



High Meadow School

2024-25 BUDGET PROPOSAL



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REVISED PROPOSAL

Presented for Approval: September 24, 2024

Introduction

High Meadow School's 2024-25 proposed budget reflects a strong financial and academic program. We start the 2024-25 year with 21 more students than we started with last year (an increase of 12.4 students on an FTE basis). This year's budget also virtually eliminates last year's deficit. Our enrollment has grown despite increased tuition, and our deficit has shrunk despite increased financial aid. Our fiscal position is also strong: the year-end balance sheet reflected non-operational securities and cash accounts (our de facto endowment) of more than \$800,000, over and above our working cash accounts of more than \$350,000. The anticipated budget deficit of \$4,225, is close to break even, and presents the potential for a surplus if, as happened last year, the school benefits from mid-year enrollments. By increasing enrollment, increasing financial aid and remission, increasing the size of our faculty, and integrating and improving enrichment programs, we believe that this budget reflects a commitment by all constituencies of our school both to our mission and to principles of financial discipline.

As we celebrate our 40th year at High Meadow School (HMS), we take a moment to reflect on this significant milestone. This past year, we completed the NYS AIS Decennial Accreditation review, allowing us to assess our past, present, and future.

During this process, we witnessed the genuine enthusiasm and steadfast commitment of our board, administration, faculty, and staff. Their dedication to our school's mission and values shines through in every interaction with our students. High Meadow's vibrant educational program, delivered by our passionate educators, places students at the center of the learning experience. It is evident that our students feel recognized, valued, and supported, fostering their confidence and readiness for the next steps in their educational journeys.

We take pride in how High Meadow makes the most of our talented staff and the strong support from our dedicated parent community. This year, we recommitted to and updated our mission and finalized our Diversity, Equity, Inclusion, and Justice (DEIJ) statement along with its guiding principles. These principles are now integrated into our curriculum, emphasizing our commitment to these important values.

Our careful financial stewardship of the school's resources has allowed us to build a budget that:

- Maintains small class sizes
- Continues providing financial assistance to families in need
- Offers modest cost-of-living salary increases to HMS teachers
- Makes necessary improvements to campus facilities





High Meadow School

Consolidated 2024-25 PROPOSED BUDGET

Ordinary Income/Expense

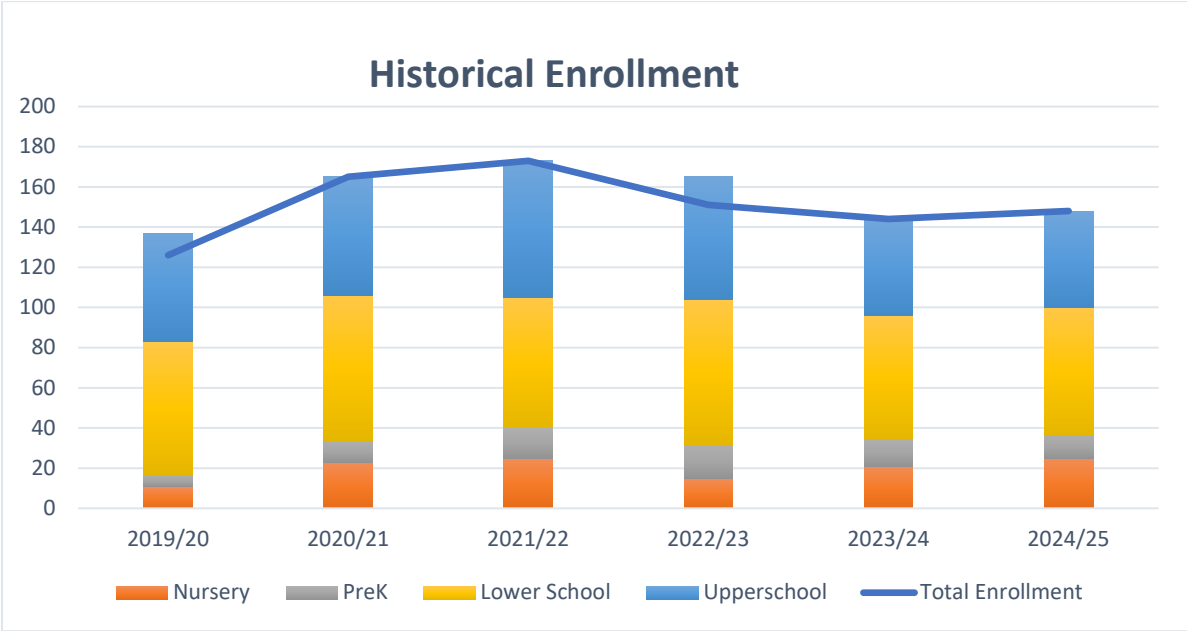
	2024-25 Budget	2023-24 Year End	2023-24 Adopted Budget	2022-23 Year End	Budget Increase/Decrease
	150 Students; 146.2 FTE	Year ending - 145 Students; 142 FTE	Began Yr. - 139 Students & 133.8 FTE		
2400 - Investments/Fund Draws					
2401 Interest	\$6,000	\$9,128	\$4,000	\$288	\$0
2410 Investment Draw - General Assets	\$44,000	\$0	\$0	\$0	\$44,000
2411 Investment Draw - Restricted Assets	\$35,000	\$0	\$0	\$0	\$35,000
4250 - Nonprofit Grants	\$2,500	\$2,599	\$2,500	\$1,100	\$0
5490 · Miscellaneous revenue	\$10,000	\$16,493	\$10,000	\$9,230	\$0
5810 · Fundraising Income	\$250,000	\$175,386	\$175,000	\$159,650	\$75,000
5815 · Auxiliary Income	\$397,000	\$405,960	\$412,500	\$406,157	(\$15,500)
5920 · Program Tuition Income					
5920.01 · Tuition Contracts	\$2,768,465	\$2,411,568	\$2,32,1611	\$2,546,520	\$446,854
5920.02 · Financial Aid	(\$295,000)	(\$247,425)	(\$225,000)	(\$211,210)	(\$70,000)
5920.05 · Sibling Discount	(\$22,000)	(\$20,900)	(\$22,000)	(\$30,250)	\$0
5920.06 · Tuition Remission	(\$223,189)	(\$131,390)	(\$122,776)	(\$117,118)	(\$100,413)
5921 · Fee Income	\$86,050	\$88,125	\$80,000	\$91,992	\$6,050
6100 · Other Federal Incomes	\$44,000	\$62,113	\$42,000	\$53,927	\$2,000
6101 · Math, Science & Tech. Grant	\$0	\$0	\$0	\$19,098	\$0
Total Income	\$3,102,827	\$2,771,658	\$2,677,835	\$2,929,385	\$424,992
Expense	37.0 FTE	35.6 FTE	34.5 FTE	37.5 FTE	
7200 Salaries & Work Exchange	\$2,204,500	\$2,030,014	\$2,081,190	\$2,143,468	\$123,310
7250 · Employee Benefits	\$273,693	\$229,353	\$291,180	\$272,358	(\$17,487)
8000 - Operational & Admin.	\$224,950	\$240,108	\$220,600	\$275,144	\$4,350
8100 - Program Costs	\$181,775	\$162,308	\$126,580	\$147,387	\$55,195
8115 · Aux. Program Costs	\$117,800	\$134,355	\$109,825	\$95,370	\$7,975
8116 · Fundraising Expenses	\$25,000	\$16,906	\$25,000	\$25,820	\$0
8610 · Bad debt expense	\$10,000	\$6,933	\$20,000	\$6,776	(\$10,000)
8670 · Loan Exp. SBA	\$15,168	\$15,168	\$15,168	\$12,640	\$0
8700 · Mortgage Expenses	\$54,165	\$54,616	\$54,165	\$58,678	\$0
Total Expense	\$3,107,051	\$2,896,668	\$2,943,708	\$3,037,641	\$163,344
Net Ordinary Income	(\$4,225)	(\$125,011)	(\$265,873)	(\$108,256)	\$261,648
Other Income/Expense					
599 - Appropriated Fund Balance					
Use of Restricted Fund - DEIJ Fund		23,500.00	50,000.00		
Planned use of general fund balance		100,000.00	200,000.00		
Total Other Income		123,500.00	250,000.00		
Net Income		(1,510.50)	(15,872.50)		



Key Factors in Developing the 2024-25 Budget

ADMISSIONS

Maintaining and enhancing programming is at the core of our thoughts while formulating the budget for the new year. Enrollments during the 2023-24 saw a return to our traditional average of 145 students (142 FTE), an increase of 8.2 FTE from the start of school to the end of school. This accounted for the majority of the income generated to reduce the anticipated 2023-24 deficit. This year’s budget is based on 150 students (146.2 FTE) enrolled. We remain hopeful that we will continue to see our numbers increase as we are actively processing new inquiries for the current year.



TUITION

While making the final decisions on our 2024-25 tuition, we reviewed long-term budget scenarios and evaluated tuition options to improve our programming and student offerings. We compared our current tuition costs with those of our nearby competitors in the Hudson Valley. Currently, High Meadow School’s tuition aligns most closely with Woodstock Day School. However, providing value remains our primary focus.

To enhance program value, we increased some tuition rates more than others. The following chart depicts the final rates for 2024-25 and their actual increases:

Grades	23-24 Tuition	Increase	Actual %	24-25 Tuition
Nursery	\$12,500	\$1,250	10.00%	\$13,750
Pre K	\$15,165	\$1,185	7.75%	\$16,350
K- 4 th	\$18,750	\$1,125	6.00%	\$19,875
5 th - 8 th	\$18,850	\$2,100	11.40%	\$20,950
Average Tuition Increase			8.79%	

The increase for Nursery reflected the fact that our prior tuition was 30% lower than many local private schools and daycare centers. The Nursery program operates at a significant deficit, costing approximately \$16,263 per child, mainly due to a lower student-to-adult ratio necessary for quality support. We anticipate future increases to help close the gap between revenue and expenses for our Early Childhood program.

Middle school tuition is \$20,950, an increase of 11.4%, but the effective increase was closer to 5% because it included various costs previously passed onto families in the form of incidental billing, such as field trips. Community feedback indicated a desire for more field trips, and incorporating these costs into tuition will ease financial burdens on families and streamline planning for teachers.

Despite these tuition increases, we increased enrollment, increased net revenue per student, and increased financial aid.

FINANCIAL AID, SCHOLARSHIPS, WORK EXCHANGE & STAFF TUITION ASSISTANCE

This year, we committed to working to ensure that the tuition increase does not prevent families from continuing their child's education at High Meadow for the 2024-2025 academic year. To support this goal, we have increased the financial assistance available to families in greatest need, offering help beyond 50% of tuition where necessary. Additionally, we will continue to provide the Helen's Hope scholarship, designed to support students who identify as BIPOC and require financial aid to cover costs beyond their awarded assistance. These scholarships will be funded from dedicated funds to help offset part of the financial aid budget.

For the 2024-2025 school year, we have awarded financial aid to 32 students, amounting to a total of \$294,375. This represents 22% of our student body.

Our fiscal policy sets the target of 10% of the annual operational budget for financial aid. The amount awarded this year is slightly higher (11%). We have achieved this while at the same time operating with a budget close to balanced. Our goal recognizes that financial aid and financial discipline are linked. We

have seen strong demand for places at High Meadow from families that want their children to attend (and who we would like to accept) but who are unable to afford full tuition. We remain committed to working to find opportunities for these families, this year and in the future, while remaining equally committed to our financial stewardship of the school. This year we increased the total amount of financial aid by more than 30%, while maintaining strong financial discipline.

The 2024-25 budget also included the addition of \$131,390 in tuition remission for new and existing staff. The staff discounts effectively doubled our previous year budget. The number of staff students receiving remission discounts increased from 11 to 17 students in our new budget.

We believe the increased remission bolsters three mission-aligned goals of our school: providing greater access to the school; providing enhanced support for our faculty; and strengthening long-term faculty retention.

To sustain our program, this year the Board approved a 7.5% draw from our non-operational securities and cash accounts held currently at Morgan Stanley which, at June 30, 2024 were valued at \$637,000. The budget is based on a smaller draw (approximately 6.9%). Our longer-term strategic goal is to maintain, and ultimately to grow, these funds to allow annual draws to support operations and to enhance budgeting and planning.

STAFFING, RETENTION & PROFESSIONAL DEVELOPMENT

HMS has committed the past several years to ensuring the school provides our teachers with a competitive salary in the Hudson Valley. This year, salaries were increased by an average of 3.5%. In addition to salary increases, our staff has requested additional support services and professional development.

This year, we are employing 45 different staff members for a total of 37 FTE, an increase of 1.4 FTE from the 2023-24 school year. Many of our staff work on a part-time basis, and the coming year will offer some new faces in part-time positions to further enhance our educational programs.

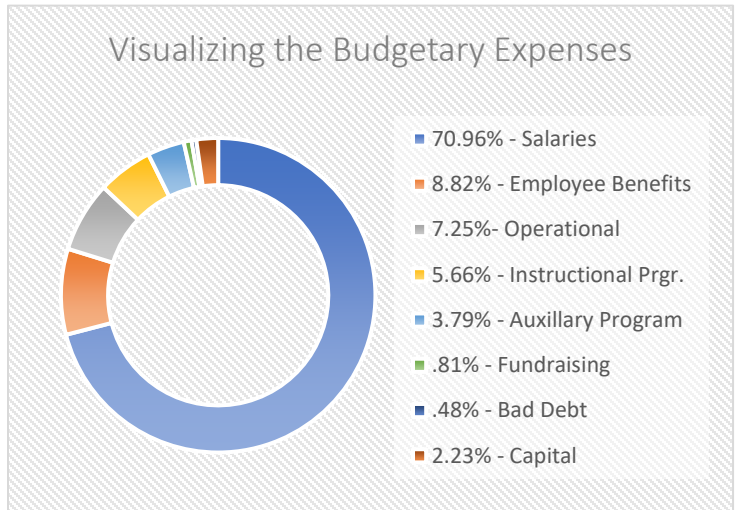
● Increasing our 5 th -6 th Grade Teacher	.1 FTE
● Adding an AIS Teacher	.4 FTE
● Adding a Spanish Teacher	.4 FTE
● Adding a DEIJ Coordinator	.4 FTE
● Increasing our Communications Support	.2 FTE
● Adding a Curriculum Specialist	.2 FTE
● Decreasing Facilities	<u>(.3 FTE)</u>
Total	1.4 FTE

We have added new positions and increased staffing by hiring replacements for a 2nd Grade Lead Teacher, a 1st Grade Teacher Assistant, and a part-time Lower School Counselor. Last year marked a transition for our Facilities and Grounds department. As we move into the 2024-25 period, we have reduced the Full-Time Equivalent (FTE) positions to accommodate this change. We anticipate that the higher costs of salaries and benefits from 2023-24 will yield positive outcomes in 2024-25, enabling us to lower the salary budget for this position.

Overall, the school's salary and benefits make up 79.7% of the total operating budget. The overall salary increases for the 2024-25 school year are \$121,446, a 3.9% budget-to-budget increase from 2023-24.

A long-term initiative in our budget plan is to increase the professional development budget as we look to the future. This year we are more than doubling our investment in professional development, budgeting \$11,500, compared to the \$5,000 included in the prior year's budget. We will also be utilizing Title II and Title IV federal grant funding. It is expected we will receive an additional \$20,000-\$25,000 for these federal grants for professional development, gender & sexuality training, science, and literacy materials. In addition to our operating budget, HMS will draw \$10,000 in funds from the DEIJ restricted fund to offset these expected costs.

Our DEIJ committee is actively pursuing grants to cover additional costs and enhance our student events and extracurricular activities. In addition to drawing from restricted funds, we aim to replenish the necessary resources to continue this important work in the coming years.



Increasing & Enhancing Programs Through Advancement, Events & Enrichment

The school has made notable strides in fundraising despite the lack of a dedicated Director of Advancement. The Board has shown exceptional commitment to fundraising initiatives, utilizing their diverse backgrounds and expertise to engage actively with donors and community stakeholders. These efforts have led to significant contributions that have positively influenced the school's financial position during the past couple of years. In 2023-24 we successfully met our goal of \$175,000, or just over 6% of our total revenue.

High Meadow School's 40th anniversary presents a significant opportunity to revamp our fundraising efforts and seek substantial commitments associated with this milestone. These initiatives will seek to enhance financial stability for the school, allowing us to plan and invest effectively. Communications relating to fundraising in this anniversary year will highlight specific community-relevant goals, such as faculty support, enhanced student services, and campus improvements. Considering these initiatives, and the growing strength of our community, our budget for fundraising is \$250,000, or about 8% of total revenues.

Last winter, HMS was thrilled to bring Athletics back! We were successfully able to reinvigorate a Basketball program in which 20 of our students, grades 4-8 were able to participate in. Due to the success of the athletic program, we have begun developing athletics even further by incorporating a Flag Football and Running Club with potential Cross Country meets for the Fall, a continuation of Basketball in the Winter and a Soccer program in the Spring. Based on feedback from our community, we understand the importance of offering athletics for the retention of our middle school students.

There will be a small fee for athletics in the coming year. However, this fee will not cover the costs of equipment, uniforms, and the initial setup of the program. Most of these expenses are one-time costs. We believe that investing in these programs now will help us reduce expenses in the future, specifically in the 2025-26 school year and beyond.

In Summary

The formulation of the 2024-25 budget at High Meadow School emphasizes maintaining and enhancing programming while addressing enrollment trends. For the 2023-24 school year, enrollment returned to the traditional average of 145 students (142 FTE) by year end. This significantly contributed to income and helped mitigate the large planned budget deficits. This year enrollment has continued to trend positively, reaching 150 students (146.2 FTE) by the time of this report. This enrollment level is an increase from the 2023-24 year-end enrollment, and a significant increase (21 students, or 12.4 students on an FTE basis) from the enrollment level at the start of the 2023-24 school year.

In setting the 2024-25 tuition, the school reviewed long-term budget scenarios and compared its tuition rates with nearby competitors. We believe that the tuition increases implemented (which averaged 8.79% overall) were reasonable considering the competitive landscape, the overall program value, and based on enhancements made to the program. For example, increases in middle school tuition aim to incorporate additional costs for field trips (previously billed separately), responding to community feedback. Financial aid offerings are also being expanded, with 32 students awarded aid totaling \$294,375, reflecting our commitment to help support families facing increased tuition costs. The fact that enrollment rose after these increases confirms our prior view that our community recognizes the value and overall benefits of the program.

We are also pleased that in this budget staffing and professional development were prioritized, with an average salary increase of 3.5% for teachers and the addition of new positions to enhance educational programs. The school employed 45 staff members for a total of 37 FTE, representing a slight increase. Professional development initiatives include workshops focused on restorative practices, and funding for this area has been increased to support ongoing staff training. Moreover, the DEIJ committee is actively pursuing grants to enhance programs and events, ensuring that resources are available for the school's diverse community.

Lastly, the school is anticipating the receipt of the Employer Retention Credit (ERC), which could further strengthen our financial foundation. While these funds have not yet been recorded due to ongoing IRS considerations, they hold the potential to support building an endowment, and enhancing financial sustainability for future initiatives. Overall, the 2024-25 budget reflects a comprehensive approach to enhance educational programming, support families, and secure the school's financial future.