

# Early Education Commission

*A community leadership collaborative supporting the United Way's goal of ensuring children are ready for school*



## Research Abstract

**Title:** “Meaningful Investments in Pre-K: Estimating the Per-Child Costs of Quality Programs,” Institute for Women’s Policy Research (IWPR)

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This is an important document for policy makers to use as they begin to consider expenditures associated with varying levels of quality in early education programs, and a tool for administrators to approximate the costs of quality improvements. IWPR researchers have designed a model for estimating the cost of implementing universal state pre-kindergarten, taking into account a variety of implementation strategies and participation rates.

The 44-page report provides estimated financial investments needed to support both public and private preschool programs at differing levels of quality. Estimates include costs for both direct service and infrastructure, including:

- staff salaries and benefits,
- student support services (e.g., social work, guidance, health, speech),
- food for children,
- child transportation,
- instructional supplies,
- building operations and maintenance,
- in-service training and technical assistance,
- infrastructure improvements, including facilities renovation for safety,
- a small profit margin when discussing for-profit providers, and
- governance costs for statewide administration of the programs.

Quality levels for the cost estimates are based on differing class sizes and levels of teacher qualifications/pay. Costs are estimated for class sizes of 20, 17 and 15 children (smaller classes = higher quality). Each classroom would have both a lead and assistant teacher. There are hourly and annual cost estimates for school-year services offered for six, three and nine hours per day. The levels of teacher qualifications/pay used are:

a) *Highest quality (recommended):* A teacher with a Bachelor’s degree paid at typical kindergarten-level wages\*

- b) A teacher with a Bachelor's degree paid at typical pre-K-level wages\*
- c) A teacher with an Associate degree
- d) *Lowest quality (not recommended)*: a teacher with a Child Development Associate (CDA) credential

*\*Costs are estimated based on two different rates of pay for BA level teachers, suggesting more adequate compensation is associated with better retention of well-qualified teachers, which is reflected in higher quality service delivery.*

The researchers note that the six-hour day represents the length of a typical school day, the three-hour program is close to the number of hours of publicly-funded programs that states typically offer, and that a nine-hour program is optimal for both the parents and the children, who do not have to be shuttled from one location to another (usually lower quality) setting.

According to the Executive Summary:

- The costs of a six-hour pre-K program in the United States in 2007 dollars range from \$5.17 per-child-hour for the lowest level of quality (a class size of 20 and lead teacher with a Child Development Associate credential) to \$8.18 per-child-hour for the highest quality level (a class size of 15 and lead teacher with a Bachelor's Degree paid at kindergarten-level wages).
- The annual costs of a six-hour program delivered for 185 days, or the typical school year, range from \$5,741 per-child per-year, for the lowest level of quality, to \$9,076 per-child per-year for the highest level of quality. It should be noted that costs will vary among states and these estimates are based on calculations derived from national medians.

A review of previous research is also included, showing that high teacher credentials and low student-to-teacher ratios have typically produced positive effects on children's school readiness.

The report cites several well-known studies on the benefits of high quality pre-K, including studies by the National Institute for Early Education Research (NIEER), and evaluations of the Perry Preschool Project, the Chicago Child-Parent Centers and the Michigan School Readiness Program. As well, the report points to economic impact studies which have demonstrated the benefits of quality pre-K to society via savings to public school systems, generation of jobs and spending in the community, and support of working parents (and the businesses who employ them) in the form of improved employee retention.

Finally, the report gives examples of high quality state programs, including those that most closely reflect aspects of the ideal preschool model in the report. ***North Carolina More at Four*** is a publicly funded pre-K program serving 12 percent of the state's four-year-olds (2005-2006); it operates 6 hours per day during the academic year in mixed settings (public schools, Head Start, private child care centers and faith-based organizations). The ***Tennessee Early Childhood Education (ECE)*** program serves 11 percent of four-year-olds and one percent of three-year-olds; it operates 5.5 hours per day (excluding nap time) during the academic year in mixed settings.

Link to full article:

<http://www.iwpr.org/pdf/G718preknow.pdf>