



Item: AFSP: A-7

AUDIT AND FINANCE/STRATEGIC PLANNING COMMITTEES

Wednesday, June 13, 2007

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

PROPOSED COMMITTEE ACTION

Recommend approval of increased fees for the Karen A. Slattery Education Research Center for Child Development to the Board of Trustees.

BACKGROUND INFORMATION

This information was reviewed at the April 25, 2007 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 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

This action balances the budget of the Slattery ERCCD auxiliary.

Supporting Documentation: Slattery ERCCD 2007-08 Fee Structure 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 directly impact staffing flexibility.
- ◆ 5 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:

- ◆ **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 Board of Directors 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 Slattery Board of Directors meetings were 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 an additional 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).
- ◆ Continue the Board of Directors quarterly budget reviews to ensure revenues and expenses are on track.

Average Local Market (15 Providers)

| <u>Age</u> | <u>Range</u> | <u>Average/mo</u> | <u>n</u> |
|------------|---------------|-------------------|----------|
| ■ 1's | \$600-950/mo | \$746/mo | 8 |
| ■ 2's | \$640-1265/mo | \$ 858/mo | 9 |
| ■ 3-4's | \$468-1265/mo | \$769/mo | 15 |

Proposed Slattery Fees 2007-08

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

| <u>St. Rate Group</u> | <u>KS06-07</u> | <u>KS07-08</u> | <u>Difference</u> |
|-----------------------|----------------|----------------|-------------------|
| 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.
- Open, complex process, focused by the Slattery Board of Directors, involving parents, accreditation, etc.