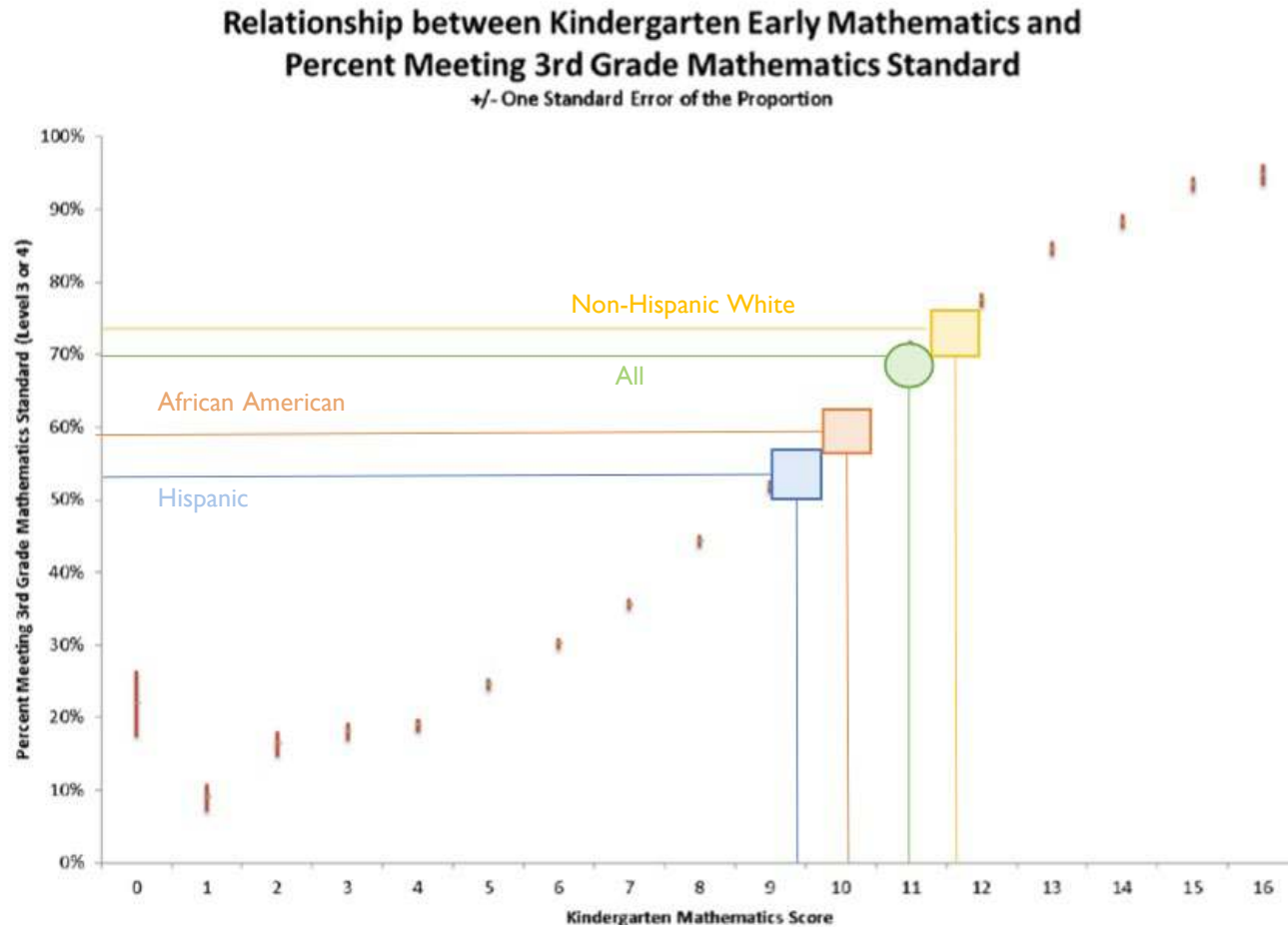


Early Childhood Budget Modeling

February 2019 DRAFT (Not for Distribution)

Investment Imperative



Source: Oregon Department of Education

Overview

The budgeting modeling:

- Built off baseline enrollments and costs circa 2017
- Considered four categories of programming
- Estimated costs of expanding access to existing eligible population and improving quality
- Relevant to 2019 session and something we can build on for the future

Preschool

- Education programs for 3-4 year olds in low-income families (200% FPL and below)
- Includes Federal Head Start, Oregon Pre-Kindergarten, and Preschool Promise
- Does not include parent-child or parenting education for cost modeling purposes, which are in another category

Childcare

- Subsidy program that supports low-income families to work (185% FPL and below) while fostering child development
- Includes Federal Child Care Development Fund and Employment Related Day Care

Special Education

- Programming for children with diagnosed delays and disabilities
- Includes Early Intervention/Early Childhood Special Education

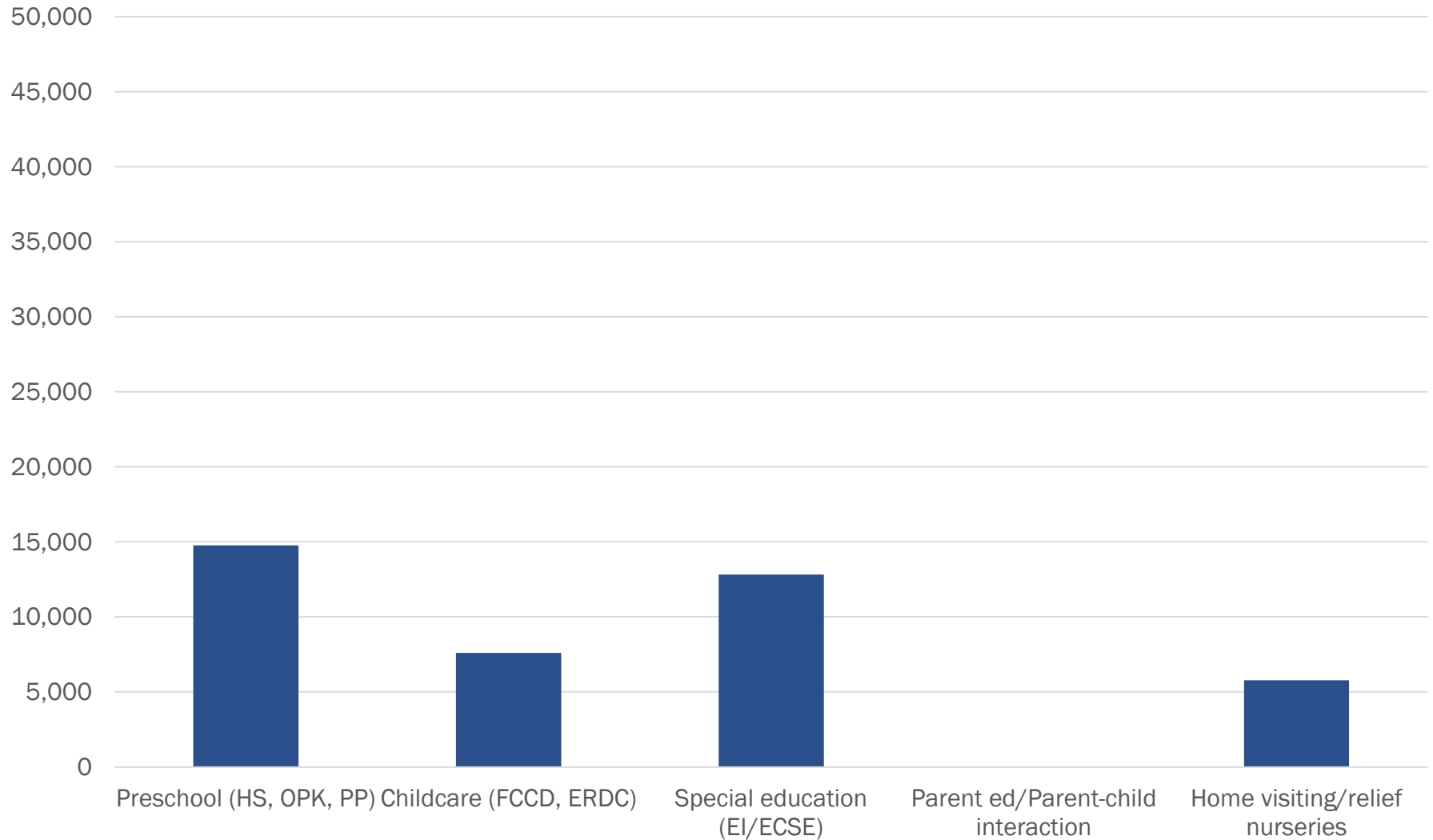
Family Partnerships that support Early Learning & Family Stability

- Set of programs that work with parents to increase family stability and child development
- Includes home visiting (Early Head Start, Healthy Families Oregon, Family Spirit, Family Check, Nurse Families Partnership, Parents as Teachers, SafeCare) and Relief Nurseries.
- Would be expanded to include investments in parenting education classes and parent-child interaction groups

Access

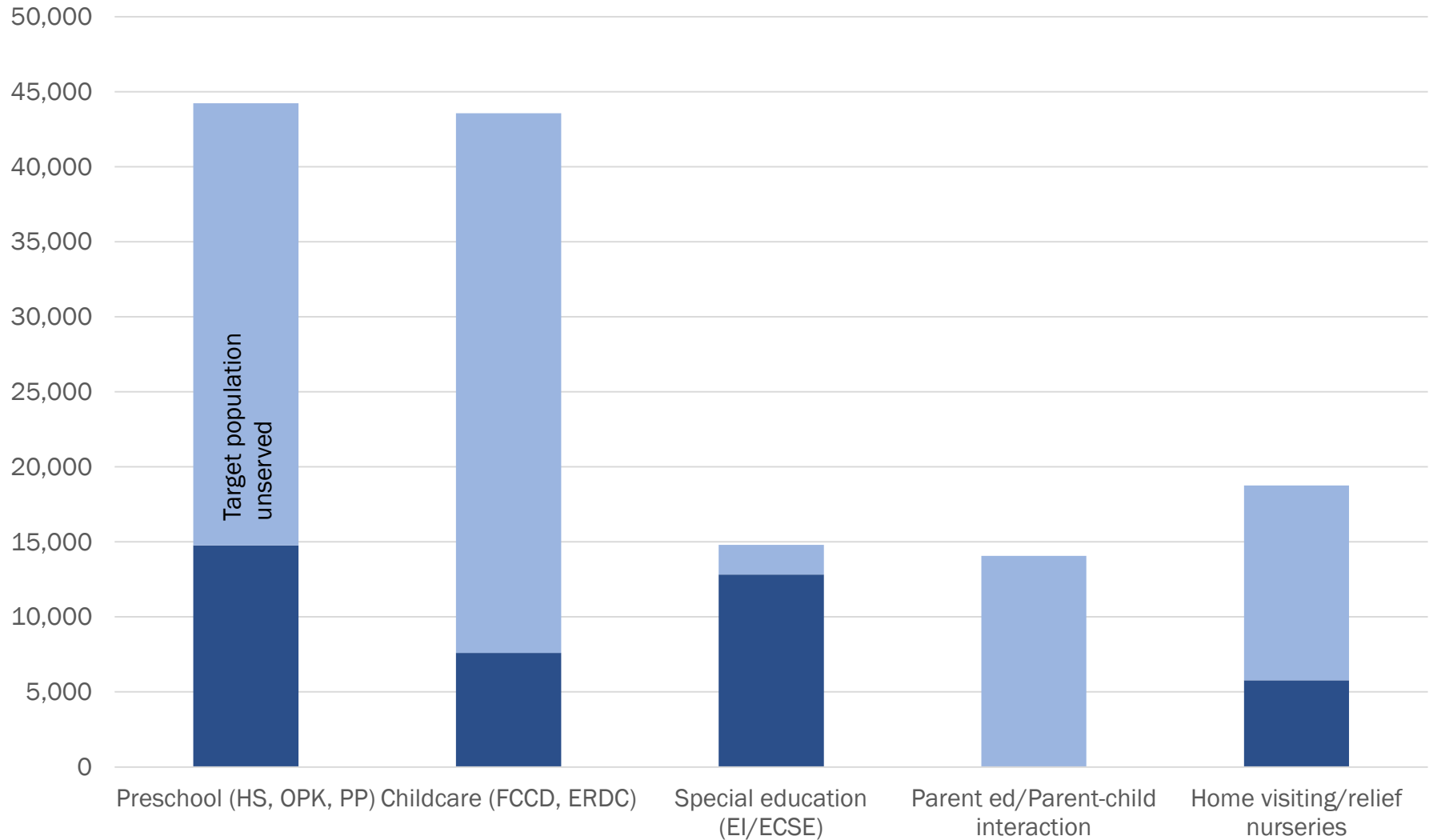
Early childhood program coverage

Average monthly participation



Early childhood program coverage

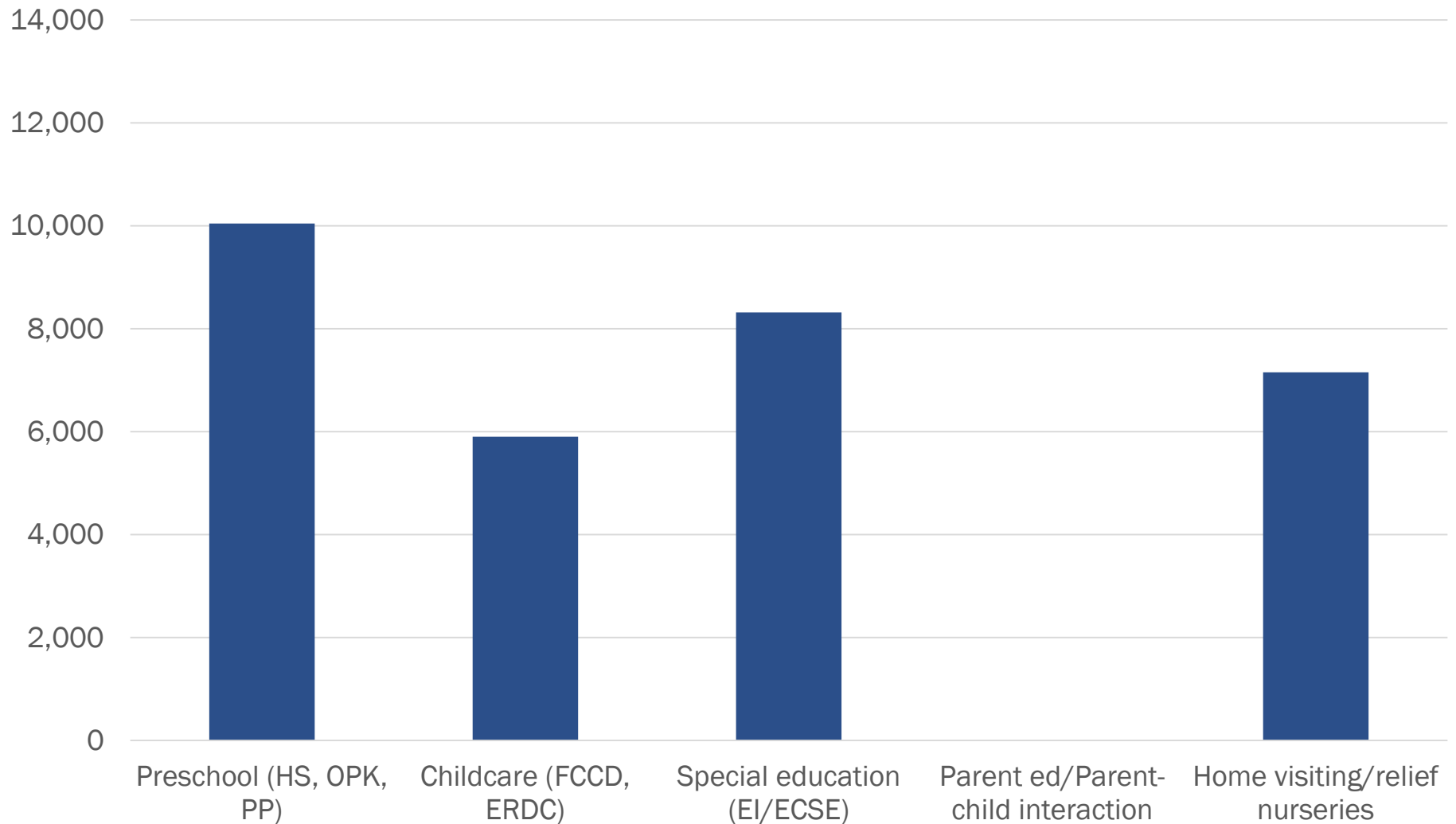
Average monthly participation



Quality

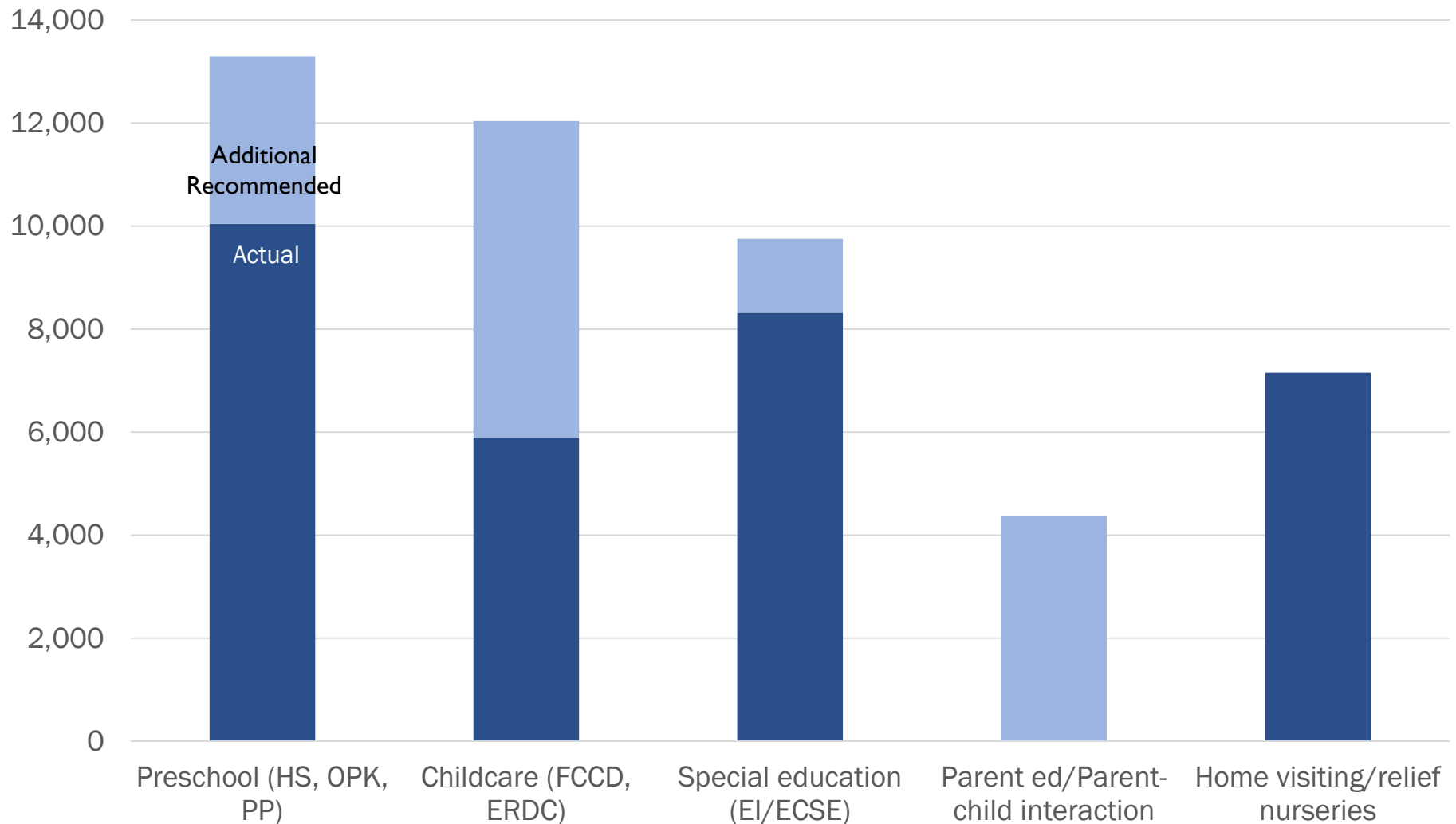
Estimated program expenditures per child

Average annual cost per slot



Estimated current program expenditures

Average annual cost per slot

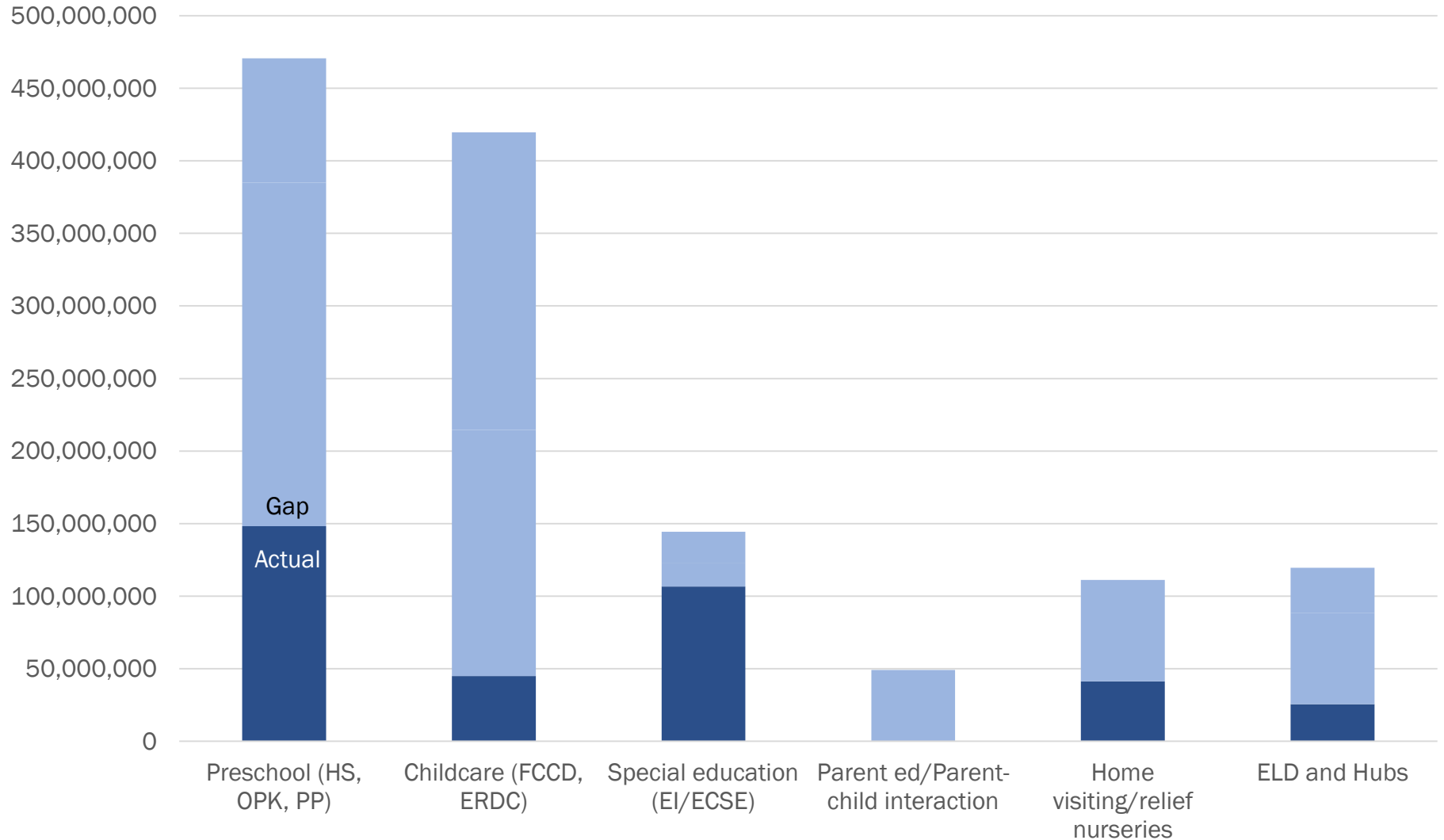


Source: Children's Institute recommendations based on input and analyses of providers.

System Expenditures

Early childhood expenditures

Annual from all revenue sources, circa 2017

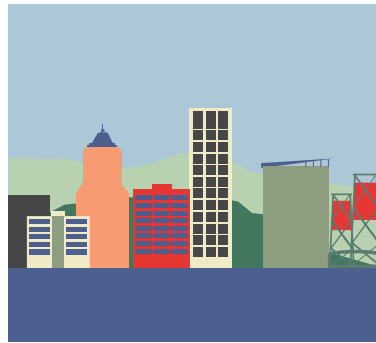


ECONorthwest

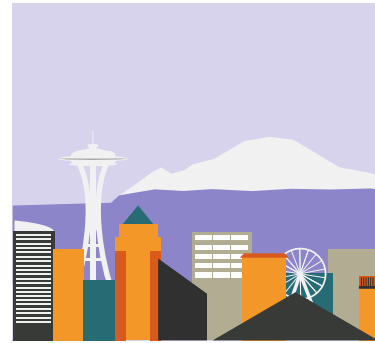
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Methodology Reference

Preschool: Current enrollment. Current enrollment estimates for Head Start are taken from the Oregon Department of Education’s annual report on services for the 2017-18 year (draft). Enrollment estimates for Oregon Prekindergarten and Preschool Promise are based on the 2019 ELD Early Learning Fact Sheets. Based on this reporting, an estimated 14,766 3- and 4-year-old children were served by Head Start, Oregon Prekindergarten (OPK), and Preschool Promise. **Slot costs.** Head Start slot costs are based on the 2016 NIEER report on the state of Head Start funding. OPK slot costs are derived from total budget and total children served as reported in the 2019 ELD Early Learning Fact Sheets. Preschool Promise slot costs are rounded average per child costs as reported in the 2019 ELD Early Learning Fact Sheets. **Eligible population.** The eligible population is based on the share of 3- and 4-year-old children living in households with incomes below 200% federal poverty level based on ECONorthwest estimates from 2016 Census ACS 5-year PUMS data. In order to account for the differences between eligibility and those who may actually access services, we reduce the estimated unmet need to 80 percent, based on [Whitehurst and Klein \(2015\)](#). This research provides an estimate of the maximum 4-year-old early education participation rate for children in the lowest income quartile based on the Early Childhood Longitudinal Study 2011. **Recommended cost per slot.** The proposed cost per slot of \$16,000 is based on estimates for expanded-service Head Start by the Early Learning Division.

ERDC: Current Enrollment. Enrollment estimates are based on the average monthly enrollment between September and November 2018 as reported in the [Oregon DHS Monthly District/Branch Reports](#). During this time, an average of 15,120 children were served monthly. USDHHS ACF CCDF estimates that 50.3 percent of children in care are under age 5 ([USDHHS ACF CCDF for fiscal year 2016](#)). Multiplying the estimated monthly caseload of 15,120 by 50.3 percent provides the modeled estimate of 7,607 enrollees under the age of 5. **Current monthly subsidy.** The estimated subsidy is based on the [Oregon DHS Monthly District Branch Reports](#) for September through November 2018, we estimate an average monthly subsidy per child of \$416. We identified the adjust factor for the higher subsidies provided to children age 0 through 4 based on [USDHHS ACF CCDF Average Subsidy by Age Group](#). This factor, 1.18 was applied and the monthly rate was multiplied by 12 months to arrive at the annual average subsidy of \$5,902. **Eligible population.** The eligible population estimate of 43,552 children age 0 through 4 living in households with income less than 185% FPL and all parents either working or in school is based on an ECONorthwest analysis of 2016 5-year PUMS data. This estimate yields a 17% participation rate for children ages 0 through 4, which is comparable to the 17% Oregon participation rate estimated based on current level of service reported by [USDHHS ACF](#) and eligibility reported by [USDHHS ASPE](#) for children of all ages in fiscal year 2015. **Recommended cost per slot.** The aspirational subsidy cost per slot is the cost of high-quality childcare derived from *Where Does Your Child Care Dollar Go?* (table 3, [Workman \(2018\)](#)). The proposed cost per slot is the mid-point between current price and cost of high-quality care from the table. We estimate that the typical co-pay is \$2,100 annually—7% of \$31,251 in household income. ECONorthwest analysis of 2016 ACS PUMS data shows an average household income of \$31,251 for households with all parents either working or in school with household income below 185% of the federal poverty level.

EI/ECSE: Current Enrollment. Enrollment estimates are rolling average annual enrollments for 2017-18 provided by ODE to Children’s Institute. **Average Annual Cost per Slot.** Costs per slot are based on 2018 current service level estimates provided by ODE to Children’s Institute. **Estimated Percentage Currently Served.** Children’s Institute and ECONorthwest assume that 90% of eligible students are enrolled. This assumption accounts for qualified children who have not yet been identified. **Recommended cost per slot.** The recommended cost per slot is based on the Oregon Alliance for Early Intervention’s recommended service level funding for the 2015-17 fiscal year.

Parental Ed/Playgroup: Current enrollment. We estimate no sizable programming as of 2018. **Eligible population.** Enrollment is drawn from the [National Home Visiting Resource Center’s](#) (NHVRC) estimate of potential beneficiaries in Oregon. The 2017 NHVRC analysis shows 30% of families met only one targeting criterion: child is under age 1, child’s mother is single, parents and pregnant women have less than a high school diploma, expectant mothers, young mothers under 21, or families and pregnant women under the poverty level). Children’s Institute and ECONorthwest assume parental education and playgroup interventions would target this population. The eligible population is based on an estimate of the number of children under age 5 (ACF Oregon Profile 2017) and the number of pregnant women (half of 2017 live births to approximate the number of women in a given year who are in their 2nd or 3rd trimesters of pregnancy based on [Oregon OHA Vital Statistics 2017](#)) who could be served by the program. We assume families would participate 12 months out of a possible 66 months between the end of the first trimester through age 4. This means average monthly enrollment would equal 18.2% (12/66 months) of targeted families. We also assume that monthly participation equals 257,815 (expectant mothers and children under age 5) * 30% (share with targeting risk factors) * 18.2% (average monthly enrollment share) = 16,059. **Average Annual Cost per Slot.** Average cost per annualized slot is based on the average annualized cost per slot across four program models currently supported through the Oregon Community Foundation’s Oregon Parenting Education Collaborative (OPEC). Costs for these programs come from the OPEC Parenting Education Partnership Budget, Budget Narrative.

Evidence-based Home Visiting: Current enrollment. Enrollment estimates are based on reported participation in evidence-based home visiting in Oregon in 2017 as reported by the [National Home Visiting Resource Center \(NHVRC\)](#). **Average annual cost per slot.** Average cost per slot estimates are taken from [WSIPP’s calculation](#) of the Nurse Family Partnership’s 2015 annual cost adjusted for inflation (in 2018 dollars). **Estimated Eligible Population.** Aspirational enrollment is drawn from the [National Home Visiting Resource Center’s](#) estimate of potential beneficiaries in Oregon. The 2017 NHVRC analysis shows 20% of families met two of more targeting criterion: child is under age, child’s mother is single, parents and pregnant women have less than a high school diploma, expectant mothers, young mothers under 21, and/or families and pregnant women under the poverty level. Children’s Institute and ECONorthwest assumed evidence-based home visiting programs would target this population. We assumed families would participate 24 months out of a possible 66 months (end of first trimester through age 4), the assumed [treatment time for evidence-based home visiting by the Washington State Institute for Public](#). Under these assumptions, average monthly enrollment would equal (24/66 = 36.4%) of targeted families, and monthly participation would equal 236,000 * 20% * 36.4% = 21,412.

Relief Nurseries: Calculations based on July 2018 correspondence from Cara Copeland to Dana Hepper. **Current enrollment and costs.** An estimated 1,500 families currently participate in an intensive home visitation model that costs \$7,500 per child (classroom, home visiting, parental education). Another 1,500 children participate in a less intensive model with unreported slot costs. **Proposed program expansion.** At full implementation, we assume all 3,000 children currently served would participate in the intensive model.