Monitoring Cost Estimation Calculator

Using the Monitoring Cost Estimation Calculator

The Monitoring Cost Estimation Calculator aims to help child care licensing agencies and Child Care and Development Fund (CCDF) lead agencies project the annual caseload and cost of monitoring and supporting licensed and license-exempt child care providers. The National Center on Early Childhood Quality Assurance (ECQA Center) developed the calculator in response to the needs of states, territories, and tribes, as they make critical decisions regarding monitoring, caseloads, and cost projections.

Licensing agencies and CCDF lead agencies may need additional staff to meet the requirements of the CCDF regulations that pertain to monitoring licensed and license-exempt child care providers[1] and the ratio of licensing inspectors to child care providers.[2]

This document includes general guidance on using the tool and considerations regarding each cost category included in the Monitoring Cost Estimation Calculator.

> The **Monitoring Cost Estimation Calculator** Microsoft Excel file is available by emailing the National Center on Early Childhood Quality Assurance at qualityassurancecenter@ecetta.info or calling 1-877-296-2250.

General Guidance

How will this tool help me?

The tool will help you estimate caseload, staffing needs, compensation, and the cost of a support system by varying geographic categories and for different types of care. There are several ways you may use the tool:

♦ Estimate a statewide average caseload and cost using one scenario

♦ Create multiple scenarios to estimate caseloads and the cost of monitoring and support in different counties or regions

♦ Estimate the caseload and cost of monitoring exempt or licensed homes or centers

♦ Estimate the caseload and cost for successive years

♦ Focus on caseload, number of staff needed, or cost

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[1] Child Care and Development Fund, 45 C.F.R. § 98.42(b)(2)(B)(ii) (2016)
[2] Child Care and Development Fund, 45 C.F.R. § 98.42(b)(3) (2016)

How do I use the tool?

The calculator includes default values based on national data and feedback from licensors. You can modify the numbers in the shaded cells to reflect your state or territory's data and experiences. The tool automatically calculates the remaining numbers based on your entries. The calculator includes explanations and guidance in the comments in column B. You can create a separate scenario on each tab (for example, one for centers and one for homes; or scenarios reflecting different parts of the state). Note that the calculator only provides an estimation of projected costs, and its accuracy is dependent on the quality of data entered.

Guidance: Calculating the Cost of Monitoring

This section includes considerations regarding each cost category included in the Monitoring Cost Estimation Calculator:

♦ Caseload

♦ Number of Providers, Monitors, and Supervisors

♦ Compensation and Overhead

♦ Support System

♦ Total Cost of Monitoring and Support System

Caseload

Visits per Week

This reflects the number of visits that a monitor can make in one week. This could be an average, or separate scenarios can be created for separate regions or counties. Several factors can influence this number, including the length of time spent on the following activities:

♦ Traveling;

♦ Onsite with the provider;

♦ Desk work, which may include preparing for visits, preparing for hearings, entering data, and returning phone calls;

♦ Providing technical assistance or training;

♦ Supporting other staff; or

♦ Accompanying other staff on visits.

Number of Working Weeks per Year

According to the Bureau of Labor Statistics (BLS) National Compensation Survey data, state and local government workers receive, on average and after 1 year, 11 paid holidays, 11 days of paid sick leave, and 13

days of paid vacation.[3] A default value of 47 working weeks per year is entered. This estimate assumes that the average worker does not use all annual and sick leave in a year. You can modify this number, however, to reflect a more typical scenario in your state, territory, or tribe.

Total Number of Visits per Year

This is the total number of visits per year that one monitor can make.

How is this calculated? The number of working weeks per year multiplied by the number of visits per week.

Visits Per-Provider Per-Year, Including Follow-Ups and Complaint Responses

This is the average number of visits that each provider receives annually, including annual visits, follow-up visits, and responses to complaints.

For example, if the monitoring entity provides one annual visit and an average of two follow-up visits annually, enter 3. This does not have to be a whole number. For example, if - on average - the monitoring entity provides less than one follow-up visit annually, you might enter 1.5 in this field.

Follow-up visits may be necessary if the provider was not home during the initial visit or the monitoring entity found a violation during a visit and made an onsite follow-up visit to verify the correction. Complaint investigations also generally require onsite visits.

Annual Caseload

The caseload is the number of providers each monitor is responsible for visiting annually (think of each provider as a case).

Based on information reported from state and territory licensing agencies, there is an average caseload of 97 centers and homes for licensing line staff.[4]

How is this calculated? The total number of visits a monitor can make in a year divided by the number of visits per provider.

Number of Providers, Monitors, and Supervisors

Number of Providers to Be Monitored

The number of exempt homes is influenced by licensing threshold, the availability of licensed care, parental preferences, whether the state or territory will monitor relative and nonrelative providers, the possible decline in numbers due to increased monitoring and standards, and other factors.

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[3] Bureau of Labor Statistics, U.S. Department of Labor. (March 2017). "Paid Time-Off Benefits" in *Employee Benefits Survey*. Retrieved from https://www.bls.gov/ncs/ebs/benefits/2017/benefits_leave.htm.
[4] National Center on Early Childhood Quality Assurance. (2015). *Research Brief #1: Trends in Child Care Center Licensing Regulations and Policies for 2014*. Retrieved from https://childcareta.acf.hhs.gov/resource/research-brief-1-trends-child-care-center-licensing-regulations-and-policies-2014

In estimating this number, consider the turnover rate over a typical year and whether the number may decline when monitoring begins.

Total Number of Monitors Needed

This represents the number of monitors needed, based on the caseload calculated above, to monitor the number of providers identified.

How is this calculated? By dividing the number of providers to be monitored by the annual caseload. Note that the calculator rounds this number to the nearest whole number.

Number of Existing Monitors

The number of existing monitors accounts for existing staff who take on the responsibility of monitoring providers. This may include, for example, licensing staff who take on a caseload of exempt providers, or child care resource and referral (CCR&R) staff who monitor exempt providers in addition to providing training.

Number of New Monitors Needed

This is the number of monitors that need to be hired in order to meet the calculated caseload. The cost of monitoring will reflect the cost of new monitors hired.

How is this calculated? The calculator subtracts existing monitors from the number of monitors needed.

Number of Monitors per Supervisor

The number of monitors per supervisor may differ from region to region. Based on information reported from state licensing agencies through the National Association for Regulatory Administration's (NARA) 2014 Child Care Licensing Programs and Policies Survey, the estimated average number of full-time licensing line staff to full-time supervisors is 6 to 1.[5]

Number of Supervisors Needed

The tool automatically calculates the number of supervisors needed based on the number of monitors needed and the ratio of supervisors to monitors.

How is this calculated? Number of monitors divided by number of monitors per supervisor, rounded up.

Number of Existing Supervisors

This may include existing supervisors who can take on the supervision of additional staff.

Total Number of New Supervisors

How is this calculated? The calculator subtracts existing supervisors from the number of supervisors needed. Note that the number of supervisors is rounded up.

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[5] Analysis conducted by the National Center on Early Childhood Quality Assurance.

Compensation and Overhead

The guidance within this section focuses on salaries, benefits, and overhead expenses for monitoring staff, supervisors, and support staff.

Salary

There is no Bureau of Labor Statistics job category for licensing line staff, licensing supervisors, or support staff, and salaries differ widely from one jurisdiction to another. Salaries may be influenced by whether the monitoring function is administered by licensing, subsidy, or an outside agency. The calculator includes mean annual wages for similar BLS categories as default values but you should revise these to reflect your average entry level wages.[6]

Benefits

Employers commonly calculate benefits at approximately 35 percent of salary, but this may differ by state or territory.

Overhead Expenses

Typically, overhead includes operating expenses such as travel, supplies, equipment, and rent. You may calculate overhead at a lower rate for supervisors and support staff if less travel is required. Overhead may be lower if the monitoring, supervisory, or support functions are contracted out or if staff share desk space at the agency and are home-based.

Support Staff

Depending on the extent to which existing resources are used, support staff—including administrative, policy, data, and legal staff—may be necessary. The calculator allows you to include any two types of support staff, and the number necessary for each type. For example, you may need an administrative support position and you may share legal support with another program, in which case you would add a full time administrative support and a half-time legal support position.

Cost of Monitoring

How is this calculated? The tool calculates the annual cost of monitoring by multiplying the number of monitoring staff, supervisors, and support staff by their respective compensation (salary, benefits, and overhead).

Support System

Orientation and Training for Providers

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[6] Bureau of Labor Statistics, U.S. Department of Labor. (2017). *May 2016 National occupational employment and wage estimates, United States.* Retrieved from http://www.bls.gov/oes/current/oes_nat.htm.

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The cost of a training system will vary, depending on whether trainings are online or in-person, on the number of providers accessing the trainings, and whether an existing training system can be expanded. The cost of implementing trainings goes beyond the cost of the trainings themselves. Consider, for example, the cost of marketing and verifying trainings. Additionally, some states and territories pay providers stipends to attend trainings.

If monitoring staff are providing training, this should be accounted for when estimating the number of visits monitors can make per week (addressed in the "Caseload" section above).

You can use the PD Cost Analysis Tool to estimate the cost of orientation and training for exempt or licensed providers. Users input the number of providers, number of hours, and type of training. Additional information is included below under "Resources."

Additional Support for Providers

This may include resources (toys, books, and supplies), consultation through the CCR&R, play and learn groups, home visiting, or other supports.

Training for Monitoring Staff

Ongoing training for monitoring staff will help to ensure that staff remain knowledgeable, consistent in their inspections, and safe. The depth of the training will need to reflect the monitor's responsibilities, some of which may be providing TA and investigating complaints. Training may be online or in-person and may involve shadowing more experienced monitors in the field. Staff time devoted to training (both receiving and providing) should be accounted for when estimating the number of visits monitors can make per week (addressed in the "Caseload" section above). Keep in mind that the training costs for year one may be higher than in subsequent years.

Related Resource

The report entitled *Professional Development for Child Care Licensors* (2017), by the ECQA Center, provides a framework that can be used by licensing administrators, managers, and trainers in creating professional development opportunities for child care licensing inspectors. The report is available at https://childcareta.acf.hhs.gov/resource/professional-development-child-care-licensors.

Monitoring Tools

Monitoring staff may benefit from the use of cell phones that can support communication with supervisory staff as questions arise, improve safety, and allow photos to be taken of violations. You may consider laptop computers or tablets if there is an automated monitoring system.

Data Needs

Related Resource

A Guide to Support States and Territories' Use of Child Care Licensing Data (2017), by the ECQA Center, is available at https://childcareta.acf.hhs.gov/resource/guide-

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Data collection should allow for the capture and reporting of inspection dates, violations, corrective actions, serious injuries, substantiated abuse, and fatalities. The system should also support communication with child care subsidy and child welfare.

support-states-and-territories-use-child-care-licensing-data.

You may also consider the cost of a new data system or upgrades to an existing system so that you can collect and share data about exempt CCDF home providers. The cost of a data system will depend on several factors; primarily, whether and how easily a current system can be enhanced.

Total Cost of Support System

This reflects the annual cost of supports put in place for providers. Keep in mind that this annual cost may increase or decrease in subsequent years depending on the number of staff and providers and the level of need.

Total Cost of Monitoring and Support System

The total cost of a monitoring and support system reflects the annual cost of monitoring and support for the geographic or provider segment that the scenario reflects.

Resources

Professional Development

♦ **Early Educator Central** includes resources to help infant-toddler educators build their competencies and their impact. It features essential tools for leaders, including a Professional Development (PD) System Cost Analysis Tool and model articulation agreements for use in higher education. The PD System Cost Analysis Tool can assist in estimating the cost of training for license-exempt and licensed providers. https://earlyeducatorcentral.acf.hhs.gov/.

♦ ***Professional Development for Child Care Licensors*** (2017), by the ECQA Center provides a framework that can be used by state, territory, and tribal licensing administrators, managers, and trainers in creating professional development opportunities for child care licensors. https://childcareta.acf.hhs.gov/resource/professional-development-child-care-licensors

♦ ***Key Competencies for Licensors of Child Care Programs*** (2017), by the ECQA Center, outlines the knowledge, skills, abilities, behaviors, and other characteristics that a licensor of child care programs needs in order to perform his or her job duties successfully. https://childcareta.acf.hhs.gov/resource/key-competencies-licensors-child-care-programs

Monitoring and Inspections

♦ ***Caring for Our Children, National Health and Safety Performance Standards Guidelines for Early Care and Education Programs, 3rd Edition*** (2011), by American Academy of Pediatrics, American Public Health Association, National Resource Center for Health and Safety in Child Care and Early Education, is a collection of national standards that represents the best evidence, expertise, and experience in the country on quality health and safety practices and policies that should be followed in today's early care and education

settings.
http://cfoc.nrckids.org/

♦ ***Contemporary Issues in Licensing: Quality Assurance in Child Care Licensing*** (2014), by the National Center on Child Care Quality Improvement (NCCCQI), focuses on activities, authority, and staffing as parts of a quality assurance system designed to ensure that child care licensing rules are applied consistently and fairly across a state or territory. Topics include the qualifications and professional development of licensing staff and states and territories' strategies for achieving consistency in the child care licensing program. https://childcareta.acf.hhs.gov/resource/contemporary-issues-licensing-quality-assurance-child-care-licensing

♦ ***Contemporary Issues in Licensing: Child Care Licensing Inspection Policies*** (2014), by NCCCQI, focuses on States' inspection policies and practices—guidelines and rules on monitoring providers' compliance with the law and the regulations. Strong licensing regulations, without a commitment to routine inspections, do not protect children from harm. Inspection of child care programs by licensing agencies and other regulators helps ensure that child care programs are following the state or territory's rules for protecting the health and safety of the children enrolled. Topics include authorization for inspections; frequency and type of inspection: announced or unannounced; use of technology to aid in the inspection process; and public access to inspection and enforcement actions. https://childcareta.acf.hhs.gov/resource/contemporary-issues-licensing-child-care-licensing-inspection-policies.

♦ ***NARA's Licensing Workload Assessment*** (available upon request from NARA). This document provides guidance to states and territories on analyzing and determining workload for licensing staff. An executive summary describes how the tool is used. http://www.naralicensing.org/assets/docs/Publications/Workload/licensing%20workload%20assessment%20executive%20summary.pdf

♦ ***Best Practices for Human Care Regulation*** (2015), by NARA and NCCCQI, provides benchmarks that look at overall leadership; strategic planning; financial and human resources; professional development; communication; and statutory, rule, and policy responsibilities. A self-assessment tool is available for licensing agencies to identify procedures or practices that need improvement. http://www.naralicensing.org/best-practices

♦ ***2017 Efficient and Effective Monitoring in Licensing Peer Learning Group.*** Resources from this peer learning group focus on caseloads, differential monitoring, weighted enforcement systems, quality assurance, and licensing data. https://qrisnetwork.org/lt/2017-efficient-and-effective-monitoring-licensing-peer-learning-group/overview