

Van Lunen Fellowship Applied Project

Working Toward a Sustainable Financial Future at Manhattan Christian School

Tom Kamp

7/2/2009

Established in 1907, Manhattan Christian School is an independent Christian school serving over 330 students in preschool – 12th grade in the greater Gallatin Valley.

Background:

The gap between tuition and expense has been steadily increasing at MCS. Tuition now covers less than 75% of the operational costs, leaving us to generate over \$500,000 per year in fundraising. Fundraisers have proliferated and pressure to raise money is mounting. Coordination of fundraising efforts is also lacking and our donors (especially businesses) aren't being protected and in some ways respected.

Goals for the Project:

- Analyze and evaluate current fundraising practices.
- Develop sustainable plans for raising additional revenue.
- Work toward closing the tuition-expense gap.

Results:

The foundation of a school is its mission. At the beginning of the 2008-2009 school year, we committed to renewing our mission and vision statements. We did this to renew our foundation and culture. We also wanted to make our mission statement more concise and memorable. Adding a Portrait of a Graduate statement was a natural extension of this process. MCS also made a commitment to growing as a community of grace.

We redesigned our annual drive to take on a comprehensive focus. I developed a case statement and we conducted a leadership phase. We scheduled kickoff event with student, faculty, board, and administrative involvement. The event was focus on celebrating God's faithfulness to MCS. To date, we have taken in over \$495,000 for the campaign. Previous annual drives had reached a plateau of approximately \$175,000.

In order to better coordinate our fundraising efforts, we created a new organization called the Friends of MCS. This organization brings all the support organizations to the same table. The task of the Friends of MCS is to oversee and evaluate all fundraising at MCS. In addition, they are striving to develop a culture of service at MCS.

Developing sustainable budgeting practices has been difficult given our current economic climate. MCS has recently completed the construction of an Early Learning Center to serve infants through four year olds. This will help us to broaden our market and provide a gateway to our school. We have also convened a task force to investigate the viability of opening a thrift store. It is also our goal to significantly increase our tuition assistance program and market its availability.

Tom Kamp
Superintendent
Manhattan Christian School
Manhattan, MT

Project Focus:

My project was focused on developing sustainable financial practices at MCS. Over the past 10 years, our tuition-expense gap has increased. Tuition used to cover over 80% of expense. Now it covers less than 75%. As our budget has increased, this has had an increasing impact. Pressure to make money on drives has increased. Fundraisers in general have proliferated. We have the complete spectrum of fundraisers from selling wrapping paper and baked goods to large-scale events that take months to pull off. Our demographic is also changing. This level of pressure and expectation related to fundraising places an extreme burden on new families. At the same time, many of the “old guard” wonders why the “new kids” aren’t willing to work as hard as they have. The practice of trying to raise over 25% of expense through fundraising isn’t sustainable over the long term. It is also creating an undercurrent of tension between the “new” and the “old.”

The scope of this project is huge and will take many years to accomplish. Through the course of the year, I have narrowed the focus somewhat for the purpose of this Fellowship:

- Analyze and evaluate current fundraising practices.
- Develop sustainable plans for raising additional revenue.
- Work toward closing the tuition -expense gap.

Processes for Working on Project:

Before starting the school year, I realized that we would have to recommit to the mission and vision to make any progress on this project. Mission is the foundation of a school. The previous mission was written at least 10 years ago and while it was well-written it was over 45 words long. The board and staff committed to renewing the mission and vision statements at MCS during the fall of the school year. Our in-service time before school also focused on growing as a community of grace. We had several sessions led by Dr. Bruce Hekman on this topic and we carried the theme through ensuing in-service time. Dr. Hekman carried the theme a step farther with the topic of “Teaching and Leading from Within” at our mid-winter Spiritual Retreat. Work on school culture is a long, intentional, and intensive process.

Our annual drive was one area that was ripe for change. Giving had reached a plateau of approximately \$175,000 per year to the drive and was actually beginning to taper off. My Van Lunen consultant, Alan Zacharias, flew out and met with myself and the board. Together, we developed a plan for a new comprehensive campaign to address our annual needs, tuition assistance, and reducing our debt on our last capital project. We also developed a plan for a kickoff event which is to become an annual event. I wrote out a case statement and we formed a campaign committee. We conducted a leadership phase to the campaign and planned the dinner to include involvement from faculty, board, administration, and students. The event was focused on celebrating God’s faithfulness to MCS over the past century while looking ahead to the challenges we face on the path ahead.

After doing some preliminary analysis on even our most major fundraisers, it was immediately obvious that we had (and continue to have) some large problems in this area. Many were trading tuition dollars (for labor) and with that taken into account, were not making a profit. In fact, many were huge losses. However, many were large “community” events with a great deal of history behind them. We also had 3 major support organizations and countless other groups and classes that were doing fundraising in the name of MCS without any coordination whatsoever. We formed a task force to look at these issues and address the possibility of restructuring our

support organizations into one group which would also be responsible for evaluating the fundraising process at MCS.

MCS has been experiencing its largest growth in the lower elementary school. There has also been increasing demand in preschool (and lower). We opened a daycare in the basement of a church to test our demand for this area. After exploring multiple options, the board decided to build a new facility to accommodate an early learning center on our campus. The intention is to capitalize on a growing demand and provide a gateway into our current school system.

We continue to be involved in discussions at many levels on how we can decrease our tuition – expense gap. We face many challenges. Our foundation, which played a major role in covering the gap, lost 40% for the coming year. Enrollment continues to be challenging and there is resistance to raising tuition.

Results:

We have renewed our mission and vision statements. They have been intentionally worded to evoke more of a community feeling. We have also added a portrait of a graduate statement (see attachment A).

Despite having only about a month of lead time, making some mistakes, and difficult economic circumstances; God has richly blessed our “Rooted in Faithfulness, Growing in Grace” campaign. To date, we have received over \$495,000. This is almost three times what the previous year’s drive took in.

The task force for restructuring fundraising efforts came back with the recommendation to form a “Friends of MCS” group. They created a constitution (modeled on Lynden Christian’s) which was adopted by the board. The group has been operating since April and is tasked with overseeing and evaluating all fundraising done at MCS. Now each major event has a seat at the table and there is an intentional effort being made to coordinate the contacts made for each event. The group is also working on establishing a culture of service at MCS.

We completed the construction of our Early Learning Center in late April and opened the doors in May. The Center has excited many and holds great promise as a way to expand our service in our community. We still face challenges as we become truly operational, but we can see God’s work as we move forward.

Addressing the tuition – expense gap directly is probably the largest challenge we face. There is resistance to raising tuition and enrollment is tight. We are making it a goal to raise our tuition assistance program substantially as well as marketing the availability of tuition assistance. We face significant loss in the contribution of the MCS Foundation and we have been forced to freeze salaries and cut 2 positions. All of this makes it extremely difficult to address the growing gap. However, it must be done to really address long-term financial sustainability. On a brighter note, we do have students who are interested in our long-term sustainability. One of our seniors is working on obtaining solar power for our school as part of his senior project. He has a company lined up and is working on writing grants.

What I Have Learned:

1. Working on school culture is so important. It is the bedrock for change and the operation of your school. It is also exhausting.
2. We need to develop new forums for communication. The old ones are inadequate or aren’t working at all.
3. Don’t ask a politician to be your campaign speaker. This may seem to be an incendiary statement. It is not intended to be. Your campaign speaker needs to be able to focus 100% on advancing the mission of your

school. Even if this is the intention of the politician you might choose, in a split-second your constituents will be talking about party affiliation and voting record and you will quickly find yourself in a quagmire which will only detract from your focus.

4. God will bless your efforts, in spite of all your mistakes, if you remain focused on him.
5. A development office will be a key to our long-term financial sustainability. Even though it is not in the works for this coming year, I will keep pushing for it.
6. This project will require long-term commitment. The current economic conditions require pushing off some plans, but they are still necessary.
7. There have been times throughout this year where I have pushed too hard. There have been times when my staff has felt like I have “pushed them in the pool.” There have been times when I have pushed the community too hard. Most of all, I have pushed myself too hard. Most of the time it needed to be done, but I’m not sure I want to push this hard next year.

Looking Ahead:

There are many things left to do:

1. Strategic Planning – It hasn’t been done in over 10 years. This would help to keep us from the current tendency to address issues in a reactionary way.
2. Development Director / Office
3. Curriculum Coordinator – In the works for next year.
4. Continue to focus on Communication / Marketing / PR
5. Work on Staff Compensation Structure
6. Work on Closing Tuition – Expense Gap
7. Revision of Handbooks and Policy Manuals

All of these need to become a dynamic, living process. Strategic planning, for example, shouldn’t be a one-time session. It should be constantly revisited. In other words, we are never done learning!

Attachment A – Mission and Vision Statements

Mission Statement

Manhattan Christian inspires students to live God-glorifying lives by teaching Christ’s lordship in faith, learning, and living. (19 words)

Vision Statement

Manhattan Christian School seeks to

- grow together with our students in knowledge, conviction and maturity,
- create a dynamic vision of Christ’s Lordship,
- nurture a personal relationship with Jesus Christ that develops a Christ-like love demonstrated to all people, and
- inspire each other to strive for His glory in all of life.

Portrait of a Graduate

MCS is seeking to develop lasting characteristics in its graduates. It is our goal that our graduates will:

- Practice godly discernment;
- Sacrifice themselves as servant leaders;
- Dare to think deeply and take action;

- Walk humbly in Christ's footsteps with obedience and joy;
- and Create in thankful response to our Savior.

Attachment B – Campaign

The campaign case statement is too long to include here. If you would like to see a copy, email Tom Kamp at Manhattan Christian School.

Attachment C – Friends of MCS Constitution

The Friends of MCS Constitution is too long to include here. If you would like to see a copy, email Tom Kamp at Manhattan Christian School.