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Chair Michael J. Rodrigues

Senate Committee on Ways and Means State House,
Room 212

Boston, MA 02133

Chair Jason M. Lewis

Joint Committee on Education State House,

Room 511-B

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Introduction

Pursuant to requirements in Outside Section 182 of section 3 of Chapter 140 of the Acts of 2024, which requires the Department of Early Education and Care (EEC) to report to the clerks of the senate and house of representatives, the senate and house committees on ways and means and the joint committee on education on a proposed methodology to calculate and assess the cost of providing high-quality early education and care. The methodology shall take into consideration the full cost of service delivery including, but not limited to, costs that vary based on: (i) geographic region; (ii) early education and care provider type and size; (iii) the age ranges of children served; (iv) group size and ratios; (v) the demographics of the populations served by early education and care providers; and (vi) costs of additional services to children and families with high needs, including staff and staff training necessary to accommodate children with disabilities or other high needs, interpreter services, mental health supports for children and staff and staff time required to provide comprehensive family engagement and services to ensure effective early education and promote multigenerational success.

This report summarizes the Department of Early Education and Care's (EEC) progress to date to develop a robust methodology to understand the cost of providing early education and care across the Commonwealth. Over the past two years, EEC has worked closely with external researchers to make considerable progress in assessing the cost of care and developing cost estimation models. The cost models estimate the cost of providing early education and care under both current conditions and aspirational conditions that include increased staff compensation and staffing levels.

This report describes the work conducted to date on a methodology to estimate the cost of care, and next steps and recommendations including how the cost methodology has been and can be used. The following sections are organized as follows:

- **FY23 Comprehensive Cost Study and Cost Model Development** – This section provides historical context for our cost work and provides an overview of the findings that informed our fiscal year 2024 (FY24) rate increases.
- **FY24 Cost-Informed Increases to Child Care Financial Assistance Rates** – This section provides an overview of the FY24 rates increases, including details on where EEC implemented the largest increases.
- **FY24-FY25 Refinement of Cost Methodology and Cost Models –** This section provides an update on ongoing work to refine and improve the cost methodology and cost models.
- **Next Steps and Recommendations –** This section summarizes the cost model methodology work completed to date and outlines the key focus of Phase 2. It concludes with thoughts on next steps for regularly updating the methodology and how EEC plans to use findings from the cost models to inform program and funding decisions**.**

FY23 Comprehensive Cost Study and Development of Cost Models

Beginning in 2022, EEC contracted with an external research organization, the Center for Early Learning Funding Equity (CELFE), to complete both a market rate survey and a comprehensive cost study. The goal of this work was to conduct a market rate survey to comply with federal expectations under EEC's Child Care and Development Fund (CCDF) 2022 – 2024 state plan and develop a methodology to enable EEC to begin to use costs, in addition to market rates, to inform adjustments to EEC's Child Care Financial Assistance (CCFA) rates. As part of this work, cost estimation models were developed for both

center-based programs and family child care (FCC) providers. To develop these cost models, CELFE analyzed EEC administrative data, including data collected from programs participating in the Commonwealth Cares for Children (C3) program and additional state and federal publicly available data, collected qualitative data from early education and care programs and stakeholders, and engaged with EEC leadership and program staff.

The center-based cost model included three different operating scenarios: 1) a model based on existing staffing patterns and current salaries, 2) a model based on existing staffing patterns but higher wages, and 3) a model that included both increased staffing and higher wages. The FCC model incorporated three different commonly found FCC staffing patterns and assumed an FCC owner/educator salary equal to the current (at the time) median salary of a center director.

The findings from the cost models and market rate survey were used to inform targeted increases to EEC's financial assistance rates and transformational changes to EEC's rate structure in late 2023. These findings included and were not limited to the following:

- In most cases, the cost per child per day was higher than the current EEC child care financial assistance rates for both center-based programs and FCCs.
- Infant and Toddler daily costs per child at center-based programs were substantially higher than Preschool and School-Age daily costs at those programs across all EEC regions.
- The Western, Central, and Southeast regions had very similar costs along with the two Boston-area regions, Metro and Metro Boston.
- Metro and Metro Boston had the highest daily per child costs compared to other regions.
- While the cost to operate a program varied across some regions, the variation in reimbursement rates was disproportionately greater than the variation in costs.

FY24 Cost-Informed Increases to Child Care Financial Assistance Rates

In the state's final FY24 budget, EEC received $65 million to increase CCFA rates, which enabled the agency to strategically target increases to rates based on the cost of care for the first time, in addition to implementing a 5.5% across the board increase to all rates in recognition of rising operational costs. The cost of care findings also informed significant changes to simplify EEC's CCFA rate structure by moving from six different rates to three, aligning regions with very similar costs.

In FY24, center-based infant and toddler rates were of particular focus given the notable gaps between the cost of providing care to this age group and child care financial assistance rates:

- Center-based infant rates in the Western, Central, and Southeast regions experienced some of the largest increases in FY24 (28% in Central and 34% in Western and Southeast Massachusetts).
- Center-based toddler rates in the Western, Central, Southeast, and Metro Boston also experienced significant increases (between 10% and 16%).

In FY24, FCC provider rates for both children under age 2 and over age 2 were of particular focus in certain regions:

- FCC rates for children under age 2 in the Western and Metro Boston regions experienced some of the largest increases in FY24 (24% and 45%, respectively).

- FCC rates for children over age 2 rates in the Central, Western, and Metro Boston regions also experienced significant increases (between 15% and 24%).

After the FY24 rate increases, across all regions and age groups, center-based CCFA rates were raised to at least 81% of the cost of care while FCC rates were raised to at least 72% of the cost of care.

FY24-FY25 Refinement of Cost Methodology and Cost Models

In January 2024, EEC received approval from the federal Office of Child Care (OCC) to use an alternative cost-based methodology for setting child care financial assistance rates. This approval allows the agency to formally move beyond an approach for setting rates that focuses on market rates, or how much families can pay, to one that focuses on the cost of care. In order to complete the approval process, EEC committed to updating its cost methodology in 2024 and to use the methodology to inform adjustments to child care financial assistance rates in FY25. The methodology will allow EEC to make data-informed strategic investments and policy decisions about child care financial assistance rates as well as other investments in program and workforce stability, quality, and sustainability.

While cost models are an important tool to understand how CCFA rates compare to the cost of providing care and can help reduce barriers family access by maintaining an adequate supply of providers who can afford to participate in the CCFA system, tracking tuition rates also enables EEC to understand the extent to which CCFA rates are supporting family access to the larger child care market compared to private pay families. In conjunction with the cost of care work, EEC will continue to track and analyze tuition rates over time to understand both lenses on if families have equitable access to care across the Commonwealth.

In May 2024, EEC contracted with the American Institutes for Research (AIR) to refine the existing cost models with the goal of setting child care financial assistance rates this fiscal year based on the most updated information about the cost of care. The goal of this work is to systematically and accurately model the costs of care (both under current and aspirational conditions) and revenue used to support early education and care programs by program type, age of children served, geographic region, and other program characteristics.

The current cost model work will be executed across two phases. Phase 1 (May through December 2024) focuses on initial updates to the cost model and recommendations to inform child care financial assistance rates in FY25. During Phase 1, AIR collected new administrative data through a C3 survey that was implemented this past August about aspects of program operations and select costs, conducted program interviews with targeted groups of programs, and held listening sessions with additional child care stakeholders to provide feedback about the inputs and assumptions in the cost model. Phase 2 (Winter 2024 through June 2025) will focus on additional refinement and expansion to the cost models. While Phase 1 study activities focused on updating the current models with 2024 pricing information and refining cost assumptions based on administrative data and information collected from external stakeholders, Phase 2 will focus on further refinement of the models including adjusting the model structures to more accurately represent the nuance of child care costs across Massachusetts, including the cost of higher quality care and exploration of informal care costs.

Phase 1 Cost Model Refinement: Overview

As part of Phase 1, AIR updated EEC's three existing cost models: 1) the cost of center-based care under current conditions, 2) the cost of center-based care under aspirational conditions (including increased

compensation and staffing levels), and 3) the cost of care in FCC programs which includes non-personnel costs under current conditions and compensation assumptions under aspirational conditions. The first model represents the typical value of all the resources currently used to provide child care in center-based programs across Massachusetts. Prices from the 2022 cost model were updated to 2024 prices (as detailed below) and staffing configurations were maintained. The second model represents the value of all the resources that would be needed to provide an aspirational level of child care in center-based programs, including higher staffing levels and increased salaries for all staff. While the per-child estimates from the first center-based model will inform potential adjustments to FY25 child care financial assistance rates, the second model is also an important tool to inform other funding and policy decisions to support the workforce and program quality.

The FCC model includes the value of all the non-personnel resources used to currently provide care in FCCs across Massachusetts. Given the absence of reliable data about the salaries and benefits that FCC owners/operators receive through their child care businesses, the FCC model leverages existing salary data from center-based programs to represent staff compensation. For personnel resources, the FCC model includes the region-specific center director salary under current conditions as the salary for FCC owner/operator, which is likely aspirational for many family child care providers, and the region-specific center-based teaching assistant salary was used to represent an FCC assistant. The FCC model will also inform potential options to adjust child care financial assistance rates in FY25.

The first step in the process of updating and refining the cost models was to comprehensively review the 2022 models to understand their structure and the assumptions included in their development. This comprehensive review highlighted a need to collect new data to update prices and assumptions in the model during Phase 1. To do so, a set of questions were added to a survey of programs participating in C3 in addition to gathering updated publicly available pricing data. AIR also sought input from early education and care providers (e.g., educators, program directors) through interviews and from other key stakeholders (e.g., child care umbrella agencies, resource and referral agencies, FCC systems, state association representatives, advocacy and policy organizations) through broader listening sessions to ensure the model reflects the experience of programs and other stakeholders in the system.

Key changes made to the cost models include the following:

- Updated all input prices to reflect 2024 prices, including staff, facilities, materials and equipment, and food.
- Added additional staffing (in the form of substitute teacher time) in the center models to cover 4 additional days per calendar year of paid time off for all classroom staff. No paid time off was assumed in the prior models beyond paid holidays.
- Increased the margin (program reserve) in the aspirational center-based cost model to reflect the average margin of child care businesses over time from an industry-level report.
- After triangulating information from multiple data sources, shifted facility price assumptions from using the least expensive regional estimate from extant data as the base, to using the most expensive regional estimate as the base and adjusting accordingly.

Phase 1 Cost Model Refinement: Data Sources Reviewed and Updated

The inputs to the cost models include all the personnel and non-personnel resources required to provide child care, such as staff, food, educational supplies, office and kitchen supplies and equipment, facilities, and margin (or program reserves). Reliable and valid sources were needed to update inputs from the 2022 cost models. AIR used extant data sources to update prices and inform appropriate inflation adjustments when data sources for 2024 dollars were not available. For example, AIR used the federally-supported Provider Cost of Quality Calculator (PCQC)[1] to identify updated prices for materials and equipment. When PCQC prices were not in 2024 dollars, the national Consumer Price Index was used to inflation adjust the existing PCQC prices to 2024 dollars.

Another key update focused on the value of the facility space used by child care providers. A combination of prices from the PCQC, C3 survey data, and information from LoopNet (a commercial real estate database) were triangulated to set appropriate prices in the model for child care center-based programs. To value the cost of rent for family child care providers, AIR obtained data on fair market rents from the US Department of Housing and Urban Development Fair Market Rents (FMR) Documentation System for a three-bedroom unit in each Massachusetts locality. They then matched those localities with six subsidy regions and computed the average FMR for each subsidy region, weighted by the number of providers in each locality.

Other extant data sources included data from the Bureau of Labor Statistics, data from an industry report about the financials from child care center-based programs (Vertical IQ report) to update the assumption for program margin (also known as program reserves), data on health care insurance premiums from the Massachusetts Health Connector, and data on federal and state requirements for child care and employee benefits.

Below are additional details about the data sources used to make refinements to the cost models during Phase 1.

Data Sources to Update Pricing Information. Updated pricing information is essential to calculate accurate costs within the cost models. Every price in the 2022 model was updated to reflect 2024 prices, and thereby estimate 2024 costs. The data sources used to update prices for all resources in the 2022 cost model are summarized in Appendix A.

Program Interviews. The AIR team conducted eight virtual interviews with programs in August of 2024. These group interviews included staff from child care center-based programs and FCC programs, with specific groups held for out-of-school-time programs, and programs that serve children with special needs to understand their unique perspectives. The purpose of these interviews was twofold. First, the interviews aimed to share with participants an update about the work, including the purpose of the cost models and how EEC utilizes them, the nature of EEC's previous cost research, and the work AIR is now conducting with EEC. Second, the interviews aimed to gather feedback from programs about specific cost inputs, including staff compensation; staffing ratios; and additional resources needed to provide child care. Information from program interviews was used to guide Phase 1 cost model updates and inform planning for Phase 2.

*Listening Sessions***.** The AIR team conducted three listening sessions in September of 2024 with other early education and care stakeholders. Various individuals and organizations were invited to these sessions, including but not limited to staff from child care umbrella agencies, Head Start agencies,

[1] https://childcareta.acf.hhs.gov/pcqc

resource and referral agencies, FCC systems, representatives from state provider associations, and advocacy and policy organizations. During the listening sessions, AIR and EEC described the current cost model work to provide context and updates. However, the key purpose of the listening sessions was to hear from participants what they believe should be considered in the development of cost models that estimate the per-child cost. The conversations focused on a discussion of each cost model input (e.g., personnel, facilities, materials and equipment, revenue, margin) and gathering input from participants about key considerations they recommended the team keep in mind in Phase 1 and Phase 2.

Phase 1 Cost Model Refinement: Preliminary Findings

This section describes key preliminary findings from Phase 1 of the cost model refinement work. The first few takeaways are related to how costs have changed since 2022 while the remaining findings focus on how EEC's current CCFA rates compare to the Phase 1 cost estimates. For detailed per-child costs by program type, age, and region, please see Appendix B.

Notable Cost Increases Between 2022 and 2024:

- **Costs increased significantly between 2022 and 2024.**
    - For center-based programs, the cost of care per child increased between 14% and 26%, depending on the region and age group served.
    - For Family Child Care programs, the cost of care per child increased between 12% and 19%, depending on the region and age group served.
- **The most substantial cost increases between 2022 and 2024 include wages (increased between 7% and 9%, depending on the region), facilities (increased between 28% and 29%, depending on the region), and food (increased by $1,000 per child annually)**.
    - For center-based providers, the largest per-child cost increases were for preschool and school-aged children (compared to those for infants and toddlers). These differences are largely driven by the substantial increases in prices for food and facilities, which represent a larger percentage of the overall cost for these age groups, given the lower overall per-child cost estimate.

Notable Differences Between 2024 Costs and FY24 CCFA Rates:

- **FY24 CCFA rates cover between 69% and 125% of the estimated cost of care for center-based programs, depending on the region and age, and between 63% and 110% of the estimated cost for FCC providers.** Often, providers tend to "cross-subsidize" the typically more expensive cost of care for infants and toddlers using revenue from preschool and school-age children. As such, while the estimated 2024 per-child cost of care is fully covered by the FY24 CCFA subsidy for preschoolers and school-age children, the excess revenue is likely supporting, at least in part, the gaps between estimated cost of care and CCFA subsidy for infants and toddlers.
- **For center-based programs, the greatest gaps between the 2024 estimated per-child cost of care and the FY24 CCFA rates are for infants and toddlers.** The FY24 CCFA rate covers between 69%

and 78% of the estimated cost of current care for infants and between 69% and 90% for toddlers in center-based programs, depending on region.

- **For center-based programs, the FY24 CCFA rates fully cover the 2024 estimated per-child cost of care for preschoolers and school-aged children in some regions**. These regions include Western, Metro, and Metro Boston, where CCFA rates cover between 100% and 125% of the estimated cost of care respectively for preschoolers and school-age children.
- **For FCC providers, the largest gaps between the 2024 estimated cost of care and FY24 CCFA rates are for children over 2 years old and school-aged children in full day care.** The current CCFA rate covers between 63% and 73% of the estimated cost of care for children over 2 years old and between 64% and 73% for school-aged children, depending on region.

Phase 2 Cost Model Refinement: Overview and Key Focus

The purpose of Phase 2, which will begin in late 2024 and be completed by the end of FY25, is to further refine the cost models and expand their utility to inform both future child care financial assistance rate setting and other early education and care policy and funding decisions. In the coming months, AIR will collect additional data and continue engaging with EEC and the early education and care field to further refine the cost models to estimate the cost of child care and how it varies across regions, settings, and ages. Some key areas of focus for Phase 2 are described below, along with some of the data sources AIR anticipates leveraging and assumptions that will be revisited.

Cost Variation Across Geographic Regions. AIR will further explore how costs vary across geographic regions and will consider other economic indicators outside of geography that can potentially inform our rate structure.

Cost Variation by Provider Size and Type. The study team will maintain the cost model components that represent key differences between center-based programs and FCCs (e.g., the cost of facilities and staffing configurations), using the data sources described above, and further explore how costs vary with program size (i.e., enrollment, enrollment as a percent of licensed capacity, and classroom level staffing configurations). The AIR study team will also explore how typical program sizes may vary systematically across child care regions. Data for this exploration will include C3 data about program size and information from focus groups and listening sessions to learn more about program composition at varying program sizes. AIR will also engage with key stakeholders to gather information about the resources used to provide informal care to inform future funding and policy decisions. AIR will also explore further how costs vary with the composition of ages of children served by programs.

Cost of Different Staffing Levels, Group Size and Ratios. The cost implications of different staffing levels, group sizes, and staff to student ratios will also be further explored in Phase 2, particularly in the cost models that focus on the cost of care under aspirational conditions. Focus groups and listening sessions with key stakeholders will help inform the testing of different assumptions.

Cost of Serving Different Family Demographics. The AIR study team will explore available child-level, household-level, or geographic information from Massachusetts administrative and other publicly available data to explore how costs may vary with the demographic characteristics of populations. Listening sessions and focus groups will also be used to understand more about the context of serving children with varying needs, including children with complex behavior and/or special needs and children from low-income families, and gather

information about the resources needed to provide children of all backgrounds and abilities with the services they need.

Cost of Providing Comprehensive Services. The needs of children can vary substantially across Massachusetts, and some children and families require additional supports (i.e., comprehensive services) to meet their individual needs. Comprehensive services include mental health supports, support for food and housing insecurity, and parenting support. AIR will leverage administrative data, listening sessions, and focus groups to understand the nuance around comprehensive services and what resources are used by child care providers to provide support for children and families. To supplement available EEC administrative data, AIR will explore with EEC the feasibility of surveying early education and care providers to gather more information about the needs of children served and how that impacts resource usage and to understand more about the comprehensive services that are provided to families currently, the services that are needed (but not yet provided), and the resource implications (respectively).

Next Steps and Recommendations

As detailed above, over the past couple years, EEC has taken considerable steps to develop a methodology to estimate the cost of early education and care in Massachusetts and has started to use this information to inform strategic financing efforts, such as CCFA rates and the C3 funding formula. In summary, in FY24, rates were increased to more closely align with the cost of care. EEC has committed and received federal approval to use a cost-based methodology to inform child care financial assistance rates moving forward, including in FY25. In FY25, findings from the existing cost models were used to inform adjustments to the C3 formula, which now include differential base rates for different age groups.

Phase 2 of the ongoing cost research and modeling development, which will be completed by the end of FY25, will further refine the cost methodology, especially as it pertains to estimating the cost of higher quality care. Factors that will be considered include costs related to staff and staff training needed to accommodate children with disabilities or other high needs, interpreter services, mental health supports for children, staff and staff time required to provide comprehensive family engagement and promote multigenerational success, and any other costs related to additional services for children and families with high needs. Of note, roles from EEC's new credentialing system and an associated salary scale, both of which are in ongoing development, will also be incorporated into the Phase 2 cost models.

As some of the findings from this year's cost research and cost model updates demonstrate, costs have increased significantly over the past couple years, which suggests that regular assessment and updates to the cost methodology will be important to make sure that the models accurately reflect current costs. EEC is required by the federal government to update the cost methodology every three years. There is interest in making targeted updates to the model inputs that reflect the cost of living and inflation on an annual basis, if resources permit.

The per-child and per-program cost estimates produced by the cost models will continue to inform our understanding of gaps between revenues and expenses under a variety of different assumptions. The evolving cost methodology is an important tool to help quantify the extent to which CCFA rates and other investments, including funds for operational grants, cover the cost of care.

Appendix A

Exhibit A-1. Summary of Data Sources Used to Update FY24-FY25 Cost Models: Phase 1

Resource	Data Used to Update Pricing Information
Staff Wages	
Current (center-based programs)	C3 Application Data, August C3 Survey
Aspirational (center-based programs)	Applied adjustment to "desired wages" from 2022 model based on K-12 salary scale to convert to 2024 dollars. Conversion based on data from the Bureau of Labor Statistics on 12-month increase in worker's compensation in Boston Metropolitan area.
FCC	C3 Application Data
Benefits	
FICA	Federal requirement
Health Insurance (center-based programs)	Figures from 2022 model based on 2021 MA Employer Survey, inflation adjusted to 2024 dollars
Health Insurance (FCC)	MA Health Connector exchange, Get Estimate Tool. 12 month premium based on family with avg income of $41,320 ($40K from 2022 model inflation adjusted to 2024 dollars),1 adult & 1 child, average of Boston & Worcester premiums.
Worker's Compensation	Workers' Compensation and Inspection Bureau of Massachusetts, WCRIBMA MACI database.
Retirement	Based on Vanguard report placing the national average for employer contributions at 4.4%, rounded up to 5%.
State Unemployment Tax	MA UI policy: https://www.mass.gov/info-details/learn-about-ui-contribution-rates
Federal Unemployment Tax	Federal requirement
Paid Time Off (center-based programs)	Based on C3 application data
Non-Personnel Costs	
Food (food and kitchen supplies) (center-based programs)	Based on prices derived from the Provider Cost of Quality Calculator (PCQC) price of $2539, inflation adjusted to 2024 dollars, with additional adjustment upward based on listening sessions. Adjustments for the aspirational model retain same adjustments from 2022 model, inflation adjusted to 2024 dollars.

Food (FCC)	Calculated cost of sample food menu shopped at Walmart for the Boston area in March 2023, inflation adjusted to 2024 dollars.
Office supplies & equipment (center-based programs)	Based on prices derived from PCQC and inflation adjusted to 2024 dollars.
Supplies & Equipment (incl. Office & Educational) (FCC)	Based on prices derived from PCQC values of supplies, office supplies, assessment and screening, inflation adjusted to 2024 dollars.
Education supplies & equipment (center-based programs)	Based on prices derived from the PCQC values for Classroom Supplies, Education Supplies, Medical Supplies and Curriculum and inflation adjusted to 2024 dollars. Adjustments for the aspirational model retain same adjustments from 2022 model inflation adjusted to 2024 dollars.
Child Care Equipment Repair/Depreciation (FCC)	Based on prices derived from PCQC values of depreciation of equipment and repairs for childcare, inflation adjusted to 2024 dollars.
Child Assessment + Screening (center-based programs)	Based on prices derived from PCQC values for Child Assessment Tool + Developmental Screening Tool and inflation adjusted to 2024 dollars.
Marketing, printing & postage (center-based programs)	Based on prices derived from PCQC value for Advertising. Adjustments for the aspirational model retain same adjustments from 2022 model inflation adjusted to 2024 dollars.
Rent/Lease (center-based programs)	Based on prices for price per square foot were derived from PCQC, and set to the Region 6 price, then the regionalization factor from the 2022 model was applied to adjust all other regions downward.
Rent/Lease (FCC)	Fair market Rent from HUD on Fair Market Rent for a 3 bedroom unit by locality for the state of Massachusetts. Accessed here.
Utilities (gas/electric) (center-based programs)	Based on prices derived from PCQC values for Utilities (gas/electric).
Utilities (gas/electric) & general home repairs (FCC)	Based on prices based on average utilities from Rentcafe.com from 2022, inflation adjusted to 2024 dollars, and PCQC costs for maintenance and repair, inflation adjusted to 2024 dollars.
Maintenance/Repair/Cleaning (center-based programs)	Based on prices derived from PCQC for Maintenance/Repair, and Cleaning.
Repairs and Maintenance, cleaning for home (FCC)	Based on prices based on 2022 model, inflation adjusted to 2024 dollars.
Fees/Permits/Licenses/Accreditation/Taxes (center-based programs)	Based on prices derived from the PCQC estimate for Licensing Fees and Permits and Professional Memberships inflation adjusted to 2024 dollars. Accreditation Fees (inflation adjusted to 2024 dollars) were added for the aspirational model.
Background Checks (center-based programs)	Based on prices derived from 2022 model and inflation adjusted to 2024 dollars.

Staff training & education	Based on prices derived from 2022 model and inflation adjusted to 2024 dollars.
Consultation Services	Based on prices derived from 2022 model and inflation adjusted to 2024 dollars.
IT support (center-based programs)	Based on prices derived from 2022 model and inflation adjusted to 2024 dollars.
Legal/Audit/Accounting/Other Prof support	Based on prices derived from 2022 model and inflation adjusted to 2024 dollars.
Insurance/Liability	Based on prices derived from PCQC and inflation adjusted to 2024 dollars.
Telephone & Internet (center-based programs)	Based on prices derived from PCQC estimate for Telephone & Internet and inflation adjusted to 2024 dollars.
Telephone & Internet (FCC)	Based on prices for telephone and internet from 2022 model, inflation adjusted to 2024.
Payroll service (center-based programs)	Based on prices derived from 2022 model and inflation adjusted to 2024 dollars.
Software (center-based programs)	Based on prices derived from 2022 model and inflation adjusted to 2024 dollars.
Homeowner/s Insurance (FCC)	Based on prices derived from PCQC, inflation adjusted to 2024 dollars.
Transportation for field trips (FCC)	Based on prices based on PCQC, inflation adjusted to 2024 dollars.
Miscellaneous (FCC)	Based on prices based on 2022 model, inflation adjusted to 2024 dollars.

Appendix B

Exhibit B-1. Phase 1 Cost Model Findings: 2024 Center-based Per-Child Daily Cost Estimates and Percentage Increase from 2022, by Age and Region

Region	Infant	Toddler	Preschool	School-Age (Full Day)	School-Age (Before & After)
Western	$134 *(+16%)*	$105 *(+17%)*	$57 *(+22%)*	$44 *(+21%)*	$39 *(+26%)*
Central	$137 *(+16%)*	$107 *(+16%)*	$58 *(+21%)*	$45 *(+20%)*	$40 *(+25%)*
Northeast	$147 *(+17%)*	$114 *(+17%)*	$61 *(+20%)*	$47 *(+23%)*	$41 *(+25%)*
Metro	$154 *(+15%)*	$120 *(+15%)*	$64 *(+19%)*	$49 *(+18%)*	$43 *(+23%)*
Southeast	$140 *(+17%)*	$110 *(+18%)*	$59 *(+21%)*	$45 *(+20%)*	$39 *(+21%)*
Metro Boston	$156 *(+14%)*	$122 *(+15%)*	$65 *(+19%)*	$49 *(+20%)*	$43 *(+24%)*

Exhibit B-2. Phase 1 Cost Model Findings: 2024 Family Child Care Per-Child Daily Cost Estimates and Percentage Increase from 2022, by Age and Region

Region	Under 2	Over 2	School-Age (Full Day)	School-Age (Before & After)
Western	$67 *(+14%)*	$67 *(+14%)*	$67 *(+18%)*	$40 *(+18%)*
Central	$68 *(+12%)*	$68 *(+12%)*	$68 *(+15%)*	$41 *(+15%)*
Northeast	$74 *(+13%)*	$74 *(+13%)*	$73 *(+16%)*	$44 *(+17%)*
Metro	$80 *(+14%)*	$80 *(+14%)*	$79 *(+17%)*	$47 *(+17%)*
Southeast	$69 *(+13%)*	$69 *(+13%)*	$69 *(+17%)*	$41 *(+17%)*
Metro Boston	$84 *(+16%)*	$84 *(+16%)*	$83 *(+19%)*	$50 *(+19%)*