FIRST THINGS FIRST

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Quality First Cost Model

At the June 14, 2011 Board meeting, members approved revised Quality First service delivery models for FY 12 and 13. First Things First staff has finalized the cost of implementing these models and provides highlights in this narrative report.

FY 12 Cost Model

Quality First costs for FY 12 are divided into two categories:

1. The Quality First cost identified in fall 2010 for allotments in FY 12 Regional Council funding plans remains unchanged at $29,800 per center-based provider and $21,250 per home-based provider.

2. The Quality First cost for additional FY 12 expansion beyond the original allotment and number of providers identified in FY 12 funding plans is slightly increased due to higher coaching costs by $800 for center-based providers for a total unit cost of $31,600, and by $1,500 for home-based providers for a total unit cost of $22,750.

   This cost increase for additional expansion resulted because First Things First was required to award a new grant for FY 12 Quality First coaching and incentives management. First Things First negotiated thoughtfully throughout the grant award process to minimize the financial impact of additional Quality First expansion.

FY 13 Cost Model

Components of the Quality First service delivery model change in FY 13, although the unit cost of the Quality First package of services remains similar to FY 12 costs. However, adding financing for quality early learning through the allocation of Quality First Scholarships to every enrolled provider based on the provider's star rating does increase the total funding necessary to support a provider in Quality First. Ultimately, the funding for Quality First Scholarships will increase 26% in the FY 13 cost model over the amount of funding for these scholarships in FY 12 regional funding plans. This increase provides a substantial investment in financing for the early learning system, and also allows room for future growth of this investment if desired.

Quality First Model	FY 12 Total Average Cost		FY 13 Total Average Cost	
	Centers	Homes	Centers	Homes
Quality First Services	$29,800	$21,250	$30,556	$23,082
Quality First Services Expansion (FY 12 only)	$31,600	$22,750		
Quality First Services and Scholarships			$70,937	$28,747

Significant changes to the Quality First cost model are detailed below and the total cost breakdown is shown in the table on page 4.

Assessment: initial and on-going progress assessments for all providers using the Environmental Rating Scales, CLASS and QF Point Scale will be funded from the Statewide funding plan. This replaces the previous statewide support for individual enrolled providers, who will now be funded through regional funding plans.

Coaching: coaching caseloads will be decreased from 1:12 to 1:9, and intensity levels will be increased for providers rated at the 1 or 2 star level. Total coaching costs are slightly increased over FY 12 levels.

Technical Assistance/Consultation: This is a new component in the Quality First service delivery model that will build coach and provider capacity by increasing awareness and support for all children in the areas of health, mental health, inclusion for children with special needs and instructional support. The amount added to the Quality First cost by including this technical assistance is more than offset by a decrease in the intensity and cost of Child Care Health Consultation for all providers. (Refer to Attachment A for an explanation of the Quality First Consultation Model.)

Incentives: The total amount in incentive packages has been reduced, but still provides a significant incentive for improving quality through purchase of materials (1 and 2 star levels) or through other selected quality investments such as paying professional development costs or promoting employee retention (3 stars and higher). The incentive package was also modified for FY 13 by determining that 50% of child care licensing fees would be provided from the incentive amount.

Quality First Scholarships: Allotment of Quality First Scholarships is the most significant change for the FY 13 Quality First cost model. A 27% increase in funding allows each provider to receive Quality First scholarships. The number of scholarships and amount of funding is determined based on the provider's star rating.

Star Levels	% Median Rate Paid	Maximum Number of Scholarships				
		Large Center	Medium Center	Small Center	Group Home	Family Home
1	70%	9	6	4	1	1
2	75%	10	7	5	2	1
3	85%	12	9	6	2	2
4	100%	15	11	8	3	2
5	110%	17	12	9	4	2

Regional Impacts and Considerations

Implications of the new Quality First service delivery and financing model for regions will vary depending on the current Regional Council investment in Quality First and Scholarships. Regional Councils will need to consider the following factors as they begin their strategic planning this fall:

- Beginning in FY 13, the Quality First model will not distinguish between state funded providers and regionally funded providers. It is important to note that the allotment of statewide funds for Quality First services is virtually the same at $8.4 million in FY13 compared to $8.6 million in FY 12. However, statewide funds will be distributed across all providers in Quality First to pay the costs for assessment, administration and TEACH scholarships, rather than fund individual providers.

  Currently, the $8.6 million of FY 12 statewide funds support 253 Quality First providers and 21 Regional Councils fund a total allotment of $14 million to fund 673 providers. Regional Councils that have not previously funded Quality First, or have a large number of state funded providers located in their region, will need to consider the increased cost to support all Quality First providers in FY 13. Ultimately, it is a Regional Council decision to continue the support for all enrolled providers.

- The FY 13 model will tie together financing and quality through Quality First Scholarships. In FY 12, 19 Regional Councils allotted $21.3 million for Quality First Scholarships awarded to over 450 providers. In the new model, all 926 enrolled providers will have access to scholarships, which increases the cost by 26% in FY 13 to $28.9 million. Regional Councils that allot funds for Quality First, but have no current investment in Quality First Scholarships, must now consider how this additional cost will impact FY 13 planning.

Other factors for consideration by Regional Councils include:

- Number of providers and length of time on the Quality First provider waiting list
- Council commitment to supporting a provider in Quality First for the long-term
- Carry forward funding: amount already allotted for other strategies in FY 13; amount available or anticipated that may be allotted for Quality First and sustainability of the allotment over time
- Not all providers will use scholarships in some regions, especially in regions with tribal providers and Head Start providers, so those scholarships will be available to other Quality First providers in the region or remain unused.
- Investment in comprehensive consultation strategies for mental health, inclusion, and instructional support in addition to the consultation model included in Quality First

QUALITY FIRST FY13 BUDGET
(Contract Values)

				# of Providers (Budgeted For)				
			Weighted Factor	Current	FY12	New	Total	FTF Cost/ Contract Value
FTF Directed Administration			$ 535				926	$ 495,000
Assessment			$ 5,046	728	198	-	926	$ 4,672,380
Coaching			$ 11,210	728	198	-	926	$ 10,380,019
Technical Assistance								
CCHC			$ 2,520	728	198	-	926	$ 2,333,520
Mental Health			$ 214	728	198	-	926	$ 197,949
Inclusion			$ 210	728	198	-	926	$ 194,460
Instructional Support			$ 213	728	198	-	926	$ 197,678
TEACH								
Direct Costs								
Center			$ 3,600	537	105		642	$ 2,311,200
Home			$ 1,000	191	93		284	$ 284,000
Indirect Costs								
Center			$ 800	537	105	-	642	$ 513,600
Home			$ 400	191	93	-	284	$ 113,600
Incentives								
Menu								
Center			$ 5,529	537	105	-	642	$ 3,549,381
Home			$ 1,567	191	93	-	284	$ 444,958
DHS								
Center			$ 681	537	105	-	642	$ 436,923
Home			$ 168	191	93	-	284	$ 47,659
Quality First Package Total								$ 26,172,328
Center			$ 30,556					
Home			$ 23,082					
ADDITIONAL BENEFITS								
QF Child Care Scholarships								
Center	6.83	scholarships per	$ 5,911	537	105	-	642	$ 25,924,457
Home	1.33	scholarships per	$ 4,260	191	93	-	284	$ 1,608,833
Indirect Admin Cost		5%	$ 1,487				926	$ 1,376,665
								$ 28,909,955
GRAND TOTALS								
Center Total (including Scholarships):			$ 70,937					$ 55,082,282
Home Total (including Scholarships):			$ 28,747					
Regional Share								
Center Total (including Scholarships):			$ 60,957					$ 46,692,502
Home Total (including Scholarships):			$ 21,766					
State Share								
Center Total (including Scholarships):			$ 9,980					$ 8,389,780
Home Total (including Scholarships):			$ 6,980					

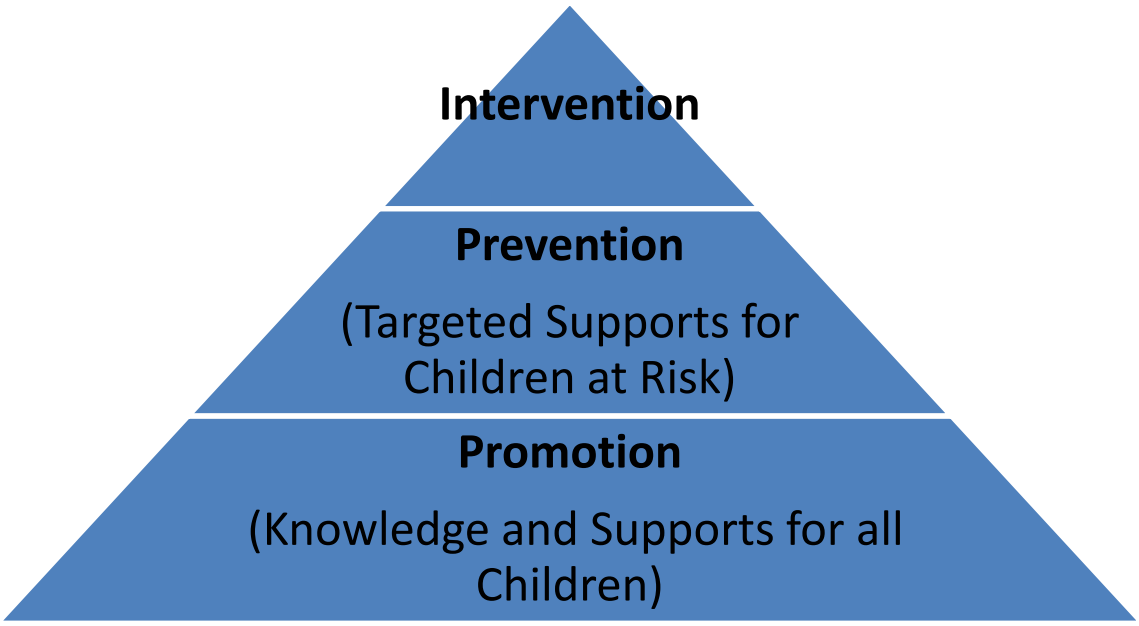
Quality First Consultation Model for
Health, Mental Health, Inclusion and Instructional Support

Quality is improved in early learning environments by building the capacity of teachers and caregivers to:

- know and apply best practices for optimal health and safety for young kids,
- support the social and emotional development of young kids, as well as understand and effectively address challenging behaviors,
- know and apply best practices for including young children with developmental delays or other disabilities in early learning settings, and
- provide differentiated instructional support for young children in their programs.

First Things First (FTF) will provide focused supports for providers in the areas above by incorporating a consultation model for early childhood health, mental health, inclusion and instructional support into the core Quality First package of services and supports beginning in FY 13.

The Quality First consultation model uses the Pyramid Model approach, which originated from a public health model of promotion, prevention and intervention. This model is also used by the Center on the Social and Emotional Foundations for Early Learning (CSEFEL) in their Pyramid Model for supporting social emotional competence in infants and young children. The Pyramid Model is built on a first level foundation of universal knowledge and supports for all children; the second level addresses the need for targeted supports for children who may have risk factors; and the top of the pyramid represents intense intervention for a small sector of the population in need of this level of service and support.



Currently, 12 FTF Regional Partnership Councils fund a Mental Health Consultation strategy and two Councils fund a consultation strategy for Inclusion of Children with Special Needs. The Standards of Practice for these two consultation strategies address all three levels of the Pyramid Model, with consultants providing valuable expertise focused primarily in the second and third level. As FTF staff considered the options to incorporate consultation as part of the Quality First model, it became evident that the current Standards of Practice for FTF's Mental Health Consultation and Inclusion for Children with Special Needs Consultation strategies were cost prohibitive to use with all participating Quality First providers. However, FTF strongly supports the current Mental Health Consultation and Inclusion of Children with Special Needs Consultation strategies, and in FY 13, Regional Councils are encouraged to continue funding or consider newly funding these strategies if community assessment data supports the implementation.

Beginning in FY 13, the Quality First consultation model will focus on promotion at the first, or universal, level of the Pyramid to increase the knowledge of providers to provide supports for all children. The Quality First consultation model will include:

- A Train the Trainer model to build the capacity of Quality First coaches in the areas of health, mental health, inclusion and instructional support, especially for providers at the 1 or 2 star levels.
- A reduced caseload of providers for each coach so coaches have the opportunity to provide universal level support to providers.
- A warm-line concept so that coaches and providers may call expert consultants for additional assistance to address urgent or more challenging issues.
- Identification and information for coaches on additional community resources and how to access and apply these resources in their work with providers.

First Things First will continue to use data to determine the effectiveness of the Train the Trainer model, as well as mine the Quality First progress assessment data to continually improve the consultation model included in Quality First.