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## **PARTNERING AROUND RESOURCES<sup>1</sup>**

### **PREKINDERGARTEN PROGRAM**

### **CONTRACTING WITH CHILD CARE CENTERS**

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#### **Model Goal**

The school district (or state Department of Education) has decided to provide early childhood education in accordance with PreK standards and to provide extended day care on a 12 month calendar year basis. To accomplish this, the district plans to contract with child care centers.

#### **Criteria**

To qualify for funding, a child care center must demonstrate that it:

- Can operate for at least 10 hours per day, 5 days per week, and 50 weeks a year (2,500 hours per year);
- Can implement a class size of no more than 20 children (four-year-olds) with at least two teaching staff in the classroom at all times;
- Can provide an inclusive program for children with disabilities, as needed; and
- Will utilize teachers and other teaching staff with the specified qualifications.

#### **Center Budget**

The Andrews Community Child Care Center meets all of the above criteria and is also accredited by the National Association for the Education of Young Children. The per child annual cost of providing regular, full-day child care services in the center is \$7,500 per year for a four-year-old. This is for 2,500 hours of service per year. The budget for a classroom of 20 children is \$150,000 (\$7,500 times 20).

#### **PreK**

The regular PreK program operates 2.5 hours per day for 180 days per year (450 hours per year). The regular PreK activities account for 450 hours of the 2,500 hours of service called for by the criteria (450 divided by 2,500 = 18%). This model assumes that regular PreK services would account for 18% of the center's cost (18% times \$7,500 = \$1,350 per child). The base budget for PreK services for the classroom is \$27,000 (\$1,350 times 20).

#### **PreK Enhancements**

In addition to base costs (which reflect cost per child and are dependent on the number of children in the classroom who would be participating in the PreK program), there are certain fixed costs for the classroom as a whole that will be incurred as a result of the child care center's involvement in delivering PreK services. Those are assumed to include added expenses for teacher training (including the cost of substitutes to provide teachers with release time) amounting to \$3,000, and added administrative costs for supervision,

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<sup>1</sup> QUILT. (June 2000). Partnering around resources: A planning and fiscal guide for child care, head start, and other early education programs.

recordkeeping, and reporting amounting to \$3,600. The total budget for PreK quality enhancements per classroom amounts to \$6,600.

**Total Budget**

The total budget for the child care center classroom administering PreK services is \$156,600 (regular budget, \$150,000 + PreK enhancements, \$6,600). Program income is:

<i><b>PreK Program</b></i>	\$33,600 (PreK base budget, \$27,000 + PreK enhancements, \$6,600)
<i><b>Child Care Subsidies and Parent Fees</b></i>	\$106,000 (Assumes that low-income children receive child care subsidies at the full market rate ceiling of \$5,300 per year per child, minus the parent share of the fee. If the program serves families that are unable to receive subsidies, these families will pay the full \$5,300 fee.)
<i><b>Private Fundraising</b></i>	\$18,900 (from United Way, local foundation, employer, or other source available to pay the difference between the market rate/parent fee and the full cost of care.)
<i><b>Total Income</b></i>	\$158,500

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**Comment**

This model assumes that the state PreK program does not require comprehensive services and/or degreed teachers. If the program were required to meet these additional program standards, additional funds would be needed in the "PreK Enhancements" portion of the budget by as much as \$15,000. Additional funding to hire degreed teachers, or to reward existing teachers when they attain degrees, would be based on local salaries for jobs with comparable qualifications.

## PREKINDERGARTEN PROGRAM CONTRACTING WITH HEAD START CENTERS

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### Model Goal

The school district (or state Department of Education) has decided to provide early childhood education in accordance with PreK standards and to provide extended day care on a 12 month calendar year basis. To accomplish this, the district plans to contract with Head Start centers, with Head Start's experience in including children with disabilities, provision of comprehensive services, and emphasis on teaching staff qualifications and training seen as assets.

### Criteria

To qualify for funding, a Head Start center must demonstrate that it:

- Can operate for at least 10 hours per day, 5 days a week, 50 weeks a year (2,500 hours per year);
- Can implement a class size of no more than 20 children (four-year-olds) with at least two teaching staff in the classroom at all times;
- Can provide comprehensive services and an inclusive program for children with disabilities, as needed; and
- Will utilize teachers and other teaching staff with the specified qualifications.

### Head Start Budget

The average annual cost to the Head Start grantee of providing services that meet the Head Start Program Performance Standards is \$5,200 for a four-year-old. This is for a hypothetical 630 hours of service per year (3.5 hours per day for 180 days). The budget for a classroom of 20 children is \$104,000 (\$5,200 times 20). The cost of providing full-day, full-year services (2,500 hours per year, as called for in the PreK criteria) is 60% more, or \$8,320 per child—\$166,400 per classroom (\$8,320 times 20).

### PreK

The PreK program is prepared to assume the difference between what it would cost Head Start to provide its regular program of services, and the cost of full-day, full-year services that meet the PreK criteria. The PreK budget contribution is \$3,120 (\$8,320 minus \$5,200). The base budget for PreK services for the classroom is \$62,400 (\$3,120 times 20).

### PreK Enhancements

In addition to base costs, there are certain fixed costs for the classroom as a whole that will be incurred as a result of Head Start's involvement in delivering PreK services. Those are assumed to include added expenses for teacher training (including the cost of substitutes to provide teachers with release time) and time to conduct home visits amounting to \$2,500, and added administrative costs for supervision, recordkeeping, and reporting amounting to \$1,500. The classroom budget for PreK quality enhancements amounts to \$4,000.

### Total Budget

The total budget for the Head Start center classroom administering PreK services is \$170,400 (regular budget, \$166,400 + PreK enhancements, \$4,000). Program income is:

<i>PreK Program</i>	\$66,400 (PreK base budget, \$62,400 + PreK enhancements, \$4,000)
<i>Head Start</i>	\$104,000 (\$5,200 times 20 children)
<i>Total Income</i>	\$170,400

## HEAD START GRANTEE USING CHILD CARE SUBSIDY FUNDS

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### Model Goal

The Head Start grantee has decided to convert some of its part-day classrooms to full-day, full-year to respond to the needs of Head Start families based upon findings in the community assessment. To accomplish this, the Head Start grantee has developed a memorandum of agreement with the State lead agency administering CCDF and other child care subsidy funds. The state has agreed to authorize full-day reimbursement rates for Head Start classrooms that convert to extended-day, extended-year services, based upon the number of families eligible for child care subsidies.

### Criteria

To qualify for funding, a Head Start classroom must:

- Operate for 10 hours per day, 5 days per week, and 50 weeks a year (2,500 hours per year);
- Comply with state child care regulations and licensing requirements (in addition to Head Start Program Performance Standards that provide for comprehensive services); and
- Serve children in families who are eligible for child care subsidies.

### Head Start Budget

The average annual cost to the Head Start grantee of providing services that meet the Head Start Program Performance Standards is \$5,200 for a four-year-old. This is for a hypothetical 630 hours of service per year (3.5 hours per day for 180 days). The budget for a part-day classroom of 20 children is \$104,000 (\$5,200 times 20). The cost of providing full-day, full-year services (2,500 hours per year, as called for in the criteria) is 60% more, or \$8,320 per child—\$166,400 per classroom (\$8,320 times 20).

### Child Care Subsidy

The child care subsidy at a full-day reimbursement rate (i.e., the local market rate ceiling) is available for those families who are eligible. Assuming half the children in the classroom are eligible for a child care subsidy, program income will be augmented by \$53,000 (\$5,300 per child times 10 children).

### Program Enhancements

In addition to base costs, there are certain fixed costs for the classroom as a whole that will be incurred as a result of Head Start's conversion to extended services. Those are assumed to include added expenses for teacher training (including the cost of substitutes to provide teachers with release time) and time to conduct home visits amounting to \$4,500, and added administrative costs for supervision, recordkeeping, and reporting amounting to \$1,000. The quality enhancement budget amounts to \$5,500.

### Total Budget

The total budget for the Head Start classroom is \$171,900 (regular budget, \$166,400 + enhancements, \$5,500). Program income is:

<i>Head Start</i>	\$118,900 (part-day, \$104,000 + Head Start Expansion, \$14,900)
<i>Child Care Subsidy</i>	\$53,000
<i>Total Income</i>	\$171,900

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### Comment

Head Start expansion funds make up the difference between the cost of part-day Head Start plus the child care subsidy and the total budget cost of full-day, full calendar year services. Expansion funds defray the cost of program enhancements. The total cost to Head Start is not affected by whether the enrollment is new children or children converted from part-day to full-day services (quality improvement funds rather than expansion funds may have to be used for the latter).

## **HEAD START GRANTEE CONTRACTING WITH CHILD CARE CENTERS**

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### **Model Goal**

Based upon the community assessment and discussions with the community-based early childhood planning group, the Head Start grantee has decided to contract with child care centers to expand the availability of comprehensive services offered on a full-day, full-year basis.

### **Criteria**

To qualify for funding, a child care center must demonstrate that it can:

- Operate for 10 hours per day, 5 days per week, and 50 weeks a year (2,500 hours per year);
- Comply with Head Start Program Performance Standards and provide comprehensive services to all children in the classroom (the Head Start grantee has private sector funds that enable it to provide comprehensive services to children from families who are above Head Start income eligibility limits);
- Implement a class size of no more than 20 children (four-year-olds) with at least two teaching staff in the classroom at all times;
- Provide an inclusive program for children with disabilities, as needed; and
- Utilize teachers and other teaching staff with the specified qualifications.

### **Center Budget**

The Andrews Community Child Care Center meets all of the above criteria except the comprehensive services requirement. (The center is also accredited by the National Association for the Education of Young Children.) The per child annual cost of providing regular, full-day child care services in the center is \$7,500 per child for a four-year-old. This is for 2,500 hours of service per year. The budget for a classroom of 20 children is \$150,000 (\$7,500 times 20).

### **Child Care Subsidy and Parent Fees**

Assuming half the children in the classroom are eligible for both Head Start and a child care subsidy, program income will be augmented by \$53,000 (\$5,300 per child times 10 children). A portion of the \$5,300 would be paid as a parent copayment and a portion would either pay the full \$5,300 fee or could, if they are over Head Start income but still below the income eligibility ceiling for child care assistance, also receive a child care subsidy. In either case, the program would receive \$5,300 for each of these children—either through parent fees, subsidies, or a combination of the two.

### **Head Start**

The Head Start program operates for 3.5 hours per day for 180 days per year (630 hours per year). The regular Head Start activities account for 630 hours of the 2,500 hours of service called for in the full-day, full-year program, or 25% (630 divided by 2,500). This model assumes that the regular Head Start services would account for 25% of the center's cost, or \$1,875 per child. The base budget for Head Start services for the classroom is \$18,750 (\$1,875 times each of the 10 Head Start eligible children).

### **Program Enhancements**

In addition to base costs, there are additional costs that will be incurred in providing comprehensive services. Head Start will provide family support staff to augment health and social services, and provide home visits. While these costs will be incurred by Head Start—and not passed on to the center—the estimated value of this contribution is \$15,000 for a

classroom of 20 children. The center would, however, receive an allocation for added administrative costs for supervision, recordkeeping, and reporting amounting to \$3,000, and additional funds to cover the cost of increased expenses for staff development and supports (including substitutes so that teachers have time to attend planning meetings and training) amounting to an additional \$3,000. The enhancement budget for Andrews Community Child Care Center is \$6,000.

**Total Budget**

The total budget for the child care classroom is \$156,000 (regular budget, \$150,000 + enhancements, \$6,000). Program income is:

<i>Head Start Expansion</i>	\$24,750	<i>Subsidy/Parent Fees</i>	\$106,000
<i>Private Sector</i>	\$25,250	<i>Total Income</i>	\$156,000

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**Comment**

Head Start expansion funds and the private sector contribution make up the difference between the child care subsidy/parent fees and the cost of services. Additionally, the Head Start program would need to use Head Start expansion funds to cover the \$15,000 cost of staff to provide comprehensive services.

## **HEAD START GRANTEE CONTRACTING WITH FAMILY CHILD CARE PROVIDERS**

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### **Model Goal**

Based upon the community assessment and discussions with the community-based early childhood planning group, the Head Start grantee has decided to contract with family child care providers to expand the scope and quality of services offered on a full-day, full-year basis.

### **Criteria**

To qualify for funding, the family child care providers must demonstrate that they can:

- Operate for 10 hours per day, 5 days per week, and 50 weeks a year (2,500 hours per year) or for a comparable period during non-traditional hours;
- Comply with Head Start Program Performance Standards and provide comprehensive services to all children in the home in coordination with the grantee;
- Serve children ages 3-5, with priority to low-income families who would qualify for both Head Start and child care eligibility, up to a total of five children (younger or older siblings may be served with appropriate adjustments in funding and program arrangements);
- Provide an inclusive program for children with disabilities, as needed; and
- Participate in training, support services, and facilities upgrades coordinated by the grantee.

### **Provider Budget**

Mary Jones is a family care provider who currently serves low-income children in an inner-city neighborhood. She charges \$4,240 per year for full-time care—which is the market rate ceiling in her local area. This is for the equivalent of 2,500 hours of service per year. Mary's budget for serving 5 children is \$21,200 (\$4,240 times 5).

### **Child Care Subsidy (And the parent copayment portion of that subsidy)**

All of the children Mary serves qualify for both Head Start and child care subsidies. The parent copayment for the child care subsidy program averages \$704 per year per child, and the reimbursement that Mary receives from the county social services department averages \$3,536 per year per child.

### **Program Enhancements**

Reimbursements to Mary Jones for program supplies and equipment, CDA or other training, recordkeeping, and other quality enhancements amounts to \$3,100. Additionally, Mary receives \$1,000 to cover the cost of substitutes so that she can attend planning meetings and trainings. Additionally, the Head Start program would incur additional costs for a Family Child Care Coordinator and Family Support Specialist (\$10,000) to provide and arrange for health, social services, home visits and other comprehensive services. The Head Start agency has also agreed to serve as a sponsoring agency so that Mary can receive food reimbursement from the Child and Adult Care Food Program (CACFP). Mary's reimbursement under this program would be approximately \$778 per year. Thus, the total cash budget for program enhancements provided to Mary is \$4,878 per year.

### **Total Budget**

Mary's total budget is \$26,078 (regular budget, \$21,200 + enhancements, \$4,878).  
Program income is:

## Partnering Around Resources

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<i>Subsidy/Copayments</i>	\$21,200
<i>USDA CACFP</i>	\$778
<i>Head Start Expansion</i>	\$4,100
<i>Total Income</i>	\$26,078

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### **Comment**

In addition, the Head start agency would incur additional Head Start staff costs of \$10,000 to provide comprehensive services—these would be paid through Head Start expansion funds and/or private sector contributions. Head Start expansion funds pay for the remainder of the program enhancements. Family child care providers are independent contractors, not Head Start employees. Head Start serves as a sponsor for a network of family child care homes and administers the Child and Adult Care Food Program (CACFP) reimbursements (\$3.11 per child per day), which the providers were not receiving prior to the partnership.