



3/13/24

To: Shrewsbury School Committee

From: Karen Isaacson, Director of Extended Learning

RE: Extended Learning Programs – Report and Tuition Recommendation

In many ways, the extended school care program has returned to a sense of normalcy after the pandemic. Students have made great strides in rebuilding their social skills, staff have been able to bring back favorite activities and introduce new creative new clubs, and we recently had our first field trips since 2019.

From an operational and financial perspective, we are still struggling to achieve stability in the post-pandemic world. Key factors include:

- Parents continue to work from home and do not need as much child care
- The number of families needing financial assistance continues to rise
- The change in school start and end times increased enrollment in the before-school program, but decreased enrollment after school

This year's tuition is a 13.5% increase over the previous year, and we changed the reduced fee discount from 80% to 60%. While this was a necessary change to keep extended day self-sufficient, it had a significant impact on our most vulnerable families. Tuition more than doubled for these families, and many dropped out or decreased the number of days they enrolled, citing prohibitive costs. This is most evident in the significant drop in the after-school program at Coolidge (23 fewer students).

Enrollment comparison FY23 to FY 24

	22-23	Current
Beal AM	40	54
Beal PM	123	112
Coolidge AM	32	30
Coolidge PM	62	39
Floral AM	23	35
Floral PM	62	53
Paton AM	30	31
Paton PM	54	43
Spring AM	25	28
Spring PM	47	55
Sherwood AM	0	16
Sherwood PM	77	69
AM FTE	150	194
PM FTE	425	371

*Before school programming was added to Sherwood this year when school start time changed from 8:05-8:35.

At the same time, the number of families requesting assistance continues to rise. This year, the number of students attending full-time has decreased, likely due to cost. More students are utilizing the program 2 days a week instead of 5. The following chart shows the recent history of financial assistance and the impact on the program. The percentage of our revenue used to subsidize income eligible families has decreased this year due to the change in discount amount, even as the number of students increases.

School Year	total # students receiving a discount per year	Total amount of subsidy	percentage of revenue	Monthly parent cost after discount	Average monthly enrollment	% students attending full time
2023-2024	144	\$246,507	14%	\$151	86 FTE	75%
2022-2023	134	\$306,000	19%	\$67	105 FTE	85%
2021-2022	79	\$187,000	13%	\$64	65 FTE	90%
2019-2020	70	\$135,000	8%	\$57		

Change for 2024-2025 – State Child Care Vouchers

Extended School Care is in the process of becoming a “funded program” through the Massachusetts Department of Early Education and Care (EEC). Once approved, this will allow us to accept child care vouchers. Parents who qualify for a voucher will pay a daily fee based on their income and family size, and EEC will reimburse us the difference between the parent co-pay and our full fee. In most cases, the families will be paying significantly less for their child care. This will improve accessibility to our program and provide greater equity within the community, while infusing much-needed funds into our operating budget. Additionally, I expect our enrollment will increase as childcare becomes more affordable to families.

We stopped accepting vouchers in 2018 due to the length of time it could take a family to obtain a voucher (over a year) and because of a policy that prohibited us from offering internal discounts at the same time as accepting vouchers. At the time, the number of families receiving financial assistance was small, and we felt we could better serve our community by providing our own discount. As the need for financial aid increased, we did not want to go back to accepting vouchers because the aforementioned restrictions would result in the majority of our families losing their discount, and in effect, losing their child care.

The discount policy has since been dropped by EEC, and an increase in state funding to the voucher program has shortened wait times for families. At the start of the next school year, we will be able to accept a voucher from any family, while continuing to subsidize families who meet our financial guidelines, but do not yet have a voucher.

The requirements for becoming a funded program have changed significantly since 2018, requiring a lengthy application for each of the six sites, initial EEC inspections prior to approval and annual unannounced visits thereafter. Many of the requirements duplicate DESE requirements and SPS procedures, but documentation needs to be compiled separately, adding to the administrative burden. It will be a time-consuming, but worthwhile, process, and we expect to have all sites approved before the end of the school year.

The uncertainty of how many families will be able to get a voucher by September makes next year’s financial planning difficult. There are two categories that qualify families for an immediate voucher – homelessness and DCF custody. In estimating next year’s subsidy, I assumed that all of our current students in those categories will be fully funded by EEC, but for the sake of conservatism, I assumed none of the other families will have a voucher. I expect as the school year progresses, an increasing number of families will receive vouchers and our revenue will gradually increase.

Next year will be a year of transition and I recommend we keep our current financial assistance policy in place for the duration of the school year. In future school years we may want to create new guidelines for how we will support low-income families who wish to enroll but don’t have a voucher.

FY 25 Planning and fee recommendations

For planning purposes, I made the following assumptions

- Enrollment levels will remain the same
- Staffing levels will remain the same
- Employees will get step increases and up to a 3% wage increase
- The number of families requiring financial assistance will remain the same, with DCF and homeless students receiving vouchers
- Health insurance will increase by 9%
- All other expenses will remain the same as FY24
- Strive for a cushion of 3-4% of gross revenue to accommodate unpredictable circumstances.

Option A

5% tuition increase

No cushion

AM & PM tuition	\$1,808,210
Reduced Fee	(\$218,704)
Registration Fees	\$9,000
Other fees	\$9,000
Total Revenue	\$1,607,506
Wages	\$1,193,957
Health Insurance	\$179,850
SELCO	\$50,000
Supplies, Services, Snack	\$106,000
Admin Expense	\$15,000
Professional Development	\$5,000
On-line payment processing	\$56,000
Total Expense	\$1,605,907
Net	\$1,599

Option B

8 % tuition increase

2.6% cushion

AM & PM tuition	\$1,860,192
Reduced Fee	(\$223,107)
Registration Fees	\$9,000
Other fees	\$9,000
Total Revenue	\$1,655,085
Wages	\$1,193,957
Health Insurance	\$179,850
SELCO	\$50,000
Supplies, Services, Snack	\$106,000
Admin Expense	\$15,000
Professional Development	\$5,000
On-line payment processing	\$56,000
Total Expense	\$1,605,907
Net	\$49,178

Unpredictable factors

- Enrollment fluctuations. If we lose 1 FTE per site, staffing levels don't change, but annual revenue would drop by \$22,000
- Number of families who qualify for FRL has increased each year
- Number of students who require 1:1 support is very hard to predict. We strive to make our program inclusive and accessible to all.
- Need for substitutes. I allocate \$20,000 for substitutes each year, but factors like medical leave or parental leave can greatly increase the cost of subs.

Market Rate Survey – Average \$458 per month

Town	program type	monthly tuition 5 days/week	Year
YMCA - Westborough - with transportation from SPS	private	\$720	FY 24
Hopkinton	private	\$602	FY 24
Hopkinton - YMCA	private on site	\$595	FY 24
Acton-Boxborough	public	\$590	FY 24
Shrewsbury Montessori	private	\$575	FY 24
YMCA - Framingham/Natick	private with transp.	\$542	FY 24
Dover-Sherborne	public	\$535	FY 24
Dedham	public	\$525	FY 24
Holliston	public	\$522	FY 23
Franklin	public	\$520	FY 24
Hingham	public	\$520	FY 25
Medford	public	\$500	FY 24
Westborough	public	\$488	FY 24
YMCA - Worcester, Greendale	private	\$486	FY 24
Natick	public	\$467	FY 24
Attleboro	public	\$460	FY 24
Grafton	private - on site	\$459	FY 24
Hopedale	public	\$450	FY 25
YMCA - Westborough - no transportation	private	\$450	FY 24
Marlborough	private on site	\$447	FY 23
Northborough	private on site	\$444	FY 24
State reimbursement rate for subsidized care		\$438	FY 24
Melrose	public	\$429	FY 25
Ashland	public	\$428	FY 24
Southborough	public	\$427	FY 24
Shrewsbury Option B - 8% increase	public	\$409	FY 25
Nashoba Regional	public	\$405	FY 24
Ayer-Shirley	public	\$400	FY 24
Littleton	public	\$400	FY 24
Shrewsbury Option A - 5% increase	public	\$398	FY 25
YMCA - Worcester, Central	private	\$378	FY 24
Framingham	public	\$360	FY 24
Hudson	private on site	\$360	FY 24
West Boylston	private - on site	\$342	FY 24
Berlin Boylston	public	\$315	FY 23
Wilmington	public	\$284	FY 24
Leominster	public	\$270	FY 24

Not only does Shrewsbury remain one of the most affordable local programs, our rates remain significantly lower than the state reimbursement rate. When we begin to accept vouchers, we will only be reimbursed up to our highest daily rate. Many child care programs find it financially difficult to accept vouchers because the reimbursement rate is much lower than their private rate. In Shrewsbury's case, we would not be able to take advantage of the maximum reimbursement.

Recommendation – 8% tuition increase.

Due to the uncertainty of voucher availability and state reimbursement, we feel it is prudent to increase tuition by 8% to provide a greater cushion for unpredictable circumstances. It will be at least six months before we have a sense of the amount of funding we can expect from EEC, and not enough confidence that we will be able to significantly lower our subsidy for FY25.