

MEASURING CLASSROOM COSTS IN EARLY EDUCATION PROGRAMS

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Classroom observations are often used to evaluate quality. In studies that link cost with quality, it may be helpful to also collect cost information at the classroom level, so that information will be consistent. Below are some guidelines for collecting and calculating classroom costs:

LABOR COSTS

Labor costs are based on the FTE (Full Time Equivalent) staff assigned to the room or program.

- Obtain *job title, educational background, credentials, hours worked per week and wages/salary* for each staff person assigned to each class.
- Compute labor costs by summing total annual compensation for each staff person in the room.
- Include *floaters/substitutes*: these costs can be based on the proportion of FTE staff in the room. If based on actual use of floaters/substitutes in a classroom and if one or more staff member in a class is frequently absent, this may raise cost and lower quality.

Issue: special staff who work with the children regularly for a short period of time must be taken into account—either inside or outside the classroom. Some centers have special facilities and children can move freely from room to room

- ✓ **Recommendation:** Allocate by number of hours children spend in individual rooms.

Issue: Past financial statements reflect past staff composition but past staff may differ from present staff.

- ✓ **Recommendation:** Base labor cost estimates on current payroll data. An adjustment must be made to any monthly records in order to represent annual costs.

FOOD/MEALS

- Account for the cost of any food supplied by parents such as milk or formula in an infant room.

- Allocate costs for food based on FTE children in the classroom adjusted for portions.
- Account for labor component of food costs if the center employs kitchen staff. These labor costs could be allocated by FTE children in each classroom.

MATERIALS AND SUPPLIES: Allocate based on proportion of FTE children in the class, adjusted for age-group (type and amount of materials varies significantly based on age group). Some centers may have records of materials costs per room, at least for start-up.

Issue: A center with a part-time program might use one classroom for two different classes.

- ✓ **Recommendation:** The survey instrument should define “classroom” or “class” as a group of children as opposed to the physical space they occupy.

FURNISHINGS AND EQUIPMENT: Depreciate these relatively fixed costs over time. Include rental equipment and maintenance costs, and any non-depreciated equipment. Sometimes outdoor play areas are attached to individual rooms. If children rotate in and out of the same space, furnishing and equipment costs can be allocated across classrooms, based on number of FTE children, adjusted for age group.

Collect the following CLASS ENROLLMENT information in order to estimate costs per child hour:

- *Full-time/part-time enrollment:* sometimes measured in units of “FTE” (Full-time enrollment) for example, children in part time attendance as ½ day per week = .1 FTE; 1 day per week = .2 FTE, etc.
- *Center child capacity, age groups served, full-year/part-year program*
- *Number of hours considered full day* for a typical child in each age group (programs with a six hour day may have higher cost per child hour than programs with a nine hour day).

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