

## Fund Liability Cost Projections

The community fund's liability is the shortfall between the actual costs of child care to families and the level which families can afford to pay. To project the fund's subsidy requirements, the current demand for paid child care needs to be determined.

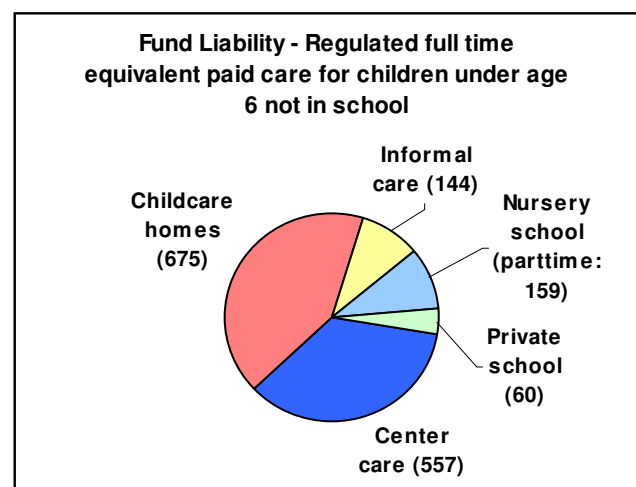
In Tompkins County, regulated full-time equivalent paid care spaces<sup>1</sup> are 1,849, and parents paid care spaces are 1,595, which excludes free care spaces<sup>2</sup> of Head start (94) and Pre-K (160). The community fund will provide subsidies for families using regulated child care spaces, and who are not covered by government subsidies. Thus, fund liability is estimated using full-time equivalent (FTE) spaces.

At the recommended operational goal of 12 % of family income,<sup>3</sup> fund liability would be approximately \$2 million / year, given the current level of supply of regulated child care listed with DCC. However, fund liability should grow over time, as more families are encouraged to use regulated care and as more providers are encouraged to list with the DCC.

**Table1: Regulated full-time equivalent spaces**

Types of Care	# regulated FTE spaces
Center care	557
Childcare Home	675
Group care Home	
Informal care <sup>4</sup>	144
Nursery school	317 x ½ (part-time) = 159
Private school	60
<b>Total</b>	<b>1,595</b>

Data source: DCC based on April 2002 survey)



**Total # children with full-time paid care spaces**

**: 1,595**

**# Families with children in full-time paid care**

**: 1,199<sup>5</sup>**

(a) Average weekly charge, full-time care<sup>6</sup>

: \$ 133 / week

(b) Average annual charge, full-time care<sup>7</sup>

: \$ 6,921 / year

(c) Average charge for family<sup>8</sup>

: \$ 9,205 / year

**Total parent payments without subsidies<sup>9</sup>**

**: \$ 11,036,795**

<sup>1</sup> Regulated full-time care spaces are regulated spaces in DCC. Due to the cost difference between full-time care and part-time care, part-time regulated care spaces are divided by half.

<sup>2</sup> Head Start and Pre-K are free care spaces. Head start provides 188 care spaces and Pre-Kindergarten provide 320 spaces in part time basis. Full Time Equivalent (FTE) care spaces are thus divided by half, which gives us 94 FTE spaces in Head Start and 160 FTE spaces in Pre-Kindergarten.

<sup>3</sup> See fund liability goal memo

<sup>4</sup> Informal care includes legally exempt care. 72 informal care providers are listed in DCC. (# Spaces = 72 x 2 = 144). However, the exact number of informal (legally exempt) providers are still unknown.

<sup>5</sup> 1,595 children / 1.33 = 1,199 families, assumes each family has 1.33 children under age 6, based on Census 2000 data.

<sup>6</sup> Based on the average parents charges listed with DCC, average charge of full-time care is calculated.

<sup>7</sup> Annual charge: 52 x charge/ week \$130 x 52 = \$ 6,921/ child /year

<sup>8</sup> Estimation of number of children per family = 1.33, based on Census 2000 data, cost of care for family is estimated to be \$ 9,205/ family / year. (\$6,921 x 1.33 = \$ 9,205)

<sup>9</sup> Since this cost projection is targeting on preschoolers, the number does not include SACC.

## Cost projection for community fund

**Table 2. Projected subsidies at three funding levels: 10%, 12% and 20%**

Family Income Range	Family Income Distribution (Census 1990)*	Number of children under 6 Needing Care**	Number of Families with Children under 6 Needing Care***	Subsidy at 10% Level	Subsidy at 12 % Level	Subsidy at 20% Level
Below \$14,999	11%	175	132			
\$15,000 to \$ 29,999	23%	367	276			
\$ 30,000 to \$ 49,999	30%	479	360	\$ 1,894,177	\$ 1,612,796	\$ 506,648
\$ 50,000 to \$ 74,999	13%	207	156	\$ 527,825	\$ 358,498	\$0
\$75,000 to \$ 124,99	16%	255	192	\$164,057	\$6,306	\$0
Over \$ 125,000	7%	112	84	\$0		\$0
<b>TOTAL</b>	100%	1595	1199	<b>\$ 2,586,059</b>	<b>\$ 1,977,600</b>	<b>\$ 506,648</b>

\* *Family Income distribution (Census 1990)*

This distribution is for all families including those without children. Families of young children may be more concentrated at the lower end of the income scale.

\*\* *Number of children under 6 Needing Care (regulated full-time equivalent care spaces)*. Distribute total number of children into income categories using family income distribution by Census 1990.

\*\*\* *Number of Families with children under age 6 using paid Care*

Census 2000 provides

- Total number of children under age 6 : 5,267
- Total number of families with children under age 6 (so long as one child in the family is under age 6) : 3,956
- Average number of children under age 6 per family :  $5,267 / 3,956 = 1.33$

The estimation that each family has 1.33 children under age 6 determines # families with children in paid care. ( $1,816 \text{ children} / 1.33 = 1,365 \text{ families}$ ). Distribute families into income categories using family income distribution by Census 1990.

	Eligible for Government Subsidy
	Eligible for Community Fund
	Not eligible for any subsidy

**Table 3. Cost projection for the fund**

Family income range	Distribution of families	Number of children demanding child care	Number of families demanding child care	Cost of care*	Percent of income paid for care	Individual family shortfall (10%)	Total shortfall for all families (10%)	Individual family shortfall (12%)	Total shortfall for all families (12%)	Individual family shortfall (20%)	Total shortfall for all families (20%)
\$ 5,000	0.03	49	37	\$ 52	1.04%						
\$ 10,000	0.05	80	60	\$ 52	0.52%						
\$ 12,500	0.03	54	40	\$ 52	0.42%						
\$ 15,000	0.03	54	41	\$ 52	0.35%						
\$ 17,500	0.04	61	46	\$ 500	2.86%						
\$ 20,000	0.03	55	42	\$ 1,000	5.00%						
\$ 22,500	0.04	62	47	\$ 1,500	6.67%						
\$ 25,000	0.04	65	49	\$ 2,000	8.00%						
\$ 27,500	0.04	66	49	\$ 2,500	9.09%						
\$ 30,000	0.04	61	46	\$ 9,060	30.20%	\$6,060	\$278,610	\$5,460	\$251,025	\$3,060	\$140,683
\$ 32,500	0.04	67	50	\$ 9,060	27.88%	\$5,810	\$292,954	\$5,160	\$260,180	\$2,560	\$129,080
\$ 35,000	0.04	62	47	\$ 9,060	25.89%	\$5,560	\$258,757	\$4,860	\$226,179	\$2,060	\$95,869
\$ 37,500	0.03	53	40	\$ 9,060	24.16%	\$5,310	\$211,534	\$4,560	\$181,656	\$1,560	\$62,144
\$ 40,000	0.04	59	44	\$ 9,060	22.65%	\$5,060	\$224,394	\$4,260	\$188,916	\$1,060	\$47,006
\$ 42,500	0.04	70	53	\$ 9,060	21.32%	\$4,810	\$252,775	\$3,960	\$208,106	\$560	\$29,427
\$ 45,000	0.03	54	41	\$ 9,060	20.13%	\$4,560	\$185,369	\$3,660	\$148,783	\$60	\$2,437
\$ 47,500	0.04	59	44	\$ 9,060	19.07%	\$4,310	\$189,784	\$3,360	\$147,952		
\$ 50,000	0.03	46	34	\$ 9,060	18.12%	\$4,060	\$139,613	\$3,060	\$105,225		
\$ 55,000	0.05	78	58	\$ 9,060	16.47%	\$3,560	\$208,045	\$2,460	\$143,761		
\$ 60,000	0.05	78	59	\$ 9,060	15.10%	\$3,060	\$180,167	\$1,860	\$109,512		
\$ 75,000	0.09	140	105	\$ 9,060	12.08%	\$1,560	\$164,057	\$60	\$6,306		
\$ 100,000	0.07	109	82	\$ 9,060	9.06%						
\$ 125,000	0.04	58	44	\$ 9,060	7.25%						
\$ 150,000	0.01	20	15	\$ 9,060	6.04%						
150000 up	0.02	35	26	\$ 9,060							
<b>Total</b>		<b>1595</b>	<b>1199</b>				<b>\$2,586,059</b>		<b>\$1,977,600</b>		<b>\$506,648</b>

\* Cost of care for family is estimated to be \$ 9,205/ family / year. (\$6,921 x 1.33 = \$ 9,205), based on 1.33 children per family, calculated based on Census 2000 data.