

# ***St. John School Financial Outlook***

## ***January 2024***

St. John School is a faith-filled community, built on tradition, engaged in service, and committed to academic achievement. These ideals ring true throughout the halls of this school each day. They allow us to instill the values of following Jesus and striving for excellence in our students.

We are successful because of the people in this school community - highly qualified, dedicated, compassionate teachers as well as loving, supportive parents, and hard-working, resilient students. We are also successful because St. John School is built on a solid financial plan. The following report will give you more insight into our financial outlook. This is important because St. John School is continually developing ways to ensure our continued growth and sustainability into the short and long term.

St. John School is in an excellent financial position. We (Pastor Fr. Tom Rafferty, Business Manager Anne Guerini, Principal Dr. Chris Flieger, the SJS Advisory Board, and our faculty and staff) have worked hard to secure a strong financial foundation. And just for context, this is not necessarily the norm in Catholic education today. Catholic elementary schools in this state and this country are struggling. However, as we all know, St. John School is not the norm.

Our enrollment at the beginning of this school year was 264 students (we are currently at 263 students). This is an increase of nine students from the end of last year, which represents a 3.5 percent increase. We welcomed 53 new students this year, including new students in almost every grade level, preschool through grade 7. We also retained 90% of our students overall and 95% of our students in kindergarten and above. Additionally, we are at 99% of our capacity, which is 264 students. There are currently only two open seats in the entire school. Our enrollment is increasing because we are bringing in new students and families as well as retaining our current students and families.

St. John School's operating budget for the 2023-2024 school year is just under \$2.25 million and our expenses, before capital improvements, are \$2.1 million. About 80% of our expenses fund our teachers (e.g., salary, benefits, health

care, etc.). The rest fund utilities, technology, academic materials, etc. After operating expenses, we have about \$150,000 left for building improvements (i.e., capital expenditures) and curriculum enhancements (new textbooks) each year. This, in addition to other funding sources, has allowed us to invest over \$300,000 into our building and grounds over the past 2 years. This includes a new turf field as well as other classroom enhancements. As a note, we have invested well over \$1,000,000 in the St. John School facility over the past eight years. Our facility is in good shape, and we continue to plan ways to improve through our Capital Improvement Plan. Our next facility project to consider is to air condition the St. John School Gym.

Our goal is to continue to invest money strategically to improve the school. Teachers have seen at least a three percent raise for eight years in a row (including five percent or more two of the last three years). Our hope is for a minimum four percent increase next year. We have also increased our starting salary and readjusted many veteran salaries to be more in line with this. We have expanded our staff, adding a Speech Language Pathologist and numerous academic support aides. We have revamped our entire ELA curriculum and are in the midst of choosing a new Math curriculum. We have spent over \$100,000 on technology improvements including replacing old Chromebooks, adding additional iPads, improving wireless infrastructure, and implementing LEGO education.

However, our teacher salaries are still well below public school teacher salaries. In general our teachers make between 60 and 75% of local public school teacher salaries. We continue to review our salary scale and will adjust as much as possible in the future. While we cannot pay public school salaries, we want to do better. We are also reviewing our benefits beyond salary and searching for creative ideas to attract and retain high quality teachers. We are also continually reviewing our staffing to determine where we can add and/or adjust faculty and staff. We study the needs of our community as well as educational and social-emotional trends and best practices and try to incorporate them.

In our annual budget, tuition typically covers around 90% of our costs (excluding capital expenses). This means that families are paying about 90% of what it costs to educate a student at St. John School (again excluding capital improvements). This would include teacher salaries and benefits as well as utilities, insurance, and curriculum. We make up the difference between

tuition and expenses in many ways, including \$100,000 a year from the SJS Parent Group sponsored fundraisers, \$40,000 a year from the Archdiocese of Boston School Tax Fund, and 4.7% of offertory from St. Oscar Romero Parish. We also fill the gap with limited profits from our extended day program, lunch program, after school programs, and development efforts. We are continually searching for new and innovative ways to make up this gap while keeping our tuition affordable.

At \$7,200, our 2023-2024 tuition is well below our Catholic competitors in Norwood and Walpole (\$8,800 and \$8,900 respectively). It is comparable, but still below other Catholic schools on the South Shore. Our preschool and prekindergarten tuitions are similar – well below Catholic competitors and typically below local competitors. We have also seen relatively small increases in tuition over the past 6 years (from \$6,600 in 2018-2019 to \$7,200 in 2023-2024 which is less than a two percent increase per year). In order to continue to increase faculty salaries and meet rising costs, tuition will increase to \$7,500 for the 2024-2025 school year, a four percent increase).

Another factor in financial planning is financial aid. We continue to offer financial assistance to about 10% of our families. We currently award over \$40,000 in financial aid each year from various sources, including the Catholic Schools Foundation, the St. Vincent de Paul Society, the da Costa Fund, and our operating budget. This has allowed us not to rely heavily on our Financial Aid Endowment. As with everything else, we are continually reevaluating our financial aid process and procedures.

Beyond our year-to-year budget, St. John School maintains reserve funds for specific needs. We have two restricted endowment funds, established years ago from the sale of parish property. Our financial aid endowment is around \$300,000. We draw interest from this fund for financial aid when needed. Our capital endowment is a healthy \$310,000. This allows us to draw interest for building projects, such as our turf field. Both endowments have seen increases over the past few years. We also maintain an unrestricted reserve fund for unforeseen expenses, which is a best practice in the field. This reserve fund, held at the Archdiocese of Boston, is almost \$900,000 and is used for projects as needed. These endowments and savings ensure that we are prepared for expected and unexpected expenses beyond the traditional operating costs.

I know this is a lot of information to take in and may be a bit overwhelming. My goal is to help you understand the financial realities of St. John School as they are currently. We know that many things can change in the coming years, but we are preparing and planning for all possible futures. Thank you for your support, and please let me know if you have any questions or want to learn more.