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Toddler ~ Pre-school ~ School Age Care

2020 Budget Notes

Income

1301-Children's Center Receipts

We will be increasing rates. Our toddler rooms are taking a little bit larger jump than in the past. We have typically done \$5 a week increase, but we are much lower than average especially in the 1 year old rooms. We do maintain a 1:4 ratio in our one year old room. Most centers do 1:5 ratio which is the maximum allowed by licensing. This increases our cost but it also increases the value. The challenge is keeping the 1 year old tuition a bit lower than average as we have to attract families at 1 years old instead of infants which is more of a challenge.

Budgeted 85-88% of potential enrollment based on current enrollment numbers, trends for enrollment in time of year and age groups.

Age Group	2019	2020	Area Avg	Hi/Low	# of centers
One Yr Old	172	179	185	201/165	7
Two Yr Old	170	176	176	189.5/165	7
Pre-school	160	165	162	172.50/155	7
School Age	67/80	70/84	76	99/62	6
Summer S Age	145	150	149	164/140	6

1303-Registration Fee

Our registration fee, which is paid one time when families enroll, has been the same for over 10 years. We will be increasing it from \$35 to \$50 for one child and from \$50 to \$70 for family.

1305 – Food Program Reimbursement

This number varies greatly depending on the amount of children who qualify for free or reduced status (based on income level). For example, for those classified as free we receive 3.41 for lunch, those at paid rate we receive 31 cents. Typically we have just a handful of families at the free or reduced rate.

Expenses

4101 – Salaries and Wages

- This amount reflects a **1-2% increase** for staff. I did categorize staff by position and by education/experience and made a couple adjustments to some staff to be consistent and fair with like positions/backgrounds/longevity.
- This increase from last year also allows for **the assistant director position**, which was not included in the 2019 budget. While this position increases or cost, it pays back in

providing best support for the staff, customer service for the families and ultimately then the care of the children. These things are all a direct correlation to our enrollment Parents are happy with the care and share with family and friends. We are able to better manage the waiting list and have been able to fill openings more efficiently because Megan oversees the waiting list and is in regular contact with those families so we are aware of their needs and keeps the list current. Between the two of us one of us is almost always on sight which adds accountability and support to the staff. Often staff need someone to walk through how to respond to a parent message or how best to report an incident or even take a difficult child to give the staff a needed break on a challenging day.

- I have **reduced some staffing hours** by using Megan or I to fill in any gaps. At the beginning of the year we had been short for so long and I was on the verge of burnout that when someone couldn't work their shift I had someone else come early or stay late to cover it. I have changed to Megan or I doing more covering in the classroom instead of having someone else come in early. This works with having two of us because we share the classroom hours as well as the administrative duties.
- Given the changes with Mary's position, we've decided it may be best to divide the custodians and some are responsible for cleaning church events and some are responsible for cleaning after the Children's Center. Those that clean for the Children's Center will report to Tammy and I (Tammy) will be responsible for their scheduling and finding replacements as needed.
- Due to the change in bookkeepers and ultimately some processes I took the opportunity to reevaluate our current process. As of the first of the year **I will be doing the parent billing using our communication app Brightwheel**. The app is designed for childcare and will allow parents to have access to their payment information, receipts, etc. It is a more automated system and will eliminate several steps and hours each week. The ACH charge is higher than our current system but we will save a couple hours each week which compensates for the cost. We will also be able to accept credit cards, but will pass on the credit card merchant fee to the family if they choose to use a card instead of an ACH draft. We will also be adding a \$5 cash/check handling fee for those paying by cash/check. We have a few families that prefer that method but will be charged for the extra time involved in entry and deposit.

4105 – Insurance Benefit

- We have 6 of the 8 full time staff using our health care benefits. Of those 6, 3 do not have the opportunity to be a part of another health care group. For these three, they would not be able to work at Good News if we didn't offer health insurance. These staff are some of our best.

To put things in perspective one teachers, probably my best one had been on a basic plan that the rba eliminated. This meant she needed to move to the consumer plan which means her portion will almost double going from \$35 to \$70 a pay period. She had to reevaluate what she could cut from her already tight budget to make it work. She ultimately decided to drop disability to help make up the cost. It was a good reminder about the value of insurance especially for those who are single and making a lower wages.

4107 – Workman’s Comp Insurance

- I moved the auto insurance portion to 4147 - Van Expense since that more accurate category

4121 – License Dues Fees

- This is for our banking fees, the monthly charge for the communication/bookkeeping app and our scheduling app. I moved the Sam’s membership fee to 4127 - Food since that is what it is primarily used for. I also moved the professional organization dues to 4123 -In-service and Training as that is what those organizations primarily provide.

4135 – Playground

- This fall we filled the playground with 3 loads of woodchips. By the time it all settles over the winter we will probably need another load and a half this next year. The plan is also to install a gate in the fence along Valley View closer to where the wood chip area is. This will make getting woodchips to the playground area much easier and not have to haul them by hand or rent a bobcat. One of our parents does fencing and he would be able to put it in for about \$1000. The initial plan was to install this gate late summer/early fall but the gate was on back order and with the storms he wasn’t able to get it in. He instead offered to get a bobcat and move them all himself and install the gate in the spring.

I looked into the poured rubber but the rubber alone would cost over \$50,000 and they recommend it be installed over concrete so we would have to put concrete over the playground first. This would become to cost prohibitive. Thus a better option is to make the playground more accessible by installing a gate and getting regular loads of woodchips.

2019 Financials

\$12,000 was spent on the security system which actually was intended to come out of the 2018 surplus.

November is a 3 payroll month so our expenses will be higher that month. The remaining amount is due to overstaffing in the spring primarily, lower toddler and preschool enrollment this summer, we had rooms with openings but was limited because we didn’t have room for those same ages in the fall. (For example, we had space in the two year old room, but the three year old room was full for the fall, so if the child was just turning 2 we could accommodate them but not if they would turn three before March or April. We had a few rooms like this which made it difficult. Looking at the forecast for summer along with families registered to start their child when they turn 1 next summer and a consistent waiting list for the preschool ages I feel much more confident about enrollment going into this next summer.

We are also looking at small ways to cut expenses and tightening additional staff hours that I feel confident about our finances going into 2020.