

# Revenue Generation Strategies

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A Report by Superintendent Mark Schwarz

Madison Public Schools

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# Objectives

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1. Explain categories of district revenues sources
2. Identify various revenue generation strategies within the control of public school districts
3. Propose an action plan for researching and leveraging revenue opportunities that align to the district mission



# Considerations

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- All revenues come with related costs that may offset benefit
- Some sources may produce burdens related to:
  - Increased costs to students and parents
  - Barriers to entry for disadvantaged pupils
  - Commercialism
  - Reduced availability of resources for school purposes
  - Health and welfare of students and staff
- Connecting strategies to specific projects is most successful
- Some strategies may not generate revenue, but may reduce costs

# Classification Revenue Sources

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- Local Sources
  - Tax Levy
  - Tuition (paid by parents and other districts)
  - Rents and Royalties
  - Interest
  - Miscellaneous (all others)
- Intermediate Sources
  - PILOT Payments
- State Aid
  - Transportation
  - Extraordinary (OOD placements)
  - Special Education
  - Security
  - Other
- Federal Aid
  - Medicaid
  - IDEA
  - ESEA Title funds
  - CARES (one-time)

# Local Revenue Opportunities- Tuition

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- Parent paid tuition
  - General Education open enrollment
  - Remote learning open enrollment
  - Pre-K Programs (one current classroom)
- Tuition from other school districts
  - Special Education placements
  - General Education placements (e.g. Harding MHS students)
  - Academy Programs (e.g. MCVTS and Mt. Lakes)
  - NJ CHOICE Program (currently frozen)



# Local Revenue Opportunities – Rents and Royalties

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- Advertising
  - School buses
  - Athletic fields
  - Website
  - Newsletters
  - Naming rights
- Facilities use
  - Private rental by athletics organizations and clubs (Rec dept currently has free use)
  - Field construction for lease/rental (e.g. Mt. Olive dome)
- Facilities use continued
  - Education spaces (Adult School)
  - Kitchens
  - Auditoriums (churches, community concerts)
  - Musical spaces (practices and recording)
  - Office space (e.g. Mt. Olive Central Office)
  - School fitness center membership for public

# Local Revenue Generation Areas - Miscellaneous

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- Fees
  - Student activity and participation fees
  - Classroom materials
  - Parent paid transportation
  - Technology fees
  - Exam fees
  - Parking fees
- Enterprise systems
  - Food service programs
    - Lunch service (currently cost neutral)
    - Food sales
  - Custodial Services (e.g. MHRD)
- Other enterprise systems
  - Special Programs
    - Summer programs (Madison STEAM Academy)
    - Before and after care
    - Direct sales (current merchandise only sold for student fundraising)
  - School-based health centers
  - Professional development services (e.g. MUJC)
  - Home schooling teaching resource services
  - Energy Generation (e.g. solar arrays)



# Local Revenue Generation Areas – Other Areas

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- Grants (public and private)
  - Usually offered based on need
- Interest and Investments
- Donations
  - Student activity accounts (funds used for students)
  - Local donors
- Philanthropic organizations
  - PTOs (School PTOs, MMA)
  - Foundations (MEF)
  - Alumni Association
- Bond referendum (up to 40% funding by state)
- Second question (tied to specific project)
- Public and private partnerships
  - Corporate Sponsorships
    - Construction sponsorship (e.g. Weehawken, Green Twp, Boyerstown)
    - Rewards programs (portion of sales donated back to schools)
  - Facilities use (cell towers, 5G repeaters, parking rentals, etc)
  - Energy Savings Improvement Plan (ESIP; funds efficiency improvements)
- Property sales
  - Land
  - Buildings
  - Equipment and materials



# Proposed Revenue Generation Action Plan

Action	Responsible Party	Timeline
Review report with Board Committees	Board Committees Administration	July, 2020
Identify strategies for financial study	Board Committees Administration	August, 2020
Conduct feasibility study of identified strategies	Business Office	September, 2020
Report on findings of feasibility study to public	Administration	October, 2020
Identify strategies for implementation	Board Committees Administration	November, 2020
Include new strategies in 2021-22 budget proposal	Board Committees Administration	March, 2021

# Additional Information

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- Alternative Revenue Generation for School Districts, Hanover Research
- Education, Land and Location, Lincoln Institute of Land Policy
- New and Alternative Sources of Student Support and Funding, USED
- Alternative Ways of Generating Revenue, Madeira (OH) Schools Planning Commission