



2020

**Kansas Narrow Cost Analysis
Supplement to the Child Care Market Analysis**

Prepared for the:

Kansas Department for Children and Families

By

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The Learning Tree Institute is a supporting organization of Greenbush – The Southeast Kansas Education Service Center

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SECTION ONE: INTRODUCTION

The Kansas Department for Children and Families (DCF) designs and oversees programs to help Kansas families access child care services. One of these programs is the Child Care Subsidy Program that helps some families pay for child care costs. DCF subsidizes a portion of the child care expenses incurred by some low-income families. These subsidies allow low-income families to participate in training programs, attend school, or maintain employment. Child care rates are based in part on local market rates of child care, as determined by market rate analyses. These analyses are used to obtain rate information as well as other information about the child care setting. Since changes do occur within the market over time, a rate study is completed every three years.

DCF has contracted with the Learning Tree Institute at Greenbush (LTI) to analyze the local market rates of regulated child care throughout the state of Kansas. The analysis provides information on whether current state rates and cost area groupings are adequate to allow families equal purchasing power in the child care market. This year, LTI was asked to conduct a Narrow Cost Analysis in addition to the Child Care Market Rate Study. Unlike the Child Care Market Rate Study, which identified what families are paying for child care, the Narrow Cost Analysis can be used to help inform DCF and other stakeholders as to the actual cost of providing child care.

SECTION TWO: METHODOLOGY

Background

The *2020 Child Care Market Analysis Survey* provides information on what providers are charging parents for child care in the state, however, it alone does not identify the associated costs of delivering child care services. In early 2020, Kansas Department for Children and Families (DCF) requested the *2020 Child Care Market Analysis Survey* be expanded to include questions related to the actual cost of providing child care to allow for a narrow cost estimate. LTI reviewed 22 state reports for models of cost estimation. LTI and DCF agreed to frame the Kansas cost estimation, in part, based on the assumptions and questions used for a similar purpose in the state of Maine. While Maine did not develop a cost estimate model, information gathered was used to inform a future cost modeling analysis. The Kansas model attempts to provide a rough estimate of cost for Family Child Care Providers and Child Care Centers.

The additional questions were aligned with the inputs required for the [Provider Cost of Quality Calculator](#) (PCQC) ¹, which is a free tool offered by the U.S. Office of Child Care that allows states to model the annual cost and revenue for care at the child care facility level, demonstrating whether there is a gap between the cost of providing quality services and

the revenue available to support a provider. Questions were limited to specific areas that have the greatest impact on the costs and profitability of providing services, including 1) Staffing structure, 2) Personnel benefits, 3) Rent and mortgage, 4) Educational supplies, 5) Professional development, and 6) Uncollected revenue.

1 Administration of Children and Families. (2015). Provider Cost of Quality Calculator: User Guide. Washington, D.C.

U.S. Department of Health and Human Services. Available:
http://www.earlylearningpolicygroup.com/assets/PCQC_User_Guide.pdf

SECTION THREE: RESULTS

Staffing Structure and Personnel Wage Data for Family Child Care Providers

For the Kansas Narrow Cost Analysis, Family Child Care Providers included survey respondents who indicated licensure as a Family Day Care Home or Group Day Care Home, with up to 12 children. All Family Child Care Providers have at least one Owner/Operator. Family Child Care Providers typically do not have other staff to assist with care. About one-third of Family Child Care Providers have other full-time or part-time staff as shown in Table 1. With only one-third incurring other staffing costs, these costs are not included in the Family Child Care Provider cost for salaries shown in Table 2, nor are they included in the overall cost model shown in Table 19.

Table 1: Staffing for Family Child Care Providers

Identified Staff	% with at Least One Identified Staff	Median Number of Positions	N
Owner/Operator	100.0%	1	518
Other Full-Time Staff	34.1%	0	255
Other Part-Time Staff	31.5%	0	235

Note: N= Number of respondents in Table 1, and all following tables.

Note: A median is the numerical value that lands in the middle of a set of numbers, with the same amount of data above and below that number. It can sometimes be a more accurate estimation, as it removes data outliers.

Table 2: Personnel Wage for Family Child Care Providers

	N	Median Lowest Wage	Median Highest Wage	Average Wage	Median Number of Positions	Cost for Salaries
Owner/Operator	240	\$15,000	\$26,000	\$20,500	1	\$20,500
Other Full-Time Staff	44	\$9,800	\$10,200	\$10,000	0	
Other Part-Time Staff	45	\$400	\$1,800	\$1,100	0	
Total Salary						\$20,500

Staffing Structure for Child Care Centers

For the Narrow Cost Analysis, Child Care Centers include respondents who indicated licensure as a Child Care Center, Building Based School Age Program, Head Start Center, or Preschool. Child Care Centers vary widely based on enrollment size, so providers were asked on the *2020 Child Care Market Analysis Survey* to indicate if they were a “small facility with an owner/director, and minimal or no additional staff”, or a “larger facility with multiple staff”. Table 3 shows the difference in staffing structure between self-defined small and large Child Care Centers.

Table 3: Self-Defined Staffing Structure for Child Care Centers

Identified Staff	Small Centers with an Owner/Director, and Minimal or No Additional Staff (n = 64)	Large Centers with Multiple Staff (n = 147)
Owner/Operator	1	0
Director	0	1
Assistant Director	0	1
Administrative Assistant	0	1
Classroom Teachers (Full-Time)	0	7
Teacher Assistants (Full-Time)	0	5
Other Full-Time Staff	3	2
Other Part-Time Staff	2.5	7.5

While a definition of “small” and “large” Child Care Centers was provided to survey respondents based on staffing description, examination of the data indicated the staffing structure using these definitions did not reflect true differences in enrollment size. To more accurately report these differences for the purpose of this analysis, Child Care Centers were characterized as “small” if they had an enrollment of 10-24 children, “medium-sized” if enrollment size was 25-99 children, and “large” if enrollment size was 100 or more children. Table 4 shows the median number of positions across these staffing scenarios. The current Narrow Cost Analysis uses these breaks throughout the report in order to show differences between Child Care Centers.

Table 4: Staffing Structure for Child Care Centers Based on Enrollment Size

Staff	Small (N=39)	Medium (N=147)	Large (N=52)
Owner/Operator	1	1	0
Director	1	1	1
Assistant Director	1	1	1
Administrative Assistant	1	0.5	1
Classroom Teachers (Full-Time)	4	5	11
Teacher Assistants (Full-Time)	2	4	5

Other Full-Time Staff	2	3	1
Other Part-Time Staff	1	3	5

Personnel Wage Data for Child Care Centers

The survey collected data on the number of positions and the wages paid to staff in each of the positions listed. Wage data included both the starting wages and highest wages paid for each position. The tables below provide the range of wage for each position by showing the median low wage and median high wage. The average of the two was calculated to get an estimate at the 50th percentile. These estimates were then multiplied by the median number of positions to calculate a total cost per position. A total across all positions provides an estimate of personnel wage. Tables 5 through 10 summarize the total personnel wages aggregated both by size and cost area for Child Care Centers.

Table 5: All Child Care Centers - Average Wage, Number, and Total Salary Cost by Position

Staff/Positions	N	Median Lowest Wage	Median Highest Wage	Average of Median Low and High	Median Number of Positions	Salary Cost
Owner/Operator*	30	\$19,200	\$19,700	\$19,450	1	\$19,450
Director	78	\$30,940	\$36,000	\$33,470	1	\$33,470
Assistant Director	45	\$24,750	\$27,000	\$25,875	1	\$25,875
Administrative Assistant	26	\$22,360	\$23,500	\$22,930	1	\$22,930
Classroom Teachers (Full-Time)	77	\$16,320	\$20,850	\$18,585	6	\$111,510
Teacher Assistants (Full-Time)	54	\$9,180	\$18,360	\$13,770	4	\$55,080
Other Full-Time Staff	28	\$18,200	\$21,320	\$19,760	1	\$19,760
Other Part-Time Staff	33	\$4,194	\$8,500	\$6,347	3	\$19,041
Total						\$307,116

**Note: When child care providers were asked to respond to wage data based on their facility size, those who identified as small facilities received fewer positions from which to choose, while those identifying as larger facilities received a larger set of positions. Because the maximum capacity of the facility was ultimately used in analysis and not the self-described “small” and “large” designations, the aggregation was different than the initial design. The biggest consideration being that smaller facilities were asked about an Owner/Operator position while larger facilities were asked about a Director position. Because there were discrepancies in the reported wages of Owner/Operators and Directors, the decision was made not to combine the two. It is likely that for-profit Child Care Centers may have an Owner/Operator and a Director, while non-profits likely only have an Owner/Operator. This does affect the analysis, especially as both positions are calculated in costs.*

Table 6: Large Child Care Centers - Average Wage, Number, and Total Salary Cost by Position

Staff/Positions	Median Lowest Wage	Median Highest Wage	Average of Median (Low and High)	Median Number of Positions	Salary Cost
Owner/Operator	-	-	-	-	-
Director	\$35,000	\$48,000	\$41,500	1	\$41,500

Assistant Director	\$26,500	\$33,500	\$30,000	1	\$30,000
Administrative Assistant	\$24,356	\$28,900	\$26,628	1	\$26,628
Classroom Teachers (Full-Time)	\$14,540	\$22,960	\$18,750	11	\$206,250
Teacher Assistants (Full-Time)	\$9,000	\$14,000	\$11,500	5	\$57,500
Other Full-Time Staff	\$19,000	\$21,920	\$20,460	1	\$20,460
Other Part-Time Staff	\$4,400	\$12,100	\$8,250	5	\$41,250
Total					\$423,588

Table 7: Medium-Sized Child Care Centers - Average Wage, Number, and Total Salary Cost by Position

Staff/Positions	Median Lowest Wage	Median Highest Wage	Average of Median (Low and High)	Median Number of Positions	Salary Cost
Owner/Operator	\$20,000	\$26,500	\$23,250	1	\$23,250
Director	\$30,000	\$36,000	\$33,000	1	\$33,000
Assistant Director	\$23,712	\$24,750	\$24,231	1	\$24,231
Administrative Assistant	\$15,000	\$19,000	\$17,000	0.5	\$8,500
Classroom Teachers (Full-Time)	\$16,640	\$20,000	\$18,320	5	\$91,600
Teacher Assistants (Full-Time)	\$9,360	\$18,720	\$14,040	4	\$56,160
Other Full-Time Staff	\$16,800	\$23,260	\$20,030	3	\$60,090
Other Part-Time Staff	\$740	\$8,284	\$4,512	3	\$13,536
Total					\$310,367

Table 8: Small Child Care Centers - Average Wage, Number, and Total Salary Cost by Position

Staff/Positions	Median Lowest Wage	Median Highest Wage	Average of Median Low and High	Median Number of Positions	Salary Cost
Owner/Operator	\$10,107	\$12,000	\$11,054	1	\$11,054
Director	\$25,000	\$31,100	\$28,050	1	\$28,050
Assistant Director	\$20,800	\$21,840	\$21,320	1	\$21,320
Administrative Assistant	\$9,710	\$11,097	\$10,404	1	\$10,404
Classroom Teachers (Full-Time)	\$9,106	\$20,280	\$14,693	4	\$58,772
Teacher Assistants (Full-Time)	\$14,564	\$20,800	\$17,682	2	\$35,364
Other Full-Time Staff	\$20,200	\$27,500	\$23,850	2	\$47,700
Other Part-Time Staff	\$3,000	\$6,000	\$4,500	1	\$4,500
Total					\$217,164

Table 9: Summary Comparison Table of Total Salary Cost for Child Care Centers

Staff/Positions	Large	Medium	Small
Owner/Operator	n/a	\$23,250	\$11,054
Director	\$41,500	\$33,000	\$28,050
Assistant Director	\$30,000	\$24,231	\$21,320
Administrative Assistant	\$26,628	\$8,500	\$10,404
Classroom Teachers (Full-Time)	\$206,250	\$91,600	\$58,772
Teacher Assistants (Full-Time)	\$57,500	\$56,160	\$35,364
Other Full-Time Staff	\$20,460	\$60,090	\$47,700
Other Part-Time Staff	\$41,250	\$13,536	\$4,500
Total	\$423,588	\$310,367	\$217,164

Wages were also aggregated by DCF cost areas, which are calculated according to average provider charges for child care. Cost Area 1 has the highest rates charged and represents providers in Johnson County. Cost Area 2 represents the following counties: Butler, Douglas, Ellis, Geary, Jefferson, Leavenworth, Miami, Pottawatomie, Riley, Sedgwick, Shawnee, and Wyandotte. Cost Area 3 providers are those that have the lowest rates and include the remainder of Kansas counties.

Initial analysis reveals the Cost Areas align with the reported cost to provide child care. Table 10 shows Cost Area 1 reports an overall higher wage than Cost Area 2, with the lowest wages reported in Cost Area 3. Since wages make up the largest portion of child care costs, this finding indicates the cost of providing child care is highest in Cost Area 1 and lowest in Cost Area 3.

Table 10: Summary Comparison Table of Total Salary Cost Across Cost Areas

Staff/Positions	Cost Area 1	Cost Area 2	Cost Area 3
Owner/Operator	\$30,000	\$23,000	\$18,250
Director	\$39,500	\$33,340	\$31,000
Assistant Director	\$31,750	\$26,668	\$17,430
Administrative Assistant	\$20,500	\$23,750	\$14,608
Classroom Teachers (Full-Time)	\$197,600	\$129,480	\$71,150
Teacher Assistants (Full-Time)	\$62,685	\$74,600	\$27,211
Other Full-Time Staff	\$18,334	\$21,400	\$21,400
Other Part-Time Staff	\$55,605	\$64,200	\$3,384
Total	\$455,974	\$396,438	\$204,432

Employee Benefits by Provider Type

The survey collected data on benefits that providers make available to their staff, including health insurance and retirement benefits. Table 11 presents the distribution of benefits offered for both Family Child Care Providers and Child Care Centers, with some Child Care Centers offering benefits but very few Family Child Care Providers offering benefits, either to themselves as owners or to their employees. This correlates to data presented earlier in the Staffing section. Family Child Care Providers typically do not have staff other than themselves and are unlikely to provide those benefits.

Table 11: Benefits Offered by Current Providers

Benefit	Family Child Care		Child Care Center	
	% Offering	N	% Offering	N
Health	0.7%	4	34.0%	72
Dental	1.0%	6	37.3%	79
Vision	1.2%	7	32.5%	69
Retirement	0.9%	5	32.5%	69
Other	0.5%	3	20.3%	52

Table 12 and Figure 1 reflect how the percentage of Child Care Centers offering benefits increases with size, with large-sized Child Care Centers providing a much larger percentage of staff with benefit options. Survey respondents indicated, regardless of Child Care Center size, dental benefits were the most likely offered/provided for staff.

Table 12: Benefits Offered by Current Centers by Size

	Small Centers		Medium Centers		Large Centers	
	% Offering	N	% Offering	N	% Offering	N
Health	25.0%	9	29.9%	40	54.8%	23
Dental	30.6%	11	30.6%	41	64.3%	27
Vision	27.8%	10	26.1%	35	57.1%	24
Retirement	27.8%	10	29.1%	39	47.6%	20
Other	16.7%	6	23.9%	32	33.3%	14

Some providers chose to write-in additional benefits in the “Other” category. One Family Child Care Provider reported “discounted child care”, one reported “retirement”, and one reported “small bonuses/gift cards” as a benefit. Child Care Centers reported “disability”, “401k”, “discounted child care”, “cafeteria plan/flexible spending account”, “life insurance”, “college tuition assistance”, “professional development scholarships”, “vacation”, “KPERs”, “uniforms”, and “long-term care” as benefits.

Health Insurance Estimates

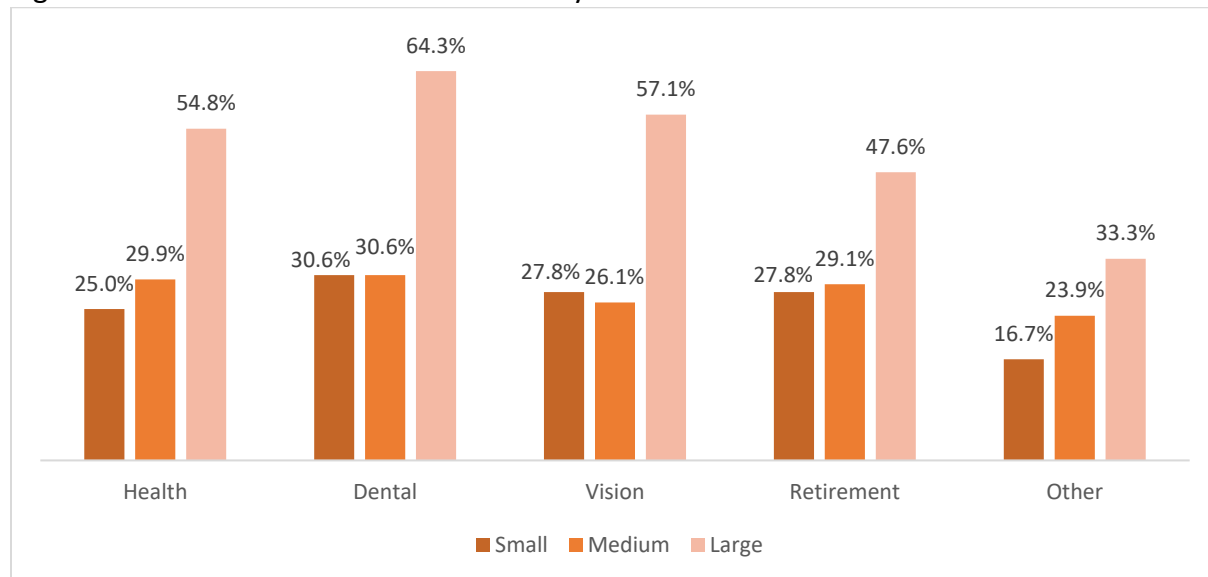
Providers were asked to report the average dollar amount their organization contributes toward health insurance each month, per employee. Table 13 shows the percentage of providers who contribute to health insurance costs as well as the median monthly amount paid. Although only four Family Child Care Providers offer health insurance, their average contribution was higher than that of Child Care Centers.

Table 13: Providers Offering Health Insurance Contributions

	% Providing a Health Insurance Contribution	Number Reporting a Health Insurance Contribution	Median Monthly Amount Paid
Family Child Care	0.7%	4	\$450
Large Center	54.8%	23	\$300
Medium Center	29.9%	40	\$320
Small Center	25.0%	9	\$310

Figure 1 represents the percentage of child care providers who report offering those benefits. Large-sized Child Care Centers are more likely to offer benefits than medium-sized or small Child Care Centers.

Figure 1: Distribution of Benefits Offered by Child Care Center Size



Leave Time

Providers were asked to report the number of paid days of leave annually for five categories of leave (holidays, vacation, sick/personal, professional development and “Other”). If leave was not offered, they were instructed to leave the box blank.

As illustrated in Table 14, the majority of Family Child Care Providers (57.4%) and Child Care Centers (65.6%) provide paid leave for holidays. Less than half pay for vacation, sick, or personal leave. Child Care Centers are much more likely to pay staff for days attending professional development than Family Child Care Providers. The median days of leave across both types of care were similar with Family Child Care providing 10 days of vacation compared to 7.5 for Child Care Centers, and Child Care Centers providing more sick/personal days (7) compared to Family Child Care Providers (5).

Table 14: Paid-Leave Provided for Current Staff by Provider Type

Type of Leave	Family Child Care		Child Care Center	
	% Providing	Median Days Leave	% Providing	Median Days Leave
Holidays	57.4%	7	65.6%	7.5
Vacation	39.3%	10	46.2%	7.5
Sick/Personal Leave	32.1%	5	43.4%	7
Professional Development	7.9%	3	33.0%	2
Other	3.5%	0	4.7%	0

In the “Other” leave category, 12 Family Child Care Providers (1.6%) stated they provide bereavement leave. One provider included “COVID quarantine”, another stated “school holidays”, and one included “acts of God” such as earthquake or power outage.

Four Child Care Centers (1.5%) listed bereavement leave in the “Other” category. Other leaves were reported once by Child Care Centers, and included: “birthday leave”, “jury duty”, “maternity leave”, “optional holidays”, and “winter break”.

Additional Expenses

Staff Professional Development

The survey collected expenses pertaining to staff training and development over the past 12 months. As illustrated in Table 15, the survey found that more than 90.0% of Family Child Care Providers and Child Care Centers reported they paid for staff training. The amount spent on employee training increases with Child Care Center enrollment size and number of staff positions, with large-sized Child Care Centers spending approximately \$18,000 per year, medium-sized centers spending approximately \$2,000, and small centers, about \$300. Family Child Care Providers report spending approximately \$110 annually.

Table 15: Professional Development Expenses - Past 12 Months

Provider Type	Percent Indicating Expenses	Median Amount Spent	N
Family Child Care	90.6%	\$110	345
Large Center	93.9%	\$18,000	31
Medium Center	95.5%	\$2,045	103
Small Center	96.7%	\$300	29

Educational Supplies for Children

Providers were asked how much their program spent on educational supplies and learning experiences for children in the past 12 months. As shown in Table 16, the median amount spent for Family Child Care Providers and small Child Care Centers was comparable and under \$1,000, while both medium-sized and large-sized centers report spending more than \$7,400.

Table 16: Educational Expenses to Enhance Children’s Learning - Past 12 Months

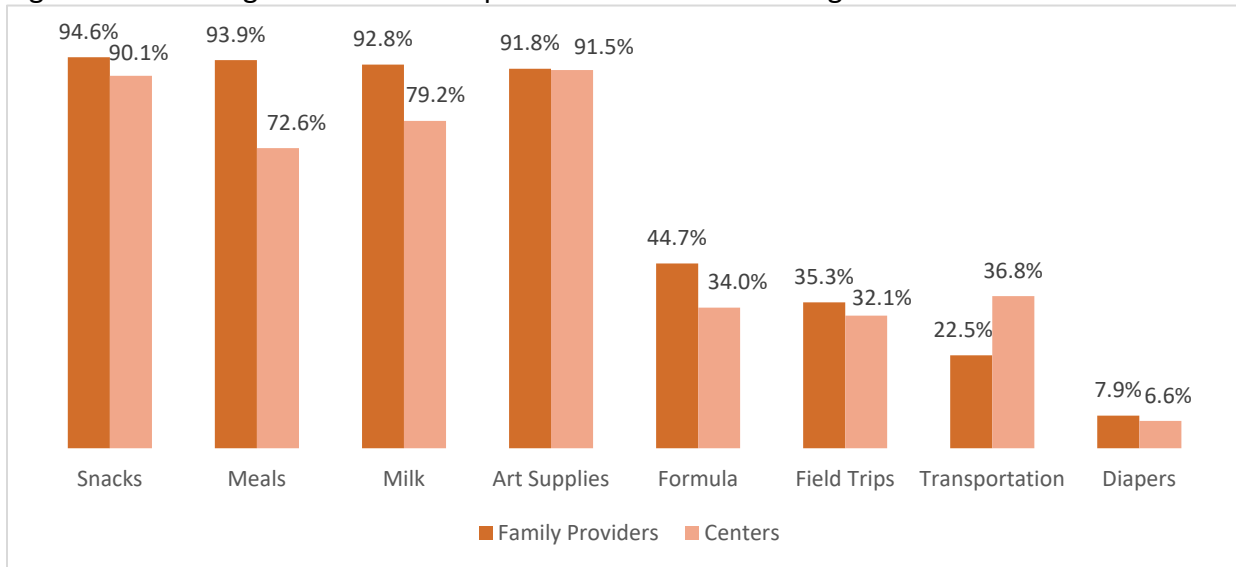
Provider Type	Percent Indicating Expenses	Median Amount Spent	N
Family Child Care	99.6%	\$700	472
Large Center	97.0%	\$7,410	32
Medium Center	99.1%	\$7,877	110
Small Center	97.0%	\$800	33

In addition to expenses related to staff training and development and education supplies, there are a number of child care expenses that providers incur that are often provided at no additional charge to families. Table 17 and Figure 2 show the percentage of providers offering supplies and services at no additional charge. The vast majority of Family Child Care Providers and Child Care Centers supply, but do not charge additionally for: art supplies, snacks, milk, and meals. Diapers were the supply provided to families least often by both provider types.

Table 17: Child Care Expenses Offered at No Additional Charge to Families

	Family Child Care		Child Care Center	
	Percent Offering	N	Percent Offering	N
Art Supplies	91.8%	526	91.5%	194
Snacks	94.6%	542	90.1%	191
Milk	92.8%	532	79.2%	168
Meals	93.9%	538	72.6%	154
Transportation	22.5%	129	36.8%	78
Formula	44.7%	256	34.0%	72
Field Trips	35.3%	202	32.1%	68
Diapers	7.9%	45	6.6%	14

Figure 2: Percentage of Child Care Expenses Offered at No Charge to Families



While these estimates cannot be considered an indication of quality alone, a more comprehensive look into professional development of staff and educational expenses associated with developmentally appropriate practices could be used as a potential measure of environmental safety and child care quality.

Another future consideration for assessment of safety and quality is the Quality Rating and Improvement System, known as *Links to Quality* in Kansas. The pilot for this program was completed in the summer of 2020 with 42 child care providers. Statewide implementation has not yet occurred. This quality initiative may be an area for consideration in future cost estimation models, especially as it pertains to the effects of professional development on safety and quality of care.

Rent/Mortgage by Provider Type

To estimate the rent/mortgage cost associated with child care facilities in Kansas, the minimum requirement for square footage per child and approved maximum allowable number of children allowed were used in the calculation. The Child Care Licensing division of the Kansas Department for Health and Environment (KDHE) requires Family Child Care Providers have a facility large enough to allow for 25 square feet per child and requires Child Care Centers to have facility large enough to allow for 35 square feet per child. Based on the maximum allowed number of children for each provider, LTI calculated the required square footage per facility. Child Care Centers have an additional square footage requirement for infants of 30 square feet to maintain the required distance for cribs. For this reason, 30 square feet per infant was added to the square footage for Child Care Centers based on their desired capacity and vacancies for infants.

In addition, the square footage of kitchens and bathrooms were estimated based on

research and consultation with those understanding child care facility development and design. The Narrow Cost Analysis uses the following standard sizing: combined kitchen and bathroom square footage of 330 for Family Child Care Providers (up to 12 children), 680 for small centers (10-24 children), 800 for medium-sized centers (25-99 children), and 1,380 for large-sized centers with 100 or more children. The PCQC calculation is based on \$14 per square foot/month for child care rent and mortgage. Using this industry standard, LTI added square footage per child, estimated kitchen and bathroom areas, multiplied by \$14 per square foot/month, and then multiplied the total by twelve to obtain a total cost estimate for provider rent and mortgage.

Table 18 shows the annual rent and mortgage cost estimates by provider type and size. Estimated mortgage and rent costs vary widely according to facility size, with Family Child Care Providers having the lowest costs and large-sized Child Care Centers incurring the highest costs.

Table 18: Estimated Annual Rent/Mortgage Cost by Provider Type

Type of Provider	N	Range of Rent or Mortgage Cost	Median Rent/Mortgage Cost	Mean Rent/Mortgage Cost
Family Providers	663	\$5,670 - \$9,250	\$8,120	\$8,317
Large Center	52	\$68,320 - \$215,320	\$88,865	\$106,033
Medium Center	35	\$26,180 - \$62,230	\$36,190	\$37,774
Small Center	28	\$14,840 - \$27,720	\$18,935	\$19,048

Estimated Uncollected Parent Fees

The final consideration for cost in the analysis was an estimate of uncollected parent fees. Typically, these fees are considered “bad debt”, which are accumulated when families leave a child care facility owing a balance and the provider has been unable to collect payment. The industry standard for uncollected revenue is 3.0% of revenue. This estimate was added to the cost estimates for salaries/wages, health insurance, professional development, educational supplies, and rent/mortgage.

Total Cost Estimate

Table 19 shows calculated estimates for the Narrow Cost Analysis based on responses from the *2020 Child Care Market Analysis Survey* and application of industry standards. Please note that the cost estimates provided in the current Narrow Cost Analysis are likely conservative as they do not include expenditures for taxes, maintenance, utilities, attorney/accounting fees, and other expenses that could vary substantially by provider type and region. A more comprehensive Cost Analysis would need to be conducted to capture these costs.

In addition, the median value was used for most estimates. While appropriate, the median value is often more conservative than the mean, which can be impacted by outliers in the data. It is also important to note that salary data for many key positions were reported below that of the national average.

Table 19: Estimate of Costs by Provider Type

Cost Categories	Family	Large Center	Medium Center	Small Center
Staff Salaries/Wages	\$20,500	\$423,588	\$310,367	\$217,164
Health Insurance *	\$5,400	\$68,400	\$57,600	\$44,640
Professional Development	\$110	\$18,000	\$2,045	\$300
Educational Supplies	\$700	\$7,410	\$7,877	\$800
Rent/Mortgage	\$8,120	\$88,865	\$36,190	\$18,935
Subtotal	\$34,830	\$606,263	\$414,079	\$281,839
Uncollected Fees (3%)	\$1,045	\$18,188	\$12,422	\$8,455
Total	\$35,875	\$624,451	\$426,501	\$290,294

**Note: While less than 1.0% of Family Child Care Providers and 25.0%-55.0% of Child Care Centers report offering health insurance, these costs have been added to the estimate to more accurately portray costs associated with a quality child care facility. Health insurance costs were calculated by multiplying the average yearly contribution by the number of full-time positions (mean) according to provider type.*

Limitations

The narrow cost estimates provided are subject to several assumptions, limitations, and potential biases. First, the survey data are based on child care provider responses. Not all child care providers responded to the survey, so the data may not be representative or reflective of the actual values or costs to provide child care. While sample size was adequate, many providers did not answer specific questions related to costs which further reduced responses needed to obtain estimates. Lastly, the wording of questions may have been confusing or hold different meanings for providers.

There were several assumptions that had to be made to allow for cost estimation. The first assumption was calculation of square footage for rent and mortgage. While research was conducted and those understanding child care facility development and design were consulted, and numbers seem adequate, there is not currently a standard way to accurately measure these costs. The second assumption was the application of 3.0% of total cost for uncollected revenue based on PCQC standards. We do not currently have a way to know if 3.0% is a realistic number for Kansas child care providers.

Because the cost estimates provided are likely conservative, as they do not include expenditures for taxes, maintenance, utilities, attorney/accounting fees, and other expenses, a more comprehensive Cost Analysis could capture these costs. Despite these limitations, LTI has attempted to provide an accurate, yet conservative estimate of child care costs for providers in Kansas.