



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

5 March 2019

To: School Committee

Subj: FY20 FEE RATE INFORMATION FOR DISCUSSION

Background

The School Committee has requested that fee information be provided early in the FY20 budget development process. The School Committee decision and votes regarding FY20 fee rates, scheduled for March 27th, will provide clarity to the overall FY20 financial plan, allow the administration to finalize program registration documents and publish rates, and afford parents ample time to plan, especially if increases are voted.

Dr. Sawyer's initial FY20 budget plan assumed at that time that fee rates would be the same as FY19 [with one exception] since the School Committee typically holds this discussion and vote until later in the budget process. The one exception is that the FY20 Budget was developed assuming continuation of the tuition rate "step-down" for full-day kindergarten per our Strategic Priorities and Goals.

It's important to note that if the School Committee votes to increase fees, this will have a "dollar-for-dollar" positive impact on closing the current budget gap we are facing. This of course assumes that rising prices have no negative impact on parent/student choices for services.

Included in your meeting materials is a statewide survey of fee and tuition rates as compiled by Richard Hawkins. He is a private individual who has been doing this since the proliferation of public school fees began about a decade ago.

Fee Rate and Total Revenue Information

The attached spreadsheet details the fee-based programs impacting our FY20 plan and recent rate history. It displays the FY20 budgeted total revenue assuming no increase and the impact of various percentage rate increases.

- 1) **Bus Fee:** The District is currently in Year One of a new Five-Year contract with AA Transportation for all bus services. The agreed upon rate increase for FY20 is 13% [FY21, 22, 23 rate increases will be 3%, 2.9%, and 2.8% respectively]. It is not recommended to increase the bus fee by the same rate as it would adversely impact ridership and likely erode the overall revenue stream. More children riding in cars will also exacerbate already lengthy parent drop-off and pick-up lines at each school

causing more traffic congestion at the beginning and end of the school day. A statewide listing of comparative bus fee rates are included in your packet.

- 2) ***Athletic Fee:*** These fees are used almost exclusively to pay for coaching salaries and coaching salary rates are under negotiation. A statewide listing of comparative rates are included in your packet.
- 3) ***Preschool Tuition:*** Preschool tuition is used primarily to offset teacher salaries and supplies. Teacher salaries are under negotiation. A statewide listing of comparative rates are included in your packet.
- 4) ***Full-day Kindergarten Tuition:***

Kindergarten tuition is used to offset teacher salaries and pay for supplies.

Included in the District's Five-Year Strategic Priorities and Goals [2018-2022] is providing tuition-free full day kindergarten to all students. In FY19 it was agreed to make annual and incremental progress towards that goal and the tuition rate was decreased by 10%.

Included in your packet is statewide information on kindergarten participation and tuition rates. It is interesting to note that the number of public school districts charging tuition decreased from 56 in FY18 to 45 in FY19, a 20% decrease. According to the Massachusetts organization *Strategies for Children*, the following communities eliminated full-day kindergarten tuition this year:

Abington, Ashland, Longmeadow, Lynnfield, Marshfield, Medway, Norton, Pembroke, Plymouth, Seekonk, and Winchester.

Several "step-down" tuition rate scenarios are provided that will gradually ease us into a tuition-free program instead of waiting to absorb it all in a single budget year.

Extended School Care

Mrs. Karen Isaacson, Director of Extended Learning Programs provided a detailed report at your February 27th meeting.

The Extended School Care Program is a "self-funding" operation in that all costs [salaries, health insurance, supplies etc...] are covered by the tuition fees. A recent history of rate increases is below:

FY13= 15% rate increase
FY14 through FY17= No change
FY18=3% increase
FY19=3% increase

FY20 Recommended= 3.5%

The School Committee is scheduled to vote the Extended School Care rates and wage scale at its March 13th meeting.

Food Service Program

The Food Service Program is also a “self-funding” operation in that all costs [salaries, health insurance, food, and supplies etc...] are covered by meal fees and government reimbursement for eligible meals. A recommendation for meal process will be offered in June for the upcoming school year.