

APPROVED

MAY 17, 2017

BOARD REPORT

BOARD OF RECREATION AND PARK COMMISSIONERS

NO. 17-118

DATE: May 17, 2017

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: JOY PICUS CHILD CARE CENTER – TUITION RATE AND FEE INCREASE FOR FISCAL YEAR 2017-18

* AP Diaz	_____	V. Israel	_____
R. Barajas	_____	N. Williams	_____
H. Fujita	_____		



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Approve a 3.5% tuition rate and fee increase for the Joy Picus Childcare Center located within City Hall South, in accordance with Contract No. 3538 between the City of Los Angeles and Mount Washington Preschool and Childcare Centers, Inc.; and,
2. Approve the proposed monthly tuition rates and fees page for Fiscal Year (FY) 2017–18, as attached hereto, with such rates and fees to be effective July 1, 2017.

SUMMARY

Mount Washington Preschool and Childcare Centers, Inc. (MWPCC) has successfully operated the Joy Picus Child Care Center (Center) since July 1, 2009; located within City Hall South at 111 East First Street, Los Angeles 90012. MWPCC primarily serves the children of City employees at the Center, but also offers such services to the general public contingent upon available space. Although City Hall South is not dedicated park property, the Department of Recreation and Parks (RAP) oversees Contract No. 3538 (Contract) pursuant to prior Board and City Council approval. The Board awarded the current Contract to MWPCC in March of 2015, and executed the Contract on January 6, 2016. The Contract has a term of five years, commencing July 1, 2015 and expiring June 30, 2020, with one five-year option to extend at the discretion of the RAP General Manager. Upon award and approval of the Contract in 2015, the Board also approved a tuition increase of 3.5% (effective July 1, 2015), from the prior tuition rate that had been in place from July 1, 2012 through June 30, 2015.

Pursuant to the terms and conditions of the Contract (Section 6.10), MWPCC may submit an annual written request to RAP for authorization to increase the tuition and fees for the upcoming fiscal year. The written request must include substantiation for the requested increase and the proposed increase cannot exceed a maximum of 3.5% per year. All proposed tuition and fee increases are subject to approval by the Board. More recently, the Board also approved a 3.5%

BOARD REPORT

PG. 2

NO. 17-118

increase for FY 2016-17 on July 13, 2016 (Report No. 16-149), which became effective August 1, 2016.

The RAP Partnership Division received the current request first by email on April 24, 2017, then subsequently by letter dated April 26, 2017, attached hereto as Attachment 1. The MWPCCC correspondence also included the proposed tuition and fee schedule attached hereto as Attachment 2, reflecting a 3.5% increase from the FY 2016-17 Tuition and Fee Schedule. The proposed FY 2017-18 rate sheet has been reviewed by RAP staff to ensure it does not exceed the 3.5% maximum allowable increase over the previous fiscal year, as allowed by the Contract. As with the FY 2016-17 tuition and fee increase request, MWPCCC has cited as justification for the requested rate increases, that in order to meet the City's required minimum wage of Fifteen Dollars (\$15.00) per hour by the year 2020, MWPCCC is required to increase teacher salaries by 3.5% each year during the initial five-year term of the Contract. Consequently, in order to be able to pay the increasing salaries, as well as maintain the ability to recruit and retain quality teachers and staff, MWPCCC will also be required to increase tuition and fees by 3.5% annually throughout the remainder of the Contract's initial term. MWPCCC also conveyed in their letter that the proposed FY 2017-18 tuition and fee increases are supported by Joy Picus Parent Advisory Committee, as well as the parents of Center enrolled children.

Pursuant to the MWPCCC's written request outlining the reasons for the requested tuition and fee increase, RAP staff recommends that the Board approve the proposed increase and attached FY 2017-18 Tuition and Fee Schedule.

FISCAL IMPACT STATEMENT

Approving the tuition and fee increases has no impact to RAP's General Fund as all tuition and fees are retained by MWPCCC to offset childcare center operating expenses.

This report was prepared by Joel Alvarez, Senior Management Analyst II, Partnership Division.

LIST OF ATTACHMENTS

- 1) Mount Washington Preschool and Childcare Centers, Inc. Letter
- 2) Joy Picus Child Development Center Proposed FY 2017-18 Monthly Tuition and Fee Rates



**Mount Washington
Preschool and
Child Care
Center, Inc.**

April 26, 2017

Department of Recreation and Parks
Central Service Yard – Partnership Division (M.S. 628-9)
Attn: Joel Alvarez, Sr. MA II
3900 Chevy Chase Drive
Los Angeles, CA 90039

RE: Joy Picus Child Development Center Contract Number 3538

Dear Mr. Alvarez:

The Joy Picus Child Development Center is having a great year. We are doing so many amazing things for the children of the City of Los Angeles employees as well as the community children too. The center is going through re-accreditation through the National Association for the Education of Young Children (NAEYC). This is a very high honor, and only a few centers have such distinction.

On April 3, 2017, we emailed you the Joy Picus Child Development Center budget for fiscal year 2017-2018. That budget has a reserve of \$678, and includes the proposed tuition increase of 3.5% and wage increases of 3.5%. If we do not receive the proposed tuition increase, our budget will be negative.

We are proposing a tuition increase of 3.5% in order to meet the City's required minimum wage of \$15 per hour by 2020. We will be increasing teacher salaries by 3.5% each year, commencing July 1, 2016. To be able to meet this increased minimum wage requirement, we will need tuition increases of 3.5% each year.

Through my research, I found that of the accredited centers in the downtown area, the Joy Picus Child Development Center's tuition is lower than many other centers. The average tuition rates per month are: Infant \$1,591, Toddler \$1,402, Preschool 1 (age 2-3) \$1,219 and Preschool 2 (age 3-5) \$1,061. The directors that I have spoken to that have the same tuition as the Joy Picus Child Development Center are raising their tuition by 3.5% or higher to meet the upcoming required minimum wage of \$15 per hour.

We request that this tuition increase be approved, effective July 1, 2017. This tuition increase is supported by the PAC and the parents. They understand it is needed to meet the increased minimum wage requirement and that it will help us to be able to recruit and retain quality teachers. We will need to distribute letters to the parents no later than June 1 in order to give them the proper 30-day notice.

We appreciate your consideration of this tuition rate increase matter, and look forward to hearing from you as soon as possible.

Thank you,

Tamara Brown, MA
Executive Director
Mount Washington Preschool and
Child Care Center, Inc.
4601 N. Figueroa Street
Los Angeles, CA 90065
[\(323\) 222-7114](tel:3232227114) Phone
[\(323\) 222-7116](tel:3232227116) Fax

Tel: 323.222.7114
Fax: 323.222.7116

4601 N. Figueroa St.
Los Angeles, CA 90065

JOY PICUS CHILD DEVELOPMENT CENTER

2017 - 2018 Monthly Tuition Rates
Effective: July 1, 2017

Waiting List Fee: To be paid at the time application is turned in (non-refundable): \$ 77.00
Enrollment Fee: To be paid at the time of enrollment: \$ 133.00

Infants - Ratio 3:1	City Rate	Community Rate
5 days per week	\$ 1,285.00	\$ 1,329.00
4 days per week	\$ 1,144.00	\$ 1,187.00
3 days per week	\$ 864.00	\$ 895.00
2 days per week	\$ 578.00	\$ 599.00
Extra day of care (when available)	\$ 77.00	\$ 77.00

Toddlers - Ratio 4:1	City Rate	Community Rate
5 days per week	\$ 1,260.00	\$ 1,304.00
4 days per week	\$ 1,122.00	\$ 1,164.00
3 days per week	\$ 845.00	\$ 876.00
2 days per week	\$ 566.00	\$ 587.00
Extra day of care (when available)	\$ 77.00	\$ 77.00

Preschool I - Ratio 6:1	City Rate	Community Rate
5 days per week	\$ 1,112.00	\$ 1,176.00
4 days per week	\$ 973.00	\$ 1,022.00
3 days per week	\$ 753.00	\$ 788.00
2 days per week	\$ 530.00	\$ 566.00
Extra day of care (when available)	\$ 77.00	\$ 77.00

Preschool II - Ratio 8:1	City Rate	Community Rate
5 days per week	\$ 945.00	\$ 1,044.00
4 days per week	\$ 863.00	\$ 917.00
3 days per week	\$ 669.00	\$ 719.00
2 days per week	\$ 471.00	\$ 509.00
Extra day of care (when available)	\$ 77.00	\$ 77.00

Hours of Operation: 6:30AM - 6:00PM Monday through Friday

Holidays/Closure Days: Closed all City Holidays & other days per schedule provided annually

- Tuition is due by the first (1st) of every month.
- If the 1st is on a holiday or weekend, then tuition is due on the NEXT business day.
- A \$10.00 per day late fee will be applied to tuition received after the 1st of the month.
- A \$1.00 per minute late pick-up fee will be applied for late pick-up after 6:00PM.
- There are no tuition credits or adjustments for illness, holidays, vacations or circumstances beyond our control.

PLEASE MAKE CHECKS PAYABLE TO: MWPCCC