



Item : AF: A-1

AUDIT AND FINANCE COMMITTEES

Wednesday, June 11, 2008

SUBJECT: REQUEST TO APPROVE FEE MODIFICATIONS FOR THE KAREN A. SLATTERY EDUCATION RESEARCH CENTER FOR CHILD DEVELOPMENT.

PROPOSED COMMITTEE ACTION

Recommend approval of increased fees and elimination of discounted fee rate for Slattery staff and university students' children attending the Karen A. Slattery Education Research Center for Child Development to the Board of Trustees.

BACKGROUND INFORMATION

This information was reviewed at the May 7, 2008 Audit and Finance Committee.

The Karen A. Slattery Educational Research Center for Child Development combines the functions of research on early child development with the provision of daily care for the children of students, faculty, staff and members of the public. The Slattery Center falls administratively under the aegis of the College of Education and is operated as an auxiliary enterprise. Financial support comes from several sources: user fees and appropriation of student fees. This presentation presents an overview of the scope of operations of the Slattery Center and the process the center staff has undertaken with the parent advisory board to develop and present a comprehensive proposal for fees for 2008-09.

The recommendation is: 1. To reduce the Slattery staff discount of 50% for staff's children to 10% for each child; 2. To eliminate the FAU student discount of 5% previously offset by the FAU Student Government subsidy which has been discontinued effective June 30, 2008; and 3. To increase all fees across the board by 3%. These actions are necessary to retain lower child group sizes and other quality components, provide for possible staff increases and initiate a contingency for facility repairs and emergencies.

The Karen Slattery Advisory Board, as required, met three times to formulate, review and approve the pricing changes. The process included open board meetings for parental and student government input. An advertised parent meeting was also conducted.

IMPLEMENTATION PLAN/DATE

The rate changes requested would become effective on August 1, 2008.

FISCAL IMPLICATIONS

This action balances the budget of the Slattery ERCCD auxiliary.

Supporting Documentation: Slattery ERCCD 2008-09 Fee Structure Power Point Presentation

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The Karen Slattery Education Research Center for Child Development

2008-09 Fee Structure

**Glenn Thomas, Pre-K-12 Schools and
Programs, FAU**

April 2008

Background

The Karen Slattery Center

- ◆ Almost all of Florida's public universities operate one Educational Research Center for Child Development (ERCCD).
- ◆ At FAU, the Karen Slattery Center (ERCCD) provides Pre-School services to students and employees of FAU.
- ◆ It serves about 100 children, 6 mo. – 5 yrs.
- ◆ Slattery also provides a site for the teaching of and interdisciplinary research with young children.

Background (cont.)

- ◆ Slattery operates as a university auxiliary, self-generating revenue from parent and student fees as authorized in FS 1011.48 and FS 1009.24(12)(q).
- ◆ The Center has multiple missions, multiple funding sources and multiple constraints as dictated by various state, local, university and accrediting agency policies and licensing and reporting mandates directly impact staffing flexibility.
- ◆ Family early literacy workshops provided at no cost by COE faculty .

Current Situation

-Accreditation Realities-

- ◆ Slattery is accredited by the National Association for the Education of Young Children (NAEYC) for all ages (6 wks-5 years); requiring group size limits.
- ◆ 70 of 800 child centers in Palm Beach County are NAEYC-accredited - by far the highest percentage in Florida.
- ◆ Slattery provides the State's Voluntary Pre-Kindergarten (VPK) program for 4 year olds, requiring a group size of 18 children with one lead teacher and teaching assistant (VPK=3 hr/day).

Current Situation

- ◆ Voluntary Pre Kindergarten grants \$2500/yr. subsidy for half day program; parents may choose to pay full day; 1/6th half day only, parent reporting issues reduce income.
- ◆ Slattery recently received Palm Beach Children Services Council's highest quality rating (Four Gold Stars).
- ◆ Dr. Nancy Brown, Director FAU/COE Center for Early Childhood Education (ECE), Research, and Community Partnerships, advises Slattery's curriculum and research. ECE undergraduate and graduate programs will use Slattery regularly.

Pre-School or Day Care Center?

	Pre-School	Day Care
<i>Purpose</i>	Early Childhood Education	Basic child care
<i>Curriculum</i>	National and state standards-based	Follows Health Department regulations
<i>Learning Activities</i>	Purposeful play/activity	Unstructured play
<i>Child Assessment</i>	Provided	Not provided
<i>Lead Teachers</i>	College degree (AS,BS)	High School & CDA
<i>Staff training</i>	Rigorous/continuous	Basic/situational
<i>Parental Involvement</i>	Multiple venues provide involvement	Less involvement

Revenue Issues

Current budget is inadequate for 2008-09

- ◆ Acting director only
- ◆ Teaching staff currently underpaid
- ◆ Staff needs ongoing training
- ◆ Current Playground needs renovation of structures and modifications for accessibility
- ◆ Additional instructional materials and equipment needed

Background

-Fee Revenue-

- ◆ Funding is generated through fees paid by parents/guardians and a statutory student credit hour fee.
- ◆ Needy university student parents no longer can apply for FAU Student Government fee subsidy for child(ren) at Slattery .
- ◆ No E&G university funds are used for costs associated with this auxiliary.

Fee Revenue (cont.)

- ◆ No fee increase in 2000-01 or 2001-02.
- ◆ In 2002-03, a 5% increase approved.
- ◆ There were no fee increases requested in 2003-04 or 2004-05.
- ◆ A fee schedule adjustment reflecting fairer cost distribution, economic realities and local market prices approved by the BOT in 2005-06.
- ◆ In 2006-07, 5% increase for all age groups was approved.

2007-08 Budget and Fees

- The budget and fee options were driven by the complexities of:
 - ◆ Staffing requirements
 - ◆ Accreditation requirements
 - ◆ State VPK requirements
 - ◆ Quality program design
 - ◆ Regional market realities

Fee Revenue (cont.)

- ◆ The Slattery Advisory Board and parents understand that a quality program will require a fee increase for school year 2008-09 to balance the budget.
- ◆ Collaborative discussions, public conversations, parental input, open processes and thoughtful decisions were required to generate the recommendations that follow.

Process

-Quality Program and Fair Fees-

- ◆ Three Slattery Advisory Board meetings were conducted to discuss financial data/projections for recommendations (Feb – Apr 2008).
- ◆ Mid-year FAU budget review/projection for Slattery (February-March) verified current expense-revenue status.
- ◆ Parent meeting providing information and collecting input regarding the fee recommendations conducted on April 23.

Process (cont.)

- ◆ These recommendations are ready for BOT committee action and if recommended, full BOT review.
- ◆ Staff will notify parents of BOT action when it is finalized.
- ◆ Staff will revise all related parent materials, agreements, etc. prior to July 1.
- ◆ Staff will implement approved fee structure and policies effective August, 2008.

2008-09 Fee Recommendations

**The recommended changes for
2008-09 Slattery Fees are:**

- ◆ **Reduce the Slattery staff child discount from 50% to 10%;**
- ◆ **Eliminate the 5% discount provided to FAU students' children which was offset in the past by Student Government support; and**
- ◆ **Adopt a 3% general fee increase for all age groups effective August 2008**

2008-09 Fee

Recommendations-cont.

- ◆ Continue a discounted rate of 10% off the lesser of the two rates for the second child of all families.
- ◆ Establish a Finance Committee of the Slattery Advisory Board to regularly ensure revenues and expenses are on track.

Average Local Market

(16 Providers, May 2008 survey)

<u>Age</u>	<u>Range</u>	<u>Average/mo</u>	<u>n</u>
■ I	\$542-1008/mo	\$854/mo	10
■ 1's	\$542-1008/mo	\$771/mo	16
■ 2's	\$640-1001/mo	\$711/mo	16
■ 3-4's	\$433-1001/mo	\$676/mo	16

- Only **one** of the random sample of 16 centers were NAEYC accredited

Proposed Slattery Fees 2008-09

- ◆ The Slattery Advisory Board recommends removal of the Slattery staff and FAU child discounts, and a 3% general annual tuition increase.

<u>St. Rate Group</u>	<u>07-08</u>	<u>3% Inc</u>	<u>08-09</u>
Infants/Toddler	\$937	\$28.11	\$965.11
Two's	\$811	\$24.33	\$835.33
Three's	\$710	\$21.30	\$731.30
Fours (VPK-full)	\$471	\$14.13	\$485.13

2008-09 Slattery Budget

- The recommended fee structure generates the required revenue from parent and credit hour fees to meet projected expenses.
- This is an open, complex process, focused by the Slattery Advisory Board, involving parents, Student Government, accreditation, etc.