



CHILD DEVELOPMENT CENTER BUSINESS PLAN 2016

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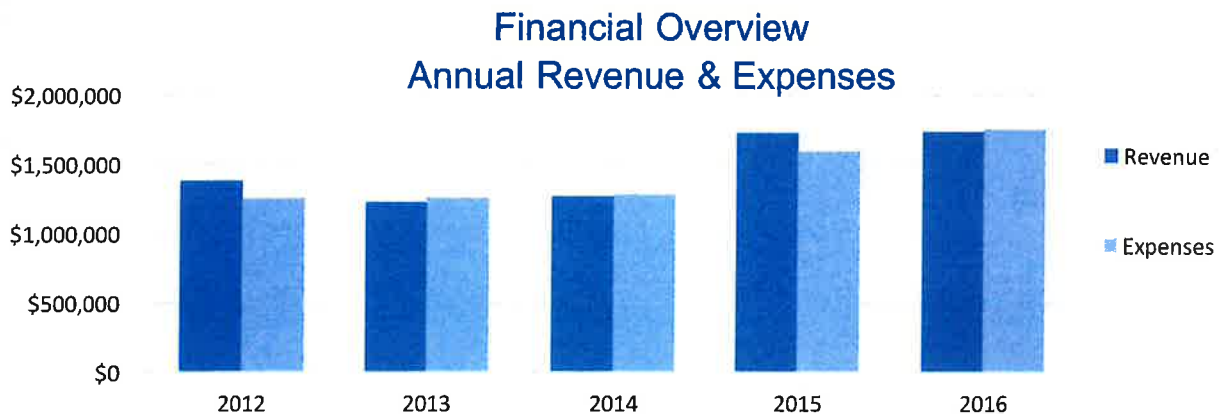
1.0 Executive Summary of Business

The Child Development Center at Mt.SAC is a full-service child care/development facility that cares for infants from age 3 months to preschool children up to 5 years old. We are also a laboratory school for college students enrolled in the Child Development and Early Childhood Education programs. Our department provides a critical services that supports the success of every constituency on campus including: students, staff, faculty, and managers.

Highlights



- **Revenue Increased by 41% since 2012**
- **Cash Reserves at 37%**
- **5 Year Growth Projection = 15% or \$261,907**
- **16% Projected Enrollment Increase**
- **Only NAEYC Accredited Center in the district**
- **We are 97% self-funded!!!**



1.1 Objectives

The objectives for the next five years of operation include the following:

- Increase enrollment for California General Child Care (CCTR) market by 20 children.
- Increase enrollment for "Full-time" Fee based children market by 10 children.
- Develop an Apprenticeship Program and become a State Approved apprenticeship site.

1.2 Mission Statement

To provide an educational, culturally relevant, and developmentally appropriate program for children; focuses on the whole child, school readiness, and the promotion of lifelong learning.

2.0 Business Summary

The Center was established in January 1975 with the Preschool Program serving children ages 3 to 5. Infants and toddlers began enrolling in 1990. Today approximately 200 children are enrolled each semester.

2.1 Goals

- ✓ To provide an educational, culturally relevant, and developmentally appropriate program for children and future early educators.
- ✓ To create a partnership in which student parents gain support toward college success and improved parenting skills.
- ✓ To provide a laboratory setting where a variety of disciplines, including Child Development, Culinary and Nursing, may observe and/or interact with children. With assistance from Child Development Center staff, students enhance their skills and knowledge of early care and education principles.

2.2 Services

The Mt. SAC Child Development Center offers high quality child care services in a new LEED certified facility.

Program Type	Age of Children	Classroom Ratios
Infant Program	3 to 15 months	1:3
Young Toddler	12 to 24 months	1:4
Older Toddler	24 to 36 months	1:5
Preschool Program	3 to 5 years	1:8

2.3 SWOT Analysis

STRENGTHS

- **Good Reputation** in the community.
- **Customer Satisfaction**, 90% of families are satisfied or very satisfied with the CDC per annual survey.
- **Nationally Accredited** by the National Associate for the Education of Young Children (NAEYC). accredited facility serving infants to 5 years of age (within 25 radius)
- **Quality Curriculum and Services**, including community field trips for preschool children, parent engagement activities, as well as access to campus resources such as Student Health Services nurses and others.
- **Qualified CDC Specialists** possess a Bachelor's or Master's degree in Early Childhood Education or related field.
- **Continuity of Care** for the infant-toddler program, implementing a primary care-giving approach and cohort transitions for 3 years.
- **Adult-to-Child Ratios** within licensing requirements.
- **LEED Certified Facility** that includes quality furniture, equipment, and new playground.
- **Laboratory School**: The CDC is live learning lab and job training facility for college students majoring Child Development.

OPPORTUNITIES

- **Unmet demand for Infant/Toddler care**. The CDC will expand the toddler enrollment by 16-18 spaces.
- **Develop Apprenticeship** in collaboration with the Child Development Department to address need for qualified early care and transitional kindergarten teachers.
- **Partnership Collaboration**: continue to partner with industry organizations like Los Angeles Universal Preschool, and California Preschool Instruction Network, to receive free resources and support such as: training, supplies and funds.
- **HeadStart**: Partner with school districts who are part of Prop 98 funding and guaranteed funds.
- **Marketing** to community members, professionals in nearby businesses, and CalWORKS participants.

WEAKNESSES

- **Marketing**: CDC is not a "widely known" option for care in the surrounding community.
- **Location**: The location of the facility on the Mt. SAC Campus does not allow for easy access or parking for non-college constituents or community members.
- **Part-Time Students**: can be transient due to socio-economic and domestic challenges causing their need for child care to change within a semester creating vacancies mid-semester.
- **High Employee Turnover**: student-workers comprise the majority of qualified adults in the classroom.
- **High Preschool Tuition**: exceed current market rates so that the program may not be able to increase tuition rates significantly in the future.

THREATS

- **Minimum Wage Increases**: 80-90 of our employees each semester are hourly student workers.
- **Collective Bargaining Salary and Benefit Increase**: CDC has no control over negotiated increases to personnel costs.
- **State Funding**: can be modified based on state budget priorities.
- **Federal Grant** is for 4 years only and highly competitive.

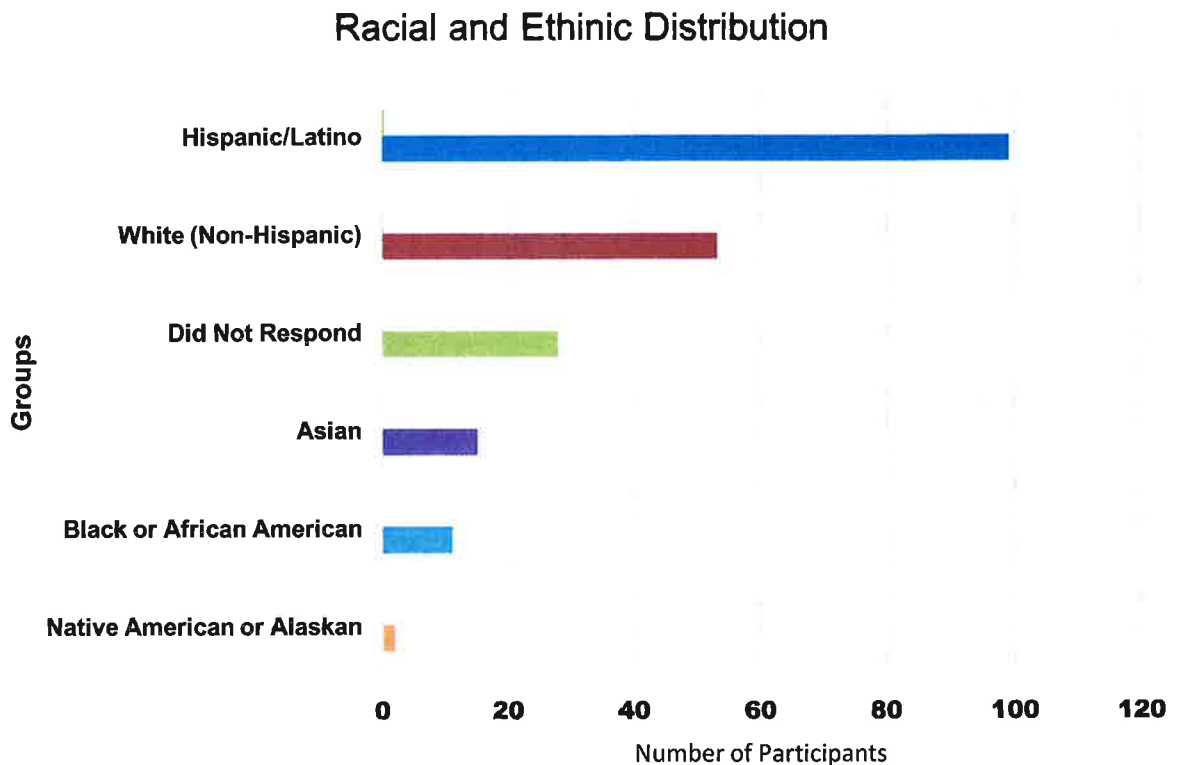
3.0 Marketing

The CDC is the only NAEYC accredited facility within a 25 mile radius serving children from infancy to 5 years of age and offering low income subsidies. Our diverse parent population is made of Mt. SAC students, staff, and faculty.

The majority of our student parents are receiving state or federal subsidies that pay for the tuition for their children at the CDC. Therefore, we are a college department that directly impacts **student equity** through the programs and services we offer.

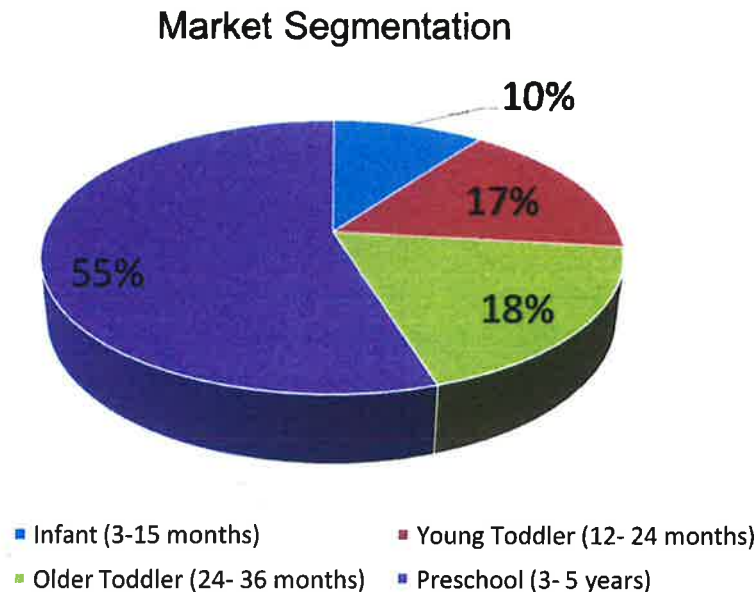
3.1 Demographics

The CDC service a diverse population of parents and children within our district. 80-90% of our target market are low income parents and families receiving college financial aid and subsidies in order to enroll their children at our facility.



3.2 Market Segmentation

Analysis and multi-year trends demonstrate that there is an unmet demand for infant/toddler care in Los Angeles County and surrounding counties. The CDC will expand the toddler enrollment by 16-18 spaces, which is an estimated increase of 6%.



3.3 Competition Analysis

There are 285 licensed competitors within our immediate area including the cities of: Walnut (31), Diamond Bar (45), West Covina (77), and Pomona (132). There are many more within our district beyond these four cities that are also competing for parent populations, so the competition is intense. However, none of these facilities are NAEYC accredited and many of them do not provide tuition assistance or subsidies making them less appealing for the college student population that we attract.

The following school districts such as Baldwin Park, Pomona, Hacienda/La Puente, and Options do provide tuition assistance or subsidies, which makes them our primary competitors. Rather than competing with these districts we're working on partnering up with them. We are currently in the process of researching the possibility of partnering up with Baldwin Park Unified School District's Early Head Start Program.

3.4 Marketing Plan

Marketing Objective	Target	Advertising Strategy	Estimated Cost
1. State Funded: Increase enrollment for (CCTR) market by 20 children.	<ul style="list-style-type: none"> Low Income working parents (college students and adjuncts) 	<ul style="list-style-type: none"> Waitlist: Recruit from existing waitlist of parents. Flyers: Post Flyers in family friendly community locations in Pomona, West Covina, Baldwin Park (ie: WIC facilities, laundromats, etc.) 	1. FREE (On file) 2. \$250
2. Fee Based: Increase enrollment for "Full-time" Fee based market by 10 children.	<ul style="list-style-type: none"> Staff/Faculty Community members within district CalWORKS participants on campus 	<ul style="list-style-type: none"> Campus Marquee: Located on Grand and Temple. Department Website: Utilize the newly update website more effectively as a marketing tool rather than just an informational tool. Email Marketing: Utilize the campus announce-c listserv to reach campus constituencies. Word Of Mouth: Leverage social media sites like Yelp! to promote and brand the Child Development Center within the community. 	1. FREE 2. FREE 3. FREE 4. FREE

4.0 Personnel Plan

Directors and all other personnel, including teachers and teacher aides, must fulfill the mandated educational requirements under § 101215.1 – 101216.2 of Title 22, Division 12, Chapter 1, Article 6, Continuing Requirements. Additionally, the state mandates a specific Teacher-to-Child Ratio depending on the age group, which makes the CDC a labor intensive department.

Personnel Groups	Number
Management	2
Office Staff	7
Teachers and Instructional Aides	26
Student Workers	52
Total	87

4.1 Apprenticeship Program

The CDC is working with the Child Development & Education Department and the California Department of Industrial Relations to develop a State Approved Apprenticeship for Early Childhood Educators.

The goal of the apprenticeship will be to:

- ✓ create **14 apprenticeship positions** funded through Workforce Development funds.
- ✓ allow apprentices to become **credentialed** early childhood educators.
- ✓ qualify apprenticeship completers to enter the workforce beyond entry-level positions, thereby earning **livable wages**.

If the apprenticeship is fully funded through workforce funds, it would result in **an estimated personnel cost reduction of \$294,840** (14 positions X \$13.5 Hourly Rate x 30 Hours/Week X 50 Weeks).

5.0 Technology



The CDC's partnered with Learning Genie to be a pilot-site for their mobile app portfolio and assessment tool. The Learning Genie app is provided **FREE of charge to the CDC** in return for being one of its pilot-sites. Benefits of Learning Genie are:

- Reduced reporting time
- Saves money (approx. \$60 per child)
- Meets DRDP reporting needs for State Funded programs

The CDC purchased several tablets last year to be used with the Learning Genie app, which has been very successful. The training for the system is being provided in person as well as online through video tutorials.

6.0 Financial Analysis

6.1 Revenue

Restructuring tuition rates and enrollment prioritization has resulted in more consistent revenue without severe over-enrollment, as was the case in previous years. Additionally, the CDC has aggressively pursued and secured additional funding opportunities through local non-profits such as LAUP, HeadStart, and Options.



Revenue Increased by 41% since 2012.

6.2 Expenses

Most of our operating costs have remained relatively stable due to prudent fiscal management and collaborative partnership; however the two critical areas that have experienced a significant increase due to external factors are personnel costs and contract food services cost.

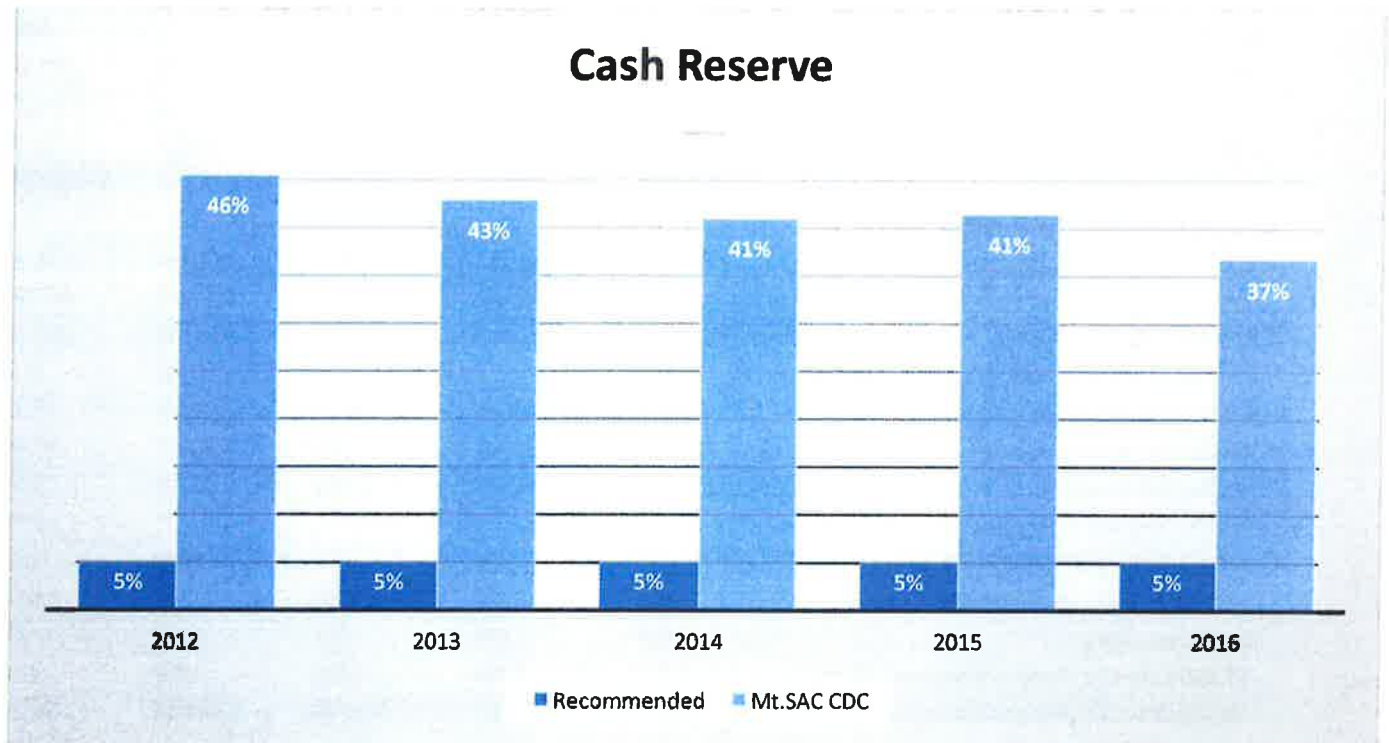
- **Personnel:** These costs are governed collective bargaining agreements as well as state mandated minimum wage standards, which have increased by 14% in the past few years. While the CDC is expected to manage all of its expenses, it has virtually no input or control over its largest expense (personnel) as this cost is district negotiated. In order to address this issue, the CDC has requested that the district institutionalize the salaries of the managers to stabilize a portion of the CDC's payroll. Having the district absorb the CDC's management salaries would place the CDC in stronger fiscal position to address minimum wage increases, negotiated salary increases, and increased COLA.
- **Contract Food Services:** The CDC contracts Sodexo to provide the meals for the children. During the past 3 years, the cost of providing these meals has more than doubled. Our food and contract services costs went from \$70,265 in 2012 to \$209,552 in 2015, a 104% increase.

6.3 Reserves

Cash reserves for the CDC have consistently exceeded the recommended minimum of 5%, by a healthy margin. The CDC's reserve have consistently been well over 30% for the past six years.



Reserve Currently at 37%.



6.4 Statement of Revenue and Expenses

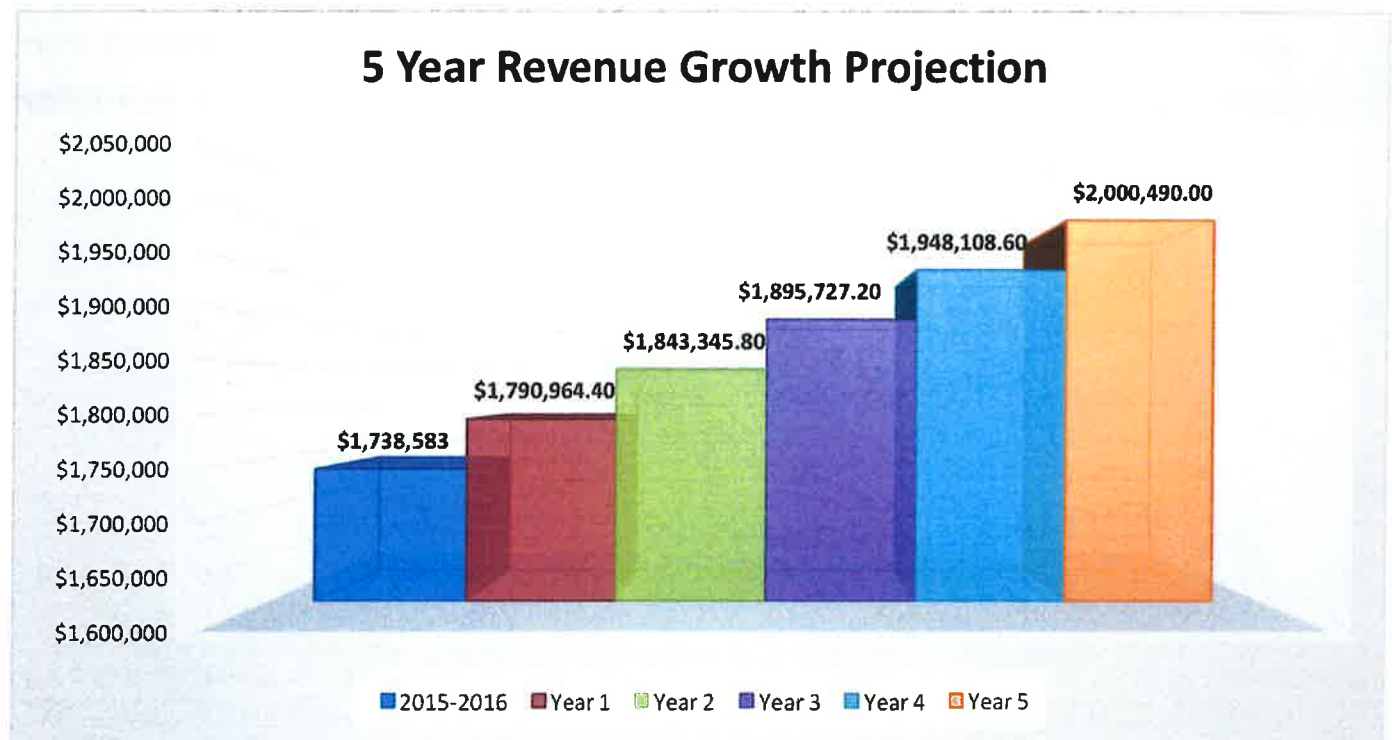
	2012/13	2013/14	2014/15	2015/16	2016/17
	Actual	Actual	Actual	Actual	Budget
Beginning Balance 07/01/20XX	\$ 571,380	\$ 540,771	\$ 526,227	\$ 650,281	\$ 645,416
REVENUE					
812000-Parent in School Program	122,740	122,740	375,000	317,227	432,773
819000-Child Care Food Prog. Federal	59,707	63,864	83,140	93,553	95,390
862900-Child Care Tax Bailout	88,976	88,976	88,976	97,085	93,085
865900-State Grants	502,669	504,954	691,198	798,597	890,409
869001-CalSTRS On-behalf Payments	-	-	-	7,163	-
886000-Interest	3,556	2,926	2,546	3,719	3,500
887100-Child Care Fees	371,207	404,965	403,587	371,239	371,239
891002-Sales of Fixed Assets	-	-	5,838	-	-
898001-Categorical Support	80,000	80,000	80,000	50,000	-
Total Revenues	\$ 1,228,855	\$ 1,268,425	\$ 1,730,285	\$ 1,738,583	\$ 1,886,396
OPERATING EXPENDITURES					
210000-Non-Instruct., Regular Full Time	570,142	589,091	607,916	650,281	713,116
230000-Hourly Non-Instructional	340,684	350,350	549,899	596,962	601,981
300000-Employee Benefits	213,202	223,852	229,003	252,109	292,765
310000-CalSTRS On-behalf Payments	-	-	-	7,163	-
430000-Instructional Supplies and Materials	1,923	2,463	10,947	10,334	8,500
450000-Non-Instruct. Supplies and Materials	6,265	4,700	13,068	14,527	10,861
470000-Food Supplies	15,027	11,147	9,010	2,754	6,845
510000-Contracts for Personal Services	-	-	-	-	3,000
520000-Travel and Conference Expenses	3,477	239	1,740	6,729	8,200
530000-Dues and Memberships	600	675	750	50	2,000
540000-Insurance	563	299	523	561	530
560000-Contracts, Rents, Leases and Repairs	4,770	3,796	1,962	3,423	5,700
580000-Other Services and Expenses (Sodexo)	102,811	96,357	170,416	209,552	190,900
640000-Equipment	-	-	-	-	1,149
Total Expenditures	\$ 1,259,464	\$ 1,282,969	\$ 1,595,234	\$ 1,754,445	\$ 1,845,547
Surplus/(Deficit)	\$ (30,609)	\$ (14,544)	\$ 135,051	\$ (15,862)	\$ 40,849
Ending Balance 06/30/20XX	\$ 540,771	\$ 526,227	\$ 661,278	\$ 645,416	\$ 686,265

7.0 Five Year Growth Projection

The following growth projections are based on the objectives outlined in the marketing plan. The CDC expects revenue to grow at an average rate of 3% annually over the next 5 years in both the state funded as well as the fee based categories.

Objective	Projected Revenue	Growth Percentage <small>(Calculate based on 2015-16 Actual Revenues)</small>
1. State Funded: Increase enrollment for (CCTR) market by 20 children.	\$178,060	10%
2. Fee Based: Increase enrollment for "Full-time" Fee based market by 10 children.	\$83,847	5%

Note: 16-18 of the above children will be in the infant and toddler segment that we plan to grow.



Projected Annual Growth at 3%

8.0 Summary and Needs



Summary:

- Revenue Increase 41% since 2012.
- Projected Revenue Growth 15% over the next 5 years
- 16% Enrollment growth projected in State Funded and Fee Based Children
- Apprenticeship program is currently being explored

Needs:

The CDC's enrollment and revenue are poised to grow by an additional 15% over the next 5 years. In order to maintain the level of success that we've had and to continue to grow, the CDC wants to reiterate its need to have the district assist the CDC in stabilizing its payroll budget by absorbing the CDC's management salaries in the college's budget. This request has been formalized in the CDC's 2015-16 PIE report (p.4-6) as well as the Business Division's New Resource Allocation Requests for 2016-17.