



UNC  
THE UNIVERSITY  
CHILD CARE CENTER

## 2018-2019 ANNUAL PLAN

*Submitted to UNC-Chapel Hill and UNC Hospitals  
June 29, 2018*

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We are pleased to share our Annual Plan for the operation of the University Child Care Center for Fiscal Year 2018 – 2019. As in the past, we are initially providing some highlights and an overview of our work this year, followed by a fuller list of accomplishments during this current fiscal year and goals (and proposed budget) for the upcoming year and related demographic information.

### ACCREDITATION AND LICENSING

Of thirty-three 5-Star rated child care facilities in Chapel Hill, our Center is one of only *three* that are accredited by NAEYC (“National Association for the Education of Young Children”). This voluntary, national accreditation sets us apart by demonstrating our commitment to excellence as measured by over 300 quality standards established by NAEYC.

#### **NAEYC Accreditation:**

We have maintained our accreditation in good standing. We will renew our accreditation next year (this occurs every 5 years).

#### **Star License:**

Star License: The Center continues to maintain our State 5-Star license in good standing. We have spent the last few months prepared for our Rated License visit which will occur in June or July to renew our five star license.

### PROGRAMMING AND PERSONNEL

#### **Director of Curriculum and Instruction:**

As our program grows in size and sophistication, we’ve found a need to rethink and restructure our Administrative Team to respond to the expanding needs of the Center, particularly in the area of curriculum support in the classrooms. Over the past two years, we’ve focused on innovation in our approach to curriculum, placing greater demands on the classroom teachers to deepen their teaching units and provide a strong, developmentally appropriate curriculum for the children. The teaching staff have indicated a need for additional support, with a more hands-on approach from administration in the classroom to fully support their efforts. This also applies to our new technology initiatives which started last year and which we plan to continue and expand in the new fiscal year.

As a result, we have created a new position and job description, entitled Director of Curriculum and Instruction, to replace the current Assistant Director position. This coincides with the fact that our current Assistant Director will leave the Center at the end of June to pursue another career opportunity, so we have begun the process of advertising and recruiting for the new position now.

We've analyzed the administrative function of the Center and developed a Venn Diagram (attached) to better understand and illustrate how the various administrative functions of the Center are distributed among the administrative team. It became clear through this process, that the area of greatest need in the Center's administration is for an administrative team member with a hands-on, teacher-oriented and approachable style, who can support and nurture the teaching staffs as they develop and grow as professionals and team members. We'll be looking for someone with experience in curriculum planning and with contemporary and innovative ideas for curriculum development. We plan to involve the teaching staff in the interview process, since they will be working closely with the person in that new position. We've budgeted a commensurate increase in the salary for this position to match the new position requirements, in order to allow us to find and recruit a top-notch candidate.

**Staff Education:**

Teacher education remains a key component of the quality of our program. We are especially proud this year to have one of our staff members graduate with her Bachelor's Degree in Early Childhood Education after having us sponsor them through the T.E.A.C.H. scholarship program for working teachers! Several other staff members are working towards undergraduate degrees. Teacher education is a priority for our program and we work hard to support our staff so they can pursue their education. This support comes through financial incentives, flexible schedules, moral support, and mentoring.

**Staff Anniversaries & Continuity of Care:**

Our program continues to display an impressive record of low staff turnover and teacher longevity. Continuity of care is an important part of what makes our program special, with relationships with families solidified through years of contact with the same beloved caregivers.

## FINANCES AND ENROLLMENT

### Finances and Enrollment

Our tuition income at the Center remains strong, with enrollment staying consistently at or above 100% for the past 12 months. We continue to meet our budgetary goals and the Center also continues to be free of long-term debt.

We continue to have waiting lists in all age groups, with particularly long lists for infants and toddlers.

### 2018-19 Budget

The Board has carefully considered our budget this year. Due to signs of a more competitive job market, we've set aside a larger merit increase pool this year of 3% to allow us to give a better range of merit increases in order to be able to retain and reward our staff, especially our top performers. We consider this to be a "correcting" year to make sure that our pay rates are competitive with other programs and with the public schools. We've also restructured our administrative team with a "Director or Curriculum and Instruction" replacing the current Assistant Director position. This is in response to an identified need for more hands-on involvement from Center administration working directly with staff on their curriculum and planning activities. We believe that this change will help to better define, delineate and develop administrative roles and give additional support to the teaching staff.

The proposed budget reflects our commitment to balance the need to cover increased costs, to attract, retain and reward quality staff in a changing job market, and to maintain a forward-moving, innovative program, with an understanding of the importance of keeping tuition costs down. This year's proposed budget includes:

- Reasonably projected increases in expenses as well as support for ongoing quality initiatives for the Center. We propose to continue our **Technology Initiative** to better equip the teaching staff with more up-to-date computer equipment. We also propose to continue to improve our outdoor play areas. We've also included funds towards the Center's current upgrade and beautification project which will also be supplemented with fundraising efforts.
- Tuition increases ranging from 3-4% depending upon the age group. These tuition increases continue to keep us well below the average for 5-Star accredited programs in Orange County, in some instances by hundreds of dollars.
- Also this year, we propose to initiate an annual Program Fee of \$300 per family, payable in two installments (September, March) of \$150 each. A Program Fee is common in our industry, but to date we have not had one. As the Board evaluated our goals for program improvement, Center renovation, outdoor learning environments, technology and Center administration, we agreed that all of the goals, while ambitious, are important, desirable, and consistent with the Center's current ongoing trajectory of innovation and further excellence. Therefore, it was determined that the fee, in addition to the tuition increases, are necessary to attain these goals.

- Budgeted income at 99.5% expected enrollment. We have consistently been able to stay enrolled at or above this level for the past several years, including during and after the expansion of our program. These expectations for full enrollment year round require our dedicated attention to keeping the Center seamlessly enrolled, which we are committed to doing.
- A merit increase pool for staff which will allow for salary increases from 0% - 6% (average 3%). An additional ½% is included to be given to staff in the form of bonuses. We were able to give small year-end bonuses last year which were very well received by the staff and which we believe contributed to improved staff morale. Months later, during their 360 interviews, teachers continued to mention how grateful they were for these modest year-end bonuses.
- Since our Reserves Account remains untouched and has a balance of over \$34,500 (well over the contractually required minimum of \$25,000), we once again request that we be allowed to not make an additional contribution to the Reserves Account in the upcoming fiscal year. This will enable us to move forward with both the playground and technology initiatives without further burdening families with higher tuition increases.

**Audit:**

This year, the accounting firm of Koonce, Wooten & Haywood, L.L.P. completed a compilation audit for fiscal year 2016-2017, and prepared the Center's 990 tax return. Continuing our practice of doing a full audit and a compilation in alternating years, in the upcoming year they will perform a full audit of fiscal year 2017-2018, the cost for which is reflected in our budget proposal.

### ACCREDITATION AND LICENSING

#### NAEYC Accreditation

- ✓ We maintained our NAEYC Accreditation in good standing by sustaining the improved practices and procedures required by NAEYC, and by submitting the required annual reporting documents.

#### Star License

- ✓ We have maintained our 5-Star State license in good standing with the highest score of 15 out of 15 points. Our 3-year compliance history with licensing standards remains around 99% and this year's unannounced licensing visit resulted in no violations and 100% compliance for this licensing year – a significant accomplishment for a large program such as ours.

### PROGRAMMING AND PERSONNEL

#### Curriculum

- ✓ Our program continues to use Teaching Strategies® for lesson planning, child assessment and daily parent communication.
- ✓ All of the preschool and two-year-old classrooms did at least one project this year using the Project Approach, extending learning units over a longer period of time (approximately one month) – with great results! We continue to explore and develop this planning method of delving deeper into curriculum subject matter in response to the children's interests and understanding. This has given our program a rich curriculum overall and a more meaningful learning experience for the children.

#### Staff Education

- ✓ We continue to support education and training of staff. One staff member graduated this Spring with her Bachelor's Degree in Early Childhood Education. Several others are in school pursuing undergraduate degrees.

#### Staff Children

- ✓ In accordance with last year's Annual Plan, we enrolled three children of staff members into our program. The children were able to receive scholarships through outside agencies, and the Center was able to pay their remaining parent fees using funds donated by parents. This has been a successful initiative and has contributed to reduced absenteeism and improved morale.

## BUILDINGS AND GROUNDS

### Center Upgrade

- ✓ Our Center beautification project is underway, with lovely new floors installed throughout the common areas of the Center. A comprehensive design has been completed, and broken down into phases, with a plan for distribution of costs in development. This project is in direct response to Parent/Customer feedback about a need to modernize and upgrade the Center's interior and we believe that the end results of the upgrade, when completed, will be outstanding.

### Playgrounds

- ✓ Our Toddler playground, which was completed last year, continues to be a showpiece for the community and has grown even more beautiful as the plants and trees mature. Other programs frequently visit our Center for inspiration for creating natural play environments for children.
- ✓ We've made improvements to several of our other playgrounds this year, using some of the same natural elements and concepts that we learned while doing the Toddler playground. This beautification and upgrade of our outdoor learning environments is a work in progress!

## FINANCES AND FUNDRAISING

### Finances

- ✓ We maintained full enrollment throughout the year to support and maintain the operation of all Center activities.

### Fundraising

- ✓ We have had continued success with our fundraising efforts and raised several thousands of dollars through the SECC campaign and other grant projects.

## ENROLLMENT AND STAFFING

### Enrollment

- ✓ We maintained full enrollment throughout FY 17-18 and exceeded stated enrollment goals and continue to have waiting lists in all age groups.

### Staffing

- ✓ We continue to have a stable, well-educated and diverse staff. Our staff speak a total of seven languages. The average length of employment among our full time teaching staff is 8.5 years. Among our staff we have 1 Ph.D., 7 Master's Degrees and 7 Bachelor's Degrees. Several other staff members are working towards degrees.

### ACCREDITATION AND LICENSING

#### **NAEYC Accreditation**

- ✓ To prepare for NAEYC accreditation renewal and validation visit to take place next summer. We will spend time updating our portfolios and familiarizing ourselves with a new set of standards that have just come out. This project will be an important part of the year's activities and the focus of our activities.

#### **Star License**

- ✓ To maintain our 5-Star State license in good standing.

### PROGRAMMING AND PERSONNEL

#### **Director of Curriculum and Instruction**

- ✓ To restructure the administrative team to be more responsive to the needs of the teaching staff as they strive for further excellence in curriculum and planning, and to better distribute administrative responsibilities.

#### **Curriculum**

- ✓ To continue developing planning and execution of plans by continued training on Teaching Strategies and expanding our work with the Project Approach.

#### **Staff Education**

- ✓ To continue to support education and training of staff and continue to staff all of our classrooms with at least one teacher who holds a Bachelor's Degree in Early Childhood Education or a related field.

#### **Technology Initiative**

- ✓ To expand the addition of I-Pads with training and support to three more classrooms.

#### **Staff Children**

- ✓ This year we request two additional "flexible" spaces for new infant children of employees who will arrive in the new school year. While we wish to keep the committed number of staff spaces at three, we request that two additional spaces be made available upon request by administration and by approval of the Board. This will allow us to accommodate the children of two lead teachers who are expecting in the fall. We have drafted policies around this to ensure that this is implemented properly and equitably.

## BUILDINGS AND GROUNDS

### **Playgrounds**

- ✓ To continue our work on enhancing the playgrounds with the incorporation of natural elements into the learning environments.

### **Center Upgrade**

- ✓ To continue to beautify and upgrade the Center's interior space through the renovation project, including fundraising efforts to support the project.

## FINANCES AND FUNDRAISING

### **Finances**

- ✓ To maintain full enrollment throughout FY 18-19

### **Fundraising**

- ✓ To continue to strategically identify and increase our fundraising activities to add revenue to our program. To continue our participation in the State Employees Combined Campaign.

### **Infrastructure**

- ✓ To monitor aging infrastructure, such as commercial kitchen equipment, and be prepared for future replacement needs. Having the annual Program Fee will help support this.

### **Workplace Quality**

- ✓ To remain a competitive workplace with liveable wages for our employees and a quality benefits package to support existing staff and attract high-quality teachers.

## Enrollment Levels Staffing Levels

### ENROLLMENT LEVELS

#### Current Enrollment Levels (effective June 25, 2018)

Age Group	UNC Chapel Hill	Hospital	WDCC Staff	Total*
Infants	7	12	0	19 (17 FT, 2 PT in 18 spaces)
Toddlers	11	15	1	27 FT
Two's	9	10	1	20 FT
Three's and Up	56	32	1	89 (87 FT, 2 PT in 88 spaces)
<b>TOTAL</b>	<b>83 (53%)</b>	<b>69 (45%)</b>	<b>3 (2%)</b>	<b>155</b>

\* Includes shared spaces

\*\* Note that the percentages of Hospital and University remain close, nearing the 50%-50% mark.

### STAFFING LEVELS

#### Staffing Levels (as of June 25, 2018)

	Full-Time	Part-Time
<b>Teachers/Teaching Staff</b>		
Lead	13	
Assistant	19	
Floater	5	3
<b>Administrators/Staff</b>		
Executive Director	1	
Assistant Director	1	
Administrative Operations Manager	1	
Cook	1	
Assist. Cook	1	1
<b>TOTAL</b>	<b>42</b>	<b>4</b>

## PROPOSED ANNUAL BUDGET

### Budget Summary

This year's proposed budget includes the following features:

- It provides for reasonably projected increases in expenses such as food and insurance, as well as continue to fund important quality initiatives for the Center, including technology upgrades and improved outdoor learning environments.
- It includes 3%-4% tuition increase per child in all age groups. The new tuition rates will go into effect as of September 1, 2018. Due to the ongoing support of the University and UNC Hospitals, our program remains the most affordable NAEYC-accredited, 5-Star program in the Chapel Hill area, with tuition averaging \$100-\$300 per month less than other comparable programs.
- It adds an annual Program Fee of \$300 per family, payable in two installments of \$150 each (in the Fall and Spring). Program Fees are common in our industry and will add additional revenue to help us achieve our stated goals.
- The budget assumes a .5% vacancy rate, which means we propose to budget our income at 99.5% expected enrollment. We have consistently been able to stay enrolled at or above this level for the past several years, including during and after the expansion of our program. While we believe that budgeting at this level is a reasonable approach based on our experience, those levels of enrollment also reflect our commitment to and expectation of maximizing our enrollment potential both in order to be financially sound and to serve more families. It requires careful attention, diligence and monitoring by Center administration to maintain nearly seamless enrollment throughout the year, even in times of transition.
- A merit increase pool for staff of 3% is included in the budget, which will allow for salary increases from 0% - 6% (average 3%) based on merit scores and awarded on a bell curve calculated using composite scores of the staff's two semi-annual performance reviews. Any salary increases awarded will take place on September 1, 2018. It also includes a .5% pool for teacher bonuses.
- Designation of \$5,400 for new classroom and program technology to introduce iPads to three more preschool classrooms.
- Designation of \$6,000 for improvements to the expansion classrooms outdoor learning environment.
- Designation of \$10,000 to be contributed towards the Center Upgrade Project.
- Request to maintain the Reserves Account at current levels, which exceed contract minimums, with no additional contributions this fiscal year.

**Proposed Budget  
2018-2019**

		<b>Sep '18 - Aug 19</b>
<b>Income</b>		
	<b>Program Fees</b>	31,000.00
	<b>Tuition Income</b>	2,244,000.00
	<b>Enrollment Fee</b>	19,800.00
	<b>Application Fees</b>	9,600.00
	<b>Food Reimbursements</b>	37,200.00
<b>Total Income</b>		2,341,600.00
		2,341,600.00
<b>Expense</b>		
	<b>Center Upgrade Project</b>	10,000.00
	<b>Teaching Strategies</b>	3,000.00
	<b>Advertising Expense</b>	300.00
	<b>Bank Service Charges</b>	960.00
	<b>Board Expenses</b>	480.00
	<b>Classroom Activities</b>	13,200.00
	<b>Dues and Subscriptions</b>	3,600.00
	<b>Employee Benefits</b>	
	<b>Dental Insurance</b>	20,400.00
	<b>Health Insurance</b>	233,700.00
	<b>Pension Expense</b>	28,800.00
	<b>Total Employee Benefits</b>	282,900.00
	<b>Employee Training &amp; Development</b>	7,800.00
	<b>Food</b>	114,000.00
	<b>Furniture and Equipment</b>	
	<b>Technology Upgrade Initiative</b>	5,400.00
	<b>Electronic Equipment</b>	2,400.00
	<b>Furniture and Equipment</b>	4,800.00
	<b>Total Furniture and Equipment</b>	12,600.00
	<b>Grounds</b>	4,800.00
	<b>Insurance</b>	
	<b>Board Insurance</b>	1,200.00
	<b>Children's Insurance</b>	780.00
	<b>Liability Insurance</b>	7,200.00

	<b>Workers' Comp</b>	<u>37,200.00</u>
<b>Total Insurance</b>		46,380.00
<b>Janitorial Services</b>		28,800.00
<b>Licenses and Permits</b>		600.00
<b>Maintenance</b>		6,000.00
<b>Payroll Service</b>		5,160.00
<b>Playground Improvements</b>		6,000.00
<b>Playground Maintenance</b>		7,200.00
<b>Postage and Delivery</b>		840.00
<b>Printing and Reproduction</b>		3,600.00
<b>Professional Fees</b>		
	<b>Accounting</b>	<u>10,800.00</u>
<b>Total Professional Fees</b>		10,800.00
<b>Payroll</b>		
	<b>Salaries and Wages</b>	
	<b>Teacher Bonus</b>	5,280.00
	<b>Administrative Salaries and Wages - Other</b>	137,400.00
		<u>1,123,992.00</u>
	<b>Total Salaries and Wages</b>	1,266,672.00
	<b>Payroll Tax Expense</b>	<u>392,400.00</u>
<b>Total Payroll</b>		1,659,072.00
<b>Supplies</b>		
	<b>Classroom</b>	12,000.00
	<b>Housekeeping</b>	10,200.00
	<b>Kitchen</b>	10,200.00
	<b>Office</b>	9,600.00
	<b>Program</b>	<u>10,800.00</u>
<b>Total Supplies</b>		52,800.00
<b>Telephone</b>		6,600.00
<b>Utilities</b>		<u>54,000.00</u>
		<u>2,341,492.00</u>
		<u><u>108.00</u></u>