City of Toledo Pre-K and School Readiness Planning Project

Phase 1 & 2 Final Report

Presented to the City of Toledo Pre-K Principals Group

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Executive Summary

In the Fall of 2018, Toledo Mayor Wade Kapszukiewicz convened a group of key stakeholders to provide leadership and support for a Pre-kindergarten (Pre-K) planning effort for the City of Toledo. This "Principals" group included executive leaders from the City of Toledo, ProMedica, the Toledo Community Foundation, Toledo Public Schools, the United Way of Greater Toledo and Washington Local School District. A "Tactical Committee" comprised of direct representatives of the Principals served as the project's steering group. This group hired an expert consultant team funded by the philanthropic community to guide and manage the first planning phase and to ensure a data-driven decision-making process with appropriate stakeholder input.

This report presents the results of this process. The three main components of this exploration and planning phase included 1) identifying universal Pre-K initiative parameters, data analysis, stakeholder engagement, and review of Pre-K initiatives and research; 2) discussion of design parameters and creation of Pre-K scenarios using tuition credit cost models; and 3) analysis and updated modeling of Pre-K cost model scenarios, discussion of program parameters and challenges, and creation of this final report.

The Importance of Quality Pre-K

Research demonstrates that the early years (birth through age five) are among the most important phases for children's cognitive and social development. Preschool programs have been shown to improve outcomes for young children throughout their lives. Accordingly, Pre-K programs are among our most effective public investments: research shows an economic return of up to $8.90 per dollar invested in Pre-K programs.[1]

Half the nation's largest cities raise local funds dedicated to improving quality and/or access to Pre-K. All the major citywide Pre-K programs we examined during our research operate based on a public funding mechanism. Funding has chiefly been drawn from new sales taxes, city funds, school levies, or property taxes. While many programs serve exclusively 4-year olds, several also serve 3-year olds. Successful programs have a number of characteristics in common, including creating high quality settings to drive positive outcomes; ensuring access to high quality care; creating Pre-K to grade 3 alignment; engaging partners to ensure a successful mixed-delivery system; ensuring a system of continuous improvement; building in flexibility as

[1] Robert Lynch and Kavya Vaghul (2016). The fiscal, economic, and societal gains of a universal prekindergarten program in the United States, 2016-2050. Washington Center for Equitable Growth.

the program evolves; focusing on service coordination; and instituting effective outreach practices.

Access to Quality Pre-K in Toledo

Toledo is home to about 4,000 4-year olds. Nearly 40% of these children live under the federal poverty level (FPL), which is only $25,100 for a family of 4, and 80% are in families under 200% of FPL. In 2018, only 18% of children across the city entered kindergarten "ready to learn" based on district Kindergarten readiness assessments.[2] Families with low incomes constantly struggle to afford the high cost of child care, particularly high quality care, which includes a strong component of early learning curriculum-led instruction.[3] While existing funding sources are an important part of the current early child care education (ECE) system[4], they are not sufficient to help all families access child care that goes beyond safe and affordable care to provide quality early education that prepares their children to succeed in kindergarten and beyond.

Significant support for child care in Toledo already exists, including publicly funded programs, philanthropies, and community organizations. Current funding totals about $27.5 million for 3- and 4-year olds, most of which derives from federal sources funneled through the state to local agencies. We estimate, however, the total cost to serve 3- and 4-year olds in high quality care would be $60 million.[5] Thus, less than half the total need is currently being met.

The city contains enough licensed center and family home child care slots – about 8,400 – to serve all 3- and 4- year olds. However, most of these slots are not high quality, which is defined as 3-, 4-, or 5-star ratings in the Ohio Step Up to Quality (SUTQ) system. We estimate that about 40% of these slots will be in high quality settings by September 2020, the projected launch date of the Toledo Pre-K program. This proportion is likely to grow over time, as the state's quality

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[2] At the beginning of each school year, children in public school kindergarten programs are assessed using Ohio's Kindergarten Readiness Assessment. This assessment includes ways for teachers to measure a child's readiness for engaging with kindergarten instruction while aligned to Ohio's Early Learning and Development Standards.

[3] "Child care" is defined in this report as formal, licensed care for children between the ages of birth to five offered between the hours of approximately 7:00 am to 6:00 pm, Monday through Friday, in family home or center based settings. Hours may be part-time to full time and should include educational based curriculum programming during the primary hours of the day. "High quality" child care is defined in this report to encompass ingredients of formal evidence-based curriculum for six hours a day, more highly qualified teachers, lower teacher and group size ratios, and other higher standards of care as supported by research.

[4] "Early child care education system" refers to the early learning and child care providers who are formally licensed; and, local and state agencies who provide technical support, collateral partnerships for children and staffing, funding, and regulatory licensing and quality standard rate setting.

[5] The projection is based on the number of likely participants in a Pre-K program and the true cost to provide high quality care. This estimate is based on $13,000 per child for a 3- and 4- year old receiving full-day high quality early education and child care.

rating regulations require all licensed providers to be rated at least 3 stars in the SUTQ program by 2025. The implication for a new Pre-K program is that by 2025 all child care providers in the city may meet the new programs quality requirements, thus providing enough quality-rated slots to serve all likely participants. However, funding will need to expand to keep pace with the number of available slots.

Modeling the Costs of a Citywide Pre-K Program

A central focus of our work was to estimate the cost of the Toledo Pre-K program to provide city-wide high-quality preschool under various scenarios. This model uses a "last dollar in" approach, estimating the cost to fund the new Pre-K program after all other ECE funding has been considered, including federal/Ohio child care subsidies, Ohio Department of Education Pre-K half day funding, and the federal food program. The cost modeling also takes into account the population and demographics of young children within the city; the cost to provide high quality child care[6] for a full day and full year[7]; and likely participation rates in a citywide Pre-K program.[8] Our program cost estimates do not include the costs to serve Head Start children, who currently receive $8.5 million in funding.

We ran a total of six scenarios. Four scenarios cost out a program aimed at 4-year olds only, and two cost out a program for both 3- and 4-year olds. We projected costs for both year one and year eight of the program. Costs are based on a tiered tuition credit structure, in which a family's credits are determined by three factors: 1) the family's income; 2) the quality rating of the provider; and 3) the provider's tuition rate.

The program we modeled assumes an estimated program budget of $7 million, with $5 million derived from a city ballot initiative and $2 million from private funds. Tuition credits comprise about 75% of the program budget and the remaining percentage covers quality improvement and supports; evaluation and data support; outreach and marketing; and management and administration. Program costs assume around 1,000 eligible participants in each age cohort (i.e, age 3 or age 4) at the program's start, increasing over an eight-year period as more high quality preschool slots become available.

[6] The costs were based on an estimate of $13,000 per 3- and/or 4 year olds for a full day, full year of early learning and child care.

[7] The terms and conditions for the Toledo Pre-K program will be formulated over the Fall 2019 through Summer 2020. For purposes of the cost estimates, a full-day Pre-K program is estimated for a minimum of 6 to 9 hours of care. Participation is projected to be higher if a full-time program is offered vs. a part-day program.

[8] Likely participation rates are based on the Denver Preschool Program rates which has been functioning for over 10 years. These estimates for participation are 60% of target age group.

Cost Modeling Results

The results below estimate the total program costs for each of the six scenarios modeled, including tuition credits and additional program components described above. The specifics of what these program components cover will be defined more clearly in Phases 3 and 4 and modified as the program grows.

Scenario	Description	Ages Served	Program Year	Number of Children	Tuition Credits Per Child	Total Program Cost
1	Baseline	4	1	978	$5,366	$7.0 million
2	Constant $ Per Child	4	8	1,718	$5,366	$12.3 million
3	Constant # Children	4	8	979	$5,366	$7.0 million
4	Constant Total $	4	8	1,718	$3,056	$7.0 million
5	Baseline	3 and 4	1	1,982	$6,386	$16.9 million
6	Serve All Eligible	3 and 4	8	3,481	$6,386	$29.6 million

The scenario results lead to three main conclusions:

1. There is not enough projected funding available to fully serve all 3- and 4-year olds in year one at the current proposed funding level;
2. There is not enough projected funding available to fully serve all 4-year olds in the long term at the current proposed funding level; and
3. The program will likely need to choose among several options for 4-year olds, including keeping the number of children constant, reducing the average funding per child and serving all children, or serving all children and keeping funding per child constant by raising more funding.

Scenarios 1 and 3, which preserve a robust tuition credit per child, would be the best options because they would ensure a per-child funding level adequate to provide the level of high quality care necessary to improve school readiness outcomes. Without meaningful success in improving school readiness, it will be challenging to secure increased funding to reach full enrollment. Also, if current trends continue, the local ECE system may likely receive additional state and federal funding, thus contributing to the growth of the Toledo Pre-K program.

Recommendations

In addition to the recommendation to serve 4-year olds at funding levels that sustain high quality programming, we created a set of program structural, quality, and infrastructure recommendations drawn from the Toledo Pre-K planning phase. A summary of these recommendations appears below, while a justification for each recommendation is presented in the full report.

CATEGORY	RECOMMENDATION
Structural	**Geography**: Use the city of Toledo boundaries to determine eligibility of families and providers.
	Program Access Type: Operate as a "universal" program, accessible to families of all incomes, with sliding income tiers.
	Age Group to Serve: Serve 4-year olds as a priority; include 5-year olds who fall into a gap year between Pre-K and kindergarten; and extend enrollment to a targeted pool of 3-year olds if 4-year olds are under-enrolled.
	Tuition Approach: Use the tuition credit matrix method to determine tuition payments with a "last dollar in" requirement.
	Provider Eligibility: Prioritize slots in the private community-based provider sector (non-public school operated) in both center and family home settings with a high quality rating.
Quality	**Quality:** Design Toledo Pre-K to support "high" quality learning and classrooms. **<u>Assurance</u>** • Align the programs' definition of "high quality" with Ohio's Step Up to Quality high quality ratings of Star 3, 4 or 5. • Use a cost model tool to evaluate true costs of high quality care in tandem with tuition credit rate setting. **<u>Supports & Improvement</u>** • Operate Toledo Pre-K for 12 months with a minimum six hours of tuition credit funded, curriculum-led instruction. • Reduce class ratios from 1:14 to 1:12 preferably 1:10. • Adopt best practice strategies and supports for teacher recruitment and retention.

	• Establish a "bridge to quality" approach to enable eligible Toledo Pre-K providers to increase their SUTQ rating. • Develop a facility master plan for quality upgrades and capacity building.
Program Infrastructure	**Governance:** Select an existing or newly created independent non-profit or quasi-governmental agency with a dedicated Toledo Pre-K mission.
	Administration: Ensure the selected program leader possesses executive level skills appropriate for the complex set of responsibilities and has skillful and enough staff to deliver program scope.
	Outreach and Marketing: Create a multi-year public awareness and outreach campaign focusing on the value of early childhood education, marketing the Toledo Pre-K, and recruiting families.
	Monitoring and Evaluation: Secure an independent evaluator to ensure program accountability, focusing on both qualitative and quantitative outcomes. • Establish a high-quality continuous improvement system. • Use an evidence-based curriculum and assessment tools. • Establish a comprehensive data management system.
	Fund Development: Establish a reliable, consistent and dedicated source of primarily public funding supplemented with private funding.

Summary of Phase 3 and 4 planning recommendations

With the conclusion of the foundational planning phase that began in the Fall of 2018 and concluded in July 2019, the Toledo community is poised to take the essential next steps to design and develop its Pre-K program. The first phase included community data analysis, Pre-K model comparisons, engagement of stakeholders, macro-modeling for tuition credits and program costs, and recommendations for program design. The Toledo Pre-K Initiative should build upon this foundational work and the impressive momentum, widespread stakeholder engagement and multi-sector leadership commitments it has secured. The final report includes our proposal for the next steps, in which this report's recommendations will be shaped into formal program and policy elements, as well as a road map to implement the program by September 2020.

Conclusion

Toledo's young children have high needs and poverty is endemic throughout city. Every major city in Ohio, and a growing number of cities across the country, now have a publicly funded Pre-K program. Investing in preschool is recognized as a non-partisan investment with long-term educational, social, and economic benefits. Moreover, new programs can build upon a firm research base to develop best practices for success. This is an ideal time for Toledo to pursue this landmark education milestone.

A universal Pre-K program focused on high-quality care to 4-year olds in Toledo is financially feasible within the proposed funding amount and would have a great positive community and economic impact in both the short term and the long term. With its initial investment in the exploration and planning phases, the community has already made impressive progress toward making such a program a reality. However, much work remains, and birthing a high-quality, sustainable Pre-K program will require maintaining community-wide momentum and multi-sector leadership commitment through the next developmental phases. We are optimistic about Toledo's ability to be successful in their quest for this legacy achievement.

Introduction

The City of Toledo has taken the bold first steps to establish a universal Pre-K program. In recent years, intermittent conversations evolved around a growing awareness of poor kindergarten readiness in the community. However, these efforts gained little momentum until Mayor Wade Kapszukiewicz included a pledge to fund a Pre-K initiative in his 2017 mayoral campaign.

In the Fall of 2018, Mayor Kapszukiewicz convened a group of key stakeholders to provide leadership and support for a Pre-K planning effort to create recommendations for program design, funding and governance. This "Principals" group included executive leaders from the City of Toledo, ProMedica, the Toledo Community Foundation, Toledo Public Schools, the United Way of Greater Toledo and Washington Local School District. (See Appendix A for member list). A "Tactical Committee" comprised of direct representatives of the Principals served as the project's steering group. This group hired an expert consultant team[9] funded by the philanthropic community to guide and manage the first planning phase and to ensure a data-driven decision-making process with appropriate stakeholder input.

In late Fall of 2018, the Mayor invited representatives from Dayton Preschool Promise to Toledo to share their experience in launching their program in 2017. Shortly thereafter, a diverse "Working Group" of approximately 25 members was selected from the public, private and nonprofit sectors, representing members of the business, education, health, mental health, faith, and philanthropic communities, as well as parents. The Working Group's role was to engage in the ongoing work of the consultants, helping provide direction, feedback, and community input.

The Working Group formally convened on January 24, 2019 for its first meeting with the consultants and met six more times through July 2019. These meetings focused on combining local data and national research on best practices to create program recommendations best suited for the Toledo community. On February 22, 2019, the Mayor held a press conference to officially announce the Pre-K initiative planning process.

We, the consultants, assisted the Working Group to develop preliminary vision, mission and values statements to serve as the building blocks and touch points for the program design developmental process. (See Appendix B). Two additional formal groups were established in February 2019 to round out the planning and stakeholder structure. The first was the Early Childhood Education Provider Pre-K Committee, comprised of representatives from Lucas County community-based early childhood providers. The second group, the Pre-K Teacher Workforce group, is comprised of representatives from the local higher education, public school,

[9] See biographical sketches in Appendix G.

and ECE provider communities. Each group serves to inform and advise on the development of Toledo Pre-K. (See Appendix C for Governance chart; Appendix D for Working Group roster; and Appendix E for ECE Pre-K Charter).

We presented research to both the Working Group and the subgroups, including information on other relevant Pre-K programs, research and data findings and recommendations. While the focus of these meetings with stakeholder groups was not specifically to build consensus, we drew upon their overall input and preferences to formulate many of the recommendations for this report. For instance, the recommendation to link the definition of a "high quality" program to Ohio's Step Up To Quality (SUTQ) framework was based on a strong preference among the stakeholders, and was informed by criteria used by similar cities in aligning their Pre-K programs to quality criteria.

Our formal Scope of Work for Phase 1 and 2 was defined in three parts, as presented in Table 1:

Table 1: Consultants' Scope of Work: Phase 1 and 2

Part 1: December 2018 – March 2019	Identify universal Pre-K initiative parameters; data analysis; stakeholder engagement; review pre-k initiatives and research.
Part 2: March – May 2019	Discuss design parameters/elements, Toledo data and Ohio Pre-K; creation of 3-5 Pre-K scenarios using tuition cost models.
Part 3: June - July 2019	Analysis and re-modeling of Pre-K cost model scenarios; discuss program parameters and challenges; final report: findings, recommendations and next steps.
Additional Work Provided:	Establishment and facilitation of ECE and workforce committees, and analysis of Ohio Pre-K program parameters.

Why Pre-K?

Research demonstrates that the early years (birth through five) are among the most important phases for children's cognitive and social development. Preschool programs have been shown to improve outcomes for young children throughout their lives. Accordingly, Pre-kindergarten (Pre-K) programs are among our most effective public investments: research shows an economic return of up to $8.90 per dollar invested in Pre-K programs.[10] Research is clear that Pre-K participants are more likely to visit a doctor, receive immunizations and screenings, receive dental care, and have long-term health benefits which lower health care costs.[11]

[10] Robert Lynch and Kavya Vaghul (2016). The fiscal, economic, and societal gains of a universal prekindergarten program in the United States, 2016-2050. Washington Center for Equitable Growth.
[11] Centers for Disease Control and Prevention. Early Childhood Education: Helping children develop to the

The Centers for Disease Control and Prevention (CDC) identified Early Childhood Education (ECE) programs, such as Pre-K, as one of the most important and effective policies available to improve population health. ECE is included in the CDC's Health Impact in Five Years (HI-5) list, which highlights the best non-clinical, community-wide approaches with strong evidence for positive health impacts, results within five years, and cost effectiveness and/or cost savings over time.[12]

Publicly funded preschool is nonpartisan and politically viable. Many cities, including Denver, San Antonio, Seattle, and Boston, have initiated public preschool programs. All of Ohio's largest cities, including Cleveland, Columbus, Cincinnati, and Dayton, implement Pre-K programs financed by taxpayer funds. While much progress has been made in extending the reach of Pre-K, much need remains. High-quality early learning experiences are expensive and many children lack access, especially those in poverty or other high-risk groups.

In Toledo, a growing awareness of the need and potential for publicly funded Pre-K programs led to a structured process to increase access to high quality ECE and ensure all Toledo children are prepared to succeed in kindergarten. The current report describes findings from the initial planning phases of the project. The consultant team secured by the Toledo community modeled the cost to expand high-quality publicly funded preschool programs under several scenarios, engaged community stakeholders, and designed customized recommendations for the next phase of program design. This work draws on the body of research literature on Pre-K programs in general, on other city-funded preschool initiatives, on data on Toledo's early childhood system, and on inputs from community stakeholders.

Ensuring Access to Quality Pre-K Across the Nation

The State of Public Funding

While many children still lack access to quality Pre-K, much progress has been made on the national and state levels for early learning policy and funding. A recent blog from the First Five Years Fund (FFYF) summed up the situation neatly: "Democratic and Republican Leaders Have Advanced Early Learning and Care Nationally."[13] A poll conducted immediately following the

full potential and live healthy lives https://www.cdc.gov/policy/hst/hi5/earlychildhoodeducation/index.html

[12] Ibid.

[13] "Democratic and Republican Leaders Have Advanced Early Learning and Care Nationally", June 17, 2019 | Charles Joughin First Five Years Fund, https://www.ffyf.org/democratic-and-republican-leaders-have-advanced-early-learning-and-care-nationally/?mc_cid=6a0f08a31f&mc_eid=6566562bc7

2018 midterm elections found overwhelming bipartisan support for a number of proposals that will help more families access high-quality early learning and care opportunities.

As evidence of this support, the Child Care and Development Block Grant (CCDBG) (the source of Ohio's Public Funded Child Care (PFCC) subsidies) received historic funding increases in FY2018 ($2.37 billion over FY2017 levels) as part of a bipartisan budget deal. A Center for American Progress analysis of the latest budget proposals from 49 states and Washington, D.C. reveals that the nation's governors have proposed a combined $2.9 billion in new state funding for child care, preschool, and home visiting programs.[14] Over the past decade many states have made concerted efforts to increase enrollment in Pre-K. In addition, programs have increased "dosage", shifting from a school year to a full year and increasing the hours per day of programming. These shifts to a longer program duration support children's development as long as quality is high and better accommodates the needs of working parents.[15]

Large cities are driving much of the innovation in public Pre-K programming. Half the nation's largest cities now raise local funds dedicated to improving quality and/or access to Pre-K, in addition to leveraging what is already in place. All of the major citywide Pre-K programs we examined during our research operate based on a public funding mechanism. While private philanthropic dollars frequently play a role in helping support development of a program or spurring a public awareness campaign, these programs are designed around a dedicated public funding stream. For example, New York City raised funds from a combination of federal, state, and local funds; Denver, San Antonio, and Seattle passed a sales tax initiative; and Philadelphia instituted a tax on sugary drinks.[16]

The ultimate value of those investments, however, depends not only on legislation that establishes a Pre-K program, but also on the specific policies that define and support program quality. Among these, none are more directly linked to young children's success than those governing teachers.[17] The next sections discuss these findings.

[14] Governors Propose Nearly $3 Billion of Investments in Early Learning Programs
By Steven Jessen-Howard Posted on May 15, 2019https://www.americanprogress.org/issues/early-childhood/reports/2019/05/15/469672/governors-propose-3-billion-investments-early-learning-programs/
[15] The State of Preschool 2018, State Preschool Yearbook, The National Institute for Early Education Research, Rutgers Graduate School of Education. Pg 5.
[16] Ibid. CityHealth/NIEER p.15
[17] A Matter of Degrees: Preparing Teachers for the Pre-K Classroom," Marisa Bueno, Linda Darling-Hammond and Danielle Gonzales, Pre-K Now a campaign of The Pew Center on the States, Education Reform Series, 2010.

Lessons Learned From Citywide Pre-K Programs

Decades of research have yielded valuable lessons for policy and practice for early learning programs. These compelling results are driving the growing number of public Pre-K programs across the country, especially in cities. Much of this growth is fueled by the willingness of cities to identify new local funding streams to establish and sustain programs.[18] Funding has chiefly been drawn from new sales taxes, city funds, school levies, or property taxes. While many programs serve exclusively 4-year olds, several also serve 3-year olds. Duration of programs also vary from school year to year-round.

Table 2 presents a high-level summary of key descriptors from a selection of citywide Pre-K programs. (Detailed profiles are presented in Appendix F). Statewide programs were not reviewed because they are less relevant to the design of a city-level program.

Table 2: Comparison of Selected Citywide Pre-K Programs

City	Year Started	Dosage	Local Funding*	Enrollment	Targeted/Universal	Ages
Boston	2005	School Day/School year	City funding	2,400	Universal (not fully funded)	4
Cuyahoga County, Ohio	2007	Full day/Full Year	School Levy	4,818	Targeted (Universal planned)	3 and 4
Cincinnati	2017	School Day/School year	School Tax levy	1,400	Universal	3 and 4
Columbus	2014	School Day/School year	General City Funds	1,000	Targeted	4
Dayton	2007 planning	Full day/School Year	Income Tax	1,353	Universal	3* and 4
Denver	2006	Full day/School Year	Sales tax	4,356	Universal	4

[18] Ibid., pg 3.

Seattle	2015	School day/School Year	Property Tax	Target 2,000	Universal	4
Washington D.C.	2008	School Day/School year	School District	12,426	Universal	3 and 4

Lesson Learned #1: Many programs have had successes, but more work needs to be done.

While many programs have been successful, much work needs to be done. For example, a report conducted by CityHealth and NIEER which evaluated 40 city Pre-K Programs reported the following:

- Less than half of the 40 largest US cities meet research quality benchmarks.
- Only 60% offer a Pre-K program that reaches more than 30 percent of the 4-year-old population.
- Only 63% require lead teachers to have a bachelor's degree with specialized training in teaching young children.
- Only 15% require all teaching staff receive ongoing professional development.
- Only 38% of teachers are paid comparably to K-12 teachers.
- 63% have a coordinated system to monitor program implementation and use that information to improve Pre-K practices.

Lesson Learned #2: High quality settings are necessary to drive positive outcomes.

High-quality preschool environments drive increased rates of school readiness and are correlated with continued school success and reduced rates of other negative outcomes. Many of the long-term benefits of Pre-K programs – including lower rates of crime and teen pregnancy, higher lifetime earnings, and better health outcomes – are only generated when the program's design adheres to proven practices. Programs that do not meet high quality standards do not produce the same benefits.[19]

A Rand research report for Cincinnati found that effective Pre-K programs include well-trained classroom teachers who have ongoing professional-development and coaching; a learning

[19] Cityhealth and NIEER (2018). "Pre-K In American Cities". Available at https://www.cityhealth.org/prek-in-american-cities.

environment that supports teachers and children; a well-defined curriculum that is implemented with fidelity in the classroom and aligned with the early elementary grades; and ongoing monitoring of program quality and other metrics that support continuous quality improvement.

The NIEER/CityHealth report assigned each city Pre-K program a medal status (gold, silver, or bronze) based on two factors: 1) how many quality benchmarks the program met (out of 10); and 2) whether the program enrolls at least 30 percent of 4-year-olds. The benchmarks centered on learning goals and curriculum; teacher qualifications and training; class size and teacher-child ratios; health screenings and referrals; and continuous quality improvements. The report also indicated whether each city's program met standards for salary equity with K-12 educators, and whether the city had established a local funding stream to improve either quality or access of its program. The report revealed that all Pre-K programs that have shown long term benefits for participants have employed highly qualified teachers and paid them at salaries comparable to those in the K-12 system.[20]

In 2016, a group of more than 30 top-level researchers, program leaders, and advocates convened to generate a cohesive statement on what practices and policies allow children to thrive, setting them up for success in kindergarten and beyond.[21] The resulting report, "Indispensables for Quality Pre-K," presents three instructional practices and three policies that support them, as presented in Table 3.

Table 3: Indispensable Practices and Policies for Quality Pre-K

3 Indispensable Practices	3 Indispensable Policies
Engage in positive interactions with children and their families.	Allocate increased, predictable, and sustainable funding.
Use effective curricula to help children meet goals in learning and development.	Provide educators with professional learning opportunities.
Promote children's social development and self-regulation based on knowledge of biological and environmental factors that affect behavior.	Use high-quality data to promote continuous quality improvement

The Indispensables report also indicated five principles to guide these policies and practices: 1) adequate teacher knowledge and compensation; 2) qualified instructional leaders; 3) high-quality

[20] Ibid.

[21] 3 Practices and 3 Policies Indispensable for High-Quality Teaching and Learning in Pre-K; The Alliance for Early Success. Visit qualityPre-K.earlysuccess.org for summaries of research behind them, and gain access to a curated list of sources and tools for developing quality program. New America, David and Lucile Packard Foundation, Bill & Melinda Gates Foundation, Heising-Simons Foundation, Buffett Early Childhood Fund, and George Kaiser Family Foundation.

standards and curriculum; 4) continuous improvement across the birth-to-8 age span; and 5) public financing.

In addition to these important areas of policy and practice, safe and developmentally appropriate child care and early learning facilities are crucial to helping children thrive. However, the physical infrastructure of these spaces has been long neglected. Nationally, existing data show the prevalence of potentially hazardous conditions in child care settings, such as broken gates, exposed nails, and high levels of environmental toxins. Moreover, many of these settings lack features that support children's development, such as child-sized sinks and adequate lighting. To create safe spaces in which children can learn, play, and grow, providers need access to financial investments that support facility improvements. Approaches for financing include developing a capital fund infused with non-traditional and innovative sources of funds, such as funding through CDBG or HUD, or developer fees imposed for new office spaces or hotels. Developing a master facilities' plan as part of a Pre-K quality investment menu makes good practical sense.

Lesson Learned #3: Access to high-quality Pre-K is essential.

Access to high-quality Pre-K is essential to driving results. However, children who need preschool most – typically, those from low-income or underserved communities -- tend have the least access, and costs of child care are prohibitively expensive. If a Pre-K program does not achieve a critical mass of participation, too many children will reach kindergarten lacking essential skills.[22] As a result, kindergarten teachers address resources towards the population that did not receive Pre-K, resulting in "fade out" for those who did attend Pre-K and nullifying their gains. If only a handful of children attend high-quality Pre-K, schools are less likely to change practices. Building on the current ECE system, which includes private child care and public programs like Head Start, takes advantage of current expertise and makes rapid expansion more feasible. Pre-K policy should focus on scaling high-quality programs toward full access as quickly as possible.

Lesson Learned #4: The importance of Pre-K to grade 3 alignment.

To fully benefit from preschool investments, there is growing recognition of the need to align preschool programming with the kindergarten through third grade (K–3) system, resulting in the so-called P–3 system approach. This alignment can take place at multiple levels, including the continuity of learning standards, the alignment of the specific curricula and the pedagogical approach, and the integration of teacher professional development. The process of alignment can

[22] Cityhealth and NIEER (2018). "Pre-K In American Cities". Available at https://www.cityhealth.org/prek-in-american-cities.

be more challenging in a mixed-delivery system—one in which preschool programs are delivered by both public schools and community-based providers—but these issues have been addressed in other state and local systems.

Lesson Learned #5: Engage partners to ensure a successful mixed-delivery system.

Nearly all Pre-K programs allow participation of both for-profit and non-profit programs; build on the current ECE system of child care and Head Start to take advantage of current expertise, capacity, and expediency in expansion; and collaborate with partners for efficient use of resources and potential shared decision-making. Here are a few examples of approaches for mixed delivery:

- **Denver** employed a mixed-delivery system including public, private, community-based, school-based, or faith-based programs. Leveraging other public funding sources, including Head Start and the Colorado Preschool Program, has been essential.
- A study of **New York's** UPK program found that planning required a shared vision for collaboration and buy-in from all levels, including governing bodies, executive leadership, and teachers.
- **Cincinnati, Cleveland Dayton** are all mixed delivery systems where a private community of providers and public schools work together for program mission.

Lesson Learned #6: Ensure a system of continuous improvement.

Pre-K programs are significant public investments and thus require accountability. New program creators should design and implement a continuous improvement system of data-gathering at the child, classroom, and center levels to ensure progress and accountability, and to protect taxpayer investments. The following examples illustrate ways that metrics are successfully being built into Pre-K programs:

- **Boston's** success and national profile is largely due to their use of high-quality evaluation and metrics that validly reflect child outcomes.
- **Denver** reauthorized the DPP program in part due to a body of evidence collected over 10 years, including quality ratings information, CLASS scores, and longitudinal tracking of participants into K-12 system.
- **Seattle** voters reauthorized and expanded their Pre-K program based on a high-quality positive evaluation of results from NIEER.[23]

[23]Cityhealth and NIEER (2018). "Pre-K In American Cities". Available at https://www.cityhealth.org/prek-in-american-cities.

Lesson Learned #7: Build in flexibility as the program evolves.

Program realities, such as revenue available and the number of eligible participants, will eventually vary based on economic fluctuations, parental demand, and other factors. For revenue fluctuations, it's wise to build in a fund reserve in order to accommodate unforeseen revenue changes. Also, the program should be sure to communicate program "promises" appropriately to avoid unrealistic expectations among families and the community. The following are a few examples from U.S. cities:

- Fluctuations in city tax revenue due to the financial downturn forced **Denver** to change its tuition credit structure in order to remain financially feasible.
- **Dayton** prioritizes 4-year-olds in order to ensure a high-quality, targeted program, but enrolls low-income 3-year-olds if revenue allows.
- **Boston** expanded Pre-K in incremental phases in order to stay responsive and flexible while building capacity.
- **Seattle** added in 3-year olds, who were underserved after a few years of program operation.
- **Cincinnati** instituted a 10-year plan that gradually adds in more quality providers.

Lesson Learned #8: Focus on service coordination.

Research on early childhood systems demonstrates that ECE is strongest when part of a larger system that coordinates access to comprehensive health, mental health, and family supports and engagement. Ensuring the Pre-K program coordinates with relevant organizations at the state, county, and neighborhood levels creates a functioning safety net and a seamless experience for children and families. It also reduces community health care costs when early screening and preventative care for young children is delivered in a coordinated approach.

Aligning the public-school K-3 pedagogical approach with Pre-K is one important coordination approach. Here are other examples:

- **Seattle** built upon an existing system of coordinated health and mental health services. City and county offices collaborate to provide mental health and health services on site at Pre-K Providers.
- Public school sites in the **Cincinnati** Preschool Promise program provide access to school-based health centers, school nurses and other school-based support groups.

Lesson Learned #9: Institute effective outreach practices.

Community outreach is essential to ensure support, engagement, and participation. City examples include the following:

- **Denver** rejected two early childhood sales tax increases in 2000 and in 2001. These campaigns were too broad and lacked a broad base of support among voters. Denver undertook a two-year community engagement process, including an ECE commission and a Leadership Team of 30 business and civic leaders. As a result, the DPP initiative barely passed in 2006 and passed by a wider margin in 2014.
- **Boston** created leadership pathways for parents to participate throughout their child's Pre-K experience, which built support as the program grew.
- **Dayton** has a principal goal of educating the community about the need and value of early childhood education.

The Need for Expanded Pre-K in Toledo

Determining the need for public preschool depends on two factors: 1) the current status of the city's children, including risk factors such as poverty levels, health indicators, and kindergarten readiness outcomes; and 2) the current availability of high-quality licensed slots and funding to fill them. This section presents city of Toledo data on each of these factors, demonstrating a high need for expanded quality Pre-K in the city.

Status of Young Children in Toledo

Income and Poverty

Like many other American cities, the city of Toledo has many young children who lack access to high-quality preschool programs. However, Toledo's young families struggle even more than most Americans. While nationally 17% of children live in poverty, in Lucas County 39% of young children live below the poverty line, which is only $25,750 for family of four. Another 47% of young children in the county live in families with incomes between 100% and 200% of the poverty line ($51,500 for a family of four), with less than one in six young children above this level. (Lucas County was used as the basis for income calculations because more complete data were available than for the city of Toledo).

Table 4 presents demographic characteristics for Lucas County's children. These data were estimated from American Community Survey data, which reports population by age as well as poverty level for families with young children.

Table 4: Toledo City Population by Income Tier

	Pct. of Population	3 Year Olds	4 Year Olds	3 & 4 Year Olds
<50% FPL	9%	357	348	**703**
50 -100% FPL	30%	1,247	1,215	**2,462**
100-150% FPL	21%	902	879	**1,781**
150-200% FPL	26%	1,098	1,070	**2,168**
200 - 300% FPL	7%	297	289	**586**
300%+ FPL	7%	297	289	**586**
Total	**100%**	**4,198**	**4,090**	**8,286**

Toledo's High-Needs Preschool Population

Toledo is home to about 4,000 4-year olds. Nearly 40% of these children live under the federal poverty level, which is only $25,100 for a family of 4. Overall, 80% of the 4-year olds fall under 200% of the FPL. In 2018, only 18% of children across city entered kindergarten "ready to learn" (based on assessments).[24] According to Toledo Public Schools (TPS), at least 60% of these children come to school needing intensive intervention.[25] These children face multiple risk factors, and without high-quality preschool experiences have low probability of ever "catching up."

Affordability of Child Care

Families with low incomes constantly struggle to afford the high cost of child care, particularly high quality care, which includes a strong component of early learning curriculum-led instruction.[26] Consider, for example, a single-parent family with a 2-year old and a 4-year old making 90% of the federal poverty threshold, or $18,702 per year. Even though this income is

[24] At the beginning of each school year, children in public school kindergarten programs are assessed using Ohio's Kindergarten Readiness Assessment. This assessment includes ways for teachers to measure a child's readiness for engaging with kindergarten instruction while aligned to Ohio's Early Learning and Development Standards.

[25] Personal communication from Dr. Amy Allen, Transformational Leader of Early Childhood and Special Education Toledo Public Schools, March 2019.

[26] "Child care" is defined in this report as formal, licensed care for children between the ages of birth to five offered between the hours of approximately 7:00 am to 6:00 pm, Monday through Friday, in family home or center based settings. Hours may be part-time to full-time and should include educational-based curriculum programming during the primary hours of the day. "High quality" child care is defined in this report to encompass ingredients of formal evidence-based curriculum for six hours a day, more highly qualified teachers, lower teacher and group size ratios, and other higher standards of care as supported by research.

not adequate to pay even for basic expenses, fully a third of Toledo families live below this income level.

If the 4-year old in this family enrolls in a high quality center, tuition may cost at least $13,000. (See also "Cost of Care" Section.) According to the affordability standard issued by the U.S. Department of Health and Human Services, this family may be able to afford to spend about 10% of its income on child care, or $1,870, though even this amount would probably be unrealistic for a family at this income level.

If the parent is working, the child may be eligible for Ohio's PFCC subsidy program averaging around $5,300. She may also access Head Start funding if slots are available, which would cover all tuition costs for a 6-hour day. If not, she may be eligible for preschool funding of $4,000 through the Ohio Department of Education (ODE). However, both Head Start and ODE-funded slots are limited. If the family is not lucky enough to secure either of these, they will need additional support of up to $5,830.

For a family with slightly higher income, the situation may be even more dire, because they will not be eligible for as many public subsidies. For example, consider a family with a 2-year old and a 4-year old earning the median Toledo income of $34,600, which is equal to 165% of the federal poverty level. According to the U.S. DHHS affordability standard, this family may be able to afford spending about 10% of its income on child care, or $3,460.

If the 4-year old enrolls in a higher-quality center, tuition will cost approximately $13,000, meaning that they will still need to find an additional $9,540 to pay for high quality child care. The family is likely not eligible for child care subsidies, which are restricted to families under 130% FPL, or for Head Start, restricted to families under 100% FPL or children with special risk factors. Depending on the availability of ODE-funded slots, the family will require between $5,540 and $9,540 just to afford child care, amounting to between 16% and 28% of their income – far above the recommended 10%.

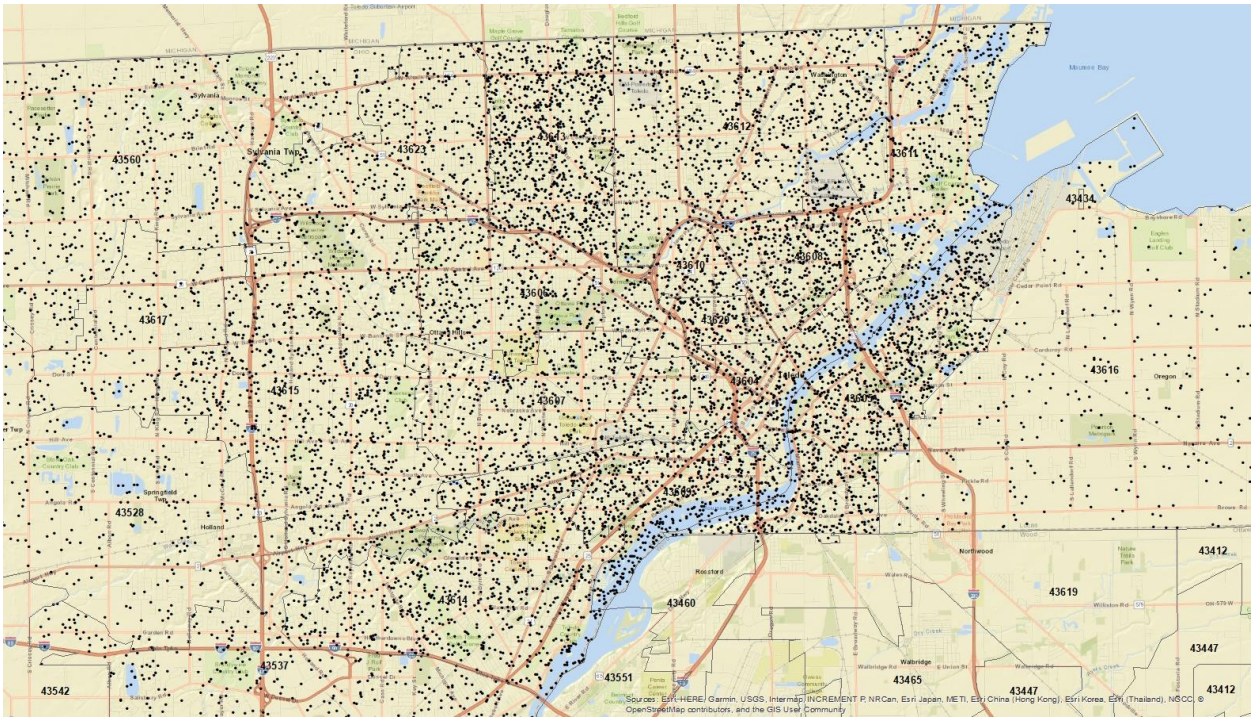
The moral of these two examples is that high quality child care is out of reach for most low- and moderate-income families. While existing funding sources are an important part of the current early child care education (ECE) system[27], they are not sufficient to help all families access child care that goes beyond safe and affordable care to provide quality early education that prepares their children to succeed in kindergarten and beyond.

[27] "Early child care education system" refers to the early learning and child care providers who are formally licensed and those local and state agencies who provide technical support, collateral partnerships for children and staffing, funding, and regulatory licensing and quality standard rate setting.

Geographic distribution of need across the city of Toledo

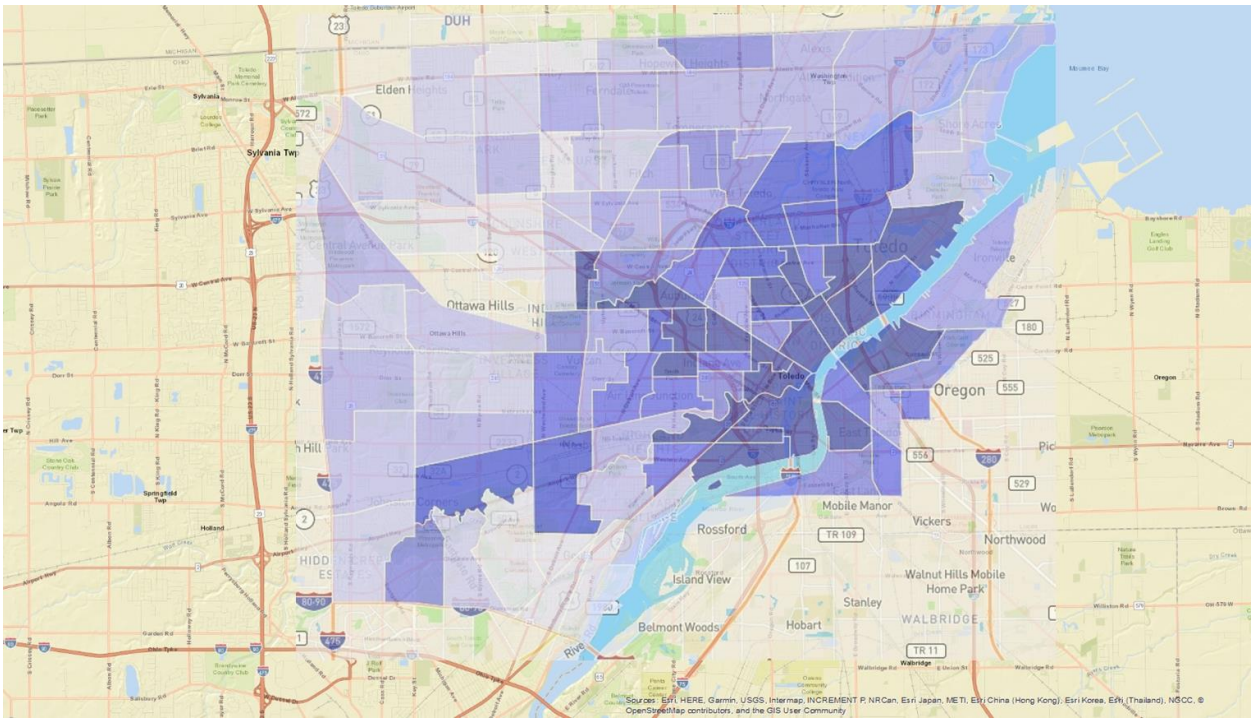
Need for child care exists throughout the city. In Figure 1 below, each dot represents a single 3 or 4 year old. Though the downtown area has a higher concentration of young children, 3 and 4-year olds live throughout the city.

Figure 1: Distribution of 3 and 4-Year Olds In Toledo



Crime rates, which are correlated with poverty and a higher likelihood of risk factors, are also higher in the downtown area but affect children throughout the city, as indicated in Figure 2.

Figure 2: Crime Rates in Toledo

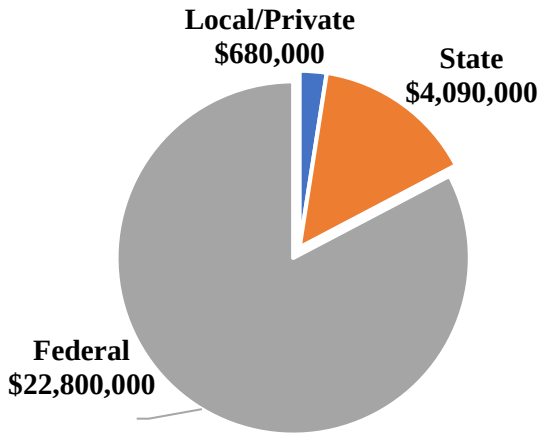


Access to quality Pre-K in Toledo

Current Funding for Pre-K Programs

Significant support for child care in Toledo already exists, with many committed stakeholders, including publicly funded programs, philanthropies, and community organizations. The city is fortunate to be building upon an existing infrastructure. We collected current public funding for child care in the city of Toledo for the most recent available 12-month period. Public funding includes federal and state sources PFCC subsidies administered through ODE, Head Start, and Title 1; state sources (ODE ECE grants); and local funding, including United Way, TPS in-kind facilities funding, and funding for individual programs including the YMCA, JCC,

Figure 3: Child Care Funding by Source



and Mom's House. The current funding for child care in Toledo totals about $10 million for 3 year olds, and about $17 million for 4 year olds.

Table 5 presents estimated current funding and estimated need for child care in Toledo by source. The estimated total need is based on the cost of quality Pre-K per child multiplied by the expected number of children who would participate in a public Pre-K program. We estimate a participation rate of 60% based on the experience of other cities. (See Section Appendix F for details of enrollment in other citywide Pre-K programs).

Table 5: Current Funding for Preschool-Age Child Care in Toledo

Estimated Current Funding	3 Year Olds	4 Year Olds	3 & 4 Year Olds - Total
Local/Private	$270,000	$410,000	$680,000
State	$300,000	$3,780,000	$4,090,000
Federal	$9,670,000	$13,130,000	$22,800,000
Total	$10,240,000	$17,320,000	$27,570,000
Estimated Total Need	**$30,030,000**	**$29,260,000**	**$59,290,000**
Percent of Need Already Met	34%	59%	47%

Note: Funding totals for 3 and 4 year olds are our estimates, based on total funding for 0-5 year olds adjusted by the expected participation levels for each age group.

While some funding already exists for child care, substantial additional resources are required to expand the system to meet the city's need and to improve quality. Current public funding pays for about 47% of the total estimated need for 3 and 4 year olds.

Licensed Capacity and Enrollment

Licensed capacity refers to the total number of spaces a provider is legally allowed to offer. Table 6 presents the licensed capacity and total enrollment for various provider types in Toledo across all age groups as of 2018. Licensed capacity refers to the number of physical slots that providers are legally allowed to provide, while enrollment refers to the actual average number of individual children enrolled.

Table 6: Licensed Capacity and Total Enrollment by Provider Type in Toledo, 2018

Type of Provider[28]	Licensed Capacity	Total Enrollment
Child Care Center	9,931	6,283
ODE Preschool	287	N/A
Head Start and Early Head Start[29]	1,581	1,581
Type A Home	396	555
Type B Home	642	924
TOTALS	**12,837**	**9,343**

About 75% of these licensed slots – or 8,442 slots – are designated for children age 2½ or older. This compares to approximately 10,000 children between age 2½ through 4 who live in the city. Thus, there are slightly more preschool-aged children in the population than there are licensed slots for these children. However, because not all children will attend preschool even if tuition is provided, there are probably enough slots to serve all children in the city in a new Pre-K program – but not at high quality.[30]

Quality Distribution of Child Care Providers

Currently about 25% of providers are rated 3, 4, or 5 stars in the state's SUTQ system, the five–star quality rating and improvement system administered by ODE and Ohio Department of Jobs and Family Services (ODJFS). These include 49 Licensed Child Care Centers, 12 Type A Homes, 1 Type B Home, and 11 Licensed Preschools.

[28] ODE preschool numbers include only ODE expansion slots, not special education slots or slots for tuition-paying children Type A Homes serve 7 to 12 children (or 4 to 12 children if 4 children are under 2 years of age) cared for in the provider's home. Family Child Care Type B homes serve 1 to 6 children in the provider's personal home. No more than three children may be under the age of two.

[29] The total for Head Start and Early Head Start include 859 (TPS within TPS) + 267 (TPS in providers outside TPS) + 455 (Brightside Academy).

[30] We expect a maximum participation rate in a public Pre-K program of about 60% of all 4-year olds, based on the experience of other mature programs such as the Denver Preschool program.

The number of highly rated providers is expected to increase throughout the lifetime of the Toledo Pre-K program. About 59% of providers are currently unrated, but we estimate that most of the currently unrated providers will acquire a rating by the program's start, based on a state requirement that all providers be rated by the SUTQ system to receive PFCC subsidy dollars by July 2020.[31] We estimate that about 25% of the currently unrated providers would receive ratings of 3, 4, or 5 stars, which SUTQ has deemed as "high" quality.[32] In total, we estimate 40% of providers – or about 115 providers -- will be rated as high quality if the Toledo Pre-K program begins by September 2020. Further improvements in quality are expected in successive years of the program, based on the state's goal of 100% of all centers in Star 3, 4, or 5 programs by 2025.

Figure 4

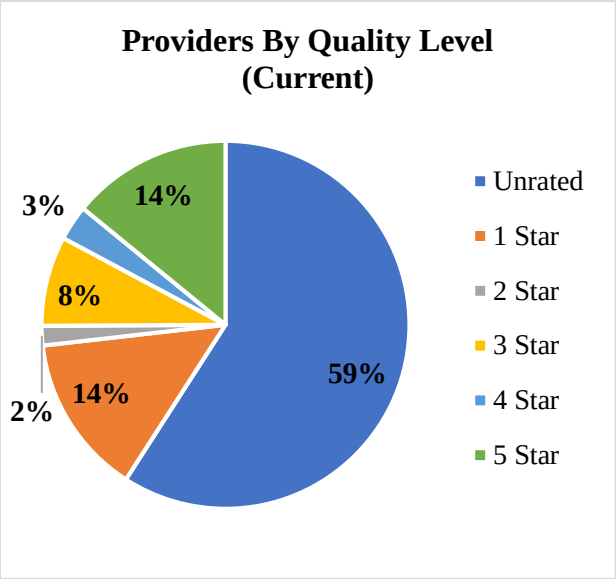
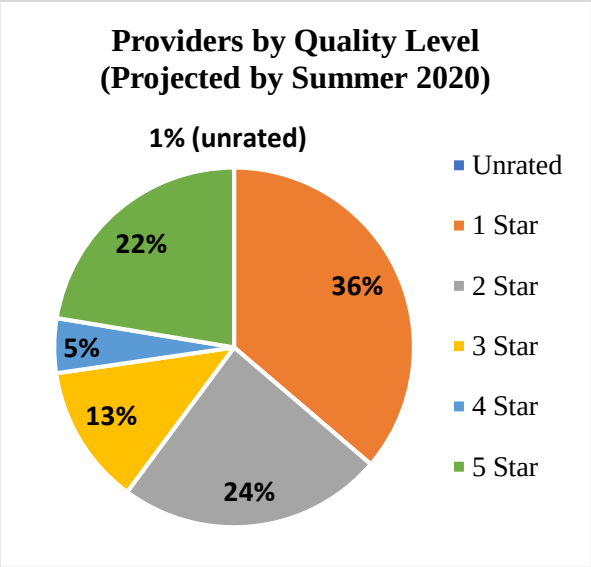


Figure 5



[31] In 2018, JFS released a study that found "there is evidence that sites with higher star ratings (3-star or higher) are associated with better child outcomes." Estimates of the number of unrated providers who will achieve various rating levels are from Suzanne Gall, Director of Child Care Resource and Referral, YWCA of Northwest Ohio..

[32] The Ohio Department of Job and Family Services (JFS) issued new rules for the Ohio's Step Up to Quality five-star rating system aimed at exposing more children to enrichment programs and educational offerings, with an eye toward improving kindergarten readiness. Providers will be required to earn at least one star by July 2020 to receive per-child funding from the state (via the Public Funded Child Care Subsidy program), and three stars by 2025. With the first date requirement of July 2020, any child care agency that does not have a star rating under SUTQ program will no longer be able to bill the state for PFCC funds.

Table 7: Quality Rating by Number of Providers*

	Unrated	Star 1	Star 2	Star 3	Star 4	Star 5	Grand Total
Licensed Child Care Center	47	12	4	17	8	24	**112**
Licensed Type A Family Child Care Home (7-12 children)	13	7	1	5	1	6	**33**
Licensed Type B Family Child Care Home (1-6 children)	84	22		1			**107**
ODE Licensed Preschool[33]	28**					15	**43**
TOTALS	**172**	**41**	**5**	**23**	**9**	**45**	**295**

** figures do not include school age child care or day camps*

*** ODE licensed preschool centers are 5-star eligible and are awaiting formal rating visits from the Ohio Department of Education.*

The current and projected distribution of quality slots has several implications for the Toledo Pre-K program. First, most program dollars will be directed towards centers rather than homes, because 90% of available licensed slots are in child care centers. Second, because only 40% of slots will be in higher quality providers by the program's launch in the summer of 2020, most providers will not be eligible for the program in its first year. However, many will likely be eligible in future years, as the pool of eligible Toledo Pre-K providers grows. As discussed in the following section, funding may not be available to support those additional providers' slots. In this case, the program will need to consider adjusting its tuition structure to accommodate changes in the provider landscape while balancing the providers' costs to provide high quality services. Increases to Publicly Funded Child Care (PFCC) subsides is one good example of how the providers' fiscal landscape will impact the Pre-K tuition structure.

Geographic Distribution of Quality Slots

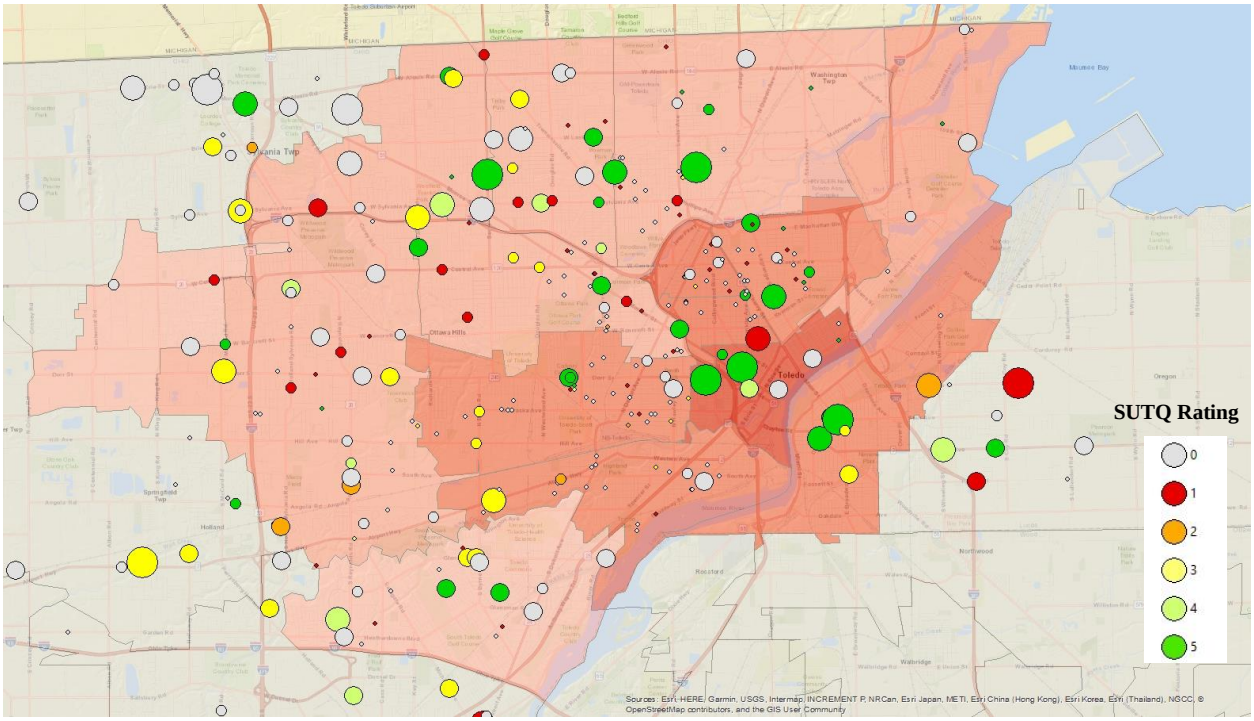
Although higher quality centers are more difficult for families to afford, higher income regions of the city do not necessarily have more high quality slots. Figure 6 depicts the location of providers throughout the city. Larger circles indicate providers with more licensed slots, while circle color indicates the provider's SUTQ rating (green circles are 5-star rated while red stars are 1-star rated).

The map indicates there are few high-quality providers in the western and southwestern areas of the city. While several high-quality providers are in the highest poverty areas near downtown, they are not adequately serving the projected need. The implication for Toledo Pre-K's planning

[33] Includes Head Start slots.

process is to direct resources and quality improvement activities across the city, not just in the city's highest-poverty neighborhoods.

Figure 6: Licensed Slots and Poverty Rates



True Costs of Quality

Ohio Groundwork's 2016 report, "The Dollar and Cents of Early Learning: Investing in Success," estimated the cost to deliver child care and early learning at each level of the SUTQ system.[34] It focused on community-based providers and their "true" cost of care at different levels of quality, rather than the "market" rate cost of care, which is derived from available revenue, such as PFCC subsidies, parent tuition, or fundraised dollars. Its findings were troubling but not surprising. Centers in which 15% or more families received PFCC subsidies could not reach a healthy year-end net revenue at any SUTQ level and would be completely unsustainable at higher-quality levels (3-, 4-, and 5-star programs). As a result of this study, Ohio's advocacy community advanced higher rates of PFCC subsidy. Yet these rates are still insufficient to cover the true costs of quality as defined by SUTQ. PFCC rates are expected to rise again in 2019, but it is unclear whether these additional increases will be adequate.

[34]Ohio Groundwork (2016). "The Dollar and Cents of Early Learning: Investing in Success: A Summary of Findings from Groundwork's Early Childhood Financing Project".

We prepared a similar cost model of provider revenues and expenses. Our model reveals that the true cost to deliver a high quality Pre-K classroom is $13,000 per child. This amount is at the 75th percentile of the current market rate. It will be imperative to ensure the tuition credit provided under Toledo Pre-K is vetted against an accurate assumption of a provider's revenue and costs for the Pre-K program. Underfunding the providers will only perpetuate the illusion that quality is financially achievable at levels funded by PFCC. Providers will also need to clearly understand that Pre-K funds will indeed support the quality ingredients they require. Many of the providers will need technical assistance to see how the tuition credits should be applied within their budget, and the program will need accountability for how the dollars are being applied.

Modeling the Costs of a Citywide Pre-K Program

Overview

The cost modeling exercise estimates the need for preschool in the city and the cost to meet that need under various scenarios. These scenarios take into account the current funding for child care for 3 and 4 year olds; the population and demographics of young children within the city; the cost to provide quality child care; and likely participation rates in a citywide Pre-K program. Note that our program cost estimates do not include the cost to serve Head Start children. We estimate about $8.5 million is available for Head Start ($3.9 million for 3-year olds and $4.6 million for 4-year olds). This is enough to cover almost 900 children (about 410 3-year olds and 475 4-year olds).

In total, we ran a total of six scenarios. Four scenarios cost out a program aimed at 4-year olds only, and two cost out a program for both 3- and 4-year olds. Scenarios are presented both for year 1 and year 8 in order to compare the implications of various funding approaches at the program's start with implications several years in, once quality levels have improved across the city. The different types of scenarios illustrate the tradeoffs that must be considered in determining how to distribute a fixed amount of funding across a growing group of children.

Table 8: Details of Cost Modeling Scenarios

Scenario #	Ages Served	Year	Notes
1	4-year olds	Year 1	Cost to serve all participants who are in high-quality Providers
2	4-year olds	Year 8	Cost to serve all participants who are in high-quality Providers
3	4-year olds	Year 8	Cost to serve the same number of participants as in Year 1
4	4-year olds	Year 8	Cost to serve all participants keeping Year 1 budget
5	3 and 4-year olds	Year 1	Cost to serve all participants who are in high quality Providers
6	3 and 4-year olds	Year 8	Cost to serve all participants who are in high quality Providers

Methodology

Data Collection

The cost modeling scenarios incorporate four main types of data: 1) current public and private funding for child care in Toledo; 2) the current population of children in various income brackets; 3) the Lucas County market rate cost to provide quality child care[35]; and 4) the quality distribution of licensed child care slots.

The cost model used the 75th percentile of tuition rates for Lucas County from Ohio's Market Rate Survey, conducted in 2016 by Ohio State University for ODJFS.[36] See Section "Cost of Care" for more details.

The current distribution of quality-rated providers and slots is based primarily on data from ODJFS and ODE. The projected distribution of quality ratings in the future was informed by the Director of the Toledo YWCA Child Care Resource and Referral program.

[35] Market rates are based on the 2016 Ohio Child Care Market Rate Survey Analysis, prepared for the Ohio Department of Job and Family Services by the Ohio State University Statistical Consulting Service.
[36] Market rate surveys reflect the prevailing rate providers charge based on available revenue, such as parents' ability to pay or PFCC subsidy rates. They do not reflect the true cost of providing high quality care. A true cost of care cost model provides a more accurate cost projection for the required quality ingredients.

Tuition Credit Structure

The Toledo Pre-K tuition costs for this analysis are based on a tiered tuition credit structure. A tuition credit is a payment given to a provider to offset the cost of tuition for an individual student. Tuition credits typically follow the child, so if a child changes provider, the payment will change provider too.

For any given family, credits are determined by a tuition credit matrix which takes into account three factors: 1) the family's income; 2) the quality rating of the provider; and 3) the provider's tuition rate. The logic of this tiering is to provide higher tuition for lower income children, and to provide greater resources for those attending higher quality settings, which cost more to operate. The settings of the matrix can be changed to reflect program goals, such as prioritizing quality, helping low-income families, or meeting overall budget goals.

Table 9 shows an example tuition credit matrix. The blue shaded area represents the credit adjustment for a family falling into that cell (the percentage of total tuition cost paid by new program tuition credit). For example, a child at a Level 4 center at 150% of FPL would receive a credit worth 63% of the total tuition cost.

Table 9: Example Tuition Credit Matrix

		Pct. of Federal Poverty Level				
		<100%	**100-200%**	**200-300%**	**300-400%**	**400% +**
Quality Level	*Multiplier*	90%	70%	50%	30%	10%
Level 1	60%	54%	42%	30%	18%	6%
Level 2	70%	63%	49%	35%	21%	7%
Level 3	80%	72%	56%	40%	24%	8%
Level 4	90%	81%	**63%**	45%	27%	9%
Level 5	100%	90%	70%	50%	30%	10%

The tuition credit matrix we used for cost modeling includes a tier for each of the five SUTQ ratings, and has six income tiers, as follows:

- <50% FPL
- 50 - 100% FPL
- 100 - 150% FPL
- 150 - 200% FPL
- 200 – 300% FPL
- > 300% FPL

This yields a matrix with 30 cells (five ratings x six income tiers). Each of the cells contains a percentage adjustment which is used to determine the tuition credit. For example, if the cell contains an adjustment of 50%, then a family falling with that cell would receive 50% of the total tuition cost for that provider. The total tuition cost of the program is calculated by summing the average tuition credit amount in each of the 30 cells by the number of participating families in that cell.[37]

Note that changes in current funding may affect future program decisions about how income tiers are structured. For example, if PFCC subsidy funding increases, program administrators could adjust tuition settings to either be more generous with higher income tiers (because there is less need at lower incomes), or to serve more children at lowest income tiers (because less is needed per child).

Cost Modeling Assumptions

The Toledo Pre-K cost modeling makes the following general assumptions:

- All scenarios assume only children attending Star 3, 4, or 5 providers are eligible (thus ensuring high quality).
- Total need is based on the 75th percentile of market rate child care (about $13,000) times the number of eligible children.
- Additional program components comprise 25% of the total program cost.
- Estimates are in 2019 dollars; our assumption is that costs and revenues will increase at the same rate in the future.
- Public funding projections are estimated; exact figures will be different.
- Projected annual program revenue are $7 million.

[37] Note that in the actual program, credits will be calculated slightly differently for administrative reasons.

Total Program Budget Estimates

The Toledo Pre-K program modeled in this report assumes an estimated program budget of $7 million, with $5 million derived from a ballot initiative and $2 million from private funds[38]. The following table shows the typical percentages of how a Pre-K program budget would distribute its costs. However, these percentages will ultimately depend on the design of the program. For instance, management and administrative costs may run higher depending upon where staffing is defined in the budget.

Table 10: Typical Costs of Additional Program Components

Component	Budget Start Point	Pct. of Total Program Costs
Tuition Credits	$5,200,000	75%
Quality Improvement & Supports	$850,000	12%
Evaluation/Data	$200,000	3%
Outreach/Marketing	$500,000	7%
Management & Administration	$250,000	3%
TOTALS	**$7,000,000**	**100%**

Participation Rates

We estimate around 1,000 eligible participants in each age cohort (age 3 and age 4) at the program's start. Toledo's 4-year old population is about 4,000, and we assume 60% would participate in the program, based on the experience of Denver's Pre-K program and other similar programs. This yields 2,400 potential participants (4,000 * 60%).

We assume that 40% of potential participants will attend eligible providers (those with quality ratings of 3 or more stars) – or about 1,000 children (2,400 * 40%). The remaining 1,400 potential participants will pay tuition out of pocket; use public funding to attend 1-star, 2-star, or unrated providers; rely exclusively on other public funding such as Head Start; or not attend child care at all. A small number of 5-year olds in a "funding gap" year are not included in modeling. The following table illustrates the calculations used to determine program participation.

[38] These figures are based on conversations with the Toledo Pre-K Principals' Group.

Table 11: Program Participation Projections

	3-Year Olds	4-Year Olds	Total
Toledo 3 & 4 year old population	4,198	4,090	8,288
Maximum Participation Rate	60%	60%	60%
Potential Participants	2,519	2,454	4,973
Pct. of Potential Participants in 3+ Stars Providers	40%	40%	40%
Total Projected Toledo Pre-K Enrollment Year 1	**1,008**	**982**	**1,989**
Children at Providers less than 3 Stars	1,511	1,472	2,984

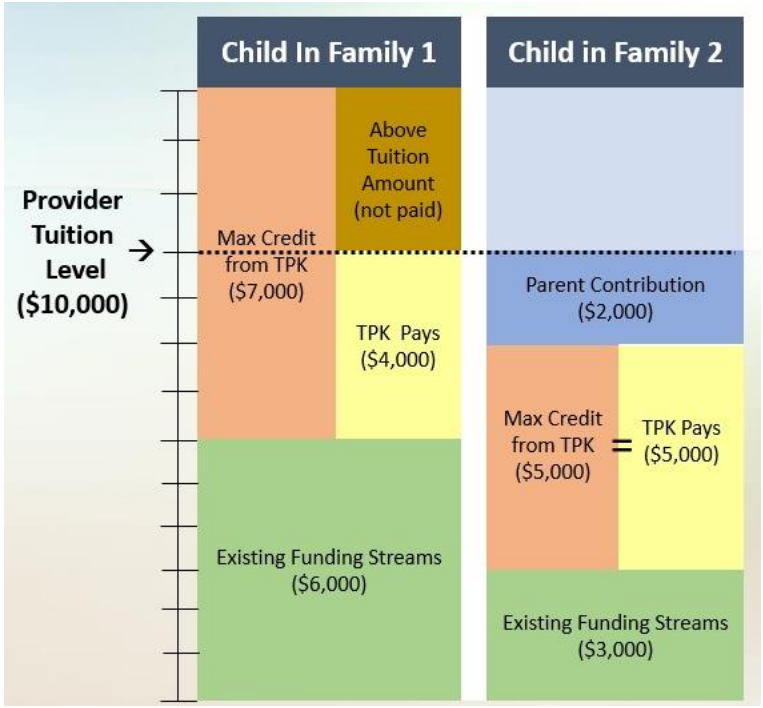
Cost of Care

The estimated total costs of care were drawn from Ohio child care market rate survey (MRS), which is administered every three years through the federal Child Care Development Fund (CCDF) grant that funds state child care subsidies. We based total tuition costs for children attending Toledo Pre-K on the 75th percentile of weekly tuition rates for Lucas County from the MRS. We used the 75th percentile, rather than the mean or median, to reflect that market rates tend to undervalue the "true" cost of care. (See also True Cost of Care Section). To estimate annual full-time tuition costs, we multiplied these weekly rates by 52 weeks.

This calculation yielded an estimated annual cost of $12,926 for full-time care, and $9,582 for part-time care. Full-time care reflects a full working day (8-10 hours) rather than a school day (6 hours). The definition of part-time care can vary but is roughly equal to 20 hours per week.

The tuition credit model uses a "last dollar in" funding mechanism, which means tuition credits are given *after* all other available funding sources (such as Head Start or child care subsidy funds) are used. Figure 7 demonstrates the calculations used in the "last dollar in" approach.

Figure 7: "Last Dollar In" Funding Structure



Cost Modeling Results

The results below estimate the total program costs, including tuition credits and additional program components described above. The specifics of what these program components cover will be defined more clearly in Phases 3 and 4, and modified as the program grows.

Scenario 1: 4 Year Olds Only, Year 1

This scenario models the cost of serving all 4-year olds in higher quality settings (SUTQ Star 3, 4, or 5) in Year 1 of the program. Scenario 1 demonstrates that nearly all likely participants can be served in the program's first year. (This assures available funding for Toledo Pre-K at $7 million in year 1 through year 8.)

Table 12: Program Costs for 4 Year Olds Only, Year 1

Cost of Tuition Credits	$5.2 million
Program Components	$1.8 million
Total Program Cost	**$7.0 million**
Number of Children Served (projected participating 4's)	978
Average credit per child	$5,366
Total Need (True Cost of Care)	**$11.7 million**
Remaining Need (After Toledo Pre-K Credits and Current Public Funding)	$0 million

Scenario 2: 4 Year Olds Only, Year 8

Scenario 2 presents program costs in Year 8, retaining the same average funding per participating child as in Scenario 1 ($5,366). Because more children are likely to be eligible due to greater numbers of higher-quality providers, the program will cost more than in its first year – about $12.3 million. This exceeds the current projected annual revenue of the program, meaning that maintaining Year 1 funding levels per child would require additional public funding as the program matures.

Table 13: Program Costs for 4 Year Olds Only, Year 8 (constant ave. funding)

Cost of Tuition Credits	$9.2 million
Program Components	$3.1 million
Total Program Cost	**$12.3 million**
Number of Children Served (projected participating 4's)	1,718
Average credit per child	$5,366

Total Need (True Cost of Care)	**$20.5 million**
Remaining Need (After Toledo Pre-K Credits and Current Public Funding)	$0 million

Scenario 3: 4 Year Olds Only, Year 8

Scenario 3 assumes the number of children stays constant over time. In this scenario, the program can maintain an average credit of around $5,500. This scenario would provide about 83% of total funding need in Year 8, counting current funding and new Toledo Pre-K tuition credits. In total, about 57% of eligible children would be reached through Toledo Pre-K credits.

Table 14: Program Costs for 4 Year Olds Only, Year 8 (constant children)

Cost of Tuition Credits	$5.2 million
Program Components	$1.7 million
Total Program Cost	**$7.0 million**
Number of Children Served (projected participating 4's)	978
Average credit per child	$5,366
Total Need (True Cost of Care)	**$20.5 million**
Remaining Need (After Toledo Pre-K Credits and Current Public Funding)	$3.1 million

Scenario 4: 4 Year Olds Only, Year 8

Scenario 4 assumes that all eligible children participate in the program in Year 8. Because more children will be enrolled as time goes on, each child will receive less funding than in Year 1, with average funding equal to $3,065 per child. This program reflects the "universal" approach used by Pre-K programs such as Denver Preschool Program. The risk to this approach is that the decreasing average funding per child may make it more difficult for providers to sustain quality unless other sources grow, such as PFCC.

Table 14: Program Costs for 4 Year Olds Only, Year 8 (universal)

Cost of Tuition Credits	$5.2 million
Program Components	$1.8 million
Total Program Cost	**$7.0 million**
Number of Children Served (projected participating 4's)	1,718
Average credit per child	$3,056

Total Need (True Cost of Care)	**$20.5 million**
Remaining Need (After Toledo Pre-K Credits and Current Public Funding)	$3.1 million

Scenario 5: 3 & 4 Year Olds, Year 1

Scenario 5 estimates the cost to fully serve all 3- and 4-year olds in the first year of the program. This cost would be about $16.9 million in Year 1, or nearly double the expected annual revenue.

Table 15: Program Costs for 3 & 4 Year Olds, Year 1

Cost of Tuition Credits	$12.7 million
Program Components	$4.2 million
Total Program Cost	**$16.9 million**
Number of Children Served (projected participating 3's & 4's)	1,982
Average credit per child	$6,382
Total Need (True Cost of Care)	**$23.6 million**
Remaining Need (After Toledo Pre-K Credits and Current Public Funding)	$0 million

Scenario 6: 3 & 4 Year Olds, Year 8

Scenario 6 projects the cost to fully serve all 3 and 4 year olds in Year 8. This estimated cost would be $29.6 million.

Table 16: Program Costs for 3 & 4 Year Olds, Year 8

Cost of Tuition Credits	$22.2 million
Program Components	$7.4 million
Total Program Cost	**$29.6 million**
Number of Children Served (projected participating 3's & 4's)	3,481
Average credit per child	$6,386
Total Need (True Cost of Care)	**$41.5 million**
Remaining Need (After Toledo Pre-K Credits and Current Public Funding)	$0 million

Cost Modeling Scenario Discussion

Table 17 presents the results of each of the six scenarios presented above.

Table 17: Cost Modeling Scenario Summary

Scenario	Description	Ages Served	Program Year	Number of Children	Tuition Credits Per Child	Total Program Cost
1	Baseline	4	1	978	$5,366	$7.0 million
2	Constant $ Per Child	4	8	1,718	$5,366	$12.3 million
3	Constant # Children	4	8	979	$5,366	$7.0 million
4	Constant Total $	4	8	1,718	$3,056	$7.0 million
5	Baseline	3 and 4	1	1,982	$6,386	$16.9 million
6	Serve All Eligible	3 and 4	8	3,481	$6,386	$29.6 million

The scenario results demonstrate three main conclusions:

1. There is not enough projected funding available to fully serve all 3- and 4-year olds in year one at the current proposed funding level;
2. There is not enough projected funding available to fully serve all 4-year olds in the long term at the current proposed funding level; and,
3. The program will likely need to choose among several options for 4-year olds, including keeping the number of children constant, reducing the average funding per child and serving all children, or serving all children and keeping funding per child constant by raising more funding.

Scenarios 1 and 3, which preserve a robust tuition credit per child, would be the best options because they would ensure a per-child funding level adequate to provide the level of high quality care necessary to improve school readiness outcomes. Without meaningful success in improving school readiness, it will be challenging to secure increased funding to reach full enrollment. Also, if current trends continue, the local ECE system may likely receive additional state and federal funding (such as PFCC), thus contributing to the growth of the Toledo Pre-K program.

In practice, the tuition credit modeling approach may combine elements of each of these options. For example, the Toledo Pre-K program could prioritize children at certain providers and enroll additional children as funding allows. Tuition and funding dynamics are a central force in most Pre-K programs. Thus, adjustments of tuition credit policy are a major and vitally important responsibility of program administration and governance.

Recommendations

In this section, we present our recommendations for Toledo's Pre-K program. These recommendations reflect background research, city of Toledo data, customized city Pre-K cost modeling, and input from the stakeholders, including the Principals Group, the Working Group, the ECE and Workforce Groups, and others.

Summary of Recommendations

In addition to the recommendation to serve 4-year olds at funding levels that sustain high quality programming, we created a set of recommendations organized under three categories: Structural, Quality and Infrastructure. Table 18 provides a high-level summary of the recommendations. Each recommendation is discussed in more detail following the table. These recommendations reflect work conducted in phases 1 and 2 of a proposed 4-part program development timeline. We also offer additional sub-recommendations and/or considerations for areas we consider "promising" and in need of further study and examination.

Table 18: Summary of Recommendations

CATEGORY	RECOMMENDATION
Structural	**Geography**: Use the city of Toledo boundaries to determine eligibility of families and providers.
	Program Access Type: Operate as a "universal" program, accessible to families of all incomes, with sliding income tiers.
	Age Group to Serve: Serve 4-year olds as a priority; include 5-year olds who fall into a gap year between Pre-K and kindergarten; and extend enrollment to a targeted pool of 3-year olds if 4-year olds are under-enrolled. • Fund a critical mass (preferably all) of the 4-year olds in each classroom.
	Tuition Approach: Use the tuition credit matrix method to determine tuition payments with a "last dollar in" requirement.
	Provider Eligibility: Prioritize slots in the private community-based provider sector (non-public school operated) in both center and family home settings with a high quality rating.

Quality	**Quality:** Design Toledo Pre-K to support "high" quality learning and classrooms. <u>Assurance</u> • Align the programs' definition of "high quality" with Ohio's Step Up to Quality high quality ratings of Star 3, 4 or 5. • Use a cost model tool to evaluate true costs of high quality care in tandem with tuition credit rate setting. <u>Supports & Improvement</u> • Operate Toledo Pre-K for 12 months with a minimum six hours of tuition credit funded, curriculum-led instruction. • Reduce class ratios from 1:14 to 1:12 preferably 1:10. • Adopt best practice strategies and supports for teacher recruitment and retention. • Establish a "bridge to quality" approach to enable eligible Toledo Pre-K providers to increase their SUTQ rating. • Develop a facility master plan for quality upgrades and capacity building.
Program Infrastructure	**Governance:** Select an existing or newly created independent non-profit or quasi-governmental agency with a dedicated Toledo Pre-K mission.
	Administration: Ensure the selected program leader possesses executive level skills appropriate for the complex set of responsibilities and has skillful and enough staff to deliver program scope.
	Outreach and Marketing: Create a multi-year public awareness and outreach campaign focusing on the value of early childhood education, marketing the Toledo Pre-K, and recruiting families.
	Monitoring and Evaluation: Secure an independent evaluator to ensure program accountability, focusing on both qualitative and quantitative outcomes. • Establish a high-quality continuous improvement system. • Use an evidence-based curriculum and assessment tools. • Establish a comprehensive data management system.
	Fund Development: Establish a reliable, consistent and dedicated source of primarily public funding supplemented with private funding.

Structural Recommendations

Geography Recommendation: *Use the City of Toledo boundaries to determine eligibility of families and providers.*

According to conversations with Mayor Kapszukiewicz, Toledo Pre-K is projected to be primarily funded with city income tax funds. Restricting eligibility to residents and providers within city limits keeps funding circulating within city boundaries, thus enhancing economic benefits to the city. Providers will also directly benefit from supports for improving quality and business capacity.

Our data show that more than enough 4-year olds are likely to participate within city limits to use available funding, and there are enough licensed providers within the city to support them. Restricting participation to providers within the city also may have the effect of reducing mobility among children, which is detrimental to their learning and developmental potential.

While our recommendation is to restrict eligibility to providers within the city limits, the program could consider extending program eligibility to catchment areas of Toledo Public Schools and Washington Local Schools that extend beyond city's boundaries.

Access Recommendation: *Operate as a "universal" program, accessible to families of all incomes, with sliding income tiers.*

There are several ways to define a "universal" Pre-K program, in contrast to a "targeted" one. The common definition of "universal" Pre-K is that all children have access to the program, with the goal of achieving full coverage within the population. When funding is not fully available to meet this goal, children can be thought of as "eligible" for the program but not "entitled" to it.[39]

A "targeted" program, on the other hand, implies that eligibility is restricted to a specific category or age group, based on such factors as family income or geography. Besides being more politically appealing, a universal program would provide, in theory, access to all Toledo families, and would distribute resources to those who benefit the most. In practice, however, until adequate funding is secured to meet the projected enrollment at funding levels to meet the program's goals, a "universal" program may be more aspirational than feasible.

[39] Most programs are not achieving universal coverage due to funding limitations.

Research suggests that focusing child care funding on the poorest children yields the greatest return on investment.[40] This is one reason many Pre-K programs, especially in cities, prioritize families living at or near the federal poverty level. Like these other programs, Toledo Pre-K can maintain a universal approach but still target at-risk families.

Age Group to Serve Recommendation: *Serve 4-year olds as a priority; include 5-year olds who fall into a gap year between Pre-K and Kindergarten; and extend enrollment to a targeted pool of 3-year olds if 4-year olds are under-enrolled.*

The cost modeling estimates presented earlier show that resources are not available to fully serve both 3- and 4-year olds. Serving both age groups would be prohibitively expensive ($13.6 million in Year 1 to serve all need). If Toledo Pre-K did choose to serve all 3- and 4-year olds who attended high-quality providers, it could only provide a portion of their total tuition needs, or else would have to restrict eligibility in some way, such as by limiting access only to particular areas of the city.

If Toledo Pre-K serves only 4-year olds who attend high quality providers, however, it could likely fully serve almost all of them in the first year of program, but not beyond due to growth of high quality providers, which would result in an increase Pre-K slots. In addition, there may be unintended effects associated with parents of some 5-year olds enrolling their children in preschool for an additional year because of program eligibility rules. (Various options may be explored in greater detail Phase 3, such as fully serving all 4-year olds under a given income level and implementing a sliding scale for families above that amount.

Sub-Recommendation: *Fund a critical mass (preferably all) of the 4-year olds in each classroom.*

Full enrollment is essential to child care provider sustainability. It is a cornerstone of the so-called Iron Triangle of ECE finance, which also includes full fee collection and full tuition to cover costs.[41] Market-based child care centers cannot generate the revenue they need to attract and retain a qualified teacher if they are not fully enrolled. Without full enrollment, centers also struggle to generate the revenue needed to ensure that classroom teachers receive paid time out of the classroom to engage in reflective supervision, planning, child assessment and other activities needed to ensure positive child outcomes. Growing competition from (free) Pre-K public school and Head Start classrooms has made it difficult for many market-based child care

[40] Karoly, Lynn A. (2011). Toward Standardization of Benefit-Cost Analyses of Early Childhood Interventions.
[41] The iron triangle concept was developed by Louise Stoney and Anne Mitchell at the Alliance for Early Childhood Finance.

programs to maintain full enrollment –especially in 4-year old classrooms. Thus, ensuring that market-based child care programs receive the funding needed to fill their classrooms is actually a strategy to help increase teacher wages, teacher stability and improved teacher practices.

Research has also shown that critical mass is a relevant factor for sustaining the impact of Pre-K programs.[42] The proportion of children in a kindergarten class who benefit from Pre-K may impact the likelihood of "fade out" later in their school experience.[43] Scattering Toledo Pre-K enrollment throughout the city may result in uneven participation rates for 4-year old classrooms.

Why does this matter? ECE providers will have challenges achieving and sustaining quality for Pre-K children if Toledo Pre-K does not fund a critical mass of children, and instead children are funded at Ohio PFCC subsidy rates or parent tuition rates. Cost modeling can inform the fiscal impact of mixed classrooms and should be further explored in Phase 3. Balancing access and critical mass objectives should be carefully weighed in future program design decisions for each has implications for program success.

Tuition Recommendation: *Use the tuition credit matrix method to determine tuition payments.*

The tuition credit matrix is commonly used in Pre-K programs. This method determines exactly how much help a family will get to pay for preschool based on the family's income, the quality rating of the provider, and the provider's tuition rate. It can be modified to align with the number of high-quality preschool spaces or shifts in enrollment, all the while ensuring tuition credits cover the cost to meet program objectives for quality and other goals.

Toledo Pre-K should consider covering the full cost for a full-year Toledo Pre-K slot, rather than reimburse based on daily attendance, which is how federal/state public subsidies (including Ohio's PFCC program) operate. Reimbursing based on the full cost of enrollment ensures steady revenue for the ECE provider, who must fund fixed costs, such as rent and salaries, regardless of attendance. This method of enrollment-based funding is the basis of private tuition costs, as well as a policy of Head Start funding.[44] The challenge of ensuring regular attendance could be addressed through other mechanisms, such as incentives for providers and families. For example, in the Dayton Preschool Promise, parents are provided a bonus payment for higher thresholds of attendance.

[42] Cityhealth and NIEER (2018).
[43] The "fade out" effect refers to school readiness gains fading over time as children progress through the K-12 system.
[44] Head Start model pays for the costs associated with each child and requires an average daily attendance of 85%.

Sub-Recommendation: *Adopt a "last dollar in" approach, in which tuition credits are given after all other available funding sources for a child are used (such as Federal Head Start, Ohio PFCC subsidies and/or ODE Pre-K funding).*

We recommend that no family is eligible for more total funding than the actual amount of tuition at the provider their child attends. This approach is customarily used by Pre-K programs in order to maximize all available funding. For example, in Columbus, Ohio's ECE program, PFCC funds must be braided and applied to the account of each eligible student before any city funds may be granted for that child.

In Phase 3, Toledo Pre-K should explore adding federal Child and Adult Care Food Program (CACFP) funding to the public funds that are considered before tuition credits are determined. This federal source is not capped, is available to nearly all provider types, and offers a source of revenue to support child nutrition for all children, with highest rates paid for those with family income under 130% of federal poverty level. The reimbursement per child, depending on family income, ranges from $14 to $120 per month.[45] It is not uncommon for providers to fail to capitalize on maximizing the CACFP revenue option. Training and technical assistance could help providers meet this goal.

Provider Eligibility Recommendation: *Prioritize slots in the private community-based provider sector (non-public school operated) in both center and family home settings in high rated sites.*

We recommend prioritizing Toledo Pre-K slots in the private, community-based ECE sector (i.e., non-public school operated) in both center and family home settings. Additional PreK classrooms in public schools should not be approved unless data indicate that not enough slots are available for 4-year old children in high quality community-based child care settings. Data on program capacity and enrollment should be collected for both public and private settings and used to inform fund allocation.

Following are several important reasons for this recommendation:

- Our analysis suggests that new the Pre-K slots could easily be handled in the existing community-based ECE sector, rather than opening new classrooms in Toledo Public Schools or Washington-Local Public Schools.[46]

[45] Columbus Report, Anne Mitchell
[46] In addition, capacity to expand Pre-K is not currently an option at TPS

- Financial sustainability is an essential ingredient for high-quality ECE. Estimates of the cost of care for various ages underscores the importance of maintaining classrooms for preschoolers (3 and 4 year olds), largely because the cost of infant care is higher than market-based tuition can support. In short, centers lose money on children under 3 and break even (or perhaps even generate a fund balance) on children of preschool age and older. Thus, when the number of 4-year olds enrolled in a center declines, so does the center's capacity to provide high-quality care *to all the children they serve.* Thus, the Toledo program should adopt a policy of "do no harm" to the birth to three childcare landscape to avoid unintended consequences.

- Market-based providers (including non-profit community centers and family child care homes) do not have access to the myriad financial resources available to a public school or federally-funded Head Start program. When enrollment dips, so does revenue. As more and more children are shifted from community-based centers to public school settings, the problem worsens.

- Increasing access to Pre-K in community-based settings also offers improved opportunities for full-day, full-year care that meets the needs of working families and supports the important role of continuity in early care and education. Working families need full day, full year care and both children and families fare better when this care is provided one setting, with a consistent set of teachers and caregivers. Preschool programming currently provided by public schools in Toledo is largely offered only during school year and school day hours, which often requires transporting children to community-based providers for aftercare.

Quality Assurance, Supports and Improvements Recommendations

Quality Recommendation: *Design Toledo Pre-K to support "high" quality learning and classrooms.*

High quality is the hallmark criterion for effective Pre-K programs, as discussed in earlier in the report. Under this high quality umbrella recommendation, there are numerous best practices and strategies that can inform Toledo Pre-K's quality approach, such as NIEER's 10 Quality Benchmarks and the "Indispensables for Quality Pre-K." Several sub-recommendations around quality improvement are provided below for additional consideration.

Determining the cost of supporting quality improvement should take account of both personnel and non-personnel costs, and should differentiate 'ramp-up' costs from quality maintenance costs. The cost of maintaining quality can be best captured by modeling the true costs of

delivering child care. These include personnel costs such as salaries, benefits, and professional development, as well as non-personnel costs like classroom materials and equipment, and high-cost items such as upgrading outdoor play and learning areas. (See "Cost of Care" section earlier for further details.)

An important driver to improve quality is professional learning and continuing development for personnel. Increasing practitioner qualifications is generally a one-time cost, from the perspective of an individual practitioner seeking higher education, although it may occur over several years. Increasing practitioner qualifications overall within a given jurisdiction is an ongoing cost and system capacity issue. Toledo Pre-K should consider 1) the current supply of qualified teachers relative to demand; 2) the current quality distribution of preschool compared to the desired quality distribution; and 3) types of support for maintaining high-quality over time, such as establishing ongoing, job-embedded professional development, coaching and mentoring within the program.

One important consideration, strongly recommended by the Cincinnati and Dayton Pre-K program directors, is to allow Toledo Pre-K's quality supports to be customized, as opposed to a rigid "one size fits all" approach.

Sub Recommendation: *Align the programs' definition of "high quality" with Ohio's Step Up to Quality high quality ratings of Star 3, 4 or 5. Allow only a few exceptions where programs are accredited under another quality rating system.*

Ohio considers providers with star 3, 4, and 5 ratings as "high" quality, based on a recent Ohio sponsored study.[1] It makes good sense that Toledo Pre-K avoid creating a separate "quality" system whereby burdening providers with additional regulations when one already exists. Toledo Pre-K's fellow Ohio Pre-K programs define quality based on SUTQ stars 3, 4, and 5. Moreover, using the SUTQ system will ensure alignment with ODE half-day Pre-K funding, which will likely be coupled with Toledo Pre-K funding to build a full day of Pre-K.

Sub-Recommendation: *Use a cost model tool to evaluate true costs of high quality care in tandem with tuition credit rate setting.*

As discussed previously, we estimated that the costs needed to deliver a high quality Pre-K classroom is about $13,000 per child. It will be imperative to ensure the tuition credit provided under Toledo Pre-K is vetted against an accurate assumption of a provider's revenue and cost for the Pre-K program. Underfunding the providers will only perpetuate the illusion that quality is financially achievable. Providers will also need to clearly understand that the Pre-K funds provided will indeed support the quality ingredients expected from the program. Many of the providers will need technical assistance to learn how the tuition credits should be applied within their budget and the program will need accountability for how the dollars are being applied.

Sub-Recommendation: *Operate Toledo Pre-K for 12 months with a minimum six hours of tuition credit funded, curriculum-led instruction. Prioritize providers that offer parents before and after care.*

Research-based best practices support six hours of curriculum per day in a single location and suggest serving children for a full 12 months. Toledo children demonstrate high needs; a nine-month schedule with shorter days will most likely be insufficient to drive educational gains, especially coupled with attendance challenges. Moreover, local need for child care strongly indicates parents need full day (8-10 hours), full year child care.[47]

Sub-Recommendation: *Reduce class ratios from 1:14 to 1:12 preferably 1:10.*

Research has clearly identified higher staff:child ratios with small group sizes as a best practice for Pre-K. Delivering a developmentally appropriate curriculum requires a small enough number of children for each staff number, especially with high rates of developmentally challenged children. Low staff-child ratios also lead to teacher burnout. Depending on the results of classroom cost modeling recommended for Phase 3, it may be possible to improve ratios from their current level of 1 staff per 14 children, with a maximum group size of 28. Other programs use better staff-child ratios, such as Cuyahoga Pre-K, which uses the best-practice ratio of 1:10; and Head Start programs with ratios of 1:8.[48] Toledo Pre-K will need to carefully balance the policy objective of achieving school readiness results against the goal of serving a greater number of children. Cost modeling at the provider level will help identify the cost implications of increased ratios.

[47] Suzanne Gall, Director, YWCA's Child Care Resource and Referral program reported to Linda Dunphy that nearly 100% of their calls to their child care referral line is for full-time, full year care." In person meeting, January 2019

[48] Head Start group ratio is 2:17.

Sub-Recommendation: *Adopt best practice strategies and supports for teacher recruitment and retention.*

Toledo providers report teacher recruitment and retention as the top challenge to achieving and sustaining higher levels of quality. Reasons given include low pay and fringe benefits, challenging or poor work conditions, diminished professional perceptions, and insufficient professional training. One key factor directly tied to the teacher turnover rate, which is at an all-time high nationwide, is student mental health.[49] This is a distinct issue in Toledo, where it is estimated that nearly 40% of the youngest children have unmet social and emotional needs.[50]

Toledo Pre-K should consider instituting criteria for teacher qualifications to grow the pool of bachelor's level qualified Lead Teachers. Research is clear that bachelor's level teachers with significant credit hours specializing in preschool teaching are best equipped to institute a preschool curriculum and effective classroom management. NIEER reports that all Pre-K programs that have shown long term benefits for participants have had highly qualified teachers paid at salaries comparable to those in the K-12 system. Many programs have instituted policies based on this research. For example, Head Start gradually increased the requirement for Lead Teachers to possess a bachelor's degree with specialized preschool coursework, while Cuyahoga Pre-K requires the same qualifications as Head Start. Adopting a bachelor's level requirement is a challenge for Ohio because of a recent change in scope of the state's bachelor's degree program requirements, resulting in a scant number of hours for specializing in the younger years. However, Fast Track, a program run by the University of Toledo and Owens College, uniquely prepares early education bachelor's level students. This should be explored in greater depth in Phase 3 with the Pre-K Workforce Committee.

Sub-Recommendation: ***Establish a "bridge to quality" approach to enable eligible Toledo Pre-K providers to increase their SUTQ star rating.***

The current supply of high quality providers in Toledo is not adequate to meet the expected demand for quality child care in the future. Investing in quality enhancement supports is wise, especially in neighborhoods with low- and moderate-income families and an inadequate supply of high-quality rated providers. Reaching the goal of universal access (i.e. serving all eligible children) requires identifying all available capacity for serving preschoolers and all available funding that can be applied to cover the cost**.** In order to achieve a higher-quality rating, programs are required to demonstrate that they are operating at that level at the time of their

[49] https://ibcces.org/blog/2019/03/27/teacher-turnover-lack-mental-health-training/; https://k-12daily.org/human-resources/teacher-retention-improves-as-mental-health-is-promoted

[50] Amy Allen, Phd, Transformational Leader of Early Childhood and Special Education, Toledo Public Schools reported to Linda Dunphy this estimate, April 2019.

review, thereby incurring additional costs in areas such as child assessments, curriculum use, and proof of using assessments to guide lesson planning – all of which entail higher qualified staffing.

Thus, Toledo Pre-K should consider financial and capacity building options for providers who have achieved 2-star ratings and want to increase quality, but lack funds to reach the next level of quality. Providing customized cost modeling and technical assistance to demonstrate to providers the fiscal implications of increasing quality makes good practical sense. Providers often do not possess the skills to estimate the actual costs of quality improvement, and consequently are reluctant to make quality improvement expenditures.

Sub-Recommendation: *Develop a facility master plan for quality upgrades and capacity building.*

A facility master plan, informed by a facility inventory/needs assessment, will serve to target resources for the quality improvements that will probably be needed across the provider landscape**.** Quality and enrollment capacities may be limited by facility conditions and funding constraints**.** Most city Pre-K programs include capital improvement strategies that leverage funds such as federal, state, or local economic reinvestment grants.

Additional Quality Components: In Phase 3, Toledo Pre-K will need to identify other essential quality ingredients, such as mental health consultations; broader discipline service coordination particularly in Pre-K- Grade 3 alignment; enrichment supports, including early literacy, science arts, special needs; parent engagement; and creating economies of scale through shared services and other initiatives (for example, expanding the Toledo Child Care Coalition[51] and the fiscal technical assistance at YWCA's business services). Identifying and leveraging existing services and resources for partnering and leveraging should be a first step.

Program Infrastructure Recommendations

Pre-K program infrastructure components typically include governance, administration, enrollment services, monitoring and evaluation, outreach and marketing, and fund and reserve development.

[51] Toledo Early Learning Community Coalition, formed in 2014, is a shared service entity providing "back office" business and professional supports to member early childhood education businesses.

Little research exists on the relationship between program infrastructure and child outcomes.[52] Similarly, no single budget formula is guaranteed to best drive child development. However, the correct balance of funding elements for Toledo Pre-K can be derived based on the experience of other cities and the specific goals of the Toledo Pre-K program. The recommendations presented below represent macro level recommendations for program infrastructure. During Phase 3, these components should be more thoroughly researched to derive detailed recommendations for best practices.

Governance Recommendation: *Select an existing or newly created independent non-profit or quasi-governmental agency with a dedicated Toledo Pre-K mission.*

Even though our work did not specifically investigate the pros and cons of various governing entities, the subject was discussed enough for us to make a limited recommendation. We concur with earlier statements of the Principals that the governing/managing entity should neither be the City nor either of the two school districts. Placing the program in an independent non-profit organization, preferably one solely dedicated to Pre-K, removes politics from the decision-making and can allow for more flexibility in governance.

Depending on timing, Toledo Pre-K could be temporarily housed within an existing agency, perhaps initially serving as fiscal agent and maintaining an independent board structure for governance and management decisions.

In additional to a carefully designed selection process for the governing entity, strong consideration should be given to defining the terms and makeup of the governance board members. We recommend criteria for board membership that insulates it from the political climate. The Head Start Governance model is a sound one to examine, because it ensures the balance of skills and representation required to pursue the program's mission and manage financial and legal implications. Also, the inaugural board should be community and system change agents. Those well-seasoned on such challenges would be better positioned to lead and support the program in its initial years.

Lastly, the program's leadership should be focused on informing state-level policy and advocacy in partnership with other Ohio Pre-K programs.

[52] "Options for Investing in Access to High-Quality Preschool in Cincinnati" by Lynn A. Karoly, Anamarie A. Whitaker, Courtney Ann Kase, Robert C. McDaniel, Eric W. Rademacher, Rand Research Report, 2016, Pp. 82

Administration Recommendation: *Ensure the selected program leader possesses executive level skills appropriate for the complex set of responsibilities and has skillful and enough staff to deliver program scope.*

The administrator must be able to undertake a complex administrative role and must be well-versed in policy and adept at political and community collaboration skills. In its initial year, the program should provide expert Pre-K consultation to coach and mentor the new administrator. The program might consider an external fiscal agent to distribute and manage tuition funds.

Outreach and Marketing: *Create a multi-year public awareness and outreach campaign focusing on the value of early childhood education, marketing the Toledo Pre-K program, and recruiting families.*

Anecdotal evidence suggests that in general, Toledo parents do not see the value of quality preschool education in contrast to basic child care. These impressions stem from Aspire's local survey, from polling undertaken by the Mayor's office in relation to the proposed ballot initiative, and from impressions by stakeholders, especially the ECE provider community. A representative viewpoint we heard from the ECE provider community was "families don't value provider quality nor preschool." For example, ECE providers report they have challenges enrolling children into their free half day Pre-K slots, as well as persistent attendance challenges.

The task for Phase 3 is to determine how to fund a community-wide public awareness campaign aimed at the value of quality ECE, coupled with promotion of the new Toledo Pre-K. This task will examine the extent to which messaging should be customized by community to maximize effectiveness. Toledo Pre-K should also examine whether the ECE community is offering the right mix of hours to meet parent need, as well as issues of affordability for parents receiving subsidies.[53]

Finally, the objective of raising awareness will likely require a higher investment in the first few years in order to ensure campaign materials have an extensive reach that measurably improves opinion and behavior. A model to consider is the Dayton Preschool Promise, for which public awareness is one of their three mission pillars. Toledo Pre-K could explore whether their campaign materials are available for adaption for Toledo.

[53] Personal communication from Suzanne Gall, YWCA, Child Care Resource Program

Monitoring and Evaluation Recommendation: *Secure an independent evaluator to ensure program accountability, focusing on both qualitative and quantitative outcomes.*

Pre-K programs are significant public investments and thus require rigorous accountability structures. Thus, it's important to develop and use metrics to track progress and to fund an independent evaluation to determine program success. Incorporating data collection techniques in the initial years of the program can build a case for success over time. Engaging in transparent communication about program results and challenges will build public trust and awareness.

This recommendation incorporates the following sub-recommendations:

- **Sub-Recommendation**: Establish a high-quality continuous improvement system that circulates information to providers; to ECE and kindergarten teachers; and to parents.
- **Sub-Recommendation:** Use an evidence-based curriculum and assessment tools, and provide teachers receive proper dosages of training and supports to ensure curriculum fidelity.
- **Sub-Recommendation:** Establish a comprehensive data management system to track data including enrollment; tuition rates; provider and family applications; payment processing; site records; child assessment data; indicators of access; increases in school readiness; and third-grade academic outcomes.

Fund Development Recommendation: *Establish a reliable, consistent, and dedicated source of primarily public funding supplemented with private funding.*

Nationwide, most city Pre-K programs are largely funded by tax dollars. This dedicated funding source is seen as a wise investment in child outcomes, leading to a more desirable community for employers, and for families. The modeling presented in this report assumes an estimated program budget of $7 million, with $5 million derived from a ballot initiative and $2 million from private funds. Ensuring access to this full amount is essential for success. Without early success, the case for expanded funding becomes less achievable.

The program should ensure that the Pre-K initiative will receive a fixed percentage of the overall levy, with $5 million per year as the minimum. The costs to operate the program will naturally increase over time, as should the funding streams. Toledo Pre-K should maintain a robust fund development apparatus that explores opportunities such as federal preschool and Head Start expansion grants and ODE expansions. Finally, the program should consider future expansion with Lucas County funds.

In order to raise $2 million annually in private funds, Toledo Pre-K will need a professionally-supported fundraising strategy. We strongly recommend that these funds are framed as multi-year, endowment-like commitments that align with funds raised by the ballot initiative. If this is not possible, we recommend building an operational budget based on expected ballot revenue only and allow philanthropic dollars to supplement non-essential program expenses.

Additional Infrastructure Considerations:

In addition to the specific recommendations indicated above, additional considerations for Phase 3 include the following:

- Developing enrollment services, including identifying costs for enrollment, customer service, attendance monitoring, and payment processing for providers and families;
- Examining various tuition payment approaches;
- Ensuring Pre-K to Grade 3 alignment;
- Building collaboration and coordination with community initiatives and programs, particularly for children's developmental and physical health and family supports; and
- Policy and advocacy role at the state level, in collaboration with the other Ohio PreK programs.

Next Steps

Summary of Phase 3 and 4 planning recommendations

With the conclusion of the foundational planning phase that began in the Fall of 2018 and concluded in July 2019, the Toledo community is poised to take the next essential steps to design and develop its Pre-K program. The first phase included community data analysis, Pre-K model comparisons, engagement of stakeholders, macro-modeling for tuition credits, and recommendations for program design. The Toledo Pre-K Initiative should build upon this foundational work and the impressive momentum, widespread stakeholder engagement and multi-sector leadership commitments it has secured. This report's recommendations should be shaped into formal program and policy elements, as well as a road map to implement the program by September 2020. The following recommendations are aimed at ensuring the programs continues to work steadily towards program implementation in September 2020.

Timeline of Milestones for Toledo Pre-K Initiative		
Phase	**Timeframe**	**Milestones**
Kick-Off	Fall 2018 -	• Pre-planning • City of Toledo Mayor established Principals' Group and Working Group • Visit from Dayton's Pre-K program • Consultants Hired
Phase 1	January – March 2019	• Launch Working Group meetings (Jan, Feb, April) - Reviews Comparison of other PreK programs and key parameters • Convened Early Education/Child Care Provider Forum • Mayor Press Conference – Feb 22
Phase 2	April – July 2019	• Working Group discusses program cost modeling and elements • Early Education/Child Care Committee Meets • Workforce Pipeline Committee meets • Final Report of Consultants with Recommendations on macro-program design
Phase 3	Program Design - August 2019 – March 2020	• Pre-Ballot Vote Period • Refinement of PreK Initiative Program Design • Vote of Council for Levy • Announcement of Toledo PreK Plan • Governing Entity Selection Process
Phase 4	Start Up – April – September 2020	• March 10, 2020 – Ballot Vote • Governing Entity Launches; hires Toledo Pre-K leadership • Program Start Up - terms, policy, and infrastructure finalized • July 1 $ Available • Sept 2020 PreK Launches Enrollment

Suggested Phase 3 Activities (Program Design)
Goal: Advance Toledo PreK Program planning and design to ensure steady continuity with Phase 2 and readiness to implement Phase 4 for PreK services in place by September 2020.
Products: Program architectural plans and decisions for program design elements, policy, and implementation strategies rendering a clear road map for start-up/ implementation in Phase 4. • Selection of governance/management entity; • Recommendation and progress reports from standing committees to Implementation/governance committee. • Preliminary Budget for PreK Initiative Start Up, Year One and projections for Years 2-5.
Objective 1: Create program architectural plans for implementation and governance and start up road map for Phase 4.

- ❑ Governance/Management "Entity"
- ❑ Eligibility enrollment - define terms/criteria for family and Provider; approaches and objectives.
- ❑ Quality Improvement
  - ❑ Staff Ratios
  - ❑ Teacher Qualifications, Recruitment & Retention
  - ❑ Curricula and assessments
  - ❑ Children with special needs' supports
  - ❑ Professional Development
  - ❑ Facilities – hard and soft needs
- ❑ Outreach/marketing/communication -- define purpose, scope, budget, startup steps for selecting sub-contractor.
- ❑ K-3 Systems alignment -- define purpose, scope and scale; define budget and resources.
- ❑ Tuition Credit Policies
- ❑ Evaluation and Monitoring - developing the logic model and the evaluation design for issuing a scope of work in Phase 4.
- ❑ Fundraising

Objective 2*:* Continue facilitation& engagement of Phase 1 & 2 Stakeholders on content specific areas for insight, considerations and recommendations; Maintain alignment of discussion across groups.

Objective 3**:** Establish an Implementation Design Group equipped with time, knowledge and seniority (from within and outside Working Group) to deliberate on recommendations that lead to coherent, sensible and plausible decisions that align with political and policy objectives.

Objective 4*:* Secure alignment and coordination with other community initiatives and services to include but not limited to Toledo Hope, YWCA Child Care Resource and Referral, Step Up to Quality and Licensing; mental and physical health and early interventions; and home visiting.

Objective 5: Align and integrate ProMedica PreK EBEID project learnings.

Objective 6: Convene content specific committees to continue work with Phase 3 objectives; early education/child care providers; governance selection; workforce pipeline/retention; enrollment, eligibility and tuition; fundraising; communication; public affairs.

Sunset and/or transition Working Group – for Phase 3 purpose.

Suggested Phase 4 Activities (Governance, Policy and Program Implementation Start Up)
Objective 1: Governance transition board selects Executive Director/CEO (or late in Phase 3).
Objective 2: Implementation of Start Up Plan (Product of Phase 3)
Staffing Supports for Phase 3 & 4

Will need experienced leadership and management team. Options could include:

- Secure a local qualified professional (s) to work in coordination with Consultant to directly support achievement to objectives for Phase 3.
- Governance planning priority for Phase 3 and lead by Principals with goal of a governance entity selected by November, Board appointed in December, and selection process for executive leadership initiated during December/January for role in place by February 2020. Legal counsel will be required for execution of governance entity. This contract will not cover those costs.
- Have current Toledo Pre-K Tactical team continue in similar role from Phase 1 & 2 or comprised of a newly formed Executive committee of Implementation Design Committee. A lead will be the Consultant's principle contact for contract management.

Conclusion

Toledo's young children have high needs and poverty is endemic throughout city. Every major city in Ohio, and a growing number of cities across the country, now have a publicly funded Pre-K program. Investing in preschool is recognized as a non-partisan investment with long-term educational, social, and economic benefits. Moreover, new programs can build upon a firm research base to develop best practices for success. This is an ideal time for Toledo to pursue this landmark education milestone.

A universal Pre-K program focused on high-quality care to 4-year olds in Toledo is financially feasible within the proposed funding amount and would have a great positive community and economic impact in both the short term and the long term. With its initial investment in the exploration and planning phases, the community has already made impressive progress toward making such a program a reality. However, much work remains, and birthing a high-quality, sustainable Pre-K program will require maintaining community-wide momentum and multi-sector leadership commitment through the next developmental phases. We are optimistic about Toledo's ability to be successful in their quest for this legacy achievement.

Appendices

Appendix A: Toledo Pre-K Governance Members

Pre-K Principals Group

- Wade Kapszukiewicz, Mayor, City of Toledo
- Keith Burwell, President, Toledo Community Foundation
- Susan Hayward, Superintendent, Washington-Local Public Schools
- Randy Oostra, President and Chief Executive Officer, ProMedica
- Wendy Pestrue, President and Chief Executive Officer, United Way of Greater Toledo
- Romules Durant, Superintendent, Toledo Public Schools

Pre-K Tactical Group

- Gretchen DeBacker, The City of Toledo
- Amy Allen, Toledo Public Schools
- Stephanie Cihon, ProMedica
- Anneliese Grytafey and Patrick Johnson, Toledo Community Foundation
- Libby Schoen and Emily Avery, United Way of Greater Toledo

Pre-K Working Group

- Lovi Aldinger, Toledo Opera
- Amy Allen, Toledo Public Schools
- Emily Avery, United Way of Greater Toledo
- Sheena Barnes, Parent Representative
- Stephanie Cihon, ProMedica
- Matthew Daniels, Diocese of Toledo-Catholic Education
- Gretchen DeBacker, The City of Toledo
- Nancy Eames, Toledo/Lucas County Public Library
- Katie Enright, Aspire
- Deb Ernsthausen, PNC Bank
- Julie Esparza, Board of Developmental Disabilities
- Suzanne Gall, YWCA Child Resource Center
- Amanda Goldsmith, PNC Bank
- Anneliese Grytafey, Toledo Community Foundation

- Kristi Hannan, Lucas County Family Council
- Casey Holck, YMCA
- Patrick Johnson, Toledo Community Foundation
- Stephanie Kynard, Kynard's Child Development Center, LLC
- John Jones, ProMedica
- Jane Moore, Independent Contractor –Stranahan Foundation
- Craig Palmer, YMCA
- Julie Payeff, The Andersons, Inc.
- Pastor Donald Perryman
- Serena Rayford, Ohio Jobs and Families Services
- Neil Rochotte, Washington Local Schools
- Bob Savage, Jr. Savage Consultants
- Libby Schoen, United Way of Greater Toledo
- Donna Seed, Lucas County Job & Family Services
- Kate Sommerfeld, ProMedica
- Delores Williams, Mental Health & Recovery Services
- Raymond Witte, Dean of the Judith Herb College of Education

Early Childhood Education Pre-K Committee Coordinators:

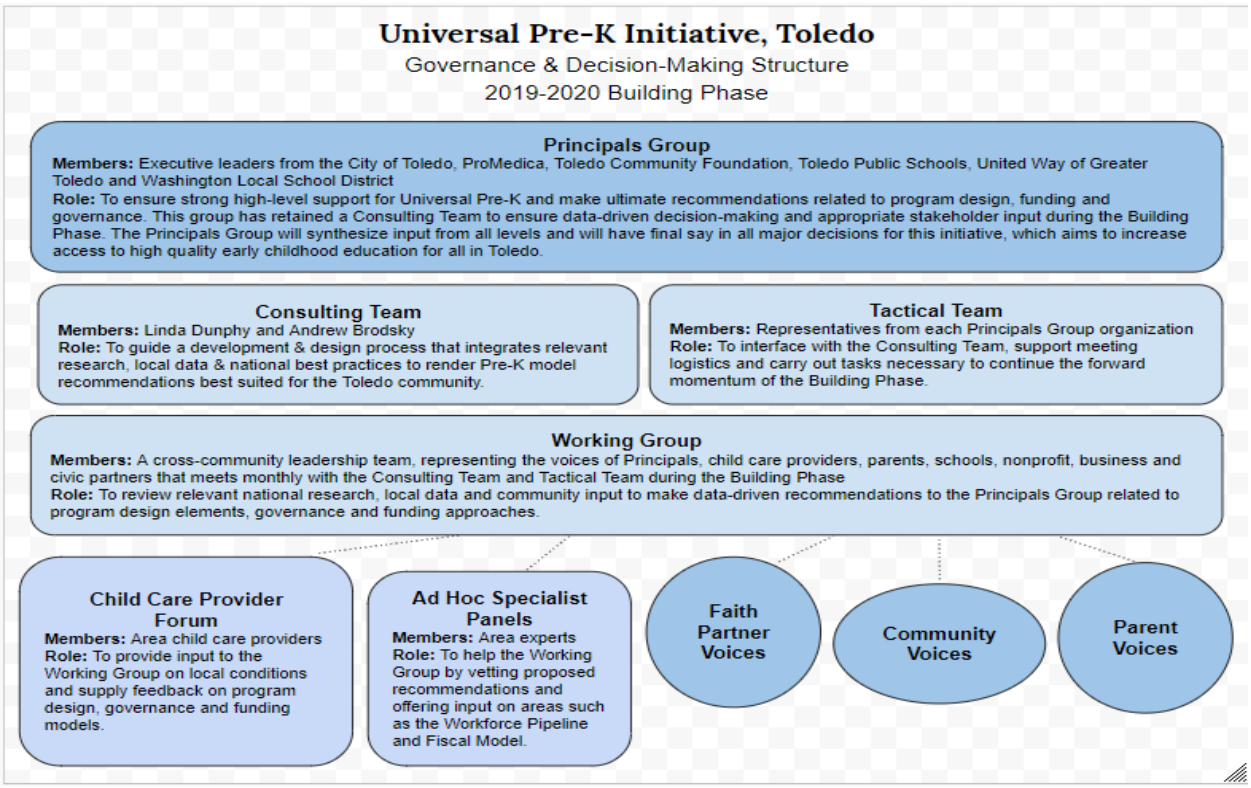
- Suzanne Gall, YWCA Child Resource Center
- Michelle Bieber, Over The Rainbow Early Learning Center
- Mary Ann Rody, Ohio Association of Child Care Providers
- Libby Schoen, United Way of Greater Toledo

Over 50+ City of Toledo ECE Centers and Family Homes representatives attended 7 Pre-K Provider Forums and Committee meetings.

Pre-K Workforce Committee

- Amy Allen, Toledo Public Schools
- Kimberly Ann Christensen, BGSU
- Stephanie Cihon, ProMedica
- Deb Ernsthausen, PNC
- Suzanne Gall, YWCA Child Care Program
- Kristi Hannan, Lucas County Family Council
- Elisa Huss-Hage, Owens Community College
- Libby Schoen, United Way of Greater Toledo
- Ruslan Slutsky, University of Toledo
- Raymond Witte, University of Toledo
- Representatives from Early Childhood Education Providers

Appendix B: Governance Chart



Appendix C: ECE and Workforce Committee Charters

City of Toledo Pre-K Planning Initiative

Early Childhood Education Pre-K Committee Charter

Coordination Group: Michelle Bieber, Over the Rainbow ELC; Linda Dunphy, Evolve Potential, LLC; Suzanne Gall, YWCA Child Care Resource and Referral; Maryann Rody, Ohio Association of Child Care Providers (OACCP); and, Libby Schoen, United Way of Greater Toledo.

Provider Group: Any person(s) that is owner/director or administrator with representation from Type A, B and C licensed programs along with, for-profit, non-profit, rated (1-5), non-rated, faith-based, PFCC, Head Start, ODE Preschool, ODE Expansion slots.

Scope of Committee:

- ADVISORY- The committee will give advice/opinion on topics pertaining the development of the City of Toledo Pre-K initiative not limited to education, economy, and curriculum.
- INFORMATION GATHERING- The committee will take on tasks to gather relevant information/data.
- ALIGNMENT- The committee will align with the Toledo Pre-K Initiative's Working Group on goals and task set forth with transparency.
- COMMUNICATION- The committee will assist with communications between consultants to committee, committee to provider, provider to provider, committee to working group.
    - Awareness and understanding
    - Input and direction on key policies and updates
    - Upward and downward mobility of information and feedback within the Toledo planning structure.
    - Means of communication will be through monthly meetings but not limited to; along with email and social media

Rules of Engagement:

- Ongoing commitment to committee
- Attend ALL meetings
- Professional conduct
- Confidentiality
- Consensus of format of meeting committee goals
- Meaningful engagement

Duration: April 2019 – April 2020

City of Toledo Pre-K Planning Initiative

Teacher Workforce Pre-K Committee Charter

Scope of Committee:

- ADVISORY- The committee will give advice/opinion on teacher workforce topics pertaining the development of the City of Toledo Pre-K initiative.
- INFORMATION GATHERING- The committee will take on tasks to gather relevant information/data.
- ALIGNMENT- The committee will align with the Toledo Pre-K Initiative's Working Group on goals and task set forth with transparency.
- COMMUNICATION- The committee will assist with communications between consultants to committee, committee to provider, provider to provider, committee to working group.
    - Awareness and understanding
    - Input and direction on key policies and updates
    - Upward and downward mobility of information and feedback within the Toledo planning structure.
    - Means of communication will be through monthly meetings but not limited to; along with email and social media

Rules of Engagement:

- Ongoing commitment to committee
- Attend ALL meetings
- Professional conduct
- Confidentiality
- Consensus of format of meeting committee goals
- Meaningful engagement

Duration: April 2019 – April 2020

Appendix D: Draft Mission, Vision, and Values Statement

Proposed Vision, Mission and Values statements – derived from Working Group's brainstormed statements for values, priorities, outcomes at January 24, 2019 session. Linda Dunphy, Consultant synthesized the 20+ participant responses into the following. The Working Group then gave their votes to those they felt strongest about – those counts are indicated next to each. The results should serve as the building block and touch point for the program design developmental process, and a basis for final adoption for the program.

Vision – Options:

- Every Toledo child is prepared to succeed in Kindergarten and beyond.
- All Toledo children are optimally ready to succeed in Kindergarten and beyond.
- All Toledo children enter Kindergarten ready to learn and succeed academically and in life.

Mission – Options:

- Deliver an innovative, high-quality, early childhood education (or preschool) initiative designed to prepare all Toledo children to succeed in Kindergarten and lifelong learning.
- Provide a high-quality early learning opportunity for all Toledo preschoolers to succeed in both Kindergarten and life.

VALUES

- **High quality and results-driven** early education program design [*grounded in evidence-based research and innovative practices]*.
- **Research** guided use of evidence-based and innovative program design.
- **Effective teaching** that leads to meaningful learning--positive interactions, effective curricula, and social development and self-regulation practices. (covers *instructional leaders, P.D. supports*)
- **Opportunity** for all children to thrive as learners.
- **Equitable** access and experience for all children.
    - (covers *Inclusive of all socio-economic areas, convenience, access* and *affordability*)
- **Community wide** support, engagement**,** and collaboration.
- **Family focused** engagement valuing role of parents and community partners.
- **Health and wellness** integration with education approaches.
- **Inclusive** services for children with special needs.
- **Families choose** from among participating Providers.
- **Culturally competent** services to meet Toledo's rich diversity of families and early learning Providers.
- **Continuity** of early learning experience that minimizes transitions.

- **Sustainable, leveraged, predictable and increasing funding** streams to reach all eligible children**.**
- **Fairness** for early learning providers to support high quality in teacher wages, professional supports, and programming.
- **Systemic** impact that builds upon and strengthens 0-5 private/public early learning Provider community **(**covers mixed market of delivery, capacity, collaboration, incentives for quality, workforce pipeline).
- **Robust governance, systems and data infrastructure** to support results-driven program accountability.
- **Alignment** with public school K-3 pedagogical approach, State of Ohio early learning and quality standards, measurements, and curricula.
- **Flexibility** for governance to respond aptly to continuous improvement needs and changes in external environment.
- **Coordinated services** within larger systems of health, mental health, and family supports.

Appendix E: City Preschool Program Profiles

Denver

- *Denver Preschool Program*
- Launched in 2007 based on city ballot initiative, reauthorized in 2014
- Administered by independent non-profit; revenue collected by City & County of Denver
- Serves 4 year olds, 2/3 of whom are less than 185% FPL
- Average tuition is $617 per month
- Tuition credits based on family income and provider quality level
- About 70% of revenue goes to tuition credits; has also funded $12 million in quality improvement since 2007

Montgomery County (Dayton)

- *Dayton PreK Promise*
- Evolved from early learning imitative launched in 2007
- Piloted in 2014-2015 and 2015-2016 in Kettering City School District; demonstration year in 2016-2017 served 800 children in 35 Providers
- Administered by independent non-profit

- Funded by earned income tax increase with additional funding from KCSD, City of Kettering, and private funders
- Serves 1,353 4-year olds at Preschool Promise sites, about 1/3 public schools, 1/3 community child care, 1/3 Head Start
- Provides public education, coaching, and outreach

Boston

- Boston Preschool
- Initiated by then-Mayor Menino in 2005
- Serves 16,000 children in Pre-K through 2nd grade
- Nationally recognized model with high-quality curriculum and coaching support
- Financing includes federal Preschool Expansion Grant funds;
- Rigorous data collection and evaluation methods reveals impressive student gains
- Teachers are on BPS salary scale and subject to BPS educational requirements

Columbus

- Early Start Columbus started in 2014
- Agency: City of Columbus Department of Education (established with ESC)
- Funded with General City Funds – no ballot or levy
- $4.7 million for tuition grants; NO QUALITY IMPROVEMENT $'S
- Serve 4 year olds
    - Currently serving 1,000 out of 12,000 (total 4's);
- Mixed Delivery - 50% CPS and 50% CBO's
- Aiming for universal but right now targeted
- Boundaries of the Columbus City School District.
- Operate School Year not Full Year and School Day (6 hours)
- "Last dollar in" grant making
- "Working Well" – Demand outpacing available dollars
- Family income must fall within 300% of FPL; Favor PFCC receiving Children; Scholarship assistance to families earning up to 400% FPL
- Grant contracts with Providers for x number of slots
- Grant applications from eligible Star 3-5 Providers, NAEYC or LEA.
    - 30% of City CPPs are 3-5* rated

- 25 hours instruction per week (850 hours annually exclusive of before and after care, recesses and breakfast/lunch periods)
- Providers -direct responsibility for recruitment, enrollment, recordkeeping, administration, invoicing and reporting,
- Applications reviewed and evaluated by independent panel
- Standards utilized and monitored through SUTQ
- Meet teacher qualification requirements prescribed by Section 3301.311 of the Ohio Revised Code
    - (50 percent of Early Childhood Education teachers with a BA and 50 percent with an AA in Early Childhood Education or a related degree)
- 3rd party assessment of ESC children through OSU Crane Center Ready4success initiative
- Provider must submit external audit by CPA.
- Provider submits ESC Income Verification Form for each student ESC city funding only (no PFCC or ECE).
- Provider enter student attendance in CeeHiVE. Reports used to determine aggregate grant amounts for children and provider payments.
- Providers paid in 4 installments
- Payments determined by category of funding, SUTQ star rating and number of children served.
- Payments contingent upon compliance with Ohio's Early Learning and Development standards and compliance with SUTQ.

Seattle

- Seattle Preschool Program
- Approved by Seattle voters as $58 million pilot in 2014; launched by the City of Seattle's Department of Education and Early Learning
- Serves 1,200 3-and 4 year olds (universal for 4 year olds; 3-year olds must be under 300% FPL); $340 million 10-year tax levy to expand to 2,500 children approved in 2018
- 77% receive fully subsidized tuition (about $10K/year)
- Quality measured by Early Achievers (WA QRIS); must be Level 3 or higher
- Administered by Seattle School District in collaboration with the City of Seattle
- Provide mental health and health services on site at Pre-K provider locations and specialized consultation to teachers.

Cincinnati

- Preschool Promise
- 10 year planning effort building from Success By Six public and STRIVE in education campaigns and supports to early learning.
- Engage Rand Corporation for in-depth studies
- Launched Preschool Promise in 2017; Issue 44 tax levy for CPS and Pre-K for 6,000 three- and four-year-olds
- Serve kids who live with CPS boundaries; 200% of FPL
- 1,341 children in year 1 – approx. 50% in CPS schools and 50% in CCP
- 81 Providers participating (and 8 family child care)
- Average tuition assistance $6,100
- 55% 4s' and 44% 3 s'
- Support Providers in two tiers – 1) Quality Improvement: 2) Tuition Assistance
- Teacher Promise Grants
- Innovative approach to education and health

Cuyahoga County

- *Universal Pre-Kindergarten (UPK) Cuyahoga*
- *Invest in Children* – county program with larger mission than UPK
- 2006 Planning Year; 2007 Launch; 2016 Expanded with $10 mil new public $; $12.8 private funding
- Serve 3- and 4- year old children
- SUTQ 3-5 star requirement
- 100 preschool programs; 42% of Pre-School Aged kids enrolled in 3-5 Star Rating
- 4,818 students enrolled in high-quality preschools - 69% increase to baseline 2,857 in high quality preschools 2013.
- Class size capped @ 20 with 1:10 teacher/student ratio
- Pay Providers on per-pupil based on need/school performance; Low-income parents provided with some tuition assistance.
- 50% of lead teachers must have Bachelor's Degree and the remaining 50% of Lead Teachers must have minimum of an Associate's Degree and be working towards appropriate BS degree
- Solid research results and national awards for parent engagement approach

Cleveland

- *4-Pre-Cle* - a “Plan”, not a program
- 3 Aims: Increase Access -- accelerate #’s high-quality preschool; Advocacy & Leadership; Building Collaboration
- Cleveland’s Plan for Transforming Schools called for high-quality preschool education across city.
- Housed within *Educational Service Center of Cuyahoga* – fiscal agent
- Independent Board chaired by Cleveland Metropolitan School District (CMSD) CEO and Executive with The George Gund Foundation
- *Early Childhood Compact* governs and oversight; *Starting Point* and ESC lead implementation
- *Provider Advisory Committee* help implement, including quality improvement in classrooms, family engagement, and recruitment strategies
- Prior to launch 2014 - 15% kids kindergarten ready per state standards. 2018 - 65% kids "ready“
- Accelerated Quality Improvement Model for SUTQ

San Antonio

- Pre-K 4 SA
- NIEER gold medal winner
- 4 year olds, Universal
- Led with quality, not access, and has 2,000 children served
- City Funded voters approved a 1/8th of a cent increase city’s sales tax in 2012.
- 10:1 student: teacher Ratio
- Settings and teaching reflect the *Indispensables for Quality Pre-K*
- 4 Quad Centers serving 2000 children & Private Partners through grants
- Professional Development resources through 14 full-time instructional coaches
- Sliding Scale Tuition based on need, never more than 4% of HH income
- No Summer, but extended days
- $11,500 per child - 3 times more than Texas spends
- “Master teachers”, 3 yrs experience and mastery of curriculum earn high salaries. Teachers are certified and assistant teachers have CDA credentials. Teacher aides need a highs school diploma
- WestStat five-year report shows high gains in 3 areas of CLASS; quality varied across settings; attendance mattered.

Appendix F: Consultants' Biographical Sketches

Linda Dunphy, Principal, Evolve Potential, LLC

Linda Dunphy has 25 years' experience leading, developing and advancing high impact business and organizational approaches for early childhood and family services. As owner of Evolve Potential, LLC and Senior Consultant with Foundations for Families, her portfolio of clients involved the early childhood sector on the national, state, regional, and local level. Most recently her focus has been on cost modeling for early childhood quality rating systems with clients in the Florida, Montgomery County Maryland and the District of Columbia. She has long standing work with Early Head Start/Head Start grantees, particularly with the EHS-Child Care Partnership (EHS-CCP), independent child care businesses and related initiatives. She delivers start up and organizational design and capacity assessments and consultation, direct technical assistance, grant writing, and training to enhance and re-structure for success in mostly management and fiscal areas. With Maryland Women's Business Center, she led the Child Care Business Initiative to provide business training and technical assistance. She worked with independent child centers to facilitate and re-design organizational pillars of the agency in the board, personnel and fiscal areas. She has coached Child Care Resource & Referral agencies on how to deliver business services. From 1991-2003 as founder of the Early Childhood Division at Northern Virginia Family Service she led and established the home visiting and childcare initiatives of Healthy Families America, Early Head Start, and Parents as Teachers serving 1,200 families. She has received multiple awards in Washington, DC area for excellence in leadership, management and fiscal stewardship.

Andrew Brodsky, Principal of Brodsky Research and Consulting

Andrew Brodsky is Principal of Brodsky Research and Consulting. He has worked in the educational research field for nearly two decades and is a nationally-recognized expert in early childhood needs assessment and cost modeling. His clients have included the U.S. Office of Child Care; the states of Colorado, New York, and Ohio; and numerous counties, school districts, and other organizations. Dr. Brodsky led the cost modeling efforts associated with the original Denver Preschool Program initiative and has conducted similar work in the Roaring Fork Valley, Summit County, and Adams County, Colorado. He holds a Ph.D. in education research methods and policy from the University of Colorado, Boulder.