

Tuition Frequently Asked Questions

December 2022

How is tuition set?

Setting of tuition and budgets at the school is a lengthy process that involves much collaboration and consultation. Our process mirrors most other independent schools in BC. An overview of the steps is below:

- 1) The school administration works through a needs-based budgeting model, where the costs of maintaining the current program are determined, including staffing requirements (about 70% of our budget), operational and maintenance costs, and financial debt servicing. A conservative enrollment projection is made, based on our analysis of the market and current trends. Any initiatives that emerge from our strategic plan are then added, and an initial tuition is calculated. The budget then goes through a series of internal evaluations to determine if there are any efficiencies to be found.
- 2) Once the initial budget is compiled, it is presented to the Finance Committee of the Board. Much time is spent scrutinizing budgetary changes, particularly increases in cost. Adjustments may be made at this stage before it is moved to the full Board of Governors meeting.
- 3) At the Board of Governors meeting, thorough discussions are had regarding the potential impact of any tuition increase. These discussions are informed by using benchmarking data from similar schools that have similar costs. Alternatives are discussed, as well as the potential impacts of those options. One of the Board's primary mandates is to ensure the long-term financial viability of the school. The Board and administration work closely to find a resolution that aligns with the mission and vision of the school, meets their fiduciary responsibilities, and considers all stakeholders.
- 4) Tuition for the upcoming year is announced prior to re-registration.

Are capital projects, like the expansion, included in tuition?

At this time, the capital project costs for the upcoming expansion are not included in tuition as the school has been able to set aside some accumulated cash surplus from the last number of years to help support the future expansion, as well as funds being raised through the Audacity Campaign. More funds need to be raised via donations to the Audacity Campaign to pay for the expansion project. Any funds not raised through donations will result in the school taking on debt to pay for some of the expansion and readjusting construction timelines.

The cost of debt is part of the operational budget of the school and may impact tuition in the future depending on the amount incurred. For the 2023-2024 school year, no additional debt has been assumed.

Who sets the tuition?

The Board of Governors is responsible for setting the tuition, but they work closely with the Head of School and school administration.

Why did the tuition go up by so much next year?

There were two major factors that impacted the budget significantly for next year.

- 1) Salary increases – The public teachers of BC reached a settlement with the government which outlined the salary increases that teachers can expect over a three-year period.

2022/23 (Current year)	Approximately 4%
2023/24	Up to 6.75%
2024/25	Up to 3%

- 2) Inflationary costs – The cost of almost everything has increased this year with inflation. Despite inflationary cost increases in many areas of operation, the school has redistributed its budget allocations to cover the majority of increases in operational costs and eliminated expenditures that could be deferred or foregone without effecting programming.

Specifically, our payroll budget is expected to increase about one million dollars due to the recent ratification of the employment agreement between the BC Teachers Federation and the Ministry of Education. While this predicted increase in the salary grid, which is used to determine pay for our teachers, is up to 6.75%, some teachers will have earned an additional step on the scale (determined by experience and education level), making their gross salary increase as high as 13%. We must pay our faculty and staff in alignment with what is paid in the public sector if we want to retain the teachers, faculty, and staff we currently have, to deliver the level of programming our students experience, and parents expect. The tuition increase is due to these labour cost increases.

Increases in operational resources and the mounting insurance premiums were mitigated through the reallocation of budget resources and the removal of expenses that may be delayed.

Does tuition go up every year?

As is the case with most services, the cost of education typically climbs year to year. As costs increase, including teacher and staff salaries, revenue must also increase to cover this. Looking back at our trends over the last 10 years, tuition has increased annually between 4-6% in each of those years.

Independent School Management suggests that tuition increases can be estimated by:

$$\text{Consumer Price Index\%} + \text{an additional 2\%} = \text{\% tuition increase}$$

Most independent schools end up very close to this mark every year, including Meadowridge.

Is financial aid available for families that are struggling with the costs?

Yes, financial aid is available to our current families. It is a priority for our school community to stay together and we have a robust financial aid system in place. Families are encouraged to reach out directly to Mr. Scott Banack, or [visit our website](#) for more information.

How do we know that our tuition dollars are being well spent?

Financial practices at Meadowridge have always been very transparent. Copies of our audited financial statements are [posted online](#) for the community to view. We are very proud of the regular clean audit reports that we receive and are open to discussing our financial practices with our families. Again, you are encouraged to contact the school if you have further questions. They are always welcome!

Going forward, what can we expect for tuition increases on an annual basis? What is being forecasted for the next 3-5 years?

It is difficult to forecast future tuition increases as these are directly tied to inflation numbers that are currently unknown, particularly in this uncertain inflationary environment. Fees have generally increased at independent schools at a pace roughly equal to headline CPI + 2% over the past decades, and this method could be used to approximate what increases may be expected over the next 3-5 years. Some economists are predicting 2023 inflation to settle back into the +/-3% range for the next year or two. Historically, as previously noted, our tuition has increased between 4-6% annually since 2013.

How is the school allocating the new budget?

With the high inflation numbers in 2022 putting pressure on costs of labour, operational costs (maintenance, insurance, etc.), tuition increased despite the school reallocating budgeted resources to mitigate this increase. BC Stats has reported a 7.8% CPI increase from October 2021 to October 2022. To maintain our current programming and staffing, sustain financial stability, and meet our banking covenant, tuition has increased correspondingly. There may be some room for program development in the second part of the year as staff return from leaves.

Is it possible to implement a tuition freeze to alleviate financial pressures for families?

A tuition freeze is simply not feasible without significant ramifications to programming and/or staffing. As noted earlier, the cost of virtually everything is going up, including the cost of education. However, the Board allocates funds for the financial aid program to help families who experience financial pressures and need some financial reprieve, and the school is looking at other temporary alternatives to help ease the hardship that some of our families are facing.

Previously, there was a tiered tuition fee structure (different fees in ES, MS, and HS). What are the reasons for using a harmonized structure, where Meadowridge charges the same for every student?

Meadowridge adopted a harmonized tuition structure many years ago. As tuition is consistent and more predictable across the school, it reduces the likelihood of large turnover between sections of the school, keeping our community more connected. Teachers and staff are paid equitably, regardless of which division they work in.

Can we use reserve funds to offset some of the financial pressure families are facing?

The school prepares a break-even budget annually based on hard predictable income as is mandated by the Board. This provides for financial stability. Surplus arises due to additional students joining our school part way through a school year and cost savings from diligent spending. These surpluses are set aside as reserves in the event of unanticipated economic impacts and allows for the accumulation of funds that can be allocated toward future projects such as upgrades, renovations and enhancements to facilities that would not traditionally be fundraising initiatives. Many of the projects at the school, such as the North Forest land acquisition, ELC building, glassed PYP colonnade and the recent MYP wing expansion would not have been possible without some of the funds from past annual surpluses. Past surpluses were also used to support families financially when the COVID-19 pandemic presented itself as it allowed the Board to extend the financial support for families in need.

Information about all Canadian charitable organizations can be found [here](#). This is public information, so you are welcome to see the annual revenues and expenses generated by most independent schools, including Meadowridge.

What can the school do to help families facing financial challenges?

We can mitigate the financial stress that some families are feeling, without compromising the long-term financial stability of the school by providing easier access to our financial aid program. We are in the process of designing a system to better support families with the details to follow. We are committed to both helping support our community and continuing to offer the programming and service that we are so proud of.