</b>
<b>Total cost</b>			<b>\$1,396,500</b>
<b>Annual cost per child</b>			<b>\$13,300***</b>
<b>Annual cost per classroom</b>			<b>\$232,750</b>

\* Includes secretarial, financial and janitorial staff.

\*\* This will vary depending on the size of the program. \$2,500 represents an average for the program. Includes professional development, rent, maintenance, utilities, phone, classroom, supplies, food, insurance, other OTPS assuming 75± square feet per child of program space. See appendix for more detail on OTPS costs.

\*\*\* In programs serving exclusively at-risk children, family workers should be assigned to every room at annual cost of about \$238,400 for salaries and benefits. With family workers, the total per-child cost is \$15,570.

**SCENARIO B**  
**GENERIC YEAR-ROUND, EXTENDED-DAY PROGRAM**  
**125 CHILDREN, AGES 2 – 4**

**KEY ASSUMPTIONS**  
**8 GROUPS**

- 2 Classrooms of 2-year-olds – 10 children each
- 3 Classrooms of 3-year-olds – 15 children each
- 3 Classrooms of 4-year-olds – 20 children each

NOTE: Teachers are certified as per licensing requirements. Salaries are based on DOE starting salaries in each category

**ENTRY LEVEL ANNUAL SALARY**  
**DEPARTMENT OF EDUCATION**

Assistant Principal	<b>\$88,000</b>
Instructional Coordinator	<b>\$55,000</b>
Teacher, M.A.	<b>\$48,000</b>
Family/Social Worker	<b>\$48,000</b>

SCENARIO B ESTIMATED COSTS: YEAR-ROUND, EXTENDED-DAY PROGRAM			
			Annual Expense
1	Director	\$88,000	<b>\$88,000</b>
1	Assistant Director	\$55,000	<b>\$55,000</b>
8	Head Teacher	\$48,000	<b>\$384,000</b>
8	Assistant Teacher	\$28,000	<b>\$224,000</b>
8	Aides	\$20,000	<b>\$160,000</b>
1	Family Resource/SW	\$48,000	<b>\$48,000</b>
<b>Subtotal program salaries</b>			<b>\$958,000</b>
		Benefits @ 30% salaries	<b>\$287,400</b>
<b>Subtotal salaries and benefits</b>			<b>\$1,245,400</b>
240 hr/yr	Mental Health Consultants	\$80/hour	<b>\$19,200</b>
120 hr/yr	Nutrition Consultants	\$75/hour	<b>\$9,000</b>
240 hr/yr	Health Consultants	\$80/hour	<b>\$19,200</b>
<b>Consultant fees</b>			<b>\$47,400</b>
<b>Total program salaries and consultant fees</b>			<b>\$1,292,800</b>
		Substitute / 360 days	<b>\$30,600</b>
<b>Total personnel</b>			<b>\$1,323,400</b>
		Administrative expenses*	<b>\$65,915</b>
		5% of personnel budget	<b>\$65,915</b>
125 children	OTPS**	\$2,600 per child	<b>\$325,000</b>
<b>Total cost</b>			<b>\$1,714,315</b>
<b>Annual cost per child</b>			<b>\$13,715***</b>
<b>Annual cost per classroom</b>			<b>\$214,289</b>

\* Includes secretarial, financial and janitorial staff.

\*\* This will vary depending on the size of the program. \$2,500 represents an average for the program. Includes professional development, rent, maintenance, utilities, phone, classroom, supplies, food, insurance, other OTPS assuming 75± square feet per child of program space. See appendix for more detail on OTPS costs.

\*\*\* In programs serving exclusively at-risk children, family workers should be assigned to every room at annual cost of about \$291,200 for salaries and benefits. With family workers, the total per-child cost is \$16,044.