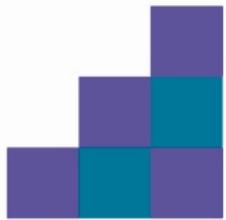


# How Much Does Quality Child Care and Development Cost?



*Prepared by the  
Qualifications and Compensation Work Group  
of the Los Angeles County Child Care Planning Committee  
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## **Steps To Excellence Project** *Promoting Quality Child Care*

### Budgets Based on STEP Standards

- A budget for each of the top 3 STEPS
  - A budget for preschool only
  - A budget for infant/toddlers and preschool
- Each Program serves 96-101 children
- Programs are full-day, full year

# First steps: Assumptions

- Consistency of age groups for each STEP level whenever possible
- Ratios of infant/toddler to preschool ages the same in each budget
- Use of Model Compensation Scale (MSC) for pay rates

# Budgets reflecting standards for top 3 Levels of



Level 3 = CDE/Title 5 requirements

Level 4 = CDE/Title 5 +

Level 5 = Accreditation

# STEP 3

- Substitute hours only for vacation/sick leave
- Only one staff person has training to work with children with special needs/disabilities
- 12 hours per staff/year for staff meetings
- Group sizes and ratios use Title 5 maximums
- Teacher/Director qualifications use Title 5 minimums
- At least 50% of health care coverage is paid
- Pay rates are at bottom to mid-level of MCS

# STEP 4

- Lead teachers have master teacher permits; all assistants have associate permits; director has a program director permit.
- Hourly pay rates are at midlevel on MCS.
- At least one staff person per class has training to work with children with special needs/ disabilities.
- 18 hours per staff per year for staff meetings.
- Paid planning time for lead teachers.
- At least 60% of health care coverage is paid.
- Some group sizes are smaller than in STEP 3.

# STEP 5

- Lead teachers have BAs; other staff have teacher permits; director has an MA or program director permit.
- Hourly pay rates at the upper end of MCS.
- All staff have training to work with children with special needs/disabilities.
- At least 70% of health care coverage is paid; benefits include retirement contribution of 2% per month.
- Group sizes and ratios conform to NAEYC standards; some are larger, some smaller than STEP 4.
- Substitute hours include paid release time.
  1. Paid release time for professional development activities (6 hours per year per staff)
  2. Paid release time to provide professional development. (Lead staff only, 6 hours per year).

# Program Budget Assumptions

- Personnel costs = 75% of operating budget
- Facility costs = 6%
- Administration = 12%
- Materials/Supplies = 7%
- As personnel costs increase, other costs increase to allow additional services related to STEP standards.

# Budget Implications: Preschool only

	STEP 3	STEP 4	STEP 5
Total Personnel Costs	710,597	794,388	843,845
Total Program Costs	947,463	1,059,184	1,125,127
Cost per day per child	\$39	\$42	\$45

# Budget Implications: Infant/Toddler Only (from a combined program)

	STEP 3	STEP 4	STEP 5
Total Personnel Costs	608,751	692,004	571,944
Total Program Costs	811,668	922,671	762,592
Cost per day per child	\$72	\$82	\$69

# Budget Implications: Preschool Only (from a combined program)

	STEP 3	STEP 4	STEP 5
Total Personnel Costs	428,683	442,946	527,948
Total Program Costs	571,578	590,595	703,931
Cost per day per child	\$41	\$42	\$50

# Comparisons: STEP 3

## ■ Infants/Toddlers

- STEP 3 = \$72/day
- CDE/SRR = \$58.456/day
- CDE/RMR = \$59.58/day

## ■ Preschool

- STEP 3 = \$41/\$39
- CDE/SRR = \$34.38
- CDE/RMR = \$43.27

# Comparisons: STEPS 4 & 5

## ■ Infants/Toddlers

- STEP 4 & 5 = \$82 & \$69/day
- CDE/SRR = \$58.45/day
- CDE/RMR = \$ 59.58/day

## ■ Preschool

- STEP 4 & 5 = \$42 - \$50
- CDE/SRR = \$34.38
- CDE/RMR = \$43.27

# Conclusions

- Improved quality costs more, but not a great deal more.
- Current public investment does not support consistent quality in CDE-funded programs.

NEXT STEPS >>>>>>>>>>>>>