

**MEMO**

**To:** Thomas Hall, Director, Division of Social Services,  
Delaware Department of Health and Social Services  
**From:** Jeanna Capito and Simon Workman, Prenatal to Five Fiscal Strategies  
**Date:** September 5, 2022  
**Re:** Updated Basic Cost of Care in Delaware Child Care Estimator



The Delaware Cost of Quality Child Care Estimator was built in February of 2022. The model allows users to create multiple scenarios to answer the question of how much child care in Delaware truly costs. To illustrate the functionality of the model, and to address the specific questions required by House Bill 250, Section 183, P5FS developed a default scenario and then applied select variables to understand the fiscal impact. This work was completed with a report published in March 2022.

Recently the Delaware Department of Health and Social Services was directed to provide a cost estimate of spending in state fiscal year 2023 if child care subsidy payment rates were based on the cost estimator at “basic cost of care”. Prenatal to Five Fiscal Strategies is supporting this cost estimate with updating the basic cost of care scenario ran in February 2022. This memo presents updated cost of care values, using the updated scenario.

The scenario meets Delaware licensing standards and includes the cost of providing health insurance and paid time off in order to model best practice. Compensation levels used in this scenario are a combination of ‘Entry’ level salaries from the Delaware Salary Schedule and data collected from the field on current compensation. The hybrid approach was used to ensure that the cost of care reflects current salaries and job duties of positions.

The default program model used in the scenario is as follows:

**Child Care Center:** One classroom of each age group, health insurance included, 10 paid sick days, 10 paid vacation days. 85% enrollment efficiency, 3% bad debt.

**Family Child Care:** Total of 6 children enrolled, including 1 infant, 2 toddlers, 2 preschoolers, and 1 school age child. Health insurance included, 10 paid sick days, 10 paid vacation days. 85% enrollment efficiency, 3% bad debt, and 10 non-traditional hours per week.

*Table 1: Cost per child, licensing standards*

	Monthly Cost per Child	
	Child Care Center	Small/Large FCC
Infants (0-12 months)	\$1,787	\$1,370
Toddlers (1-3 years)	\$1,331	
Three-year-olds	\$966	
Four-year-olds	\$875	\$761
School-age	\$503	

This chart is an update to the cost of care information presented in Table 12 in the Delaware Cost of Quality Child Care Estimator Tool report.