

# RECOVERING COSTS FOR THE COMMUNITY USE OF OUR SCHOOLS

**White Paper:** *A four-year view — 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.*

**Connie Doherty** – Maintenance and Operations, Missoula County Public School District, MT

**Merry Dunphy** – Facility Scheduling, Coppell Independent School District, TX

**Rita Haagen** – Outside Facilities, Agua Fria Union High School District, AZ

**Denine Kysar** – Facility Use, Douglas County School District Re1, CO

**Lauri Rainwater** – Maintenance, Clayton School District, MO

**Kim Stutzman** – Support Services, Tumwater School District #33, WA

**Cindy Nordahl** – Business Services, Turlock USD, CA

**Ken Lackey** – Business Services, Kettering City Schools, OH

**Lisa Kelsey** – Buildings and Grounds, Kettering City Schools, OH

**Rick Ilcisko** – Facilities, Hudson City Schools, OH

**Wade Brosius** – Facilities, Garnet Valley School District, PA

**Maureen Fredericks** – Scheduling, Garnet Valley School District, PA

**Bob Taylor** – Maintenance, Buildings and Grounds, Mountain View School District, PA

**Alan Peterson** – Facilities, Pembroke Public Schools, MA

## Introduction

**Nationwide, educational institutions like yours are experiencing exponential growth in events, which translates into increased operating costs in the form of utilities, staff overtime, and wear and tear on your facilities. These pressures come at a time when educational administrators are already facing unprecedented financial strain with continually shrinking budgets and staff.**

**This white paper examines four years of data collected from more than 1,000 educational institutions, and summarizes the advice and best practices for cost recovery from facility use administrators across the U.S.**

## 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) 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 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).

### DISTRICT POLICY COMMUNITY USE OF FACILITIES

What phrase best describes your district’s policies towards the scheduling of your facilities outside of normal educational needs?

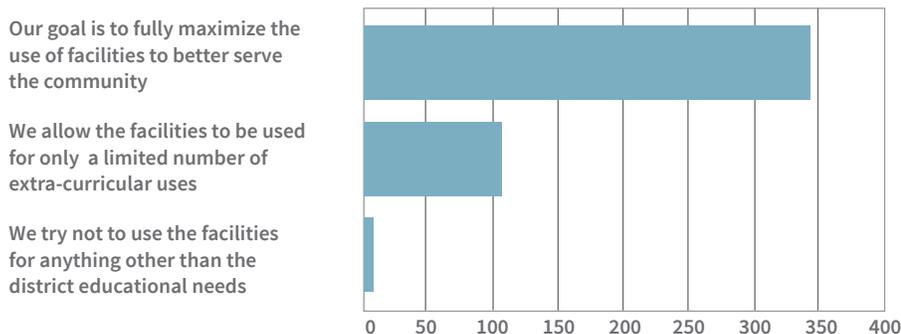


Figure 1

## Meeting Demands

This commitment of facilities for community use leads to the inevitable rising costs entailed by being a benefactor to the community. Incurring additional costs to accommodate public use of facilities presents an incremental problem to already money-tight districts.

A four-year study of more than 1,000 school districts, colleges and private schools using SchoolDude’s FSDirect facility scheduling solution examines how educational professionals nationwide are coping with this increasing demand for community use of school facilities. The sampling revealed that the average district holds nearly one event per student per year (Figure 2). This is up .17 events per student compared to 2007 (Figure 3).

**FACILITY USE EVENTS**  
PER STUDENT FISCAL YEAR 09-10

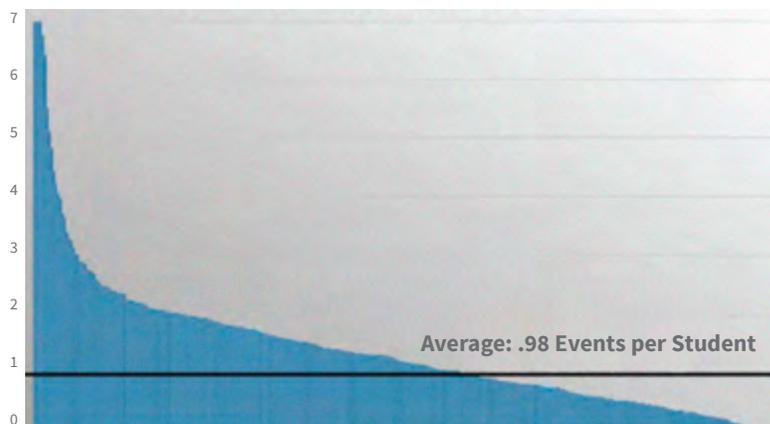


Figure 2

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. Yearly averages for the number of events per student range from .77 to 1.45 depending on enrollment size of the district (Figure 4).

**EVENTS**  
PER STUDENT

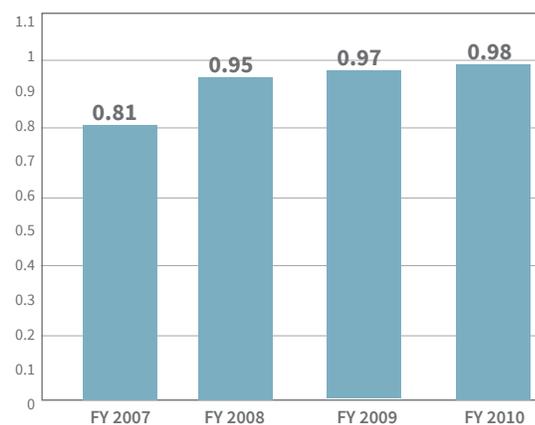


Figure 3

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**EVENTS PER STUDENT**  
**FISCAL YEAR 90-10**

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RANGE	EVENTS/STUDENT
500-4,999	1.45
5,000-9,999	0.99
10,000-19,999	0.81
20,000-49,999	0.77
> 50,000	0.87

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*Figure 4*

## 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. SchoolDude's sample set of participants included organizations ranging in size from those with less than 150 students to ones with more than 175,000 students. 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 \$14.09 per student in annual income. Districts in the 90th percentile exceed \$52 per student annually. (Figure 5) Those districts range in location and size from 400 students to more than 175,000 students. (Figure 6)

**COST RECOVERY DOLLARS**  
PER STUDENT FISCAL YEAR 09-10

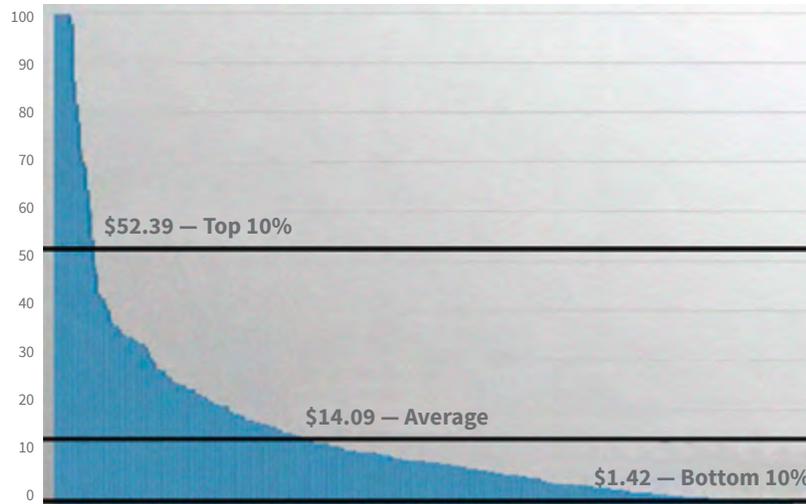


Figure 5

**SCHOOL DISTRICTS**  
IN THE 90TH PERCENTILE

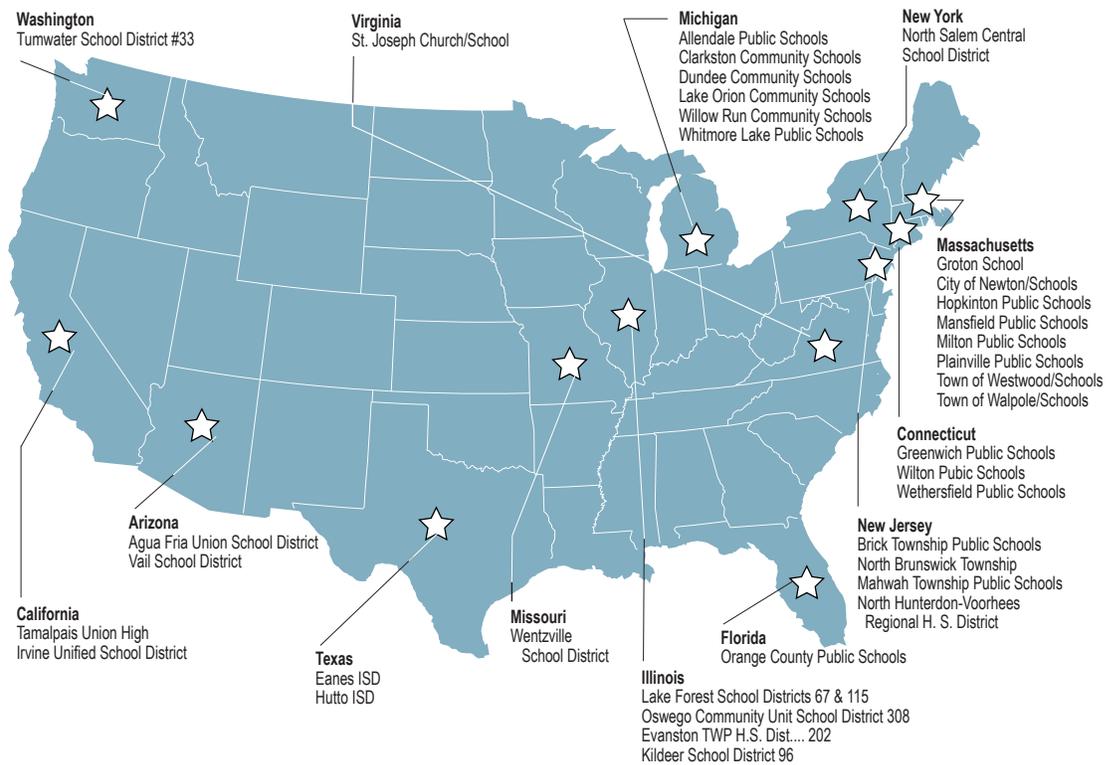


Figure 6

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). A typical school district of 3,000 students can recover an average of nearly \$40,000 per year, and with a diligent cost recovery program, can recover well over \$100,000 per year.

### COST RECOVERY OPPORTUNITY FISCAL YEAR 09-10

ENROLLMENT RANGE	AVERAGE AMOUNT INVOICED	90TH PERCENTILE
< 1,000	\$28,112.49	\$74,397.10
1,000 to 2,499	\$23,201.16	\$82,637.22
2,500 to 3,499	\$39,755.32	\$113,734.54
3,500 to 6,999	\$67,624.77	\$290,753.46
7,000 to 9,999	\$133,341.81	\$500,785.88
10,000 to 24,999	\$183,148.10	\$661,139.22
> 24,999	\$740,537.96	\$1,149,391.41

Figure 7

## Getting Started is Key

Through research and studying clients' experiences, SchoolDude discovered that many districts, once they begin a cost recovery program, improve cost recovery year over year. Figures 8 and 9 show sample school systems that are doing exceptionally well with cost recovery over the four year interval. 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

### TOP INVOICING DISTRICTS FOUR-YEAR TREND

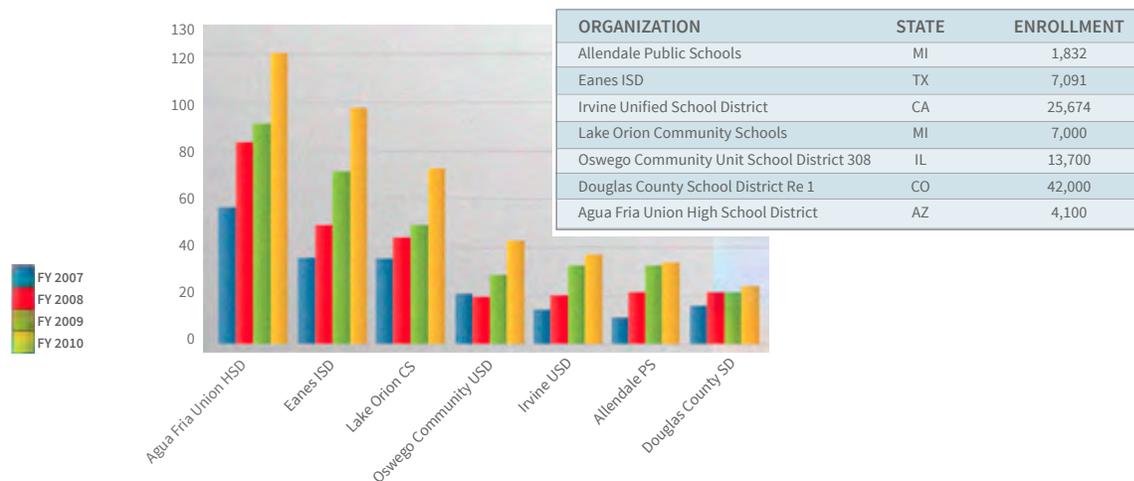


Figure 8

The previous charts and figures show that school districts and educational institutions have successfully introduced invoicing programs and, that many are increasing their recovery of costs for community use year over year. However, in the population of more than 1,000 institutions examined, more than 75% were invoicing less than \$5 per student per year, or were not invoicing at all. Interviews with these districts revealed a variety of roadblocks generally related to the materials, processes, and know-how to get started. The remainder of the paper is dedicated to best practices and resources from institutions successfully invoicing to offer information and to help others launch invoicing programs. The key is to get started.

## Implementing Success

Many successful school systems were interviewed about their procedures and lessons learned while implementing their cost recovery program. 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 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 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, 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, while also providing a solid point person for those with questions regarding facility usage. Having managed approximately 15,500 events last year alone, those at Missoula can vouch for the benefits of this semi-centralized distribution.

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### Keys to Success:

1. *Distribute event management*
  2. *Automate the process*
  3. *Start small and gain buy-in*
  4. *Leadership is key*
  5. *Build support*
  6. *Recover costs*
  7. *Develop fee structure*
  8. *Improve invoicing*
  9. *Establish presence*
  10. *Form a team*
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- 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. At Coppell Independent School District in Texas, automating the methods of communication used prevents duplicate entry of requests and schedule overrides.

After years of using paper calendars, Clayton School District in Missouri, grasped the importance of this automation, as well. Thousands of facility use requests flowing into the district's facility scheduling department, creates the necessity of molding a process to implement 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.

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. Then they began with one venue in one school.

- 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. The 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.

At Clayton School District in Missouri, not everyone involved in the process could 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. Douglas County School District in Colorado and Pembroke Public Schools in Massachusetts agree that school systems should at least estimate their costs for:

- **Administration of events** – Calculate administrators' time to receive requests, check availability, check insurance validity, acquire approvals, inform users of policies and restrictions, arrange for services, create an invoice, and collect payment.
- **Custodial services** – Calculate the cost of custodial time for events. Most school systems agree that events require custodial services at least a half hour before and after an event, and frequently that involves custodial overtime.
- **Utility usage** – Calculate the estimated impact on your energy and water bills. Use of schools after hours requires the HVAC to keep running, lights to stay on, and equipment to be powered.
- **Facility wear and tear** – Calculate the shortened life of buildings and equipment resulting from additional use. Use of school property after hours by outside groups accelerates the depreciation of assets.

- 7. Develop tiered fee structures:** 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. 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 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

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*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.*

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- Category 3: community groups outside district boundaries – modified commercial rental fee, custodial fee, recovery fee
- Category 4: commercial groups – market rate charge

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:** A billing experience that is 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. Mountain View School District in Pennsylvania provides a quote to set proper expectations. Then insures that the invoice is consistent with the quote. In the most streamlined districts, the final approved quote becomes the contract and the invoice, paid before the event occurs. If paid after the event, be pleasantly persistent with past-due notices. An invoice not collected is funding taken away from the classroom.
- 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 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. Douglas County School District in Colorado 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. Rather than siphoning money away from the classroom, cost recovery for the community use of facilities helps to ensure that school funds are protected to accomplish the core mission of schools: educating students.

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*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.*

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## About SchoolDude

SchoolDude.com is the nation's leading platform for cloud-based solutions 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 solution 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.

## Achieve excellence in event management with an enterprise-wide solution

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 facilities within the district.

**FSDirect** 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.

**CommunityUse** allows groups in the community, authorized by the school district, to view the school calendar and submit facility use requests, further reducing administrative strain on administrators.

**Facility Schedule Automation** is an integration tool that connects and enables data exchange between building automation systems (BAS) and other intelligent building technologies, and FSDirect.

**TripDirect** is an online trip planning and management solution that streamlines the educational trip workflow process, including requests, budget, mileage and driver wages.

### TOTAL FACILITY USE AND EVENT MANAGEMENT

Save time managing on-campus school/community events and off-site trips with better communication and no double booking.

