

Frequently Asked Questions Relating to School Fees

What makes ISL distinctive in Luxembourg?

Our vision for learning puts exploration and inquiry at the forefront, with students as active and engaged participants in the learning process; students working individually, in small groups and as whole classes on projects that encourage connectedness; discovering meaning and truly exploring different ways of learning. At ISL, students learn how to learn.

As a private international school, we follow a standards based curriculum. In order to best meet the needs of our international student population, the curricula of several national systems are researched and have formed the sound basis for the development of ISL's independent standards and benchmarks. The school follows the IGCSE programme in Grades 9 and 10 and the International Baccalaureate Diploma programme in Grades 11 and 12. The school is accredited by the Council of International School and Middle States Association and is an International Baccalaureate Organisation (IBO) World School. In an ever changing landscape of careers and opportunities, the best value we can provide our students is that they see themselves as life-long learners with the confidence to succeed as technologies, tools, and times evolve.

Your tuition fees and the subsidy we are given by the government of Luxembourg are invested 100% in the education, health, well-being, and individualized attention we give your son or daughter. We meet each student where they are, and do our utmost to take them to where they need to be.

What is the value proposition ISL is offering to students?

Your tuition fees also enable us to surround our students with valuable people and resources that complement their learning and add tremendous value to their education. At ISL, students have access to an approachable teaching body, personal and academic counsellors and resources, experts in higher education and careers counselling, excellent art, theatre and music faculty and a plethora of performance opportunities.

These features add tremendous support to student success. In addition, health and safety is a priority. ISL maintains an infirmary and nursing staff, and the school contracts with a high quality security and catering service. In addition, our students have access to a diverse range of sports and extra-curricular opportunities.

Ultimately, the biggest value we offer your children is their daily interaction with the people that engage, encourage, challenge, inspire, and support them throughout their time at ISL. Our qualified and experienced school leaders, caring support staff and excellent teaching faculty form a core staff that ensures the highest standards are maintained in the classroom and that the daily operation of the school is in compliance with best practices in education.

How are tuition fees used?

The tuition and other fees you pay account for approximately three quarters of the actual value of an ISL education. ISL spends approximately €28,000 per year on each student's education. Fortunately, the government





of Luxembourg provides a generous subsidy so that tuition and fees can be kept to a minimum. 81% of the Operating Expenses are allocated to Staff Payroll related expenses.

How are ISL's operating expenses funded?

Approximately three quarters of ISL's operating expenses are funded by your tuition and fees. Approximately 30% is funded by government subsidies.

Based on the law voted on 13 June 2003 an operational State subsidy is provided to private schools, subject to certain conditions, to directly support private schools through a per capita subsidy using a formula that takes into account the State's contribution to secondary and primary state schools and whether or not the private school offers the Luxembourg curriculum. The law became effective on 1 January 2004.

As the School delivers an international learning programme which differs from the Luxembourg curriculum, the subsidy is set at a standard maximum of 40% of the full per capita cost established and set for Luxembourg public schools by the Ministry of Education. The total subsidy amount for each calendar year is determined based on the School's enrolment figures as of the preceding 31 October. As of 1 January 2008, following the introduction of the International

Baccalaureate programme in a few Luxembourg Public schools, a higher percentage than 40% may be considered by the State. For the determination of this percentage in addition to the number of students at the school, the Ministry of Education will consider other criteria related to Luxembourg teaching qualifications, teaching hours and student attendance are scrutinised by the Ministry of Education.

An annual audit of ISL's accounts, on a calendar year is performed by a State commission, composed of the Ministry of Education and Ministry of Finance committee members. This takes place early March latest.

The Subsidy is provided to the school directly. Cheque service cannot in addition be applied to school fees.

For every calendar year, the Luxembourg Government will usually announce the subsidy allocation in January based on the enrolment of the previous October.

These two variables, enrolment and per capita subsidy, can only be assumed, when setting the school fees.

How are School fees set?

Why do we do this in February?

As a practical matter, we communicate to all parents the school fees for the following school year in order that enrolment confirmation can be given to the school.

Why are enrolment confirmations important?

Enrolment confirmations are vital as they allow the school and the admissions team to deal with having the right level of pupils entering in each of the school grade years. There is a reasonable assumption that a level of the existing students will continue with ISL and move up a year but an international school such as ISL always has a level of turnover related to people leaving or arriving. We have already received applications from new families for the following year. However, in some grades, spaces for these new families will only become available due to the departure of current students

What assumptions are made?

Enrolment numbers are a key point of the budget. However as a practical exercise in setting the tuition fee, we take the input from the School Leadership Team leveraging years of experience from the Admissions department and the Board agrees to a projected enrolment figure. For every calendar year, the Luxembourg Government will usually announce the subsidy allocation in January based on the enrolment of the previous October.

These two variables, enrolment and per capita subsidy, can only be assumed, when setting the 2020/21 school fees.

Any rise in School fees to be paid is accompanied by a corresponding rise in the level of operational costs for ISL, both in relation to the teaching body made available to students as well as servicing costs as a result of the expanded campus. A number of assumptions are to be made in regards to the enrolment, the state subsidy, Collective Bargaining Agreement salary scales, the cost of living affecting payroll costs or service contracts and related VAT.

In addition, the extended curriculum offered by ISL to remain at the forefront of international education, requires extra budgetary consideration.

A thorough review of all related income and expenses, past and forecasted is then performed. We look at the approved previous year's budget vs. forecasted actuals for end of June to ensure that we understand that we are starting with the right baseline. The projection of the State mandatory Cost-of-living salary index is an added volatile variable.

Taking all of the above into account, allows the Board to agree on the next school year's School fees.

What is the appropriate level of School fees?

School fees are related to ISL's cost of education and to the degree the School fees reflect choices made by the Senior Leadership Team when selecting teaching staff. Based on a set of predetermined parameters, only highly qualified, well experienced candidates are selected as potential teachers. These expenses, together with the additional cost of associated expenses related to teacher resources, the curriculum and the underlying increase of educational costs over time due to changes in wages, salaries and other inflationary cost pressure peculiar to private education, are determining the level of tuition fees.

What are the school fees other than School fees?

In addition to the annual tuition fees, which are allocated to the operational budget of the school, **entry fees**, charged through the admission process, and **School Growth fee** are allocated to the funding of the building.

The school strives to achieve a balanced budget although in past years we have agreed to a deficit situation while introducing a stability reserve to balance any potential volatility.

The implementation of a **Stability reserve fee** was approved by the Ministry of Education last November 2015.

The target reserve level has been currently set at an initial level of 25% (= 3 months operation) of the annual Operational Expenses, which is based on:

- a review of policies of peer group schools (generally between 10 and 30%) and
- 'stress test scenarios' (significant drop in enrolment, temporary school closure, etc.)

The Ministry of Education allows for a maximum of 50% of the payroll costs, reference year 2013.

The Tuition fees are to fund the annual operational budget of the school.



The Stability reserve is to protect the sustainability of the school and to help alleviate future fee increases due to fluctuations in the government's subsidy, enrolment and extraordinary economic circumstances. The reserve therefore also serves to fund the annual operational budget shortfalls.

The school operational budget is based on the main factors of tuition fees, State subsidy and Payroll costs. These have factors that have become more volatile in the past years as:

- Tuition fees are dependent on a projected enrolment, confirmed only in August. The near full capacity simply means that new enrolment is less than in the past ranges.
- The State subsidy process has become more complex and the announced State per capita are not possible to predict and subject to one-off variations up and down. The challenge is not making a surplus due to the non-profit status and subsidy limitations or no effective deficit to protect long term stability Payroll costs due to Collective Bargaining Agreement negotiations and State imposed Cost-of-living index.

The overall school fees for following school year will be considered based on the income and expense projections

Where should I go if I have more School fees-related questions?

We encourage attendance at the Regular and Annual General meetings which currently take place annually in November.

You will find information regarding the past meetings, including the Audited Financial Statements, under the Board of Governors' section of the Community pages. You may also find our Annual Report interesting.

If you have any additional questions on any of the above, please do not hesitate to contact the **Head of Business & Finance** or the Business Office at islfincances@islux.lu.