

DELAWARE CHILD CARE COST MODEL

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Jeanna Capito, Veronica Torres & Simon Workman
Prenatal to Five Fiscal Strategies

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Introduction

Revenue and expense models, or cost models, are tools used to understand the relationship between the expense of delivering early care and education and the available revenues. This flexible fiscal model uses data to estimate the cost to deliver child care under a variety of scenarios and policy conditions. Delaware's child care cost model is a powerful tool the state can use to understand the cost of child care, to support child care providers in maintaining financial sustainability, and to promote equitable access to quality care for children participating in Purchase of Care, the state's child care subsidy program.

The cost model was developed by Prenatal to Five Fiscal Strategies ([P5FS](#)) in partnership with the Delaware Department of Health and Social Services (DHSS), the Delaware Department of Education (DOE) and the Delaware Early Childhood Council (DECC). Led by national early childhood finance experts Jeanna Capito and Simon Workman, P5FS has developed cost models for several states and communities. These models have informed child care subsidy rate setting and other early childhood policies and are aligned with cost model guidance provided by the U.S. Office of Child Care for rate setting under the Child Care Development Block Grant.

Background

Since 2021, P5FS has worked with the state of Delaware to engage the early care and education community and state leadership to deepen the understanding of the cost of child care. In response to [House Bill 250, Section 183](#) in the 151st General Assembly, P5FS created a [Cost of Quality Child Care Estimator Tool](#), which provided customized data on the true cost of care, including variations based on the states' quality rating and improvement system and incorporating higher compensation. The cost model used expense data drawn from a combination of nationally validated default data from the federal Provider Cost of Quality Calculator (PCQC), provider input from constituent engagement meetings, and a salary scale developed by Delaware early childhood leaders in late 2021.

In 2024, P5FS worked with the DHHS and DOE to update the cost estimator tool and conduct an analysis to meet the requirements for a Narrow Cost Analysis as part of the FY2025-2027 Child Care and Development Fund (CCDF) State Plan. This report provides details of the methodology and data sources for the updated cost model and presents illustrative results.

Through this multiyear collaboration, P5FS and the state of Delaware have successfully elevated understanding of the true cost of care among multiple constituents. The partnership has produced a customized cost model which provides data to inform subsidy rate setting and offers valuable insight into the funding needed to sustain quality standards. As Delaware looks to increase access to child care across the state, results from the cost model can help ensure decisions are informed by data and funding can be directed based on the actual cost of care.

Cost Modeling to Support CCDF Rate Setting

For the FY25-27 CCDF State plan, Delaware used both a market rate survey and a child care cost model to inform subsidy rate setting, known as Purchase of Care in Delaware. While the [market rate survey](#)

collected data on the tuition rates providers are currently charging, the state recognized that these data reflect only what families can afford rather than the true cost of care and therefore engaged P5FS to update the child care cost model to support rate setting. P5FS gathered input from child care providers on the actual costs they incur and used these data to inform updates to the 2022 child care cost model. Ongoing engagement with a work group consisting of state entities, child care providers, and those who support them, provided additional insights into the costs of operating a child care program, including the costs associated with higher levels of quality.

The Lead Agency used the updated Delaware Child Care Cost Model to meet CCDF requirements for the [narrow cost analysis](#), estimating the true cost of providing child care that meets state licensing standards, and higher quality standards aligned with the state-funded ECE program requirements. Results from the narrow cost analysis identified gaps between Delaware's current CCDF payment rates (as of June 2024, using rates effective July 1, 2023) and the estimated cost of care, based on the cost model at both the licensing level and the higher-quality level. Data from the narrow cost analysis and the market rate survey informed Delaware's new rate-setting approach. As of July 1, 2024, Delaware transitioned to a single statewide Purchase of Care rate, eliminating regional rates for New Castle, Sussex, and Kent, and enacted increases for several rate categories, helping to close the gaps identified in the narrow cost analysis.

Study Methodology

Model Development

The cost model developed for Delaware is fully customized for the state's context. Many factors were considered in developing the tool and are embedded within the tool functionality, including child care licensing regulations, core program characteristics and quality enhancements, and available data on child care expenses and revenue sources. The model includes all aspects of program operations for center-based and family child care settings, serving children from birth to 12 years of age with full-day, full-year child care. To account for the differing business models and cost drivers across center and family child care (FCC) settings, a cost model for each type of care was built. Details of the models include:

- Full-day is defined as 10 hours per day.
- Full-year is 52 weeks.
- All Delaware [licensing standards](#) are met through program operations included in the model.
- Licensing standards set the definitions of the ages of children in each category.
- Costs related to meeting state-funded early care and education standards are included as options in the model.
- Additional quality-related variables may be manipulated by the user in addition to the base licensing standards.
- The Excel file *Delaware Child Care Center Model 2024* contains the model illustrating expenses compared to revenues in center-based early care and education settings in Delaware.
- The Excel file *Delaware Home-based Child Care Home Model 2024* contains the model illustrating expenses compared to revenues in small and large licensed family child care home early care and education settings in Delaware.

The models' output includes estimates of total revenues and expenses at the provider level and at the individual child level to fully explicate variations in expenses/revenues for different ages of children. Expense data in the models are designed to incorporate the following factors that impact the cost of providing care:

- Health, safety, and licensing requirements, including required staff qualifications and trainings
- Staffing patterns to meet licensing and increase quality and staffing outside of child services, for full program operations
- Staff and FCC provider compensation (salary and benefits)
- Enhanced quality variables, including: curriculum and supplies; staff time for family engagement; planning for teaching and learning; and inclusion supports
- Enrollment levels
- Children with special needs
- Ratios
- Group size
- Facility size

Constituent Engagement

To inform the assumptions and data used in the 2024 cost model, a work group of public and private entities, child care providers and support organizations was formed by P5FS in collaboration with DHHS and DOE to advise the cost model revision process and inform the provider engagement activities. Membership included representation from providers as well as agencies and organizations supporting early care and education in Delaware, including Delaware Early Childhood Council, Department of Education Early Childhood Support, Division of Social Services, Department of Health and Social Services, Department of Labor, Delaware Association for the Education of Young Children and Delaware Head Start Association. This work group met four times between January through June 2024. The work group reviewed the assumptions and provided input. Participant roster for the work group is included in the appendix.

Additional updates to the cost model were informed by provider input gathered directly from program staff at input sessions hosted by P5FS. These one-hour small group virtual meetings provided an opportunity for programs to share experiences of delivering early care and education and the related costs for different operations and quality initiatives. Thirteen input sessions were held at different times and days of the week in March and April 2024 via a virtual platform. Five additional virtual input sessions were held in partnership with child care and family child care provider networks in each county. This process generated additional input on cost and operations, including the costs associated with higher levels of quality, from 48 center-based providers and 68 family child care programs.

Model Data

Expense data in the model are drawn from a combination of nationally validated default data from the federal Provider Cost of Quality Calculator (PCQC), provider input during 13 stakeholder engagement meetings held in March and April of 2024, and a [compensation scale](#) developed by Delaware early childhood leaders in late 2021, reflecting salary targets and associated qualifications. To ensure

relevance for 2024, an 8% adjustment was applied using the Consumer Price Index (CPI) to account for inflation.

Nonpersonnel expenses are taken from default data for used in the Provider Cost of Quality Calculator, adjusted for Delaware cost of living. PCQC defaults can be seen [here](#). While rent/lease/mortgage expenses can differ across the state based on geography, the study team did not have access to data that demonstrated these regional variations. No regional variations of nonpersonnel were applied.

During constituent engagement, it was requested that Delaware move from a regional approach to subsidy rate setting given that the regional variances in tuition do reflect the actual costs of programs in those regions. Constituents reported that child care expenses do not vary significantly across the state in the way that revenue varies under the current subsidy approach. The study team did not use a regional variation in any of the expenses, personnel or nonpersonnel.

Salary data in the model originate from the 2021 Early Childhood Educator Target Compensation Scale and Professional Pathway [framework](#). To ensure relevance for 2024, an 8% adjustment was applied using the Consumer Price Index (CPI) to account for inflation since the scale was developed, and data were adjusted to ensure all positions meet the \$15 minimum wage requirement coming in January 2025. This cost model does not account for geographic variations in child care costs since compensation data—being the model's primary cost driver—reflect statewide averages. P5FS reviewed minimum wage requirements and regional variations in the [Bureau of Labor Statistics](#) and the [MIT Living Wage Calculator](#). This analysis did not provide conclusive results that point to significant variations in personnel costs by county that should be incorporated into the cost model.

The compensation framework provides a target salary scale for early childhood educators in Delaware. The cost models use this target wage scale to reflect the compensation necessary to recruit and retain a professional early childhood workforce. Constituent input was sought to further refine how to apply this salary schedule within the model and how to apply it to the salary for family child care home providers/owners.

All data in the model can be updated as new data become available, allowing the core functioning of the model to take advantage of updated payment rates, salaries, benefits, and nonpersonnel expenses.

Revenue data include all the revenue streams available to providers in the state, including private tuition. Revenue variables in the models include:

- Parent tuition/fees, based on the 75th percentile of the most recent [market rate survey](#)
- Delaware subsidy funding (Purchase of Care program), [FY2024 Child Care Rates](#)
- Participation in the United States Department of Agriculture Child and Adult Care Food Program, based on most [recent USDA rates](#)
- Full collection of revenues and
- Enrollment efficiency.

Cost Model Functionality

The Delaware cost models have many opportunities for customization and input based on the questions the user is seeking to answer. Throughout the models, cells that can be changed by users are shaded yellow or green. Yellow cells relate to program characteristics, such as size of program or age of children served. Green cells relate to quality enhancement variables. To model different center and family child care profiles, the user can change the data entered in these cells either by using the drop-down or typing over the green or yellow cell.

The models are designed such that the INPUT tab provides both the key inputs related to program characteristics and quality-enhancement selections and presents the cost per child results. Additional tabs in the workbook include source data related to revenues, salaries, ratios, and quality enhancements. The public versions of the models include only the first tab, which allows the user to modify program characteristics, quality enhancements, and revenue sources, and get results on a program-wide and cost per child basis.

Program Characteristics

Settings for the key program variables are entered on the INPUT tab. Different settings generate a very wide range of situations. Each variable is explained below.

Size of Center: Size is represented as the number of classrooms by age range—infants (birth to 11 months), toddlers (12 to 35 months), 3-year-old preschoolers, 4-year-old preschoolers, and school-age (6 years+). An additional age category is included for programs meeting state-funded ECE standards to provide different ratio/group sizes for children 1-2 years and 2-3 years. The number of children in each classroom is determined by staff-to-child ratios and group-size data that change based on the Ratio and Group Size selection.

SIZE of CENTER						
# of classrooms	Age	Ratio and Group Size Selection	Ratios	Group size	# Children/Age	
1	Infants	Licensing	4	8	8	
1	Toddler I	Licensing	6	12	12	
0	Toddler II	State-funded ECE	8	16	0	
1	3-year-old	EHS/HS	10	20	20	
1	4-year-old	Licensing	12	24	24	
1	School age	Licensing	15	30	30	
5	Total classrooms				TOTAL Children	94

Family Child Care Home Enrollment: The FCC model allows users to run scenarios for both sizes of FCC homes, small and large. Users can input the number of children in each age group served by the home. The model will automatically identify what type of program is being modeled, based on the number of children, and will show an error if the selection violates licensing rules related to the number of children served.

Additional Staffing, Nontraditional Hours: In the FCC model, the user can also enter how many hours the program offers care outside of the traditional work day, beyond 10 hours per day.

Benefits: Users can select whether the program offers employer-paid health insurance and can select the number of sick and paid leave days offered to employees.

Efficiency: No program is 100% full all the time. To accurately capture the true revenue that programs receive to help cover costs, the user can modify the percent enrollment efficiency – which is how full the program is on average across the year, and the bad debt – which is how much expected revenue is not collected. Industry defaults are 85% enrollment efficiency and 3% bad debt.

Revenue: To accurately project revenues for the program, users can enter the number of children at each age level who receive a child care subsidy (Purchase of Care). The private tuition column will automatically update with the balance of enrollment not covered by public funds. Note that the table must be changed when the size of a center or enrollment number of the FCC home is changed. Some centers and homes may have revenue from other sources such as grants, fundraising events, etc. This is included as a revenue line and can be entered by the user as a total annual amount.

REVENUE			
Enter # of children by age receiving each type of subsidy using YELLOW cells only in the table below.			
	Child care subsidy (Purchase of Care)	POC special needs	Private Tuition
Infants	3	0	5
Toddler I	3	0	9
Toddler II	3	0	-3
3-year-old	3	0	17
4-year-old	0	0	24
School age	3	0	27
Total	15	0	79
Total across all public funding		15	
Percent subsidy		16%	
Additional income	e.g. grants, donations	\$	-

Quality Enhancement Variables

Users can choose from several quality-related variables to estimate the cost of child care that meets standards beyond Delaware licensing. Each variable is explained below:

Ratio and Group Size: By default, the model includes ratios and group size that match Delaware child care licensing regulations. However, users can model scenarios where each classroom or family child care home meets higher levels of quality for ratio and group size. In the center model, the higher levels of quality are aligned with the state-funded ECE standards and/or Early Head Start/Head Start standards and may be selected independently for each age. In the FCC model, users can enter any number of children and age configuration up to the maximum allowed by licensing.

Salary: The model allows users to modify the percentage of staff at different salary levels based on the inflation-adjusted Delaware Educator Compensation Schedule. For each staff type, users enter the percentage at each level on the salary scale. Each column should total 100%. Users also may override these default salaries and then enter annual salary data for the selected positions.

Quality Enhancements: The model includes several quality enhancements at different levels that can be selected by clicking on the drop-down for each green cell. Each of the variables in these quality enhancements is described in detail in the Cost Model Data Inputs section.

- **Family Engagement:** Select whether the program offers a set number of family engagement conferences each year, and whether the program employs a family engagement specialist.
- **Professional Development Supports:** In addition to the professional development hours required by licensing, users can select whether the program offers additional release time for educators, additional professional development hours, and access to coaching.
- **Curriculum Implementation Supports:** Users can select whether the program includes costs for additional curriculum implementation supports each week.
- **Educational Materials:** Users can include the cost of educational materials at three levels, beyond what is included in the base nonpersonnel amount.
- **Comprehensive Health and Development:** To support comprehensive health and development services, users can select whether the program pays for health consultation support, which could include specialized consultants needed for monitoring and ensuring up-to-date health screenings; mental health services; oral health; nutritionists/dietitians; and registered nurses, among other services.
- **Inclusion Materials:** The model includes the option to select higher expenses related to serving children with delays and disabilities. These relate to equipment and materials needed to meet the needs of the children in care. The amount is linked to input of the number of children with an Individualized Family Service Plan (IFSP) or an Individualized Education Plan (IEP).
- **Inclusion Supports, Instructional Aides:** Based on the number of children with an IFSP or IEP, the model includes time for an aide to support inclusive learning.

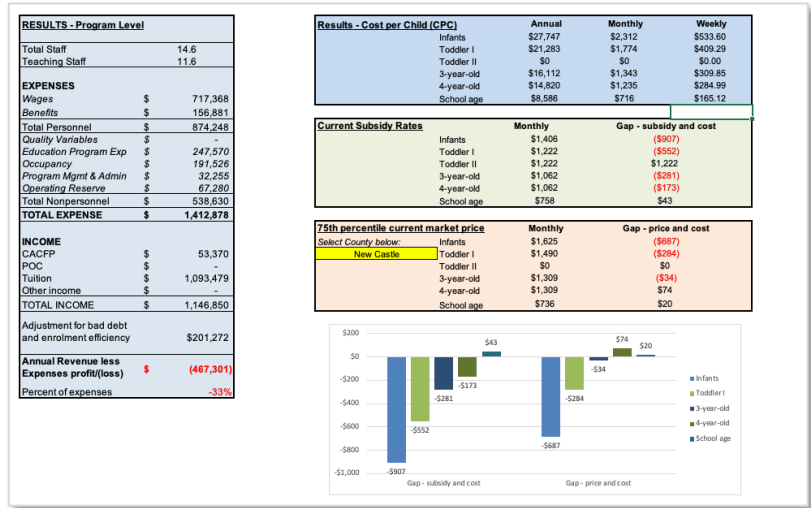
Quality Enhancements: Additional Cost Drivers	
	Select level
Family Engagement	4 conf/year + FamEngage Spec
Professional Development Supports	Meets Licensing Standards
Curriculum Implementation Supports	2 conferences/year
Educational Materials	3 conferences/year
Comprehensive Health and Development	4 conf/year + FamEngage Spec
Inclusion Materials	Specialized materials
Inclusion Supports Instructional Aide	9.4

Model Output

Once the user has made selections in the cost model, the blue tables provide the results for the chosen scenario. The first table provides Program Level results, summarizing the total number of staff and the number of teaching staff. Results for the primary expense and revenue categories are displayed along with an estimate of the total annual revenue after expenses, displayed as both a dollar amount and a percentage of total expenses.

The second results table, on the right, shows the estimated cost per child, by age group, as annual, monthly, and weekly figures.

Below this, the green table calculates the monthly gap between the estimated cost per child, and the current subsidy rate. Finally, the orange table calculates the gap between the estimated cost per child and the current market price, at the 75th percentile, based on the region selected. The chart below these tables provides a simple visual representation of the gap between the estimated cost per child and the current subsidy rate and current market price.



Note, the cost per child calculations in FCC homes do not provide a different cost for infants, toddlers, and preschoolers, due to the program operating as a single group of children. School-age cost per child is lower to account for the annualized reduced number of hours that school-age children require child care.

Cost Model Data Inputs

Staffing and Personnel Expenses

The personnel calculations are based on a standard staffing pattern typical of most centers and family child care homes, with the following assumptions built in:

Non-Teaching Staff

The following non-teaching staff are included by default in the center model

- Director (1 full time)
- Assistant Director (0.5FTE if enrollment is less than 94, 1FTE if between 94-138, 1.5 FTE if 139-182, and 2FTE if above 182)
- Administrative Assistant (0.5FTE if enrollment is less than 94, 1FTE if between 94-138, 1.5 FTE if 139-182, and 2FTE if above 182)

In the family child care model, only the provider/owner is included.

Through Quality Enhancement selections, additional non-teaching staff may be added:

- Family Engagement Specialist
- Health Consultant
- Coach
- Instructional Aides, for inclusion supports

Teaching Staff

The number of teachers and assistant teachers is driven by Delaware’s ratio and group size regulations. Each classroom has a lead teacher, with additional staff counted as assistant teachers to meet ratio requirements. The model allows for lower group sizes and improved ratios of children to teachers, with selection of higher quality ratio and group size as an input.

In addition, the model includes an additional 0.2 FTE per classroom teaching staff to allow for coverage throughout the day for breaks and opening/closing. This reflects that the program is open more than 40 hours per week but teachers are scheduled for a 40-hour work week, and therefore to always maintain ratios, additional staffing capacity is needed.

In family child care homes, the owner/lead teacher is the only staff member unless licensing regulations call for an assistant (large home licensed sites, up to 12 children). Higher quality ratios and group sizes may be entered for family child care homes, modeling a smaller group size and more limited number of younger children in the group.

Wages

The Director, Teacher, Assistant Teacher (centers and family child care homes) and Family Child Care owner/provider salaries are driven by the Delaware Salary Schedule and inputted by the user. Table 1 includes the salaries at each level of the Salary Schedule by position in the model.

Table 1: Salaries included in cost estimation model, based on Delaware Salary Scale

	Center Director	Teacher	Teacher Assistant (CB or FCC)	Family Child Care Owner/ Provider
Entry	\$25.49/hour \$53,028	\$18.59/hour \$38,664	\$18.63/hour \$38,750	\$25.49/hour \$53,028
Level 1	\$25.49/hour \$53,028	\$23.16/hour \$48,168	\$21.06/hour \$43,805	\$25.49/hour \$53,028
Level 2	\$33.13/hour \$68,904	\$30.12/hour \$62,640	\$27.36/hour \$56,916	\$33.13/hour \$68,904
Level 3	\$38.06/hour \$79,164	\$34.63/hour \$72,036	\$31.47/hour \$65,448	\$38.06/hour \$79,164
Level 4	\$43.69/hour \$90,882	\$39.72/hour \$82,620	\$31.47/hour \$65,448	\$43.69/hour \$90,882

The Assistant Director salary is 80% of the Director, and the Administrative Assistant is estimated at \$15.00 per hour, for an annual salary of \$31,200. The Floater/Assistant position is calculated based on an Assistant Teacher wage.

Substitute expenses are calculated based on the number of sick days and paid time off entered. Substitute hourly rates are based on an hourly rate that aligns with an assistant teacher.

Mandatory and Discretionary Benefits

All mandatory expenses related to employees are built into the models, in recognition of the need for providers to offer a competitive compensation package. These include federal and state benefit requirements such as unemployment insurance and workers compensation. The values in the model are as follows: FICA-Social Security at 6.2%, Medicare at 1.45%, unemployment insurance at 0.5%, and workers compensation at 2%.

By default, 10 days of paid sick leave and 10 days of paid leave are included for all staff.

If the health insurance option is selected, the model includes \$5,911 per FTE, which is the average annual employer contribution to health insurance, based on [Kaiser Family Foundation](#) data for Delaware. This benefit is included in the model as a dollar amount, which individual programs could choose to deploy in different ways, including health insurance contribution, retirement contribution or other discretionary benefits. Family child care providers could also choose to deploy this dollar amount in different ways, including purchasing health insurance from the public marketplace, contributing to a health savings account, or paying the premium for a family member-provided health plan.

Annual training/professional development is also included at 18 hours per center-based teacher and teacher assistant, 4 hours per FCC teacher or teacher assistant, 18 hours per director, and 12 hours for provider/owner per year to meet licensing requirements. These required hours are included in the substitute expenses. Additional professional development at higher quality levels can be accounted for in the Quality Enhancements section.

Nonpersonnel Expenses

Center-Based

Nonpersonnel costs are aggregated into four categories:

Education Program for Children and Staff, which includes:

- **Education/Program—Child:** Food/food related; classroom/child supplies; medical supplies; postage; advertising; field trips; family transportation; child assessment materials.
- **Education/Program—Staff:** Professional consultants; training; professional development; conferences; staff travel.

Occupancy: Rent/lease or mortgage; real estate taxes; maintenance; janitorial; repairs; and other occupancy-related costs.

Program Management and Administration: Office supplies; telephone; internet; insurance; legal and professional fees; permits; fundraising; memberships; administration fees.

Contribution to Operating Reserve Fund: Annual contributions to an operating reserve fund—a practice that contributes to long-term financial sustainability—can be included as a percentage of total expenses. The amount is set at 5% by default.

Values for each of these nonpersonnel categories are based on nonpersonnel data from the PCQC. Table 2 summarizes the nonpersonnel values.

Table 2: Center-Based Model, Nonpersonnel Expense Values

Expense Category	Annual Amount
Education/Program – Child	\$2,634 per child
Occupancy	\$38,305 per classroom
Program Management and Administration	\$343 per child

Family Child Care Homes

Nonpersonnel costs in the family child care home model align with the expense categories that home-based providers report on their federal taxes (Internal Revenue Service Schedule C). These expenses are broken out into:

Nonpersonnel – Admin/Office: This category includes expenses such as advertising, insurance, legal and professional fees, office supplies, and repairs, maintenance, and cleaning of the space used for child care.

Nonpersonnel – Program (calculated per child): This category includes classroom supplies, medical supplies, food, and educational supplies. This amount varies based on the number of children in the program.

Occupancy – Shared Use of Business and Home: Home-based businesses may count a certain percentage of their occupancy costs as business expenses, including rent/lease/mortgage costs, property taxes, homeowners insurance, utilities, and household supplies. The model follows Internal Revenue Service Form 8829 to estimate a time-space percentage for how these expenses apply to the business.

Values for each of these nonpersonnel categories are based on nonpersonnel expenses in the PCQC. Table 3 summarizes the nonpersonnel values.

Table 3: FCC Model, Nonpersonnel Expense Values

Expense Category	Annual Amount
Nonpersonnel – Admin/Office	\$4,839 per home
Nonpersonnel – Program	\$10,696 per home
Occupancy – Shared Use of Business and Home	\$5,587 per home

Quality Enhancements

The model includes several Quality Enhancements that relate to higher levels of quality. These must be selected to see the impact of these enhancements on the cost per child for centers or family child care homes. As part of this selection, Licensing is always an option, which reverts to the licensing standard for a given area of quality. Quality Enhancement cost drivers are built into the model in the following areas:

- Ratio and group size

- Staff qualifications and compensation
- Family engagement
- Professional development supports
- Curriculum implementation supports
- Educational materials
- Comprehensive health and development
- Inclusion materials
- Inclusion supports: instructional aides

Ratio and Group Size: The model allows users to model scenarios where each classroom or family child care home meets three ratio and group size standards, licensing, state-funded ECE standards, or Early Head Start/Head Start standards. See Table 4 for a detailed breakout of these higher-quality selections. In center-based programs, higher quality ratio and group size include breaking down the Toddler age window to a Toddler I, 1- to 2-year-olds, and an older toddler group, Toddler II, serving 2- to 3-year-olds. While not applicable at licensing level, this becomes applicable under the state-funded ECE standard. In the family child care setting, licensing allows for up to six children in a small FCC and up to 12 in a large FCC. When more than six children are included in a scenario, the model includes a full-time assistant. Users can enter the specific number of children in each age group in the model to estimate the cost for a program that serves fewer children than allowed under licensing.

Table 4: Ratio and Group Size Selections, Center-Based Model

	Licensing	State-Funded ECE Standards	EHS/HS
<i>Infant</i> Under 12 months	1:4 8 children	1:4 8 children	1:4 6 children
<i>Younger Toddler I</i> 12- 23 months	1:6 12 children	Not applicable	1:4 8 children
<i>Older Toddler II</i> 24- 35 months	1:8 16 children	1:6 12 children	1:4 8 children
<i>Age 3</i> 36- 47 months	1:10 20 children	1:8.5 17 children	1:8 16 children
<i>Age 4</i> 48 months or older & not in kinder	1:12 24 children	1:10 20 children	1:8 16 children
<i>School-Age</i> Attending elementary school	1:15 30 children	1:15 30 children	1:15 30 children

Staff Qualifications and Compensation: The model allows users to modify the percentage of each staff type at different levels on the Delaware Salary Schedule.

Salary Override: Salary levels are determined based on the level selected in the prior section. However, users can override the default salary data and enter annual salary data for select positions.

Family Engagement: The model includes the cost of conferences each year as a selection or conferences plus family engagement staffing. The cost of conferences consists of paying a substitute teacher to cover while the teacher or provider/owner is leading the conference.

Table 5: Family Engagement Quality Enhancement Selections

	Licensing	Option 1	Option 2	Option 3
Family Engagement	None required with cost drivers	Conferences 2 times a year, per child, 2 hours of floater/substitute coverage per conference	Conferences 3 times a year, 2 hours floater/substitute coverage per conference	Conferences 4 times a year, 2 hours floater/substitute coverage per conference Family Engagement Specialist, 1 FTE per 46 children, \$55,404 annual salary

Professional Development Supports: The model includes additional professional development hours with selecting higher quality points, release time for teaching staff that increases with higher levels of quality, and a Coach position for the program, at the highest quality point. The expense related to these supports covers the cost of hiring a substitute to cover the professional development and release time.

Table 6: Professional Development Supports Quality Enhancement Selections

	Licensing	Option 1	Option 2	Option 3
Professional Development Supports <i>Includes:</i> Director, Asst. Director, Provider, Teaching staff, across the Quality Enhancement selection points	<u>Professional Development hours</u> Director/Owner: 18 hours centers 12 hours FCC Teacher/Asst. Teacher: 18 hours centers 4 hours FCC	<u>Professional Development hours</u> Director/Owner: 18 hours centers 12 hours FCC Teacher/Asst. Teacher: 18 hours centers 4 hours FCC <u>Release Time:</u> Teacher/FCC Provider, 2 hours/week	<u>Professional Development hours</u> Director/Owner: 18 hours centers 12 hours FCC Teacher/Asst. Teacher: 18 hours centers 4 hours FCC <u>Release Time:</u> All teaching staff, all levels, 1 hour/day	<u>Professional Development hours</u> All content staff: 40 hours centers 40 hours homes <u>Release Time:</u> All teaching staff, centers, 1 hour per day, 2 hours/week as teaching group FCC, 4 hours per day, per home <u>Coach</u> .25 FTE 46 center enrollment. FCCs: <6 children, .25 FTE, 6-12 children, .5 FTE.

Curriculum Implementation Supports: The model includes additional supports for curriculum implementation, such as activities related to teaching and learning, at higher levels of quality. These supports are in addition to educational materials and expenses that are included in the base nonpersonnel amounts. These supports include costs associated with music, art and other curriculum specialists joining the teaching at the center or home each week. Curriculum implementation support is at the discretion of the program and could include field trips and other activities to support child development and learning.

Table 7: Curriculum Implementation Supports Quality Enhancement Selections

	Licensing	Option 1	Option 2
Curriculum Implementation Supports	None required with cost drivers	\$150/hour, 3 hours per week of direct curriculum support	\$150/hour, 5 hours per week of direct curriculum support

Educational Materials: The model includes a selection for costs associated with educational materials, beyond what is included in the base nonpersonnel amount. This higher quality point was set to account for the need for multiple ages of curriculum in programs serving the full age spectrum of children from birth to 12 years.

Table 8: Educational Materials Quality Enhancement Selections

	Licensing	Option 1	Option 2	Option 3
Educational Materials	None required with cost drivers	\$50/child/year	\$75/child/year	\$100/child/year

Comprehensive Health and Development: The model includes child health and development activities such as monitoring and ensuring up-to-date health screenings and completing developmental screenings for each child enrolled in the center or family child care home, as well as a consultant to focus on health.

Table 9: Comprehensive Health and Development Quality Enhancement Selections

	Licensing	Option 1	Option 2	Option 3
Comprehensive Health and Development	Developmental screening within 45 days; results shared with family	Developmental screening within 45 days; results shared with family	Developmental screening within 45 days; results shared with family	Developmental screening within 45 days; results shared with family
	Dental, vision hearing screenings within 6 months	Dental, vision hearing screenings within 6 months	Dental, vision hearing screenings within 6 months	Dental, vision hearing screenings within 6 months
			Health consultation support, 5 hours per classroom per month	Health consultation support, 16 hours per classroom per month

Inclusion Materials: The model includes the option to select higher expenses related to serving children with delays and disabilities. These relate to equipment and materials needed to meet the needs of the children in care. The amount is linked to input of the number of children with an IFSP or IEP.

Table 10: Inclusion Materials Quality Enhancement Selections

	Licensing	Option 1
Inclusion Materials	None required with cost drivers	\$250/year for each child with an IFSP or IEP

Inclusion Supports: Instructional Aides: The model includes the option of additional staffing to support serving children with IFSP and IEPs. The support is the expense associated with an instructional aide.

Table 11: Inclusion Supports Quality Enhancement Selections

	Licensing	Option 1
Instructional Aides	None required with cost drivers	10 hours/week, for each child with an IFSP or IEP, at Teacher Assistant hourly amount

Scenario Results: Estimating the Cost of Quality

Delaware’s Child Care Cost Model allows users to create multiple scenarios to answer the question of how much child care in Delaware truly costs. To illustrate the functionality of the model, P5FS developed several hypothetical scenarios in the model to understand the fiscal impact of different variables. The first set of scenarios is for programs meeting licensing standards. The second set of scenarios is for programs meeting state-funded ECE standards. Within each set, two salary levels are modeled.

The default program size used in the following scenarios is as follows:

Child Care Center:

Includes five classrooms, serving infants, toddlers, preschoolers, and school-age children. At the licensing level, this program has a total capacity of 94 children. For a program meeting state-funded ECE standards, this program has a total capacity of 87 children.

Family Child Care:

The small family home setting uses a default capacity of six children, with no more than two under the age of 24 months. The large family home setting uses a default capacity of 12 children, with no more than four under the age of 24 months.

For all programs, the default scenario includes a contribution to health insurance, 10 days of paid sick leave and 10 days of paid leave, as well as a 5% contribution to an operating reserve.

For scenarios where the program meets state-funded ECE standards, the highest options in the quality enhancements selection are selected, as shown in Table 12 below.

Table 12: Quality Enhancements for Programs Meeting State-Funded ECE Standards

Enhancement	State-funded ECE Standard Selection
Family Engagement	<ul style="list-style-type: none"> Conferences 4 times a year Family engagement specialist, 1 FTE per 46 children, \$55,404 annual salary
Professional Development Supports	<ul style="list-style-type: none"> Professional development: 40 hours Release Time: All teaching staff, centers, 1 hour per day, 2 hours/week as teaching group; FCC, 4 hours per day, per home Coach: Centers - 0.25 FTE per 46 children, 0.5 FTE if <64 children, 1.0 FTE if over 94 children; FCCs - 6 children, 0.25 FTE, 6-12 children, 0.5 FTE
Curriculum Implementation Supports	\$150/hour, 5 hours per week of direct curriculum support
Educational Materials	\$100/child/year
Comprehensive Health and Development	<ul style="list-style-type: none"> Developmental screening within 45 days; results shared with family Dental, vision hearing screenings within 6 months Health consultation support, 16 hours per classroom per month
Inclusion Materials	\$250/year for each child with an IFSP or IEP – assume 10% of enrollment
Instructional Aides	10 hours/week, for each child with an IFSP or IEP, at Teacher Assistant hourly amount – assume 10% of enrollment

A total of 12 scenarios are presented in this report, as summarized in Table 13:

Table 13: Overview of Scenarios

	Setting	Program Regulations	Salary Selections
1	Child Care Center	Licensing	Entry level
2	Child Care Center	Licensing	Level 1 and level 2
3	Child Care Center	State-funded ECE standards	Level 1 and level 2
4	Child Care Center	State-funded ECE standards	Level 3 and level 3
5	Small FCC	Licensing	Entry level
6	Small FCC	Licensing	Level 1 and level 2
7	Small FCC	State-funded ECE standards	Level 1 and level 2
8	Small FCC	State-funded ECE standards	Level 3 and level 3
9	Large FCC	Licensing	Entry level
10	Large FCC	Licensing	Level 1 and level 2
11	Large FCC	State-funded ECE standards	Level 1 and level 2
12	Large FCC	State-funded ECE standards	Level 3 and level 3

Child Care Center Scenarios

Table 14 provides results from the model for the default program meeting licensing standards at the two compensation levels – one meeting the ‘Entry’ level salaries from the Delaware Salary Schedule and the other meeting one step higher for most positions (Director and Assistant Director at level 2, lead teacher at level 1). No quality enhancements are included in these scenarios.

Table 14: Child Care Center Meeting Licensing Standards, Weekly Cost Per Child

	Scenario 1	Scenario 2
<i>Infants</i>	\$488.77	\$521.54
<i>Toddlers</i>	\$375.92	\$401.08
<i>3-year-olds</i>	\$285.69	\$304.62
<i>4-year-olds</i>	\$263.08	\$280.38
<i>School age</i>	\$150.00	\$161.08

Table 15 provides results from the model for the default program meeting state-funded ECE standards at the two compensation levels. Scenario 3 uses salaries where the Director and Assistant Director are at level 2 on the salary scale, Lead Teachers at level 1, and Assistant Teachers at entry level. Scenario 4 uses higher salaries with Director and Assistant Director at level 3, Lead Teachers at level 2, and Assistant Teachers at level 1.

Table 15: Child Care Center Meeting State-Funded ECE Standards, Weekly Cost Per Child

	Scenario 3	Scenario 4
<i>Infants</i>	\$637.38	\$720.23
<i>Toddlers</i>	\$502.15	\$564.46
<i>3-year-olds</i>	\$422.54	\$472.85
<i>4-year-olds</i>	\$393.92	\$439.85
<i>School age</i>	\$193.15	\$216.23

Small Family Child Care Scenarios

Table 16 provides results from the model for the default small FCC program meeting licensing standards at the two compensation levels – one meeting the ‘Entry’ level salaries from the Delaware Salary Schedule and the other meeting one step higher for the provider/owner. No quality enhancements are included in these scenarios.¹

Table 16: Small FCC Meeting Licensing Standards, Weekly Cost Per Child

	Scenario 5	Scenario 6
<i>Infant, Toddler, Preschooler</i>	\$356.08	\$425.54
<i>School age</i>	\$197.77	\$236.31

¹ Note, the FCC cost model does produce different costs by age for full-time care due to the program operating as one single group of children. School-age cost per child is lower to account for the annualized reduced number of hours that school-age children require child care.

Table 17 provides results from the model for the default small FCC meeting state-funded ECE standards at the two compensation levels. Scenario 7 uses salaries where the provider/owner is at level 2 on the salary scale. Scenario 8 uses higher salaries with the provider/owner at level 3.

Table 17: Small FCC State-Funded ECE Standards, Weekly Cost Per Child

	Scenario 7	Scenario 8
Infant, Toddler, Preschooler	\$739.38	\$838.38
School age	\$410.77	\$465.92

Large Family Child Care Scenarios

Table 18 provides results from the model for the default large FCC program meeting licensing standards at the two compensation levels – one meeting the ‘Entry’ level salaries from the Delaware Salary Schedule and the other meeting one step higher for the provider/owner. No quality enhancements are included in these scenarios.

Table 18: Large FCC Meeting Licensing Standards, Weekly Cost Per Child

	Scenario 9	Scenario 10
Infant, Toddler, Preschooler	\$308.54	\$396.00
School age	\$171.46	\$198.00

Table 19 provides results from the model for the default large FCC meeting state-funded ECE standards at the two compensation levels. Scenario 11 uses salaries where the provider/owner is at level 2 on the salary scale. Scenario 12 uses higher salaries with the provider/owner at level 3.

Table 19: Large FCC State-Funded ECE Standards, Monthly Cost Per Child

	Scenario 11	Scenario 12
Infant, Toddler, Preschooler	\$608.31	\$709.15
School age	\$304.15	\$354.69

Conclusion

The Delaware Child Care Cost Model is a powerful tool that can support Delaware policymakers, providers, families, and advocates to better understand the true cost of providing child care. The results displayed in this report illustrate the cost of care under certain scenarios, including for programs participating in the Purchase of Care program, and for state-funded ECE programs. Comparing the cost estimates to current revenues can highlight the gaps between what public funding currently covers and the true cost of care, and how this gap varies by program type and child age. The 2024 [narrow cost analysis](#) completed for the CCDF State Plan provides an example of this gap analysis, which was used by the state to inform priorities for updated purchase of care rates. Ultimately, data from the cost model can help policymakers make informed decisions to support a robust child care system that meets the needs of children, families, and child care providers across Delaware.

Appendix

Workgroup participants

	Name	Organization
1	Anne Atkison	Lil' Red Hen
2	Arthur Jenkins	Department of Labor
3	Belvie Herbert	Division of Social Services, Delaware Department of Health and Social Sciences
4	Betty Gail Timm	Delaware Department of Education Office of Child Care Licensing
5	Caitlin Gleason	Delaware Department of Education Early Childhood Support
6	Cindy Brown	Delaware Department of Education Office of Early Childhood Intervention
7	Darlene Merrell	Delaware Health and Social Services
8	Dawn Alexander	Colonial School District
9	Deborah Moore	Delaware Health and Social Services
10	Dorzet Short	Rainbow of Hope Childcare (Large Family Child Care Sussex County)
11	Ed Freel	Delaware Early Childhood Council
12	Elizabeth Timm	Delaware Department of Education
13	Emily Falcon	Colonial School District
14	Georgeanne Buccine	YMCA of Delaware
15	Heidi Beck	Delaware Head Start Association
16	Jamie Schneider	CEO DEAEYC
17	Jon Sheehan	Delaware Office of the Governor
18	Julie Bieber	Kingswood Community Center
19	Karen Hartz	Latin American Community Center, La Fiesta Early Childhood
20	Kirsten Olson	Children and Families First + Head Start and CCR&R
21	Kristy Sheffler	Delaware Institute for Excellence in Early Childhood
22	Kurt Keleman	Lake Forest School District
23	LaTonya Bruce	Zion's Playground Home Childcare
24	Lauren Weaver	Fenwick Chamber of Commerce
25	Linda Freeman	POC Administrator
26	Linda Zankowsky	Montessori Works/UD
27	Lisa Peel	Delaware Technical and Community College
28	Lisa Ratliff	Little School
29	Lucinda Ross	St. Michael's School and Nursery
30	Lynn Jezyk	City of Wilmington
31	Lynne Portlock	FCC provider
32	Madeleine Bayard	Delaware Early Childhood Council
33	Margie Lopez Waite	Las Americas ASPIRA Academy
34	Marilyn Brill	Division of Social Services, Delaware Department of Health and Social Sciences
35	Mary Akins	Smart Start Learning Center, LLC

36	Maxcine Williams	FCC provider
37	Melanie Thomas-Price	A Leap of Faith
38	Pam Reuther	Easter Seals Eastern Shore
39	Rachel Turney	Delaware Department of Labor
40	Rena Hallam	DIECC
41	Rhondalin Cannon-Tingle	Rhonda's Little Angel Daycare and Preschool
42	Ruth Jones	Delaware Office of the Controller General
43	Sara Hale	Milford School District
44	Sean Toner	Beach Babies
45	Stephanie Jackson	Sheila's Dreams Child Care LLC
46	Tammy Smith	Indian River School District
47	Thomas Hall	Division of Social Services, Delaware Department of Health and Social Sciences
48	Tom Dougherty	Delaware Department of Labor
49	Toni Dickerson	Sussex Preschools
50	Victoria Brennan	Delaware Office of the Controller General
<i>Facilitators</i>		
	Jeanna Capito	Co-Founder and Principal, Prenatal to Five Fiscal Strategies
	Simon Workman	Co-Founder and Principal, Prenatal to Five Fiscal Strategies