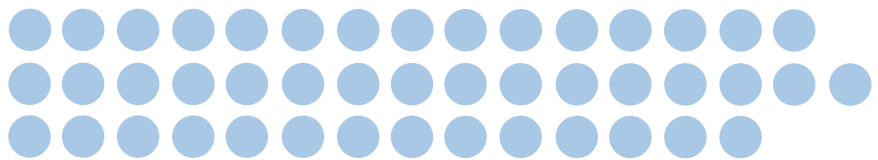


Recovering
Costs for the
Community Use
of Our Schools



A White Paper:
Examining the successful implementation of cost recovery programs in our schools.



The Cost Recovery Champions We Interviewed

A special thanks to these facility scheduling champions, who assisted SchoolDude with the analysis necessary to compile this white paper. We appreciate their time and willingness to share with others their best practices in achieving cost recovery for their schools.

Barbara Danner – Barbara is the director of community recreation and education at *Whitmore Lake Public Schools* in Michigan.

Connie Doherty – Connie is the maintenance and operations specialist for *Missoula County Public School District* in Montana.

Merry Dunphy – Merry heads the facility scheduling program at *Coppell Independent School District* in Texas.

Rita Haagen – Rita serves as outside facilities coordinator for *Agua Fria Union High School District* in Arizona,

Denine Kysar – Denine is facility use coordinator at *Douglas County School District Re1* in Colorado,

Desone Parker – Desone serves as facility coordinator at California-based *Tamalpais Union High School District*.

Lauri Rainwater – Lauri heads facility scheduling through the maintenance department at *Clayton School District* in Missouri.

Kim Stutzman – Kim serves as the support services technician at *Tumwater School District #33* in Washington.

Janet Walker – Serving as a materials technician, Janet played a key role in elevating the facility scheduling program at *Irvine Unified School District* in California.

Recovering Costs to Find Relief

In this time of continually tightening budgets, school business officials and facility leaders are being challenged to identify alternate sources of income and more effective ways to cut operating costs. One trend that is increasing the financial burden on operating staffs and budgets is the growing use of school facilities by the community. This recent increase reflects growing sentiment that school facilities should be used more frequently because taxpayers and other stakeholders have invested billions in these assets.

However, the rapid rise in facility usage by outside groups strains already tight budgets and limited staff by creating high demand for a district's support services teams (custodial, maintenance, IT, athletics) and generating additional costs in the form of utilities, custodial overtime and wear and tear on equipment and facilities. While educational professionals recognize that the use of school facilities by the community must be supported, they also must acknowledge that some of these related costs must be recovered.

Maximizing Opportunities

In 2002, SchoolDude surveyed its clients regarding their organizations' desires and current policies concerning community use of school buildings. The responses indicated that usage of facilities by outside parties was a high priority, as well as a

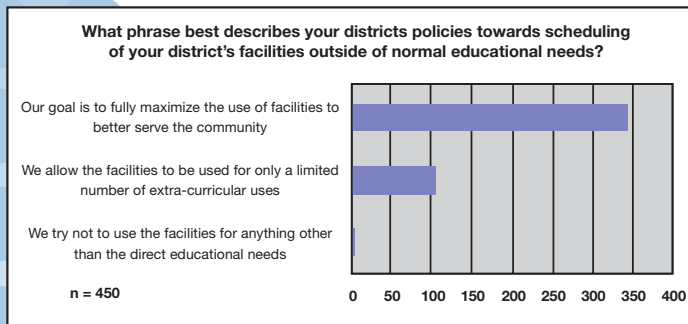


Figure 1

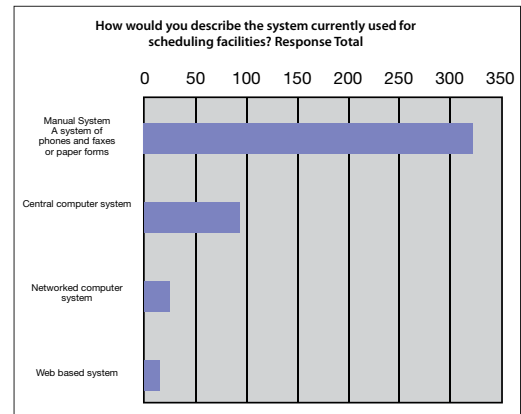


Figure 2

service districts hoped to continue and even improve. Almost all respondents were committed to using facilities for extra-curricular events, and most shared a common goal to fully maximize the use of facilities to better serve their communities (Figure 1).

The majority of those surveyed used a manual process for scheduling, communicating via phone, fax or paper forms to schedule the use of their facilities (Figure 2). Districts soon discovered that using the Web to manage facility usage is key, as pen-and-paper processes prohibit efficient coordination and do not scale well to the need as volume increases.

Meeting Demands

Having reduced the event management process burden by utilizing an on-demand scheduling system, the focus shifts to the inevitable rising costs entailed by being a benefactor to the community. Incurring additional costs to accommodate public use of facilities presents an entirely different problem to already money-tight districts.

A recent study of more than 1,000 school districts, colleges and private schools using SchoolDude's FSDirect facility scheduling solution examined how educational professionals nationwide are coping with this increasing demand for community use of school facilities. The sampling revealed that the average district holds 1.24 events per student per year (Figure 3). This is up from .16 events per student in 2002 – a very dramatic increase.

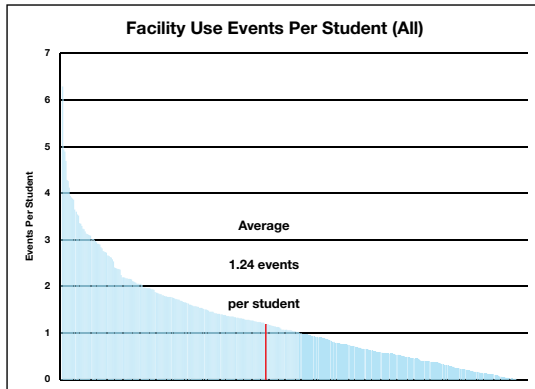


Figure 3

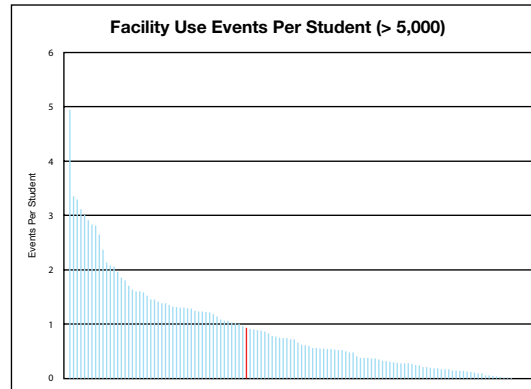


Figure 4

For school systems with more than 5,000 students, the average number of events per student drops to less than one event per student per year (Figure 4).

Yearly averages for the number of events per student range from .62 to 1.61, depending on enrollment size of the district (Figure 5).

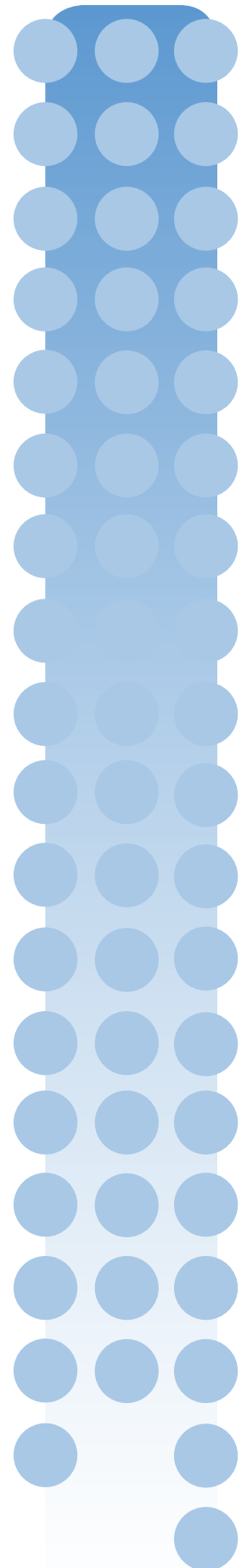
Enrollment	Average Events/Student
< 500	1.61
500 - 5,000	1.34
5,000 - 10,000	1.11
10,000 - 20,000	0.51
20,000 - 50,000	0.77
> 50,000	0.62
Average	1.24

Figure 5

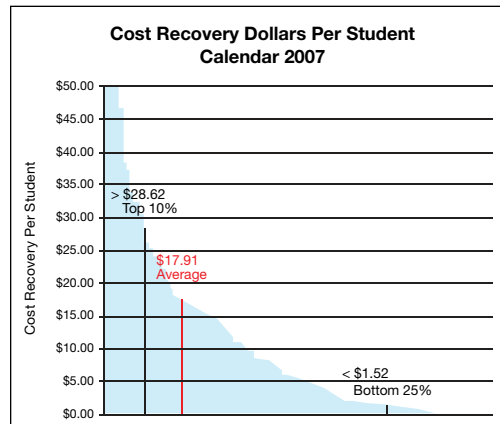
Recovering Funds

With facility usage undeniably trending upward, and no signs of it slowing down, the new issue at hand is how to keep this rising use from costing school systems more money they simply can't afford to donate to the community.

Most agree that the rising use of schools by the community adds costs and burdens operating budgets due to increased custodial labor costs (e.g. overtime), energy costs and increased maintenance costs. But each school district uses its own unique strategy to manage the community use of schools. Each has its own fee schedules, policies, "do not charge" lists, tiered structures, add-on charges and leadership philosophy.



A practical measure of how well a school district is recovering a portion of these costs is the study of cost recovery income, which is collected by the district for the community use of schools on an annual basis. SchoolDude’s sample set of participants included organizations ranging in size from those with less than 50 students to ones with more than 150,000 students. In order to compare districts of varying sizes, SchoolDude developed a metric of “cost recovery per student” to allow comparisons across the size spectrum.



Given this scale, it's easy to demonstrate not only a district's cost recovery from the previous year, but also an average cost recovery opportunity per student. From this information, SchoolDude estimates that the average district recovers \$17.91 per student in annual income. Districts in the 90th percentile exceed \$28 per student annually (Figure 6).

Figure 6

Taking into consideration the average and 90th percentile cost recovery rates of the entire sample, the chart below illustrates the annual cost recovery opportunities for various-sized school districts (Figure 7).

Enrollment	Average	90th Percentile
500	\$8,955	\$14,310
1,000	\$17,910	\$28,620
2,500	\$44,775	\$71,550
3,500	\$62,685	\$100,170
7,000	\$125,370	\$200,340
10,000	\$179,100	\$286,200
40,000	\$ 716,400	\$1,144,800

Figure 7

Observing Others

Through research and studying clients' experiences, SchoolDude discovered that some districts are faring better than others when it comes to cost recovery for facility use. How well school systems recover the costs associated with the influx of community use within their districts can help determine the overall success of the facility use program, as well as the impact it has on the district and budgets.

SchoolDude conducted interviews and collected video feedback from representatives at school systems who are doing exceptionally well with cost recovery for community use of their schools. The criteria used to select these school systems are as follows:

- Higher than average cost recovery income relative to student enrollment
- Steadily growing cost recovery over several years

The following school systems were interviewed about their procedures and lessons learned:

Organization	State	Enrollment	Contact
Agua Fria Union High School District	AZ	5,900	Rita Haagen
Clayton School District	MO	2,529	Lauri Rainwater
Coppell Independent School District	TX	10,265	Merry Dunphy
Douglas County School District Re1	CO	52,900	Denine Kysar
Irvine Unified School District	CA	25,496	Janet Walker
Missoula County Public School District	MT	8,846	Connie Doherty
Tamalpais Union High School District	CA	3,944	Desone Parker
Tumwater School District #33	WA	6,026	Kim Stutzman
Whitmore Lake Public School District	MI	1,351	Barbara Danner

Figure 8

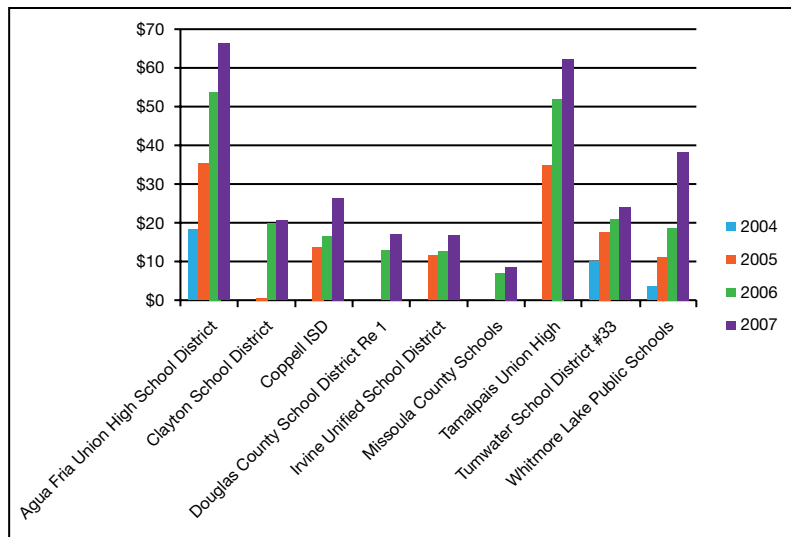


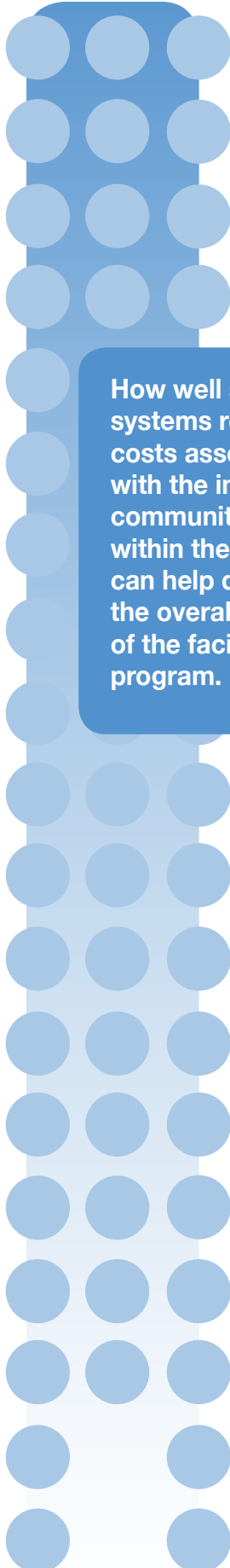
Figure 9

In spite of these school systems' top-tier results, all who were interviewed shared that they did not believe they were recovering all of their costs, but said they are making progress with better managing this growing cost burden.

Implementing Success

Based on these clients' successes, applying the following best practices could assist with successfully implementing or improving a facility use program:

- 1. Distribute event management:** It is critical to find a balance between which aspects of the process are centralized and which are distributed. Consideration should be given to school personnel regarding control and decision-making so authorization of who can use the school at what times can be centralized or distributed as appropriate. Districts with the most successful facility scheduling programs have determined that billing and policies must be centralized. Concerns such as risk management and community image drive this need for centralization. However, a method must also be created to allow decentralized



How well school systems recover the costs associated with the influx of community use within their districts can help determine the overall success of the facility use program.

decision-making regarding groups, event conflicts and ownership of the schools. The ability to empower school-level administrators, while at the same time maintaining centralized invoicing and policies, makes having both centralized and decentralized processes a necessity. An automated, role-based, multi-user facility scheduling solution makes this possible.

This holds true for *Desone Parker, facility coordinator at Tamalpais Union High School District in California*. The district's principals ultimately have control over who can use the buildings, but assistant principals and administrators in the athletic program are also involved. While decision-making is distributed to accommodate multiple layers of event management, only one person at the district serves as the go-to for invoicing and scheduling. This structure helps harness the collection of money to recover costs associated with community use.

Those at *Missoula County Public School District in Montana* share a similar event management mentality. While principals maintain approval rights, *Connie Doherty, the maintenance and operations specialist*, is the central figure who collects requests and handles billing. This enables easy access to a group's rental history, according to Doherty, while also providing a solid point person for those with questions regarding facility usage. Having managed approximately 14,800 events last year alone, those at Missoula can vouch for the benefits of this semi-centralized distribution.

- 2. Automate the process:** Paper, spreadsheets, calendars and email systems lack the efficiency gains provided by an on-demand facility scheduling and tracking tool. With multiple parties – such as principals, teachers, custodians, coaches and community groups – involved in the process, communication is key. According to *Merry Dunphy, who handles facility scheduling at Coppell Independent School District in Texas*, automating the methods of communication used prevents duplicate entry of requests and schedule overrides.

Janet Walker, the materials technician at Irvine Unified School District in California, grasps the importance of this automation, as well. Seeing thousands of facility use requests flow into the district's facility scheduling department, she understands the necessity of molding a process to create the most efficient method for all departments involved. Using a web-based program to communicate approval and set-up details saves time and money for the district, which enables those resources to then be allocated elsewhere.

- 3. Start small and gain buy-in:** When implementing a facility use program, begin with only certain types of rooms or certain schools. Gain support and buy-in from administrators and assistants, and then let those positively affected by the changes help sell the idea to the rest of the district.

Kim Stutzman, support services technician for Tumwater School District in Washington, revealed that having administrative support was imperative. Knowing the new process would improve efficiency and increase cost recovery, the district's facility director made sure those in the district office and business office were on board. This solid start set the tone for developing additional backing.

- 4. Recognize that leadership is key:** All those involved (e.g. school board, superintendent, facilities department, athletic directors, principals, business

office) must agree to support a policy that establishes fee structures, a cost recovery philosophy, and the process changes needed within the school district. Most philosophies consist of a goal-driven approach that focuses not on making money from community use but simply recovering costs.

For *Whitmore Lake Public Schools in Michigan*, this strategy has worked well. According to *Barbara Danner, director of community recreation and education*, planning stages went smoothly due to a savvy superintendent who encouraged the district to move forward with this opportunity to simplify their process.

- 5. Build support with principals and assistants:** Taking the time to build support with school-level administrators is important. Their understanding of what they will gain from this change is key in garnering support for a district-wide approach to community use. Positives include better visibility of who is in a building and when, not having to play the “bad guy” with certain groups or school users, lowered risk, improved security and less work.

Lauri Rainwater, who heads facility scheduling at Clayton School District in Missouri, understood that not everyone involved in the process would see the advantages at first. To help extinguish conflicts before they arose, she explained to the principals and school personnel what was in it for them, and she also created training manuals to aid with the rollout of their facility scheduling system. The principals appreciated the concept of knowing what is taking place in their buildings and then having the ability to approve the events. Meeting one-on-one with administrators and assistants to provide detailed explanations helped ease fears associated with implementing a new tool that would ultimately enable better scheduling and cost recovery.

- 6. Recover costs:** With the rising use of schools by the community creating very real demands on resources and school budgets, recovering the costs used to support this facility use is crucial. Costs – in the form of custodial overtime, rising utility bills, athletic equipment and facility wear and tear – are ever-present and should not be overlooked.

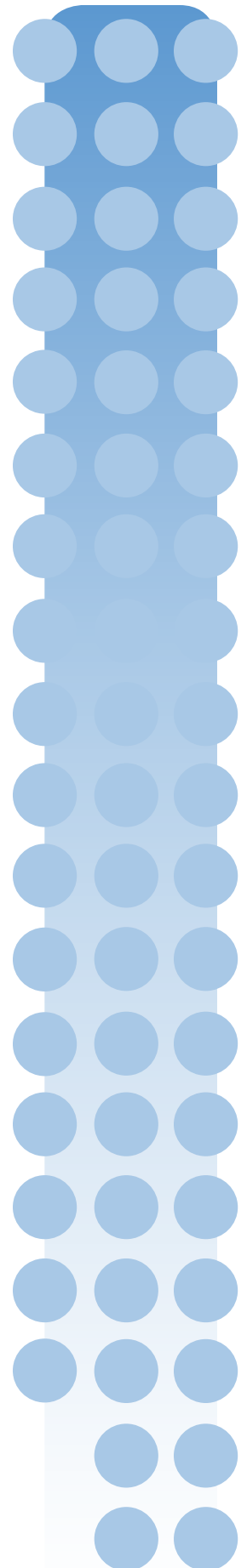
Siphoning money away from the classroom to make up for the costs associated with facility usage is a hindrance to the core mission of schools.

Coppell ISD in Texas formerly had an open door policy, allowing groups to use facilities for no charge, but the district now requires that certain groups pay for usage. While the district welcomes the public to use school facilities, the line is drawn at the expense of taking away educational dollars. Those at Coppell, like many others, feel that funds that go toward utilities and operations due to facility usage must be recouped.

Decision makers at Tamalpais UHSD agree. The board reviewed local facility rates to help gauge and create proper fee schedules for the district. While administrators understood the idea of free public use of facilities, they

also recognized the necessity of recovering costs for expenses brought on by this use.

- 7. Develop tiered fee structures:** Most successful districts establish a simple fee structure for the various types of community groups that use the school facilities. Groups are categorized to establish cost recovery fees based on the degree of connection with the students or the community.



Tumwater School District hosts nearly 15,000 events per year and has grown its cost recovery income by 20-30-percent per year. According to Stutzman, great efficiencies have been gained due to implementing specific fee structures. Tumwater organized bill rates by establishing four key groups, each with its own fee structure:

- Category 1: school groups – no charge
- Category 2: non-profit groups – cost recovery fee, no rental charge
- Category 3: community groups outside district boundaries – modified commercial rental fee, custodial fee, recovery fee
- Category 4: commercial groups – market rate charge

Stutzman revealed that implementing these fee tables and charge types brought the most notable efficiency gains. Such guidelines allow for faster quoting and invoicing, which enables the district to respond to usage requests more quickly.



8. Improve invoice management: Consistency is key when managing the collection of money from invoices. A billing experience that is consistent and accurate from start to finish improves service to the school’s customers and the community users, as well as increases the likelihood that the group will use those facilities in the future. According to Stutzman, the following tips will help improve the collection process:

- First, provide a quote to set proper expectations. Then, follow up with an invoice that is consistent with the quote.
- Create bill rates. These are the keys to efficiency, accuracy and a growing income.
- Be pleasantly persistent with past-due notices.

9. Establish presence at the event: The largest and most quantifiable costs from community event use stem from custodial labor charges. However, this presence is important. Having a custodian on-site during events reduces damage to property and equipment and protects the district. According to *Rita Haagen, receptionist and outside facilities coordinator at Agua Fria Union High School District in Arizona*, most users understand this requirement after an explanation of the potential damage that could occur if facilities were left open and unsupervised.

10. Form a team: When reviewing the benefits of cost recovery and all that encompasses facility use, consider creating a team to help with the decision making. *Denine Kysar, facilities coordinator at Douglas County School District in Colorado*, revealed that her district put together a “System Improvement Team” for this purpose. Commissioned by the superintendent and composed of administrators, the operations director, custodial management and the district’s athletic director, the group evaluated the district’s processes and policies. After studying several other districts to look for implementation ideas, they made a case to establish a centralized policy and eventually raised their rates.

Ending Debates

While some districts may be steadily recovering the costs associated with community use, many are still enduring a political battle. Most school officials agree that the public should be able to use a district's school buildings. However, the issue of whether community groups should be charged for usage is often debated.

Some argue facility use should be free of charge for taxpayers since their dollars paid for the buildings being used. But many, including some government officials, realize this approach is doing more harm than good and are calling for a change.

For example, under California's Civic Center Act, districts are required to make their schools available to the public, but also must recover costs for use of those buildings. Failure to do so puts a burden on a school district's top priority: educating students. Siphoning money away from the classroom to make up for the costs associated with facility usage is a hindrance to the core mission of schools. And that's a price no one wants to pay.

About SchoolDude

SchoolDude.com is the nation's leading provider of on-demand software for facilities, technology and business operations, designed exclusively for the unique needs of educational professionals. SchoolDude's event management suite of solutions allows users to coordinate across facility, athletic and transportation departments. FSDirect, SchoolDude's facility usage scheduling tool, streamlines the process of managing facility usage requests, tracking event schedules and accounting for event usage expenses at the district level. SchoolDude's CommunityUse module allows for a public calendar view for event scheduling that interfaces with FSDirect. Facility Schedule Automation is an integration tool that connects and enables data exchange between building management systems (BMS), and other intelligent building technologies, and FSDirect. TripDirect, an on-demand trip planning and management tool, helps streamline the school field trip and extracurricular trip workflow process from request and approval to vehicle and driver scheduling. Integrating SchoolDude's FSDirect and TripDirect systems with ConnectScheduleStar provides an easy-to-use technology solution for more efficiently managing event schedules by improving district-wide communication and resource coordination. For more information about SchoolDude, visit www.schooldude.com.

For more information about this topic, go to:

http://info.schooldude.com/Cost_Recovery

This white paper is based on 2002 and 2007 research and client interviews conducted in 2008.

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