



Reduced expenses and anticipated increased costs

George Stevens Academy works hard to be as frugal as possible, while still providing an excellent education to all our students. We do not believe that the best high school is the cheapest one, but we do believe we should use our funds wisely and carefully, and keep expenses to the minimum possible while being true to our mission. In that spirit, we have reduced expenses over the past three years, as revenues have declined because of fewer boarding students.

General Expenses

Between the 2019-2020 and 2020-2021 school years, GSA reduced total expenses, excluding salaries, employee taxes, benefits and college scholarships, from \$1,732,897 to \$1,318,301. The 2020-2021 expenses do not include COVID-19 related expenses of \$309,155 which were covered by CARES Act funding. The 2021-2022 Budget forecasts a further reduction of total expenses, excluding salary related and scholarships, to \$1,195,782.

Salaries, employee taxes, and benefits have remained relatively level despite two years of a modest 1.5% increase in line with cost of living expenses. This has been accomplished because of the careful management of retirees and new hires in many key administrative and faculty positions including: Assistant Head of School, Director of Finance, Director of Admissions, Head of Music Program and several other long term members of the distinguished Academy staff. The salaries and wages totaled \$3,281,353 in 2020-2021 and are budgeted to be \$3,288,838 in 2021-2022.

The most significant expenses reductions from last year, 2020-2021, to next year, budgeted 2021-2022 are:

Supplies	\$132,192
Professional Services	24,228
Advertising/Marketing	12,194
Admissions	11,700
Computer Hardware & Support	154,683
Publications	10,898
Total	\$345,895

Some of these reductions are clearly not sustainable, such as cuts to facility maintenance, departmental budgets, and minimal salary increases. However, as the Academy continues to

discuss adequate supplemental tuition, above the underfunding provided by the Maine State MAT, this issues will be reviewed and hopefully sufficient funding will become available.

Boarding Program Expenses

GSA has reduced the boarding program expenses substantially, in light of reduced revenues. In 2016-17, the Boarding Program had \$703,000 in expenses (and generated many hundreds of thousands in excess revenue). In the current school year, it has \$203,255 budgeted expenses. We continue to trim expenses in this program to reduce the projected deficit while we seek more full paying students.

Anticipated Future Expenses

In 2019, the Maine legislature passed a bill mandating that the minimum salary for teachers be \$40,000 by the 2022-2023 school year. GSA's current minimum salary is \$33,882. In order to keep our teachers, and hire good ones when we need to replace someone, we must have competitive salaries. We estimate that over the next few years, this will add 5%-10% to our teaching salary total, or \$80,000 to \$160,000 to the total budget.