Item: AF: I-2

AUDIT AND FINANCE COMMITTEE
Wednesday, April 25, 2007

SUBJECT: PROPOSAL TO INCREASE FEES FOR THE KAREN A. SLATTERY EDUCATION RESEARCH CENTER FOR CHILD DEVELOPMENT.

PROPOSED BOARD ACTION

Information only. This issue will return to the Audit and Finance Committee for action in June 2007 with other fees requests.

BACKGROUND INFORMATION

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 is intended to present an overview of the scope of operations of the Slattery Center and the process the staff of the center has undertaken with respect working with the parent advisory structure to develop and present a comprehensive proposal for fees for 2007-08.

The recommendation is: 1. To increase the infant and toddler rate to balance that cost center ($44/ month); 2. To move children of students to the standard rate; and, 3. After adjustments, increase all fees across the board by 9% in to provide staff salary increases, retain lower child group sizes and other quality components, and initiate a contingency for facility repair and emergency situations.

The Karen Slattery Board of Directors, as required in statute, met five times to formulate, review and approve the pricing changes. The process included a Parent Information and Input meeting that was held on April 10.

IMPLEMENTATION PLAN/DATE

The rate changes requested would become effective on August 1, 2007.

FISCAL IMPLICATIONS

 N/A. This action balances budget of the Slattery ERCCD auxiliary.

Supporting Documentation: Power Point Presentation

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The Karen Slattery Education Research Center for Child Development

2007-08 Fee Structure

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

April 2007

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.

- The mandates directly impact staffing flexibility.

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

Revenue Issues

Current budget is inadequate:

- ◆ Acting director only
- ◆ Teaching staff currently much 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 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 2007-08 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-

- **Five Advisory Board meetings conducted to discuss financial data/projections for recommendations (Feb – Apr 2007).**

- **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 10.**

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 the beginning of August, 2007.

2007-08 Fee Recommendations

- **The recommended changes for 2007-08 Slattery Fees are:**
- **Increase infant/toddler fees $44/month to stop negative cash flow for that age group,**
- **Discontinue the student discount (10%) in lieu of SGA need-based support which may cover the 10% and more as appropriate, and**
- **After all adjustments, adopt a 9% general increase.**

2007-08 Fee Recommendations-cont.

◆ Continue a discounted rate of 10% off the lesser of the two rates for the second child of all families.

◆ Continue full-time Center employee 50% discount from the standard rate for their enrolled child(ren).

Proposed Slattery Fees 2007-08

◆ **The Slattery Board recommends a $44/month I/T increase, a 9% general annual tuition increase and use of the standard rate for university students.**

St. Rate Group	KS06-07	KS07-08	Difference
Infants/Toddler	$816	$937	$121
Two's	$744	$811	$ 67
Three's	$651	$710	$ 59
Fours (VPK-full)	$432	$471	$ 39

2006-07 Slattery Budget

- **The recommended fee structure generates the required revenue from parent and credit hour fees of $1,032,914, including annual school registration fees totaling $15,000.**

- **Projected expenses and contingencies are $1,032,914, with a $29,301 (2.8%) contingency.**

- **The process is open, complex and driven by the Slattery Advisory Board, involving parents, accreditation, etc.**