



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

22 February 2018

To: School Committee

Subj: FY19 FEE RATE INFORMATION FOR DISCUSSION

Background

The School Committee has requested that information be provided early in the FY19 budget development process. The School Committee decision and votes regarding FY19 fee rates, scheduled for March 14th, will provide clarity to the overall FY19 financial plan, allow the administration to finalize program registration documents and publish rates, and afford parents ample time to plan, especially if increases are to be implemented.

Dr. Sawyer's initial FY19 budget plan assumed at that time that fee rates would be the same as FY18 since the School Committee typically holds this discussion and vote until later in the budget process.

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 \$2.5M 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 FY19 plan and recent rate history. It displays the FY19 budgeted total revenue assuming no increase and also the impact of various percentage rate increases.

- 1) **Bus Fee:** Bids for a new bus contract will be opened on February 28th and I will be able to report the results at your School Committee meeting that evening. Again, rates are projected to increase in the 10-15% range.
- 2) **Athletic Fee:** Coaching salary rates will increase by 2% per the collective bargaining agreement and busing costs will again rise by 10-15%.

- 3) ***Preschool Tuition:*** Teacher salary rates will rise by 2% per the collective bargaining agreement and health insurance cost increases will be in the 5-6% range.
- 4) ***Full-day Kindergarten Tuition:*** Teacher salary rates will rise by 2% per the collective bargaining agreement and health insurance cost increases will be in the 5-6% range.

Also included in your packet is statewide information on kindergarten participation and tuition rates. With the School Committee Strategic Priority of having universal, tuition-free, kindergarten for all Shrewsbury students in the next five years, the School Committee should consider a gradual tuition reduction plan. A 10% rate reduction is shown as one strategy and this would move our annual rate from \$4,000 per year to \$3,600, placing it closer to the statewide average for those 56 districts that do charge a fee.

If the School Committee does not adopt a gradual tuition step-down plan prior to offering tuition-free kindergarten, then the operating budget will have to absorb the total loss of tuition revenue in a single fiscal year. Depending on full-day kindergarten enrollment, tuition revenue can range between \$470,000 to \$655,000 per year.

Extended School Care

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. For FY19 we are recommending a 3% rate increase to keep pace with expenses. The recent rate increases are depicted below:

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

FY19 Recommended= 3%

Mrs. Karen Isaacson, Director of Extended Learning Programs will provide a detailed report at your March 14th 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.