

NEWTON PUBLIC SCHOOLS

Appendix C

Office of Business, Finance and Planning
100 Walnut Street
Newtonville, MA 02460
617-559-9025

TO: David Fleishman, Superintendent
FROM: Sandra Guryan, Deputy Superintendent/Chief Administrative Officer
DATE: December 12, 2011
RE: FY12 Fee Update

An important part of the FY12 budget process was the decision to significantly raise existing fees and to add five new fees; over \$1 million in additional year-over-year revenue was attributed to fees. The attached recap shows the status of all user fees as of December 1, 2011, indicating \$1.2 million of \$2.6 million in expected fees has been collected, with over \$1.2 million additional anticipated, bringing probable collections to 93% of plan. Implementation plans are on-going for two of the five new fees - the high school student activity fee and the high school drama fee; collections are expected to increase with an additional 1,355 students projected to pay the student activity fee, although these fees will not achieve full budget. The third new fee, the middle school student activity fee, could come in below plan as well. In total, these three new fees account for \$127,000, or 67% of the total unfavorable variance from budget. Of the last two new fees – the All City Music Ensemble fee and the Grade 5 instrumental music fee, the All City Music fee may be below plan by \$10,000 while Grade 5 instrumental fees are on plan. The remaining fee variances come from possible underages in transportation (\$21,000 or -4%), the early morning program (\$24,000, or -16%), and high school parking (\$9,000, or -18%).

Plan to Collect Student Activity Fees and High School Drama Fees

Payments of the new student activity fee are coming in slowly especially at the high schools, where only 6% of the projected number of families have paid the fee, while at the middle schools, the rate is over 40%. Low rates of participation are not necessarily surprising given that this is the first year of the policy. The Business Office is working to continue communication about the new policy and is taking responsibility for collecting fees, tracking fee payments and reporting out to principals the status of fee payments at schools. An initial letter on fee policies for the 2011-2012 school year was sent to all Newton parents/guardians in June. Follow up e-mails are being sent monthly to middle school and high school families specific to the student activity fee policy. The schools are helping to publicize the new student activity fee by having club advisors pass out reminder forms; in addition, the school's various communication tools are being used to remind parents of the new policy. Plans are in place to generate SMS reports on an as needed basis for each school listing the students who have paid the fee or received a financial waiver. If a student is attending a club and does not appear on the list, the school will report the names to the Business Office for follow up. Work will continue with secondary school administrators on strategies for enforcing the new fee policy. Payments of the high school drama fee have only just begun to come in as 5% of the projected number of participants have paid the fee. The Business Office is working with the high school principals and department heads to clarify the drama fee policy and it is expected collections will increase throughout the school year.

Transportation

The 2011-12 transportation fee of \$310 represented an increase of 19%, or \$50, from the prior year. The fee increase, in addition to the change in School Committee policy whereby elementary school students living between one to two miles from school are charged a bus fee, was expected to yield \$512,000, or \$147,000 in additional revenue. Current expected collections are \$491,000, or \$21,000 below plan. The number of bus passes purchased in 2011-12 is 1,598, an increase of 207 (15%) from last year, although 54 fewer passes have been sold versus projection. Although the number of financial waivers is up by 37 as compared to last year, the

percent of financial waivers has decreased to 10% from 13% of all passes issued. Transportation fees are monitored on a monthly basis throughout the year and collections will continue.

High School Athletics

The 2011-12 high school athletics fee of \$300 p/sport p/season was an increase of 43%, or \$90, from the prior year; the fee for football and hockey was raised to \$400. Fees for the fall athletics season, now fully collected in the amount of \$236,000, have come in on plan at both high schools and are expected to continue to do so, although variables such as the family cap, financial waivers, and rate of participation may further influence collections in the winter and spring seasons. As the winter sports season unfolds, the Business Office will remain in close contact with the high school athletics directors to monitor both revenues and expenses.

Middle School Athletics

The 2011-12 middle school athletics fee of \$160 p/sport p/season was an increase of 33%, or \$40, from the prior year. Collections year-to-date are 38% of the annual fee budget as expected after the fall sports season. As with all fees, variables such as the family cap, financial waivers and rate of participation may further influence fee collections as the school year progresses.

Music Fees

The Grade 5 instrumental music fee was newly added in 2011-12 at \$200 p/year, and as of December 1, 2011, is expected to achieve planned collections of \$84,000. The Grade 4 instrumental music fee, raised from \$150 p/year to \$200 p/year in 2010-11, was not raised this fiscal year and is expected to generate \$107,000 as planned. The All City Band, Chorus and Orchestra fee was newly added in 2011-12 at \$200 p/year, and as of December 1, 2011, could be \$10,000 below plan. Participation rates for all elementary school music programs are currently under review and will be complete by the end of the first semester of the school year.

Early Morning Program

The 2011-12 early morning program is now in its second year of operation and continues to grow in participation (although less than planned), notwithstanding the 50% fee increase to \$12 p/day; first semester collections are up 25% versus last year. The annual revenue projection of \$124,000 is \$24,000 (-16%) below plan but is much improved in the second year of operation. It is expected that participation in semester two versus semester one will drop off, but at a lesser rate versus last school year. In addition to monitoring revenues, the costs of the program are carefully reviewed to ensure the staffing of the program is in line with the guidelines of one adult per ten children.

South High School Parking

Last year's parking fee of \$400 was reduced to \$360 in 2011-12, while the total revenue expectation remained the same; it was hoped that more students would take advantage of parking by bringing the fee back to the \$360 rate which had been in place for several years prior to 2009-10. From 2008-09 and earlier, South's parking fee revenue averaged \$60,000 per year, but since then, has decreased in part to a greater number of students parking on nearby streets. This year's collections are projected to come in \$9,000 below the plan of \$51,000; one third of the parking spaces have been purchased in the fall semester. There may be an opportunity to increase collections by offering parking spaces to juniors as well as seniors as has been done in prior years. Expected enrollment growth at South over the next several years will influence usage of the parking lot.

Use of School Buildings

It is expected that use of school building revenue will achieve the planned amount of \$553,000, an increase of \$111,000 from the prior year's budget due to rate increases in B and C permits and in other utility/overhead surcharges. As of the beginning of December 2011, \$166,000 (30%) has been collected, slightly less than last year at this time. The Operations Department administers the program and is responsible for all collections.

Waivers and Supercap

Based on fee collections for the fall, the number of financial waivers as a percent of total participation varies. For example, the number of financial waivers as a percent of all bus passes issued has decreased this year to 10% from 13% last year. Waivers in the early morning program are currently at 14% of participation, while high school athletics is 10%. There have been no requests thus far for fee waivers due to the supercap of \$1,800 per family.

**Fee Update: FY10 - FY11 Actual and FY12 Projected
As of December 1, 2011**

	FY10	FY11	FY12 Budget	FY12 YTD Receipts	FY12 Additional Expected	FY12 Final (Projected)	FY12 Proj. vs FY12 Budget	%
High School Student Activity								
Fee/year			\$125					
Total \$ Generated			\$271,875	\$14,875	\$169,375	\$184,250	(\$87,625)	-32%
High School Drama								
Fee/year			\$150					
Total \$ Generated			\$56,550	\$2,550	\$28,750	\$31,300	(\$25,250)	-45%
Middle School Student Activity								
Fee/year			\$60/\$100					
Total \$ Generated			\$64,460	\$24,240	\$26,380	\$50,620	(\$13,840)	-21%
Transportation								
Fee/Family Cap	\$260/\$520	\$260/\$520	\$310/\$630					
Total \$ Generated	\$359,242	\$364,512	\$512,185	\$475,724	\$15,471	\$491,195	(\$20,990)	-4%
% Offset to Bus Cost	18%	19%	27%			26%		
High School Athletics								
Fee per Sport/Family Cap	\$210/\$630	\$210/\$630	\$300/\$900					
Total \$ Generated	\$471,337	\$483,452	\$600,675	\$235,900	\$364,775	\$600,675	\$0	0%
% Offset to HS Athletics	33%	33%	42%			42%		
Middle School Athletics								
Fee per Sport/Family Cap	\$120/\$360	\$120/\$360	\$160/\$480					
Total \$ Generated	\$139,619	\$136,252	\$178,483	\$67,734	\$110,749	\$178,483	\$0	0%
% Offset to MS Coaches	89%	82%	100%			100%		
G. 4 Instrumental Music								
Fee/year	\$150	\$200	\$200					
Total \$ Generated	\$90,963	\$106,059	\$106,913	\$83,057	\$23,856	\$106,913	\$0	0%
% Offset to Music Teachers	30%	37%	38%			38%		
G. 5 Instrumental Music								
Fee/year			\$200					
Total \$ Generated			\$84,000	\$65,783	\$18,217	\$84,000	\$0	0%
% Offset to Music Teachers			38%			38%		
All City Music Ensembles								
Fee/year			\$200					
Total \$ Generated			\$33,200	\$13,300	\$9,900	\$23,200	(\$10,000)	-30%
Early Morning Program								
Fee/hour/day		\$8	\$12					
Total \$ Generated (Net)		\$84,548	\$148,140	\$68,458	\$56,011	\$124,469	(\$23,671)	-16%
% Offset Elem. School Interns		32%	55%			47%		
High School Parking								
Fee/year	\$400	\$400	\$360					
Total \$ Generated	\$50,918	\$50,900	\$50,900	\$19,280	\$22,633	\$41,913	(\$8,987)	-18%
% Offset to Campus Aides	18%	22%	22%			18%		
Use of School Buildings								
Total \$ Generated (Net)	\$441,417	\$475,750	\$553,242	\$166,256	\$386,986	\$553,242	\$0	0%
% Offset to Custodial Overtime	66%	77%	90%			90%		
Total Fees	\$1,553,496	\$1,701,473	\$2,660,623	\$1,237,157	\$1,233,103	\$2,470,260	(\$190,363)	-7%