

Comments to the East Lansing City Council

Concerning the Bailey Community Center

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September 23, 2014

My name is Roy Saper, 812 Applegate, and a resident of East Lansing since 1969. I am speaking as a local taxpayer concerned about what appears to be a strategized shutting down, closing of, and possible eventual abandonment of the Bailey Community Center.

Forty years ago I bought my first home at 429 Bailey Street presuming that someday my children would be students there, not knowing that the School Board would be closing the school about 10 years later. Now, as a dues-paying member of the Bailey Community Association and owner of property just a two minute walk from the Bailey Community Center, I speak as one who is committed to the preservation of amenities of the Bailey neighborhood and the Bailey building is among the most important.

I've read the budget/program analysis of September 19th (the document curiously unsigned and without authorship attribution) recommending that the early age child care program at Bailey be discontinued in nine months. I am trained as a budget analyst, my graduate work in economics is from MSU, I performed revenue estimating for one Governor, headed the Office of Economic Forecasting for another Governor, and headed the staff and prepared a significant study on property tax analysis for a Lieutenant Governor. Based on my long time experience in economic forecasting, econometric analysis and budget and revenue forecasting, I am dismayed that you could accept or even consider the recommendations of this report which fall short of providing a proper analysis based on reality, truth, and complete information. The analysis before you appears to be one where a recommendation was predetermined and then selected numbers were used to attempt to justify the report's conclusions.

Allow me, please, to share six observations that provide a better picture of what the analysis before you fails to explain.

1. The major premise the report presents is that the early age child care program is operating at a deficit. That deficit is a function of two factors, revenue and expenditures. You likely approved a balanced budget for FY14 but when the new program coordinator was hired last summer she observed that your center was not operating in accordance with State regulations and that additional staffing was required. That is not reason to close the child care program, however. Like any operation, when expenditures are high one explores revenue enhancements and more closely examines all expenditures.

I believe that numerous recommendations were offered to the City throughout this past budget year to increase child care program revenue to provide a balanced budget. It was proposed that the monthly fees be increased, just as parents have repeatedly said they would pay. The answer was no, not to the recommended levels. It was proposed to increase the number of rooms and students, thereby increasing revenue so that fixed expenses would be spread over a larger number of enrollees. That suggestion was rejected. It was suggested that the center just enroll full time students and reduce or eliminate part timers, another way of generating substantial revenue increases. Again, the City rejected that.

It is disingenuous to state that a FY14 budget deficit justifies closing the child care program as there are numerous easy methods of closing that gap by simply pursuing the recommendations that the child care program coordinator (who you hired to fix the center) recommended and that you, City Hall, rejected.

2. With respect to expenditures, my examination of the budget and analysis before you shows several startling, significant, glaring faults. The City's web site shows there are four floors in the Bailey Community Center and that the child care program occupies a wing on the first floor and there are unrelated other uses for the rest of the building. Yet, it appears that building expenses unrelated to the child care program are charged to the program. Not only is that unreasonable, it is also likely disingenuous and an inaccurate apportionment of expenses

without basis. What you have done is unfairly and dishonestly charged perhaps up to 80 percent of the building's expenses to a program which may use approximately 20 percent of the building. That is not only poor accounting, it is also inappropriate padding of expenditures that are not controlled by, utilized by, or decided by the center's coordinator or the programmatic activities of the child care program. Proper budgeting requires honesty in apportionments of fixed expenses among users of a facility. It is clear that the child care center expenditures are padded making one question whether there has been a long time intent to purposefully have high expenditures to help create a budget shortfall to justify closing the center.

In a normal tenant situation a building owner would apportion to tenants the percent of expenses attributed to their relative use of the building. When there are vacancies, the building owner cannot allocate fixed expenses to the few tenants. The owner absorbs those expenses until additional tenants are found. This is basic accounting. But not how it is being done at Bailey.

There are other abnormal expenses in the budget that are unreasonably charged to the child care program such as thousands of dollars for each computer and contract services which may not actually be child care related.

3. What is missing from the analysis of September 19th is a single statement of interest in having a child care program in the City or, frankly, any interest in children at all. It is presented as an objective budget shortfall justification for closing the program without any discussion of people: who is served by the program and what it means to your neighbors and coworkers who rely on it. The child care center program is used by people -- friends with faces, feelings, dreams, and desires to have the best care possible. They chose the City's program after evaluating other centers and they entrust their children with the program that you have chosen to operate. To close it without making any effort to close the budget gap (which is easily achieved) would show that the agenda has already been set and the document is a pro forma mask of intent. There are many programs under the City's umbrella which cost the City more than the direct revenue they generate, if any. The Hannah Community Center operates at a

deficit yet I am not hearing a suggestion to close it. Do the City's parks generate more revenue than the cost to operate them? Is Scene Metrospace generating a positive cash flow for the City? All-of-us- Express Children's Theatre? The art and other festivals, our sports programs, the many concerts, farmer's market and other programs sponsored or paid for by the City? I am not suggesting any should be closed or ended nor are you because you see them as assets, amenities that truly distinguish our City from others, that make the City of East Lansing more than livable, but enjoyable; a City of which we can be proud, a destination City that has what the community wants. What I am hearing and seeing is that there is strong demand for a child care center program at Bailey. The report states that there are regulations, rules, and procedures that the City has to operate under to maintain a child care program, implying that such a challenge is great to achieve. Yet the report fails to acknowledge that there are more than 4,300 such centers throughout the State that seem to manage just fine with balanced budgets and follow the State's rules and requirements. The major difference between the City's program and all others in the State is that the City's program is not run by a child care professional, it is run by a City department whose focus, interest and mission is "to provide quality facilities and opportunities for leisure through active community participation and support." That mission has nothing to do with managing a child care program. The department's focus is parks and recreation. Not early age child care.

Our police department is run by police professionals. Our library is run and managed by a professional qualified librarian. Our planning department head actually knows planning and development. Head of finance is a CPA. Why not have a child care program that is operated by a nationally or internationally known child care leader with considerable experience in directing such a program and allow the program to be autonomous with honest budgeting untainted by City Hall politics, budgeting, and program leadership? The City's seniors program and the art festival programs report to the City manager. Why not have the child care program do the same?

We have a program now which, unfortunately is hidden. You, the City Hall, have chosen not to even have a sign in front of Bailey showing that it is the Bailey Community Center. You may

have the only child center anywhere which refuses -- refuses -- to put up a sign proudly declaring the child care program location. We have signs for the soccer complex, the aquatics center, Scene MetroSpace, the library, all our parks and parking facilities and other City buildings. But you treat the Bailey Community Center and the child care program as invisible without any signage -- almost as though there is an intent to close them both.

4. The analysis before you states that the breakeven enrollment could be achieved with 61 students enrolled although it projects October enrollment as only 40. To use the decline in enrollment as a partial justification for closing the center is an amazingly poor and again, dishonest, assessment. In reality, the center's enrollment for the first half of this calendar year has been about 10 percent greater than the suggested breakeven enrollment of 61. What the report does not clearly cite is that there has been monumental discontent in the past several weeks at the center since the prior center coordinator resigned. What you now have is a rudderless ship without a captain and the passengers are bailing in droves. You've gone from a period where your dedicated professional center coordinator was there 10 to 12 hours a day (and also working on Saturdays and Sundays) to a center which no longer has a center leader greeting each child in the morning and when they are being picked up in the afternoon. You have an interim coordinator who was removed from the coordinator position in March 2012 to "no longer have any authority over or interaction with staff or childcare issues" but reassigned to the position three weeks ago because you, City Hall, failed to post the center coordinator job when you were told of the impending resignation more than a month ago. And now, five weeks later the job is still not listed on the national sites viewed by qualified program directors with years of experience. In fact, you failed to contact the former coordinator to get any guidance on where to post the position which is still unfilled.

5. A further problem with closing the child care program is you would then be removing from Bailey its major "tenant", leaving the building underutilized with relatively minor revenue sources while significant fixed expenses continue. I am concerned that if you close the child care program, what you are effectively doing is closing the Bailey Community Center. A closed signless building which last month had crater sized potholes and in the City's Park and

Recreation Plan the asphalt is cited as a hazard -- yet no capital expenses were budgeted for the period FY12 to FY16. The report states that the age of the Bailey building "provides ongoing maintenance and upkeep challenges resulting in regular discussions regarding the long-term viability of the facility". What I have observed this to mean is don't spend money to fix the building, just let it be, close the center, and market it to get it on the tax roll. If you close the child care program that parents are telling you they want, you will have wittingly made the decision to turn the 300 block of Bailey Street into a match for the Park District streetscape at Grand River and Abbot Road. If you close the child care program without going public with an honest statement of intent for the building, you will be doing an injustice to the neighborhood, the entire City and the residents and visitors.

6. A tenable solution would be to reject the nonsensical, uncreative, unthoughtful, heartless recommendation to close the center and think like an entrepreneur. **First** step is hire a national early child care education expert with considerable years of professional experience as a center director. You already had one who many would say is one of the very best in the country but she resigned after 14 months on the job due to so many failures at City Hall to address the concerns she cited. **Second** step would be to create an accurate, correct, and honest budget. **Third** would be to create a program design (in terms of number of rooms and projected enrollment and capacity over time, fee structure, full time versus part time, possible re-assessment of summer enrollment requirements) so that projected revenue would more than offset all properly allocated expenditures. **Fourth** would be to market the program so that the waiting list that the center had a month ago would continue with the possibility of increasing the number of rooms at all levels over time. **Fifth** would be to operate the Center with great visibility and pride at the highest level of quality with dedicated full time professional staff fairly paid with appropriate benefits and not a system which minimizes the hours one works at minimal pay with no benefits and no commitment to the job. Parents want the best and that is what they should be given. **Sixth**, remove the child care center operational decisions, budget control, management, and dictatorship from an unrelated City department so that it operates autonomously without City Hall politics and bullying having any influence over

the program. **Seventh**, create a parent advisory council just as other such centers have so that parents are regularly provided information on all aspects of the center and, more importantly, play a significant role in communicating their interests to the center leadership. If you commit to implementing and achieving the benefits of each of these steps, not only would there be no need to close the center (as there is absolutely no reason or justification for doing so now other than you may want the building for another use or owner), the center then could be highly regarded, respected, known and self-sufficient.

In the past three weeks many parents have already removed their children from the center due to the uncertainty of its future and due to the lack of leadership and management. You have a situation where staff are scared of losing their jobs and some have already left to more secure jobs elsewhere. Not only is the ship rudderless and without a captain, but there is no wind on its sails. There is no commitment from the City as evidenced by not having a qualified leader in place and having failed to post the job nationally as soon as it was known that the coordinator's job was to be vacant.

The City's child care program can not only survive, it can thrive and be respected and recognized just as is the MSU Child Development Lab. Don't throw away what could be a model child care program for those who live and work and visit our community. If you close the child care program, you are knowingly and wittingly giving way to another potentially boarded up eyesore like that which has anchored the western downtown corner for a decade. You have the power to invest rather than divest, to grow rather than destroy, to market rather than ignore, to achieve rather than fail the community.

We collaborate to build parks, we seek sponsors to subsidize concerts and festivals, we invest in our farmers market and our seniors, we proudly market the Hannah Community Center but in the 15 subcategories on the City's Parks, Recreation and Arts page, there is no mention of the existence of Bailey Community Center as though there is clear intent to quietly let it die by not performing the capital expenditures that are required for it to match what we've done for likely every other building the City owns. Go to the City's website and see how many clicks it takes to

find any reference to the Bailey Community Center. Why are you neglecting and even considering a proposal to close one of the greatest assets the City has had for 92 years when you could reinvest, recharge, and create the equivalent of the Hannah Community Center in the heart of the Bailey neighborhood and celebrate the 100th anniversary of the building in 2022. Old does not mean it should be out of commission. MSU does quite well with the 97 year old Central School which closed 30 years ago but is operated by the MSU Child Development Lab.

In closing, I remind you that Liberty Hyde Bailey, the namesake of the building you will be shuttering if you would discontinue the early age child care program, was an educator. It is so appropriate that the City's child care program is at Bailey School as it was Professor Bailey who developed a method of instruction that focused on the curiosity of children and the wonders they discover outside in the schoolyard. Liberty Hyde Bailey used hands-on learning to engage children as that involved all their senses and fostered curiosity and discovery, very much like the mode of teaching engaged by Nora Thompson and the Reggio Emilia approach for which she is so well recognized by educators around the world.

Let's honor Liberty Hyde Bailey and keep the children's curiosity alive and commit to creating, marketing and being recognized for what could be a premier educational child care center in the heart of the City of East Lansing. Be a leader. You can make it happen.

Don't close Bailey's child care center program -- and don't sell out for developer's tax dollars.

Thank you for the consideration of my remarks and the time you granted me to present them.