



Fiscal Analysis I: Mapping and Modeling

P5FS Webinar Series – Part 2

January 27, 2021



01

Welcome & Introduction

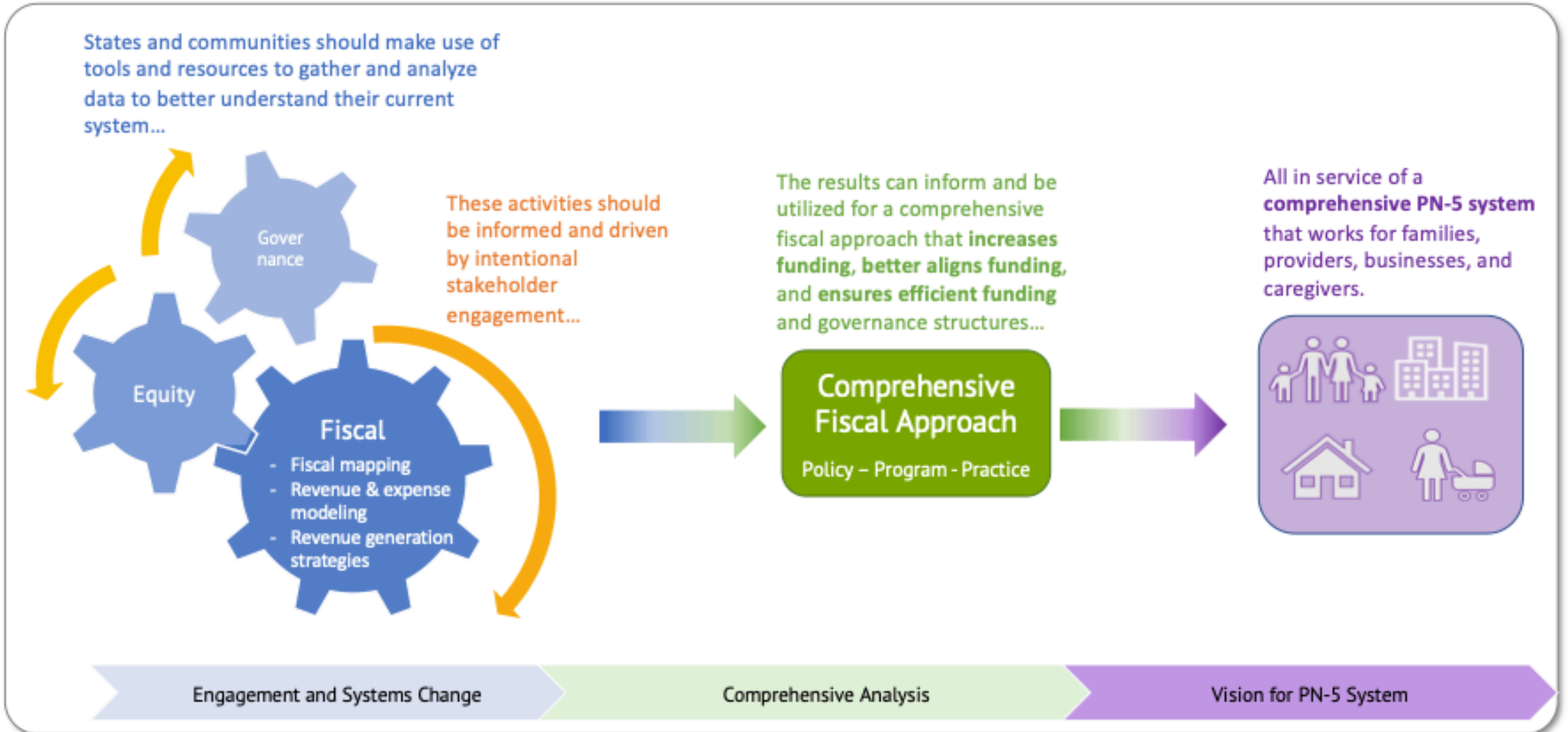
- Six-part series:
 1. Jan 13 – Introduction to Comprehensive Fiscal Strategies
 - 2. Jan 27 – Fiscal Strategies 1: Mapping & Modeling**
 3. Feb 10 – Fiscal Strategies 2: Revenue Generation & Innovative Strategies
 4. March 3 – Governance and Shared Leadership Strategies
 5. March 17 – Bringing it All Together
 6. March 31 – Bonus case study webinar

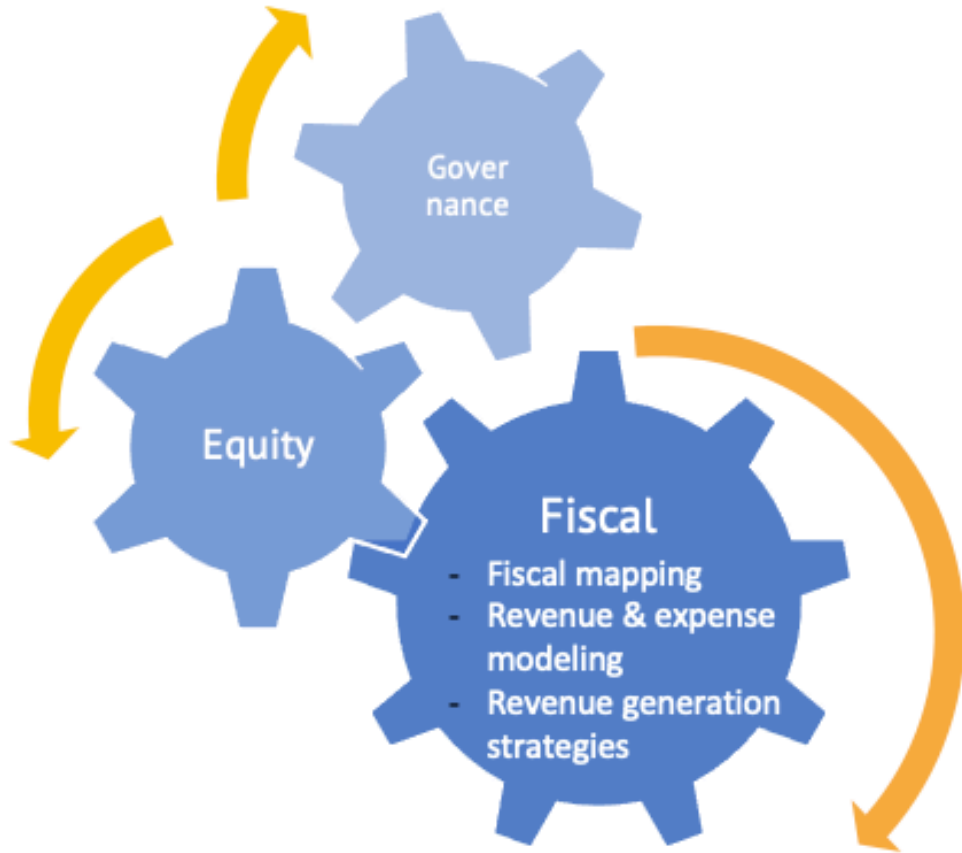
Webinar recordings and slides available at:
www.prenatal5fiscal.org/webinarseries

Agenda

- 01 Welcome & Introduction**
- 02 Fiscal Mapping & Analysis**
- 03 Fiscal Modeling**
- 04 Case Study: North Carolina**
- 05 Next Steps**

Fiscal Analysis as part of Comprehensive Approach





- Fiscal mapping
- Fiscal modeling
- Analysis and recommendations
- Systems planning
- Fiscal/Business Structures and Supports
- Revenue Generation

Questions Fiscal Analysis Can Help Answer

1. How much money does your state or community spend on services for young children and their families?
2. Are current funding streams aligned with the principles and vision for your system?
3. Is there flexibility to modify funding streams to better meet state or community goals?
4. What is the true cost of providing high-quality prenatal to five services, and how does this vary by child and/or program characteristics?
5. How much would it cost to implement your vision for the PN-5 system?

A system that...

- works for all children and ensures that programming reaches and positively impacts those children farthest from opportunity.
- is fair to providers and supports their developing capacity for quality implementation;
- uses public resources wisely and efficiently, augmenting private resources from those families who can afford services.
- acknowledges embedded societal inequities and implements changes to remediate inequity.
- compensates the workforce at a level that allows for financial stability and acknowledges their significant impact on child development.
- supports the entirety of a child's experiences before entering kindergarten, including prenatal supports for expectant mothers.

02

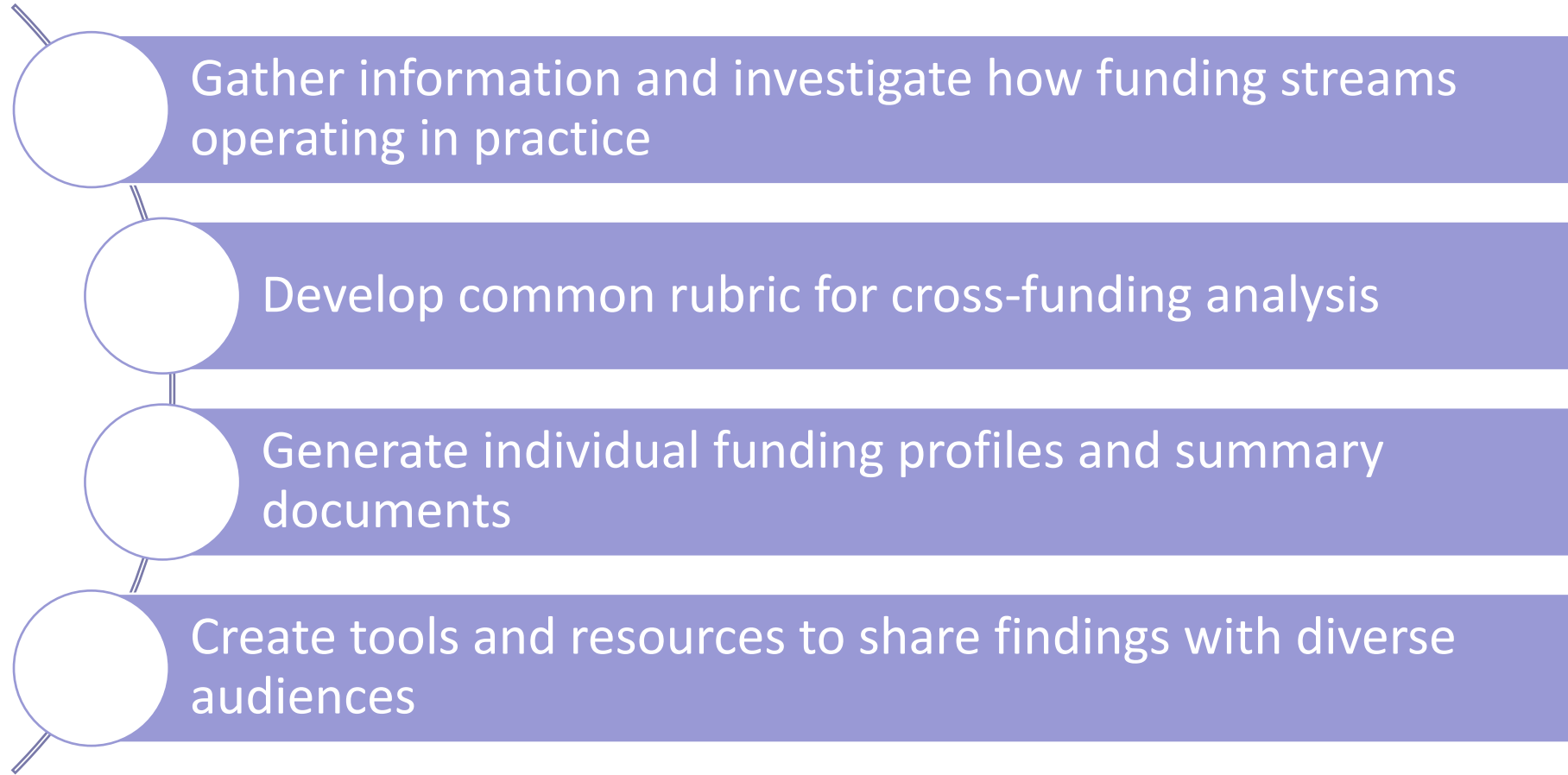
Fiscal Mapping and Analysis

What do we mean by fiscal mapping and analysis?

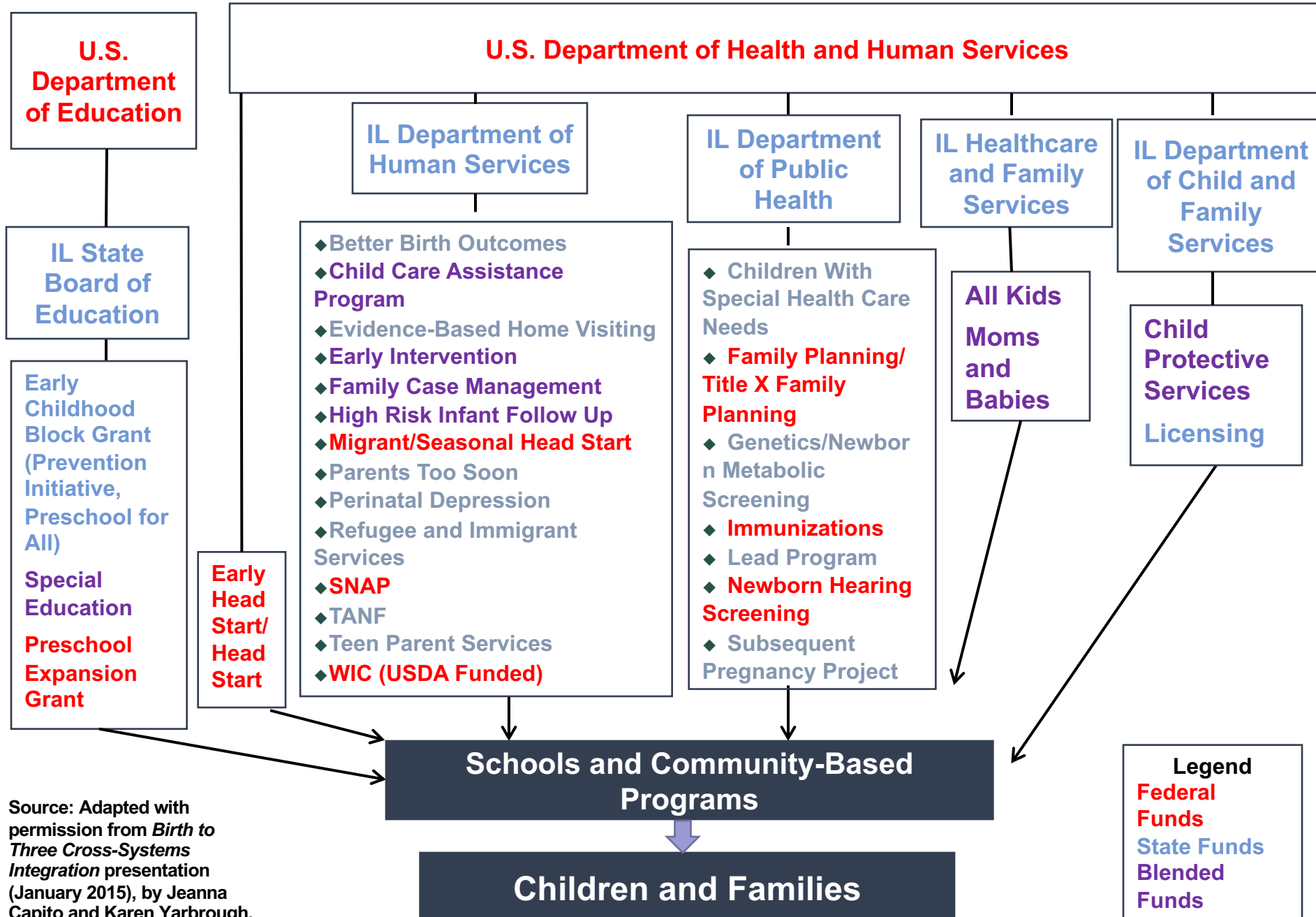
- Identifying and cataloguing the available funding sources for programs and services for young children and their families
- Analysis of funding sources in order to:
 - support decisions around leveraging funding
 - Better understand where to focus efforts to address gaps
 - Identify possibilities to increase efficiency of funding administration and implementation
- Comprehensive approach looks at all funding streams supporting children and families P-5, including federal, state, and local.
- To support comprehensive analysis, need to understand characteristics of funding streams, not just the dollars.

- Funding Program and Primary Service
- Source of Funds
- Administering Entity
- Capacity Reached
- Eligibility Process
- Provider Eligibility Criteria
- Child Eligibility Criteria
- Length of Child or Family Eligibility
- Parent/Family Fee or Co-pay
- Payment Process and Rates
- Rate Policies
- Program Goals
- Financial Requirements
- Program Requirements

Fiscal Mapping and Analysis Process



Illinois Birth to Five Funding Streams: Funding Drives Services and Programs



Source: Adapted with permission from *Birth to Three Cross-Systems Integration* presentation (January 2015), by Jeanna Capito and Karen Yarbrough.

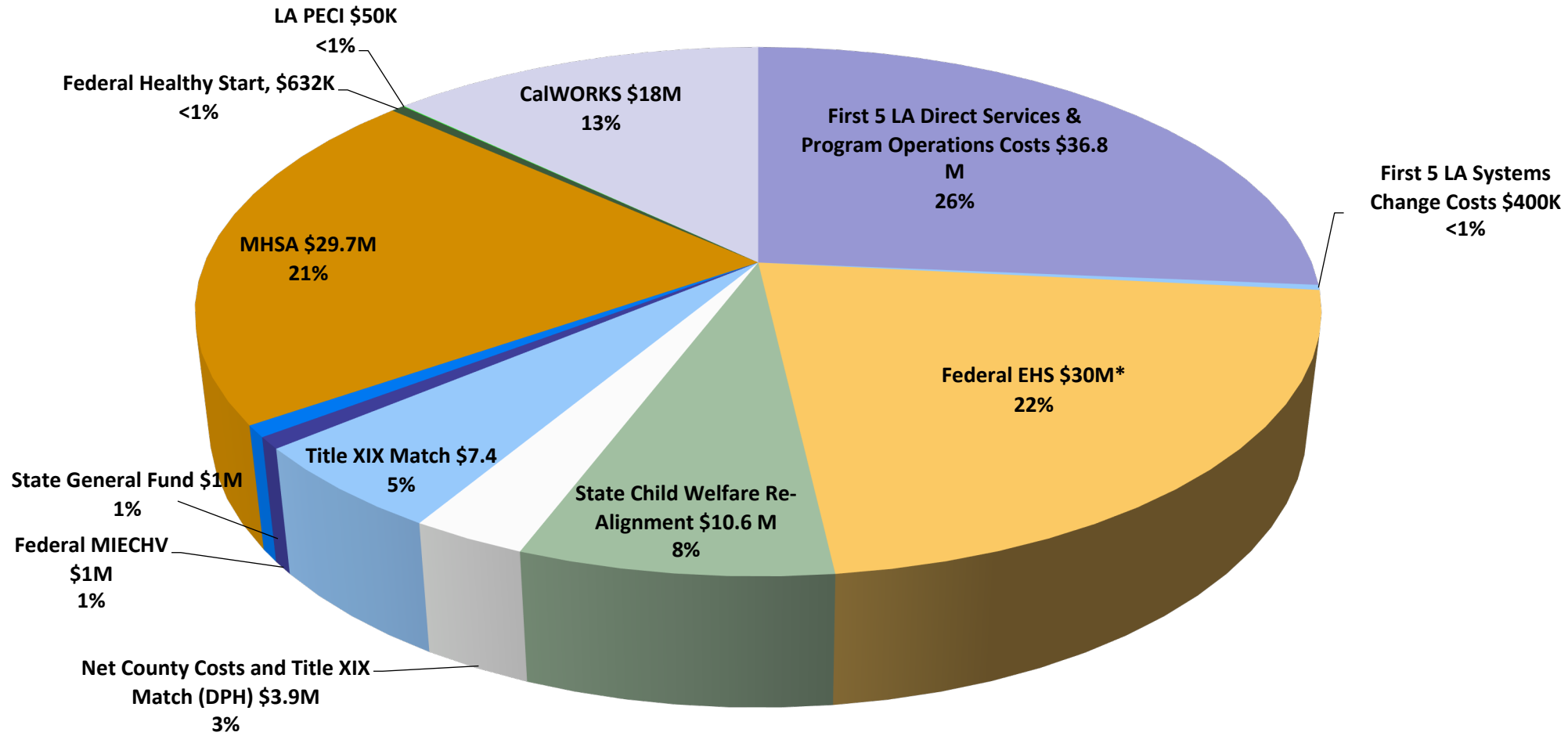
FUNDING SOURCES BY INITIATIVE – Direct Services

Fiscal Year 2015-2016

Direct Service Funding Initiatives	Federal	State	Local								Total Local Sources	Total by Initiative
			PEEF	DCYF	OECE GF	FSSF	H S A	OECE GF Title 5 Backfill	SFUSD GF	Grant/ Other		
CA Vouchers												
Cal WORKs Stage 1		\$ 8,259,649			\$ 2,897,446						\$ 2,897,446	\$ 11,157,095
Cal WORKs Stage 2		\$ 6,345,390									\$	\$ 6,345,390
Cal WORKs Stage 3		\$ 5,693,048									\$	\$ 5,693,048
CAPP		\$ 3,787,053			\$ 525,857						\$ 525,857	\$ 4,312,910
CFCC		\$ 1,202,196			\$ 45,903						\$ 45,903	\$ 1,248,099
CDE Title 5 Contractors												
CCTR		\$ 24,088,216									\$	\$ 24,088,216
CHAN		\$ 875,292									\$	\$ 875,292
CSPP		\$ 30,185,558									\$	\$ 30,185,558
C-WAGES		\$ 585,606	\$ 2,525,496	\$ 4,448,568	\$ 4,659,988			\$ 2,407,332			\$ 14,041,384	\$ 14,626,990
Early Head Start/Head Start	\$ 8,769,433										\$	\$ 8,769,433
Preschool for All Enrollment/Subsidies			\$ 23,780,000								\$ 23,780,000	\$ 23,780,000
SFCCSS Operating Grants				\$ 980,404	\$ 822,758						\$ 1,803,162	\$ 1,803,162
SF Unified School District*	\$ 2,999,000		\$ 2,741,133	\$ 248,000	\$ 299,738				\$ 5,566,898	\$ 5,046,195	\$ 13,901,964	\$ 16,900,964
Target Subsidies												
ACCESS		\$ 496,000		\$ 1,050,000	\$ 614,984						\$ 1,664,984	\$ 2,160,984
City Child Care				\$ 3,110,457	\$ 3,180,755						\$ 6,291,212	\$ 6,291,212
FCS	\$ 857,420				\$ 1,535,008						\$ 1,535,008	\$ 2,392,428
Homeless Anchor Slots					\$ 439,591						\$ 439,591	\$ 439,591
Total by Funding Source	\$ 12,625,853	\$ 81,518,008	\$ 29,046,629	\$ 9,837,429	\$ 15,022,028	\$-	\$-	\$ 2,407,332	\$ 5,566,898	\$ 5,046,195	\$ 66,926,511	\$ 161,070,372

*SFUSD Total does not include funding for Title 5 contracted programs CCTR (\$15,482,558) and CSPP (\$10,134,127) which are included in the Title 5 Catalogue entry funding total.

Home Visiting Funding Estimates FY 19-20



Note: Federal Administration for Children and Families/Early Head Start (EHS) funds is an estimate based on the volume of families served and approximate cost per family. EHS funds combine home and center-based services so this estimate requires further refinement to represent the true cost of home-based services only.

1. Direct Service Funding by Source

- *federal, state and local sources for each funding stream ; totals ran by source type, quick reference guide for total amount funded for each direct service funding type.*

2. System Supports Funding by Source

- *federal, state and local sources for each funding stream; totals ran by source type, quick reference guide for total amount funded for each system support funding type.*

3. Number of Children Funded by Direct Service Initiatives

- *for the direct service funding only, number of children served by each source.*

Numbers are not unduplicated.

4. Administering Entity

- *chart organized by entity (DPSS, CCR&R, etc) that has all the funding sources they administer*

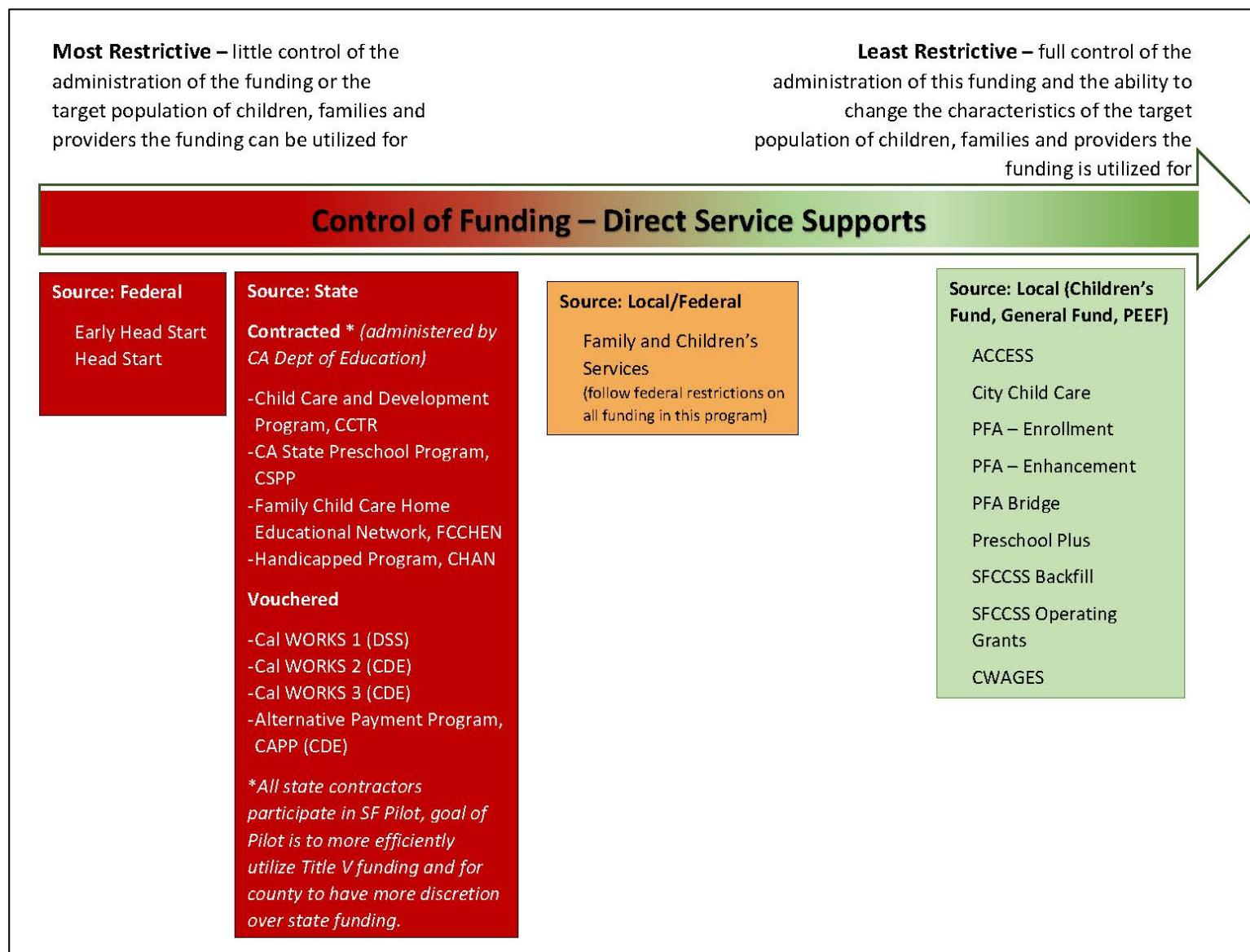
5. Funding Source by Age Served

- *funding sources organized by prenatal to three, birth to five years, three to five years*

6. Funding Source by Program Intensity

- *funding streams organized by primary prevention, intensive prevention, specialized services, with definition of the concept*

Using Analysis to Inform Policy

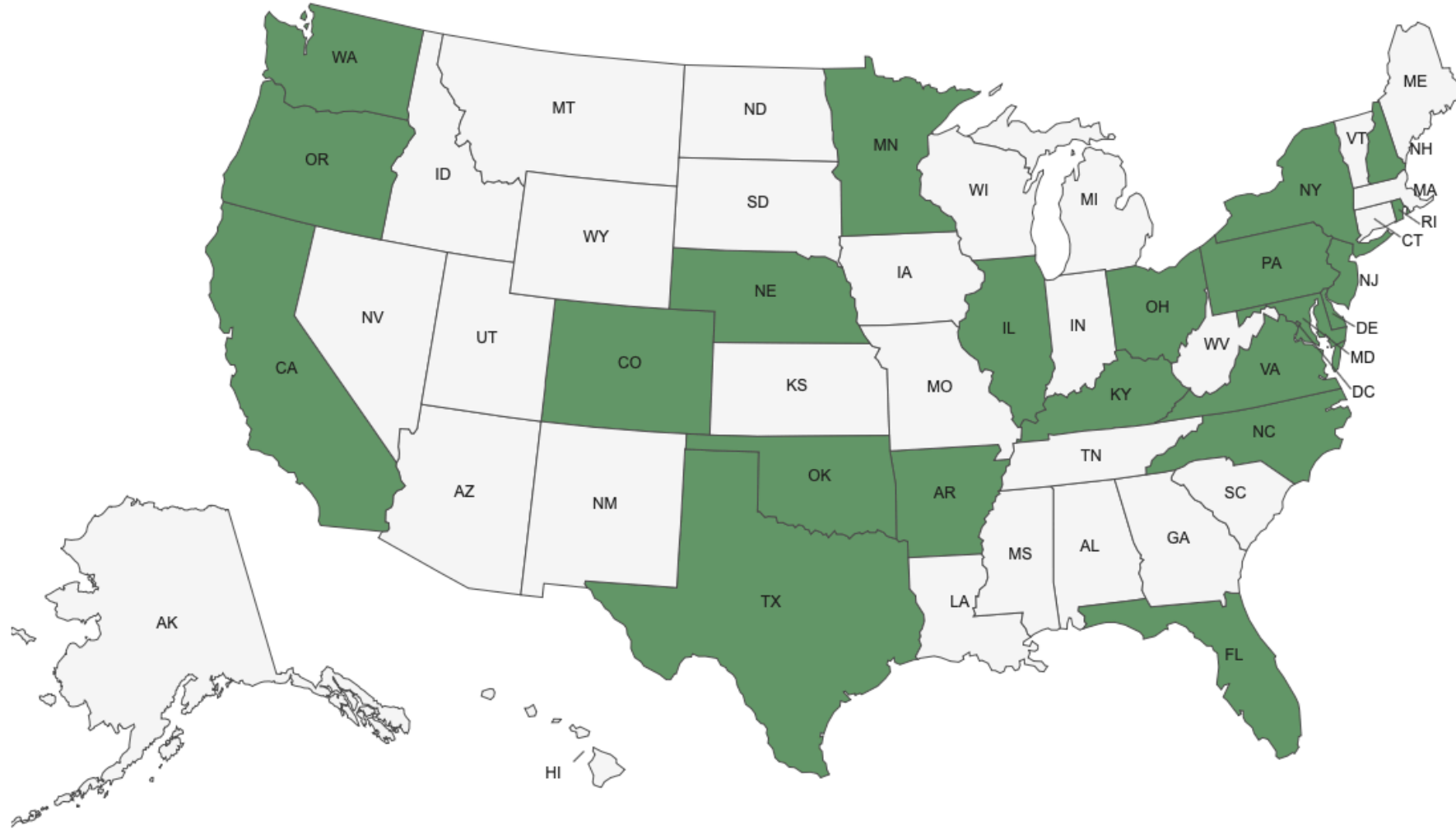


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Fiscal Modeling

- *Cost of quality modeling*
- *Cost estimation modeling*
- *Revenue and expense modeling*

Fiscal Modeling Studies



View interactive map at www.prenatal5fiscal.org/fiscal-modeling

Child care

- Per child cost of providing center-based and family child care home-based child care
- Compare actual expenses to available revenue

Home visiting/parent education

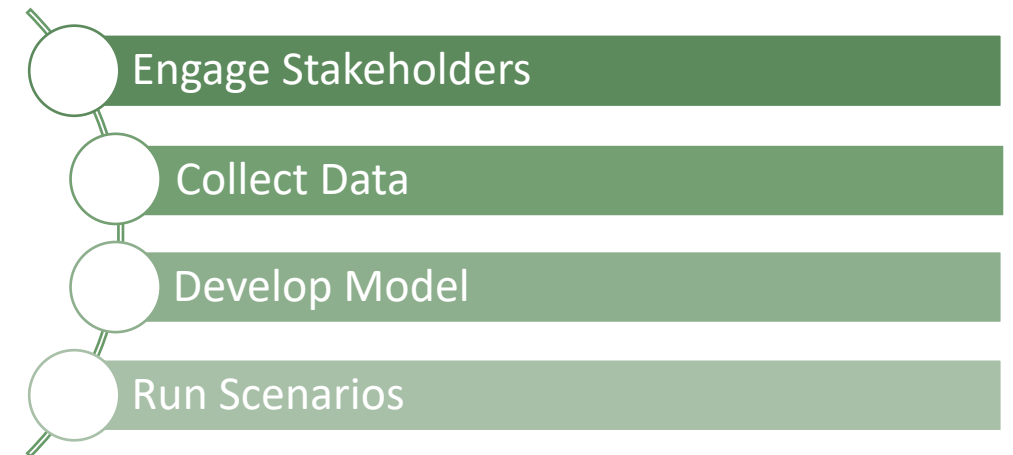
- Per child/family cost of main models
- Tool supporting a continuum of models delivered in a community

Systems

- Integrate program data from child care and home visiting model
- Include data on non-direct service supports, e.g. QRIS, professional development etc.

Fiscal Modeling Process and Principles

- Knowing the questions you want to answer will determine the best process for fiscal modeling:
 - Difference between modeling for advocacy, for policy development, for child care rate setting – need the right tool for the job at hand
- How are you defining quality?
 - Need clarity on what you are modeling – licensing, QRIS, home visiting model, current system. aspirational system etc.
- A data-driven model should be a living document that can be updated and manipulated to answer policy questions as they arise.
- Align with principles
 - Educator compensation
 - Equity of access
 - Sufficient funding to cover the cost of quality



Model example

	A	B	C	D	E	F	G	H	I	J	K
1		NORTH CAROLINA Child Care Revenue and Expense Model				Star Level	Star3		Star1	Star2	Star3
2						Region	Urban		Urban	Suburban	Rural
3		Items in YELLOW shaded cells are for INPUT to model different center 'profiles'. PLEASE DO NOT CHANGE ANY OTHER CELLS ON THIS SHEET									
4	PRC										
5											
6		SIZE of CENTER	# Children/Age	Age Groups	Ratios	Group size	# of Classrooms				
7	A T		10	infants (0-12 mos.)	5	10	1				
8			12	1 year olds	6	12	1				
9			18	2 year olds	9	18	1				
10			20	3 year olds	10	20	1				
11			25	4 year olds	13	25	1				
12		TOTAL Children	85					5 TOTAL Classrooms			
13											
14		EFFICIENCY	Enrollment as % of total staffed capacity		85%	85-95% is typical					
15			Bad Debt as % of revenue not collected		3%	About 3% is typical					
16											
17		QUALITY ADDITIONS									
18		Select Yes/No from the yellow drop down cell	Enhanced Space	Yes	model calculates based on 30 sq ft indoor space per/child in						
19			Enhanced Ratios	Yes	model uses enhanced ratios as per regulations						
20			K Parity Salaries	No	Override current salaries with kindergarten parity						
21			Model Salary Scale	No	Override workforce salaries with Model Salary Scale						
22			Minimum Wage Override	No	Enter value	\$	10.00				
23			Time for staff training/PD	16	enter number of hours per teacher per year						
24											
25		Benefits	Health Insurance	Yes	Select whether program offers health insurance to employees						
26		Paid Time Off	Sick Days	10	enter number of days per staff member						
27			Paid Leave	10	enter number of days per staff member, not including holidays where program is closed						
28											
29											
30		REVENUE									
31		Enter # of children by age receiving each type of subsidy using YELLOW cells only in the table below. Private Tuition tab must not be a negative									
32			State child care subsidy NC PreK	Local PreK	Private Tuition						
33		infants (0-12 mos.)	5		5						
34		1 year olds	6		6						
35		2 year olds	9		9						
36		3 year olds	10	0	0	10					
37		4 year olds	12	0	0	13					
38		Total =	42	0	0	43					

Scenario Input Page

- Choose quality level and region
- Select program size and ages served
- Choose quality variables – salaries, training requirements etc.

Children 127

42

43

42

44

0

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

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VariablesINPUT-CTR

Quality Center Profile

Sheet2

Ratios

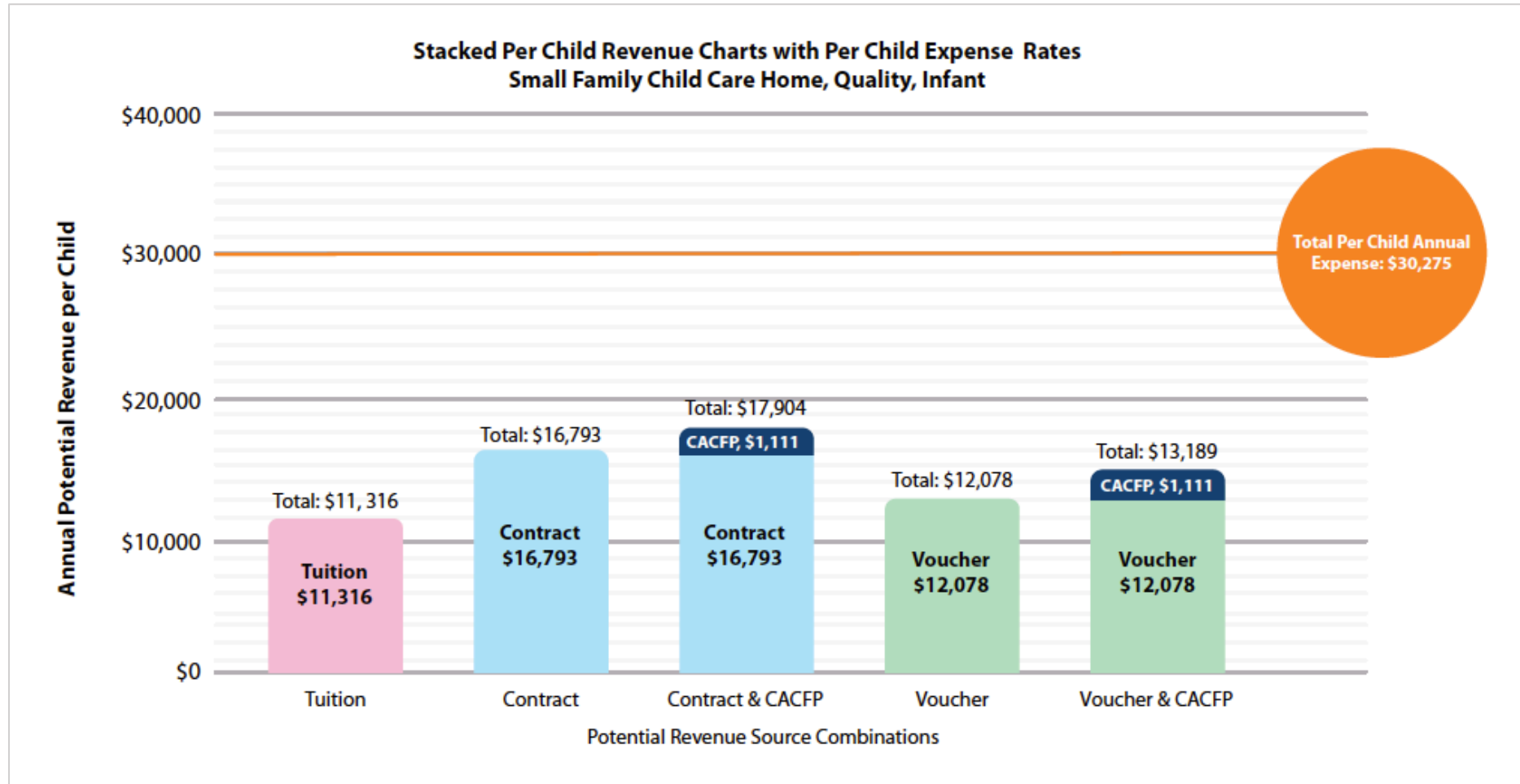
Wages

Wages BLS

County Subsidy rates

Sharing model results – sufficiency of current funding

- *Are current revenues sufficient to cover the cost of home-based quality infant care?*



04

State Case Study: North Carolina

HVPE SYSTEMS PLANNING

PLANNING TEAM MEMBERS

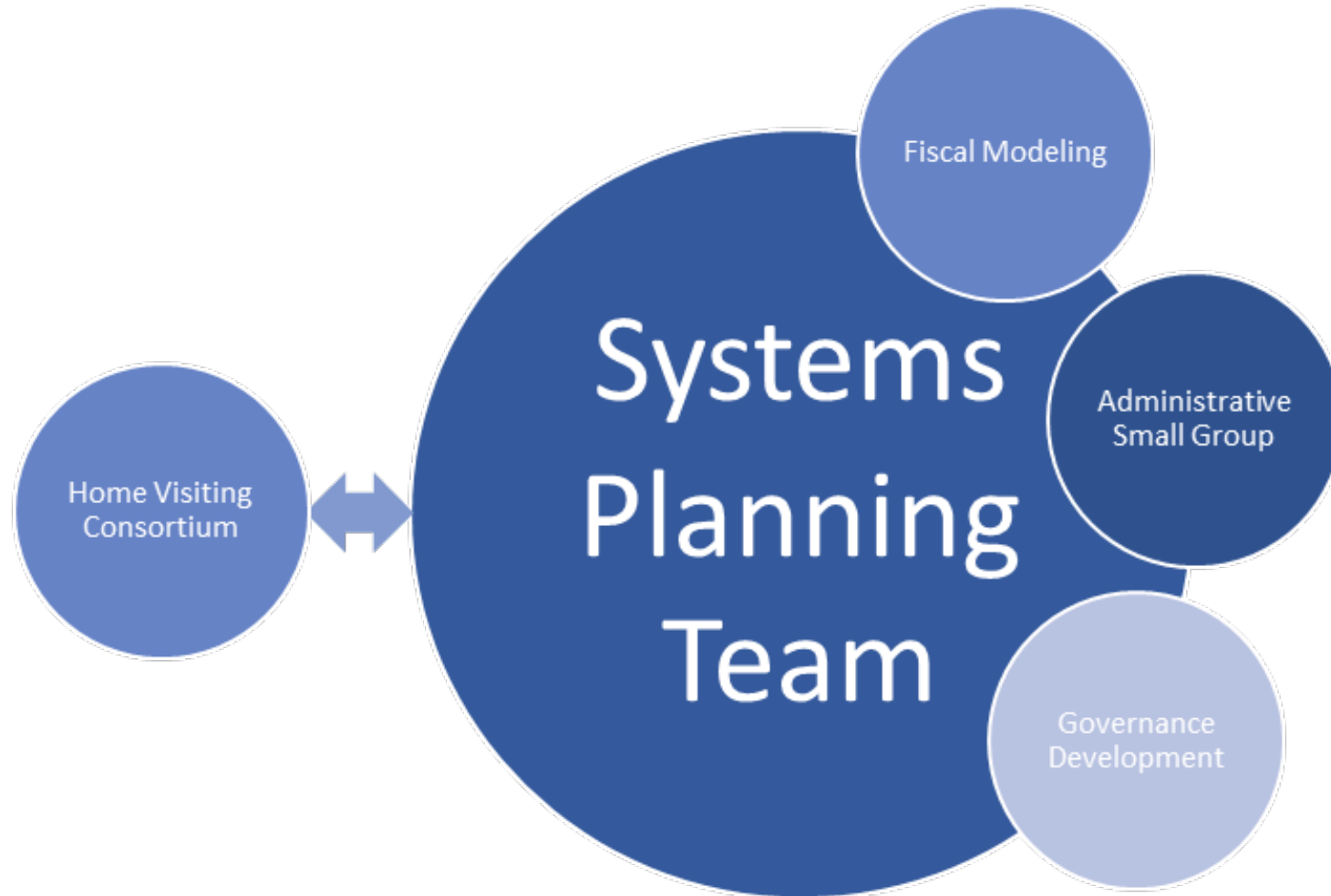
- Community and program representatives
- DHHS Office of the Secretary, Division of Public Health, Division of Social Services, Division of Mental Health, Division of Health Benefits
- Department of Public Instruction
- Early Childhood Funders Collaborative
- Jordan Institute for Families, UNC-Chapel Hill
- North Carolina Early Childhood Foundation
- North Carolina Early Education Coalition
- North Carolina Head Start State Collaboration Office
- North Carolina Institute of Medicine

- North Carolina Partnership for Children
- Office of the Governor
- Prevent Child Abuse North Carolina

Planning process co-chaired by:

- Kelly Kimple, Section Chief, Women's and Children's Health, DHHS Division of Public Health
- Cyndi Soter-O'Neil, Senior Policy Analyst for the ChildTrust Foundation

HVPE PLANNING STRUCTURE



A system that...

- works for all children and ensures that programming reaches and positively impacts those children farthest from opportunity
- is fair to providers and supports their developing capacity for quality implementation

PARENT AND FAMILY VOICE

- Built upon other work going on in the state to engage parents and families
 - Partner with NC Early Childhood Foundation
 - Preschool Development Grant Birth to Five
- Combination of focus groups, interviews and surveys
- 600 families across 15 counties engaged in discussions

Early Head Start

Parents As Teachers (5)

Incredible Years (4)

Triple P (2)

Raising a Reader (1)

Reach out and Read

Circle of Parents (2)

Strengthening Families

Nurturing Parenting (3)

Diaper Banks (2)

Parent Cafés (2)

Family Resource Centers

Play & Learn Groups (4)

Doula Program

Shelter for Homeless

Support Groups (4)

Story Time Programs

Science Groups (2)

FISCAL MODELING FOR HOME VISITING AND PARENTING EDUCATION

Purpose: not for rate setting but to understand cost of multiple models in a community/state

Goals: to demonstrate the cost to maintain a multi model program approach, addressing the needs of varying levels of family need

DATA INFORMING THE MODEL

- Many public funders holding data on expenses covered in their grant approach to programs
- Funder data may not tell the whole picture
- Engaged in data collection with providers
- Ensure a mix of models, geographic diversity and communities

HVPE MODEL INPUTS

1. Select models – all HV and PE models in NC currently listed

2. Enter number of children/families each model will serve
(does not need to be an unduplicated number)

Model draws from actual cost data gathered across all the HV and PE models in the state

MODEL OUTPUT DETAILS

Calculates the estimated annual cost

- For each personnel and nonpersonnel expense line
- By model and as a cumulative of all models

Calculates a grand total of the annual costs based on

- Models selected and service numbers
- Cost data entered on the worksheets

Summarizes the details of the selection, by model and for whole:

- Children/families served
- Models selected
- Staffing pattern (HV, PE, Supervisors, Managers)
- Service type and numbers

Differs from child care model: not seeking to set a rate in a cost per child way, or compare that cost per child to the subsidized rate paid

What are some of the ways North Carolina is using the HVPE model?

MODEL UTILIZATION

Seeking to understand the whole, a community or state 'budget' for delivering a selection of models to varying numbers of children and families

Utilization

- ☐ At community and state level
- ☐ State level relies on good community assessment data

05

Next Steps

Check out new resources on our website: www.prenatal5fiscal.org

Webinar slides and recording will be posted tomorrow

Join us on February 10 for Fiscal Analysis II



Thank you!



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info@prenatal5fiscal.org