

Athletics Advisory Committee Report to School Committee

March 1, 2011

The Arlington Athletic Advisory Committee was formed to address specific questions posed by vote of the Arlington School Committee on December 15, 2010. To guide us in responding to these specific questions and to best articulate our recommendations, the Athletic Advisory Committee adopted the following vision at our first meeting.

Our vision is to ensure that every student in Arlington has the opportunity to participate in any sport they choose.

Our specific responses and recommendations, detailed below, were guided by this vision of athletics in the Arlington Public Schools. We urge the Arlington School Committee to adopt this vision for athletics throughout the Arlington Public Schools.

The Athletic Advisory Committee worked under the assumption that the choice on whether to have an athletics program at Arlington High School was not under our purview. The decision to either offer or not to offer athletics was a decision only of the Arlington School Committee and not one to be decided by the Athletic Advisory Committee, polls of parents or by the APS administration.

Guided by our vision and the guidelines of the foundation budget as defined by M.G.L. Chapter 70, Section 2, we strongly recommend that the Arlington School Committee adopt the policy that:

Athletics are an integral part of a Free and Appropriate Public Education.

The choice of the School Committee to provide an athletics program at Arlington High School that complies with MIAA requirements of insurance, administration, registration and facilities is an expense to be born by the entire school district and not by any one student or group of students. The ongoing expense to provide an MIAA approved athletics program (the indirect expenses listed in response #1 below) is currently less than \$125K per year.

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1. Recommended athletic fee structure (e.g., tiered vs. flat, family cap, etc.)

Guided by a sense of fair play, equitable treatment and adherence to the intent of case law regarding public service fees, we recommend that the School Committee adopt the policy that:

No student will be charged a fee in excess of the direct cost of any activity that the student engages in.

We distinguish between direct and indirect costs, with direct costs being those *at most* borne by the student and indirect costs the result of having an MIAA approved athletics program at Arlington High School.

Direct costs include:

- Game expenses including officials and entrance fees.
- Team uniforms and athlete-specific equipment.
- Transportation expenses.
- Coaching stipends.

Indirect costs include:

- Administration salaries (e.g. Athletic Director, clerical support or other school administration).
- The cost of MIAA required insurance or overall school MIAA registration.
- Expenses for multi-season equipment (e.g. field benches, high jump pits, goal post pads).
- Capital costs for field maintenance or rehabilitation.
- Facilities costs including lighting, heating and maintenance.
- Custodian and police detail expenses.

In the spirit of this policy, a tiered or flat fee can be adopted as long as the maximum fee does not exceed the cost of the program for any individual student.

We recommend a flat fee no greater than the cost of the least expensive sport and a \$1,200 family cap.

A flat fee policy will encourage the greatest student participation, allow students to pursue those activities that will help them achieve their full potential and eliminate the need for students to make choices based on personal family financial situations.

A family cap of \$1200 should be maintained and the minor loss of revenues (\$20,000) should be deducted from revenues detailed in #3 below.

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2. Recommended athletic offerings and fees under at least three fiscal scenarios: pessimistic, optimistic, and status quo

a. **Pessimistic** fiscal scenario

Under the pessimistic fiscal scenario, the School Committee does *not* adopt the policy that athletics are an integral part of a Free and Appropriate Public Education and decides to eliminate MIAA compliant (interscholastic) athletics at Arlington High School to reduce expenses by \$125K in an almost \$44,000,000 FY12 budget (0.28%).

In the pessimistic or worst-case scenario in which the Arlington School Committee decides to eliminate high school athletics from the APS, the Athletics Advisory Committee recommends:

- *All athletic facilities at Arlington High School are transferred to the Town of Arlington.*
- *The School Committee recommends to Town Meeting that all fields, equipment and training facilities be included in a self-sustaining town enterprise fund to support athletics outside of the APS.*

The Athletics Advisory Committee strong recommends that the School Committee **NOT** to vote the pessimistic scenario and eliminate athletics at Arlington High School to save 0.28% of the FY12 budget.

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c. **Status-quo** fiscal scenario

The Athletics Advisory Committee strongly recommends against the status-quo. The status-quo fiscal scenario consists of several unsustainable practices:

- Less than half of the gate receipts are used to offset athletic expenses.
- No field rental or advertising expenses are budgeted to offset athletic expenses.
- Only 15% (\$8K) of scholarships granted (\$54K) are used to offset direct expenses.
- Less than 60% (\$73K) of the indirect expenses (\$125K) are offset by the town appropriation.
- Donations (e.g. Bridge the Gap) are not used to offset any athletic expenses.
- User fees exceed direct costs for most sports, and in some cases are 4x the actual cost of the sport.
- Many athletes (e.g. cheering, track, cross country) are charged far more than the cost of their sport.

Under the status-quo, no more scholarships can be granted in FY11 spring season and going forward, only scholarships that are covered by CDBG grants awarded can be offered.

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3. Potential for alternate revenue sources (e.g., advertising, sponsorship, grants, private fundraising and foundation support)

Tremendous potential exists for athletic revenues besides town appropriations. However, all funding sources that we have identified stipulate that revenues generated are used in support of athletics; athletic fundraising can not be a profit center for the Arlington Public Schools.

Over the past 8 weeks, we have identified and acted upon a number of potential, alternative revenue sources and the initial steps have been taken in securing additional revenues for FY12. This is an ongoing process and will require the attention of the Athletic Advisory Committee for the next three to six months.

a. Peirce Field sponsorship and advertising - \$60,000

The potential exists for significant, ongoing revenues from advertising and sponsorship at Peirce Field as well as in the two indoor gyms at Arlington High School. The Athletic Advisory Committee formed a working group and determined that only appropriate, tasteful and temporary signage should be allowed on school property. We asked the Athletic Director to work with the Superintendent to draft a policy on appropriate sponsors (e.g. no alcohol or junk food advertising). On an ongoing basis all signs will be approved by the Director of Inspectional Services to insure that they comply with zoning bylaws.

Town zoning bylaws typically restrict the display of outdoor advertising, but exceptions are granted with two avenues for exceptions. The first is a change in the zoning bylaw through a warrant article at the annual Town Meeting this spring. One member of the committee submitted a citizen's initiative which the School Committee unanimously supported by vote and in writing in January.

To see if the Town will vote to amend the Zoning Bylaws to allow the temporary display of advertising/sponsorship signs at Peirce Field or take any related action thereto.

The Arlington Redevelopment Board will report on this article to Town Meeting.

A second venue is through a special permit with the Zoning Board of Appeals, which application is pending. There is a long lead time for this application and the Athletic Director has taken insufficient action in completing the application before the Town Meeting article will be acted on.

We engaged Production Resources, a private marketing firm, who has provided a similar campaign for the Milton Public Schools. Banners placed along lightpoles, fences and walls would all have the AHS colors and logo as well as the advertiser's logo, company name and message. Members of the Athletic Advisory Committee and volunteers from the parent community will work over the next three months to solicit advertisers throughout Arlington and beyond assuming the zoning change or special permit is granted.

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b. Community Development Block Grants – Low Income Scholarships - \$50,000

The Massachusetts Department of Elementary and Secondary Education (DESE) shows that 12% of the students at the Arlington High School qualify as low-income and are eligible for athletic scholarships. Due to the high participation rate (60%) in athletics across the entire high school student population, the same rate of low-income students are seen in the athletics program.

The number of students who have applied for athletic scholarships and qualify under HUD guidelines during FY11 is also approximately 12%. Under even the most optimistic scenario, see #3 above, we expect user-fees to cover \$437,810 in expenses. 12% of \$437,810 is \$52,547.

During FY11, \$18,360 of scholarships were granted in the fall season, \$16,942 in the winter season and a projected \$18,000 in scholarships will be granted in the spring season. This totals more than \$53,302 in scholarships that will be awarded in FY11.

The Athletic Director applied for and received \$8,000 in Community Development Block Grants (CDBG) for FY11, although these fees have not yet been credited to the athletics user fee revolving account as of Thursday, February 24. This is the only source of revenues that are used to offset the more than \$53,000 in scholarships awarded in FY11 leaving a \$45,000 deficit. This deficit has been borne by the user fees of parents.

To address this deficit, the Athletic Advisory Committee, along with the Athletic Director, applied for \$50,000 in CDBG funding in scholarships for low-income student-athletes for FY12.

To avoid any conflict by having parents pay for scholarships, The Athletics Advisory Committee recommends:

Scholarships are only granted up to the amount of grants and donations deposited into the user fee revolving account that are specifically designated for scholarships.

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c. Arlington Athletics Foundation

Realizing that the long-term financial situation of the school and town may result in the complete elimination of interscholastic athletics at Arlington High School, members of the Athletic Advisory Committee were part of a group of Arlington residents that incorporated the Arlington Athletics Foundation Inc; a non-profit dedicated to raising funds for an endowment to generate income to offset declining public support of AHS athletics.

Their application for charitable (503(c)) status is pending and they will soon begin fund raising efforts. The Arlington Athletics Foundation is a long-term effort and grants may not be available to offset expenses for several years. The Foundation wants to be a helpful partner with the Arlington Public Schools and assist in making the vision that all children have the opportunity to participate in athletics a reality.

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4. Sufficiency of payment plans

Payment for participating students could be made more streamlined and efficient. Installment plans were first initiated for the FY11 winter season, but more can be accomplished.

- Installments via check or credit card

Many families need the flexibility of installments paid via check instead of credit cards. Re-occurring credit card payments should be offered.

- Monthly installment plan

10 payments from September through June for those with multiple athletes or expecting to play multiple, high priced sports or be eligible for the family cap.

- Online payments

All payments should be offered via an online service with activity accounts for each student to verify payments, balances and track rebates where appropriate. A student activity account was the recommendation of the MASBO report as well.

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5. Suggestions for cost efficiencies in the athletic program

The Athletic Advisory Committee has made no recommendations or offered any opinions on the amount of salary or stipend expense. Nor do we offer any recommendations or opinions on staffing levels, coaching assignments, administrative staffing or salaries. Further costs savings in the indirect costs in the Athletic Director's office (part-time positions, etc.) or coaching stipends may be possible, but beyond the scope and purview of the Athletic Advisory Committee.

We found that Athletics expenses at Arlington High School are generally reasonable, with little room for cuts. Most uniforms, many transportation costs and even equipment is being subsidized by booster clubs and student fundraising; some examples include the travel expenses to the Gator Bowl by the cheering squad and the carpooling to the State tournament by the wrestling team.

In fact, looking at the foundation budget for interscholastic athletics (M.G.L. Chp.70, Sec.2), the 1993 guidelines suggest, adjusted for inflation, about \$450K in total spending for Arlington's student population for FY11. This is very close to the actual amount of expenses in the Arlington High School athletics budget, ignoring the indirect costs.

We did identify some efficiencies in terms of expenses and revenues that we can recommend.

- Robust accounting of expenses and revenues:
 - Remove non-athletic expenses from the athletics budget (e.g. AD's \$12K substitute teaching stipend and \$50K unidentified FY11 professional services).
 - Proper revenue recognition; e.g. gate receipts show as \$13K in updated FY11 budget and FY12 proposed budget Vs \$24K actually received so far in FY11).
 - Use of accrual accounting (receivables based on participation) for user fees.
 - Deposit donations into the user-fee revolving account. The \$20K Bridge the Gap FY11 donation was never booked in the user-fee account nor used to offset expenses, but instead was used to reduce other revenues!
- Reduce or eliminate the use of open purchase orders, especially the \$50K for Ice Hockey and manage the rink expenses on an as-used basis or weekly billing.
- Negotiate a more reasonable rate for the Ed Burns Arena. Currently, the AHS pays \$220 per hour for ice time at the Arlington owned facility, the same as a private school and more than the Arlington Hockey Club or even a private party (\$150/hr). AHS should receive a discounted rate compared to private entities for this town-owned facility.
- Better cash management for user fees; CDBG funds and user fees for FY10 were not deposited until July and appear in the FY11 user fee revolving account.
- Implement recommendations made by the Massachusetts Association of School Business Offices (MASBO report) around the handling of gate receipts. Currently there are no controls for the accounting of gate receipts and it is ripe for fraud.

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6. Recommendations regarding alternative means of providing athletic opportunities (e.g., cooperation with other school districts, intramural sports, etc.)

Guided by our vision, that any student has the opportunity to participate in any sport they choose, we recommend that athletic opportunities be expanded. Increasing participation in many sports, such as cross country, cheering, swimming and track, will reduce the per participant user fee since the majority of the fixed costs (stipends) will not change.

Specifically, we recommend that Arlington High School:

- Implement low-fee intramural sports during school hours to fully utilize existing facilities.
- Offer third, fourth and freshman teams where demand exists (e.g. basketball, baseball, softball).
- Increase awareness in athletic opportunities to increase student participation.
- Re-institute a fee-free band to involve more students in athletic events.
- Investigate the use of student managers to work with competitive teams.
- Investigate combining high and low participation sports with Minuteman Tech.
- Bring club-level sports (crew, skiing) under the Athletics Department.