

## Tips for Conducting a Cost Study

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*Thinking about figuring out how much it would cost to increase access or improve the quality of a state funded early education program?* Based on our experiences, this document provides a set of pointers that might make your cost study easier to complete and get you the information you need quicker.

### Defining the Parameters

***What is your time frame for expanding?*** It may be useful to look at several projections, such as a 4-year and 10-year projection. Often the costs are much higher than expected. One strategy to not jeopardize the quality of the program by cutting corners to fit into an assumed funding number, is to show long-term funding projections to meet the targeted enrollment number.

***What do you mean by “universal?”*** Trying to get a pre-K program to “universal” status is often discussed; however, this does not mean 100% of all children will enroll in the program. In states that have state-funded universal pre-K, only a percentage of eligible 4-year-olds participate: D.C. (87.9%), Florida (77.3%), Georgia (60%), Oklahoma (73.3%), and Vermont (75.1%).<sup>1</sup>

***Are you changing the quality of the current pre-K program?*** Some states decide to cost out projections in an as-is program; others make slight modifications; while others try to ramp the quality to meet research-based standards associated with positive child outcomes. Adjustments made to program policies might include reducing the class size; changing degree requirements for lead teachers; requiring salary parity for pre-K teachers in all settings; implementing a coaching program; and integrating structured classroom observations into all classrooms on a regular basis.

***What will the dosage be?*** Dosage not only includes the number of hours per day, but also how many days per year. Will the program follow an academic calendar, such as what is offered in the public school; or a year-round program, more similar to what CCDF-funded programs provide? Will the dosage vary by program setting?

***What is the distribution of where pre-K programs will be located?*** Typically, the costs of operating a program in public school versus a private center or Head Start program varies. For example, there are often a greater percentage of pre-K classrooms in private preschool programs as compared to public schools; thus, the percentage of site administrators’ time and school utilities is spread out over more classrooms in public schools. Higher teacher salaries are

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<sup>1</sup> Enrollments are based on 2015-2016 school year as reported in Friedman-Krauss, A. H., Barnett, W. S., Weisenfeld, G. G., Kasmin, R., DiCrecchio, N., & Horowitz, M. (2018). The state of preschool 2017: state preschool yearbook. New Brunswick, NJ: National Institute for Early Education Research.

more likely to occur in public school based programs as compared to those located in nonpublic schools.

## **Collecting Data**

There are a number of national data sets available, some which are broken down to state specific data, such as the average teacher salary or number of 4-year-olds in the state. The Cost of Preschool Quality & Revenue (CPQ&R) has incorporated many of these data sets into its default assumptions. Resources in terms of quality of pre-K programs can also be reviewed in sources such as the NIEER State Preschool Yearbooks. However, other state specific data might need to be collected. In order to do this, gather a team that will help you collect needed information, such as staff who:

- Work on the implementation of publicly funded early learning programs.
- Specialize in the quality of early learning implementation (members of QRIS systems or in charge of accreditation or curricula reviews).
- Work on the budget or content of early learning, child care subsidy, Head Start, Adult Child and Food Nutrition Programs, Title I, or special education.
- Collect teacher certification/qualifications, teacher salary data collection, number of certified teachers, etc.

## **Things to Remember**

State appropriations most likely do not cover the costs of operating the program. There are typically matched dollars, including in-kind dollars, that the public schools or private preschool programs use to implement the program.

Once you collect the data and complete your cost study, make sure you have a plan for how you are going to distribute its findings. Plans should include how you are going to graphically display information and identification of which groups need this information to be able to make educated funding decisions.

## **Additional Support**

The CPQ&R was produced by the [Center on Enhancing Early Learning Outcomes](#) (CEELO). CEELO commissioned Third Sector Intelligence, Inc. (3SI) to develop the CPQ, and subsequent revisions. 3SI works in partnership with CEELO staff to revise the calculator and provide technical assistance to users. For further information and useful materials to use the CPQ&R visit the CEELO website at <http://ceelo.org/cost-of-early-learning-quality-calculator/>

To request technical assistance, please [contact us](#) at [info@ceelo.org](mailto:info@ceelo.org)