

## **Instructions for the Preschool County Cost Estimator Updated March 13, 2009**

1. **Windows/Mac Versions.** Three versions of the Estimator currently exist. One version is compatible with the most recent version of Office (Office 2007) for Windows, while another version for Windows is compatible with previous versions of Office (2000-2003). A separate version of the Estimator for Mac users has been developed and tested on Office 2004, and should work for previous versions as well, but due to the removal of VBA support this tool may not work with Office 2008. The designers of Office for the Mac have promised to return VBA support in the next release of the Office suite.
2. **Download the Estimator.** Download the appropriate Excel file to your computer.
3. **Enable Excel macros.** Open the Excel file and select "Enable Macros" in the pop-up message box to allow the macros to function in the Excel estimator. If this message box doesn't come up automatically, check the security level under **Tools – Macro – Security**, and select 'medium.' Save your new defaults and re-open the Excel file again, you should see the "Enable Macros" message box. For those using Office 2007 the prompt to enable macros will be displayed as a Message Bar between the Ribbon and the Formula Bar.
4. **Select county.** Choose the county for which you would like to conduct the estimate, or select "state" for a statewide estimate.
5. **Estimate supply and demand.** AIR's county supply and demand estimates are based on 2006 centralized data sources that include the California Department of Education, Head Start, and the California Child Care Resource and Referral Network.
  - a. **Customize your data:** Users can customize the supply and demand data if they have more current information or choose to adjust numbers based on local knowledge. To do this click the button "Edit Data for Group", make any adjustments needed for the target group of kids, and click "OK". To switch back to the default counts simply click the button "Use Default Data". Any adjustments made will be discarded once the Estimator is closed. For the Mac version this feature works differently. To edit the data used by the calculator a user must save the data to their computer, then edit the file and select the 'use edited data' button. A future Mac version will incorporate functionality similar to that of the Microsoft Office versions.
6. **Choose the target population.** Choices include all 4 year olds, 4-year-olds in API 1-3 school neighborhoods, API 1-5 neighborhoods, Title I school attendance areas, 4-year-olds who are English language learners, or 4-year-olds who are eligible for free and reduced-price lunch.
7. **Project population growth.** The default projection is 2% per year. Select "0" if you want to assume that the entire program is implemented in one year, i.e., all new and upgraded slots are phased in the first year.
8. **Select participation rate.** 80% is suggested for a targeted initiative. You may use a slightly lower rate for a universal program.

9. **Choose the timeframe for implementation.** The tool offers a range of 1 to 10 years. Select “1” if you want to assume that all new and upgraded slots are phased in the first year. Decide whether to check the box for faster upgrading. Check this box if you think the plan will upgrade existing spaces faster than establishing new ones. Click the “Show Help” button for more information about this feature.

**10. Select the per child direct cost (and levels of quality).**

- a. **The per child direct cost reflects in part, the varying levels of quality of the preschool program.** The recommended choice is a lead teacher with a BA degree, which is the level required by the First 5 California Power of Preschool Projects and the National Institute of Early Education Quality Benchmarks. The 2007 Head Start Reauthorization Act (Improving Head Start for School Readiness Act) requires half of Head Start teachers nationally to have a BA degree and the equivalent of a major in early childhood education by 2013.
- b. **Beginner teacher salary:** The default choice of a new or full space is \$5,600. This level of quality is based on the preschool program with a lead teacher holding a BA degree and a beginning K-12 teacher’s salary. For other levels of quality, select a per child cost of \$4,450 for a program with a lead teacher holding an AA degree, or select a per child cost of \$3,700 for a program with a lead teacher meeting the existing State Preschool teacher qualifications.
- c. **Average teacher salary:** In a 10-year phase-in, the salary is estimated to be that of an average teacher by the 6th year. For a preschool program to be phased in the first year using the average teacher salary, select a per child direct cost of \$4,300 for an upgraded slot and a per child direct cost of \$8,700 for a new or full slot.
- d. Click the “Show Help” buttons for more information about these assumptions.

11. **Select the inflation rate:** The inflation rate measures the general upward price movement of goods and services in an economy. Between 2003 and 2007, based on the inflation index from the Bureau of Labor Statistics, the inflation rate ranged from 2 to 3 percent per year. The current default is set to 2.5%. Click the “Show Help” button for more information about these assumptions

12. **Select the infrastructure rate.** The infrastructure rate includes costs of facility and workforce development. Based on AIR’s past work and literature review, the infrastructure rate may vary anywhere from 10% to 45% of the direct cost, with a higher rate in the beginning years. A default of 30% is used for this estimator. Click the “Show Help” button for more information about these assumptions