



NATIONAL CENTER ON
Early Childhood Quality Assurance



National Center on Tribal
Early Childhood Development

Building Quality with Effective Program Budgeting in American Indian and Alaska Native Child Care and Development Fund Programs

Office of Child Care's 2018 American Indian
and Alaska Native Regional Conference

Objectives

- ◆ Participants will identify the process of developing a Child Care and Development Fund (CCDF) program budget that accounts for selected quality improvement goals and activities.
- ◆ Participants will be able to identify CCDF program objectives that balance affordability and accessibility with selected quality improvement activities.
- ◆ Participants will gain awareness of various resources and tools to support their full implementation of CCDF quality spending requirements.

Agenda

- ◆ Welcome
- ◆ Strategies and resources related to effective CCDF program budgeting
- ◆ Budget development process
- ◆ Share ideas and strategies around budgeting practices

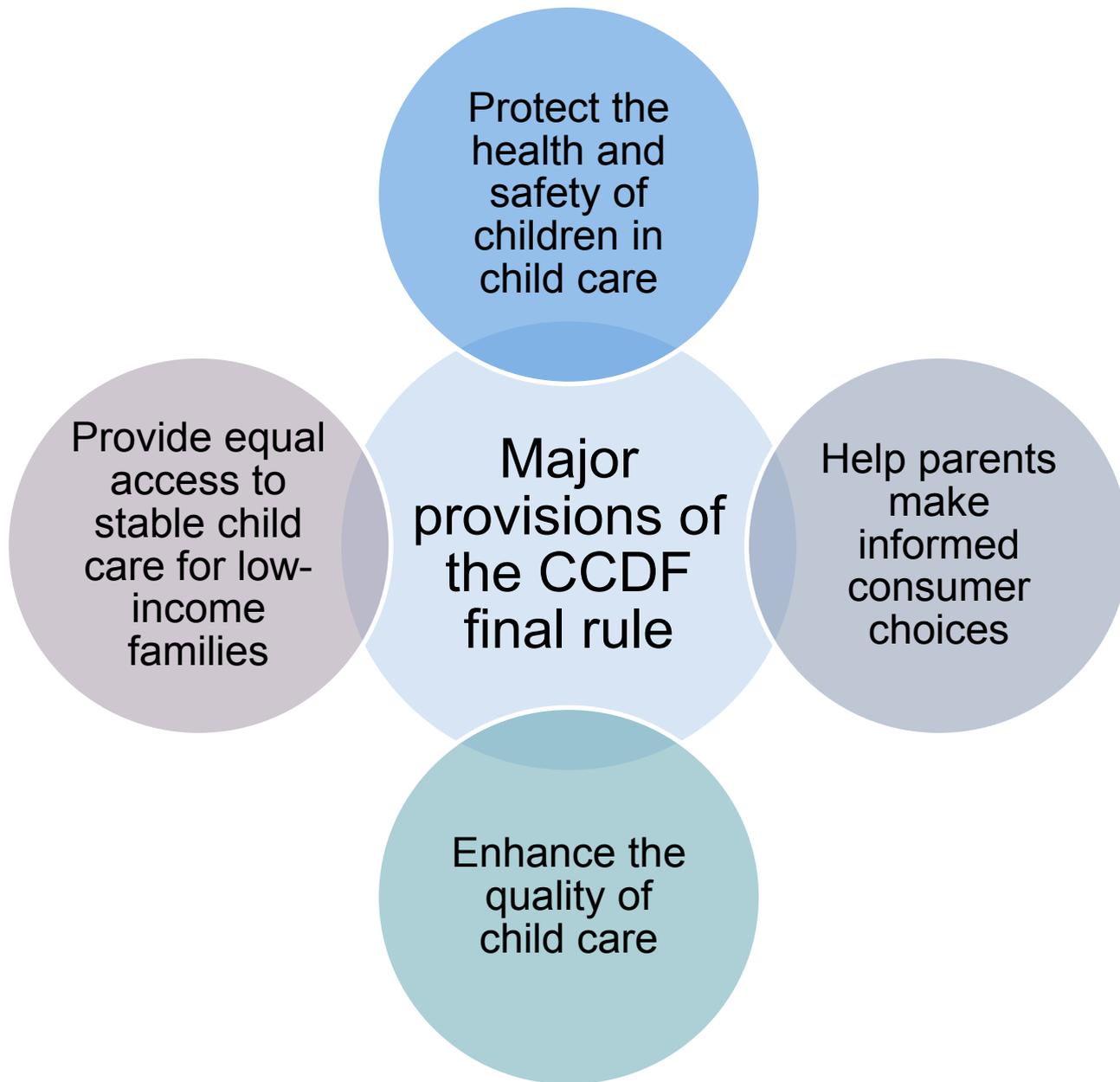


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Setting the Stage



Quality Improvement Activities in the Final Rule

All AI/AN grantees are required to spend a percentage of their total CCDF expenditures on **“activities designed to improve the quality of child care services and increase parental options for, and access to high-quality child care.”**

Child Care and Development Fund, 45 C.F.R. § 98.83(g)(1) (2016).



Spending Requirements by Allocation Size

All AI/AN Grantees

- ◆ Subject to an increasing quality set-aside
- ◆ Phase-in begins at 4% in federal fiscal year (FFY) 2017
- ◆ Increases to 9% by FFY 2022

Medium- and Large- Allocation AI/AN Grantees

- ◆ Subject to a 3% infant/toddler set-aside
- ◆ Begins in FFY 2019

Phase-In Period for Quality Spending Requirements

Quality Spending	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 and ongoing
% Quality set-aside (all)	4%	7%	7%	8%	8%	9%
% Infant/toddler set-aside (medium and large)	0%	0%	3%	3%	3%	3%
Total % quality (small)	4%	7%	7%	8%	8%	9%
Total % quality (medium and large)	4%	7%	10%	11%	11%	12%

Child Care and Development Fund, 45 C.F.R. § 98.83(g) (2016).

Fiscal and Program Accountability

Responsibility for fiscal activities

- ◆ Child care regulatory and grant requirements
- ◆ Developing, documenting, and submitting fiscal forms and records
- ◆ Maintaining documentation to support quality expenditures for reporting

Allowable Quality Improvement Activities

Quality funds must be used to carry out **at least one** of the following:

- ◆ Training and professional development
- ◆ Early learning and development guidelines
- ◆ Tiered quality rating and improvement system
- ◆ Quality and supply of infant/toddler services
- ◆ Child care resource and referral services
- ◆ Licensing and health and safety requirements
- ◆ Quality evaluation
- ◆ Accreditation
- ◆ High-quality program standards
- ◆ Other measurable quality activities as determined by the AI/AN Lead Agency

Child Care and Development Fund, 45 C.F.R. § 98.53 (2016).



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Cost Considerations for Quality Improvement Activities

Counting the Cost of Quality Activities

Discussion activity

- ◆ What are obvious quality expenses that you know exist?
- ◆ What are hidden, hard-to-define, or unexpected quality expenses?
- ◆ Does this change your thinking about the quality activities you plan to implement?

Program Cost Drivers

Personnel

Professional
development

Salary and
benefits

Program
quality

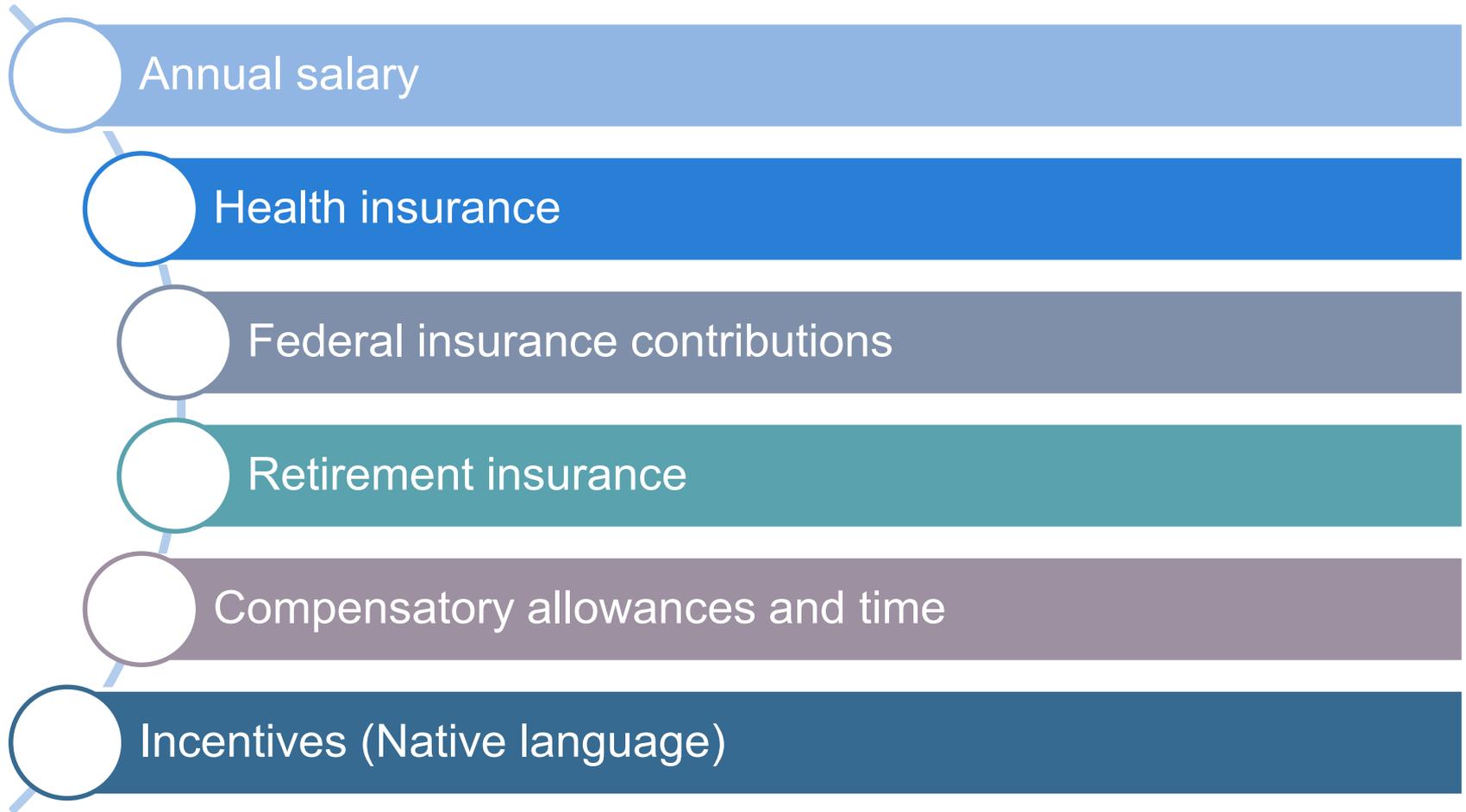
Personnel Considerations

- Low adult-child ratios support quality early care and positive interactions
- Licensing or certification determines capacity, enrollment, and feasibility of small groups
- Early childhood educator and specialty positions
- Ensuring supervision in both indoor and outdoor environments
- Licensing and certification health and safety requirements

Professional Development and Travel

- ◆ Qualified early childhood educators
- ◆ Required orientation; health and safety preservice training
- ◆ Annual mandatory early childhood training
- ◆ Travel, per diem, lodging, and mileage
- ◆ Peer-to-peer networking opportunities

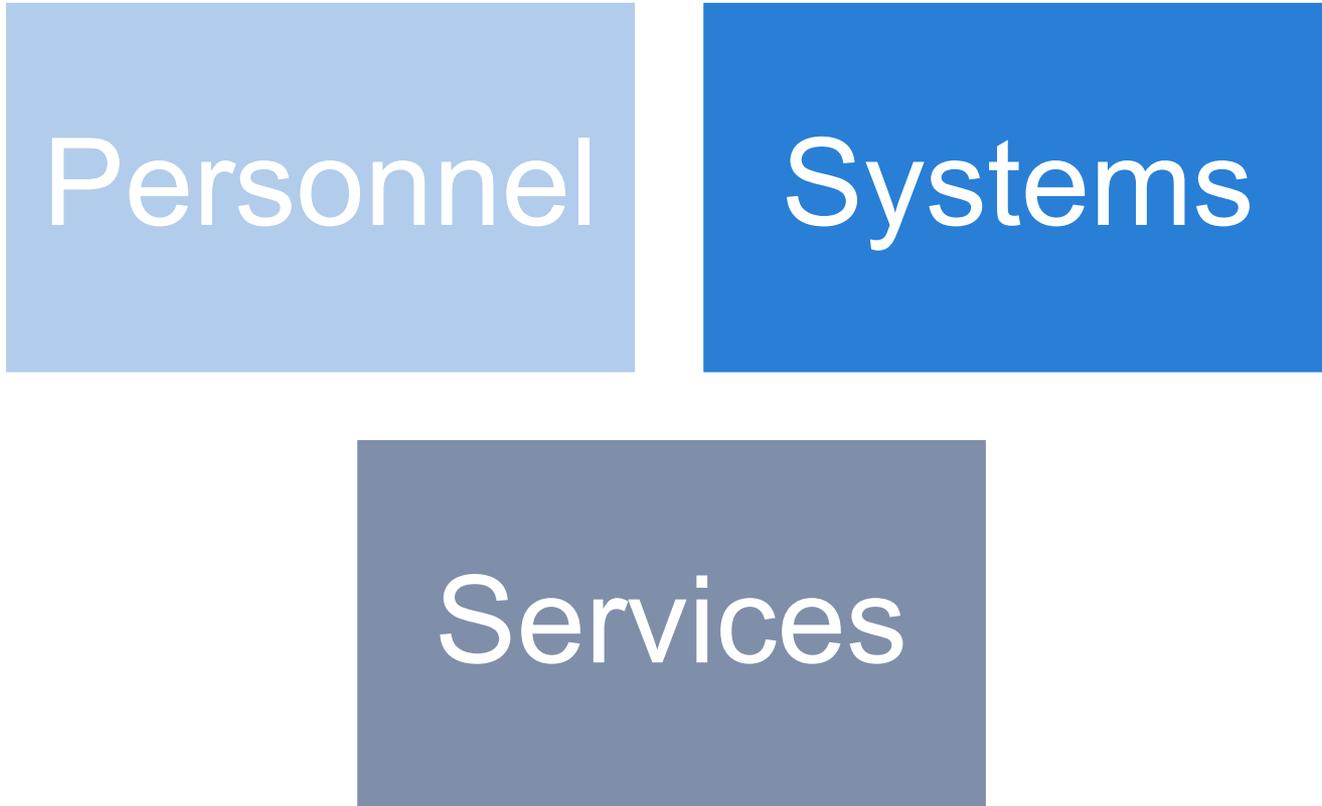
Salary and Fringe Benefits



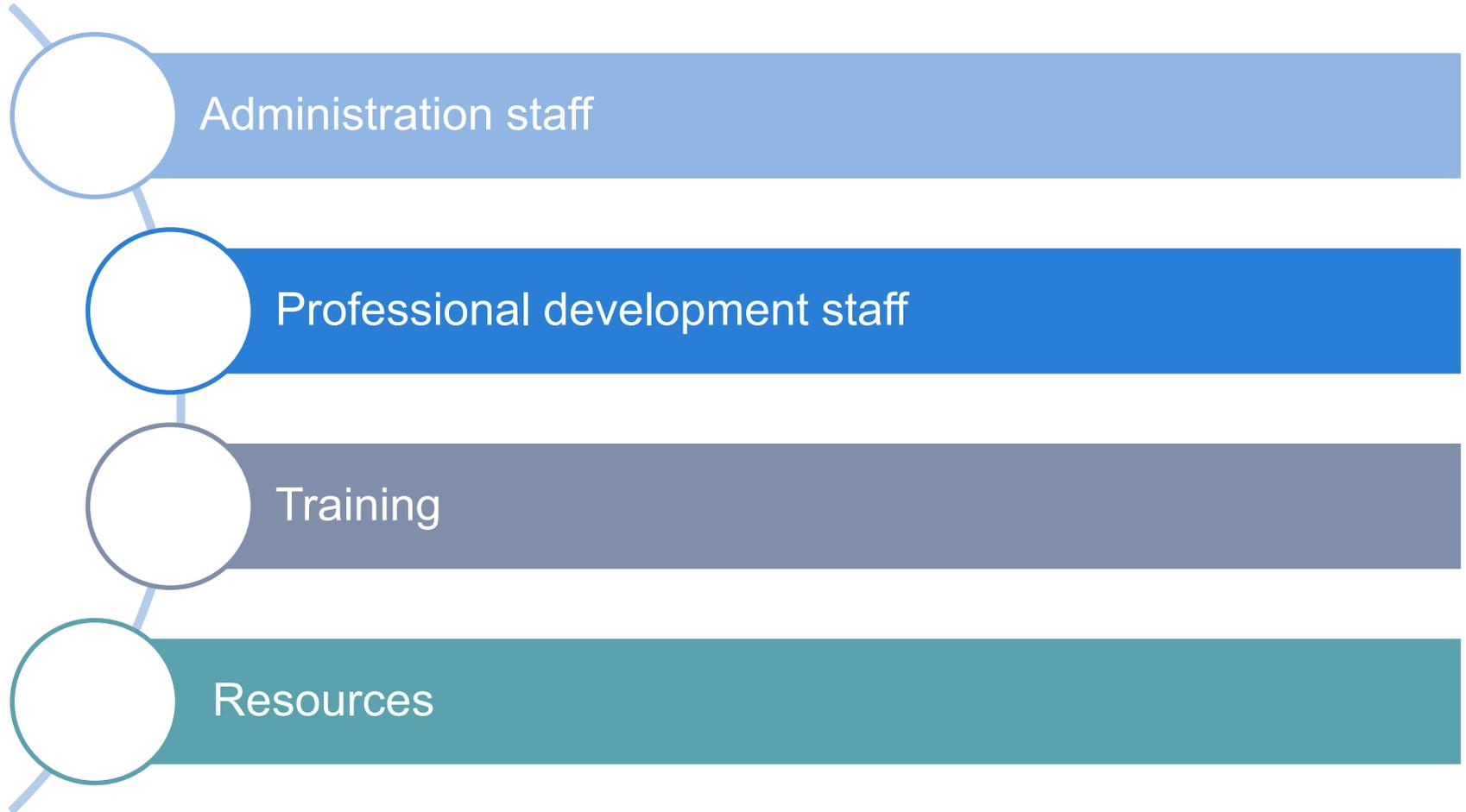
High-Quality Program Standards

- ◆ Quality evaluation
- ◆ Early learning and development guidelines
- ◆ Accreditation
- ◆ Activities to improve the quality and supply of infant/toddler services
- ◆ Child care resource and referral services

Administration Cost Drivers



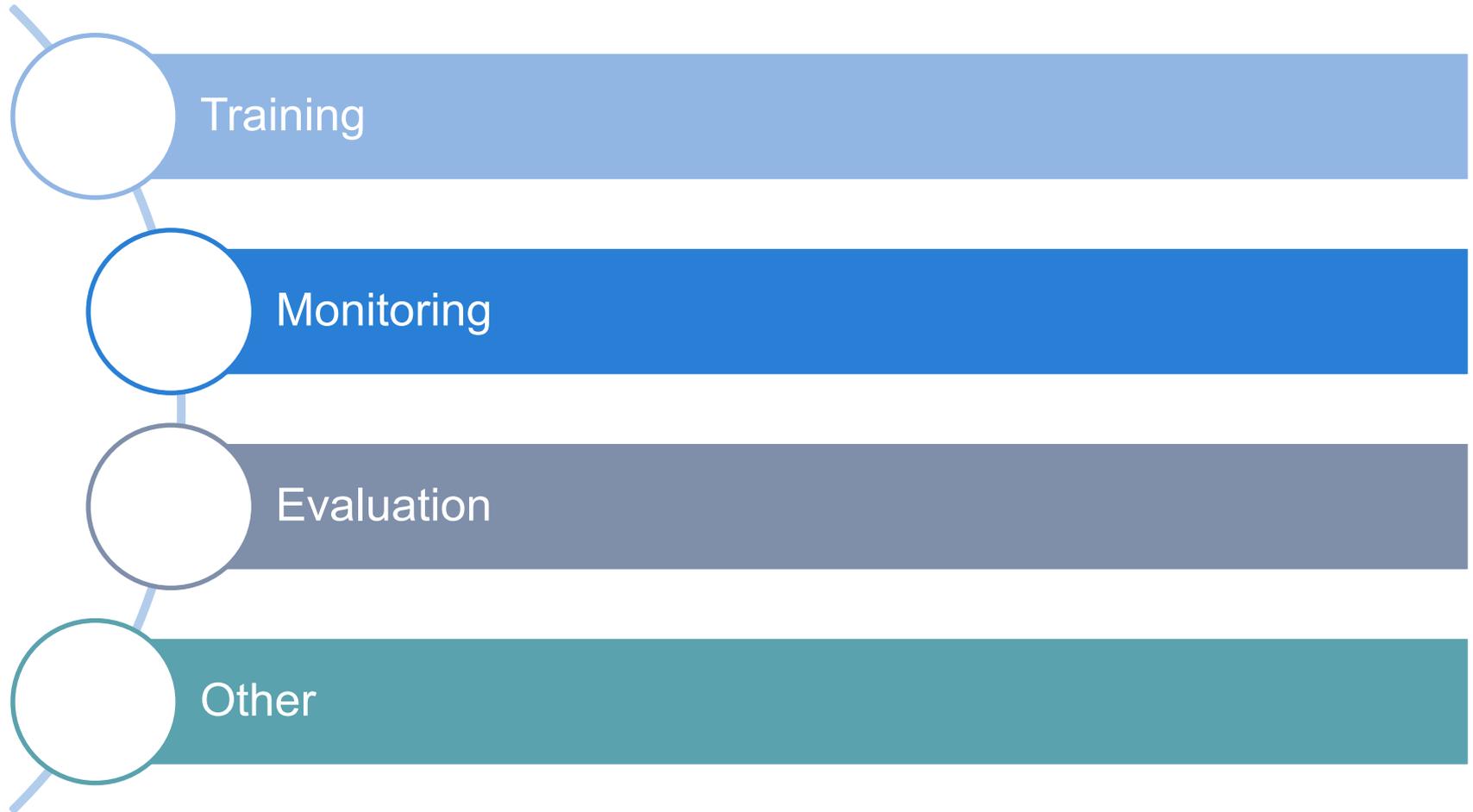
Personnel



System

- ◆ Standards and criteria
- ◆ Infrastructure
- ◆ Data collection and storage
- ◆ Outreach and marketing

Services



What Is All This Going to Cost?

◆ Discussion

- What are you currently spending on quality?

◆ Tools to assess the cost of quality

- Provider Cost of Quality Calculator
- Cost Estimation Model

Provider Cost of Quality Calculator

www.ecequalitycalculator.com

The screenshot shows the homepage of the Provider Cost of Quality Calculator. At the top, there is a navigation bar with links to the U.S. Department of Health & Human Services, Administration for Children & Families, Office of Child Care (Main Site), and Office of Child Care (TA Network). Below the navigation bar is the site's header, featuring the Office of Child Care logo and the title "Provider Cost of Quality Calculator".

The main content area is divided into two columns. The left column contains a large introductory paragraph starting with "The Provider Cost of Quality Calculator is a new, easy-to-use, dynamic Web-based tool that calculates the cost of quality-based on site-level provider data. The tool helps state policymakers understand the costs associated with delivering high-quality early care and education. The tool can demonstrate whether there is a gap between the cost of providing quality services and the revenue sources available to support a program. Knowing the size of the gap at different quality levels for various provider types can inform the design of financial support and incentive packages." This is followed by two paragraphs explaining the tool's utility for states with Quality Rating and Improvement Systems (QRIS) and for states wanting to understand the cost of operating a quality program. A final paragraph describes the tool as a result of federal-state and public-private partnerships, mentioning the Alliance for Early Childhood Finance and Augenblick, Palaich and Associates (APA), and the National Center on Child Care Quality Improvement.

The right column features a "Please Sign In" section with input fields for "Username" and "Password", a "Sign in" button, and links for "Forgot your password?" and "Forgot your username?". Below this is a consent statement: "By using this tool, you understand and consent to the following: the government and its contractors may review any files stored in this system for purposes of analysis, comparison and technical assistance but will not release any data without the permission of the user." This is followed by a link for "Or, if you do not already have an account...".

At the bottom of the right column is a "New User Registration" section with a "Register now" button and the text "Register for a free account to use the calculator today.".

The footer contains contact information for the National Center on Child Care Quality Improvement, including the address "9300 Lee Highway, Fairfax, VA 22031-6950" and phone number "(877) 296-2250". It also includes links for "Accessibility", "Viewers & Players", "No FEAR Act", "ACF Privacy Policy", "FOIA", "Disclaimers", and "Download Acrobat Reader@".

Cost Estimation Model

<https://cemocc.icfwebservices.com/>

U.S. Dept. of Health & Human Services Administration for Children & Families Office of Child Care Office of Child Care (TA Network)

Cost Estimation Model Quality Rating & Improvement System

Login

Enter Your Email Address and Password to Login

Email Address:

Password:

Login

Need help signing in? [Access login guidance](#), or [contact us](#) for assistance.

Create New Account Forgot Login?

The QRIS CEM is best used in the context of technical assistance as it includes assumptions that need to be customized for each State.

National Center on Early Childhood Quality Assurance

NCECQA is funded by the U.S. Department of Health and Human Services, Administration for Children and Families

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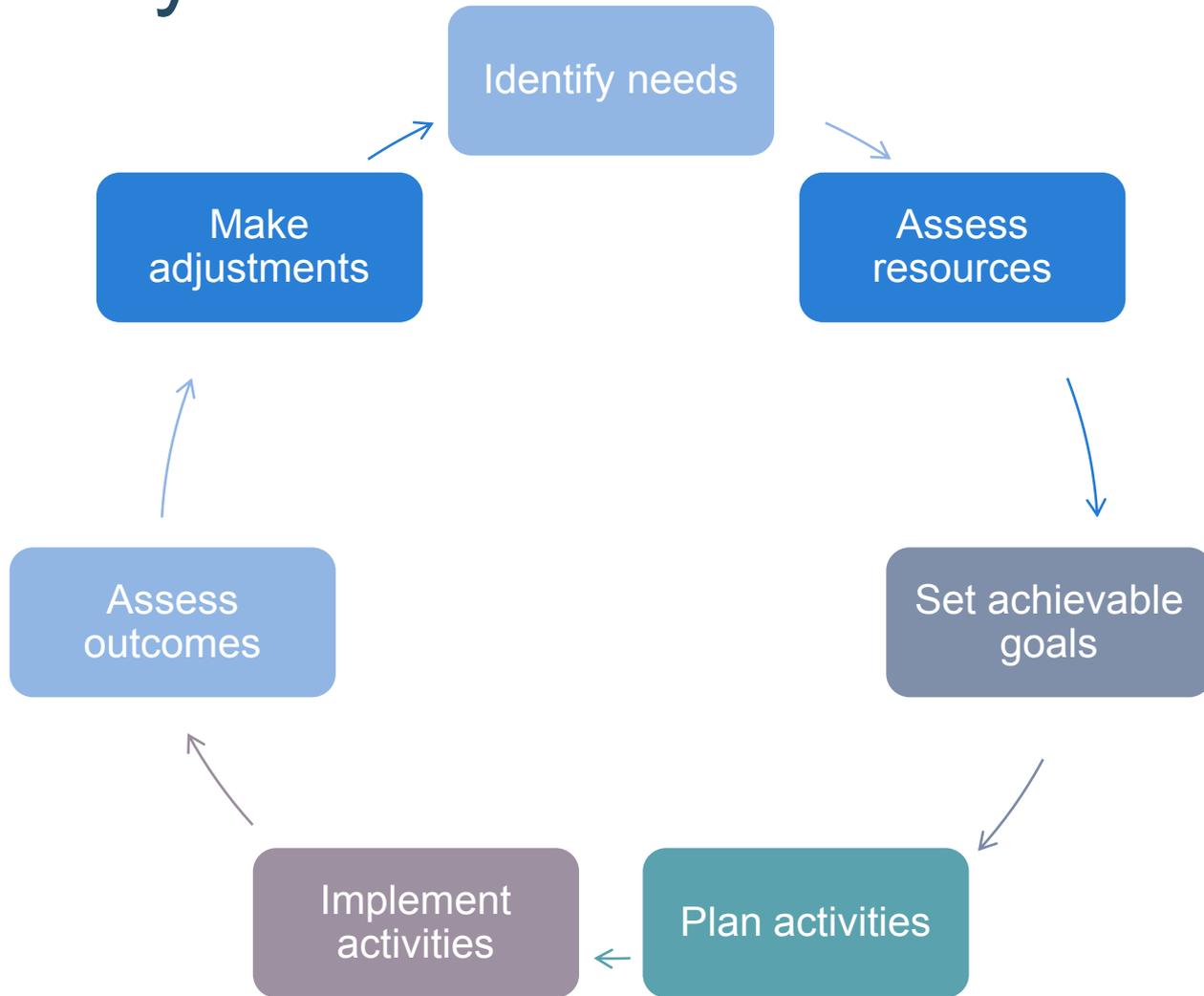
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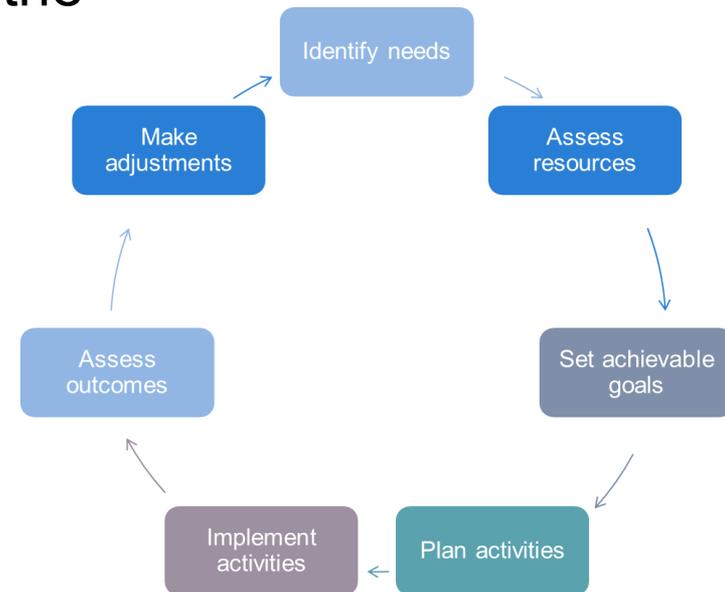
Putting the Pieces Together

Budget Cycle



Building the Budget

- ◆ Review historical data (past 2 years of financial reports)
- ◆ Identify changes that may impact the current budget
- ◆ Identify revenue and expenses based on current operations
- ◆ Adjust and balance the bottom line of the current budget
- ◆ Identify new quality goals or initiatives
- ◆ Allocate funds for new expenditures
- ◆ Balance the budget with new line items



Wrap-Up

- ◆ Questions and answers
- ◆ Thoughts and comments

Resources

- ◆ *American Indian and Alaska Native Child Care and Development Fund: Guide to Financial Management, Grants Administration, and Program Accountability* (National Center on Tribal Early Childhood Development, 2018), https://childcareta.acf.hhs.gov/sites/default/files/public/american_indian_alaska_native_ccdf_fiscal_guide.pdf
- ◆ *Increasing Quality in Early Care and Education Programs: Effects on Expenses and Revenue* (National Center on Early Childhood Quality Assurance, 2015), https://childcareta.acf.hhs.gov/sites/default/files/public/pcqc_increase_quality_final.pdf
- ◆ *Quality Improvement in American Indian and Alaska Native (AI/AN) CCDF Programs* (National Center on Tribal Early Childhood Development, 2017), https://childcareta.acf.hhs.gov/sites/default/files/public/quality_improvement_presentation_0.pdf

Reflective Evaluation

What worked today?

What do we want more of?

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A Service of the Office of Child Care**

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