

TCCES State of the Schools Presentation January 2012

On January 23, 24 and 25, Michael Sullivan, TCCES president, presented the State of the Schools address at St. Gabriel, St. Mary and St. Margaret Mary Schools. The following is a summary of the information he shared with TCCES parents, staff and parishioners.

TCCES Mission Statement – The TCCES Mission Statement guides our administration, staff and the board of trustees each day as we strive to deliver Catholic education and academic excellence to all of our students at each of our schools. It is a very important guiding force for our system. It also helps us remember that we are a system of schools, not individual schools. We strive to grow and gain strength as a Catholic educational system.

The Twin City Catholic Education System, in partnership with family, Church and community, provides a quality Catholic education that is focused on faith, academics, service and personal development from preschool through high school to influence a rapidly changing world.

Registration, Early Enrollment, Tuition and Tuition Assistance – The process of early enrollment for students that will be going into kindergarten, 6th grade and 9th grade went very well this year. Looking at the number of students that are early-enrolled in these transition grades, it appears that we should have a good registration.

Priority registration paperwork was mailed to all returning families the week of January 23. If you have not received your registration forms, please contact Jennifer Miller, TCCES Director of Admissions at jmiller@tcces.k12.wi.us or 920-722-7796 ext. 206. Priority registration closes on Friday, February 10. Registering before this deadline and submitting the registration fee of \$50 per student (with a family maximum of \$150) guarantees enrollment in the school of your choice and priority consideration for tuition assistance. Registrations are being processed at the TCCES Business Office. Although you can return paperwork to any of our schools, everything will be processed once at the business office for increased efficiency.

It was stated at the address that there would be one class for SG kindergarten and enrollment for SMM 4th & 5th grades would be limited to returning families. After parental input, the board decided to wait until after the February 10 deadline to make a determination on the number of classes offered. Once again, it is important that registration paperwork is turned in by February 10.

Please refer to the attached revenue source and cost per pupil charts for this section.

Tuition will increase approximately 3.5 percent next year. As you can see, 50 percent of TCCES revenue comes from tuition, 30 percent from parish subsidies and 20 percent from third-source fundraising.



These percentages will continue to change with the scheduled decrease in parish subsidies. Please know that our parishes are extremely generous in their support and we have been working with them over the past several years to have a more equitable distribution of subsidy for all five parishes. That being said, there is a schedule in place that continues to decrease subsidies until each parish reaches a subsidy level of between 45% and 50% of their envelope revenue.

You can see from the chart that tuition does not cover the full cost of educating our students. The true cost of educating a TCCES student is \$6,302 per pupil. This is the average between elementary, middle and high school. Each year we need to raise about \$1.4 million in third-source funding to bridge the difference between tuition and subsidy income and the true cost of educating our students.

Third-source funding is defined as any revenue that TCCES receives that is not tuition or subsidy. This income is generated by the annual fund drive, Jumbo Gumbo, Zephyrfest, scholarship gifts, endowment interest, estate gifts and other unrestricted giving. We have more than doubled the annual fund in the last five years. Last year's annual fund generated more than \$213,000, and Jumbo Gumbo raised over \$55,000 to cover operational expenses at our schools. Although Zephyrfest is branded as a fundraiser for SMC, it truly contributes to all of TCCES by covering a significant portion of SMC's operational costs and allowing funds to be freed up for use at other schools. This is very different than the other schools' fundraisers - Meet Me in the Middle, Brewfest, Wines Around the World and Winter Escape. These fundraisers provide funding for projects and equipment that are not covered in TCCES budget. While this revenue has a significant impact on our schools, it is not operational income directed toward the TCCES budget.

This coming year, we expect to have approximately \$50,000 to \$60,000 less in tuition assistance to offer. This decline is due to the expiration of the five-year \$500,000 Keller grant for tuition assistance. TCCES has been very blessed over the past five years to receive proceeds from this grant. However, we know that the one-time grant is coming to an end. There will not be an extension of the grant because the JJ Keller Foundation, Inc. has changed its focus to meeting basic needs.

TCCES has replaced some of the Keller grant funds by growth in annual fund and scholarship endowments. However, we know that fewer funds will be available in the future, and this will not affect just one school. It will be spread throughout all five schools, and certainly will have an impact on assistance applications for next year since there simply will not be as much assistance available. Again, please turn in your tuition assistance applications by the February 10 deadline for priority consideration.



Updates on three important topics --

TCCES/SMC Fine Arts Education Center (FAEC): This TCCES project is significant for every TCCES student since it will be utilized by all five schools. Studies show over and over the importance of participation in arts, drama and forensics. Students who participate in fine arts get better grades and have higher self esteem. The fine arts center is special because it is a project that TCCES can undertake that will benefit all of our students.

Since the FAEC fundraising effort began, we have raised \$3 million – the initial \$2 million lead gift and an additional \$1 million. Our goal is to secure \$3.76 million in gifts and pledges by mid-April so that we can break ground for this new facility.

Please join us on Monday, February 6 at SMC starting at 6:00 p.m. to help prepare another appeal mailing for the project. We appreciate all of the volunteers that have helped with the past two mailings. Thank you very much!

Technology – Over the past couple of years, TCCES has made tremendous strides with technology. St. Mary Central High School is a one-to-one laptop campus. By the end of this school year, every elementary classroom will have a SMART board. Seton will be adding a third mobile laptop lab before the start of the next school year. These mobile labs use the same kind of laptops as SMC to prepare the students for the one-to-one program. Also, as part of the addition at St. Mary Central for the fine arts education center, four interactive classrooms will be added. These classrooms will provide state-of-the-art interactive technology for instructional use. TCCES is committed to continue to focus on technology to prepare our students for the future. Technology will drive the biggest shift and innovations in education as we look toward the future.

Curriculum – Our primary focus is to integrate Catholic faith and our beliefs into all subjects at every grade level. Please take the time to learn about this faith integration by reading the school newsletters. They provide a wealth of information on this year's theme, the Ten Commandments.

Common Core State Standards (CCSS) focus on language arts, literacy, math and science. Each month, 10 to 12 teachers from our system have been attending classes on aligning curriculum with CCSS. SMC and Seton teachers have been working together to implement CCSS as they align curriculum with ACT standards. Elementary teachers have been meeting each month with the teachers from the same grade to align curriculum between the three elementary schools. One of our toughest challenges with curriculum is how to communicate to parents the critical nature of the work we are doing in the area of curriculum. (An update about the early-January in-service was emailed to parents earlier this month.)

TCCES Finances and Budget – Please refer to the attached December 2011 balance sheet for this section of the summary.

On the positive side, our endowments have seen significant growth for tuition assistance and scholarships. TCCES currently has \$2.2 million in endowment funds that we draw interest from to provide tuition assistance and scholarship.



Our reliance on our line of credit and inability to balance the budget are the negative issues that face TCCES. We cannot exceed a cap of \$850,000 on our line of credit and we will end this year close to \$800,000.

There have been several contributing factors that have brought TCCES to this point. One was a change in how we are now required to pay retirement benefits to our employees. This was a diocese-mandated change that resulted in an unexpected and unplanned expense of \$97,000 in the middle of last year. The cost of health insurance has also been a contributing factor. Our health care costs have risen 34 percent in the last two years. Again, this has been a diocesan change that we have had to absorb. Finally, as discussed earlier, the reduction in subsidy has also contributed to our reliance on our line of credit. In a three-year time period, TCCES will have absorbed an \$180,000 reduction in subsidy.

TCCES Task Force for the Sustaining Our Future -- As we look to the future, TCCES remains committed to providing quality Catholic education for our community. Yes, there will have to be changes and personnel reductions to become more efficient. However, we will follow the class size guidelines that are attached to this summary. Know that all discussions center on our student and providing a quality, faith-filled academic experience for each student. What does this mean for our system as a whole and for individual schools? At this time, we do not know for sure. However, we are committed to retaining five school sites for next year and will continue to look at a multitude of options.

The TCCES Board of Trustees has formed a task force to look at the future of our system and structure of our schools. This task force consists of the pastors, representatives appointed by the pastors from each parish and the executive committee. They will be investigating and recommending more efficient ways to handle our finances, facilities and line of credit. This task force will make a formal report back to the board of trustee in September 2012. The board will then make a recommendation to the corporate board.

We encourage parents and supporters to check the TCCES website to stay informed. There is a board section on the website that contains minutes from board meetings. The task force will be asking for parent input throughout this process, and will also post minutes in that same section on the website.

It is critical that we all be proud of the wonderful system, schools and the education that we provide. Share your support and pride by speaking up for our schools and programs in your parishes and throughout our community. Parents are our best recruiters! Please share your belief in Catholic education with your friends and family.

We need to focus on working together and keep our children the main priority in all that we do. They are our future!



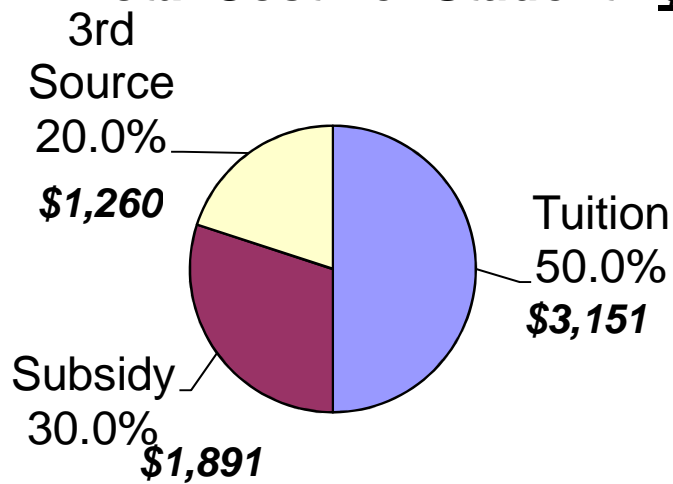
**TCCES 2011-2012
Cost Per Student
Revenue Sources**

	SMC	Seton	Elementary	TCCES
Enrollment	239	153	549	941
Cost per student	\$8,810	\$6,554	\$4,628	\$6.302
Tuition	\$5,110	\$3,146	\$2,407	\$3,151
Subsidy per student	\$1,233	\$2,818	\$1,897	\$1,891
Cost paid by tuition	58%	48%	52%	50%
Cost paid by subsidy	14%	43%	41%	30%
% from third- source funding	28%	9%	7%	20%

2011-12 TCCES Revenue Sources

Total Enrollment: 941

Total Cost Per Student: \$6,302





**2012-2013 Enrollment Projections
Based on Early Enrollment**

<u>Grade</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	Original Projection	Revised Projection
						<u>12-13</u>	<u>12-13</u>
Pre	190	181	171	160	144	160	150
K	70	61	80	56	80	70	70
1	74	67	65	73	58	76	76
2	59	77	71	58	74	58	58
3	55	59	77	71	57	74	74
4	46	54	64	74	66	57	57
5	67	48	57	62	70	66	66
6	63	61	43	57	56	63	63
7	44	63	61	41	60	56	56
8	64	41	62	56	37	60	60
9	52	62	48	76	59	41	46
10	37	48	60	48	73	59	59
11	57	44	45	63	50	73	73
12	<u>48</u>	<u>54</u>	<u>38</u>	<u>41</u>	<u>57</u>	<u>50</u>	<u>50</u>
TOTAL	926	920	942	936	941	963	958

School Policies – Class Size

The following grid is used as a **guideline** in determining class sizes. The composition of the class and learning needs of the students will be considered and could result in class sizes that may vary from these recommendations. In addition, to maximize the learning environment for students, campus placement may be dependent upon class size.

Grade level	Minimum with teacher	Ideal with teacher	Maximum w/teacher or teacher/aide	Split & create a new class
Preschool 3	8	10	11 to 16	16 or 17
Preschool 4	8	10	11 to 16	20
Kindergarten	12	20	21-23	24
Grade 1	12	20	21-23	24
Grade 2	12	22	23-25	26
Grade 3	12	22	23-25	26
Grade 4	12	24	25-27	28
Grade 5	12	24	25-27	28

TCCES BALANCE SHEET
Summary of All Units
For the Six Months Ending December 31, 2011

ASSETS

Current Assets

Petty Cash	\$1,300
Checking Account	(211,929)
Money Market Funds	123,426
TCCES Tuition Receivable	1,005,737
St. John /St. Pat Tuition Receivable	6,068
TCCES A/R	25,977
TCCES Misc. A/R	5,035
St. Francis Xavier Endowment	611,427
SMC/Seton Teacher Endowment	273,403
SMC Associated Trust Endowment	935,048
TCCES Tuition & Scholarship	225,652
TCCES Technology Endowment	<u>98,685</u>
Total Current Assets	3,099,828

Fixed Assets

Land	326,789
Buildings	4,511,120
Furniture & Equipment	159,865
Computers	239,489
Vehicles	<u>130,667</u>
	5,367,930
Less Accumulated Depreciation	<u>(1,738,463)</u>
Net Fixed Assets	3,629,467
TOTAL ASSETS	6,729,295

LIABILITIES & FUND BALANCES

Liabilities

Deferred Revenue & Support	1,005,737
Commercial Loans	<u>337,304</u>
Total Liabilities	1,343,041

Fund Balances

Scholarships/Endowments	2,144,215
Restricted Savings/Contributions	123,426
Restricted Activity Funds	598,113
TCCES Net Assets	2,334,814
Current YTD Net Gain/(Loss)	<u>185,687</u>
Total Fund Balance	5,386,255
TOTAL LIABILITIES & FUND BALANCES	6,729,295