



**TO:** Finance Committee

**RE:** Kids World Program Fee Adjustment for FY27

Kids World is a Community Education School Age Childcare program serving families with children ages 33 months through 12 years. The program operates primarily on participant fees, and staff are employed under the Community Education bargaining agreement.

For FY27 (beginning Summer 2026), the Kids World program is proposing a fee adjustment ranging from -2.4% to 4.3%, depending on the care option selected. This modest increase is necessary to address ongoing inflationary pressures and to support adjustments to staff wages to remain competitive within the child care labor market.

All proposed rates will remain significantly below the Rice County Child Care Assistance Program (CCAP) Standard Maximum Rates, ensuring continued affordability and alignment with regional benchmarks.

If you have any questions, please contact either one of us. Thanks!

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# Request for Program/Budget Addition

Fiscal Year 2026-2027

Return to the Director of Finance & Operations

(attach additional documents if more room is needed)

Please detail the vision of your proposal below:

## **Kids World FY27 Rate Adjustment Rationale**

The proposed FY27 Kids World fee adjustments are driven primarily by contractual wage increases and the program's fee-supported funding structure. In alignment with the Community Education bargaining agreement, Kids World staff wages increased by 2.5% in FY26 and will increase an additional 2.5% in FY27. Because Kids World is funded largely through participant fees rather than general fund support, modest annual rate adjustments are necessary to sustain program operations and maintain competitive staff compensation.

With the exception of select preschool rates adjusted due to program reorganization, Kids World did not implement a broad rate increase in FY26. The proposed FY27 adjustments therefore reflect both current cost pressures and the need to return to a sustainable annual increase cycle. Historically, Community Education guidance has supported annual adjustments of approximately 3.5% to maintain program stability and avoid larger future increases. The proposed FY27 range of a decrease to an increase of -2.4% to 4.3% remains within this practice while intentionally minimizing impact to families, particularly in light of enrollment declines over the past two years.

Rate structures have also been simplified to reduce the number of school-year pricing variations across sites and schedules. At the same time, the program seeks



to encourage consistent attendance patterns by offering lower effective daily rates for families enrolled more days per week. Conversely, certain specialized options carry higher costs. For example, the Summer Friday-only rate is higher because Friday-only participants do not contribute proportionally to weekly field trip expenses (transportation, admissions, and additional staffing) that are distributed across full-week enrollment.

Even with the proposed adjustments, Kids World rates remain well below the Rice County Child Care Assistance Program (CCAP) maximum reimbursement levels and continue to align with regional market comparisons, including similarly sized districts and other Big 9 programs. Current hourly equivalents remain approximately \$4.50-\$6.00 per hour.

Finally, minor schedule refinements are reflected in the rate model. Full-day program rates remain unchanged, while program hours are reduced by 30 minutes in both the morning and afternoon to better align staffing with actual enrollment patterns. At the Roosevelt Early Learning Center (RELC), student arrival and departure trends similarly support reducing the program day by 30 minutes at each end, resulting in an updated hourly rate calculation consistent with actual service hours.

Overall, the FY27 Kids World rate adjustments balance fiscal sustainability, staff retention, and family affordability while maintaining alignment with regional benchmarks and assistance thresholds.

#### Overall Financial Philosophy:

- Increases are modest and targeted.
- Several categories remain unchanged.
- Some summer rates are reduced to reward consistency. (Consistency improves our program quality and staffing efficiency)
- New RELC rates align with updated hours.
- We continue offering greater flexibility than many comparable school-age care programs, which often require minimum weekly commitments.



Our goal remains to:

- Maintain high-quality programming
- Support working families
- Remain fiscally responsible
- Ensure long-term sustainability of Kids World

### Rationale: How does this proposal align with our strategic plan?

The proposed FY27 Kids World rate adjustments align directly with the Faribault Public Schools mission to partner with families and the community to educate, elevate, and empower every student. Kids World provides safe, reliable, and enriching out-of-school-time care that enables families to remain engaged in work and school while ensuring children are supported in a structured, caring environment. By maintaining rates below CCAP maximums and comparable to regional programs, the district continues to prioritize access and affordability for families, reinforcing our commitment to serve *Every Falcon. Every Day.*

This proposal also reflects several core values and strategic priorities. The modest, data-informed adjustments demonstrate responsibility and integrity in stewarding financial resources while sustaining competitive wages necessary to recruit and retain quality staff. Schedule refinements and rate structure simplification reflect adaptability and continuous improvement based on enrollment patterns and family needs. Offering incentives for consistent attendance and maintaining affordable care options support family and community engagement, equitable access, and a positive school climate by providing stable, high-quality care environments for students beyond the school day. Collectively, the FY27 Kids World rate adjustments balance fiscal sustainability with the district's commitment to students, families, and staff.



Rate proposal:

Kids World Child Care Options	2024-25	2025-26	Proposed FY27*	Percent Increase
AM Session (Elementary)	\$7.00	\$7.00	\$7.25	3.6%
AM & PM ½ Session (RELC)	NA	NA	\$5.75	N/A
AM & PM Full Session (RELC)	NA	NA	\$11.00	N/A
PM ½ Session (Elementary)	\$7.00	\$7.00	\$7.25	3.6%
PM Full Session (Elementary)	\$12.00	\$12.00	\$12.15	1.3%
Full Day - NSD	\$40	\$40	\$40	0%
Full Day - Summer (Fridays Only)	NA	NA	\$55	0%
Full Day - Summer (1 day/wk M-TH)	\$45	\$46	\$48	4.3%
Full Day - Summer (2-4 days/wk)	\$45	\$46	\$46	0%
Full Day - Summer (5 days/wk)	\$39	\$41	\$40	-2.4%
1/2 Day	\$28	\$28	\$29	3.6%

\*All rates still under the [Rice County Child Care Assistance Standard Maximum Rates](#) (as of 1/2025)

Submitted by   Tiffany Reuvers   Date   2/2/2026  

Approved by   Cassie Riopelle   Date   2/2/2026  

Supervisor Approval \_\_\_\_\_ Date \_\_\_\_\_

*Send this completed form and any attachments to the Director of Finance & Operations.*