

Principles of Cost Modeling

Course name: 1.2 Principles of Cost Modeling

Why is this important?

Content	Engagement
At our organization, we approach our work on strategic public financing from a specific organizational perspective. Our values, goals, and strong commitment to equity shape our approach to cost modeling and how we engage with our clients and partners. Specifically, we believe all children and youth should have equal access to opportunities and experiences that support their optimal development, learning, and overall well-being. To achieve equitable outcomes for children and youth, we prioritize the following: • Systems of funding that are coordinated and comprehensive • Dedicated public funding for high-quality programs and services • Programs, services, and communities farthest from resources and opportunity • Capacity-building approaches that build on state and community strengths and lead to the long-term sustainability of programs and services Now, take a closer look at the 8 specific principles and how our approach to cost modeling reflects them:	On-screen text Principles with pictures aligning to principles Visuals Diamonds and accordions to allow learners to navigate through the principles Icons "Next" and "Home" buttons, and the audio track volume control option. Auditory Text-to-Speech Voice (female-Cassidy)

Principle 1: We strive to expand equitable opportunities to improve outcomes for children and youth.

Content	Engagement
• We acknowledge that high-quality programs and services that support children's development, learning, and overall well-being are not equally accessible to all children and youth. • We work with states and communities to remove funding roadblocks and create sustainable and coordinated approaches to funding high-quality programs and services for children and youth, from cradle to career. • We envision a funding system that allows local and state leaders to move from a scarcity mindset to an abundance mindset where communities maintain stable funding for programs and services for children, offer more options for families, and realize better outcomes for children and youth and a higher quality of life for the workforce. Our approach to cost modeling reflects this principle in several ways: • We strive to increase access to affordable,	On-screen text 1 slide with all the text Visuals Diamonds and accordions to allow learners to navigate through the principles (Darker background) Hover over key words (orange bold underline) Icons "Home" button "Next" button (goes to principle 2) Audio track volume control option. Auditory Text-to-Speech Voice (male-Josh)

high-quality programs, so low or no-cost services are available to more youth and their families. For example, when developing cost models, we explore options that could expand family, child, and youth eligibility for financial assistance and/or reduce parent contributions to make programs and services more accessible. • We strive to increase awareness of the challenges of creating affordable programs and services. For example, in our work, we educate budget decision-makers about the reality that out-of-school programs are often subsidized by low compensation for frontline staff and workers, who are primarily women of color. • We explore staff compensation scales to ensure our cost models help build a well-qualified and appropriately compensated workforce. • We model comprehensive systems that focus on all areas of a young person's life— including the youth's learning and healthy development; support for the youth's family; and high-quality programs that promote trusting, secure relationships. Comprehensive cost models serve as tools to envision an ideal system and guide community investments.	
Principle 2: We strive to increase funding for programs, services, and communities farthest from resources and opportunity.	
Content	Engagement
• We aim to expand access to essential programs and services by encouraging communities to increase their public investments for children and youth and direct the largest allocation of public funding and resources to the young people and communities with the greatest needs. We strive to remove systemic barriers that continue to prevent underrepresented groups from accessing resources for their children and youth. • We focus on the many contexts in which children and youth develop and learn that are not yet written into state constitutions as public goods supported by dedicated funding (e.g., infant and toddler care, out-of-school time and summer programs, and support for Native nations). Our work does not focus on public school funding because, for example, K-12 education appears in many state constitutions as a public good or fundamental right with established funding formulas and leaders. • We help states and communities develop long-term, large-scale improvements for the child- and youth-serving workforce through adequate and stable financing. Unlike K-12 teachers who are recognized as professionals, those who work with children birth to age 5 often are viewed and compensated as low-skilled	On-screen text 2 slides • Slide 1 - first 5 bullets • Slide 2- last 3 bullets) Visuals Diamonds and accordions to allow learners to navigate through the principles (Darker background) Hover over key words (<u>orange bold underline</u>) Icons "Home" button "Next" button (on principle 2.1 goes to principle 2.2) "Next" button (on principle 2.2 goes to principle 3) Audio track volume control option. Auditory Text-to-Speech Voice (male-Josh)

workers. Most are paid poverty-level wages and more than half of them qualify for public benefits and/or face daily economic stress.

- Public programs and services for youth remain underfunded, even though higher-income families spend significantly more on out-of-school time programs for their children. We explore ways to use strategic public financing to support public funding for these types of programs and services.
- Our approach to strategic public financing helps communities harness popular support for a specific age or program while guiding how to structure the funding so that it ultimately scaffolds other areas of childhood and/or those farthest from resource and opportunity.

Our approach to cost modeling reflects this principle in the following ways:

- We advocate **mixed delivery** approaches to implementing early care and education programs to provide more options and ensure that all families—regardless of work schedules, cultural context, or children's ages—can access the services they need. For example, in Delaware, we assisted state leaders in creating a child care system cost model that included additional investments for care provided during nontraditional hours. The model included increased reimbursement rates for nontraditional hour care in all types of settings, not just center-based care, to ensure parents could access the type of care they wanted, regardless of their work schedules.
- We collaborate with communities to help them identify their areas of greatest need. This often includes reviewing their strategic plans, community needs assessments, and/or by speaking to community members. When developing a cost model, we intentionally include a community's greatest needs in the model even if they are not their highest or immediate priority. In this way, we build awareness of strengthening equity in funding programs, services, and systems.
- We are currently planning how to start cost modeling for programs that focus on different ways to support Native nations and expand access to culturally responsive programs and services for Native American children and youth.

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