

To: Board of Education

From: Rebecca Allard, Business Manager

Date: June 24, 2013

Re: Discussion of Community Finance Committee (CFC) Student Fee Study Goals

Background

The CFC Student Fees study group presented its report to the Board of Education at the January 28 Committee-of-the-Whole meeting. The CFC noted that it had reviewed a previous CFC study done in conjunction with District 64 in 2008-09; compared District 64 required fees to those in selected districts; broke down financial information gathered from the State Report Card; and begun an analysis of actual expenses and revenues, focusing on extracurricular activities that charge participatory fees. The CFC did not review fees for transportation (paid bus riders), before/after school care, field trips, and other activities.

Based on its review, CFC provided several options for going forward to study required student fees and extracurricular, participatory fees for future years. On March 18, the Board adopted a fee schedule for the 2013-14 school year, which was based on the fourth option presented by CFC: *Continue the same fees for the coming year, then switch to a cost-based fee system based on an in-depth analysis of actual expenses and adoption of a policy for coverage levels (the specific percentage of the costs of materials, supplies, technology, textbooks, etc. that each fee is intended to cover).*

The Board also requested the specific goals of the study be identified and a timeline be developed for its completion. This memo is intended to provide that information.

Goals for 2013-14 Student Fee Study

CFC members Annie Jerome and Katie Ranalli presented the report to the Board in January on behalf of the group. All study group members will be contacted to determine their availability to continue with the study; if needed, additional members will be recruited initially from within CFC.

District 64 administration and staff members also will be devoting considerable time to the study in coming months. Assistant Business Manager Brian Imhoff will assist me in coordinating the effort, which will include participation from Assistant Superintendent for Student Learning Lori Hinton and Director of Technology Terri Bresnahan.

In keeping with past practice, the CFC study group members will present their report to the Board, which will be followed at a later meeting by the administration's specific recommendations for Board consideration.

The proposed goals of the study are:

1. Required Student Registration Fee

Using the 2012-13 expenditure data, compile the total costs of each curricular department to define the specific costs of materials, supplies, technology, textbooks, etc. that are currently offset by the required student registration fee.

- a. Compare the amount of student fee revenues collected in 2012-13 to the costs of each program. As a reminder, District 64 must absorb the costs to waive fees for students who meet state low-income guidelines.

- b. Recommend to the Board an appropriate cost recovery ratio for the student registration fee.
- c. Recommend student fees for 2014-15 school year based on the 2012-13 cost recovery ratio defined above.

2. **Extracurricular, Participatory Fees**

Using the 2012-13 expenditure data, compile the total costs for each extracurricular activity (before or after-school programs: such as basketball, volleyball, cross country, chorus) to define the specific costs of referees, supplies, uniforms, entry fees and other expenses that are currently offset by a “user” fee. Employee stipends will not be a factor in developing user fees.

- a. Compare the amount of student fee revenues collected in 2012-13 to the costs of each program.
- b. Recommend to the Board the 2014-15 user fees based on being cost neutral.

3. **Instrumental Music Fee**

Using the 2012-13 expenditure data, compile the total costs for band and orchestra to define the specific costs of materials, supplies, technology, instrument maintenance, etc. that are currently offset by the required fee. Employee salaries and/or stipends will not be a factor in developing user fees.

- a. Compare the amount of student fee revenues collected in 2012-13 to the costs of each program.
- b. Recommend to the Board an appropriate cost recovery ratio for the user fee.
- c. Recommend a user fee for 2014-15 school year based on the 2012-13 cost recovery ratio defined above.

4. **Communication**

Document the specific purpose of each student fee assessed, and post on the “Pay Student Fees” page of the District website.

5. **Future Reviews**

Determine if the District’s internal account structure can be adjusted to better isolate the costs of specific programs, while still complying with the Illinois State Board of Education (ISBE)’s accounting framework to allow the District to more easily perform this analysis in future years.

Next Steps

Based on the Board’s discussion at the June 24 meeting, the working group will be convened as soon as school resumes for the 2013-14 school year.

The anticipated timeline for the report currently includes:

- A final report from CFC will be delivered to the Board at the December 16 meeting.
- Administration will deliver its response and any further recommendations on January 27, 2014.
- The Board will consider the impact of any changes in fee revenues when reviewing updated financial projections at the February 10 Committee-of-the-Whole meeting.
- A schedule of fees for 2014-15 will be offered for discussion at the February 24 regular meeting and adopted at the March 24 regular meeting.

This schedule will give the Board, parents and community members time to thoughtfully explore any changes to both required and participatory fees for the year ahead.