

DRAFT

We know you have questions. We'll do our best to answer them here.

In November, George Stevens Academy proposed an increase in tuition coming from tuitioning towns over the amount set annually by the Department of Education (DOE). The proposed plan would raise tuition a total of \$2,700 per student over the next three years (2020-2023). After the third year, tuition would rise only at the rate set annually by the DOE.

Why is GSA asking for a tuition increase?

The cost of educating a GSA student is roughly 20% greater than the minimum tuition amount set by the DOE. For example, the state-set tuition in 2018-19 was \$11,759, but the actual cost of educating a GSA student was \$14,646. The reality of a tuition budget gap like this is not new; it has existed for at least fifteen years.

If the gap existed for years, why is GSA only now asking towns for an increase?

In the past, GSA has been able to close the budget gap by raising additional revenue. Sources of additional revenue include *annual fundraising; income from GSA's endowment; grant money from foundations; special gifts; fundraising for facilities projects; and, since 2006, significant surplus revenue generated by our boarding program.* For example, since 2008 GSA has fundraised more than \$11.5 million dollars used to support the programs and facilities we need to educate our towns' students.

For years, these combined strategies have enabled GSA to close the budget gap between the public money towns pay and what our true costs are.

Has tuition from the towns been used to pay for GSA's boarding program?

No.

GSA opened an international program in 2006 to increase cultural diversity and to add revenue to the annual operating budget. Since its inception, the program has generated significant surplus revenue that has gone into the operating budget. Unfortunately, for a number of reasons beyond GSA's control, the international student admissions picture has changed dramatically in the past three years for schools everywhere, and there is no reason to expect anytime soon a return to the robust admissions we enjoyed in the past.

Can't GSA just make budget cuts to close the tuition gap?

Over the past three years, GSA has cut more than \$300,000 from our operating budget. Some of these cuts (such as deferred maintenance) are not sustainable; others threaten to diminish student experience. Even after these cuts we face significant deficits.

What will happen if towns decide not to pay the tuition GSA is asking for?

We know that the decision the towns are facing—whether to approve the tuition increase we have proposed—has serious implications for town budgets and taxpayers. But the decision isn't simply about money: it's about the kind of high school education we all want for our towns' students.

GSA's mission is to serve all our town's high school students, mindful of their diverse aspirations and different career paths. Unlike most private high schools whose programs focus only on preparing students for college and university, GSA has developed programs and curriculum to benefit every student whatever his or her next steps might be. Our mission is to provide edge-to-edge education that supports all our students' futures.

But we must carry out this mission in a fiscally responsible way. If we don't have the resources to continue to serve all students' needs, we will be forced to make deep changes to our program, or possibly even to the mission itself.

Exactly how does the proposed tuition increase work?

We are proposing tuition increases totalling \$2,700 per student over a three year period as follows:

In 2020-21 tuition would increase over the 2019-2020 tuition (\$11,759) by \$597 to \$12,545.

In 2021-22 tuition would increase over the 2020-21 tuition by \$1,158 to \$13,703.

In 2022-23 tuition would increase over the 2021-22 tuition by \$945 to \$14,648.

Note: State-set tuition levels rise annually, so some portion of these increases include those mandated increases.

How did GSA arrive at these numbers?

GSA's Finance Committee, working with BerryDunn financial consultants of Bangor, projected that these increases in tuition, coupled with our own continued fundraising efforts, will balance our budgets for the foreseeable future. These increases are in line with the maximum additional amounts of tuition that Maine law allows towns to pay.

How does town funding for GSA compare with funding public elementary schools?

Maine's DOE sets a minimum cost per elementary student for every town. Each town then appropriates additional money to meet what's necessary to deliver the education their students need. In 2018-19, the seven towns spent on average 81% more than the DOE minimum cost per student. (For details, see the /TownTuition2019 webpage.)

How will the proposed tuition increase affect my taxes?

The impact on taxpayers will differ from town to town, because towns have different tax rates and different numbers of students attending GSA. To see some illustrations of possible impacts, visit our website [link here].

What happens to tuition rates after 2023?

In years after 2022-23, GSA's town tuition would rise by the percentage set by the DOE, which has ranged from .4% to 6% annually over the past fifteen years.

Will this proposed "tuition reset" be enough to close the budget gap?

We believe that this tuition reset will go a long way to closing future gaps between tuition revenue and the costs of educating students. But GSA will continue to actively and aggressively fundraise, both in order to address facilities issues, and to support curricular initiatives and innovations to become an even better school.

How do GSA's per student costs compare with those of public high schools?

According to Maine's DOE website, in 2017-18 the average per student cost of similar-sized public high schools in Maine was \$14,346. GSA's per student costs that year was \$14,493; Ellsworth's was \$15,595; Bucksport's was \$12,901; MDI's was \$18,510; and Deer Isle-Stonington's was \$21,426.

Why are annual DOE tuition rates for independent schools like GSA so low?

Good question. We don't have the answer to that one.

For more details, see www.georgestevensacademy.org/TownTuition2019.