

progressed to the anticipated degree along preschool milestones. To validate that day care educational and supervision services are appropriate, the school director will identify an appropriate instrument for recording observations of teachers and aides and will observe each teacher or aide at least once every 3 months. The school will maintain progress records by ethnicity, without specific individual identifying information, for the purpose of validating that these services are equally delivered to all groups.

Performance Measurement

Measurements	Measures	Target		
		FY 2015	FY 2016	FY 2017
Input	Children beginning	80	85	90
Output	Children completing	64	72	81
Outcome	Children succeeding	48	60	72
Cost Efficiency	Cost/Completing	\$ 13,375	\$ 12,292	\$ 11,037
Efficiency	Completing/Beginning	80.0%	84.7%	90.0%
Cost-Effectiveness	Cost/Succeeding	\$ 17,833	\$ 14,750	\$ 12,417
Effectiveness	Succeeding/Beginning	60.0%	70.6%	80.0%
Quality of Process	Observation Score	90%	91%	92%
Equity	Ethnicity			

Costs

Total costs are \$856,000 for FY 2015, \$885,000 for FY 2016, and \$894,000 for FY 2017. Nonpersonnel costs are \$272,000 for FY 2015, \$238,000 for FY 2016, and \$237,000 for FY 2017. The primary sources of the nonpersonnel costs are contracts and facilities. After the initial year, during which approximately \$30,000 of necessary equipment is acquired,⁴ facility service costs are primarily for rent. Contract service costs are primarily for essential services that are outside the core mission, including food service, janitorial, and routine administrative services.

Staffing Impact

This project requires the hiring of two administrators, five full-time teachers, five full-time aides, five part-time teachers, and five part-time aides. Part-time staff is required because the service day is roughly 1.5 shifts. The number of teachers and aides reflects the regulatory requirements for staffing for this type of service. Total employment cost is \$584,000 for FY 2015, \$647,000 for FY 2016, and \$657,000 for FY 2017.

Options

Two variations of this program are suggested for decision makers’s consideration. These variations focus on the general fund cost:

Increased User Fee Option. In this option, individual families with children in households with income below 100% of the poverty line will be charged \$1,000 per child per year (\$250 per quarter), and those with income between 100% and 200% of the poverty line will be charged \$3,000 per year (\$750 per quarter). Distribution between the groups is anticipated to stay the same, so the net total savings to the general fund will be approximately \$90,000. (The exact amount will be smaller until service is at full capacity.) The primary impact on the program may be slower initial enrollment. The impact on beneficiaries is indirect, reducing their quality of life.

4. These acquisitions are capital costs but are too small to justify a separate capital budget. Nonprofits may need to report these as assets.