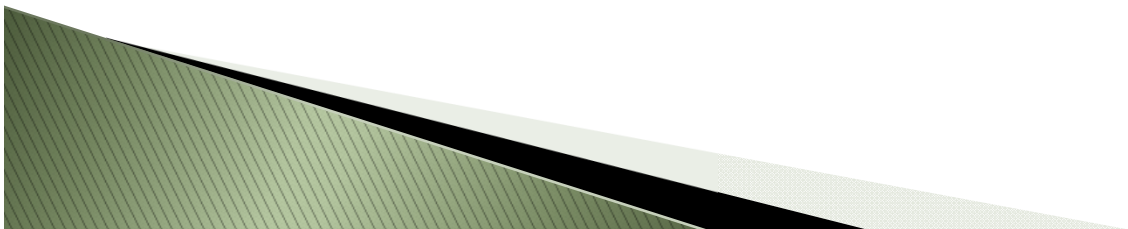


Financial Review: Athletics

Presentation to MERSD School Committee
February 9, 2016

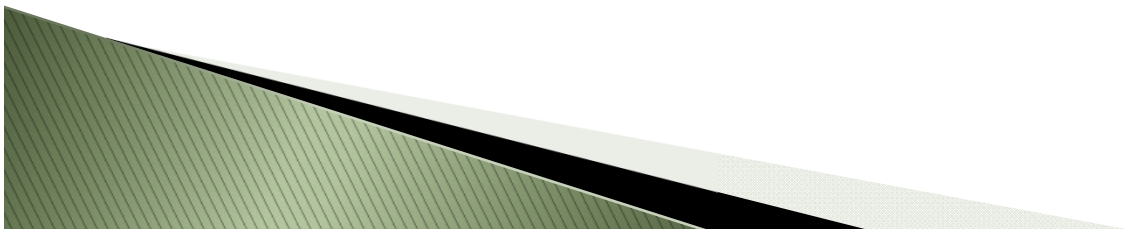
Agenda

- ▶ Key Takeaways
- ▶ Participation Highlights
- ▶ Spending Overview
- ▶ Funding Sources
- ▶ User Fees & Comparables
- ▶ Cost per Sport Analysis



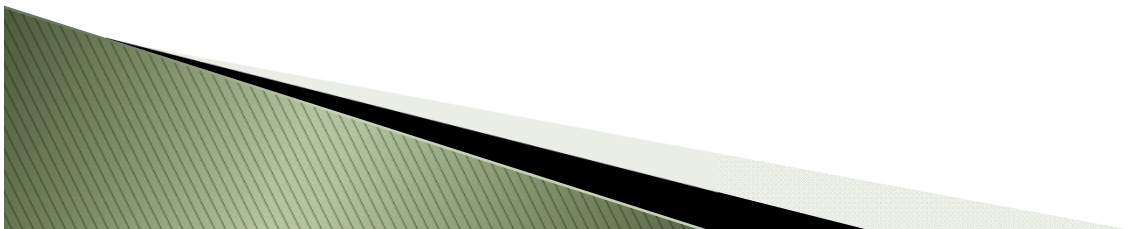
Key Takeaways

- ▶ Examine revenue/expense options as user fee collections are below plan with new pricing
- ▶ Increase emphasis on aligning coaching staffing levels with individual team rosters
- ▶ Review current structure of separate MS, HS programs and combined MS–HS programs



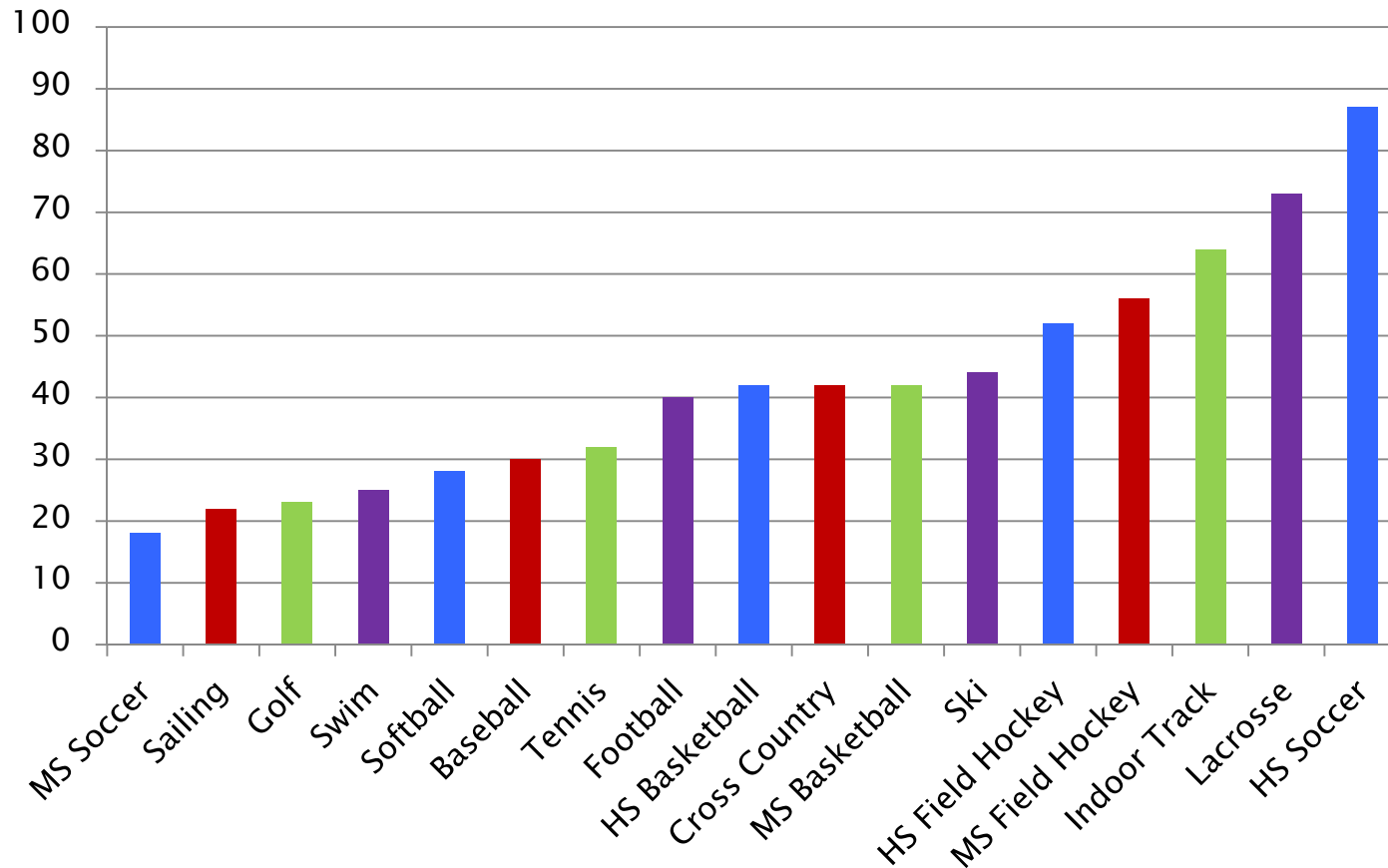
FY–1 5 Participation Highlights

- ▶ Available options unchanged in recent years
 - 17 different sports (see chart)
 - 3 “MS–only” options: Soccer, Basketball, Field Hockey
 - 43 total teams, including JV/Freshman, boys/girls
- ▶ Same # students playing fewer sports
 - 462 “unique” students (*each counted 1x*), essentially unchanged from FY13
 - But 720 athletes by rosters (*1.6 sports per student*), down considerably from 863 in FY13 (*1.9 sports per student*)
 - Gender balance: 35% girls only, 33% boys only, 33% co-ed



Participation Highlights

FY-15 Roster Counts by Sport



Several HS sports have multiple teams (Varsity, JV, girls, boys)

FY-15 Enrollment vs. Staffing

Sport	Athletes		Athletes		Coaches	
	Athletes	Teams	per Team	Coaches	per Coach	per Team
Sailing	22	2	11.0	2	11.0	1.0
HS Basketball	42	5	8.4	5	8.4	1.0
Swim	25	2	12.5	2	12.5	1.0
Football	40	1	40.0	4	10.0	4.0
Tennis	32	2	16.0	2	16.0	1.0
Baseball	30	2	15.0	2	15.0	1.0
Ski	44	2	22.0	4	11.0	2.0
HS Soccer	87	5	17.4	5	17.4	1.0
Softball	28	2	14.0	2	14.0	1.0
Lacrosse	73	4	18.3	4	18.3	1.0
Cross Country	42	2	21.0	4	10.5	2.0
Golf	23	1	23.0	1	23.0	1.0
MS Soccer	18	2	9.0	2	9.0	1.0
MS Basketball	42	4	10.5	3	14.0	0.8
HS Field Hockey	52	3	17.3	3	17.3	1.0
Indoor Track	64	2	32.0	4	16.0	2.0
MS Field Hockey	56	2	28.0	2	28.0	1.0
Total	720	43	16.7	51	14.1	1.2

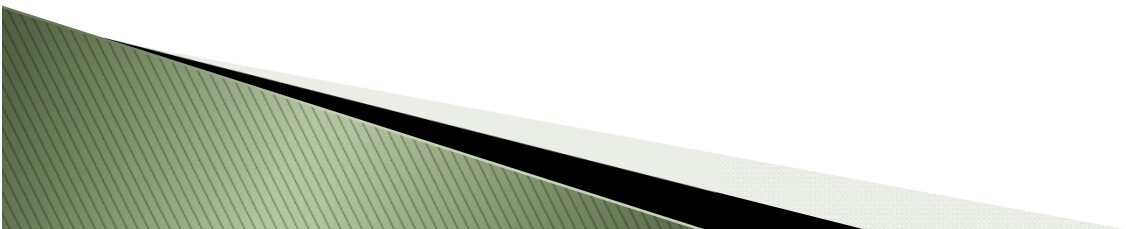
- Some sports require more coaches (*e.g. football, indoor track*)
- Reconsidering minimum enrollment to run team
- Earlier registration deadlines could help avoid coaching commitment for low enrollment squads

Multi-Year Spending Overview

	Actual				Budget	Actual	Budget	Budget
	FY 11	FY 12	FY-13	FY-14	FY 15	FY 15	FY 16	FY 17
Coaches	\$163,056	\$147,719	\$199,440	\$210,727	\$203,000	\$216,101	\$215,000	\$215,000
Athletic Director & Secretary	\$70,844	\$71,191	\$66,334	\$95,492	\$96,416	\$97,167	\$98,088	\$100,352
Transportation	\$68,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contracted Officials	\$29,176	\$0	\$0	\$31,659	\$35,000	\$32,015	\$33,500	\$33,500
Trainer	\$21,170	\$22,752	\$0	\$0	\$0	\$0	\$0	\$0
Facility Rentals & Supplies	\$8,447	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Conference Dues	\$5,424	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custodial	\$6,098	\$5,041	\$5,225	\$4,888	\$7,000	\$3,699	\$6,000	\$6,000
General Fund Total	\$372,775	\$246,703	\$270,999	\$342,766	\$341,416	\$348,981	\$352,588	\$354,852
<i>% of Athletics Budget</i>	78.1%	47.4%	48.2%	59.3%	56.7%	57.9%	60.5%	60.7%
Supplies & Materials	\$71,608	\$76,828	\$78,680	\$57,457	\$65,000	\$56,019	\$48,000	\$48,000
Contracted Services/Other	\$32,912	\$56,795	\$60,139	\$44,210	\$58,000	\$71,019	\$65,000	\$65,000
Contracted Officials	\$0	\$31,063	\$37,700	\$186	\$0	\$0	\$0	\$0
Transportation	\$0	\$88,912	\$97,364	\$106,195	\$108,850	\$98,957	\$90,000	\$90,000
Facility Rentals	\$0	\$10,670	\$4,298	\$13,133	\$14,000	\$15,897	\$15,000	\$15,000
Conference Dues	\$0	\$9,564	\$13,152	\$14,331	\$15,000	\$11,989	\$12,000	\$12,000
Revolving Fund Total	\$104,520	\$273,832	\$291,333	\$235,511	\$260,850	\$253,880	\$230,000	\$230,000
<i>% of Athletics Budget</i>	21.9%	52.6%	51.8%	40.7%	43.3%	42.1%	39.5%	39.3%
Total Athletics Spending	\$477,295	\$520,534	\$562,332	\$578,277	\$602,266	\$602,861	\$582,588	\$584,852
<i>Year/Year Spending Growth</i>		9.1%	8.0%	2.8%	4.1%	4.3%	-3.3%	0.4%

Spending Notes

- ▶ FY15 spending in line with budget at \$603K
 - Avg. annual increase of 2.1% since FY-13
- ▶ Beginning in FY-12, user fee increases enabled movement of non-personnel expenses to revolving, from General Fund
 - e.g., transportation, officials, facility rental, dues, and trainer (now in contracted services)
- ▶ But revenue in FY15/FY16, w/new fee structure is below budget. Some spending cuts are needed.

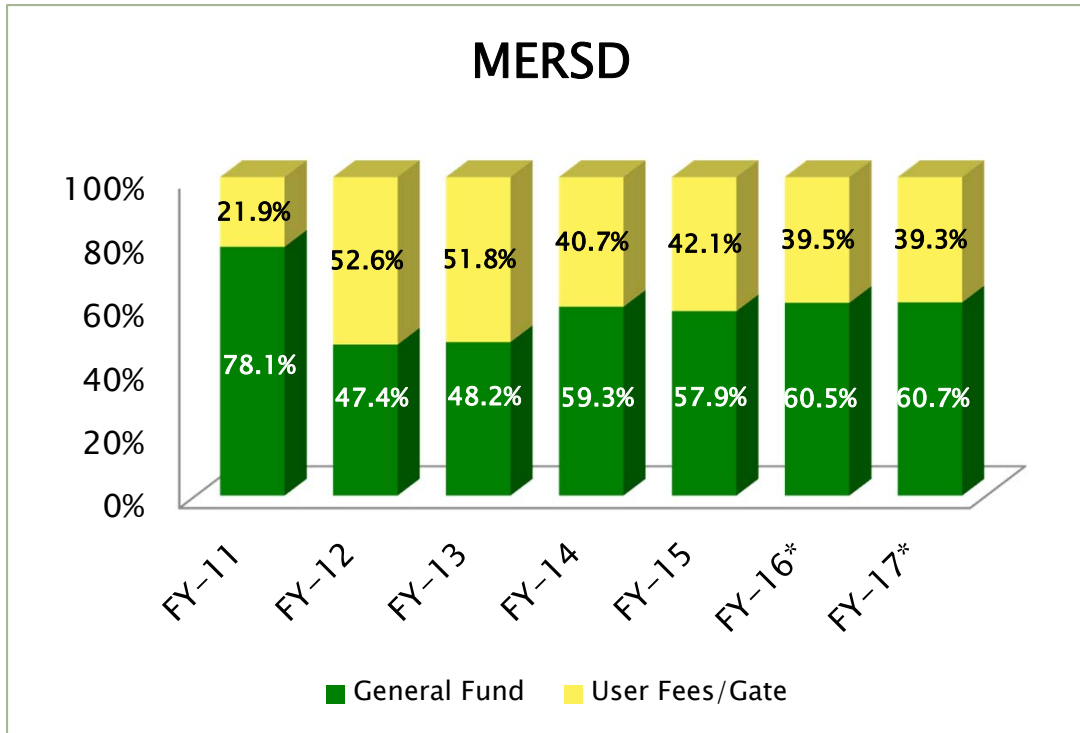


Fees vs. Spending

	Budget FY 15	Actual FY 15	Budget FY 16	Budget FY 16
Coaches	\$203,000	\$216,101	\$215,000	\$215,000
Athletic Director & Secretary	\$96,416	\$97,167	\$98,088	\$100,352
Contracted Officials	\$35,000	\$32,015	\$33,500	\$33,500
Custodial	\$7,000	\$3,699	\$6,000	\$6,000
General Fund Total	\$341,416	\$348,981	\$352,588	\$354,852
<i>% of Athletics Budget</i>	56.7%	57.9%	60.5%	60.7%
Supplies & Materials	\$65,000	\$56,019	\$48,000	\$48,000
Contracted Services/Other	\$58,000	\$71,019	\$65,000	\$65,000
Transportation	\$108,850	\$98,957	\$90,000	\$90,000
Facility Rentals	\$14,000	\$15,897	\$15,000	\$15,000
Conference Dues	\$15,000	\$11,989	\$12,000	\$12,000
Revolving Fund Total	\$260,850	\$253,880	\$230,000	\$230,000
<i>% of Athletics Budget</i>	43.3%	42.1%	39.5%	39.3%
Total Athletics Spending	\$602,266	\$602,861	\$582,588	\$584,852
<i>Year/Year Spending Growth</i>	4.1%	4.3%	-3.3%	0.4%
<u>Revolving Fund Summary</u>				
User Fees	\$230,000	\$207,806	\$208,000	\$208,000
Gate Receipts	\$22,000	\$23,160	\$22,000	\$22,000
Total Revenue	\$252,000	\$230,966	\$230,000	\$230,000
Beginning Fund Balance	\$20,293	\$20,293	(\$2,622)	(\$2,622)
Fiscal Yr Profit/(Loss)	(\$8,850)	(\$22,915)	\$0	\$0
Ending Fund Balance	\$11,442	(\$2,622)	(\$2,622)	(\$2,622)

- FY15 fees \$22K below budget with new structure
- FY16 budget: \$20K (3%) spending cut needed to prevent deficit growth, if user fees are flat
- But FY16 user fees through winter season are \$16K *below* FY15

Funding Sources



- ▶ MERSD target of 50–60% support from General Fund is in line with other North Shore districts
- ▶ As fee collections fall below budget, however, General Fund portion grows

North Shore School Districts		
	General	
District	Fund	Fees/Gate
Woburn	100%	0%
Rockport	86%	14%
Peabody	81%	19%
Pentucket	73%	27%
Wilmington	69%	31%
Lynnfield	67%	33%
Triton RSD	60%	40%
Amesbury	60%	40%
Ipswich	60%	40%
Stoneham	58%	42%
North Reading	56%	44%
Chelmsford	50%	50%
Danvers	50%	50%
Wakefield	47%	53%
Westford	47%	53%
Saugus	40%	60%
Winchester	40%	60%
Belmont	40%	60%
Masconomet	40%	60%
Hamilton-Wenham	20%	80%
Average	57%	43%
Median	57%	43%

Fewer Multi-Sport Athletes

Year	Individual Students				Athletes on Rosters	Total Revenue
	1 Sport	2 Sport	3 Sport	Total		
FY13	173	188	105	466	863	\$178,000
FY15	252	162	48	462	720	\$207,806
Difference	79	(26)	(57)	(4)	(143)	\$29,806
	45.7%	-13.8%	-54.3%	-0.9%	-16.6%	16.7%

- ▶ Total participants similar in FY15 vs FY13
 - 462 vs. 466
- ▶ But total rosters are down 143 students (17%)
 - 2-sport athletes down 14%
 - 3-sport athletes down 57%.
- ▶ Decline could be from fee structure or fee level
 - Revenue per roster athlete of \$289 up from \$206

Changes in MERSD Fee Structure

Old: Flat Fee/Year

- ▶ FY-14 and prior: \$450/yr
- ▶ Unlimited sports
- ▶ Total collected: \$187K/yr
- ▶ 1.9 sports played per student athlete
- ▶ Theory: encourages students to play more sports

New: Pay per Sport

- ▶ Beginning FY15:
 - \$400 1st sport HS; \$320 MS
 - \$250 2nd sport HS; \$200 MS
 - \$100 3rd sport HS; \$80 MS
- ▶ Total Collected \$208K/yr
 - vs. \$230K budget target
- ▶ 1.6 sports played per athlete
- ▶ Theory: flexibility to play/pay as much or as little as desired

User Fees: Cape Ann Comparables

Fee per Sport			
District	HS Fee	Family Max	MS Fee
Amesbury	\$325	\$1,055	NA
Beverly	\$210-\$315	None	NA
Danvers	\$155-\$240.	\$725	\$77
Georgetown	\$375-\$475	\$1,500	NA
Gloucester*	\$160-\$230	None	NA
Hamilton/Wenham**	\$244-\$642	None	NA
Masconomet	\$250-\$650	None	NA
Newburyport	\$200-\$465	\$1,300	NA
North Reading***	\$400-\$700	\$1,200	NA
Peabody	\$150	\$300	NA
Pentucket	\$100-\$425	\$500	NA
Saugus	\$275-\$400	\$1,000	NA
Swampscott	\$250	\$1,250	\$75
Triton	\$350	\$1,750	250
Winchester	\$225	1125	225
Average****	\$300		

*CC/Track \$160; all others \$230

**3rd Sport Free

***\$400 for 1st sport, \$200 for 2nd sport, \$100 for 3rd

****Based on mid-point of districts w/range

Fee Per Year			
District	HS Fee	Family Max	MS Fee
Ipswich*	\$650	\$900	NA
Lynnfield	\$400	\$800	NA
Marblehead	\$340	\$480	NA
Rockport	\$300	None	200
Average	\$423		

Family Max Average: \$946
(both groups)

*\$250 for 2nd child in Ipswich

- ▶ Only North Reading has same structure as MERSD
- ▶ MERSD originally considered a \$575/yr fee as alternative to current new structure

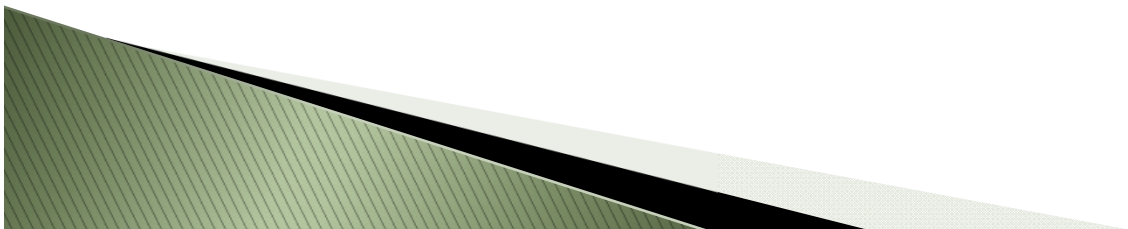
Cost per Sport Analysis

A. Methodology

- Detailed coding of expenditures by Sport and School (HS/MS)
- Direct Costs:
 - Coaches, Officials, Transportation, Supplies
- Indirect Costs:
 - Athletic Department salaries/expenses, custodial, or unknown sport
 - Allocated on per-athlete basis to each sport

B. Limitations

- Varying cost detail each year:
 - New coaches/step changes
 - Multi-year cycle for purchasing team supplies
 - Transportation dependent on team success
 - Gate receipts dependent on home schedule and team success
- Allocations/assumptions required
 - Data does not reliably support analysis of team levels (e.g. Varsity vs. JV or Freshman) or gender



MERSD Athletics Review FY15											
		Per Sport					Per Student Athlete				
Sport	# Athletes	Direct Cost	+ Indirect	= Gross Cost	- Gate	= Net Cost	Direct	+ Indirect	= Gross	- Gate	= Net Cost
Sailing	22	\$27,896	\$5,129	\$33,024	\$0	\$33,024	\$1,268	\$233	\$1,501	\$0	\$1,501
HS Basketball	42	\$53,521	\$9,791	\$63,312	\$12,956	\$50,356	\$1,274	\$233	\$1,507	\$308	\$1,199
Swim	25	\$19,643	\$5,828	\$25,471	\$0	\$25,471	\$786	\$233	\$1,019	\$0	\$1,019
Football	40	\$40,926	\$9,325	\$50,251	\$10,204	\$40,048	\$1,023	\$233	\$1,256	\$255	\$1,001
Tennis	32	\$22,508	\$7,460	\$29,967	\$0	\$29,967	\$703	\$233	\$936	\$0	\$936
Baseball	30	\$19,792	\$6,994	\$26,785	\$0	\$26,785	\$660	\$233	\$893	\$0	\$893
Ski	44	\$26,084	\$10,257	\$36,341	\$0	\$36,341	\$593	\$233	\$826	\$0	\$826
HS Soccer	87	\$47,633	\$20,281	\$67,914	\$0	\$67,914	\$548	\$233	\$781	\$0	\$781
Softball	28	\$15,104	\$6,527	\$21,631	\$0	\$21,631	\$539	\$233	\$773	\$0	\$773
Lacrosse	73	\$37,467	\$17,018	\$54,485	\$0	\$54,485	\$513	\$233	\$746	\$0	\$746
Cross Country	42	\$20,613	\$9,791	\$30,404	\$0	\$30,404	\$491	\$233	\$724	\$0	\$724
Golf	23	\$10,971	\$5,362	\$16,333	\$0	\$16,333	\$477	\$233	\$710	\$0	\$710
MS Soccer	18	\$8,351	\$4,196	\$12,547	\$0	\$12,547	\$464	\$233	\$697	\$0	\$697
MS Basketball	42	\$19,282	\$9,791	\$29,073	\$0	\$29,073	\$459	\$233	\$692	\$0	\$692
HS Field Hockey	52	\$23,711	\$12,122	\$35,833	\$0	\$35,833	\$456	\$233	\$689	\$0	\$689
Indoor Track	64	\$28,549	\$14,920	\$43,469	\$0	\$43,469	\$446	\$233	\$679	\$0	\$679
MS Field Hockey	56	\$12,964	\$13,055	\$26,019	\$0	\$26,019	\$231	\$233	\$465	\$0	\$465
Total	720	\$435,014	\$167,846	\$602,861	\$23,160	\$579,701	\$604	\$233	\$837	\$32	\$805

- ▶ Declining participation has lead to significantly higher costs per student with fewer user fee \$ to offset stable spending

FY-13 Athletics Program: Cost per Sport											
		Total Cost Per Sport					Cost Per Roster Athlete				
Sport	# Athletes	Direct	Indirect	Total	Gate	Net Cost	Direct	Indirect	Total	Gate	Net Cost
Football	42	\$46,802	\$7,602	\$54,404	\$9,717	\$44,687	\$1,114	\$181	\$1,295	\$231	\$1,064
Sailing	25	\$21,200	\$4,525	\$25,725	\$0	\$25,725	\$848	\$181	\$1,029	\$0	\$1,029
Baseball	29	\$18,109	\$5,249	\$23,358	\$0	\$23,358	\$624	\$181	\$805	\$0	\$805
Golf	27	\$14,585	\$4,887	\$19,472	\$0	\$19,472	\$540	\$181	\$721	\$0	\$721
HS Basketball	77	\$46,277	\$13,937	\$60,214	\$6,369	\$53,845	\$601	\$181	\$782	\$83	\$699
Cross Country	41	\$21,206	\$7,421	\$28,627	\$0	\$28,627	\$517	\$181	\$698	\$0	\$698
Ski	47	\$22,123	\$8,507	\$30,630	\$0	\$30,630	\$471	\$181	\$652	\$0	\$652
HS Soccer	79	\$37,886	\$14,299	\$52,185	\$2,073	\$50,112	\$480	\$181	\$661	\$26	\$634
MS Soccer	37	\$15,947	\$6,697	\$22,644	\$0	\$22,644	\$431	\$181	\$612	\$0	\$612
HS Field Hockey	56	\$25,179	\$10,136	\$35,315	\$1,449	\$33,866	\$450	\$181	\$631	\$26	\$605
Softball	40	\$15,894	\$7,240	\$23,134	\$0	\$23,134	\$397	\$181	\$578	\$0	\$578
Tennis	54	\$21,370	\$9,774	\$31,144	\$0	\$31,144	\$396	\$181	\$577	\$0	\$577
Swim	26	\$10,082	\$4,706	\$14,788	\$0	\$14,788	\$388	\$181	\$569	\$0	\$569
MS Basketball	51	\$19,474	\$9,231	\$28,705	\$0	\$28,705	\$382	\$181	\$563	\$0	\$563
Indoor Track	83	\$26,610	\$15,023	\$41,633	\$0	\$41,633	\$321	\$181	\$502	\$0	\$502
Lacrosse	106	\$33,749	\$19,186	\$52,935	\$2,134	\$50,801	\$318	\$181	\$499	\$20	\$479
MS Field Hockey	44	\$9,451	\$7,964	\$17,415	\$0	\$17,415	\$215	\$181	\$396	\$0	\$396
Total	864	\$405,942	\$156,384	\$562,326	\$21,742	\$540,584	\$470	\$181	\$651	\$25	\$626

- Cost per sport and enrollment at last analysis in FY13

FY-11 Athletics Program: Cost Per Sport

		Total Cost Per Sport					Cost Per Roster Athlete				
Sport	Athletes	Direct Cost	Indirect Cost	Gross Cost	Gate	Net Cost	Direct	Indirect	Gross	Gate	Net
Sailing	30	\$20,537	\$5,693	\$26,229	\$0	\$26,229	\$685	\$190	\$874	\$0	\$874
Tennis	52	\$32,223	\$9,867	\$42,090	\$0	\$42,090	\$620	\$190	\$809	\$0	\$809
Baseball	31	\$15,344	\$5,882	\$21,226	\$0	\$21,226	\$495	\$190	\$685	\$0	\$685
HS Basketball	74	\$48,231	\$14,042	\$62,273	\$12,615	\$49,658	\$652	\$190	\$842	\$170	\$671
Football	42	\$37,322	\$7,970	\$45,292	\$17,159	\$28,133	\$889	\$190	\$1,078	\$409	\$670
Softball	33	\$15,413	\$6,262	\$21,675	\$0	\$21,675	\$467	\$190	\$657	\$0	\$657
Golf	28	\$10,365	\$5,313	\$15,678	\$0	\$15,678	\$370	\$190	\$560	\$0	\$560
Indoor Track	39	\$13,758	\$7,400	\$21,159	\$0	\$21,159	\$353	\$190	\$543	\$0	\$543
HS Soccer	76	\$28,447	\$14,421	\$42,869	\$2,880	\$39,989	\$374	\$190	\$564	\$38	\$526
Lacrosse	91	\$31,617	\$17,268	\$48,884	\$3,304	\$45,580	\$347	\$190	\$537	\$36	\$501
HS Field Hockey	54	\$19,096	\$10,247	\$29,342	\$3,268	\$26,074	\$354	\$190	\$543	\$61	\$483
MS Basketball	73	\$21,169	\$13,852	\$35,021	\$0	\$35,021	\$290	\$190	\$480	\$0	\$480
MS Field Hockey	36	\$8,853	\$6,831	\$15,684	\$0	\$15,684	\$246	\$190	\$436	\$0	\$436
Swim	42	\$10,324	\$7,970	\$18,294	\$0	\$18,294	\$246	\$190	\$436	\$0	\$436
MS Soccer	41	\$9,387	\$7,780	\$17,167	\$0	\$17,167	\$229	\$190	\$419	\$0	\$419
Cross Country	40	\$9,014	\$7,590	\$16,604	\$0	\$16,604	\$225	\$190	\$415	\$0	\$415
Total	782	\$331,101	\$148,388	\$479,489	\$39,226	\$440,263	\$423	\$190	\$613	\$50	\$563

Cost per sport and enrollment at first analysis in FY11

For Continued Discussion

- Reconsider user fee structure and pricing levels
- Continue successes with expense management
- Re-examine minimum enrollment levels and coaching needs by sport
- Evaluate distinct needs of MS and HS programs