

Notice of a motion regarding the recently announced tuition schedule at Kids on Campus (KOC).

Proposal:

- 1) That the Faculty Senate urge the University Coordinating Committee to address the issue of KOC tuition and to coordinate an assessment with the Faculty Affairs Committee and the Staff Affairs Committee**
- 2) That the Faculty Senate call for the tuition increase to be put on hold until the change receives proper review under the University governance process**
- 3) That the Faculty Senate state its concern about the harmful effects of the planned tuition increase, urge that alternatives be considered, and recommend a more moderate tuition change**
- 4) That the Faculty Senate forward this report to the Provost and the President**

This report concerns reactions to the recent announcement of a tuition increase at Kids on Campus. It draws upon numerous discussions with and emails by KOC families.

On April 25, at the spring meeting of KOC parents it was announced that there would be a tuition increase starting in July and completing in January:

Monthly rates

	Infant Rate	Toddler Rate	Preschool Rate
Current:	\$1,342.00	\$1,024.00	\$886.00
July 1:	\$1,480.00	\$1,151.00	\$1,002.00
January 1:	\$1,619.00	\$1,279.00	\$1,119.00
% increase:	21%	25%	26%
\$ increase:	\$277.00	\$255.00	\$233.00

The new funding mechanism was announced as supporting the goal: “To be a self-sufficient program with competitive tuition closer to the market rate in Santa Clara County.” Results of a study were presented, purporting that KOC’s rates fall about \$600 per month lower than comparable university-based child development centers and roughly \$250 per month less than comparable community-based centers. The tuition increase was portrayed as a “done deal” at the April 25 meeting.

Since that meeting, a significant amount of discussion has occurred among KOC parents. Many have expressed concern about this tuition rise – both the nature of the change and the way that it came about and was announced.

In an email statement to all parents on May 1, members of the KOC Board (a committee of KOC parents yearly established to coordinate activities and to act as a liaison to the KOC director) state that they were involved in researching tuition rates at comparable programs, as well as policies of parent participation at these same programs. In this statement, the Board acknowledges that they were aware that a tuition increase would be likely, given the ongoing “gap in budget for KOC.” But they categorically state that they were not asked to vote on or approve the level of the increase or the timeline of such an increase.

Regarding the tuition increase, many parents have stated they are “alarmed” and “very sad and upset” by the nature of the change, the way that it came about, and how it was announced. The increase, which works out on average to 25%, has been described as “outrageous,” “drastic,” “unheard of,” “out of the blue,” and “a true shock.” The decision to not pursue a more gradual transition has “pulled the rug out from under families.”

Just about all KOC parents are aware that a number of initiatives have been implemented over the past two years, and are generally satisfied with the results. But many are having great difficulty pairing those changes with a massive tuition increase. Parents want to be part of discussions about vital issues such as expansion, staff structure and tuition. The tuition rise has proven the occasion for broader anxiety about transparency, process and governance surrounding KOC.

Summary of concerns and observations:

☞ A tuition increase averaging 25% is a really significant hike and one that cannot be easily absorbed by many families. The abruptness of the increase by itself is severely disruptive to family budgeting. Most KOC parents understand the need to periodically increase tuition to support the rising costs of running the facility, but these have to be modest rises that families can effectively plan for and actually shoulder.

☞ A number of University employees have been unexpectedly forced to re-evaluate whether they can continue to send children to KOC and are dismayed at the prospect of having (all of sudden) to start the process of looking for alternate arrangements (probably of lower quality and definitely less convenience). This price hike is a decision apparently made with little consideration of how it would price out some families.

☞ Some families will be more affected by this change than others. It throws a disproportionate burden upon staff, non-tenure track and junior faculty – especially single parents and those whose spouses do not command a significant second income. SCU employees whose spouses are unemployed or underemployed (also a real concern) will be hard-pressed to comply.

☞ Families with two children are especially affected, as the increase translates into about \$6,000 extra per year for them. Under the new rates, at least one renewable-term lecturer will be devoting her entire take-home pay on KOC tuition for two children. She simply hopes that the investment in her career is worth it. Single parents are also far less prepared for this change. The burdens of addressing the KOC budget, therefore, will not be felt equally.

☞ The tuition hike threatens to alter (and not at all gradually) the composition of KOC and result in less diversity.

☞ It will lessen the sense of community that KOC explicitly strives to foster. One parent writes: it has been “a community that allows KOC members to meet and befriend staff and faculty across campus as well as SCU alumni. For many parents and their children – particularly for new staff and junior faculty – these relationships have been invaluable, offering connections and support during a critical time in their careers.”

☞ It will harm the ability to recruit faculty. Several current faculty members have mentioned that the presence of affordable childcare on campus was an important factor in choosing to come to SCU. If KOC chooses to offer just another market-comparable service, then what will mark it as special?

☞ It raises serious questions about viability and “self-sufficiency.” If SCU wants to ensure an affordable childcare option for employees, it must continue to subsidize KOC to some extent, not sever its support practically overnight by reverting to market-rate tuition.

☞ The high cost of some comparable programs in this area largely reflects the high cost of living in Silicon Valley, which in almost all cases far exceeds the salaries of SCU faculty and staff of child-rearing age.

☞ If this tuition increase is allowed to go forward, the University must stop describing KOC as a “benefit” provided for faculty and staff and promoted to job candidates. Some parents have described their experiences of KOC being held out as an inducement to employment at SCU – that is, its affordability in comparison with the relatively modest salary being offered.

☞ There are plenty of reasons why KOC should not aspire to a “competitive tuition closer to the market rate in Santa Clara County.” One of the more important is the University’s professed aim to support the basic personal and professional needs of its employees and to live up its core values and Jesuit mission of sustaining families and community.

☞ One faculty member writes: “The University subsidizes (albeit through a range of mechanisms, not just through HR) a number of programs that benefit a wide range of community groups both within and outside of SCU with an overall goal of enhancing the University community for students, faculty, and staff. I would like to think support for KOC, including the youngest members of the SCU ‘family’ would rank as a high priority.”

☞ The study of “comparative programs” appears to be flawed in many respects, with its results somewhat predetermined by the choice of which programs to look at. A more valuable comparison, for instance, would be with other Jesuit institutions, such as LMU. Furthermore, parents have noticed a number of inaccuracies, which call into question the report’s conclusions about comparable rates.

☞ It remains unclear what exactly the tuition raise will be applied to. What projects and changes will it support? Or is it meant to simply reduce or erase the University’s financial support (which has been considerable in recent years)? These questions were not answered to many persons’ satisfaction at the parent meeting.

☞ It appears the amount of the increase has been determined entirely by (an inaccurate) comparison with what other institutions charge, not by assessed needs *at KOC* or planned expenses *at KOC*.

☞ There appears to have been no consideration of funding alternatives. No proposals for a more modest tuition increase coupled with a serious fund-raising plan. No mention of a capital campaign or sponsorship program.

☞ A more gradual phase-in of higher tuition rates is warranted. KOC tuition has risen about 3-5% each of the past few years at least. Why would continuing on this trajectory (perhaps with a modestly added curve) not meet restructuring and funding goals?

☞ If the large tuition increase now proposed is unavoidable, then KOC should consider offering options that will soften the blow, such as a sibling discount, sliding scale tuition, financial aid and/or scholarships. These are commonly offered at the centers to which KOC was compared, but this was not accounted for in the self-study.

☞ All tuition increases are bound to be unpopular with those who have to pay them. But most KOC parents have expressed their acceptance of reasonable increase in order to support key initiatives and continue to maintain the center’s high standards of care. Increases are manageable and reasonable as long as costs of enrollment roughly keep pace with salaries. A 25% increase over one year is unprecedented and unsustainable.

☞ The tuition increase’s element of surprise indicates a lack of communication and a lack of a process for input by affected parties. It generates concerns about process, transparency, and principles of shared governance.