

MSU-Great Falls' Child Development Center Business Plan

Summary

Montana State University-Great Falls College of Technology (MSU – Great Falls) is proposing to construct and operate a Child Development Center (the Center) with capacity for 88 children. The dual purposes are 1) to fulfill a need for student parents at MSU – Great Falls, for whom finding quality child care while attending classes is difficult, and 2) to provide students an educational opportunity to observe and interact with children. Construction and start-up costs will be paid primarily with state funds, building fees, and private donations. Depending on final construction costs and donations, an intercap loan may be secured. MSU – Great Falls plans to contract with a child development professional organization to operate the Center. The contractor will collect the child care fee and be responsible for all program operating costs.

Business Description and Vision

Mission

The mission of MSU-Great Falls is to foster the success of our students and their communities through innovative, flexible learning opportunities for people of all ages, backgrounds, and aspirations resulting in self-fulfillment and competitiveness in an increasingly global society.

The mission of the MSU-Great Falls' Child Development Center is to provide safe, affordable, high quality child care for the students of the College and the community. In doing so, we support families in their efforts to reach their educational and life goals. Provision of child care in partnership with MSU-Great Falls supports the mission of the College, and provides equal educational opportunity for all persons.

Vision

MSU-Great Falls' dual vision for the Child Development Center is to provide a high quality alternative to many student-parents already enrolled in the College, as well as those prospective learners in the community not pursuing their higher education and career goals due to child care constraints; and to create an effective learning environment for students to learn about children by observing and interacting with them.

Goals and objectives

The goals of the MSU – Great Falls' Child Development Center are to:

- Establish affordable, safe, and accessible child care on campus;
- Increase college access to parents seeking higher education;
- Advance the lives of entire families through the benefits of a college educated parent;
- Create a playful learning place that welcomes the child, parent, and teacher to share in the process of constructing knowledge for the child;
- Encourage a child's essential development: physical, cognitive, social, emotional, and creative curiosities;
- Foster a welcoming environment encouraging structured exploration and learning; and
- Develop a learning laboratory for students to observe and interact with children.

Brief history of MSU-Great Falls

MSU – Great Falls is a public two-year college offering the comprehensive community college mission to the greater Great Falls area. Seventy-one percent of students in academic year 2010-11 were residents of Cascade County. Of the remainder, the largest numbers of enrollees were from neighboring Chouteau, Teton, Pondera, Judith Basin, and Meagher counties.

The campus comprises of two primary buildings totaling 134,650 square feet and occupies a 36-acre site in southeast Great Falls, a city with a population of approximately 60,000.

Enrollment has shown steady but strong growth from 1,059 full-time equivalent (FTE) students in FY 2003 to 1,456 in FY 2012. MSU – Great Falls has 86 full-time administrative and support staff, 41 full-time faculty, and 102 adjunct faculty.

After more than a decade of student requests, MSU – Great Falls is pursuing the establishment of an 88child capacity Child Development Center on campus to provide affordable, safe, and convenient support to the many student-parents already enrolled in the College and to individuals across the region who are not pursuing higher education due to the constraints of child care costs and availability. In addition, the Center will provide MSU – Great Falls' students, in numerous programs, access to observation and interaction with children to improve their educational experience.

MSU-Great Falls' administration

Interim Dean/CEO, Dr. Gwendolyn Joseph

Associate Dean/Chief Academic Officer, Dr. Heidi Pasek

Associate Dean/Chief Financial Officer, Mary Ellen Baukol

Assistant Dean/Chief Student Affairs Officer, Judy Hay

Definition of the Market

Critical need

A 2011 report released by the National Association of Child Care Resource and Referral Agencies indicates the cost of child care in Montana is on the rise --43,000 children under the age of six need child care and increased costs could have heart-breaking consequences. Working Montana families are paying over \$9,000 dollars a year to provide child care for an infant.

Unfortunately, the childcare cost barrier affects not only the *could-have-been* student, but their entire families as opportunities of a college degree and associated benefits, i.e. higher wage jobs, better employment positions, increased value of learning etc., can advance the well-being of an entire family. This is particularly true in Great Falls, where according to the U.S. Census Bureau update in 2007, 14% of area residents and 20% of related children under the age of 18 were living below the poverty line. In all, this equates to 11% of all families living in poverty. Most astoundingly, 34% of all Great Falls' families with a female head of household, and no father present, had lower than poverty level incomes.

Across the Great Falls' community, Child Development Center space is at a premium. While home-based care is an option, it isn't always the preferred choice when it comes to safety, quality early-childhood development, and convenience. The establishment of a Child Development Center at MSU-Great Falls will help fill this need for our

students. Most importantly, the Great Falls' community will experience the economic and social benefits of more residents attaining a college education. This impact will provide a larger educated workforce, more individuals with higher wage capacities, and a citizenry with a deeper appreciation for learning and intellectual development. In all, these impacts will help advance the future of the Great Falls' community.

Some facts about MSU-Great Falls make the point clearly:

- 37% of MSU-Great Falls' students are parents
- 67% are considered low-income
- 33% are the first in their family to attend college
- 72% work at least part-time; 44% work at least 20 hours per week
- 55% are older than 25 years

According to the Community College Survey of Student Engagement (CCSSE), 50% of all students and 66% of student parents say child care services are very or somewhat important to them. The survey also found 27% of students and 40% of student parents say it is likely or very likely issues with dependent care will cause them to withdraw from a class or from college.

Hands-on learning is a valuable tool for enhancing what students learn in the classroom. Acknowledgement of this fact is what drives many healthcare and educational programs to require hands-on clinical experience to give students the chance to put their knowledge to work. Finding places for this clinical experience, especially when it involves young children, can be challenging. The Child Development Center will provide opportunity for a variety of hands-on and observational learning.

Target market

The Child Development Center's target market includes the estimated 950 student parents enrolled in MSU-Great Falls. The College will require least half of the available slots to be filled by children of these students. The remaining slots will be available for community parents. MSU-Great Falls is located within five blocks of an elementary school; is across the street from the University of Great Falls, with an enrollment of 1,074; within a mile of a medical complex that includes Benefis Health Systems, which employs 2,600 people, physician office buildings, treatment centers, the Great Falls clinic and medical support businesses. Location close to a child's school or a parents' work place is a key factor in choosing a child development center.

A secondary market for the Center includes the students in various healthcare, education, and general education courses who can benefit by having convenient, structured access to children. Incorporating observation and hands-on activities at the Center will add an invaluable component to their education.

Profile of targeted clients

Many barriers exist for students pursuing higher education. At most colleges and universities, the predominant barrier is the cost of tuition and fees. To address this, institutions establish scholarships intended to help students pay for their education and attain their goals. For community colleges, where students typically have a more diverse and varied background compared to traditional aged students at most four-year residential institutions, paying tuition is only part of the financial hurdle. For those students who are parents, particularly single parents, costs related to childcare far outpace those of tuition and fees. So much so that educational goals are delayed or maybe even never fully explored.

Unfortunately, many of these parents become... *could-have-been students*.

The educational component of the Center will serve students in education and healthcare programs, as well as students in other programs who are taking courses, such as psychology.

Description of Services

Services

MSU-Great Falls is planning to build a 6,505 square-foot, stand-alone building on its campus to house a Child Development Center. The building will include two infant rooms, two toddler classrooms, and two preschool classrooms. Also included in the building plan are a Director's Office and teacher workroom as can be seen in Appendix B. The Center will serve children from six weeks to five years of age, year-round, both full-time and part-time. Staff to child ratios and groups sizes must reflect Montana licensing guidelines.

The program will be licensed for 88 slots. The term "slot" is defined as providing care to one child for a full day, five days a week; two or more part-time children can use one slot as long as the number of children to caregivers/teachers never exceeds licensure limits. The building will have capacity for 16 infants, 32 toddlers (24-36 months), and 40 preschool children (4-5 years).

A learning program appropriate for each age group will be provided.

Additionally, the center will serve as a learning opportunity for students in several programs. MSU – Great Falls offers foundational coursework in elementary education leading to an AA and transfer to the Elementary Education program at MSU-Northern. UM-Western offers both the AAS and BS in Early Childhood Education on the campus. These programs will benefit from the Child Development Center's educational use.

The Center will have an observation area so faculty and students can be involved in structured observations without disturbing the learning activities. This allows students to watch small children in their natural environment.

Besides the education programs listed above, the individual courses from the Board of Regents' Transfer Core listed below have components in their curricula that would benefit from both observation and interaction opportunities.

These courses are:

- PSYX 100 – Introduction to Psychology
- PSYX 230 – Developmental Psychology
- EDU 200 – Introduction to Education
- EDU 211-Multicultural Education
- EDU 270 – Instructional Technology
- MUSI 105 – Music Theory

Further, MSU – Great Falls offers 21 health care programs, more than any other college or university in Montana, many of which would benefit from practicum hours spent in the child development center. For example, the Dietetic Technician program director is interested in involving students in the setting of the dietary schedules and planning for the center. Also, the Dental Hygiene and Dental Assisting programs both have partnerships with Head Start in Great Falls and could work with the children in the center on a variety of educational activities, such as proper brushing and offer, to older children, fluoride treatments and initial assessment at our on-campus dental clinic.

Although difficult to quantify exactly, MSU – Great Falls believes students and faculty would be involved in some way about half the time the center is open and running.

The initial hours of operation will be Monday through Friday, 7 a.m. – 6 p.m. (to be negotiated annually). The facility will be operated year-round except for five (5) annual holidays to be set by the Advisory Board.

Organization and Management

MSU-Great Falls intends to contract with a professional child development organization to manage and operate the center. MSU-Great Falls will provide the building and maintenance. The contractor will be responsible for all employees, operating expenses, and day-to-day management and operations. The contractor will collect tuition, which is projected to adequately cover operating expenses.

The center will have an Advisory Board to include, at a minimum: MSU – Great Falls Assistant Dean of Student Services, a student, a parent, a community member and a member of the Center staff. The board is to provide MSU – Great Falls and the program contractor with advice and feedback on the operations of the Center. The Board may also provide assistance to the program contractor in developing programs, in arranging for volunteer assistance, in fundraising, and in other activities of mutual interest. The board will meet a minimum of four times a year, but may meet more often. The Center's Program Director (employed by the contractor) will be responsible for attending board meetings, reporting on operations to the board, receiving advice and feedback from the board, and providing support for board projects. As a minimum, the Program Director will report to the board as follows: annual audited financial statements; quarterly enrollment, staffing, license and accreditation status; building and equipment upkeep; and improvement recommendations.

Licensing

The Center program must meet or exceed all state licensing requirements for day care centers and maintain that license through the Montana Department of Public Health and Human Services (DPHHS) for the duration of the contract. In addition to the inspection required for licensure by DPHHS, the facility will need to pass inspections by the Fire Department and the County Health Department. The results of all inspections and/or evaluations from any party must be reported to MSU-Great Falls. Any complaint investigations and/or disciplinary actions taken by any authority must also be reported to MSU-Great Falls.

The center will secure accreditation from the National Association for the Education of Young Children within the first three years of operation.

Marketing

The contractor will develop and implement a marketing plan to inform students and the community about the service and encourage parents to enroll their children. The marketing plan will include strategies for reaching both student parents and community members in order to attract the required mix of children to fulfill MSU-Great Falls' mission to serve students and make the center operation viable. Some of those strategies will be direct contact, such as providing both verbal and written information to prospective students; others will include print materials, such as posters and brochures, or broadcast media. The contractor will be responsible for the costs of producing the materials, although MSU – Great Falls staff can include printed materials in regular mailings to students and prospective students.

The access students will have to observe and interact with children at the Center and the educational value that access will add to the educational programs will be valuable to MSU-Great Falls, MSU-Northern and UM-Western in promoting its programs.

Financial

Construction is estimated at \$1,529,193 but formal bids have not been received. Construction will be funded by a combination of state funds (\$1,031,398 from House Bill 5) and private donations (\$250,813 to date). Depending on the

final construction bids and the success of on-going fundraising, the students of Montana State University – Great Falls have committed their support for the use of up to \$300,000 from the student building fee fund balance to complete the construction project.

The 2/3 percent continuing operations and maintenance for the building will also be supported from the fund balance and future fee collections in the student building fee fund. It is not anticipated that this strategy will result in an increase in the student building fee, other than the normal inflation increases applied to the fee in the past.

Several financial scenarios are detailed in the following pages. The financial projections are conservative, and based on several assumptions listed below.

- An estimated enrollment of 84% occupancy.
- Tuition is projected using current state reimbursement for all enrollments, though the market could probably bear a higher rate non-student parents using the center.
- The projections also are based on revenue for 48 weeks per year, giving some slack to account for slots that may not immediately fill after a child leaves.

PRO FORMA FINANCIAL STATEMENTS FOR CHILD DEVELOPMENT CENTER

MSU-GF Operation of Child Development Center 6 Year Detail

Expenditures	FY13	FY14	FY15	FY16	FY17	FY18
62499 General - Travel	600	1,200	1,200	1,200	1,200	1,200
Total Travel	600	1,200	1,200	1,200	1,200	1,200
62699 General - Utilities (O&M)	5,000	10,000	10,000	10,000	10,000	10,000
Total Utilities	5,000	10,000	10,000	10,000	10,000	10,000
62701 Buildings & Grounds (O&M)	3,254	6,507	6,507	6,507	6,507	6,507
62704 Office Equipment	150	150	150	150	150	150
62750 Maintenance Contracts	600	600	600	600	600	600
Total Maintenance	4,004	7,257	7,257	7,257	7,257	7,257
62801 Dues	500	500	500	500	500	500
62802 Subscriptions	250	250	250	250	250	250
62809 Education/Training Costs	1,500	1,500	1,500	1,500	1,500	1,500
62817 Meetings/Conference Costs	1,500	1,500	1,500	1,500	1,500	1,500
62899 General - Other Expenses	1,250	1,250	1,250	1,250	1,250	1,250
Total Other Expenses	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	327,454	591,417	591,417	591,417	593,417	591,417

Income						
MSUGF Students						
Infants	39,780	79,560	79,560	79,560	79,560	79,560
Toddlers 2-3 yrs	53,748	107,496	107,496	107,496	107,496	107,496
Preschoolers 4-5 yrs	58,644	117,288	117,288	117,288	117,288	117,288
General Public						
Infants	44,184	88,368	88,368	88,368	88,368	88,368
Toddlers 2-3 yrs	53,748	107,496	107,496	107,496	107,496	107,496
Preschoolers 4-5 yrs	58,644	117,288	117,288	117,288	117,288	117,288
TOTAL REVENUE	308,748	617,496	617,496	617,496	617,496	617,496

PROFIT/LOSS	(18,706)	26,079	26,079	26,079	24,079	26,079
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MSU-GF Operation of Child Development Center 6 Year Detail

Expenditures	FY13	FY14	FY15	FY16	FY17	FY18
O & M to be covered from Plant Funds						

Outside Vendor Operation of Child Development Center 6 Year Detail

Expenditures	FY13	FY14	FY15	FY16	FY17	FY18
Operations & Maintenance	11,000	22,000	22,000	22,000	22,000	22,000
TOTAL EXPENDITURES	11,000	22,000	22,000	22,000	22,000	22,000
Income						
Lease Payment	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0
PROFIT/LOSS	(11,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
O & M to be covered from Plant Funds						

Child Care Montly Rate Schedule *

MSUGF Students

<i>Infants</i>	<u>2 days/week</u>	<u>3 days/week</u>	<u>5 days/week</u>	<u>State Rate/Hr</u>	<u>State Rate/Day</u>
1-4 hrs	\$237	\$355	\$592	\$7.40	\$36.70
5-10 hrs	\$294	\$440	\$734		
<i>Toddlers 2-3 yrs</i>				\$5.10	\$27.10
1-4 hrs	\$163	\$245	\$408		
5-10 hrs	\$217	\$325	\$542		
<i>Preschoolers 4-5 yrs</i>				\$5.10	\$27.10
1-4 hrs	\$163	\$245	\$408		
5-10 hrs	\$217	\$325	\$542		

General Public

<i>Infants</i>	<u>2 days/week</u>	<u>3 days/week</u>	<u>5 days/week</u>
1-4 hrs	\$237	\$355	\$592
5-10 hrs	\$294	\$440	\$734
<i>Toddlers 2-3 yrs</i>			
1-4 hrs	\$163	\$245	\$408
5-10 hrs	\$217	\$325	\$542
<i>Preschoolers 4-5 yrs</i>			
1-4 hrs	\$163	\$245	\$408
5-10 hrs	\$217	\$325	\$542

* MSUGF students will be charged the state approved reimbursement rate, or lower. This rate schedule shows both students and community at that rate, although it is anticipated the amount charged to the general public will be higher to subsidize a lower cost to students. It is also estimated that the part-time rates (e.g. 2 days/week) will have a slightly higher cost than full-time, although this schedule does not model that assumption. Thus, overall revenue projected in this model is conservative.

Enrollment Estimates

Total facility capacity = 88	Est. Capacity = 74	Infants = 16	Toddlers = 28	4-5 Years = 30	Capacity 84%
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MSUGF Students

<i>Infants</i>	<i>#</i>	<i>Monthly</i>	<i>Annual</i>
2 days/weekhalf-time		\$0	\$0
2 days/week full-time		\$0	\$0
3 days/week half-time		\$0	\$0
3 days/week full-time		\$0	\$0
5 days/week half-time	5	\$2,960	\$35,520
5 days/week full-time	5	\$3,670	\$44,040
<i>Toddlers 2-3 yrs</i>			
2 days/weekhalf-time		\$0	\$0
2 days/week full-time		\$0	\$0
3 days/week half-time		\$0	\$0
3 days/week full-time		\$0	\$0
5 days/week half-time	10	\$4,080	\$48,960
5 days/week full-time	9	\$4,878	\$58,536
<i>Preschoolers 4-5 yrs.</i>			
2 days/weekhalf-time		\$0	\$0
2 days/week full-time		\$0	\$0
3 days/week half-time		\$0	\$0
3 days/week full-time		\$0	\$0
5 days/week half-time	12	\$4,896	\$58,752
5 days/week full-time	9	\$4,878	\$58,536

General Public

<i>Infants</i>	<i>#</i>	<i>Revenue</i>	<i>Revenue</i>
2 days/weekhalf-time		\$0	\$0
2 days/week full-time		\$0	\$0
3 days/week half-time		\$0	\$0
3 days/week full-time		\$0	\$0
5 days/week half-time	5	\$2,960	\$35,520
5 days/week full-time	6	\$4,404	\$52,848
<i>Toddlers 2-3 yrs</i>			
2 days/weekhalf-time		\$0	\$0
2 days/week full-time		\$0	\$0
3 days/week half-time		\$0	\$0
3 days/week full-time		\$0	\$0
5 days/week half-time	10	\$4,080	\$48,960
5 days/week full-time	9	\$4,878	\$58,536
<i>Preschoolers 4-5 yrs.</i>			
2 days/weekhalf-time		\$0	\$0
2 days/week full-time		\$0	\$0
3 days/week half-time		\$0	\$0
3 days/week full-time		\$0	\$0
5 days/week half-time	12	\$4,896	\$58,752
5 days/week full-time	9	\$4,878	\$58,536

Outside Vendor-Projected FY13

Expenditures	Total
Operations & Maintenance	11,000

TOTAL EXPENDITURES **11,000**

Income	Total
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TOTAL REVENUE **-**

PROFIT/LOSS **(11,000)**

Outside Vendor-Projected FY14

Expenditures	Total
Operations & Maintenance	22,000

TOTAL EXPENDITURES **22,000**

Income	Total
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TOTAL REVENUE **0**

PROFIT/LOSS **(22,000)**

Outside Vendor-Projected FY15

Expenditures	Total
Operations & Maintenance	22,000

TOTAL EXPENDITURES **22,000**

Income	Total
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TOTAL REVENUE **0**

PROFIT/LOSS **(22,000)**

Outside Vendor-Projected FY16

Expenditures	Total
Operations & Maintenance	22,000

TOTAL EXPENDITURES **22,000**

Income	Total
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TOTAL REVENUE **0**

PROFIT/LOSS **(22,000)**

Outside Vendor-Projected FY17

Expenditures	Total
Operations & Maintenance	22,000

TOTAL EXPENDITURES **22,000**

Income	Total
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TOTAL REVENUE **0**

PROFIT/LOSS **(22,000)**

Outside Vendor-Projected FY18

Expenditures	Total
Operations & Maintenance	22,000

TOTAL EXPENDITURES **22,000**

Income	Total
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TOTAL REVENUE **0**

PROFIT/LOSS **(22,000)**

NO.	DATE	REVISIONS

MSU College of Technology
30 Child Care Facility

PRELIMINARY
DESIGN

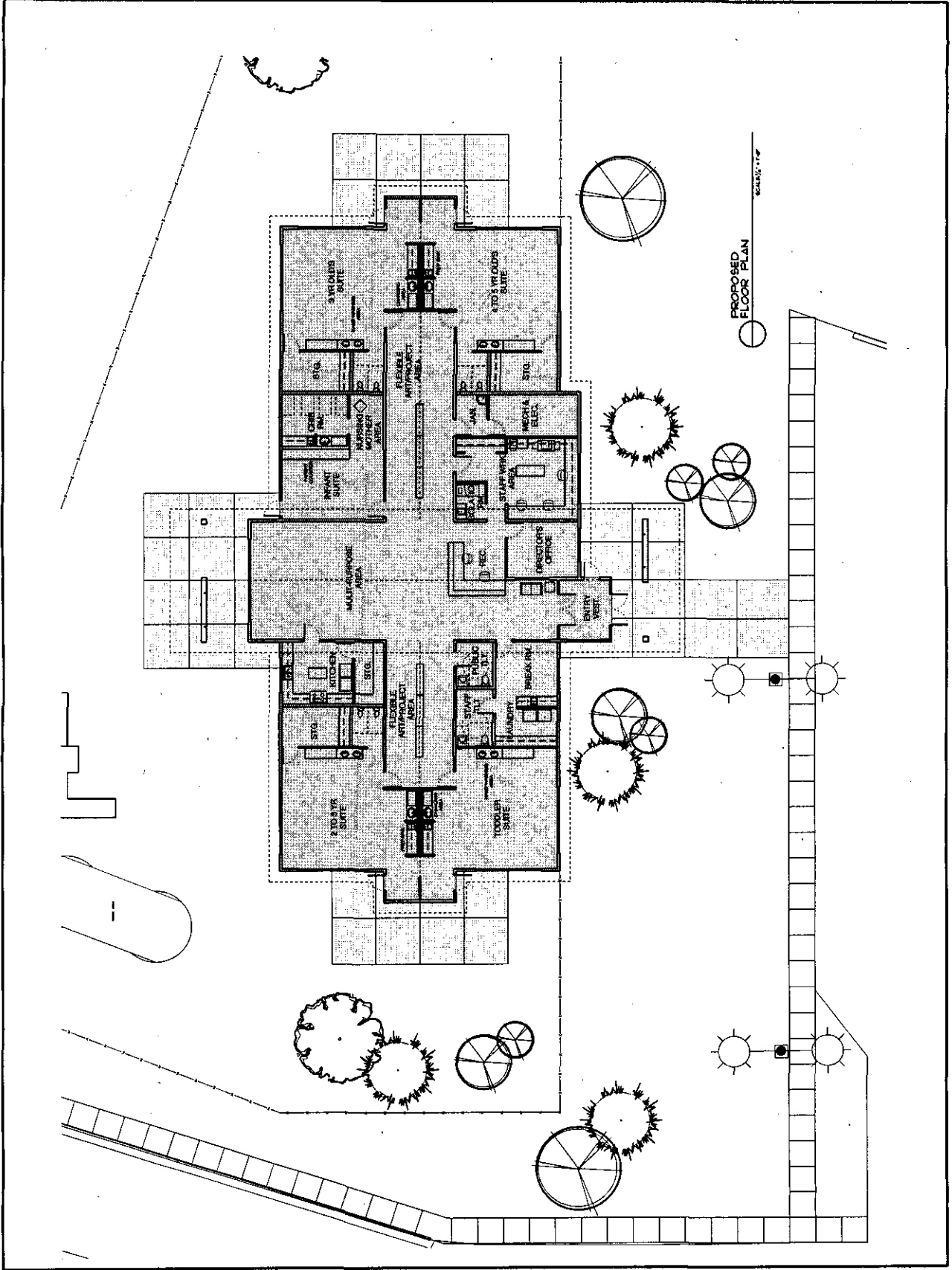
CONTRACT NO.
ARCHITECTS
ENGINEERS
PLANNERS
INTERIORS
LANDSCAPE ARCHITECTS
ALL RIGHTS RESERVED

PROJECT NO.
DATE
CITY
STATE
COUNTY



FLOOR
PLAN
SHEET
A100 OF

NOT FOR CONSTRUCTION



PROPOSED
FLOOR PLAN

SCALE: 1/8" = 1'-0"



