COST IMPACT STUDY

CHILD CARE STAFFING REGULATIONS

Report to the Arizona Legislature
By the Auditor General
January 1987
87-2

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STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

January 14, 1987

Members of the Arizona Legislature
The Honorable Evan Mecham, Governor

Transmitted herewith is a report of the Auditor General, a Cost Impact Study of the Child Care Staffing Regulations. This report is in response to the September 16, 1986, resolution of the Joint Legislative Budget Committee.

The report provides estimates of the costs of implementing the staffing regulations promulgated by the Department of Health Services. We estimate that the annual cost of providing child care in Arizona will increase by approximately $5.46 million because of the new regulations. Approximately $5.3 million of this cost will be for hiring additional staff, the remainder is due to lost revenues because some centers may need to slightly reduce their enrollments to meet the new ratios. On the average, weekly child care fees would need to increase by $3 to cover these costs. However, these increases will vary by type of center. More detailed information about these costs is presented in the report.

My staff and I will be pleased to discuss or clarify items in the report.

Respectfully submitted,

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TABLE OF CONTENTS

	Page
INTRODUCTION AND BACKGROUND	1
COST IMPACT OF NEW STAFFING RATIOS FOR CHILD CARE	9
Additional Caregiver Staff Required	9
Costs of Additional Caregiver Staff	12
Fee Increases Due to Additional Caregiver Staff	14
Staffing Ratios Impact on Center Capacity	16
Total Costs of New Staffing Regulations	17
OTHER QUESTIONS	21

APPENDICES

I TECHNICAL APPENDIX

II DATA COLLECTION FORMS

LIST OF TABLES

		Page
TABLE 1 -	Comparison of Staff/Child Ratios	2
TABLE 2 -	Percentage of Additional Caregiver Staff Required to Meet New Staffing Ratios by Type of Center	10
TABLE 3 -	Percentage of Additional Caregiver Staff Required to Meet New Staffing Ratios by Tax Status and Type of Center	11
TABLE 4 -	Estimated Yearly Cost of Additional Caregiver Staff by Type of Center	13
TABLE 5 -	Increase in Yearly Caregiver Wage Costs by Type of Center	13
TABLE 6 -	Average Weekly Fee Increase to Cover Cost of Additional Caregiver Staff by Type of Center and Tax Status	15
TABLE 7 -	Weekly Fee Increase to Cover Cost of Additional Caregiver Staff by Type of Center	15
TABLE 8 -	Percentage of Children Dropped Due to Room Capacity Adjustments by Type of Center	16
TABLE 9 -	Estimated Yearly Cost of New Staffing Ratios by Type of Center	18
TABLE 10 -	Average Weekly Fee Increase to Cover Cost of New Staffing Ratios by Type of Center and Tax Status	19
TABLE 11 -	Weekly Fee Increase to Cover Cost of New Staffing Ratios by Type of Center	19

LIST OF FIGURES

		Page
FIGURE 1	Distribution of Centers by Areas of Stratification	4
FIGURE 2	Distribution of Child Care Centers by Type	6
FIGURE 3	Type of Child Care Center by Nonprofit/Profit Status.	7

INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a special study of the cost impact of new Department of Health Services (DHS) regulations governing child care centers in Arizona. This study was conducted in response to a September 16, 1986, resolution of the Joint Legislative Budget Committee.

This report presents information on the estimated costs of child care staffing regulations to become effective between January 1987 and July 1988. The information was requested by the Child Care Study Committee of the House of Representatives, which has been studying the impacts of the new regulations.

Origin Of The Study

During 1986, DHS revised its rules and regulations governing the operation of child care centers. The revisions were based on the recommendations of the Arizona Child Day Care Task Force, which studied a variety of issues, including the regulation of child care centers. The Task Force found that Arizona's requirements for child care staffing were among the highest in the country (i.e. more children are under the supervision of fewer staff). It recommended decreasing the number of children per staff person at licensed centers. DHS used the Task Force recommendations as a basis for revising its regulations on staffing, program requirements, sanitation and other center operations. All but the staffing regulations became effective on December 12, 1986. The staffing regulations take effect between January 1987 and July 1988. Table 1 compares Arizona's current standards with the Task Force recommendations and the DHS revisions.

The new regulations caused concern among some child care providers because of the potential increased costs. The providers were particularly concerned that the lower staffing ratios would require additional staff. In addition, restrictions on mixing infants and 1-year-olds with other age groups could increase staffing needs.

TABLE 1

COMPARISON OF STAFF/CHILD RATIOS

Age Group	Old Staff/Child Ratios	Task Force Recommendations	New Staff/Child Ratios
Infants	1:8	1:5 or 2:11	1:5 or 2:11
1-year-olds	1:10	1:6 or 2:13	1:6 or 2:13
2-year-olds	1:10	1:8 or 2:17	1:8 or 2:17
3-year-olds	1:15	1:10	1:13
4-year-olds	1:20	1:13	1:13
5-year-olds who are not yet school age	1:25	1:15	1:13
School age children	1:25	1:20	1:20

DHS and the Department of Economic Security (DES) attempted to collect data on the cost impact of the new regulations. However, a low response rate to a survey of child care centers prevented DHS from making reliable estimates about the potential cost impact of the new regulations.

Study Scope And Development

The Child Care Study Committee requested the Auditor General to examine a broad range of questions. The questions included the following issues.

- What will be the direct costs of implementing the new regulations? What will be the possible loss of revenue from declining enrollments?
- What will be the cost impact on DHS to implement and enforce the new regulations?
- What will be the cost impact on DES for child care subsidies?
- What will be the increased costs for nonsubsidized parents? If costs become prohibitive for nonsubsidized parents, what are some of the possible consequences?

The questions encompassed a wide range of legislative concerns about child care regulation. Because of the limited time available for the study, however, the Child Care Committee directed the Auditor General to define the study's actual scope. In view of the time available to conduct the study and the limited data available, the study's scope was focused on the additional costs child care centers may incur in meeting the new staffing regulations.

Methodology And Sample Characteristics

The cost estimates presented in this report are based on a sample of 321 child care centers licensed by DHS as of August 1986. The centers in the survey were selected from the 790 DHS licensed centers, and the sample was stratified to ensure that the various types of centers (i.e., profit versus nonprofit, centers of differing licensed capacities) were adequately represented. The stratified sample was also designed to represent centers located in Maricopa, Pima and other selected counties. Figure 1 illustrates the sample characteristics according to areas of stratification. (See the Technical Appendix for a complete description of the study methodology.)

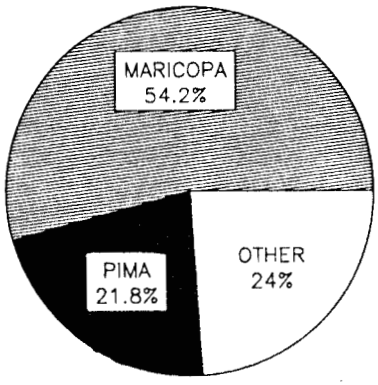
Child care center operators and other industry representatives were consulted in developing survey instruments and procedures to ensure the collection of relevant data with minimum disruption to center operations. Auditor General staff met with the staff of each center included in the sample to explain the data collection procedures and instruct them in filling out the survey forms. Auditor General staff also visited each center regularly during the data collection phase to verify data and answer questions.

The survey was conducted October 13 through 27, 1986. Data were collected for each day that centers were open during the survey period and included: (1) the number of children attending the center, (2) their ages, (3) times in and times out, (4) staff on duty, and (5) the times when staff provided direct care to the children.

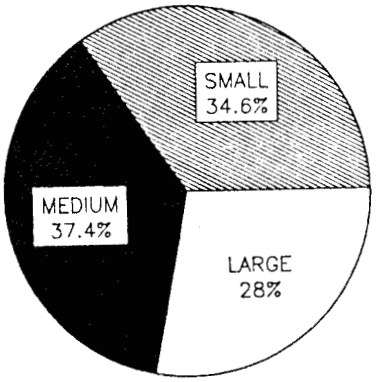
Figure 1

DISTRIBUTION OF CENTERS BY AREAS OF STRATIFICATION

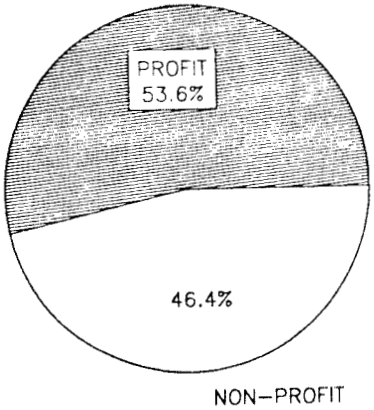
COUNTY



LICENSE CAPACITY



PROFIT/NONPROFIT*



* Percentages are based on 319 centers rather than 321, because we were unable to obtain profit/nonprofit status for two centers.

Of the 321 centers in the original sample, some centers chose not to participate, others were no longer in business, and some centers were excluded from the study because of unreliable data. The analysis that follows is based on data collected from 267 licensed child care facilities.

The participating 267 centers included centers offering a variety of child care services, ranging from 24-hour services to programs for the care and education of developmentally disabled children. For the purpose of our analysis, we categorized centers into two groups: all-day child care centers and specialized centers. All-day centers generally offer care for more than ten hours per day, base fees on an hourly or weekly rate rather than on a particular course or program, and in many instances allow for drop-in children. Specialized centers include Head Start, preschools, preschools with extended care, afterschool latchkey programs, and developmentally disabled programs. Figure 2 summarizes the frequency with which these types of participating child care facilities are represented in the study.

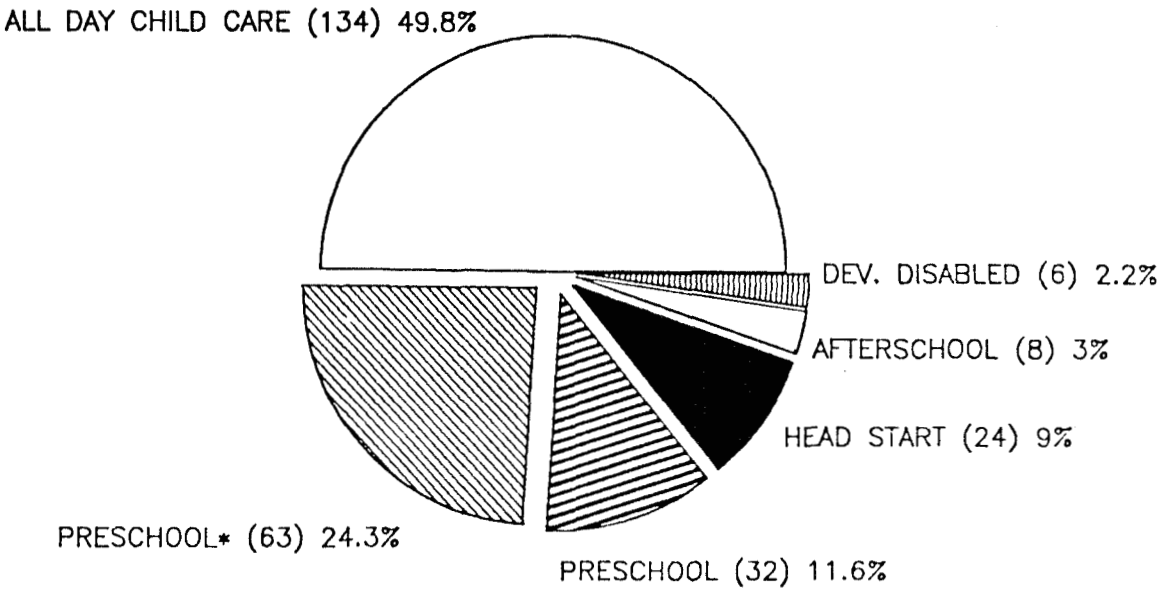
Because of the variety in types of centers and variables unique to each type of operation, industry representatives alerted us to the probability that some types of centers may be affected by the regulations more seriously than others. They indicated that all-day child care centers may experience the greatest impact from the changes in staffing ratios. Currently, more specialized programs either voluntarily or by requirement operate with ratios similar to or more stringent than the new ratios.* Furthermore, for-profit facilities can be expected to experience a greater impact than their nonprofit counterparts.** All-day child care centers are overwhelmingly run as proprietary operations (78.4 percent). Figure 3 illustrates the percentage of profit and nonprofit centers represented in the study, by type of center.

* Head Start and developmentally disabled programs must also comply with other Federal and State regulations that require staffing ratios more stringent than the new ratios.

** Industry representatives indicated that nonprofit centers generally have sources of revenue in addition to parent fees. For this reason, many of these centers are currently able to operate with ratios similar to, or more stringent than those required by the new regulations.

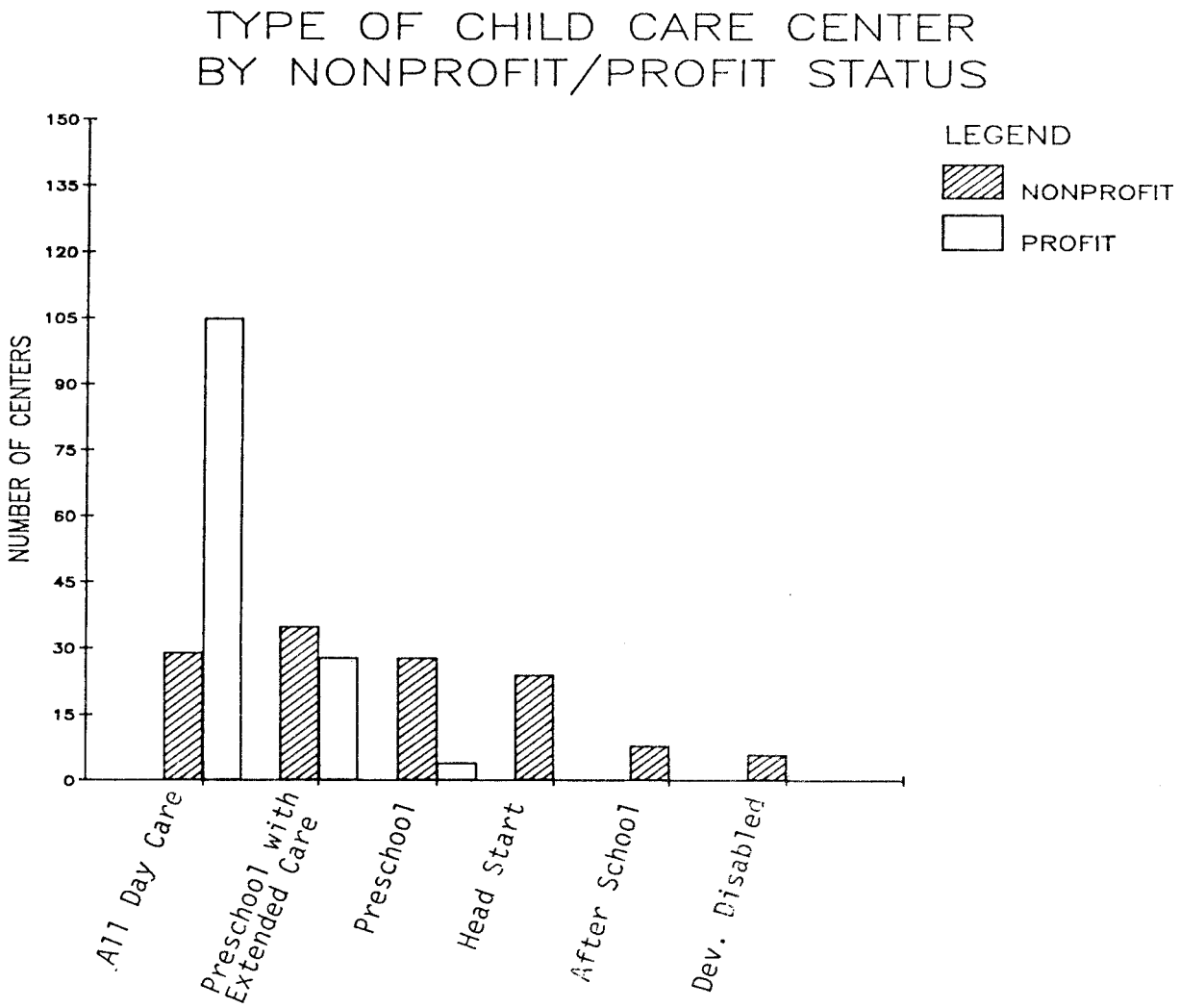
FIGURE 2

DISTRIBUTION OF CHILD CARE CENTERS BY TYPE



* Represents preschools offering extended care.

FIGURE 3


TYPE OF CHILD CARE CENTER
BY NONPROFIT/PROFIT STATUS
LEGEND
NONPROFIT
PROFIT
NUMBER OF CENTERS
150
135
120
105
90
75
60
45
30
15
0
All Day Care
Preschool with Extended Care
Preschool
Head Start
After School
Dev. Disabled

Acknowledgements

The Auditor General wishes to express appreciation to the many child care center owners, directors and staff who assisted in the collection of data for this study. The Auditor General also thanks the staffs of the Department of Health Services and the Department of Economic Security for their assistance.

COST IMPACT OF NEW STAFFING RATIOS FOR CHILD CARE

We estimate that the yearly cost of the new child care staffing regulations will be approximately $5.46 million. These costs are primarily the result of required staff increases. While the level of need varies greatly, we estimate that 82.8 percent of the centers would require at least some additional caregiver staff to meet the new staffing regulations. The estimated cost to the industry of this additional caregiver staff is approximately $5.30 million. Adding to this figure $159,000 per year in lost revenues due to the centers dropping children to meet the standards, brings the estimated total yearly cost of the new staffing regulations to $5.46 million.

On the average, weekly fees would need to be increased by $3.01 to cover these costs. For-profit, all-day centers' weekly fees would potentially increase the most ($4.83), while weekly fees for nonprofit, more specialized centers would increase the least ($1.19).

Additional Caregiver Staff Required

The analysis estimates that 221 (82.8 percent) of the child care centers included in our simulation would require additional caregiver staff to meet the new staffing ratios. Of the 46 (17.2 percent) centers not impacted, all but one are specialized child care facilities.

The need for additional caregiver staff varies dramatically. Table 2 indicates that 47.6 percent of the sample centers would not need to increase caregiver staffing levels or need to increase them by less than 5 percent. Another 33.3 percent of our sample centers would need to increase their staffing levels by 5 to 25 percent. The remaining 19.1 percent would need to increase their staffing levels by more than 25 percent.

TABLE 2

PERCENTAGE OF ADDITIONAL CAREGIVER STAFF REQUIRED TO MEET NEW STAFFING RATIOS BY TYPE OF CENTER

Percentage of Increase in Additional Staff	Type of Center: All-Day Child Care Centers (pct)	All-Day Child Care Centers (n=)	Specialized Child Care Centers (pct)	Specialized Child Care Centers (n=)	Total (pct)	Total (n=)
Less Than 5%	17.2%	(23)	78.2%	(104)	47.6%	(127)
5 to 25%	47.8	(64)	18.8	(25)	33.3	(89)
More than 25%	35.1	(47)	3.0	(4)	19.1	(51)
	100.0%*	(134)	100.0%	(133)	100.0%	(267)

chi-square = 105.00 gamma = .865 p = .000

* Discrepancy due to rounding.

As expected, all-day child care programs would be most severely impacted. All but one such center in the sample would be impacted by the new staffing ratios. Furthermore, 35.1 percent of the all-day child care centers would be required to increase their caregiver staff by more than 25 percent, while only 3.0 percent of the more specialized child care programs would have to increase their staff by a similar amount. Within the 5 to 25 percent range this pattern persists, even though the percentage differences are not as great (47.8 percent and 18.8 percent, respectively).

Among all-day child care centers, those operating as for-profit centers would be impacted to a greater degree than their nonprofit counterparts (see Table 3). Of the for-profit, all-day child care centers, 41.0 percent would need to increase their caregiver staff by more than 25 percent, while only 13.8 percent of their nonprofit counterparts would be required to do so.

TABLE 3

PERCENTAGE OF ADDITIONAL CAREGIVER STAFF
REQUIRED TO MEET NEW STAFFING RATIOS
BY TAX STATUS AND TYPE OF CENTER

All-Day Child Care Centers

Percentage of Increase in Staff	Nonprofit		Profit		Total	
	(pct)	(n=)	(pct)	(n=)	(pct)	(n=)
Less Than 5%	34.5%	(10)	12.4%	(13)	17.2%	(23)
5 to 25%	51.7	(15)	46.7	(49)	47.8	(64)
More than 25%	13.8	(4)	41.0	(43)	35.1	(47)
	100.0%	(29)	100.0%*	(105)	100.0%*	(134)

chi-square = 11.37 gamma = .559 p = .003

Specialized Child Care Centers

Percentage of Increase in Staff	Nonprofit		Profit		Total	
	(pct)	(n=)	(pct)	(n=)	(pct)	(n=)
Less Than 5%	83.2%	(84)	62.5%	(20)	78.2%	(104)
5 to 25%	14.9	(15)	31.3	(10)	18.8	(25)
More than 25%	2.0	(2)	6.3	(2)	3.0	(4)
	100.0%*	(101)	100.0%*	(32)	100.0%	(133)

chi-square = 6.28 gamma = .485 p = .043

* Discrepancy due to rounding.

This pattern persists among more specialized child care programs. Only 16.9 percent (14.9 percent + 2.0 percent) of all nonprofit, specialized centers would need to increase their caregiver staff by more than 5 percent, contrasted with 37.6 percent (31.3 percent + 6.3 percent) of their for-profit counterparts.

Auditor General staff also examined the degree to which size and location influenced a center's need for additional caregiver staff. However, the analysis did not indicate that a relationship exists between a center's location or licensed capacity and the need to add caregiver staff.

Costs Of Additional Caregiver Staff

The new staffing regulations may increase child care costs in that some centers would need additional caregiver staff and/or reduce enrollments. Most of these costs would be the result of adding caregiver staff. We estimate that the cost to the industry of adding additional caregiver staff would be approximately $5.30 million per year.* However, as indicated in Table 4, a large majority of these costs would be assumed by all-day child care centers. While all-day child care centers represent approximately half of the licensed child care facilities in the State, they would incur 86 percent of the total costs of adding additional staff. It is estimated that other, more specialized centers would incur only 14 percent of these costs.

Since the licensed capacities of all-day child care facilities tend to be larger than more specialized centers, it is not unreasonable to expect that the former would bear a larger percentage of the costs of adding additional caregiver staff.** However, this pattern persists when the current yearly cost of caregiver wages is taken into consideration (see Table 5). It is estimated that the cost of caregiver wages and related fringe benefits will increase by 18.7 percent for all-day child care facilities, while only 3.2 percent for more specialized centers.

* This figure was derived by calculating an average caregiver wage for each center, applying that wage to the center's total number of additional staff hours needed for the two-week period, and multiplying by 26 to generate yearly cost data. Wage data was then summed across all centers in the study and multiplied by 2.96. This multiplier was generated by dividing the total population of licensed child care facilities (790) by the number of centers included in our sample (267). FICA at 7.15 percent and an estimated 5 percent for employee related expenses were also factored into these figures.

** The average licensed capacity of all-day child care centers is 87. In contrast, the average licensed capacity of specialized day care centers is 71.

TABLE 4

ESTIMATED YEARLY COST OF ADDING ADDITIONAL CAREGIVER STAFF BY TYPE OF CENTER

Type of Center	Yearly Cost of Additional Staff	Percentage of Total Costs	Percentage of All Licensed Centers*
All-Day Child Care Centers	$4,560,000	86.0%	50.2%
Specialized Child Care Centers	740,000	14.0	49.8
	$5,300,000	100.0%	100.0%

* Estimate based on percentage of sample.

TABLE 5

INCREASE IN YEARLY CAREGIVER WAGE COSTS BY TYPE OF CENTER

Type of Center	Yearly Cost of Additional Staff	Current Yearly Care-Giver Labor Costs	Percentage Increase
All-Day Child Care Centers	$4,560,000	$24,420,000	18.7%
Specialized Child Care Centers	740,000	22,960,000	3.2
All Centers	$5,300,000	$47,380,000	11.2

Fee Increases Due to Additional Caregiver Staff

Assuming that the cost of additional caregiver staff would be passed on to parents, weekly child care fees would need to increase by an estimated average of $2.91 per full-time equivalent (FTE) child across all centers.* However, fee increases will vary greatly by type of center. Parents placing their children in for-profit, all-day child care centers would incur the largest average fee increase of $4.71 per week. The smallest average weekly fee increase of $1.11 per child FTE would be experienced by parents using nonprofit, specialized child care facilities (see Table 6).

The fee increases presented above are average figures. The computer simulation model indicates that fees for individual centers could increase as much as $13.81 per full-time child. However, as shown in Table 7, 69.4 percent of the all-day child care centers and 95.5 percent of the more specialized centers could expect fee increases of $6 or less per week. Further, the projected fee increases assume increased costs will be passed on to consumers through fee increases on a dollar for dollar basis. Some centers could conceivably raise fees above their actual costs and attribute it to the regulations. On the other hand, some centers may not pass all of the additional costs on to parents. Instead, they may employ other options such as changes in programs, increased use of donated goods and services and/or reductions in profits.

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* Average weekly fee increases for each center were generated by dividing the weekly cost of additional caregiver staff by the average number of full-time equivalent children. Child FTEs were calculated on a nine-hour day. For the most part, child FTEs are only applicable for all-day child care centers. However, standardizing fee increases in this fashion permits comparisons across various types of child care facilities.
The calculation of average weekly fee increases also assumed that centers were in compliance with the old, less stringent, staffing regulations during the two week period of data collection. However, DHS licensing administrators indicated that not all centers consistently complied with the old staffing requirements. Therefore, a percentage of the estimated costs of adding additional staff may actually represent the cost of meeting the less stringent staffing ratios that were in effect in October, 1986.

TABLE 6

AVERAGE WEEKLY FEE INCREASE TO COVER COST OF ADDITIONAL CAREGIVER STAFF BY TYPE OF CENTER AND TAX STATUS

Type of Center	Avg. Wkly. Fee Increase
All-Day, Profit	$4.71
All-Day, Nonprofit	3.63
Specialized, Profit	2.06
Specialized, Nonprofit	1.11

TABLE 7

WEEKLY FEE INCREASE TO COVER COST OF ADDITIONAL CAREGIVER STAFF BY TYPE OF CENTER

	Type of Center					
Weekly Fee Increase	All-Day Child Care Centers		Specialized Child Care Centers		Total	
	(pct)	(n=)	(pct)	(n=)	(pct)	(n=)
$2 or Less	20.9%	(28)	78.2%	(104)	49.4%	(132)
$2.01 - $4	27.6	(37)	11.3	(15)	19.5	(52)
$4.01 - $6	20.9	(28)	6.0	(8)	13.5	(36)
$6.01 - $8	19.4	(26)	3.0	(4)	11.2	(30)
$8.00 - $14	11.2	(15)	1.5	(2)	6.4	(17)*
	100.0%	(134)	100.0%	(133)	100.0%	(267)

chi-square = 90.25 gamma = .779 p = .000

* Three all-day and one specialized centers' weekly fees would increase by more than $10.

Staffing Ratios Impact On Center Capacity

In examining the cost impact the new staffing ratios may have, the computer simulation model also took into account a center's physical plant limitations. Physical plant limitations might limit an administrator's ability to place children into smaller groups in order to add staff in a cost-efficient manner. (See the Technical Appendix for a detailed discussion of the simulation model.)

A center administrator may be faced with a situation in which it is less costly to lower the capacity of certain rooms in the facility than to add additional staff. This may result in children being removed from the center's rolls if these rooms consistently hold close to the maximum number of children permitted by DHS.

Several child care administrators expressed concern that lost revenues from such capacity adjustments would be substantial. The simulation reveals that this would not be the case (see Table 8). Less than 21

TABLE 8

PERCENTAGE OF CHILDREN DROPPED DUE TO ROOM CAPACITY ADJUSTMENTS BY TYPE OF CENTER

Percentage of Children Dropped	Type of Center: All-Day Child Care Centers (pct)	(n=)	Specialized Child Care Centers (pct)	(n=)	Total (pct)	(n=)
No Children Dropped	71.6%	(96)	87.2%	(116)	79.4%	(212)
Less Than 1%	21.6	(29)	9.0	(12)	15.4	(41)
1% to 4.9%	6.7	(9)	3.0	(4)	4.9	(13)
5 to 8.0%	0.0	(0)	.8	(1)	.4	(1)
	100.0%*	(134)	100.0%	(133)	100.0%*	(267)

chi-square = 11.86 gamma = .433 p = .008

* Discrepancy due to rounding.

percent (55) of the licensed child care facilities in our sample would need to drop children from their rolls. In most instances, these drops represent less than 1 percent of the average daily attendance at the centers. Only 5.3 percent of the centers would need to lower their average attendance by 1 percent or more. However, all-day child care facilities are again disproportionately represented among centers having to remove children from their rolls.

Because approximately 95 percent of the centers would need to lower their average attendance by less than 1 percent, the impact in lost revenues is relatively small. The simulation analysis estimates that lost revenues resulting from children being dropped because of decreased capacity adjustments would be $159,000 per year.* While the amount of lost revenues is negligible, all-day child care centers would be disproportionately affected. It is estimated that these centers could experience revenue losses totaling $96,000 per year. More specialized centers could expect to lose $63,000 in revenues yearly.

Total Costs Of New Staffing Regulations

Adding the loss of revenues due to capacity adjustments to the cost of additional caregiver staff, the total costs of the new staffing regulations is estimated to be $5.46 million. All-day child care facilities would incur 85.3 percent of these costs and specialized child care centers would incur the remaining 14.7 percent (see Table 9).

* Lost revenues resulting from decreases in center capacity were determined by multiplying the number of children hours dropped by $1.14. This figure was derived by dividing the average daily fee charged by all-day child care facilities ($10.28) by 9 hours. A full-time child spends approximately 9 hours per day at these facilities.

It is estimated that the cost of child care will increase by a weekly average of $3.01 per child FTE. However, as noted previously, these costs will vary by type of center (see Table 10). Parents placing their children in for-profit, all-day child care facilities would experience the greatest average weekly increase of $4.83 per full-time child. The smallest increase of $1.19 would be encountered by parents using nonprofit, specialized child care centers. This translates into a 9.4 percent average weekly fee increase for for-profit, all-day child care centers, and a 2.3 percent fee increase for nonprofit, specialized child care centers.*

TABLE 9

ESTIMATED YEARLY COST OF NEW STAFFING RATIOS BY TYPE OF CENTER

Type of Center	Yearly Cost of Staffing Ratios	Percentage of Total Costs	Percentage of Total Pop.[a]
All-Day Child Care Centers	$4,660,000	85.3%	50.2%
Specialized Child Care Centers	800,000	14.7	49.8
	$5,460,000	100.0%	100.0%

(a) Estimate based on percentage of sample

* A percentage increase in weekly fees was obtained by dividing a center's weekly fee increase by the average weekly all-day child care center fee per FTE child ($51.40). No attempts were made to adjust this fee because of multiple children discounts. It was difficult to standardize weekly fees across all types of licensed child care centers. Specialized child care programs are of varying duration and frequency. Also, as is the case with Head Start, some programs are entirely funded through tax revenues with no fee charged to parents. Therefore, Auditor General staff decided to use the average weekly fee charged by all-day child care centers in this analysis.

TABLE 10

AVERAGE WEEKLY FEE INCREASE TO COVER COST OF NEW STAFFING RATIOS BY TYPE OF CENTER AND TAX STATUS

Type of Center	Cost of Additional Staffing	+	Cost of Dropped Children	=	Average Weekly Fee Increase	Pct. Avg. Wkly. Fee Increase
All-Day, Profit	$4.71		$.12		$4.83	9.4%
All-Day, Nonprofit	3.63		.06		3.69	7.2
Specialized, Profit	2.06		.13		2.19	4.3
Specialized, Nonprofit	1.11		.08		1.19	2.3

TABLE 11

WEEKLY FEE INCREASE TO COVER COST OF NEW STAFFING RATIOS BY TYPE OF CENTER

Weekly Fee Increase	Type of Center: All-Day Child Care Centers		Specialized Child Care Centers		Total	
	(pct)	(n=)	(pct)	(n=)	(pct)	(n=)
$2 or Less	19.4%	(26)	76.7%	(102)	47.9%	(128)
$2.01 - $4	26.1	(35)	12.0	(16)	19.1	(51)
$4.01 - $6	20.9	(28)	6.0	(8)	13.5	(36)
$6.01 - $8	20.9	(28)	3.0	(4)	12.0	(32)
$8.00 - $14	12.7	(17)	2.3	(3)	7.5	(20)*
	100.0%	(134)	100.0%	(133)	100.0%	(267)

chi-square = 91.11 gamma = .773 p = .000

* Three all-day and one specialized centers' weekly fees would increase by more than $10

OTHER QUESTIONS

In addition to the staff/child ratios and the associated cost impact, the Legislative Child Care Study Committee requested other information on related areas. This section will address those questions to the extent we were able to obtain information within the time constraints given.

1. What will be the cost impact on child care centers? How many centers would likely be forced to close due to increased costs or declining enrollments?

To determine whether the regulations may result in the closure of centers would require a study of the current profitability and solvency of the centers. Detailed revenue and expenditure information for each center would be needed to assess the impact of the increased costs. Such a study would be difficult because of: (1) inconsistencies throughout the child care industry in cost variables such as free or reduced rent given some centers, the use of donated labor and materials by some centers, varying costs for different ages of children, and differences in programs, (2) the lack of a standardized accounting system among centers, and (3) the need for a full year's data.

2. What will be the cost impact on The Department of Economic Security (DES)*?

DES program eligibility requirements and subsidy amounts are not directly tied to the Department of Health Services (DHS) licensing requirements.

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* DES assists low income families with day-care expenses. The 1986-87 subsidy program meets the needs of families whose income is no greater than 65 percent of the State median income. Persons receive assistance based on a sliding scale schedule adjusted for both income and family size. Currently, the maximum amount payable is $9.55 for a ten-hour day. Since these fixed amounts are not directly tied to the fees charged by individual centers, many subsidized families must pay a portion of their child care costs.

Therefore, the new rules and regulations will not affect the DES subsidy program unless DES or the Legislature chooses to revise eligibility requirements or to increase the sliding scale payment schedule.

Through combined State and Federal funds, the 1986-87 day-care subsidy budget is approximately $18.6 million. These monies subsidize child care services for eligible recipients in DHS licensed child care centers and DES certified homes. Approximately $13 million (72 percent) of this budget will be paid to DHS licensed child care facilities to which the new regulations apply.

We were unable to obtain from DES or determine from data collected during our study the percentage of total day-care revenues paid by the DES subsidy program. Therefore, we asked the centers in our study to estimate the percentage of their revenues received from DES. Based on the centers' estimates, if DES were to maintain its current percentage of payments it would have to increase its subsidy budget by an estimated $1.4 million per year to cover the increased cost of the new staffing regulations without changing eligibility requirements.* This represents a 7.5 percent increase over the entire 1986-87 day-care subsidy budget and a 10.8 percent increase over the amount paid for child care at DHS licensed facilities.

3. What will be the cost impact on DHS to implement and enforce new regulations? Will they require more staff and more State appropriations?

We did not determine a cost impact to DHS resulting from the new regulations. However, it is anticipated that licensing specialist functions will expand and currently heavy caseloads will continue to greatly exceed recommended levels.

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* All centers included in the study provided information as to the percentage of their revenues provided by DES child care subsidies. Each center's total yearly cost to meet the new staffing regulations were then multiplied by the estimated percentage to obtain DES' portion of the costs per center. These figures were then summed across all centers and multiplied by 2.96.

The new regulations require the centers to keep more information than in the past. Therefore, the length of inspections may increase because of the additional time needed to review center files. In addition to inspection activities, licensing personnel foresee that they will be providing technical support and training to centers needing assistance in understanding and complying with the new regulations.

Although regulatory activities may increase, licensing specialists' caseloads will remain the same. DHS currently has nine licensing specialists located in Phoenix and Tucson to inspect the 790 licensed child care centers throughout the State.* With the addition of one new employee in December 1986, DHS personnel anticipate that Tucson caseloads will remain the same, at 80 centers per specialist, and the Phoenix caseloads will decrease from 125 centers to approximately 100 centers per specialist.

Heavy caseloads may decrease DHS' ability to ensure regulatory compliance. National authorities recommend a caseload of 40 centers per year per specialist. During our study, some child care providers questioned whether annual or biannual inspections are sufficient to ensure compliance with current staff/child ratios and other regulations. Heavy caseloads and limited numbers of inspections will continue with the new regulations.

4. If costs become prohibitive for parents, what might be some of the consequences?

   a) Working parents quitting jobs to be home with children?

   b) Increase in number of welfare recipients?

   c) Increase in number of children placed in unlicensed facilities and poorly supervised homes?

   d) Increase in number of latch-key children?

   e) Increase in child abuse and neglect cases, placing a greater demand on Child Protective Services?

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* DHS is statutorily mandated to inspect all licensed centers at least annually. In addition to these inspections, specialists inspect for license renewals, changes of ownership, new licensees, unlicensed facilities and in response to complaints.

To determine the feasibility of addressing questions related to client behavior, we contacted professors of policy analysis at Arizona State University and the University of Arizona. They concluded that these questions cannot be answered without extensive research conducted over time, and even then the results may be speculative.

The difficulty in determining the effect of the new regulations on client behavior is isolating the various factors affecting behavior. For example, to determine how many parents would leave the work force because they could no longer afford child care would require the researcher to control for other contributing causes such as worker dissatisfaction. This would be impossible without extensive surveys or similar data collected over time.

INTRODUCTION

This appendix describes the methodological design and procedures used to develop the cost impact figures detailed in the body of the report.

REVIEW OF PRIOR STUDIES

Auditor General staff began the research project by reviewing prior studies on the cost of day-care, especially those studies that concentrated on child/staff ratios. A major work in this area was completed in 1979 by Abt Associates. Published in several volumes, the report provided important background information on the numerous factors involved in assessing day-care costs. A later study, conducted by the North Carolina Department of Administration (1983), uses another approach to ascertain the costs of child care for that state. Both prior studies structured the research around different questions and environments specific to those studies. Therefore, it was not feasible to replicate either one for Arizona.

Two studies specific to child care costs in Arizona were completed and provided insight into the types of problems Auditor General staff could expect to encounter. The Department of Economic Security (DES) conducted a study in 1980 of child care centers that had financial agreements with DES, in order to determine the cost of child care in those centers. DES needed this information to ascertain the amount of the subsidies they would pay to economically disadvantaged working parents. Later adjustments in subsidy levels were made in proportion to increases in the cost of living, rather than based on new cost data collected from the centers. Since DES has financial agreements with approximately half of the child care centers in Arizona, the sample was representative of DES centers but did not reflect the entire population of child care centers.

The Department of Health Services (DHS) and DES began a pilot study of 14 child care centers in February 1986, to assess the impact and cost of the 1985 task force recommendations. The pilot test revealed several obstacles to presenting valid costs to the State. Most important was the

lack of standardized accounting practices among the centers. DHS visited the pilot centers to help them set up standardized accounting systems in order to answer the questionnaire. They then sent the pretested questionnaire to all 787 licensed child care centers in operation at that time. Only 75 centers returned questionnaires that contained usable cost and census data. An independent public accounting firm hired by DHS to validate the data determined that the information could not be validated and, therefore, no inferences or conclusions could be drawn from the data.

INDUSTRY INPUT

Since response rates from child care centers in both prior studies were low and threatened the inferential value of the research results, Auditor General staff arranged meetings with representatives of the child care industry for their advice on technical factors to be considered in the study and on how to increase participation in the present research effort. Separate meetings were held in September with individuals who supported the new regulations and individuals who opposed the new regulations. There were three formal meetings before data collection actually began. Two of the meetings were held to solicit industry opinions and suggestions before the research design was formulated. One of these was with proponents of the new regulations and one was with opponents. A third formal meeting combined both these groups to present the research design for final review. There were also numerous informal meetings in Phoenix and Tucson with both groups. Input was encouraged from the centers and two-way communication remained open over the course of the entire study. When particular questions or issues emerged that could be better answered by those with experience in the industry, telephone mini-surveys were conducted. Care was taken to include those who supported and those who opposed the new regulations. Excluding the actual data collection efforts, well over a hundred contacts were made with industry members, representing both opponents and proponents of the regulations. In addition to this industry input, approximately 20 meetings were held with officials of DHS and DES for their technical advice in developing the research design.

The first requirement that child care officials felt must be met was that the paperwork burden of any study be reasonable for center operators. Both groups of representatives suggested additional factors that needed to be considered.

1. Inherent differences between profit and nonprofit centers
2. Differences in centers located in various parts of the state
3. Size of centers based on their licensed capacity
4. Physical plant limitations of centers in terms of legally mandated appurtenances and square foot requirements for different age groups
5. The dynamic nature of child/staff ratios during a day
6. Appropriate time frames for collecting data
7. Impact of accepting DES subsidized children when attendance rather than enrollment is reimbursed
8. Separation of fixed versus variable costs
9. Variance among centers in wages for caregivers
10. Effect of donated goods and services to a center's expected cost increases

Although technical research questions could be answered by Auditor General methodologists, certain decision rules were better decided by those with child care experience. Advice was offered by and sought from both proponents and opponents of the new regulations.

RESEARCH DESIGN

The research design for determining the cost of changes in child/staff ratios was built around a computer simulation model which integrated children's attendance, caregiver time records, the new child/staff ratios for each age category, and a center's physical plant limitations for each room in the facility. The results of the simulation model could then be analyzed in terms of other variables such as size of the center, its location, profit or nonprofit status, wages paid by the center, whether the center was a preschool or day care center, etc.

Inherent in the research design is the assumption that the costs of implementing the new caregiver staffing regulations will be passed on to the users of child care. Although there may be other options available for dealing with the increased costs, Auditor General staff did not attempt to address the variety of ways centers would react to increased costs. These could potentially include cutting programs or profits, generating additional sources of revenue, increasing the use of donated goods and services, etc.

The computer simulation modeling began by determining the number of direct caregiver staff required for each individual center at any given one-half hour time increment. This figure was dependent on the number and age distribution of children present at a given one-half hour time increment, the new child/staff ratios for those ages, and physical plant limitations that could impact the implementation of these new ratios. A center's physical plant might limit operators' abilities to break children into smaller groups and add staff in a cost-efficient fashion. License capacity of a center is based on a center's providing 35 square feet for each infant and toddler, and 25 square feet for children older than that. Every room in a center has a limited license capacity that needed to be factored into the computer simulation model before deciding if children could be broken into smaller groups to conform to new staffing ratios.

The simulation then compared the number of staff needed with the actual number of staff providing direct care (obtained from caregiver time records) to determine if that center would need to add additional staff for that time period to be in compliance with the new staffing ratios.

Based on industry advice, the simulation model did not add additional staff unless it was cost-efficient to do so. For example, the new child/staff ratio for 3- to 5-year-old children is 13 to 1. If the room utilized for these ages had a room capacity of 15, it would not be cost-efficient for a center administrator to fill the room to capacity.

Doing so would necessitate hiring a second staff person for two children. This second staff person would be required under the new ratios because the number of children cared for by one staff person is limited to 13. The cost in wages of adding this additional staff person would not be covered by the revenue obtained from the fees for caring for the additional two children. Input from child care administrators suggested that the cost of adding additional staff would, in the majority of cases, be offset by the fees of approximately four to five children (depending on the wage of the staff added). Additionally, if a center is run for profit, it could be assumed that its administrators would not add additional staff unless there was a potential profit margin associated with such an action.

Therefore, the simulation incorporated a criterion that unless a room could hold an additional six children of a same age category over and above the staff needed at that time, the capacity of that room was lowered. For infants and 1-year-old children, the criterion was set at four instead of six. This adjustment was made for infants and 1-year-olds because centers often charge a higher fee for them. Also, center administrators may decide to care for infants and 1-year-olds, even if it is not profitable, because they may have older siblings for whom child/staff ratios are more lenient and associated profits offset potential loss of infant profit.

It was not possible to factor into the model any future remodeling operators might do to the physical plant, so the simulation assumed that no changes would be made. Simulations were consequently based on the square footage in rooms remaining as presently designated. Again, the simulation model determined the most efficient allocation of space and children.

For affected centers, these modifications could result in situations with more children at a center than could be cared for in a cost-efficient manner, even though the center is not in violation of its licensed capacity limitations. In such situations, the simulation determined the

number of children the center needed to drop. Thus, these children were not included in determining the number of direct care staff a center needed to add to be in compliance with the new staffing regulations. However, lost revenues from children dropped in the simulation were generated and included in the overall cost of implementing the new child/staff ratios.

The result of the computer simulation model, then, was a determination for each individual center of the number of children who had to be dropped and the number of staff who needed to be added to meet the new staffing ratios. These figures reflected considerations of the cost efficiency of adding additional staff or dropping children, given the physical plant limitations of a center. The figures also factored in a profitable point for adding staff.

The cost of additional caregiver staff was determined by using each center's average hourly caregiver wage and multiplying the number of staff hours needed to meet the new regulations by that center's average wage. All the centers' costs were then summed to obtain estimates of additional caregiver wages for centers included in the sample. This figure was multiplied by 2.96 (267/790) to project the cost estimate of adding staff for the population of licensed day-care facilities in Arizona.

Lost revenues due to dropped children were determined in a slightly different manner. A center's fees are based on several factors including age of a child, multiple children discounts, types of programs, and program length. These tend to vary by type of center. Specific enrollment fees could not be used because they do not reflect similar services across all centers in the sample. Before lost revenues could be computed, a standardized daily fee per child needed to be generated.

Auditor General staff decided to compute an average daily fee for all-day child care centers ($10.28) and use this figure to determine lost revenues. Lost revenues estimates were obtained for all centers in the

sample using this standardized fee and multiplying the number of FTE children needed to be dropped to meet new regulations. These figures were summed across centers and multiplied by 2.96 to project the cost estimate of dropping children for the population of licensed day-care facilities in Arizona.

SAMPLING METHODOLOGY

Incorporating the suggestions from the child care operators, the sample was stratified on several characteristics.

1. Profit or nonprofit
2. Geographical regions
3. Size (i.e., licensed capacity of the facility)

Sample size was determined using the generally accepted confidence level of 95 percent (Wright, 1985) with a reliability factor of plus or minus 3 percent. An algorithm from a manual of sampling methods (Lakner, 1976) outlined the procedure for ascertaining the number needed. This is similar to the usual formulas for determining sample size found in standard statistical sampling books (Schaeffer et al., 1979, page 42).

Sample size determination requires knowledge or estimations of the population size, mean and variance. In this case, data for the algorithm were based on the DHS study mentioned earlier. Through use of the algorithm and data, it was determined that the appropriate sample size was 295, with a confidence level of 95 percent and error of plus or minus 3 percent. Discussion was held with a sampling specialist from the Survey Research Laboratory, Arizona State University, which resulted in a procedure for formulation of a systematic random selection of the stratified units in Maricopa and Pima counties. The entire population of Maricopa and Pima child care centers was used as our urban area sampling frame.

Locations of child care centers in the counties outside Maricopa and Pima

were identified. Several clusters of centers were evident, with the remaining child care centers being widely dispersed. It was decided to concentrate on the centers in four clustered areas rather than include dispersed child care centers, due to the difficulty of travel, inefficient use of staff, and excessive demands of time that would be required. The geographic clusters were selected on the following criteria.

1. They represented different regions of the State.

2. They represented regions of differing macroeconomic and social structures.

All child care centers in a cluster were included in the study.

Following are the areas that were selected for the four clusters. Information about the counties was taken from Arizona's Changing Economy: Trends and Prospects (Arizona Department of Commerce, 1986).

1. Yavapai/Coconino County - an area that has tourism, forestry and manufacturing as its main economic base, along with government and University bases.

2. Cochise County - an area impacted by copper industries and high unemployment.

3. Yuma County - an area affected by seasonal economies such as agriculture and tourism, with resultant high unemployment during slow seasons.

4. Mohave County - also influenced by tourism but with manufacturing and high growth evident.

Because of warnings that centers would not be responsive to the study and would not participate, Auditor General staff decided to oversample and sent out 321 letters requesting participation in the study. The following breakdown describes the geographical distribution of the population and the sample.

1. The total population of child care centers in outlying counties is 182, or 23 percent of all child care centers. The sample included 76, or 24 percent.

2. The total population of child care centers in Maricopa County is 431, or 55 percent. The sample selected 174, or 54 percent.

3. The total population of child care centers in Pima County is 177, or 22 percent. The sample selected 71, or 22 percent.

Despite the warnings about lack of cooperation, centers were both cooperative and conscientious in their data collection efforts. Two hundred seventy-six centers (94 percent of the required sample size or 86 percent of the oversample) agreed to participate in the study. Nine centers were dropped because of unreliable or missing data, making the final sample for analysis 267 (91 percent of the required sample size or 83 percent of the oversample). Results of this sample are sufficient for valid inferences to the population of child care centers in Arizona. (See Babbie, 1985, for a discussion of adequate response rates for inferential purposes.)

INSTRUMENT DEVELOPMENT

With advice from DHS, DES and representatives of the child care industry, drafts of data collection instruments were prepared. The drafts were reviewed by DHS and DES. Final drafts were produced and a joint meeting was arranged with Auditor General staff and both the proponents and opponents of the regulations. The purpose of the meeting was to explain the research design, pretest the data collection instruments, and solicit final comments before presentation to the sample of centers.

Most of the suggestions were incorporated into the following forms, which were administered to the centers.

1. Survey Questionnaire asked basic information about hours of operation, fees, employee benefits, donations, and other demographic information about the center.

2. Cost Impact Survey Questionnaire requested information about certain revenues for the center.

3. Caregiver Wage Rate Form asked for information about each employee's education, experience, hourly wage rate, and the estimated number of hours worked each week.

4. Daily Child Attendance Roster was a log of each child's age, time in and time out of the center.

5. Daily Time Record for Caregivers was a log of the hours worked at direct care for children in half-hour increments over a 24-hour day. Caregivers were also noted as volunteer or paid staff.

(See Appendix II for data collection forms.)

DATA COLLECTION

Letters were mailed to child care centers explaining the purpose of the study and requesting their participation. Centers were then telephoned by Auditor General staff to ascertain their participation. Data collection began in October and took approximately four weeks to complete. According to child care operators, October was a good month for the two-week study for several reasons. It represented a time of most normal operation in that summer vacations were over, school was in session, no major holidays occurred (Columbus Day was not considered a major holiday by industry representatives), there were no spring vacations, and overall there were no reasons to suspect any major disruptions in either child or staff attendance. Two weeks was considered by child care industry representatives an adequate time frame for collecting the data. A longer time frame would impose major burdens on centers and, consequently, would threaten the quality of data and the willingness of centers to participate. Auditor General staff attended in-house training sessions explaining the research design and instructions for filling out the forms. Each center in the sample was assigned an Auditor General staff member to help them in answering questions and collecting data.

The first week (October 5-11) served as an introductory week in which Auditor General staff met with center personnel, toured their assigned centers, and explained the study and forms to center administrators. Survey and Cost Impact Questionnaires and Caregiver Wage Forms were started at this time.

The second week (October 13-18) was the start of daily data collection of Child Attendance Rosters and Time Records for Caregivers. Staff visited all the centers in the first two days to ensure proper recording by the centers.

The third week (October 19-25) continued daily data collection. Spot checks of the preceding weeks' forms were conducted, along with continued visits to the centers for assistance if needed.

The fourth week (October 26-27) included final visits and collection of all outstanding data forms. Because of the Columbus Day holiday, an extra day's data was collected. This was done because two full weeks of normal working days' data were desired.

After the data collection phase was completed, November was spent verifying information, collecting missing forms, researching incomplete forms, and entering data from the centers into computer files. Once the data were entered, further checking of computer printouts was conducted for internal consistency of information and verification of out-of-range values. Considerable time was spent on this data cleaning phase. The various data files contained more than 225,000 records. Nine centers had to be excluded from the study because of unreliable data, making the final number of cases for the analysis 267.

ANALYSIS

Data analysis began in December. The goal of data collection was to capture caregiver staff and child attendance during a two-week timeframe. Because of the hourly variance in attendance at centers over the course of

a day, a single measurement taken at one point in the day would not accurately reflect the dynamic nature of either children or staff present at the center. Therefore, after discussion with child care operators, child attendance by age and the number of staff providing direct care to these children were measured in half-hour periods over the course of a 24-hour day. If administrative or support staff filled in for caregivers for certain half-hour periods during the day, they were noted as caregivers for that half-hour. Thus, a more accurate measure of child/staff ratios was possible.

The unit of analysis for the study was the individual child care center. Since there are different staffing requirements for different age categories, the computer analysis sorted the children at a center into separate age groups and assessed the total number of staff that would be required for that center to meet new ratios. This was done for each half-hour period over the 14-day timeframe.

The simulation then compared the number of staff needed to the actual total number of caregiving staff at the center for those same time periods. Because of the difficulty in collecting and verifying data on which staff were with which age groups each half-hour, we assumed that if the total number of staff actually providing direct care to children at that time was adequate to meet the new regulations, the management of the center would assign those staff in compliance with the regulations for each age group, rather than overstaff for one age group and understaff for another. While there may be instances when that might not be true, we expect that in the majority of cases our assumption would hold.

(Results of the computer simulation models are presented in the report, beginning with page 9.)

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SURVEY QUESTIONNAIRE

1. Name of child care center _____ Lic. No. _____

Address _____ Phone _____

City _____ County _____ Zip code _____

Name/title of center respondent _____

2. What type of organization operates the center:

___ Profit

___ Non profit

3. Do you have a financial agreement with DES:

___ Yes

___ No

4. Days and hours of operation are: (circle either a.m. or p.m.)

Monday _____ a.m. to _____ a.m./p.m.

Tuesday _____ a.m. to _____ a.m./p.m.

Wednesday _____ a.m. to _____ a.m./p.m.

Thursday _____ a.m. to _____ a.m./p.m.

Friday _____ a.m. to _____ a.m./p.m.

Saturday _____ a.m. to _____ a.m./p.m.

Sunday _____ a.m. to _____ a.m./p.m.

5. How many months during the year is your center open?

_____ months

6. At your center, are parents usually required to pay for days their children are absent?

_____ Yes

_____ No

7. Does your center pay for the following benefits for employees whose principal function is to provide direct care: (check all that apply)

	Full-time	Part-time
Health/medical insurance	_____	_____
Dental insurance	_____	_____
Retirement benefits	_____	_____
Sick leave	_____	_____
Vacation	_____	_____
Meals	_____	_____

Other employer-paid benefits for direct caregivers _____

_____

8. Does your center receive any of the following donations or subsidies? (check all that apply)

____ Free or reduced rent

____ Food

____ Volunteer caregiver time

____ Grants or cash donations

____ Other goods or services

9. What percent of your costs are covered by parent fees and DES payments?

_____ percent

10. Does your center use room dividers?

____ Yes

____ No

11. Would you like a copy of the results of this study? [NOTE: THE REPORT IS SCHEDULED TO BE RELEASED AT THE END OF DECEMBER]

____ Yes

____ No

12. RESEARCHER: (A) Obtain a copy of the fee schedule.

COST IMPACT SURVEY QUESTIONNAIRE

1. Name of center _____ Lic. No. _____

Name/title of person completing this report _____

_____

2. List the average daily charge per child for full time care at your center for:

(Average daily fees are defined as fees paid by parents or paid by parents and the Department of Economic Security [DES].)

_____ Infants

_____ One year olds

_____ Two year olds

_____ Three year olds

_____ Four year olds

_____ Five year olds

_____ Ages over five years

3. A) Does your center provide meals to children as part of the average daily charge to the parent?

____ Yes

____ No

B) If yes, in your experience, excluding labor costs, what is the current average cost per day per child of the raw food that you purchase which is included in the average daily charge?

$_____

4. Explanations regarding above questions, if necessary _____

_____

_____

_____

_____

_____

_____

INSTRUCTIONS TO CHILD ATTENDANCE ROSTER AND DAILY TIME RECORD FOR CAREGIVERS

Both the DAILY CHILD ATTENDANCE ROSTER and the DAILY TIME RECORD FOR CAREGIVERS are forms that are to be filled out each day. Use a new form each day for the child roster, and time record. The A.G. staff member will pick up completed forms during their weekly visits to your center.

DAILY CHILD ATTENDANCE ROSTER

The purpose of this form is to obtain actual hourly attendance for each child.

1. List each child's name.

2. Enter the child's actual age.

3. Enter the time the child was received at the center in the "time in" column. Please include whether the time was a.m. or p.m. [Example: 9:35 a.m.]

4. Enter the time the child left the center in the "time out" column.

5. Have the center's staff or the child's parent initial the form when they enter the "time out".

NOTE: If the child enters the center more than once each day, enter the child's name a second time including the corresponding time of entry and exit. [Example: Jon entered at 8:00 a.m. and left at 11:30 a.m. He was brought back to the center at 1:00 p.m. and left for the day at 5:45 p.m. He should be entered on the roster two times, each including the "time in" and "time out".]

DAILY TIME RECORD FOR CAREGIVERS

The purpose of this form is to obtain caregiver attendance information. Paid staff to be included are those who, at some time during the day, provide direct care. This will always include teachers, caregivers, aids, assistants, substitutes, etc. who were hired to provide direct care. Also include any volunteers who provide direct care. In addition, other center staff may also be included, such as the director, who, during some time of the day may provide direct care.

NOTE: This form was designed to provide for 24 hour coverage. Please "check off" only time spent giving direct child care. The "day" begins at 12:00 a.m. (midnight). Also, for those person's who do not provide direct care most of the time, it may be easier for the director to maintain the daily record in a centralized location and complete the form.

Each individual staff/volunteer should be given a new form each day. They would be responsible for completing the form each day.

1. Enter the staff/volunteer's name.

2. Enter the person's position and check off whether the person is a "paid" staff or a "volunteer".

3. Check each one-half hour increment in which the staff/volunteer provided direct care to any child age group. Again, please check only the time slots in which direct care was given.

ROUNDING PROCEDURE: If you provide care for a minimum of 15 minutes during any 1/2 hour interval, that interval should be checked. If you provide care for less than 15 minutes during any 1/2 hour interval, that interval should not be checked.

A.G. Initials _____

DAILY CHILD ATTENDANCE ROSTER

Date _____

Center Name _____ Lic. No. _____

NOTE: IF A CHILD LEAVES THE CENTER DURING THE DAY FOR NON-CENTER RELATED ACTIVITIES, PLEASE SIGN THE CHILD OUT WHEN THEY LEAVE AND SIGN THEM BACK IN WHEN THEY RETURN.

PLEASE INDICATE A.M. OR P.M. WHEN SIGNING IN OR OUT.

Child's Name	Age	Time In	Time Out	Sign Out Initials

A.G. Initials _____

DAILY TIME RECORD FOR CAREGIVERS

DATE: _____

NAME: _____ CENTER NAME: _____

POSITION: _____ LICENSE NUMBER: _____

CHECK ONE: PAID STAFF ____ VOLUNTEER ____

NOTES: (1) Please check only time spent providing direct care for center related activities.

(2) ROUNDING PROCEDURES: If you provide care for a minimum of 15 minutes during any 1/2 hour interval, that interval should be checked. If you provide care for less than 15 minutes during any 1/2 hour interval, that interval should not be checked.

A.M.			P.M.		
Midnight-12:30	A.M.	_____	Noon-12:30	P.M.	_____
12:30-1:00	A.M.	_____	12:30-1:00	P.M.	_____
1:00-1:30	A.M.	_____	1:00-1:30	P.M.	_____
1:30-2:00	A.M.	_____	1:30-2:00	P.M.	_____
2:00-2:30	A.M.	_____	2:00-2:30	P.M.	_____
2:30-3:00	A.M.	_____	2:30-3:00	P.M.	_____
3:00-3:30	A.M.	_____	3:00-3:30	P.M.	_____
3:30-4:00	A.M.	_____	3:30-4:00	P.M.	_____
4:00-4:30	A.M.	_____	4:00-4:30	P.M.	_____
4:30-5:00	A.M.	_____	4:30-5:00	P.M.	_____
5:00-5:30	A.M.	_____	5:00-5:30	P.M.	_____
5:30-6:00	A.M.	_____	5:30-6:00	P.M.	_____
6:00-6:30	A.M.	_____	6:00-6:30	P.M.	_____
6:30-7:00	A.M.	_____	6:30-7:00	P.M.	_____
7:00-7:30	A.M.	_____	7:00-7:30	P.M.	_____
7:30-8:00	A.M.	_____	7:30-8:00	P.M.	_____
8:00-8:30	A.M.	_____	8:00-8:30	P.M.	_____
8:30-9:00	A.M.	_____	8:30-9:00	P.M.	_____
9:00-9:30	A.M.	_____	9:00-9:30	P.M.	_____
9:30-10:00	A.M.	_____	9:30-10:00	P.M.	_____
10:00-10:30	A.M.	_____	10:00-10:30	P.M.	_____
10:30-11:00	A.M.	_____	10:30-11:00	P.M.	_____
11:00-11:30	A.M.	_____	11:00-11:30	P.M.	_____
11:30-Noon		_____	11:30-Midnight		_____

INSTRUCTIONS TO THE CAREGIVER WAGE RATE FORM

Include only paid staff who were specifically hired to provide direct child care. Such staff would include caregivers, teachers, aides, assistants, etc. whose function and direct role is to provide direct care. This form need only be completed once by the center and will be collected by the A.G. staff member during week 2 or 3.

1. List each employee's name in COLUMN A.

2. Enter applicable code that describes the employee's level of education in COLUMN B. "Education" codes are:

   1 - Less than high school

   2 - High school diploma or its equivalent

   3 - Associate or bachelors degree in early childhood education, child development or closely related field

   4 - Associate or bachelors degree in non-related field

3. Enter the code that identifies whether an employee holds a Child Developmental Associate credential (or equivalent) in COLUMN C:

   1 - Yes, the staff holds such a credential

   2 - No, the staff does not have that credential

4. Enter the code that describes the employee's child care experience in COLUMN D. (Child care experience is defined as verifiable experience working directly with a group of children during a specified time period in any licensed day care center, elementary education program, or in the fields of nursing, social work, psychology or other fields related to child growth or development.) "Experience" codes are:

   1 - Less than 6 months of child care experience

   2 - Six months or more of child care experience

4. In COLUMN E enter the total estimated, average number of hours the employee usually works during a normal week.

5. In COLUMN F post the employee's actual hourly rate of pay. (If the employee is paid a salary, rather than an hourly wage, calculate an hourly rate by dividing the salary amount by the average hours worked during a pay period.) The hourly rate of pay does not include benefits.

A.G. Initials _____

CAREGIVER WAGE RATE FORM

Center Name _____ Lic. No. _____

COLUMN A Employee Name	COL B Ed. Code	COL C CDA Code	COL D Exp. Code	COLUMN E Estimated Weekly Hours	COLUMN F Hourly Rate