



## SCHOOL VITAL SIGNS

Today's schools have many challenges. To remain a healthy school in today's educational marketplace and to provide a quality education for students, school leaders must wrestle with issues of:

- Marketing and enrollment;
- Fundraising and other advancement efforts;
- Faculty and staff compensation, development, and nurture;
- Overall program assessment, development, and relevancy;
- Facility and equipment maintenance and repair;
- Budgeting and long-term financial planning;
- Board-Head relationships;
- School-Church relations, and others.

The following items are indicators that a school should be able to sustain vital aspects of its operations, or that immediate steps should be taken to address the danger signs of inadequacy.

1. **Faculty salaries** are at least **85-90% of the local ISD** salaries (i.e., if those salaries are in line with national tables), and **basic benefits** (health and retirement) are offered to enhance the likelihood of recruiting the quality of faculty and staff that parents expect, or, there is a solid plan in place to deal with this vital issue.
2. **Professional development** is a significant investment on an annual basis in order to enhance a sound, up-to-date and relevant program. Otherwise, the instructional program, over time, will be marginal.
3. **A pro-active marketing plan** is in place, and there is a **school-wide** (faculty, staff, Board) **understanding** of the importance and complexities of both internal and external **enrollment management**. This includes on-going and meaningful communication with current parents to reaffirm their choice to enroll their children in the school, and also includes admission guidelines that are in line with the school's mission. Parents should be provided with appropriate "bragging points" as substantial evidence of quality work being done there.
4. **Technological resources**, including the school's **website**, are continually evaluated for relevance and accuracy, and all information is kept current.
5. **Facility and grounds maintenance needs** are addressed promptly, and every effort is made to create an attractive, beautifully maintained, clean and safe environment.

6. The school invests a significant amount of attention and funding to educate faculty regarding the importance and mechanics of **current best educational practices**, such as **differentiating instruction**, and offers an enriched and up-to-date curriculum that clearly defines content, skills, and assessment strategies to substantiate the school's instructional program. Academic leaders recognize the necessity of addressing the **vastly diverse aptitudes, abilities, and learning styles** of current students.
7. The **size of the administrative staff** is adequate to effectively address the daily operational needs and normal demands of its constituents. Otherwise, not only will constituent needs and expectations be compromised, but the mission of the school cannot be fully realized when the staff is consumed with management details—with being reactive rather than proactive.
8. The **Board and administrators lead the school community** in understanding and supporting the Episcopal character of the school's mission and are able to differentiate it from other private and/or church schools. The faculty and staff are also able to succinctly explain the “value-added” elements of Episcopal identity to parents, thus contributing to a culture of promoting the school as a unified and supportive community.
9. The **Board has a clear understanding of what is expected of it** as a whole and as individuals within the governing body. Board members recognize their strategic responsibility for the continued viability of the school, and avoid becoming overly involved in the daily operational matters. Expectations and terms for Board Standing Committees and task forces are outlined in writing.
10. The Board has a fair and constructive process for ongoing **evaluation of the Head of School and of the Board itself**. This process clearly outlines the roles, responsibilities, and basic expectations, both individually and corporately. Without this clarity for both the Board and the Head, either could interfere with the other's effectiveness or dilute the other's authority, eventually compromising this vitally important relationship.
11. The school has a procedure to **annually review and evaluate the efficacy of all of its programs**. If there is resistance to “retiring” outdated programs when new/innovative ones are added, or when enrollment does not justify their continuation, not only will the program (and the staff to support it) become unaffordable, but also it can become cluttered and disconnected.
12. The school **engages in strategic thinking** on an ongoing basis. It develops and regularly updates a **strategic plan** and accompanying **strategic financial plan**.
13. **Financial management is professional, timely, and includes regular oversight** by a competent treasurer, Finance Committee, and the full Board. Transparency, accuracy, timeliness, and inclusivity are key factors in maintaining sound financial operations. Financial operations include the following characteristics:
  - a. Cash reserves are adequate to meet at least 120 days operations budget in anticipation of emergencies.  
Measure of liquidity =  $[(\text{total unrestricted cash} + \text{unrestricted cash equivalents}) \div \text{total annual cash operating cost}] \times 365$
  - b. Payroll taxes are current.
  - c. The Board is advised monthly on the status of the finances and understands exactly where the school stands financially.
  - d. The financial operation of the school is audited or reviewed by an independent CPA on an annual basis.
  - e. The Head of School has access to all financial information, and regularly discusses with the finance officer (or business manager) and Board treasurer the state of the school's fiscal health. The school does

not use next year's money to pay the current year's debts as a regular operational strategy. If this is a current practice, a solid plan is in place to reverse this trend.

- f. The budget is no less than 85-90% hard-income (tuition, standard fees) driven rather than relying on soft (variable and undependable) income (Annual Fund, etc.) to meet its budget.
- g. Policies concerning fundraisers are in place, naming the school as the recipient and manager of all funds generated in support of *any* school program.
- h. The school takes seriously its risk management: adequacy of insurance coverages, plan for safety and security (crisis response plan, hazard mitigation).
- i. If the school carries long-term debt, it has a schedule of debt management. Benchmark: An amount that is less than 1-year's tuition/student.
- j. The school has a clear picture of its solvency. A current ratio (ration of what is cash and what can be turned into cash within the next 12 months to what is owed and payable during the next 12 months) of 1.1 is typical.
- k. The school maintains a financial dashboard based on history and trends, whereby it tracks at least enrollment, cash, current ratio, debt, fundraising, total net assets (sum total of what the school owns in physical plant and investments), and compensation.
- l. The school develops and regularly reviews a multi-year financial plan.