



3/14/18

To: Shrewsbury School Committee

From: Karen Isaacson, Director of Extended Learning

RE: Extended School Care – Report and Tuition Recommendation

## **EXTENDED SCHOOL CARE**

The demand for the ESC program continues to grow. We have accommodated an additional 40 FTE across the district in FY 18, yet we still have 180 students on the waiting list. With enrollment increases come additional expenses, so despite our growth, our revenue no longer covers our expenses.

For many consecutive years, ESC revenue exceeded expenses and a generous reserve was built. We chose to hold our fees steady for five years in light of this situation. In FY 17, recognizing a reduction in our reserve, we increased parent fees by 3%. This increase was not enough to cover our increasing costs, but we felt it was important to minimize the impact on families, and we discussed potentially rolling out a series of small increases over several years rather than a one-time large increase. For FY18, we face a potential loss of \$75,000 and without a tuition increase, the loss could grow to \$125,000 in FY19. It is no longer an option to operate at a loss, and so we must explore a rate increase and other changes to our fee structure.

## **Contributing Factors**

There are several significant factors that contribute to our current financial picture.

- Extended Day tuition rates are well below market rates in our community
- Infrequent rate increases over 10-year period
- The expansion of the Extended Learning department requires a full-time, year-round administrator and a full-time, year-round administrative assistant.
- We've seen an increase in the number of families who qualify for financial aid, and an increase in the number of students who require staff support due to their needs.
- In 2012-2013, the district added early release days to the calendar. This created significant additional expense for staffing several additional hours, as well as providing lunch, on each of those days. Additionally, in order to create necessary space and an environment conducive to professional development, ESC frequently plans field trips for those days, creating additional expense for staff, transportation, food and admission fees.

## Rate History

Rates reflect 5 day/week enrollment. Options are also available for 2, 3 or 4-day enrollment.

Fiscal Year	After School Rate	Before School Rate
2008	\$226/month	\$102/month
2013 – 15% increase	\$260/month	\$118/month
2018 – 3% increase	\$268/month	\$122/month
2019 – 3% proposed	\$276/month	\$126/month

## Local Rate Comparison

Shrewsbury ESC charges among the lowest tuition for similar services in the region. A survey of 30 local programs shows an average monthly tuition of \$372. Even with the proposed increase, our tuition would remain well below average. For details, please see accompanying slide presentation.

## Financial Forecast

- With no change to tuition, ESC would face a loss of nearly \$125K for FY19.
- ESC employees are paid according to a 5-step scale (based on years of experience.)
- If all employees return in their current roles, step increases will add \$27K.
- We also anticipate an increase to health insurance costs by approximately 10% which will potentially increase expenses by \$25K

## Proposed Changes

- 3% tuition increase
- Removal of sibling discount
- Additional fee of \$25 per child per early release day (\$125/year)
- 1% cost of living increase for employees

## Expenses

- 87% of the total ESC budget is for personnel (wages and benefits)
- ESC pays \$50,000 annually to offset the cost of electricity (3% of budget)
- The remainder of the budget is discretionary spending, and approximately 40% of that is allocated for field trips and other events related to early release days.
- Charging students \$25 per early release day will significantly mitigate the cost of these days.

## Sibling Discount

- 27% of our currently enrolled families receive a sibling discount
- ESC absorbs this cost without any reduction to expense
- Eliminating the sibling discount would be consistent with other district fee policies