Dear ECL Families,

This letter is intended to address the 'sticker-shock' you likely experienced when seeing the upcoming tuition rates for the ECL. In this letter we detail rationales for these new rates.

For decades, the ECL has been one of the highest quality early care and education centers in the Commonwealth. This is presently evidenced by the ECL's 5-star rating through <u>Kentucky All STARS</u> and the ECL's designation as an accredited center by the <u>National Association for the Education of</u> <u>Young Children</u>. To our knowledge, the Child Development Center of the Bluegrass, also located on UK's campus, is the only other tuition-based center in Fayette County to actively hold both accolades.

Over the past four years, the ECL has maintained tuition rates at levels that are far below the estimated **costs** to provide center-based care in Kentucky, as well as below **market rates** for such services. Based on the most recent data, the cost to provide care in an average center in Central Kentucky was estimated to be \$1,081 per child per month in 2024. This estimation was derived predominantly from centers without a 5-star Kentucky All STARS rating nor accreditation from the National Association for the Education of Young Children. Thus, it stands to reason that the cost to provide care in higher quality centers will be above the estimated average rate of other centers. As an example, the Child Development Center of the Bluegrass presently charges an average of \$1,370 per child per month.

The reason the ECL has been able to charge such relatively low tuition rates over the last four years while still maintaining high quality services, is largely thanks to the federally appropriated CARES Act and financial support from the University of Kentucky College of Education. During a time of crisis, these additional fundings streams allowed the ECL to retain experienced staff and teachers when the state's <u>early childhood workforce</u> was depleting, without passing along the costs to ECL families. In addition, the funds helped to mitigate the initial impact of inflation on ECL materials costs which would have otherwise been added to tuition paid by families. Furthermore, given that the ECL does not operate as a for-profit center, the ECL's financial goal every year is simply to cover its costs rather than to increase margins. The cost savings to the ECL which were derived from the CARES Act and UK College of Education financial support, were passed along to the ECL families and resulted in tuition rates that were drastically below the <u>rates</u> reported by comparable and lesser quality early care and education centers across Kentucky.

In forecasting the ECL's expenditures and revenue for the 2025-2026 school year, the ECL returned to budgeting based on prior years costs and statewide care estimates, without including the <u>COVID-era</u> <u>financial support</u> in the projections. This has resulted in the ECL having to raise tuition costs to levels that approximate current market rates. As points of comparison, we detail the 2024-2025 tuition rates from similar tuition-based centers in Fayette County (see Appendix A). In addition, we have included links throughout this letter to direct families to relevant information about the current state of early care and education in Kentucky and the costs to provide that care.

In closing, we are aware of the burden tuition increases place on families, particularly those with multiple children enrolled at the ECL. Our desire would be to offer high quality childcare at a rate affordable to any family. However, the sad reality is that, in the absence of government support for early care and education, families must shoulder the weight of the responsibility for ensuring that the ECL can continue to be a viable childcare option for UK and the surrounding community. As former/current

parents of children who attended the ECL, and as advocates for high quality care for all young children, this reality saddens us. However, we believe that the alternative to not having a program like the ECL is not one any of us wants.

If, after reading this, you would like to discuss the tuition changes further, please join us February 27 from 3:45pm to 4:45pm on Zoom at <u>https://uky.zoom.us/my/collinshepley</u>.

Jennifer Grisham, ECL Faculty Director Collin Shepley, ECL Faculty Director (incoming)

Appendix A

2024-2025 Tuition rates for centers comparable to the ECL

Center & Website	CDCBG	WELC	LEP	FCC	GTP	GSP
All STAR rating	5	1	5	5	5	5
NAEYC accredited?	Yes	Yes	No	No	No	No
Tuition rates						
Infants	\$1,414	\$1,490	-	\$922	\$1,067	\$1,600
Toddler	\$1,374	\$1,265	-	\$922	\$1,067	\$1,095
Preschool	\$1,321	\$1,160	\$1,575	\$855	\$1,067	\$995

Note. CDCBG=Child Development Center of the Bluegrass, WELC=Woodland Early Learning Center, LEP=Little Elks Preschool; FCC=Family Care Center; GTP=Growing Together Preschool; GSP=Gan Shalom Preschool; 3-6% increase in the listed rates should be applied when estimating rates for the upcoming 2025-2026 school year