



Vital Question: Financial sustainability: dealing with downturns in enrollment, changing demographics, expat packages eroding, etc.

Observations, Questions asked, and Comments (as compiled by Wayne Rutherford):

1. Fewer overseas hires are coming to our schools (companies retrenching or reorganizing hiring)
2. Benefits packages for corporate folk are being revised so as not to always automatically include tuition benefits at our schools.
3. Revising admissions policies to bring in more students can lead to a need for more specialized staff and can ultimately be more expensive.
4. IS Amsterdam talked about 'resource flexibility' and trying to get more out of teachers on staff w/o crossing lines (set by unions?).
5. How do we protect core values while under financial pressure?
6. Several people mentioned reviewing and revising stipends and release time given to teachers for 'extra' duties, trying to make those extra duties the expectation, and not make the stipends the expectation. Big cultural shift in some schools.
 1. Looking at workload is key: # of classes, # of kids taught, # of preps (someone sited a teacher complaining about her 'load' which was actually four classes with a total of 38 kids)
7. In most of our schools, 70% or more of budget is in personnel costs. That has got to be where to look to make cuts/tighten belts if you hope to make a difference in your budget.
8. RIF policies are a challenge and may be reviewed. Some countries dictate, and in some cases schools are compelled to let better teachers go while keeping more senior, but less productive teachers. Try to modify to retain quality rather than seniority....if possible.
9. Does your school have a 'risk plan' to anticipate sizeable population drops?
 1. It can be helpful to have 'finance people' on the board to help with this.
 2. Salaries must increase at a rate exceeding inflation if you are going to maintain a high quality staff. Folks will take a cut or pay freeze once, or maybe twice but not beyond that.
10. Good to perform a 'sector analysis' to see what programs are supporting themselves, but you can't always cut the programs that aren't self sufficient, financially.
11. Important to discuss and determine the 'ideal' school size.
12. What happens to building plans during these times in different regions?
13. Important to increase marketing, outreach, and open houses to attract more students.
 1. Do you change your demographics in light of population reduction? (admit more locals) Can you do this and maintain fidelity with your mission?
14. Develop 'Advancement', Development, and/or Endowment programs, if feasible.
15. At HKIS and Doha, the salary schedule has been revised in creative ways. There is no more local vs overseas discrepancies. Compensation is based on skills and



knowledge. At HKIS, this work is based on University of Wisconsin research that focuses on expertise specifically aligned to the school's Mission Statement and school-identified areas for school growth/improvement. The PD budget needs to be increased, but only for these areas identified as being specifically mission related and mission-driven. (both schools emphasized that this shift did not reduce overall personnel costs, but that it has shifted the culture of the professionals in the school in favorable ways. Both also said it was a hard sell, initially).

1. Teacher evaluation SHOULD be linked to compensation.
 2. Evaluation should largely be self-assessment w/responsibility for teacher's own professional growth being 'on' the teachers, supported by the school
16. John Littleford was recommended by some as a great consultant if a school is interested in revising compensation packages for teachers.
17. How to get young teachers to stay in the classroom and the profession? They want advancement, opportunity, and professional growth and will leave for administration.

The Change in the Economic Landscape and its Impact on International Schools (as compiled by Ed Ladd)

- Recognize that not all schools are being currently impacted but may in the future.
- Decreased enrollment
- Fewer donations
- Expatriate to localized packages in many companies
- Impact on schools/considerations
 - Mission/vision of the school: is it poised for sustainability
 - What size school do you want to be (bigger, smaller, the same)
 - What are your facility needs for the next ten years
 - Does your admission process/standards change (what are your assumptions and beliefs) and if so, what is the impact on the school
 - Review of expense/revenue side
 - Tuition increase is a non-starter in most schools
 - Review staffing/question of rifting policy/programs offered
 - Teacher workload (students per class, # teaching periods, what are the extras we pay for or don't pay for)
 - Review benefits and compensation/review step systems, ceiling of salary increases, relationship of evaluation to compensation and benefits/ time to question step system
 - Program considerations:
 - Review demographics
 - Review support services, especially ESL and learning support
 - What are alternative sources of revenue