

Guidelines for Interpreting and Scoring Benchmarks

10.6: *Financial plans include educational materials for distribution to all members of the community explaining the total cost per child and how that cost is met by identifying the percentage of cost that is paid for by tuition and the remaining amount of cost that is supported by other sources of revenue.*

I. What does this benchmark indicate for school performance?

As with any goods or services, perceived value is one of the most important driving factors for families making enrollment decisions at Catholic schools. Benchmark 10.6 recognizes this reality, and directs school leaders to articulate a clear value proposition for current and prospective families based on the comprehensive cost and revenue information described in Benchmarks 10.4 and 10.5. Specifically, a comparison of total value received (the all-in “cost per child”) and the amount of that cost that is covered by tuition can be extremely powerful in attracting and retaining families and students, since (at most schools) the difference is stark: even “full-pay” families are seldom covering the full cost, since tuition is most often set below the full cost per child.

Please note that this benchmark is highly dependent on Benchmark 10.4 (the full cost accounting necessary to develop a cost-per-child measure) and 10.5 (the full revenue picture necessary to show the portion of cost covered by tuition and explain what other sources make up the gap).

Of course, not all value can be calculated economically. In particular, the unique gifts and charism of most Catholic schools go beyond the school’s cost structure, and when describing “value received” it’s important not to lose sight of this, or to become so enamored of the calculations that we present them as the primary reason to choose a Catholic education. However, in a world where most public schools are available, safe, reasonably effective and free, this type of analysis is important to level the playing field and show families that the school is an excellent steward of their resources and is working hard to stretch those tuition dollars as far as possible.

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II. As a review team member, what evidence do I look for?

These are some questions which will help to frame this item:

- What are the scores for the school's performance on Benchmarks 10.4 and 10.5? (Assessment in this area will be different depending on the results for 10.4 and 10.5).
- Did the school score at a Level 1 – Does Not Meet Benchmark for either 10.4 or 10.5? If yes, this benchmark will automatically be Level 1 as well.
- Did the school score at least Level 2 in both 10.4 and 10.5?
- What do you find in the financial plan as well as financially related materials that have been distributed to the school community over the past 18 months? (To some extent, this is an “either it's there or it's not” situation)
- Does the school have a clear cost-per-child articulated and compared to existing tuition, or has it failed to do so?
- What are the responses of interviews with key leadership team members regarding the progress towards the goal, if evidence cannot be found?

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III. What are the key differences between the levels of the rubric?

At level **3-Fully Meets Benchmark,**

the school will have achieved a Level 3 rating in both 10.4 and 10.5 based on well-understood and comprehensively articulated sets of cost and revenue information. Cost per child is explicitly calculated, incorporated into the financial plan, and communicated clearly to parents and stakeholders. Revenue percentages are applied to the cost per child, showing the percentage covered by tuition and explaining where the remainder of the revenue comes from. This communication is updated at least annually, and is readily available to the community and to prospective parents (for example, published prominently on the school's website).

At level **4-Exceeds Benchmark,**

the school will likely have achieved Level 4 in either 10.4 or 10.5, or perhaps both. In communication materials, the comparison of cost-per-child and tuition / other revenue is trended over time and projected into the future. The comparison with tuition takes the added step of incorporating tuition aid information. This information might be included as an average that reduces the effective tuition across the board, or might be done as a set of scenarios in which full-pay, partial scholarship and full scholarship (if applicable) examples are described. Future projections incorporate a sophisticated understanding of how costs and revenues are expected to change over time, and are informed by the school's plans regarding shifts in the revenue portfolio mix.

At level **2-Partially Meets Benchmark,**

the school will have achieved a Level 2 rating in both 10.4 and 10.5, and may have achieved Level 3 in one of the two. Cost information is sufficient to create a provisional cost-per-child measure. Clear tuition data is available, such that the school can articulate the percentage of cost covered by tuition, even if it may not be able to explain precisely the mix of other revenue that makes up the gap between cost and tuition. The calculation may be out of date, or is not updated regularly. Even if the calculation is robust (Level 3), if it is not well articulated or is available only sporadically (annual mailing vs. continuously available on the web), the school should be considered Level 2.

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At level **1-Does Not Meet Benchmark,**

the school is at Level 1 in either 10.4 or 10.5, indicating that either cost or revenue data is insufficient to be able to articulate the comparison between the two. Even if the calculation is relatively robust (Level 2 or even Level 3), if it lives only within the school's financial planning documents and is not communicated to parents, prospective families and other school stakeholder groups, the school should be considered Level 1. The essence of this benchmark is the word "distribution" – an excellent calculation that no one has seen might as well not exist. In this way, it is possible to achieve high evaluations on Benchmarks 10.4 and 10.5 and yet be level 1 on 10.6 if that great work is hidden under the proverbial bushel basket.

IV. What are some key suggestions for improvement?

To move from level 1 to level 2,

- Review the schools ratings on 10.4 and 10.5.
- Determine why the low ratings, if that is the case, and work on improving 10.4 and 10.5 so there is information to communicate.
- Demonstrate a commitment from the leadership team to communicate the data, if it exists. Commit to this level of transparency.
- Perform the necessary calculation (cost per child, percentage of cost paid for by tuition and remaining amount of cost) and produce a document for immediate transmission to the community (and, if possible, post on the school's web presence).

To move from level 2 to level 3,

- Review the school's ratings on 10.4 and 10.
- Meet with stakeholder communities, if this information is available and determine how best to make this information continuously available to the stakeholders.
- Give extra consideration, in assessing options, to the opinions of families that have recently joined your community, as they are your best proxy for the prospective families out there that you haven't identified yet.

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To move from level 3 to 4,

- Verify that the school is already committed to transparency and is working hard on communicating value to all stakeholders.
- Collaborate with your community members, especially parents, and allow them to drive how you continue to innovate.
- Consider working with an expert in enrollment management or academic marketing to evaluate the best way to present your unique school's situation.
- Utilize well, the value proposition embodied by the difference between effective tuition and actual cost. (Catholic identity and other unique cultural assets)
- A high degree of transparency is indicative of both confidence and humility on the part of the school's leadership team; it shows that you believe in your approach, but are open to hearing better ideas.

V. What are key terms for common understanding? (Refer to NSBECS Glossary for terms listed below.)

Stakeholders
Effective tuition
Transparency
Revenue portfolio