

Agendum
Oakland University
Board of Trustees
Finance, Audit and Investment Committee
October 30, 2008

LOWRY CENTER FOR EARLY CHILDHOOD EDUCATION
OPERATING BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2009

1. **Division and Department:** Academic Affairs, School of Education and Human Services.

2. **Introduction:** On April 15, 2008, the proposed budget for the Lowry Early Childhood Center (Lowry) was presented to the Board of Trustees (Board) for approval for the fiscal year ending June 30, 2009. The proposed budget document included a projected net loss in operations for the year ended June 30, 2008, and a smaller loss for the FY2009 proposed budget. The Board tabled the approval of the budget for Lowry due to the uncertainty of the operational results, and requested that an updated report on the financial activity be provided in November 2008.

Actual financial results as of June 30, 2008 showed a net loss of \$56,752, an improvement of approximately \$21,000 from the projection in April. The revised budget for the year ending June 30, 2009 reflects changes due to enrollment, an increase in grant funding and savings in salaries as of September 2008 and projects a lower net loss.

3. **Previous Board Action:** The Board approved the FY 2008 Ancillary Budgets on May 2, 2007.

4. **Budget Implications:** See Appendix I for budget implications.

5. **Educational Implications:** See Appendix I for educational implications.

6. **Personnel Implications:** See Appendix I for personnel implications.

7. **University Reviews/Approvals:** The Lowry Operating Budget was reviewed by the Financial Performance Review Committee, the Budget and Financial Planning Office, the Senior Vice President for Academic Affairs and Provost, and the Vice President for Finance and Administration.

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8. **Recommendation:** At the November 5, 2008 Formal Session, the Board will be asked to approve the budget for Lowry for the year ending June 30, 2009, with expenditures and transfers not to exceed \$860,045. All expenditures and transfers beyond the approved amount must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board.

9. **Attachments:** Appendix I – Lowry Center for Early Childhood Education Description of Program and Proposed Budget.

**Submitted by Senior Vice President for Academic Affairs
and Provost Virinder K. Moudgil:**

(Please Initial)

Reviewed by Secretary Victor A. Zambardi:

(Please Initial)

Reviewed by President Gary D. Russi:

(Please Initial)

Lowry Center for Early Childhood Education
Updated October 2008
(Child Development Lab)

Description of Program

The Lowry Center for Early Childhood Education is a model center, which exhibits best practice in the field of early childhood education and development. Its main purpose is to provide a laboratory setting for the study of human, family, and child development. The aim of Lowry is to be a Child Development Lab and Educational Center of the highest quality.

The mission of the Lowry Center is to provide a model center for early childhood education and human development for the broad University community and its constituency groups. Lowry provides an ideal setting for the professional development of pre-service and in-service educators in the field of Early Childhood Education. The educational goals of the center are congruent with the goals of the School of Education and Human Services and the mission of Oakland University. The Lowry Center serves multiple target groups by supplying high quality educational experiences for young children in the community and an excellent field experience and observation site for Oakland University students.

The Lowry Early Childhood Education Center offers an exemplary program for young children 18 months through 5 years of age extended to 6 years in the summer program. The vision of the center is to cultivate and maintain an environment where students, faculty, staff and parents collaborate regarding the essential elements necessary for optimal learning in young children. Teacher education, research and service are in the forefront of goal setting throughout the center. Child development, early learning and best practice in the field of early childhood education are cornerstones of the program's foundation.

The curriculum is based on sound child development theory and practice, incorporating a variety of approaches and techniques. The daily routine structure is based on the High/Scope Curriculum model and consists of planning time, work time, and recall time. Project-based learning allows children the opportunity to challenge their minds by exploring various topics and questions. As children are involved in project experiences, they become familiar with, and competent in the process of planning, exploring, and expanding their interests. The program strives to provide an environment, which develops strong self-esteem, provokes curiosity, and increases the desire to learn.

The Lowry Center is utilized for selected graduate Early Childhood Education courses, thus providing immediate and direct opportunities for observation and interaction with young children. Undergraduate classes in the School of Education make frequent visits to the Lowry Center for observations, assessment, and modeling. Several other academic departments utilize the Lowry Center to meet their specific education purposes.

Lowry Center for Early Childhood Education (Child Development Lab)

Many undergraduate students serve in classroom assistant roles throughout their time at Oakland University.

Through the Child Care Access Means Parents in School (CCAMPIS) federal grant funding, the Lowry Center also strives to serve and support Oakland University student parents by providing a high quality program for their young children as they work to achieve educational goals.

Since 2005 the Lowry Center has been one of 57 competitive grantees to receive funding for the Michigan School Readiness Program (MSRP) from the Michigan Department of Education. This program has allowed Lowry to offer free preschool, to eight children with two or more risk factors for three years. This program enhances diversity and extends services to the community.

Key Performance Indicators

Actual percentage of enrollment capacity for Winter semester, 2008

	Toddler-AM	Toddler-PM	Toddler-Full
Monday	92%	25%	83%
Tuesday	100%	75%	100%
Wednesday	92%	25%	83%
Thursday	100%	83%	100%
Friday	92%	25%	83%
	Preschool-AM	Preschool-PM	Preschool-Full
Monday	75%	20%	75%
Tuesday	90%	50%	90%
Wednesday	80%	20%	80%
Thursday	85%	50%	90%
Friday	80%	80%	85%
	Pre-K-AM	Pre-K-PM	Pre-K-Full
Monday	77%	39%	77%
Tuesday	36%	39%	91%
Wednesday	77%	39%	86%
Thursday	36%	39%	100%
Friday	77%	39%	82%
Total overall enrollment percentage =	<u>68%</u>		

Lowry Center for Early Childhood Education
(Child Development Lab)

	Winter 2005 Participants	Winter 2006 Participants	Winter 2007 Participants	Winter 2008 Participants
Community	146	156	135	109
Students	22	38	44	38
Faculty and Staff	19	25	27	27

Age Group	2005-2006	2006-2007	2007-2008	2008-2009
Toddlers	\$49 Full day \$27 Half day	\$52 Full day \$29 Half day	\$55 Full day \$31 Half day	\$55 Full day \$45.00 Half Day w/lunch & rest \$26.00 Half Day Afternoon \$31 Half day
Preschool	\$41 Full day \$22 Half day	\$44 Full day \$24 Half day	\$46 Full day \$26 Half day	\$46 Full day \$26 Half day
Pre-K	Pre-K \$41 Full day \$22 Half day	Pre-K \$44 Full day \$24 Half day	Pre-K \$46 Full day \$26 Half day	Pre-K \$46 Full day \$26 Half day
Before / After-Care	\$5.00 / ½ hour	\$5.00 / ½ hour Community \$3.00/ ½ hour OU	\$5.00/ ½ hour Community \$3.00/ ½ hour OU	\$5.00 / ½ hour Community \$3.00/ ½ hour OU

1. Registration/Deposit fees for community members will be \$200 per year; \$150 will be deducted from the final payment (\$50.00 non-refundable).
2. Registration fees for OU affiliates will be \$50 per semester; \$25 will be deducted from the final payment per semester (\$25.00 non-refundable per semester).
3. Schedule Change Fees will be introduced for decrease in schedule. These fees will be \$25.00 per change starting with 2008-2009 enrollments.

Lowry Center for Early Childhood Education

(Child Development Lab)

Budget Assumptions

Revenue –

Operating revenue

- Based on September 2008 enrollment figures we have adjusted our projected enrollment to 70% from the 76% April 2008 projection to reflect a more realistic prediction of this year's enrollment.
- Toddler classroom models are changing to meet current enrollment trend and to increase available spaces offered to Toddler families. Lowry will offer a Younger Toddler room with a capacity of 12 from 18 months up to 2 ½ years of age and an Older Toddler room with a capacity of 16 from 2 ½ years up to 3 ½ years of age. Both rooms will offer ½ day morning, extended morning with lunch and nap, a two hour afternoon and a full day option.
- Tuition rates are being kept the same as 07-08 due to lower than predicted enrollments in 07-08 and comparing our current rates to other comparable rates for similar preschools in the Rochester area. Families will be offered a 5% discount on the oldest sibling when enrolling two or more children. This discount is a common practice among preschools.
- MSRP has been expanded to Four Full Days room to increase the size of the grant award, reduce the operating costs for the grant and better serve the need of our MSRP families.
- Preschool & Pre-Kindergarten ½ Day afternoons will be combined into one classroom. Current enrollment trends have been low for all classrooms with afternoon programs. Combining the classrooms will reduce the need for student staffing in the afternoons and open up a classroom for possible collaboration within the Department with hopes of introducing new programming to Lowry.

Gifts & Grants

- Lowry was awarded \$54,400 from the Michigan Department of Education to provide four full days of preschool to eight children at risk. This is an increase of \$28,000 from the projected award amount in April 2008.
- \$54,121 for CCAMPIS grant for award period 10/1/08 – 9/30/09; renewed until October 1, 2010.
- \$4,000 in projected gifts & investment income from endowments.

Expenditures -

Compensation

- Current salaries with a projected merit increase.
- Student staff salaries have been reduced from last year because of changes to the afternoon and toddler programs.
- Salaries have reduced from April 2008 projections due to a teacher taking an eight and a half month unpaid leave this year. This teacher is being replaced by a long-term substitute at a lower hourly wage without benefits.

Lowry Center for Early Childhood Education
(Child Development Lab)

Budget Assumptions (continued)

Expenditures -

Supplies & Services

- Decrease in indirect costs due to rebudget of the CCAMPIS grant to place all CCAMPIS grant funds into tuition scholarships.

Repairs & Maintenance

- Cleaning services contract based on current trend with 5% increase to reflect inflation.

Utilities

- Based on current trend.

Capital Expenses

- Lowry's maintenance contract with Ricoh for the copier expired on June 30, 2008 and is not eligible for renewal. The amount estimated is based on quotes from Ricoh and Cannon.

Transfers –

General Fund Budget Support

- Based on the estimated number of practicum students.

Net –

- The changes outlined above will result in a projected operating deficit of \$14,952 for FY 09. This amount compares favorably to the original Lowry deficit projected to be \$31,699 in the FY09 budget proposed in April 2008. This deficit will be covered by the Lowry fund balance. The deficit is being projected due to the current economic recession in Metro Detroit and the reported predictions that the economy will not rebound within the next fiscal year. Families that have withdrawn from Lowry in the past eight months have done so due to loss of job; reduction of salary; and relocation out of the Metro Detroit area. A survey done of area preschools shows a decline in overall preschool enrollment in the Rochester area.

Oakland University
Lowry Center for Early Childhood Education
Proposed Budget - All Funds
FY 2009

	FY 08 BUDGET	FY 08 ACTUAL	FY 2009 BUDGET	
			PROPOSED April '08	REVISED October '08
REVENUE:				
Operating Revenue	\$ 817,036	\$ 717,129	\$ 760,374	\$ 732,572
Retail Sales	-	-	-	-
Student Tuition Allocation	-	-	-	-
Gifts and Grants	84,921	86,517	84,521	112,521
Investment Income	-	-	-	-
Total Revenue	\$ 901,957	\$ 803,646	\$ 844,895	\$ 845,093
EXPENDITURES:				
Compensation	\$ 837,490	\$ 810,631	\$ 829,364	\$ 812,815
Supplies and Services	48,875	53,442	37,455	37,455
Repairs and Maintenance	23,000	22,771	23,000	23,000
Cost of Retail Sales	-	-	-	-
Equipment	6,000	1,845	-	-
Insurance	-	-	-	-
Utilities	4,700	2,481	2,775	2,775
University Overhead	-	-	-	-
Total Expenditures	\$ 920,065	\$ 891,170	\$ 892,594	\$ 876,045
TRANSFERS OUT (IN):				
General Fund Budget Support	\$ (24,600)	\$ (27,941)	\$ (26,000)	\$ (26,000)
Debt Service	-	-	-	-
Other Transfers	-	(2,831)	-	-
Total Transfers	\$ (24,600)	\$ (30,772)	\$ (26,000)	\$ (26,000)
Net Revenue Before Major Capital Expenditures	\$ 6,492	\$ (56,752)	\$ (21,699)	\$ (4,952)
Major Capital Expenditures	\$ -	\$ -	\$ 10,000	\$ 10,000
Net Revenue	\$ 6,492	\$ (56,752)	\$ (31,699)	\$ (14,952)
FUND BALANCES JULY 1	\$ 286,240	\$ 283,549	\$ 205,536	\$ 226,797
FUND BALANCES JUNE 30	\$ 292,732	\$ 226,797	\$ 173,837	\$ 211,845