



# FRENCH AMERICAN INTERNATIONAL SCHOOL

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## **FAIS Tuition Policy**

In pursuit of fulfilling its fiduciary function, the Board of Trustees of the French American International School is responsible for setting the annual tuition price of attendance at the school. Tuition revenue, a function of tuition rates and enrollment, is the single largest driver of FAIS's financial position. As a result, the primary determinant of the school's ability to support its core mission is tuition revenue. Tuition receipts determine the school's capacity to accomplish its strategic objectives, provide a high-quality educational experience to a diverse student body population, and recruit and retain faculty and staff.

While the decision on tuition price is the purview of the Board, in practice the Board delegates to the Finance & Budget Committee or other designate the responsibility of bringing to the Board tuition price recommendations for TPS through 8<sup>th</sup> grades, and accompanying rationale, for Board review, amendment, and vote. A final vote must take place in advance of any established re-enrollment deadline.

The tuition decision shall be, in part, data-driven to reflect the economic environment faced by the school and its community and the value we offer in the region in the different segments of the independent school market in which we participate. Key data may include, but need not be limited to:

- Pricing at area competitor schools, in the NWAIS group of schools, at the national level, and at higher educational levels, such as represented by the Higher Education Price Index.
- General cost of living variables such as the Core Consumer Price Index and the Core Personal Consumption Expenditures Price Index. When available, data on local cost of living conditions should also be considered.

In light of the central importance of this fiduciary responsibility, the Board is committed to a transparent and coherent decision-making process. To support a sound and well-reasoned decision, the Board adopts the following core governing principles to guide this work.



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## Core Principles

- *Sustainability.* Tuition must be set at a price sufficient to provide for the financial health of the school. Tuition revenue must be adequate to fund the operating and capital budgets of the school, maintain necessary reserves, and meet debt service obligations.
- *Predictability.* With the understanding that enrollment at FAIS represents an implicit multi-year commitment by our families, to support families' longer run planning to the extent possible, we seek to minimize volatility in annual tuition prices. As a general practice, annual tuition growth will be targeted in the 4% to 7% range.
- *Strategy.* Tuition levels should align with the timing and goals of the school's strategic objectives and there should be a direct relationship between the level of tuition and the execution of the strategic plan. In addition, the rationale for tuition increases that exceed what is seen broadly across the region must be clearly articulated to the community.
- *Access.* Our students benefit in myriad ways from a heterogeneous student body population. In setting tuition, the Board must consider the impact price will have on recruiting and retaining a socioeconomically diverse community of students.
- *Quality.* Tuition shall be set at a level sufficient to attract, retain and support the educators and a professional staff that are charged with fulfilling our duty to provide a quality education to our students.
- *Reliability.* Families should be able to rely on the tuition price as representing the cost of attendance at FAIS. Use of ad hoc fees to fund programs or initiatives should be minimized. In the event a supplementary fee is assessed, its necessity must be clearly articulated.
- *Congruity.* Given the primacy of tuition revenue in determining the overall resource base for the school, the tuition price decision cannot be made in isolation, but must be made alongside consideration of other key decisions. In particular, planned compensation rates for faculty and staff must be considered.
- *Intentionality.* Each annual decision shall be considered both in its own right and also in light of its impact within a multi-year model that includes working assumptions of tuition levels, compensation rates, fundraising and other key inputs to the operating and capital budgets over the medium term.

This policy will be reviewed by the Board and reaffirmed, amended or replaced on at least a biennial basis.

*Last approved on June 16, 2022.*