



Much like the President's State of the Union address, the purpose of the State of Hillcrest meeting is to provide information to all parents on the current state of Hillcrest Children's Center. This meeting is also an opportunity for all parents to discuss the information provided, share ideas and provide input on the decisions needed to ensure the future of Hillcrest. We hope that parents will take time to review the information in this newsletter prior to Wednesday's meeting and come prepared to discuss and share your ideas. **Please be aware that no decisions have been made on the items to be discussed and no decisions will be made during this meeting.** This is simply an opportunity to engage all Hillcrest parents in the development of Hillcrest's future. We look forward to seeing you and hearing your comments!

Alana– Board President

Strengthening Families Grant

Hillcrest has received a \$5,000 grant from the Alaska Children's Trust to continue the implementation of strategies to strengthen families. The money is being used to provide families resources on parenting such as ScreamFree Parenting and Love and Logic Parenting. Additionally, families can utilize the Ages and Stages developmental and social-emotional screening tools to gauge your child's developmental milestones. Thank you to the families of Jordyn, Quin, Eliza and Cooper for their assistance on the grant.

Hillcrest's 2010

Business Supporters

Costco, Sam's Club, Title Wave Books, Red Robin, Spenard Roadhouse, Bear Tooth, Intuitions Day Spa and Salon, Car Quest, Anchorage Museum Association, New Sagaya, Over the Rainbow Toy Store, H2Oasis, Bouncin' Bears, Great Harvest Bread Company, Alaska Zoo, Subway of Alaska, Napa Traction Store, Factory Motor Parts, Corvus Design

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Could this be you?

Mission

Hillcrest Children's Center provides care for every child in an environment that focuses on developing a foundation for a lifelong love of learning and respect for self and others. Hillcrest is a non-profit, parent-cooperative that believes quality care comes from a partnership between the home and school.

Philosophy

Children are cared for in a loving, safe environment surrounded by positive interactions. Learning is best achieved through play and activities that are designed to offer experiences in a variety of situations geared to the developmental needs of the child.

<p style="text-align: center;"><u>Calendar</u></p> <p>January 19 Parents and Pastries</p> <p>January 19 State of Hillcrest Board Meeting</p> <p>February 2, 5:30 Play Yard Work Group</p> <p>February 3-4 Closed for In-Service</p> <p>February 11 Preschool Parent Night</p> <p>February 12 Parent Night Out</p> <p>February 16 Parents and Pastries</p> <p>February 16 Board Meeting</p> <p>February 21 Closed Holiday</p> <p>February 23 Infant Family Night</p> <p>March 16 Parents and Pastries</p> <p>March 16 Board Meeting</p> <p>April 9 Parent Night Out</p> <p>April 20 Parents and Pastries</p> <p>April 20 Board Meeting</p> <p>April 30-May 1 Clean-Up Weekend Stage 1 Play Yard</p>	<p>Proposed Emergency Closures: Weather or Otherwise</p> <p>Accepting Feedback through January 21</p> <p>Decision required by January 31</p> <p>The Board has been considering an update to our Weather Closure policy. The changes extend weather closures to weather/other emergencies and state we will follow the Municipality of Anchorage's lead on closures. The proposed updated language is as follows.</p> <p>Due to our limited ability to notify families of the need to close as a result of weather or other emergencies we will follow the Municipality of Anchorage's lead. If Hillcrest closes as a consequence of severe weather or other emergency, the center will be closed for the entire day. Please, be aware Hillcrest <u>does not</u> follow the Anchorage School District closings for weather. In the event of severe weather and closures of ASD which may cause inadequate staffing. Hillcrest will accept children on a first come, first served basis as ratio allows. We understand that some families may have more flexibility than others on these days and we ask that families be mindful of others who do not have that flexibility and minimize their use of care on these days. Every effort will be made to have notice of closures of the center available on the voicemail and on our Facebook page.</p>
	<p>Proposed 2011 In-Service Days</p> <p>Accepting Feedback through January 21</p> <p>Decision required by January 31</p> <p>Taking into consideration feedback from families the proposed 2011 In-Service days, in addition to our annual closure for the Early Childhood Conference February 3 and 4, are</p> <p style="text-align: center;">Monday, March 28 (Sewards Day)</p> <p style="text-align: center;">Monday, August 22 (Day before Kindergarten Starts)</p> <p style="text-align: center;">Monday, October 10 (Columbus Day)</p> <p style="text-align: center;">Friday, November 11 (Veterans Day)</p> <p>In-service days provide time for staff to receive training together which increases implementation. Quality care for children is directly related to the training level of the staff. These days also allow for the classrooms to receive a deep cleaning and organizing. The staff are very appreciative of families support for the work they do.</p> <p>Holiday closures for 2011 are:</p> <p style="text-align: center;">February 21 (Presidents Day)</p> <p style="text-align: center;">May 30 (Memorial Day)</p> <p style="text-align: center;">July 4 (4th of July)</p> <p style="text-align: center;">September 5 (Labor Day)</p> <p style="text-align: center;">November 24 and 25 (Thanksgiving and Black Friday)</p> <p style="text-align: center;">December 26 (Christmas)</p>

May 18
 Parent and Pastries
May 18
 Board Meeting
May 30
 Closed Holiday

June 11
 Parent Night Out
June 15
 Parents and Pastries
June 15
 Board Meeting

July 4
 Closed Holiday
July 29
 Parent and Pastries

August 17
 Parent and Pastries
August 17
 Board Meeting

September 5
 Closed Holiday
September 21
 Parent and Pastries
September 21
 Board Meeting

October 19
 Parent and Pastries
October 19
 Board Meeting
November 24 and 25
 Closed Holiday
December 26
 Closed Holiday

Playground Upgrade & Redesign

Our next Playground meeting will be Wed Feb 2nd, 5:30 pm.

An upgrade and redesign to the Hillcrest playground is in the works! The planned projects will improve safety, maximize playground space, create areas for “quiet” outdoor activities, increase opportunities for exploration and education, and enhance opportunities for open-ended play. Work will be done in phases so that the playground is never “closed for construction.” We will build a deck and move the infant play area (getting them out of the dirt and into the sun); move the toddler play structure and transform both toddler and preschool structures into “hill forts;” create an education and exploration area; and improve and expand gardening areas. *We would like to thank Corvus Design for their In-Kind donation of over \$6,000 for design work.*

Fundraising Workgroup

2010 Fundraisers Included:

Spring Class Pictures \$276
 Easter See’s Candy \$1,100
 Graze to Raise \$945
 eScrip \$5.36
 Garage Sale \$538
 Annual Picnic Silent Auction \$641
 Subway Cards \$670
 Winter See’s Candy \$600
 Small Hands \$308 credit
 Holiday Party Silent Auction \$457
 Staff Appreciation \$4580
 Northern Lights Coupon Books
 TBA

Fundraisers go to support capital improvements such as flooring upgrades. It is our goal for 2011 to obtain our Gaming Permit to expand our fundraising options.

If you have ideas or would like to participate please contact Willow Peyton. We are currently looking for promoters for the Easter See’s Candy Drive, 2011 Graze to Raise, and the next Silent Auction.

2010 Fundraising Total:

\$10,120

Boiler Fund: \$185

A long term concern for Hillcrest sustainability is replacement of the boiler; which is at the end of it’s life span. It is estimated to cost \$20K to \$30K to replace and is imperative for continued operation of the center. There is no emergency funds to fix the boiler and continue operation if the boiler fails.

Additional 2010 Funding Support Provided By

Cook Inlet Tribal Corporation (Preschool Sink and Curriculum)
 Thread (Strengthening Families funds)
 Alaska Children’s Trust (Strengthening Family Funds)
 Willow Peyton, Michelle Maddox (General Fund, through United Way)
 Kate Feir (General Fund, Matched by BP)
 Toby Ovod-Everett (General Fund)
 Lori Robison (Designated to Accountant)
 Francis and Taylor Mann (General Fund)

Staffing

Little Butterfly (Required Ratio 1:4)

Ms. Shaquan 9-6; Teacher

Ms. Sandy 9-4; Infant Lead

Big Butterfly (Required Ratio 1:4)

Ms. Helen 7-4; Teacher

Ms. Mua 7:30-4:30; Teacher

Ms. Maggie 4-6:30; Apprentice Teacher

Blue Jays (Required Ratio 1:5)

Ms. Monica 7-3; Teacher

Ms. Flo 8-5; Apprentice Teacher

Ms. Renae 9:30-6:30; Teacher

Young Bunny (Required Ratio 1:6)

Mr. Jim 7-4; Teacher

Ms. Olga 8-5; Apprentice Teacher

Ms. Carmen 9:15-6:15; Teacher

Older Bunnies (Required Ratio 1:6)

Ms. Kim 7-3; Teacher

Ms. Susana 9-6; Apprentice Teacher

Ms. Robyn 9:30-6:30; Teacher

Ms. Charlotte 8-5; Toddler Lead Teacher

Preschool (Required Ratio 1:10)

Ms. Cheryl 8:30-5:30; Preschool Lead

Ms. Raisa 7-1; Apprentice Teacher

Ms. Lindsey 8-4; Teacher

Ms. Gogo 10:30-6:30; Teacher

Cook Ms. Anna

In addition: Preschool has

Director Ms. Christina

2 Foster Grandparents
volunteers.

Teachers/Apprentice Teachers Pay \$9.45 hr avg.

2 Teachers with BA

1 Teacher with CDA

3 renewing/applying for CDA

Leads \$11.38 hr avg

1 with BA

2 renewing/applying for CDA

3 Employees received wage increases in 2010

4 Employees received wage increases in 2009

4 Employees received wage increases in 2008

Longevity

7 Staff under 1 year

8 Staff between 1 and 4 years

6 Staff over 5 years

Mr. Jim 29 years

Ms. Renae 14 years

Ms. Cheryl 7 years

Ms. Carmen 6.5 years

Ms. Kim 5.5 years

Ms. Raisa 5 years

Ms. Lindsey and Ms. Kim have let us know they expect this calendar year to be their last at Hillcrest as they both hope to seek teaching positions with a school district.

Training

Hillcrest staff averaged 34.5 hours of training in 2010, well over the 20 hours mandated by the Muni, on topics such as SIDS Prevention, Behavior Management, Food Safety, Curriculum Development, and Child Development.

The role of the Lead Teachers is to guide the Teachers in classroom routines, environment set-up and curriculum development. They are responsible for child observations and parent communication. The Teachers are responsible for the day-to-day implementation of classroom routines and learning. The Apprentice Teachers support Teachers in their day to day tasks. The Cook is responsible for all aspects of the Child Nutrition Program and working with the teachers to teach nutrition and cooking activities. The Director is responsible for all finances, human resources and program development.

Enrollment

Hillcrest has moved to a guaranteed start date process this past year away from a wait list. This means we are able to tell any interested family when we project an opening for their child so they can make a decision at that time to accept it or not. Currently, we are accepting enrollment for 2 Infant, 2 Blue Jays and 2 Bunnies in June. We are enrolling for 4 infant positions. If an opening happens before then, guarantee enrolled families have the option of moving their start date up. This means we have little to no openings for Preschool throughout the year.

Finances

An important role of the Board is to ensure financial solvency of Hillcrest. Currently we end a fiscal year with just a few thousand dollars in net income. We have set a goal to enact a plan to PIB:

- Prepare for increased costs (utilities, insurance, staffing and supplies)
- Increase cash reserves
- Build a capital fund for facility upgrades

Income

Hillcrest income comes from

- 87% Childcare Revenue: tuition, PNO,
- 9% Restricted Income: grants
- 3% Fees: registration, resource, other fees
- 1% Other: donations, fundraising

Expenses

Hillcrest expenses break down

- 73% Personnel Expenses: hiring, education, payroll expenses, Workers Comp Insurance
- 13.5% Program Expenses: food program, operational supplies
- 7.5% Facility Expenses: insurance, maintenance, utilities
- 4.5% Business Expenses: bank, loan, licenses, fundraising costs
- 1.5% Capital Improvements: Technology, Building Upgrades

During the past two years we have seen a decrease in our net income, by \$2,500 or 30%. This is in part due to the following reasons:

- Revenue has stayed the same due to a continued full enrollment with no increase in tuition
- Insurance has increased
 - 9% increase from 08-09 to 09-10 and 30% increase from 09-10 to 10-11 for General Liability due to increased premium and adding Earthquake insurance
 - 14% increase in Workers Comp this past year due to a claim
- Food: due to menu changes we have kept food cost almost the same, we expect cost to rise
- Payroll: 5% increase from 08-09 due to increased staff qualifications; Projected to maintain this year as no plans to offer cost of living increases
- Supplies: 15% increase from 08-09 to 09-10 includes paper products, classroom materials, cleaning supplies due to increase enrollment and cost

		<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul - Dec 10</u>
P & L Comparison	Income			
	Child Care Revenue	606,779.86	602,481.42	291,837.90
Accrual Basis	Fees	8,375.00	9,781.00	8,654.00
	Other Income	11,513.21	17,098.40	7,566.82
	Restricted Income	55,992.21	53,253.77	35,400.23
	Total Income	682,660.28	682,614.59	343,458.95
	Expense			
	Business Expenses	28,150.88	29,323.78	18,041.26
	Capital Improvements	14,114.86	11,774.87	3,058.30
	Facility Expenses	58,043.65	49,211.91	24,370.91
	Personnel Expenses	484,250.11	504,771.04	249,764.36
	Program Expenses	91,527.33	83,006.96	57,163.57
	Total Expenses	676,086.83	678,088.56	352,398.40
	Net Income	6,573.45	4,526.03	-8,939.45

PROPOSED Ways to Meet our Financial Goal (PIB)

The Board will be focusing on our PIB plan throughout the spring. We invite all families to provide their thoughts, ideas and suggestions, either in person or in writing, on the options presented through February. While these are being presented as separate options, it is done purely for discussion. The Board realizes that to achieve our goals a mixture of options will most likely have to be implemented. Once the Board has decided on a plan of action, families will be notified. It is our desire that everyone participate in the best ways they can to help us meet our goal of PIB!

Option 1: Increase Tuition

Below is a recent history of tuition changes

2006: substantial rate increase, 12%-15% depending on room

2007: lowered Little Butterfly room cost by \$100

2008: restructured rates to be based on age vs. room; 2% to 5% rate increase depending on age

2009: raised part time rates to 67% of full-time to account that three part-time children utilize 2 full time spots and to cover additional costs of providing part-time care

2010: no rate change

It is important to make sure that fees continue to cover the costs of operation. The last tuition increase for full-time care was in 2008. In that time period, the Cost Price Index (CPI) has risen at least 2.5% in Anchorage.

Proposed 5% Tuition Increase							
Full-Time				Part-Time			
	Current	New	Difference		Current	New	Difference
Infant	895	929.25	44.25	Infant	600	630	30
Toddler	860	903	43	Toddler	575	603.75	28.75
Preschool	835	876.75	41.75	Preschool	560	588	28
Proposed 3% Tuition Increase							
Full-Time				Part-Time			
	Current	New	Difference		Current	New	Difference
Infant	895	911.55	26.55	Infant	600	618	18
Toddler	860	885.8	25.8	Toddler	575	592.25	17.25
Preschool	835	860.05	25.05	Preschool	560	576.8	16.8

Based on current enrollment numbers a 5% increase would equal \$30,000 while a 3% increase would mean \$20,000 per year in increased revenue.

The down side to increasing fees is that some families would have to leave Hillcrest due to inability to pay, further decreasing economic diversity of families served.

Option 2: Decreasing or Elimination of Fee Modifications

Hillcrest offers a limited amount of Fee Modifications for families. The two typical situations where fee modifications are provided

1. An employee whose child attends Hillcrest and a fee modification is the only way for them to work at Hillcrest. Employees may qualify for a full or partial fee modification depending on financial need.
2. Families who are experiencing a temporary financial hardship, i.e. medical emergency or loss of job. This allows families who have been an active participant at Hillcrest to maintain their child's slot while their family is going through a crisis. This is beneficial for the child as they are able to maintain a normal routine. It is beneficial to the family as they do not have to look for other care in addition to their crisis. It is beneficial to Hillcrest as we get to keep consistency in the classroom and do not lose active parents.

Option 2: Decreasing or Elimination of Fee Modifications continued

Currently, \$5,000 is budgeted monthly for Fee Modifications for a yearly cost of \$60,000. Decreasing or eliminating this would equate to increased revenue up to the \$60,000 but would mean families whose children have attended could potentially lose their spot if their family was hit with a medical or financial crisis, and Hillcrest would lose the volunteer contributions that family makes to the center. In addition, Hillcrest's ability to attract and maintain qualified applicants would diminish. This is a critical component that allows Hillcrest to hire good teachers, provide a safety net, and contributes to the stability of our Hillcrest community.

Option 3: Food Program Decreased or Eliminated

Hillcrest provides a full food service program, including breakfast, lunch and at least two snacks. To operate the program a Cook is employed to plan, purchase and prepare the meals, as well as to ensure compliance with the Child and Adult Food Nutrition Program (CACFP). The breakdown of the food program is below:

\$20,000 personnel cost
\$48,000 food
<u>-\$26,000 CACFP reimbursement</u>
\$42,000 net cost

Cost savings by eliminating the program could save us up to the \$42,000 it costs us to run. We would still have to keep some food on site to supplement parents food if it does not meet regulations but fees associated with that could recoup the costs. By moving down to a snack only program Hillcrest could save approximately \$30,000.

The food program is a big convenience to the families and to the staff who do not have to monitor food brought from home. Honestly, it is a big draw for families to come to Hillcrest and cutting the program could mean losing families. It also would cause Hillcrest to lose out on the opportunity to teach and practice table skills as some children would not be bringing in foods that require a fork or spoon. It also pushes the expense onto families; \$2-5 per day equals \$40 to \$100 cost monthly plus preparation time.

Option 4: Staffing Reduction

Hillcrest runs a stronger staffing pattern than most lower cost centers by budgeting for Apprentice and Lead Teachers in most classrooms and a higher teacher:child ratio than required by licensing. This provides for a higher quality of care and greater consistency for children and families. The higher levels of staffing minimizes disruptions and stress caused when teachers change rooms, take vacations or are ill. This benefits our children, families and staff. More teachers than required also helps minimize and mitigate difficult days, mishaps and misunderstandings due to different levels of experience, language skills or cultural backgrounds.

Realistically, reducing staffing would mean cutting the apprentice teachers and using lead teachers as "floaters" rather than as regular classroom teachers. Cutting 4 teachers (3.5 FT positions) is a 20% reduction in staff and has a potential cost saving of \$78,000.

Cutting these positions would increase staff stress: they would be handling more children at one time; lose break time; and lose the ability to take earned leave time. This will result in an increase in job dissatisfaction and higher turnover. This substantially reduces our ability to provide any level of quality care beyond basic care due to the decreased attention to children and classroom management, and the diminished opportunities to build relationships with children and families.

One Option We Know We Are Doing

Looking at cutting small costs. The staff are only buying items that are absolutely needed. We are studying ways to lower energy costs, minimize Workers Comp claims and any other money saving avenues.