



Informational and Action Item: FY19 Student Fees

To: School Board
Superintendent Kocanda

From: Brad Goldstein, CFO

Date: February 27, 2018

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.

This memo provides an overview and analysis of each student fee category and an administrative recommendation for the fee levels for FY19. The Board will have an opportunity to discuss the various fees at the February 27, 2018, 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 March 20, 2018, 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 FY18 fee is attached to this memo and listed below.

2017-2018 Student Fees Activity Fees (Required)

Kindergarten	\$105
Grades 1-3	\$179
Grade 4	\$252
Grades 5-6	\$185
Grades 7-8	\$185

Student Fees (Optional)

Bus Fee

Two-Way	\$500, if paid by 6/23/17
Two-Way	\$600, if paid after 6/23/17
One-Way	\$290, if paid by 6/23/17
One-Way	\$340, if paid after 6/23/17

After-School Sports/Clubs

Elementary Schools	\$55 per semester
Skokie School	\$65 per semester
Skokie Climbing Club	\$60 per semester

Carleton Washburne School Athletics

Volleyball	\$225
Basketball	\$425
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	\$207	\$390
4 days per week	\$196	\$330
3 days per week	\$178	\$272
2 days per week	\$155	\$200
Voucher	\$110	\$145

FY19 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, 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 falls within a 10% range of other Districts, other than kindergarten, where we are on the low end. In consideration of the various clubs and general activities and related costs offered by the District, the FY19 activity fees increase remains primarily within the benchmarked township range of fees. The Table below summarizes the recommended fee changes.

Grade Level	FY18 Actual	FY19 Proposed	FY17 Township Avg	FY17 Township Low
Kindergarten	\$105	\$108	\$138	\$100
Grades 1-3	\$179	\$184	\$163-168	\$106-125
Grade 4*	\$252	\$260	\$163	\$106
Grades 5-6	\$185	\$191	\$203	\$148-165
Grades 7-8	\$185	\$191	\$208	\$175

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

Recommendation

For FY19, 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 five-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 25 students could move back to 46% in FY18 after considering the contractual rate increases in cost. We had projected a 20% increase in transportation costs due to increased routes related to Extended Day Kindergarten, but in actuality we are seeing only about a 3% increase overall, as we do not have any mid-day routes running at this time.

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

Categories	Recommend	Current Dist. 36	FY18 Township High	FY18 Township Avg
Two-Way before deadline	\$520	\$500	\$575	\$518
Two-Way after deadline	\$620	\$600	\$675	\$593
One-Way before deadline	\$300	\$290	\$333	\$276
One-Way after deadline	\$350	\$340	\$383	\$334
Two-Way late fee	\$100	\$100	\$100	\$75
One-Way late fee	\$50	\$50	\$75	\$58

The recommended two-way fee increase for FY19 is based on the 3.00% cost increase for regular transportation received per the bid process in FY18 completed by the District, plus 0-1% rounding to move closer to the operational performance target for transportation. The overall average increase for the 4 on-time payment options is 3.43%, and range from 2.94% to 4.00%. 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 the 3% increase in transportation rates from our bus company, it is projected that a 55% recovery rate will be achieved, exclusive of the additional cost related to EDK. This would be the closest that the District has come to the 60% target recovery.

Recommendation

The Recommendation is that the Board approve the FY19 transportation fees and the average 3.43% 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 recommend fees for FY19 are based on achieving a breakeven point as previously calculated. 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 of 2.1%. The table below summarizes the recommended fee changes.

Schools	FY18 Actual	FY19 Proposed
Elementary	\$55 per semester	\$57 per semester
Skokie	\$65 per semester	\$67 per semester
Skokie; climbing club	\$60 per session	\$62 per session

Recommendation

The recommendation is to approve the FY19 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 historically. 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. This past year, in aggregate, there was a slight surplus across programs. The proposal is to keep the fees the same as last year. With the proposed fee levels, Administration believes the aggregate

program can operate at a slight loss due to CPI increases of 2.1% to stipends and 3.0% increases for transportation.

The following chart provides comparative fee analysis by athletic offering

Sport	FY18 Actual	FY19 Proposed	FY18 Township High	FY18 Township Avg
Basketball	\$425	\$425	\$425	\$403
Volleyball	\$225	\$225	\$225	\$225
Basketball Practice	\$200	\$200	n/a	n/a
Cross Country	\$200	\$200	\$200	\$120
Track & Field	\$200	\$200	\$200	\$120
Intramural Basketball	\$135	\$135	n/a	n/a

Recommendation

The recommendation is to approve the FY19 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 increased 3% for FY18. We did see an increase in use of the program in FY18, and in order to staff this program, an increase was given to the staff to run this program with appropriate staffing ratios. The increase is recommended to cover the increased use of the program with the implementation of extended day kindergarten and the need for more

supplies and additional staff. The fee increases averages 3.03%. At the proposed fee level the projected results of the program are self-sustaining. Accordingly, Administration recommends monthly fees for FY19 at the following amounts.

FY19 Proposed

Options	Before School	After School
5 days per week	\$213	\$400
4 days per week	\$202	\$340
3 days per week	\$184	\$280
2 days per week	\$160	\$206
Voucher	\$113	\$150

FY18 Actual

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

Recommendation

The recommendation is to approve the FY19 On Deck fees as proposed by Administration.

EDK Extended Play Program

Background

The extended day kindergarten (EDK) program was 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 was an estimate based in part on the On-Deck model. The costs associated with this program are related to the Classroom Associates that run this program as part of their daily duties. The proposed increase of 4.5% corresponds to the contractual increase for this staff.

For the 2018-2019 school year, administration recommends the following fee

schedule for the EDK Extended Play Program.

EDK Extended Play Proposed FY19

5 days per week	\$1,360
4 days per week	\$1,255
3 days per week	\$1,150
2 days per week	\$1,045
1 day per week	\$940

EDK Extended Play Actual FY18

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.

In FY17 the program ran at almost breakeven, which is the intent of the program. In recent years, the loss has ranged from \$16,000 to \$25,000. This past year we increased the pricing from \$3.55 to \$3.75 per plate meal. The 14% increase in between FY17 and FY18 have achieved the goal of offsetting the deficit. When benchmarked against three New Trier feeder districts last year the average price charged was \$3.88.

In order to run at a slight deficit of just under \$5,000 for FY19, Arbor proposes that prices be increased by 5%. This is consideration of projected food price,

labor and benefit, and supply increases and in consideration of a projected declined enrollment of approximately 5% for the year. With this increase, the price of a plate lunch would increase to \$3.95. A rate still competitive with other surrounding districts. Arbor's fee rate would remain unchanged.

This past year we have had a new Chef and Manager put into place. 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 FY19 and the pricing be increased by 5% to a plate cost of \$3.95.

Summaries of Arbor's projected FY19 operating results and corresponding FY19 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 2018-2019 school year with no increase in administrative or management fees, and a 5% increase in the price of food items.

Attachments

Schedule of 2017-2018 Student Fees

Arbor FY19 Program Financial Projection; 5%

Arbor FY19 Price List Comparison; 5%