



EPISCOPAL
COLLEGIATE SCHOOL

The Promise of a New Year

February 2009

Dear Episcopal Collegiate School Families,

It is hard for me to believe that another year is behind us. As each year passes, I am reminded of my late grandmother. Although she was a woman of few words, she had a remarkable knack for capturing in memorable ways the flow of life. I remember her warning us often to be mindful of the “fact” that as you get older the years go by faster. As the years race by, I understand fully now the wisdom in her words.

Every New Year, however, does bring with it great promise. The chance to start anew is refreshing and brings to all of us the opportunity for new beginnings. As we enter the second semester of our school’s decennial year, our school stands at the threshold of an exciting future. The most obvious symbol of that future is emerging some 100 yards to the east of our current facilities. Our one-of-a-kind Lower School will add another remarkable chapter to the story of Episcopal Collegiate School. Most importantly, our first ten years and the adding of eight new grades of young people to our school community call us to plan collectively and purposefully for the future that lies ahead.

In that regard, our families were asked to participate in a Family Survey last spring and nearly 200 of you did so. In addition, Dr. Jim Hendrix visited our school in November and facilitated community dialogue about the future of our school, and 108 students, faculty, staff, Board members and parents attended those sessions. Finally, we employed the services of a research consultant to meet with a representative sample of community members to explore fully what differentiates the Episcopal Collegiate experience. As a result, the data we have gathered in a relatively short period of time is rich and provides us with a strong understanding of our school’s strengths and opportunities for improvement. It is this data representing our community’s voices that will help lead our strategic planning efforts. Our planning will culminate with a formal Strategic Plan outlining our school’s priorities for the next several years. The plan will be shared with you when it is completed.

In addition to our planning efforts, I will also be sharing with you information on specific areas of school life that you wanted to learn more about. I will do this through a series of periodic communications, beginning with the one you will find attached to this letter. Because this is the season of re-enrollment, the first communication will address our school’s tuition, our school’s expenses and how our tuition and Endowment work together.

I can say without a doubt that my first few months at Episcopal Collegiate have been exhilarating and have confirmed for me the great promise of this wonderful school. I look forward to working with you as we build together on the great gift that we have been given.

I wish you and your family the best for 2009.

Sincerely,

Steve D. Hickman
Head of School



EPISCOPAL
COLLEGiate SCHOOL

INFORMATION

EPISCOPAL COLLEGiate SCHOOL

Tuition, Expenses and the Role of the Endowment

February 2009

Dear Episcopal Collegiate School Families,

The following is the first in what will be a series of brief informational papers on topics of interest as indicated by our school community in the May 2008 Family Survey and in conversations that many of our stakeholders had with Dr. Jim Hendrix during his November visit. The topic of this paper is the operating budget of the school, focusing on tuition, expenses and the role of the Endowment.

How is Tuition Determined?

One of the important responsibilities of the Episcopal Collegiate School Board of Trustees is to ensure that the school is managed in a fiscally responsible manner. Since tuition revenue is one of the two major sources of funding for the school's operating budget, setting tuition at the appropriate level is a key factor in sound financial management. Episcopal Collegiate strives to operate a balanced budget with income matching expenses with no material surplus or shortfall at the end of the year. Tuition and related fee revenue account for approximately 56 percent of the school's revenues from operations, with the remaining 44 percent of income provided by the school's Endowment and the Annual Fund.

When setting tuition, in addition to forecasting the expected revenues and expenses for future years, the Board and the administration look carefully at tuitions charged by other independent schools. National and regional comparisons are reviewed.

The data included in this message (see chart) compare Episcopal Collegiate's 2008-2009 12th grade tuition to national and regional independent schools as well as to a sampling of comparable schools located in the southeast and southwest. When compared with comparable schools in most any size city in the southeast and southwest regions, Episcopal Collegiate's tuition is among the lowest.

What are the Operating Expenses of the School?

Approximately 70 percent of the school's expenses are related to people (salary and benefits costs) and programs (computers and equipment, athletics, fine arts, classroom supplies, library books and teaching materials, etc.). Other expenses include utilities; insurance; security and other costs of maintaining and operating the campus;

interest expense on the school's long term, tax-exempt financing; professional development (teacher training) and financial aid. Each year, as part of setting the next year's budget and levels of tuition, the Board of Trustees and the school's administration compile a three-year rolling forecast. Key assumptions in this exercise relate to projecting enrollment, staffing, financial aid and other supporting operational costs.

Because dollars received for tuition provide the majority of operating revenue, particular focus is given to forecasting realistic enrollment. Assumptions, based on historical trends, are made about re-enrollment, and the admission office is consulted about a reasonable estimate of new students. In computing the projected revenues and expenses for the forecast period, the Board and the school's administration also determine the financial impact of additions or changes to the school's program or facility. These changes represent strategic initiatives, adopted by the Board of Trustees, which are designed to continually improve the learning environment at Episcopal Collegiate. Some recent examples would include adjusting operating costs for the addition of the auxiliary gymnasium and ensuring that faculty compensation levels are competitive in the markets where the school competes for high-quality teachers.

The Role of the Endowment

The school's Endowment and the Annual Fund are essential parts of the operating budget of the school. Funds from the Endowment provide approximately 44 percent of the school's operating revenue. As you can see from the tuition comparisons, these investments allow the school to offer – at a much lower tuition cost – a program similar to what you would find at many of our country's finest independent schools. In effect, every student receives an approximately \$7,000 financial benefit every year that he or she attends Episcopal Collegiate School.

The Board of Trustees and the school's administrators carefully and accurately plan expenses, prepare a reasonable enrollment forecast, make measured facility and program improvements and benchmark to similar programs because we recognize that Episcopal Collegiate's tuition must be competitive and offer great value to the families the school serves.



National Association of Independent Schools (NAIS)

Mean Tuition	\$20,682
75th Percentile	\$25,975
50th Percentile	\$19,775
25th Percentile	\$15,050

Southern Association of Independent Schools (SAIS)

Mean Tuition	\$14,916
75th Percentile	\$17,730
50th Percentile	\$15,295
25th Percentile	\$11,595

Independent School Association of the Southwest (ISAS)

Mean Tuition	\$16,192
75th Percentile	\$18,175
50th Percentile	\$16,189
25th Percentile	\$13,900



EPISCOPAL
COLLEGiate SCHOOL

INNOVATION

EPISCOPAL COLLEGiate SCHOOL

2008-2009 Tuition Survey

Greenhill School, Dallas, Texas	\$21,050
Lovett School, Atlanta, Ga.	\$19,515
Baylor School, Chattanooga, Tenn.	\$18,416
Collegiate School, Richmond, Va.	\$18,220
St. Mary's Hall, San Antonio, Texas	\$18,175
Charlotte Latin, Charlotte, N.C.	\$18,000
Sayre School, Lexington, Ky.	\$17,850
Greensboro Day, Greensboro, N.C.	\$17,420
Kincaid School, Houston, Texas	\$17,170
Porter Gaud, Charleston, S.C.	\$17,050
Forsyth Country Day, Winston-Salem, N.C.	\$16,500
University School, Nashville, Tenn.	\$16,364
Pembroke Hill, Kansas City, Mo.	\$16,070
Altamont School, Birmingham, Ala.	\$15,696
Savannah Country Day, Savannah, Ga.	\$15,690
St. Mary's, Memphis, Tenn.	\$15,100
Christ Church Episcopal, Greenville, S.C.	\$14,995
Holland Hall, Tulsa, Okla.	\$14,975
Heathwood Hall, Columbia, S.C.	\$14,400
Casady School, Oklahoma City, Okla.	\$14,400
Webb School, Knoxville, Tenn.	\$14,336
Randolph School, Huntsville, Ala.	\$13,185
Episcopal High School, Baton Rouge, La.	\$12,900
Brookstone School, Columbus, Ga.	\$12,500
St. Andrew's Episcopal, Jackson, Miss.	\$10,985
Montgomery Academy, Montgomery, Ala.	\$10,884
Pulaski Academy, Little Rock, Ark.	\$9,230
Carlisle School, Martinsville, Va.	\$9,150
St. Paul's Episcopal, Mobile, Ala.	\$8,996
Episcopal Collegiate, Little Rock, Ark.	\$8,975