



A Community of Learners

Information and Action Item: FY17 Student Fees

TO: School Board
Dr Trisha Kocanda, Superintendent

FROM: Greg Kurr CFO

March 21, 2017

Overview & Background

Student fees are an important source of revenue for public school districts. The fees are evaluated and adjusted annually. The evaluation considers the benefit, performance, and economics of the related programs and services. Benchmarking of similar fees charged by other surrounding districts is also part of the process.

Considerable analysis, including benchmarking, was performed in determining the FY17 fees. In some areas, particularly Washburne sports base fee adjustments were made. In addition the lunch room supervision fee was eliminated. As of the writing of this memo, a full year impact of these changes is not available. However, based on estimates the fee adjustments appear to be accomplishing the prior year objectives. Due to the lack of a full year's adjusted data, most of the fee adjustments for FY18 have been based on percentage cost increases in consideration of available benchmark information; primarily that used in the prior year. Administration believes this represents a fair approach and anticipates another detailed analysis based on a full year's data in the determination of the FY19 fees.

This memo provides an overview and analysis of each student fee category and an administrative recommendation for the fee levels for FY18. The Board will have an opportunity to discuss the various fees at the March 21, 2017, meeting. If as a result of these discussions the Board agrees with the administrative recommendation, it can approve it. If the Board decides more information, discussion or a different approach is needed, the approval of the fee can be deferred to the April 25, 2017, meeting. Any extension of approval beyond that meeting may impact the timing of registration and payment of fees.

For reference purposes, a schedule of the current FY17 fee is attached to this memo and listed below.

**2016-2017 Student Fees
Activity Fees (Required)**

Kindergarten	\$100
Grades 1-3	\$170
Grade 4	\$240
Grades 5-6	\$175
Grades 7-8	\$175

Activity Fees (Optional)

Bus Fee

Two-Way	\$475, if paid by 6/17/16
Two-Way	\$575, if paid after 6/17/16
One-Way	\$275, if paid by 6/17/16
One-Way	\$325, if paid after 6/17/16

After-School Sports/Clubs

Elementary Schools	\$53 per semester
Skokie School	\$80 per semester
Skokie Climbing Club	\$58 per semester

Carleton Washburne School Athletics

Volleyball	\$270
Basketball	\$450
Basketball Practice Squad	\$200
Cross Country	\$200
Track and Field	\$200
Intramural Basketball	\$135

MLI Device Coverage

Grades 5-8	\$25
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On Deck!

	Before School	After School
5 days per week	\$201	\$379
4 days per week	\$190	\$320
3 days per week	\$173	\$264
2 days per week	\$150	\$195
Voucher	\$106	\$138

FY18 Fee Recommendations & Rationale

Activity Fees

Background

Activity fees are used at the discretion of the principals to benefit students in a variety of ways. For example, funds are used to support field trip entrance fee and transportation costs, student planners, magazine subscriptions for Scholastic and Time, leadership training at Camp Duncan, outdoor education experiences, class parties, student locks, and some instructional supplies.

These fees have been sufficient to cover related expenses and with updated cost allocations approximate a breakeven position. When compared to other New Trier feeder schools with activity fees, the District's fee is below the recent average and in some instances below the lowest fee. In consideration of the various clubs and general activities and related costs offered by the District, the FY18 activity fees increase remains primarily at the low end or average of the benchmarked township range of fees. The Table below summarizes the recommended fee changes.

Grade Level	FY17 Actual	FY18 Proposed	FY17 Township Avg	FY17 Township Low
Kindergarten	\$100	\$105	\$137	\$100
Grades 1-3	\$170	\$179	\$167	\$106-\$125
Grade 4*	\$240	\$252	\$163	\$175
Grades 5-6	\$175	\$185	\$198-\$217	\$175
Grades 7-8	\$175	\$185	\$215	\$175

**The higher rate for 4th grade relates to the cost of an outdoor education program for fourth graders.*

Recommendation

For FY18, Administration recommends that activity fees be increased as shown above.

Transportation Fees

Background

The philosophy regarding transportation fees were determined in 2010 - "transportation fees should be charged so that the financial liability of the District is limited to less than half of the actual cost" - with a target recovery of 60%. A historic four-year analysis of transportation fees shows that cost recovery through fees has been an average of approximately 43%. That rate, with recent rate increases and ridership by 20 students could move back to 47% in FY18 after considering the contractual rate increases in cost. This recovery rate would equal highest recovery rate of 47% achieved in 2010. I suspect in consideration of market limits and limited ridership (less than 20%), the more recent

and realistic target recovery is 45% - 50%. This analysis excludes the estimated additional transportation cost of approximately \$141,000 related to providing free transportation to Crow Island kindergarten students as part of the Extended Day Kindergarten program.

Transportation fees have been benchmarked against other New Trier feeder districts with the following results;

Categories	Recommend	Current Dist. 36	FY18 Township High	FY17 Township Avg
Two-Way before deadline	\$500	\$475	\$512	\$482
Two-Way after deadline	\$600	\$575	\$612	\$548
One-Way before deadline	\$290	\$275	\$285	\$250
One-Way after deadline	\$340	\$325	\$335	\$300
Two-Way late fee	\$100	\$100	\$100	\$66
One-Way late fee	\$50	\$50	\$50	\$50

The recommended two-way fee increase for FY18 is based on the 3.2% cost increase for regular transportation received per the bid process recently completed by the District, plus 2% rounding to move closer to the operational performance target for transportation. In addition FY18 is the last year of a two year plan to incrementally increase fees to the higher level Township fees, while still remaining competitive to surrounding districts. The late fees provide a reasonable operational, yet a small financial benefit since approximately 1% of families are late in paying. With the recommended fee increase and a negotiated 4% increase in transportation rates from our bus company, it is projected that a 47% recovery rate will be achieved.

Recommendation

The Recommendation is that the Board approve the FY18 transportation fees and the approximate 5% increase in transportation rates as recommended by Administration.

After School Sports/Clubs

Background

These fees were established by the District to support activities at the three elementary schools and Skokie School. These activities are sponsored by teachers who are paid a pay rate based on the negotiated agreement with the Winnetka Education Association. The intent is to have the fees charged to cover the cost of the program.

The recommended fees for FY18 are based on achieving a breakeven point as previously calculated, except for Skokie. Past calculations have been made based on the \$80 fee being charged per semester. However, they have been charged on an annual basis. The FY18 fee is based on a per semester charge at a rate to recover the fee rate differential over a two year period. The base increase in fees is based on the increase of CPI for the year plus a 1% factor for estimated supply costs. The CPI factor is the same factor used for contractual increases in the related costs. The table below summarizes the recommended fee changes.

Schools	FY17 Actual	FY18 Proposed
Elementary	\$53 per semester	\$55 per semester
Skokie	\$80 per year	\$65 per semester
Skokie; climbing club	\$58 per session	\$60 per session

Recommendation

The recommendation is to approve the FY18 after school sports/club fees as proposed by Administration.

Carleton Washburne School Athletics

Background

Participation fees are assessed for the school's optional athletic programs. The fees cover the cost of coaches, transportation to games, scorekeepers, uniforms, supplies and supervision. Since most other competing schools have only one gym and Washburne generally has two traveling teams, two buses are needed to go to two different schools versus one bus to one school. This adds to the comparative costs of the traveling programs.

When compared to other New Trier feeder schools District athletic fees have been higher than the others. Last year, Administration restructured fees so that the fee levels related to the high end of the benchmarked fees but remained competitive with surrounding districts. This results in considerable reductions in the cost of participation in team sports and reasonable year-on-year increases in other athletic programs. Adjustments were made in consideration of the additional transportation factor. With the proposed fee levels, Administration believes the aggregate program can operate at a breakeven with some additional cost management. Once there is a full year of actual experience for all sports the fee structure can be evaluated and adjusted in a more meaningful manner. The proposed FY18 fee increases are based on a factor for CPI which affects the stipend salary costs and a 1.5% factor for supplies and transportation.

The following chart provides comparative fee analysis by athletic offering

Sport	FY17 Historic	FY17 Actual	FY18 Proposed	FY17 Township High	FY17 Township Avg
Basketball	\$527	\$450	\$467	\$425	\$395
Volleyball	\$412	\$270	\$280	\$225	\$210
Basketball Practice	\$197	\$200	\$206	\$200	\$120
Cross Country	\$197	\$200	\$206	\$200	\$120
Track & Field	\$197	\$200	\$206	\$200	\$120
Intramural Basketball	\$133	\$135	\$139	n/a	n/a

Recommendation

The recommendation is to approve the FY18 Carleton Washburne School Athletic fees as proposed by Administration.

Before/After School Program (On Deck)

Background

This is a tuition-based optional program. Tuition is based on the program selected plus a \$60.00 annual non-refundable registration fee. There is a multiple child tuition discount of 10% for two children and a 25% discount for three or more children.

Rates are based on the number of days in the program. Vouchers provide families in need of occasional care an opportunity to avail themselves of the program for up to five visits. Fees were not raised in FY17. For FY18 a fee increase of approximately 3% is recommended to cover the anticipated increased use of the program with the implementation of extended day kindergarten and the need for more supplies. The fee increases for two day and voucher options are higher in consideration of the additional administrative effort needed to provide these options. The cost of any increase in staff is assumed will be covered by increased fees and the historic favorable performance of the program. At the proposed fee level the projected results of the program are self-sustaining. Accordingly, Administration recommends monthly fees for FY18 at the following amounts.

FY18 Proposed

Options	Before School	After School
5 days per week	\$207	\$390
4 days per week	\$196	\$330
3 days per week	\$178	\$272

2 days per week	\$155	\$200
Voucher	\$110	\$145

FY17 Actual

Options	Before School	After School
5 days per week	\$201	\$379
4 days per week	\$190	\$320
3 days per week	\$173	\$264
2 days per week	\$150	\$195
Voucher	\$106	\$138

Recommendation

The recommendation is to approve the FY18 On Deck fees as proposed by Administration.

EDK Extended Play Program

Background

The extended day kindergarten (EDK) program will be implemented in FY18. The design of the program includes a fee based extended play program at the school that is available for parents to use for their children from 2:10 pm when the regular program ends until the regular school day ends. The pricing for the first year of this program is an estimate based in part on the On-Deck model. However, there are several unknowns primarily including the usage and the related variable staffing. It is expected that the pricing will be adjusted in future years to conform to actual results.

For the 2017-2018 school year, administration recommends the following fee schedule for the EDK Extended Play Program.

EDK Extended Play (annual)

5 days per week	\$1,300
4 days per week	\$1,200
3 days per week	\$1,100
2 days per week	\$1,000
1 day per week	\$900

Food Service

Background

The contract with Arbor Management Inc. to provide food services at Carleton Washburne School and provide milk and juice to students at the elementary schools is reviewed annually and prices established for the next school year.

Arbor provides a self-supporting program in which the intent is for the District to recoup its cost from food sales. Under a program such as this, the District owns all of the cafeteria equipment, purchases the food and supplies, pays Arbor for the employees' salary and benefits, and provides Arbor with a management fee.

At the present time, the food service program is projected to have a near breakeven loss for FY17 of approximately \$3,000. If the projected amount holds, the result would be a significant reduction from the results of recent years. In recent years prior to FY17 the program generated operational deficits of approximately \$16,000 to \$25,000. This turnaround is primarily the result of an operational and market based implementation of a 14% increase in the prices that were charged in FY17. As a result of the 14% price increase the cost of hot plate meal in FY17 is \$3.55. When benchmarked against three New Trier feeder districts last year the average priced charged was \$3.77.

In order to breakeven for FY18 Arbor proposes that prices be increased by 5%. This is in consideration of projected food price, labor and benefit, and supply increases and in consideration of a projected declined enrollment for the year. With this increase, the price of a plate lunch would increase to \$3.75. A rate still competitive with other surrounding districts. Arbor's fee rate would remain unchanged.

Recent events could affect the performance of the operation in FY18. The current chef recently accepted a custodial position with the District. His replacement is an experienced chef with the company and has adjusted well thus far. Although it has been only two weeks. The local manager also just accepted a position within walking distance of her home. Her replacement has been hired and has started last week. In the interim, Arbor has stepped in to fill the void. While it is uncertain how these events will affect operations for FY18, the belief is that the affect will not be significant. Transitions like this apparently have also happened in other years without major impact when Arbor staff have moved into District positions.

Comments are consistently positive regarding food offerings and quality and the demeanor of staff. Overall the program is a benefit to the students and staff of the school. That performance level is expected to continue.

Administration is recommending that the food service program design remain in place for FY18 and the pricing be increased by 5% to a plate cost of \$3.75.

Summaries of Arbor's projected FY18 operating results and corresponding FY18 pricing sheets for a 5% increase in pricing are attached for review. The milk and juice prices reflected in these pricing sheets would also be used for offerings at the other schools.

Recommendation

The recommendation is to renew Arbor's contract for the 2017-2018 school year with no increase in administrative or management fees, and a 5% increase in the price of food items.

Attachments

Schedule of 2016-2017 Student Fees

Arbor FY18 Program Financial Projection; 5%

Arbor FY18 Price List Comparison; 5%