**Four-year Child Development Centers (CDC) fiscal analysis for Child Care Development (CCTR) and California State Preschool Programs (CSPP) contracts**

Some evident patterns:

- The program has been operating in the red for at least the last four years
- Expenditures have remained about the same for the CCTR and the CSPP contracts
- Overall expenditures have decreased from $1,686,786, in 2013-14 to a current projection of $1,536,795 for the 2016-17 year.
- Overall revenue has decreased from $989,552 in 2013-14 to a current projection of $769,275 as of the 2nd quarter.
- Local revenue (family fees) have decreased from $284,597 in 2013-14, to a projected $239,000 in the current 2016-17 year
- Preschool (CSSP) enrollment has remained steady at about 120 +/-
- School Age -After School Program has dropped from 88 in 2013-14 to a current 2016-17 number of 75. However, the number of subsidized students have significantly dropped from 66 to 38 in the same period.
- The budget deficit changed in the following fashion:
  - From 2013-14 to 2014-15 decreased by $44,361
  - From 2014-15 to 2015-16 increased by $64,432
  - From 2015-16 to 2016-17 increased by $95,802
- Since 2013-14 the State/Local revenue has been sufficient to only cover around 60% +/- of expenditures. However, the School Age/CCTR expenditures to revenue ratio has fallen from a high of 65% in 2014-15 to a current low of 40%.
- Both programs operate at a deficit

Revenue will fluctuate every year due to the number of parents who enroll in our program on the sliding scale qualification matrix. Full costs charged to parents are just slightly higher than the State reimbursement rate allowed. The State allows only 10% of our students to enroll as full cost. Both programs operate at a loss, however, the deficit is more pronounced with School Age (CCTR), which provides services to fewer students. As a result, the proportion of the expenditures that the revenue covers is currently projected at 40%. In essence, the $262,096 general fund contribution extends services to 38 subsidized students. There is an aspect of seasonality to the enrollment; usual slow climb in August, full capacity by winter, followed by a Holiday Season slump and slow return to normal attendance by end of January, with a slowdown during the summer (Sunnyhills is closed during the summer).

Other districts/SCCOE:

- SCCOE operates at a loss. General fund covers their loss. Last year, I recall, amounted to over a million. They are planning the closure of 13 Head Start sites. Two of seven CDC SCCOE centers would be closed. They also face declining enrollment, which we do not. One Santa Clara County CSPP contractor recently handed in a 2 million dollar preschool grant, as they were unable to maintain their program.
- Alum Rock and Fremont allow community partners to run the CSSP/CCTR contracts. They are non-profits and operate with a much lower overhead. ARUSD's expenses amount to a Director of Early Learning (partial FTE) and a full time clerk to aide in the placement of students into the community partners' programs.
- Two districts were contacted that operate at a slight profit. Santa Clara USD complements their contracts with general funds, as they are a Basic Aid/Excess Tax district. They also utilize hourly time-sheeted personal which substantially lowers their costs. Fremont Union HSD operates a "co-op" style program which substantially lowers their staff needs. Due to contract regulations we cannot benefit from this staffing strategy. They also have access to an adult education grant, which we are investigating as a possible source of revenue.