



CHILDCARE LEARNING CENTERS

**Budget Request 2009-2010
Board of Finance
Operating Funds Request
March 20, 2009**

Budget Request:

2008-2009	2009 – 2010 Request
\$108,150	\$108,150

Increase: 0%

Human Capital/Personal Change: None

Childcare Learning Centers is requesting \$108,150 in operational funding for the 2009-2010 year. This amount is equal to last year’s budget request and provides us with funds to close the gap between the true cost of services and our state and federal reimbursements. CLC is currently operating in a deficit because the combination of state, local and federal support along with fees covers only 85% of the cost of providing a high quality early childhood education for each child. Fully 15% of expenses must be raised by outside sources, a significant challenge in these economic times. CLC has undertaken significant steps to reduce our expenses and improve our operational efficiencies.

Performance Measurement and Improvement:

Key Performance Metrics: (2007-08 data – See Appendix, Attachment 1)

- CLC is operating at a financial deficit

	Revenue Per Child	Cost Per Child (total revenue/920 children)
Per Child @ 6/30/08	\$15,610	\$17,008

Categories	Revenue Totals	Expense Totals
Grants	\$9,087,929	
Fees + Care for Kids	\$3,320,196	
Contributions*	\$1,953,824	
Salaries & “Benefits		\$10,880,280
Other Direct & Indirect		\$4,767,392

* Including, Foundations, City of Stamford, Corporate, Individual, In-kind, United Way and Investment Income

- Contractual 3.75 Salary increase each year plus associated benefits
- Increasing cost of educating and maintaining teaching staff – all teachers must be bachelor-degreed by 2012
- NAEYC requirements continue to lower ratios increasing costs

CLC sites are NAEYC accredited. Two sites received high marks in re-accreditation: William Pitt and Palmers Hill. Five sites (DSS and School Readiness) are currently undergoing NAEYC re-accreditation and our Head Start/Early Head Start program is undergoing its tri-annual review.

Performance Benchmarks

- CLC increased the number of School Readiness children served by 26
- CLC closed one site (Errol Rhoden) and decreased the number of Head Start children served by 40 without any loss to federal reimbursements
- CLC began its consolidation process by closing two sites (Helen Wolf and Stillwater) and moved the children to Palmers Hill
- CLC also discontinued its DSS Infant/Toddler program at Palmers Hill (eliminating 49 slots) and now offers our Private Care Infant/Toddler program (16 slots) at the low end of the market rate.
- We have successfully trimmed expenses without impact on program quality and continuing education of our teaching staff – all of which are grant-mandated.
- Total headcount reductions resulting from reorganization of CLC departments (Finance, Development, Office Management, Facilities, Cluster Coordinators, Family Services, Nursing), elimination of the infant/toddler program, closing of Errol Rhoden facility, and food service outsourcing is 21 administrative personnel and 25 teaching positions.
- CLC has reduced its hours of operation to 7:30am to 5:30pm.

Performance Improvement Plans

- CLC has received \$1M in funding from the City of Stamford to consolidate 6 sites in September '09 into the portable units that are moving to the Rogers Magnet School property
- CLC has submitted a CHEFA application to obtain an additional \$5.8M in loans to renovate the kindergarten wing of the Rogers Magnet School to provide an addition 10 classrooms and consolidate an additional 5 sites. The long range plan is to have 3 “super” sites: Palmers Hill, William Pitt, and the Rogers property.

Budget Management

Cost Reductions and Transformation Programs in 2008-2009

<u>Reduction/Transformation</u>	<u>Amount</u>
- Reduced administrative staff headcount (Finance, Cluster Coordinator, Office Management, Facilities, Nursing)	\$143,000
- Outsourced food service	\$250,000
- Elimination of Infant/Toddler program; Increased fees for Private Care Program for 8 Infants/8 Toddlers	\$0
- Eliminated bonuses for admin staff	\$36,313
- Reduced maximum vacation days carried over for admin staff	\$16,000
- Reductions in classroom supplies, household supplies, special repairs and parent activities	\$31,000

Cost Management Actions Taken in 2008-2009

<u>Management Action</u>	<u>Amount</u>
- Wage freeze for Senior Staff	\$27,000
- Increased School Readiness Slots (26)	\$180,900
- Increased enrollment/application fees	\$5,500
- Increased employee contribution to benefits	\$11,000
- Closed 2 sites and moved children to Palmer's Hill	6,000
- Sale of kitchen equipment	\$14,000
- Closed Errol Rhoden without reduction in reimbursements	\$203,000
- Savings on insurance premiums	\$50,000

Cost Reduction, Transformation, and Process Improvements for 2009-2010

- Consolidation of 6 sites to Rogers Modular units
- Consolidation of additional 5 sites to Kindergarten Wing of Rogers Property
- Addition of 1 classroom at Palmer's Hill
- New Financial Model developed by Harvard Business Community Partners (Pro Bono Services)
- Lab School and/or Research collaboration with Yale University
- Stimulus dollars for Head Start and Early Head Start Programs

- Working to renegotiate union contract to affect savings through concessions

Cost Analysis and Spending Priorities

- CLC has completed its budgeting breakdown according to State and Federal required services and mandates and has addressed all possible reductions.
- We have no priorities left to consider unless the agency gives up its current funding sources.
- Cost drivers: union contract and number of children
- Key operational changes: consolidation of 14 existing sites to 3 “super” sites (Palmer’s Hill; William Pitt; Roger’s Property)

Business Case and Justification for increases in resources requested: N/A

Funding Scenarios:

3% - 10% Further reductions in numbers of children served/elimination of programs and funding sources

Appendix:

Attachment 1: 2007-2008 Earnings Statement

Attachment 2: 2008-2009 Year-to-Date Earnings Statement



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APPENDIX

1. [P&L Summary YTD 4 column 06-08](#)
2. [P&L Summary YTD 4 column 12-08](#)