



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

February 17, 2016

To: School Committee

Subj: FEE RECOMMENDATIONS

Background

We know that a significant gap of over \$3.3M exists between our initial FY17 budget proposal and the Town Manager's initial budget plan. While we hope that more revenue becomes available, we expect that a series of expense reductions and School Department fee revenue increases will be required to close the gap.

The enclosed recommendation to increase busing, kindergarten, and preschool tuition fees is consistent with the committee's guidance to review all fee-based programs as part of the FY17 budget process. It is important to note that this is a very difficult recommendation to make because, as educators, we would much prefer that fees were not required to access these services.

This recommendation is being made tonight so the committee has some time to understand and discuss it before a vote is conducted at a March school committee meeting. It is imperative to be on this timeline so as to inform parents as they make enrollment decisions for their children and we re-open bus registrations in April for the 2016-2017 school year.

Bus Fee

The current bus fee rate of \$250 has been in place since the 2010-2011 school year. It was \$210 per rider in preceding years. It is recommended that the fee increase to \$275 for the 2016-2017 school year and that the family cap of \$500 be eliminated. Attached is a revenue budget for FY17 using the recommended fee increase, factoring some ridership attrition and also absorption of the online payment processing fee. The projected increase in revenue using these assumptions is \$85,000 which would be used to reduce our current FY17 operating budget for transportation.

Implementing the online payment system will be beneficial from a variety of perspectives. First, it will provide convenience to parents and hopefully incentivize them to pay before the deadline thereby eliminating the late fee. Further, it will reduce clerical overtime costs associated with manual processing of over 2,200 check payments. Finally, it will have a net benefit of improved productivity in the Business Office by reducing the workload associated with the manual check processing task.

The average cost to transport a student is \$679 so the \$275 fee represents about 40% of the average cost. Listed below are the 2015-2016 bus fees from some other school districts.

Ashland	\$280
Grafton	\$200
Hopkinton	\$155
Lexington	\$300
Littleton	\$225
Natick	\$150
Newton	\$310
Shrewsbury	\$250

Kindergarten Tuition

As of the 2015-2016 school year, over 91% of Massachusetts kindergarten students attend a full-day program. The *enclosed documents* from Strategies for Children provide statewide information on attendance and tuition. This data was collected by the Massachusetts Department of Elementary and Secondary Education [DESE] and it reports that 262 districts offered universal, free full-day kindergarten. Another 84 cities/towns offered full-day kindergarten on a tuition basis at an average cost of \$3,296 per year. Only 5 communities did not offer any full-day kindergarten programs. The obvious barriers to offering full-day kindergarten are adequate space and financial resources and these are the reasons it is not universally offered in Shrewsbury.

For the current school year [2015-2016], we have displayed below current tuition rates for some nearby communities and included two private providers as well.

Community/School	Annual Tuition
Ashland	\$4,000
Acton	\$4,500
Boylston	\$3,200
Shrewsbury	\$3,700
Southboro	\$3,250
Wachusett	\$3,250
Westboro	\$3,400
Lilliput- Shrewsbury	\$9,729
Montessori-Shrewsbury	\$12,150
St. Mary's	\$5,950-\$6,350

It is recommended that the rate increase to \$4,000 for the 2016-2017 school year, an increase \$300 [8%] per year. The additional revenue will be used to fill the gap in funding due to the expected loss of \$62,000 currently received from the state full-day kindergarten grant and to also fund increased costs for salaries, wages, and health insurance for employees working in the program.

Preschool Tuition

The district is mandated to provide a Preschool Program because of our population of special needs students who become eligible for educational services at age three. The program must include typically developing peers and so we are able to allow those students into the program and charge them tuition. The tuition rates have not been increased since the 2012-2013 school year.

Attached is some comparative tuition information from area communities. Due to rising costs over the past several years for salaries/wages, health insurance, and supply costs, it is recommended that rates increase by 8% for the 2016-2017 school year. Listed in the chart below are the current rates for FY16 and proposed new rates for FY17. New next year would be a full-day program for four full and one half day which is in high demand from parent inquiries.

Session	FY16 Annual Tuition	Proposed FY17 Annual Tuition	Annual Difference [+8%]
2 Half Days	\$1,897	\$2,049	\$152
3 Half Days	\$2,466	\$2,663	\$197
4 Half Days	\$2,972	\$3,210	\$238
5 Half Days	\$3,637	\$3,928	\$291
4.5 Full Days	NA	\$6,610	NA

The four and half day program does not require any additional space nor add any new staff. It does fill a community need for preschool services on a full-day schedule and is attractive in households with working parents

SHREWSBURY PUBLIC SCHOOLS
FY17 BUS FEE RECOMMENDATION: FISCAL RECAP

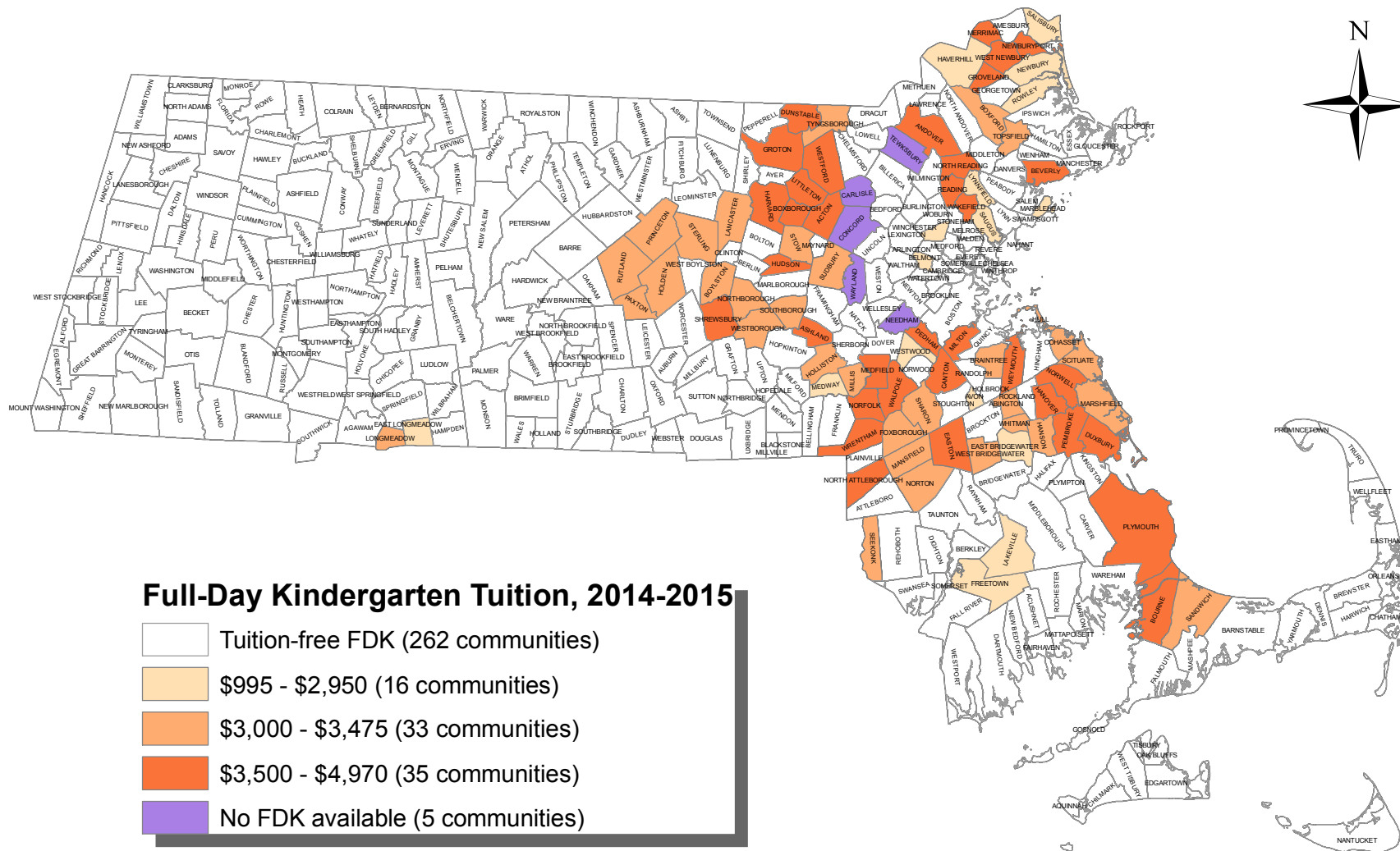
Recommended

Total Revenue for 2015-2016 School Year	\$ 635,977	
Eliminate Family Cap- Add'l Estimated Revenue	<u>\$ 21,000</u>	Assumes 75% of current 112 "Family Cap" riders will purchase
Estimated FY17 Revenue	<u>\$ 656,977</u>	
Less Late Fees Collected	<u>\$ (16,250)</u>	
"Pure" Bus Fee Revenue	\$ 640,727	
Increase fee from \$250 to \$275 [10% increase]	\$ 690,704	Assumes 98% persistence
Less online payment processing fee	<u>\$ (20,721)</u>	Assumes district absorbs the fee and 100% pay online
Net Revenue	<u>\$ 669,983</u>	
Current FY17 Budgeted Revenue	\$ 585,000	
Net New Revenue	\$ 84,983	This amount helps close the FY17 budget gap

Alternate-Keep Family Cap

Total Revenue for 2015-2016 School Year	\$ 635,977	
Less Late Fees Collected	<u>\$ (16,250)</u>	
	<u>\$ 619,727</u>	
"Pure" Bus Fee Revenue	\$ 619,727	
Increase fee from \$250 to \$275 [10% increase]	\$ 668,066	Assumes 98% persistence
Less online payment processing fee	<u>\$ (20,042)</u>	Assumes district absorbs the fee and 100% pay online
Net Revenue	<u>\$ 648,024</u>	
Current FY17 Budgeted Revenue	\$ 585,000	
Net New Revenue	\$ 63,024	This amount helps close the FY17 budget gap

Tuition Rates for Full-Day Kindergarten by City/Town, 2014-2015 School Year



Tuition Rates for Full-Day Kindergarten (FDK) in Massachusetts

Full-day kindergarten in 2014-2015 school year	
Number of districts offering kindergarten*	313
At least one FDK classroom	308
Half-day kindergarten only	5
<i>*Includes charter schools</i>	
FDK districts offering:	
District-wide FDK	243
(District-wide free FDK)	(234)
Partial FDK, not district-wide	65
Districts charging tuition for FDK	72
Average tuition: \$3,296	
Grant-funded districts that charge tuition	29
Average tuition: \$3,166	
Tuition range: \$1,800–\$4,000 (cap)	
Non-grant districts that charge tuition	43
Average tuition: \$3,383	
Tuition range: \$995–\$4,970 (no cap)	

District	Tuition Rate 2014-2015	Quality Full-day Kindergarten Grantee
Abington	\$3,050	No
Acton	\$4,000	No
Andover	\$4,650	No
Ashland	\$3,900	Yes
Avon	\$2,500	Yes
Belmont	\$2,900	Yes
Beverly	\$4,000	Yes
Bourne	\$3,600	No
Boxborough	\$4,000	No
Boxford	\$3,000	No
Boylston	\$3,200	Yes
Braintree	\$3,000	No
Canton	\$3,500	Yes
Cohasset	\$3,000	Yes
Dedham	\$3,500	No
Duxbury	\$3,875	Yes
East Bridgewater	\$2,520	No
East Longmeadow	\$2,650	Yes
Easton	\$3,500	No
Foxborough	\$3,000	Yes
Freetown-Lakeville	\$1,460	No
Groton-Dunstable	\$4,970	No
Hanover	\$3,750	No
Harvard	\$3,750	Yes
Haverhill	\$2,000	Yes
Holliston	\$3,475	No
Hudson	\$3,600	Yes

District	Tuition Rate 2014-2015	Quality Full-day Kindergarten Grantee
Hull	\$3,000	Yes
Littleton	\$4,057	No
Longmeadow	\$3,000	No
Lynnfield	\$2,600	No
Mansfield	\$3,100	Yes
Marblehead	\$2,600	Yes
Marshfield	\$3,000	No
Medfield	\$3,500	No
Medway	\$2,500	No
Millis	\$3,150	Yes
Milton	\$3,700	Yes
Nashoba RSD	\$3,100	Yes
Newburyport	\$3,500	Yes
Norfolk	\$3,600	Yes
North Attleborough	\$4,000	No
North Reading	\$4,250	No
Northborough	\$3,250	Yes
Norton	\$3,000	Yes
Norwell	\$4,000	No
Pembroke	\$3,500	Yes
Pentucket	\$3,800	No
Plymouth	\$4,000	No
Reading	\$4,200	No
Sandwich	\$3,000	No
Saugus	\$2,700	No
Scituate	\$3,000	Yes
Seekonk	\$3,300	No
Sharon	\$3,285	No
Shrewsbury	\$3,700	Yes
Southborough	\$3,000	Yes
Sudbury	\$3,250	No
Topsfield	\$3,000	No
Triton RSD	\$2,950	Yes
Tyngsborough	\$3,400	No
Wachusett	\$3,250	No
Wakefield	\$4,000	No
Walpole	\$3,800	No
West Bridgewater	\$3,000	No
Westborough	\$3,400	No
Westford	\$3,500	No
Westwood	\$1,800	Yes
Weymouth	\$3,500	No
Whitman-Hanson	\$3,200	No
Winchester	\$995	No
Wrentham	\$3,500	No

Source: Massachusetts Department of Elementary and Secondary Education. (March, 2015).

For more information, contact Titus DosRemedios, director of research and policy,
617-330-7387 or tdosremedios@earlyeducationforall.org

PRESCHOOL TUITION RATE COMPARISON

DISTRICT	Median House Hold Income*	Fiscal Year Rates	TUITION 2 half-day/wk (2.5/hr)	TUITION 3 half-day/wk (2.5/hr)	TUITION 4 half-day/wk (2.5/hr)	TUITION 5 half-day/wk (2.5/hr)	TUITION 4 full-day/wk (6/hr)	TUITION 4 full-day/wk (6/hr) & 1 half-day/wk (2.5/hr)
Framingham	\$68,881	17	\$1,740		\$3,070		\$6,390	\$7,440
Marlboro	\$71,424	17			\$2,300		\$3,400	
Millbury	\$71,676	16	\$1,150		\$2,100	\$2,600		\$6,500
Hudson	\$74,082	16	\$1,255	\$1,730	\$2,305			
Grafton	\$81,250	16			\$2,500			
Lancaster - Nashoba Reg.	\$81,833	16	\$1,450	\$2,170	\$2,780			\$6,680
Berlin - Tahanto Reg.	\$88,681	16	\$1,600	\$2,260				
Sterling - Wachusett Reg.	\$90,455	16	\$1,035	\$1,545	\$2,190	\$2,580		
Rutland - Wachusett Reg.	\$91,033	16	\$1,035	\$1,545	\$2,190	\$2,580		
Chelmsford	\$93,643			\$1,950		\$2,950		
Millis	\$96,773	16			\$2,150	\$2,350		
Shrewsbury	\$97,365	16	\$1,897	\$2,466	\$2,972	\$3,637		
Holden - Wachusett Reg.	\$97,972	16	\$1,035	\$1,545	\$2,190	\$2,580		
Natick	\$98,902	16		\$3,000	\$3,700			\$6,800
Paxton - Wachusett Reg.	\$99,376	16	\$1,035	\$1,545	\$2,190	\$2,580		
Westboro	\$100,522	16	\$1,750	\$2,625	\$3,500	\$4,375		\$7,875 (5.5 hr/day)
Franklin	\$101,980	16	\$1,480	\$2,050		\$3,530		\$5,700 (4 hr/day)
Boylston - Tahanto Reg.	\$102,422	16	\$1,600	\$2,260				
Ashland	\$102,721	16	\$2,140	\$2,860		\$4,180		\$10,250
Northboro - Northboro-Southboro School District	\$107,111	16	\$1,550	\$2,600	\$3,300	\$3,600		
Princeton - Wachusett Reg.	\$114,688	16	\$1,035	\$1,545	\$2,190	\$2,580		
Stow - Nashoba Reg.	\$131,500	16	\$1,450	\$2,170	\$2,780			\$6,680
Bolton - Nashoba Reg.	\$144,461	16	\$1,450	\$2,170	\$2,780			\$6,680
Southboro - Northboro-Southboro School District	\$149,375	16	\$1,550	\$2,600	\$3,300	\$3,600		

* Median household income is sourced from the Census Bureau's *American Community Survey*.