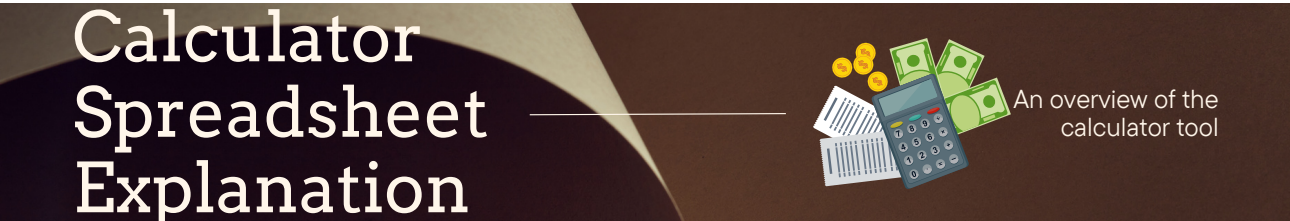




Overview

To support NC's child care administrators and family child care home providers to review and analyze their budgets and hiring practices in order to ensure a consistent and fair approach to ECE workforce compensation, an interactive calculator has been developed. The calculator is one tool included in the [NC Model Salary Scale Toolkit](#). Within the calculator you will be able to add information on monthly income and payroll expenses for your **teaching staff**. The calculator will then assist you in creating an estimated prospective budget for those staff so you can determine how much it would cost to achieve a certain wage level. This calculator should not take the place of other budgeting and accounting tools as it is just a planning tool and does not include all aspects of your expenses for your program. The calculator can also be used as a first step prior to using another tool such as the [Provider Cost of Quality Calculator](#) also known as the PCQC. The PCQC helps you estimate the annual costs and revenue of operating a center or home-based child care program at different quality levels.

This guide will provide you with instructions for the different data entry fields on the calculator. Some of the entry fields also have an explanation included which you might find helpful.




When you download the file you will see that there are three tabs at the bottom.

"Data Entry Page"	This is the worksheet where you will enter all of your revenue and teaching staff expense information.
"Printout Summary"	This worksheet pulls directly from the calculator's data entry page (tab 1). Nothing is allowed to be typed into this tab– it just provides a more summarized view of the calculator results from tab 1.
"Salary Conversion Calculator"	This worksheet is a separate tool used to assist you in converting monthly, semi-monthly, annual salaries, etc. to an hourly rate or vice versa if needed.

General Completion Information

- In the calculator, some of the fields have drop down boxes so you can select what is applicable for your program. For example, you can select various options for the highest education level of a staff person in Part A, box 3.
- Boxes that are green are ones where you can enter information.
- Boxes that are orange, purple, white or yellow will be filled in automatically based on what you added in the green boxes. Don't worry, those boxes are locked so you won't be able to enter anything in them anyway.
- To move around the calculator, you can either use your "Tab" button, or you can individually click in a cell.
- Note: The calculator won't save your work unless you save it to your computer.

Calculator
Tips- Section
by Section



A quick set of tips for using
the interactive calculator
tool

Section I.- Monthly Revenues

I. Enter Projected Monthly Program Revenues - Values for a Typical (Average) Month

1. Enter Typical Monthly Private Pay Tuition (multiply weekly receipt amounts by 4.33)	
2. Enter Typical Monthly Subsidized Child Care Receipts	
3. Enter Typical Monthly Pre-K Receipts	
4. Enter Typical Monthly Head Start\Early Head Start Receipts	
5. Enter Typical Monthly Child Adult Food Program (CACFP) Receipts	
6. Enter Typical Monthly Stabilization Grant Receipts	
7. Enter Typical Monthly Fund Raising or Donation Receipts	
8. Enter Other Typical Monthly Revenues (e.g. Application Fees, Other Receipts)	
Total Typical Monthly Revenues	
9. Enter Projected Average Dollars Available for Teaching Staff Payroll	
% of Revenue to Cover Costs for Teaching Staff (Salaries and Fringe Benefits)	

In this section you will add your typical monthly income sources. It is suggested that for determining your monthly revenue amounts for each of these areas you should take last year’s annual total of that type of revenue, and divide by 12. This will give you an average monthly amount

and will take into consideration things like temporary closures, less than 100% full time enrollments of children, etc. The amount you enter here should be a monthly amount so if you know what you receive on a typical weekly basis, you can multiply that number by 4.33 to get a monthly amount. Following this guidance will help capture variations and provide the most accurate figure.

- Fields 1 – 7 captures the main income that providers receive such as monthly tuition from families, child care subsidy payments, CACFP, etc.
- If you have a regular monthly income that does not fall in to one of the 7 specific categories, you can use field 8 – “Enter Other Typical Monthly Revenues” and add that dollar amount on that line.

For field 9, you will need to enter the monthly amount in your budget that is for covering the costs for your **teaching staff** payroll. This would **not** be **your entire payroll budget** as this calculator is only for your teaching staff so you will need to remove any amounts for staff such as the director, cooks, drivers, front office staff, etc.

Once you have entered all of these amounts, the calculator will automatically determine your typical monthly revenue, and the percentage of revenue that is used to cover the costs for your teaching staff.

Section II.- Teaching Staff Roster, Time and Payroll Costs and Proposed Salary Increases

Section II, Part A

In this Section you will add individual information for each teaching staff. It is important to include **ALL teaching staff** in Section II, not just the ones that are being considered for salary increases. As a reminder this section will only include a SUBSET of your employees as the model salary scale is designed only for **teaching staff** (not owner, administrator, cook, etc.) This could include staff you call Lead Teachers, Assistant Teachers, Floaters, etc. If you have a vacancy in your teaching staff, you should still include that vacant position on the list and use education and salary you would like to have in place when you hire for the vacant position. Including vacancies will then mean that this list reflects your full teacher roster.

You can choose to add each staff person’s full name, initials, classroom name or some other designation. This is your document so use things that make sense to you. Make sure you have available each teacher’s educational level. You can also choose to add the number of years that they have worked for you if that is helpful for you as you review. In many programs the years of longevity impact the pay rate for staff so including this will help you see the whole picture of your teaching staff.

A. Teaching Staff Roster Details			
1. Enter Teaching Staff Name or Vacant or Position #	2. Enter Position Title	3. Select Highest Education Level	4. Enter Years of Service with the Program
Totals			
Examples			
E. Jones	Lead Teacher	B-K License	10.00
M. Parson	Teacher	BA/BS ECE/Child Dev or Equivalent	4.00

Section II, Part B

In this section you will add salary details. In box 5 you will enter the hourly pay for the staff person. The third tab of the spreadsheet is a salary conversion calculator. This can be used if you only

have the rate of pay on a weekly, monthly or annual basis. Use this calculator to convert to an hourly wage. NOTE: The employer’s cost for FICA is included in the equations behind the scenes for salary and bonuses so you don’t need to worry about that. Other deductions are not included. In box 6a you will add how much the teacher receives in bonuses each month, if applicable. In box 6b you can add any other monthly amounts you might provide as a benefit. This could include things such as what you pay for their health insurance premiums, or the value of any child care credit.

B. Teaching Staff Pay Details		
5. Enter Hourly Pay Rate For Each Staff (\$7.25 Minimum)	6a. Enter Monthly Cost for Flat Amount Pay Bonuses (Payroll)	6b. Enter Monthly Cost for Other (Non-Payroll) Flat Rate Benefits
\$20.00	\$100	\$100
\$16.00		\$100
\$10.00		\$100

You will see that when you hover the cursor over 6b, these examples will show as a way to help you think about what you might include here.

6b. Enter Monthly Cost for Other (Non-Payroll) Flat Rate Benefits	7. Enter Average Regular Hours Worked Per Week (Max. 40)	8. Enter Average Weekly Overtime (OT) Hours
	-	-
\$100	40.0	1.00
Enter any benefit for staff that supports a flat monthly non-payroll cost (e.g. Examples: Health Insurance Premiums, Value of Child Care Credits, etc.)		

Section II, Part C

In this area you will need to add the average number of hours each teacher works each week. Please note that in box 7 you cannot include more than 40 hours because any amount over 40 hours would need to be calculated as overtime. In box 8 you can add the average number of hours over 40 that any teachers work. If you add any hours in box 8, the calculator assumes all overtime pay is automatically paid at a time and half pay rate. If this is not the case, you may select "time only" in box 9 for overtime to be paid at the teacher's typical rate of pay. Remember that federal and state law require that you pay time and a half for hours over 40 unless that position meets overtime exemptions.

C. Teaching Staff Time Worked		
7. Enter Average Regular Hours Worked Per Week (Max. 40)	8. Enter Average Weekly Overtime (OT) Hours	9. Select If OT is Not Paid at Time and 1/2, Select "Time Only"
-	-	
40.0	1.00	

Once these fields have all been completed, the calculator will then automatically calculate each teacher’s average monthly payroll costs in Part D.

Impacts of Potential Pay Increases

Now that you have completed Parts A, B and C, the rest of the calculator is your tool for determining what the impact of any pay increase might be.

Section II, Part E

The part of the tool reflects the salary from the Model Salary Scale that aligns with the educational levels of your staff. Remember, the salary scale only includes the goals for what a teacher would make with specific educational levels – B-K license, BS in ECE, AAS in ECE, or an I/T or Preschool Certificate.

For your staff who have earned these specific degrees or certificates you will see that the calculator will reflect the hourly wage from the model salary scale in the column title “Rate Based Upon the Highest Education Level,” the hourly difference between what you are paying, and the model hourly wage, and the percentage increase it would take to get to the model hourly wage. For staff who have a degree that is not reflected on the model salary scale, this section will be blank.

E. Projected Monthly Costs To Meet NC Early Childhood Compensation Collaborative (NCECC) Salary Scale			
Rate Based Upon Highest Education Level	Increase From Current (\$ per Hour Increase)	Increase From Current (% Pay Increase)	Projected Monthly Cost to Meet NCECC Scale Targets

Section II, Part F

From this part of the calculator tool you are able to look at multiple ways to increase hourly wages.

One way is that you can choose a new hourly rate you’d like to pay, and if you want to make that increase over 1, 2, 3, 4 or 5 years. For example, if the teacher is currently making \$14.50 an hour, and your goal is to increase that hourly wage to \$18.00 over the next three years, you would select the option in box 10 for ‘New Hourly Rate’ and enter \$18.00 in box F11 and “3” in box F12 to indicate 3 years.

Another option is you can also choose to look at a percentage increase. This, for example, would mean that you could see what the impact would be if you gave a 5% increase to the hourly wage in a one-year period. In this example in box F10 you would select “% increase,” in F11 you would enter “5” for five percent, and in box F12 you would enter “1” for 1 year.

F. Proposed Pay Adjustments			
10. Select Increase Basis (1)% Increase or (2) New Hourly Rate	11. Enter Enter Amount of Increase	New Targeted Hourly Rate	12. Select Number of Years to Achieve Targeted Hourly Rate (1 to 5)

Section II, Part G

Part G shows you the impact for each individual teacher over a five-year budget. The totals from this section are then used in Section III.

G. Projected Adjusted Monthly Costs Over 5 Years Based Upon <u>Proposed Pay Adjustments</u>				
Year 1	Year 2	Year 3	Year 4	Year 5
\$2,299	\$2,362	\$2,424	\$2,424	\$2,424
\$4,399	\$4,721	\$5,043	\$5,044	\$5,044
\$2,350	\$2,344	\$2,422	\$2,525	\$2,645

Section III.- Analyzing Results

This section calculates for you how much your personnel budget would increase based on any adjustments you make to your teacher’s wages. You can then use this number to see what this will mean for your overall budget. For example, do you have funds right now to make these changes? If not, what is the shortfall? This can help you with planning so you can make decisions about next steps to either raise the needed revenue or cut other expenses to pay your staff the desired salary.

In addition, remember that although this calculator tool is designed to help you consider direct wage increases, employee benefit increases and additions are another way to improve compensation for teaching staff.



III. Projected Adjusted Monthly Costs Over 5 Years

D. Current Costs***	E. Costs Under NCECC Salary Scale	III. Projected Adjusted Monthly Costs Over 5 Years Based Upon Proposed Pay Adjustments				
		Year 1	Year 2	Year 3	Year 4	Year 5
Monthly Teaching Staff Costs						
Current Monthly Teaching Staff Budget						
Teaching Staff Costs Over(-)\$\Under(+\$) Current Budget (In \$)						
Teaching Staff Costs Over(-)\$\Under(+\$) Current Budget (%)						
*** Please review amounts to assure totals closely match actual gross monthly teaching staff payroll, including benefits.						

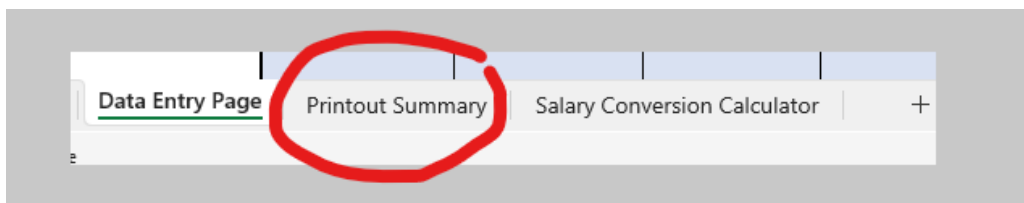
NOTE: If you have staff who do not have a degree or certificate that aligns with those on the model salary scale, you can still use this tool. Section E would not be completed but you can still fill in the boxes in Section F with the hourly or percentage increase for staff to see the overall impact on your program’s budget.

Printing Tips



Tips for printing the
calculator report

Once you have completed the calculator you can print the full page in the data entry tab, or there is a separate tab that lets you print a summary of the data. Both worksheets found on tab 1 (data entry page) and tab 2 (printout summary) will print, but all calculator printouts should be on legal paper (8.5 x 14 in.). The printout summary tab pulls data directly from the data entry page (tab 1) and nothing is allowed to be typed into the printout summary tab. It simply provides a more summarized view of the calculator results from tab 1.



Disclaimers

While we strive to always provide accurate, current and helpful resources and information in our salary scale toolkit, it's important to stress that the calculator is an estimation tool. The organization is not responsible for any miscalculations or misuse.

Information provided in the Salary Scale Toolkit is not a substitute for tax and legal advice from a tax preparer or attorney. You should always consult a professional with experience and knowledge of child care businesses to assist you with specific questions or needs. The content and resources we have included in this toolkit is merely meant to be informational and does not constitute legal advice.

In addition, although the NC Salary Scale Toolkit (toolkit) is a product of the NC Institute for Child Development Professionals (the Institute), the toolkit website may contain copyrighted content not owned by the Institute. The materials, resources and information in the toolkit is provided for educational and informational purposes and thus is believed to fall under the "Fair Use" guidelines of section 107 of the US Copyright Act of 1976. All rights and credit go directly to the rightful owners. No copyright infringement intended.

