



UNC  
THE UNIVERSITY  
CHILD CARE CENTER

**2016-2017 ANNUAL PLAN**

*Submitted to UNC-Chapel Hill and UNC Hospitals  
July 1, 2016*

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We are pleased to share our Annual Plan for the operation of the University Child Care Center for Fiscal Year 2016 – 2017. 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-eight 5-Star rated child care facilities in Chapel Hill, our Center is one of only *five* 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.

#### **Star License:**

The Center renewed its State 5-Star license in good standing by going through the Rated License process scoring the highest possible score of 15 points.

### PROGRAMMING AND PERSONNEL

#### **Curriculum:**

The Center continued to work on improving how we plan activities for the children through extended thematic activities. This approach has been very successful and has resulted in more in-depth exploration of topics of interest to the children. It has also lead to interest among some of our staff members in the Project Approach – which represents the next level of sophistication in our field for planning activities for children.

Further, we trained and tested our teaching staff to reliability on Teaching Strategies, our assessment tool – making assessment of the children’s development more accurate and consistent between assessors and assessment periods.

#### **Staff Education:**

Teacher education remains a key component of the quality of our program, and we have continued to maintain our goal of having a degreed teacher in every classroom. We will again have a teacher with a Bachelor’s degree or higher in Early Childhood Education or a related field in all 13 classrooms for the upcoming school year. Two have Master’s Degrees and three more are currently working towards their Master’s Degrees through the T.E.A.C.H. Master’s Degree scholarship program for working teachers.

## 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. Importantly, 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. We conducted a purge of our waiting list this year with a mailout to all waitlisted families to assess their current interest, and removed names of families who did not respond or who asked to be removed from the list. After the purge and after enrolling over 40 families for the coming Fall, the list now stands at 110 with the greatest demand being for infants and toddlers.

### 2016-17 Budget

The Board has again this year carefully considered our budget, making it a priority to keep tuition rates affordable for our families. The proposed budget reflects our commitment to balance the need to cover increased costs, to attract and retain quality staff, and to maintain a forward-moving, innovative program, with an understanding of the importance of keeping tuition costs down, and find economies and efficiencies wherever possible. This year's proposed budget includes:

- Reasonably projected increases in expenses as well as support for ongoing quality initiatives for the Center.
- A 2% tuition increase per child in all age groups.
- Budgeted income at 99% 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.
- A merit increase pool for staff which will allow for salary increases from 0% - 4% (average 2%).
- As approved by the Hospital and University, \$15,000 allotted to the Toddler Playground Initiative in lieu of a contribution to the Reserves Account fund.

### Audit:

This year, the accounting firm of Koonce, Wooten & Haywood, L.L.P. completed a compilation for fiscal year 2014-2015, 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 2015-2016, 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 implemented during our preparations for NAEYC reaccreditation, maintaining current Classroom and Program Portfolios, and submitting the required annual reporting documents.

#### Star License

- ✓ We have maintained our 5-Star State license in good standing.

We prepared for and underwent the extensive program evaluation associated with the renewal of our Star Rated License. This process included environmental rating scales (ECERS & ITERS) and classroom evaluations in every age group. Teams of evaluators came to the Center and spend full days observing randomly selected classrooms to assess them across a spectrum of criteria – Safety, Materials, Interactions, Room Arrangement and more. We **achieved our goal** of a score of 15 in Program Standards (the highest available score).

### PROGRAMMING AND PERSONNEL

#### Curriculum

- ✓ Our program continues to use Teaching Strategies® for lesson planning, child assessment and daily parent communication. Now that the teachers have been trained in reliable assessment, we are starting to look at additional reporting functions in Teaching Strategies to monitor developmental progress by child, class and programwide. It will take a couple of assessment periods (we do two sets of assessments per year) for this data to be meaningful, at which point we will be able to use it to assess program quality.

#### Staff Education

- ✓ We 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.

### BUILDINGS AND GROUNDS

#### Playgrounds

- ✓ We have made improvements to both the natural play space in the expansion playground for the preschoolers and the toddler playground in front of the expansion. Since the plan to improve the toddler playground was drafted, the Center was able to participate in a workshop conducted by the NC State

University Natural Learning Initiative (NLI) and received free design services from NLI and specifically Robin Moore, an internationally recognized expert in children's outdoor play spaces, culminating in a beautiful outdoor learning environment design (see attached). The proposed design builds on the latest research about how effective outdoor environmental play spaces can increase physical activity and support healthy early childhood development and the Board is very excited about the enhancement this will bring to the existing facilities and to the Center's program. Using funds approved by the Hospital and University from the general budget (reallocated from the Reserves Account contribution), as well as money raised through fundraising efforts, we have executed part of that plan and expect to have completed the first half of this ambitious project by the end of this fiscal year. We expect the full execution of this beautiful plan to result in our toddler playspace becoming a model playground for this area.

## FINANCES AND FUNDRAISING

### Finances

- ✓ We have maintained a positive balance throughout the fiscal year and maintained enrollment rates to support full operation of 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. The SECC campaign was particularly successful with a over \$3,300 in pledges made in the 2015 campaign.

## ENROLLMENT AND STAFFING

### Enrollment

- ✓ We maintained full enrollment throughout FY 15-16 and exceeded stated enrollment goals and continue to have waiting lists in all age groups.

### Staffing

- ✓ We were able to add some new degreed staff members, including graduates from the UNC-CH Early Childhood Program.

## ACCREDITATION AND LICENSING

### NAEYC Accreditation

- ✓ To maintain our NAEYC Accreditation in good standing.

### Star License

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

## PROGRAMMING AND PERSONNEL

### Curriculum

- ✓ To allow the staff to continue to grow in their level of sophistication with lesson planning, including forming a work group to plan and execute some learning units using 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.

## BUILDINGS AND GROUNDS

### Playgrounds

- ✓ To complete the improvement of the Toddler Playground using the design provided by the Natural Learning Initiative.

## FINANCES AND FUNDRAISING

### Finances

- ✓ To maintain full enrollment throughout FY 16-17.

### 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.



## Enrollment Levels Staffing Levels

### ENROLLMENT LEVELS

Current Enrollment Levels (effective June 15, 2016)

Age Group	UNC Chapel Hill	Hospital	Total*
Infants	11	8	19 (17 FT, 2 PT in 18 Spaces)
Toddlers	16	12	28 (28 FT)
Two's	11	11	22 (18 FT, 4 PT in 20 Spaces)
Three's and Up	70	20	90 (88 FT 2 PT in 89 spaces)
<b>TOTAL</b>	<b>108 (68%)</b>	<b>51 (32%)</b>	<b>159</b>

\* Includes shared spaces

### STAFFING LEVELS

Staffing Levels (as of June 15, 2016)

	Full-Time	Part-Time
<b>Teachers/Teaching Staff</b>		
Lead	13	
Assistant	17	
Floater	6	5
<b>Administrators/Staff</b>		
Executive Director	1	
Associate Director	0	
Admin. Assistant	1	
Cook	1	
Assist. Cook	1	
<b>TOTAL</b>	<b>40</b>	<b>5</b>

We have recently had an opening on our Administrative Team and will begin recruiting for that position shortly.

## 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, such the Gold Standard Creative Curriculum and electronic NAEYC portfolios.
- It includes 2% tuition increase per child in all age groups. The new tuition rates will go into effect as of September 1, 2016. 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.
- The budget assumes a 1% vacancy rate, which means we propose to budget our income at 99% 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 2% is included in the budget, which will allow for salary increases from 0% - 4% (average 2%) 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, 2016.
- Designation of \$15,000 towards the Toddler Playground Initiative in lieu of a Reserves Account payment for the 2016-2017 fiscal year, as approved by the Hospital and University.

Detailed Budget for Fiscal Year 2016 – 2017 (September 1, 2016 - August 31, 2017)

	<u>Sep '16 - Aug 17</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Application Fees	9,540.00
Enrollment Fee	15,600.00
Food Reimbursements	36,000.00
Tuition Income	<u>2,118,000.00</u>
<b>Total Income</b>	<b>2,179,140.00</b>
<b>Expense</b>	
Electronic Portfolio	1,200.00
Teaching Strategies	3,000.00
Advertising Expense	300.00
Bank Service Charges	720.00
Board Expenses	300.00
Classroom Activities	12,000.00
Dues and Subscriptions	600.00
Employee Benefits	
Dental Insurance	18,000.00
Health Insurance	216,000.00
Pension Expense	<u>24,000.00</u>
Total Employee Benefits	258,000.00
Employee Training & Development	7,800.00
Food	105,600.00
Furniture and Equipment	
Electronic Equipment	3,000.00
Furniture and Equipment	<u>6,000.00</u>
Total Furniture and Equipment	9,000.00
Grounds	4,800.00
Insurance	
Board Insurance	1,200.00
Children's Insurance	780.00
Liability Insurance	9,600.00
Workers' Comp	<u>25,800.00</u>
Total Insurance	37,380.00
Janitorial Services	27,600.00
Licenses and Permits	720.00
Maintenance	5,400.00
Payroll Service	4,800.00
Playground Improvements	15,000.00
Playground Maintenance	7,200.00
Postage and Delivery	960.00

<b>Printing and Reproduction</b>	3,360.00
<b>Professional Fees</b>	
<b>Accounting</b>	<u>9,000.00</u>
<b>Total Professional Fees</b>	9,000.00
<b>Payroll</b>	
<b>Salaries and Wages</b>	
<b>Administrative</b>	156,000.00
<b>Salaries and Wages - Other</b>	<u>1,056,000.00</u>
<b>Total Salaries and Wages</b>	1,212,000.00
<b>Payroll Tax Expense</b>	<u>342,000.00</u>
<b>Total Payroll</b>	1,554,000.00
<b>Supplies</b>	
<b>Classroom</b>	12,000.00
<b>Housekeeping</b>	10,800.00
<b>Kitchen</b>	10,800.00
<b>Office</b>	7,200.00
<b>Program</b>	<u>10,200.00</u>
<b>Total Supplies</b>	51,000.00
<b>Telephone</b>	5,400.00
<b>Utilities</b>	<u>54,000.00</u>
<b>Total Expense</b>	<u>2,179,140.00</u>
<b>Net Ordinary Income</b>	<u>0.00</u>
<b>Net Income</b>	<u><u>0.00</u></u>