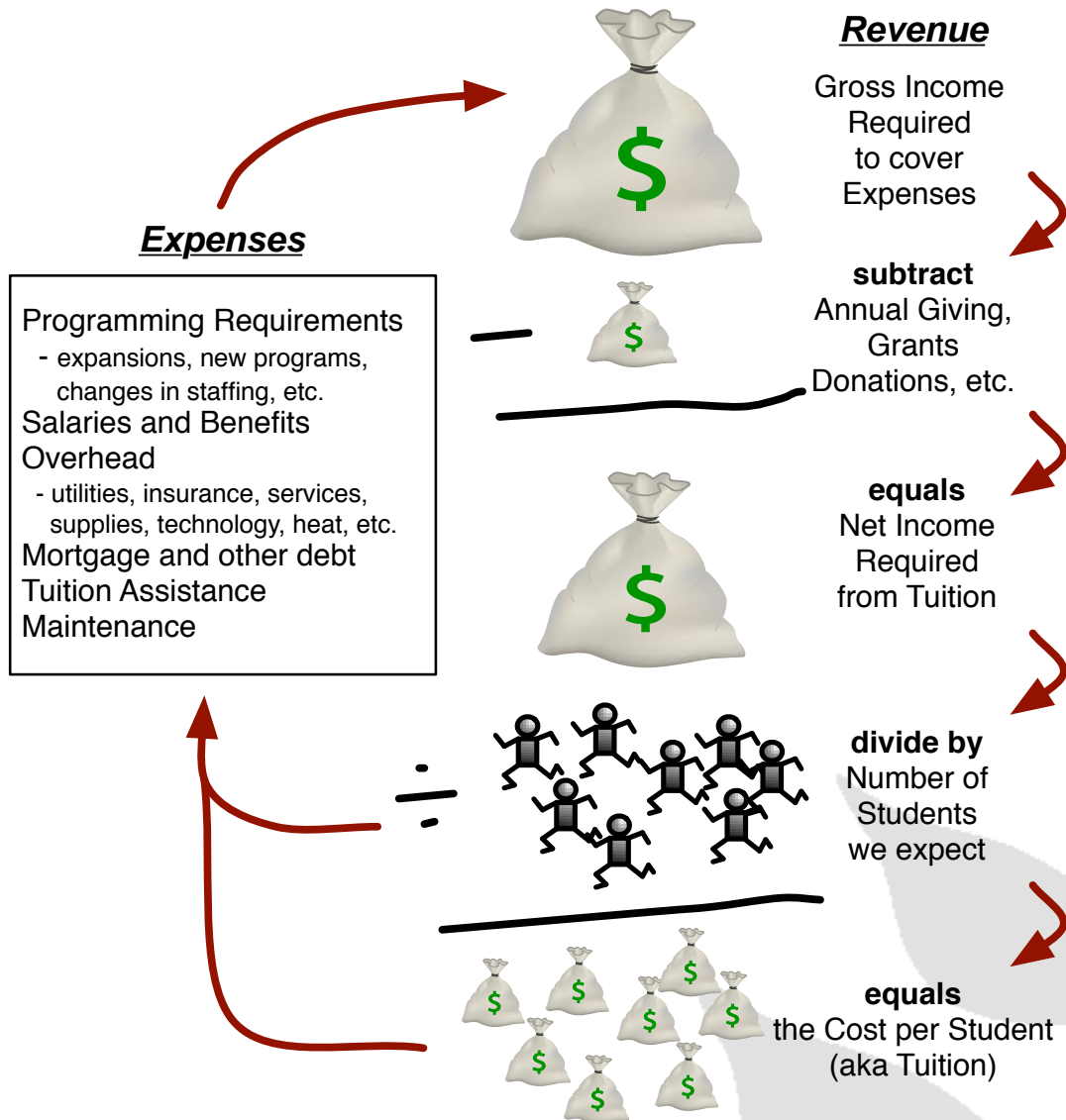


## How Tuition is Set at a Small Private School like Ashwood Waldorf School

Among the great mysteries of the world lies the fixing of tuition rates at small private schools. Until you take a good look at the process, it is likely to remain shrouded in mystery, so let's expose the process by examining the graphic below. Note that the process is cyclic. The left-hand side lumps a lot of hard work into a single box labeled **Expenses**, while on the right, labeled **Revenue**, we find a straightforward tuition calculation.



Building the **Expense** side of the budget requires collaborative effort on the part of Trustees, Faculty, and Administrators. The process begins long before the tuition is set by the Trustees. Each party is responsible for one or more components of the **Expense** side of the budget. As detailed in the school's bylaws, the Faculty bear responsibility for all aspects of programming, which includes the types of curricular offerings

and the staffing requirements. Administrators are responsible for budgeting overhead, debt service, maintenance and the like. Trustees are responsible for setting the salary and benefits schedule, tuition assistance, and for approving the entire budget package. This is a good time to recall that the Board of Trustees is comprised of Faculty, Administrators, Parents, and Community Members. Thus a wide variety of views are present at the decision making table.

The **Revenue** side requires two items that the Trustees and Administrators jointly estimate: non-tuition income and projected enrollment. The former is estimated from recent history and a conservative estimate of what funds can be raised. The latter is based upon current enrollment, anticipated first-grade enrollment from the kindergartens, and the degree of interest expressed by new families considering Ashwood. Each of these is just a projection so the wise course is to project conservatively.

At this point the cycle begins by merging the **Expense** and **Revenue** sides to come up with a tuition per student. Invariably, the first pass yields a tuition that only be expressed by scientific notation because it is so large. So, we take a collective breath and cycle back to the **Expense** side of the cycle and look for those items we can reasonably do without or could modify to gain some efficiency. The **Revenue** side is also scrutinized. Then the two sides are merged again yielding a new tuition per student. This process is continued until all parties can agree that we have made every effort to maintain an excellent program, provide competitive and rewarding benefits for employees, keep our tuition affordable, and balance the **Expenses** and **Revenue**. Whew!

All of the above occurs before January, when tuition for the subsequent year is published. The budget will undergo subsequent tweakings based upon expected changes in **Expenses** and **Revenue** right up until the close of the fiscal year on June 30. The scale of the tweaks depends largely upon good enrollment projections.

You may hear in the coming months repeated calls from the Administrators for early submission of enrollment contracts. It isn't because they are very excited to have more paperwork. It is really because any personnel changes that are reflected in the budget must be worked on in the spring. For example, suppose the Faculty were to propose a new program, say Forming Arts, that requires a new staff member. Let's further assume that the new program is approved. The Faculty leadership would then begin advertising, interview candidates in the spring (the hiring season in education circles), and, finally, offer the position to one of the candidates. Now let's further suppose that the enrollment projections were too optimistic and many fewer students enroll for the coming year. You can just imagine the mess. Thus the school will ask families of currently enrolled children to make enrollment intentions known as early as possible.

This process is simultaneously complete and incomplete. It is complete because the relevant stakeholders are full participants and the final decision comes out of agreement to run the school under the form of self-governance. It is incomplete because what we envision for our Waldorf school requires more resources than we generate at this time, but that is hardly a problem unique to a Waldorf school. In the meantime we can work together to realize the day when we do have all the resources we need.

January 20, 2007, AWS Board of Trustees